UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For quarterly period ended March 31, 2014

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

COMMISSION FILE NO. 1-6622

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

MARYLAND	**53-0261100**
(State of incorporation)	**(IRS Employer Identification Number)**

6110 EXECUTIVE BOULEVARD, SUITE 800, ROCKVILLE, MARYLAND 20852
(Address of principal executive office) (Zip code)

Registrant's telephone number, including area code: (301) 984-9400

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of exchange on which registered**
Shares of Beneficial Interest	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety (90) days. YES ☒ NO ☐

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

As of May 5, 2014, 66,630,035 common shares were outstanding.

WASHINGTON REAL ESTATE INVESTMENT TRUST

INDEX

PART I
FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

The information furnished in the accompanying unaudited Consolidated Balance Sheets, Condensed Consolidated Statements of Income, Consolidated Statement of Shareholders' Equity and Consolidated Statements of Cash Flows reflects all adjustments, consisting of normal recurring items, which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods. The accompanying financial statements and notes thereto should be read in conjunction with the financial statements and notes for the three years ended December 31, 2013 included in Washington Real Estate Investment Trust’s 2013 Annual Report on Form 10-K.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	March 31, 2014 (Unaudited)	December 31, 2013
Assets		
Land	$ 472,056	$ 426,575
Income producing property	1,784,850	1,675,652
	2,256,906	2,102,227
Accumulated depreciation and amortization	(581,644)	(565,342)
Net income producing property	1,675,262	1,536,885
Properties under development or held for future development	68,963	61,315
Total real estate held for investment, net	1,744,225	1,598,200
Investment in real estate sold or held for sale, net	—	79,901
Cash and cash equivalents	62,080	130,343
Restricted cash	107,039	9,189
Rents and other receivables, net of allowance for doubtful accounts of $5,719 and $6,783, respectively	52,736	48,756
Prepaid expenses and other assets	109,092	105,004
Other assets related to properties sold or held for sale	—	4,100
Total assets	$ 2,075,172	$ 1,975,493
Liabilities		
Notes payable	$ 746,830	$ 846,703
Mortgage notes payable	404,359	294,671
Lines of credit	—	—
Accounts payable and other liabilities	56,804	51,742
Advance rents	14,688	13,529
Tenant security deposits	8,402	7,869
Liabilities related to properties sold or held for sale	—	1,533
Total liabilities	1,231,083	1,216,047
Equity		
Shareholders' equity		
Preferred shares; $0.01 par value; 10,000 shares authorized; no shares issued or outstanding	—	—
Shares of beneficial interest; $0.01 par value; 100,000 shares authorized: 66,630 and 66,531 shares issued and outstanding at March 31, 2014 and December 31, 2013, respectively	666	665
Additional paid in capital	1,151,353	1,151,174
Distributions in excess of net income	(312,417)	(396,880)
Total shareholders' equity	839,602	754,959
Noncontrolling interests in subsidiaries	4,487	4,487
Total equity	844,089	759,446
Total liabilities and equity	$ 2,075,172	$ 1,975,493

See accompanying notes to the consolidated financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended March 31,	
	2014	2013
Revenue		
Real estate rental revenue	$ 68,611	$ 64,560
Expenses		
Real estate expenses	26,342	22,554
Depreciation and amortization	22,753	21,123
Acquisition costs	3,045	213
General and administrative	4,429	3,862
	56,569	47,752
Real estate operating income	12,042	16,808
Other income (expense)		
Interest expense	(14,530)	(16,190)
Other income	223	239
	(14,307)	(15,951)
(Loss) income from continuing operations	(2,265)	857
Discontinued operations:		
Income from operations of properties sold or held for sale	546	3,283
Gain on sale of real estate	106,273	3,195
Net income	104,554	7,335
Less: Net income attributable to noncontrolling interests in subsidiaries	—	—
Net income attributable to the controlling interests	$ 104,554	$ 7,335
Basic net income per share:		
Continuing operations	$ (0.04)	$ 0.01
Discontinued operations	1.60	0.10
Net income per share	$ 1.56	$ 0.11
Diluted net income per share:		
Continuing operations	$ (0.04)	$ 0.01
Discontinued operations	1.60	0.10
Net income per share	$ 1.56	$ 0.11
Weighted average shares outstanding – basic	66,701	66,393
Weighted average shares outstanding – diluted	66,701	66,519
Dividends declared per share	$ 0.3000	$ 0.3000

See accompanying notes to the consolidated financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)
(UNAUDITED)

	Shares Outstanding	Shares of Beneficial Interest at Par Value	Additional Paid in Capital	Distributions in Excess of Net Income Attributable to the Controlling Interests	Total Shareholders' Equity	Noncontrolling Interests in Subsidiaries	Total Equity
Balance, December 31, 2013	66,531	$ 665	$ 1,151,174	$ (396,880)	$ 754,959	$ 4,487	$ 759,446
Net income attributable to the controlling interests	—	—	—	104,554	104,554	—	104,554
Dividends	—	—	—	(20,091)	(20,091)	—	(20,091)
Share grants, net of share grant amortization and forfeitures	99	1	179	—	180	—	180
Balance, March 31, 2014	66,630	$ 666	$ 1,151,353	$ (312,417)	$ 839,602	$ 4,487	$ 844,089

See accompanying notes to the consolidated financial statements.

WASHINGTON REAL ESTATE INVESTMENT TRUST AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Three Months Ended March 31,	
	2014	2013
Cash flows from operating activities		
Net income	$ 104,554	$ 7,335
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including amounts in discontinued operations	22,753	25,524
Provision for losses on accounts receivable	568	1,566
Gain on sale of real estate	(106,273)	(3,195)
Amortization of share grants, net	1,058	1,026
Amortization of debt premiums, discounts and related financing costs	937	1,016
Changes in operating other assets	(3,152)	(628)
Changes in operating other liabilities	2,040	4,260
Net cash provided by operating activities	22,485	36,904
Cash flows from investing activities		
Real estate acquisitions, net	(48,051)	—
Net cash received for sale of real estate	189,386	15,161
Net proceeds from the sale of real estate placed in exchange escrow	(96,610)	—
Capital improvements to real estate	(10,369)	(10,202)
Development in progress	(4,203)	(3,788)
Real estate deposits, net	(2,500)	—
Non-real estate capital improvements	(17)	(7)
Net cash provided by investing activities	27,636	1,164
Cash flows from financing activities		
Line of credit borrowings, net	—	70,000
Dividends paid	(20,091)	(20,034)
Net contributions from noncontrolling interests	—	213
Payment of financing costs	(660)	—
Principal payments – mortgage notes payable	(830)	(30,828)
Borrowings under construction loan	3,197	—
Notes payable repayments	(100,000)	(60,000)
Net cash used in financing activities	(118,384)	(40,649)
Net decrease in cash and cash equivalents	(68,263)	(2,581)
Cash and cash equivalents at beginning of period	130,343	19,324
Cash and cash equivalents at end of period	$ 62,080	$ 16,743
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	$ 8,970	$ 10,684
Cash paid for income taxes, net of refund	$ 71	$ 4
Decrease (increase) in accrued capital improvements and development costs	$ 2,616	$ (554)
Mortgage notes payable assumed in connection with the acquisition of real estate	$ 100,861	$ —

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014
(UNAUDITED)

NOTE 1: NATURE OF BUSINESS

Washington Real Estate Investment Trust (“Washington REIT”), a Maryland real estate investment trust, is a self-administered, self-managed equity real estate investment trust, successor to a trust organized in 1960. Our business consists of the ownership and operation of income-producing real estate properties in the greater Washington metro region. We own a diversified portfolio of office buildings, multifamily buildings and retail centers.

Federal Income Taxes

We believe that we qualify as a real estate investment trust (“REIT”) under Sections 856-860 of the Internal Revenue Code and intend to continue to qualify as such. To maintain our status as a REIT, we are required to distribute 90% of our ordinary taxable income to our shareholders. When selling properties, we have the option of (a) reinvesting the sales proceeds of properties sold, allowing for a deferral of income taxes on the sale, (b) paying out capital gains to the shareholders with no tax to Washington REIT or (c) treating the capital gains as having been distributed to the shareholders, paying the tax on the gain deemed distributed and allocating the tax paid as a credit to the shareholders. During the first quarter of 2014, we closed on Transactions III (for the sale of Woodburn Medical Park I and II) and IV (for the sale of Prosperity Medical Center I, II and III) of the Medical Office Portfolio sale for an aggregate contract sales price of $193.6 million. We have identified a portion of the sold Medical Office Portfolio properties for tax deferred exchange under Section 1031 of the Internal Revenue Code. The remaining sales proceeds designated for Section 1031 exchanges as of March 31, 2014 are reported as restricted cash on our consolidated balance sheets.

Generally, and subject to our ongoing qualification as a REIT, no provisions for income taxes are necessary except for taxes on undistributed REIT taxable income and taxes on the income generated by our taxable REIT subsidiaries (“TRSs”). Our TRSs are subject to corporate federal and state income tax on their taxable income at regular statutory rates or as calculated under the alternative minimum tax, as appropriate. There were no material income tax provisions or material net deferred income tax items for our TRSs for the three months ended March 31, 2014 and 2013.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Significant Accounting Policies

We have prepared our consolidated financial statements using the accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2013.

New Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which changes the requirements for reporting discontinued operations. Specifically, under this ASU only those disposals of components of an entity that represent a strategic shift that has (or will have) a major effect on an entity’s operations and financial results will be reported as discontinued operations in the financial statements. The primary impact of this ASU is that we are no longer required to report the disposal of every operating property in discontinued operations. Adoption of this ASU is required for all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after after December 15, 2014, and interim periods within those years. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance. We early adopted this ASU effective for the first quarter of 2014.

Principles of Consolidation and Basis of Presentation

The accompanying unaudited consolidated financial statements include the consolidated accounts of Washington REIT, our majority-owned subsidiaries and entities in which Washington REIT has a controlling interest, including where Washington REIT has been determined to be a primary beneficiary of a variable interest entity (“VIE”). See note 3 for additional information on the properties for which there is a noncontrolling interest. All intercompany balances and transactions have been eliminated in consolidation.

We have prepared the accompanying unaudited financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made are adequate to make the information presented not misleading.

In addition, in the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for the periods presented have been included. These unaudited financial statements should be read in conjunction with the financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2013.

Within these notes to the financial statements, we refer to the three months endedMarch 31, 2014 and March 31, 2013 as the "2014 Quarter" and the "2013 Quarter," respectively.

Use of Estimates in the Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation due to the reclassification of certain properties as discontinued operations (see note 3).

NOTE 3: REAL ESTATE

Acquisitions

Washington REIT acquired the following properties during the 2014 Quarter:

Acquisition Date	Property Name	Type	Rentable Square Feet	Contract Purchase Price (in thousands)
February 21, 2014	Yale West (216 units)	Multifamily	N/A	$ 73,000
March 26, 2014	The Army Navy Club Building	Office	108,000	79,000
			108,000	$ 152,000

The results of operations from the acquired operating properties are included in the consolidated statements of income as of their acquisition dates.

The revenue and earnings of our2014 acquisitions are as follows (amounts in thousands):

	Three Months Ended March 31, 2014
Real estate revenues	$ 757
Net loss	(815)

We record the acquired physical assets (land, building and tenant improvements), and in-place leases (absorption, tenant origination costs, leasing commissions, and net lease intangible assets/liabilities), and any other liabilities at their fair values.

We have recorded the total purchase price of the above acquisitions as follows (in thousands):

Land	$ 45,481
Buildings	96,816
Tenant origination costs	3,856
Leasing commissions/absorption costs	7,335
Net lease intangible assets	3,499
Net lease intangible liabilities	(54)
Fair value of assumed mortgages	(107,125)
Furniture fixtures and equipment	932
Total	$ 50,740

The weighted remaining average life for the 2014 acquisition components above, other than land and building, are 85 months for tenant origination costs, 54 months for leasing commissions/absorption costs, 89 months for net lease intangible assets and 211 months for net lease intangible liabilities.

The difference in the total contract purchase price of $152.0 million for the 2014 acquisitions and the acquisition cost per the consolidated statement of cash flows of $48.1 million is primarily due to the assumption of two mortgage notes secured by Yale West and The Army Navy Club Building for an aggregate $100.9 million and the payment of a $3.6 million deposit for Yale West in 2013.

The following unaudited pro-forma combined condensed statements of operations are for the 2014 and 2013 Quarters as if the above described acquisitions had occurred at the beginning of the period of acquisition and the same period in the year prior to acquisition. The unaudited pro-forma information does not purport to be indicative of the results that actually would have occurred if the acquisitions had been in effect for the 2014 and 2013 Quarters. The unaudited data presented is in thousands, except per share data.

	Three Months Ended March 31,	
	2014	**2013**
Real estate revenues	$ 70,921	$ 67,627
Loss from continuing operations	(3,329)	(934)
Net income	103,490	5,543
Diluted earnings per share	1.55	0.08

Redevelopment

In the office segment, we have an active redevelopment project to renovate 7900 Westpark Drive. Our total investment in the renovation at 7900 Westpark Drive is expected to be $35.0 million. As of March 31, 2014 and December 31, 2013, we had invested $6.9 million and $3.6 million, respectively, in the renovation.

Variable Interest Entities

In June 2011, we executed a joint venture operating agreement with a real estate development company to develop a mid-rise multifamily property at 650 North Glebe Road in Arlington, Virginia. We estimate the total cost of the project to be $49.9 million. During the first quarter of 2013, we secured third-party debt financing for approximately 70% of the project's cost. Washington REIT is the 90% owner of the joint venture and will have management and leasing responsibilities when the project is completed and stabilized (defined as 90% of the residential units leased). The real estate development company owns 10% of the joint venture and is responsible for the development and construction of the property. The joint venture currently expects to complete this development project during the fourth quarter of 2014.

In November 2011, we executed a joint venture operating agreement with a real estate development company to develop a high-rise multifamily property at 1225 First Street (formerly 1219 First Street) in Alexandria, Virginia. We estimate the total cost of the project to be $95.3 million, with approximately 70% of the project financed with debt. Washington REIT is the 95% owner of the joint venture and will have management and leasing responsibilities if the project is completed and stabilized. The real estate development company owns 5% of the joint venture and is responsible for the development and construction of the property. In the first quarter of 2013, we decided to delay commencement of construction due to market conditions and concerns of oversupply. We continue to reassess this project on a periodic basis going forward.

We have determined that the 650 North Glebe Road and 1225 First Street joint ventures are variable interest entities ("VIE's") primarily based on the fact that the equity investment at risk is not sufficient to permit either entity to finance its activities without additional financial support. We expect that 70% of the total development costs for each project would be financed through debt. We have also determined that Washington REIT is the primary beneficiary of each VIE due to the fact that Washington REIT is providing 90% to 95% of the equity contributions and will manage each property after stabilization.

We include the joint venture land acquisitions on our consolidated balance sheets in properties under development or held for future development. As of March 31, 2014 and December 31, 2013, the land and capitalized development costs are as follows (in thousands):

	March 31, 2014	December 31, 2013
650 North Glebe	$ 31,747	$ 27,343
1225 First Street	20,793	20,788

As of March 31, 2014 and December 31, 2013, the accounts payable and accrued liabilities related to the joint ventures are as follows (in thousands):

	March 31, 2014	December 31, 2013
650 North Glebe	$ 2,494	$ 1,785
1225 First Street	94	39

On February 21, 2013, Washington REIT, through its consolidated joint venture to develop a mid-rise multifamily property at 650 North Glebe Road, entered into a construction loan agreement with Citizens Bank for $33.0 million. The loan bears interest at LIBOR plus2.15%, which decreases to LIBOR plus 2.0% upon completion of construction and the joint venture not being in default. The loan matures on February 21, 2016, with two one year extension options exercisable by the joint venture, subject to fees and compliance with certain provisions in the loan agreement. As of March 31, 2014, the consolidated joint venture had $10.5 million outstanding on this construction loan agreement.

Discontinued Operations

We dispose of assets that no longer meet our long-term strategy or return objectives and where market conditions for sale are favorable. The proceeds from the sales may be reinvested into other properties, used to fund development operations or to support other corporate needs, or distributed to our shareholders. Properties are considered held for sale when they meet the criteria specified (see "Discontinued Operations" in note 2 of the consolidated financial statements included in Washington REIT's Annual Report on Form 10-K for the year ended December 31, 2013). Depreciation on these properties is discontinued at that time, but operating revenues, other operating expenses and interest continue to be recognized until the date of sale.

In September 2013, we entered into four separate purchase and sale agreements to effectuate the sale of our entire medical office segment (including land held for development at 4661 Kenmore Avenue) and two office buildings (Woodholme Center and 6565 Arlington Boulevard) for an aggregate purchase price of $500.8 million. The sale was structured as four transactions. Transactions I and II closed in November 2013 and Transactions III and IV closed in January 2014.

The results of our medical office segment are summarized as follows (amounts in thousands, except per share data):

	Three Months Ended March 31,	
	2014	2013
Real estate revenues	$ 892	$ 11,028
Net income	546	2,821
Basic net income per share	0.01	0.04
Diluted net income per share	0.01	0.04

We sold the following properties in 2014 and 2013:

Property Name	Segment	Rentable Square Feet	Contract Purchase Price (In thousands)	Gain on Sale (In thousands)
Medical Office Portfolio Transactions III & IV [(1)]	Medical Office	427,000	$ 193,561	$ 106,273
	Total 2014	427,000	$ 193,561	$ 106,273
Atrium Building	Office	79,000	$ 15,750	$ 3,195
Medical Office Portfolio Transactions I & II [(2)]	Medical Office / Office	1,093,000	307,189	18,949
	Total 2013	1,172,000	$ 322,939	$ 22,144

(1) *Woodburn Medical Park I and II and Prosperity Medical Center I, II and III.*

(2) *2440 M Street, 15001 Shady Grove Road, 15505 Shady Grove Road, 19500 at Riverside Park (formerly Lansdowne Medical Office Building), 9707 Medical Center Drive, CentreMed I and II, 8301 Arlington Boulevard, Sterling Medical Office Building, Shady Grove Medical Village II, Alexandria Professional Center, Ashburn Farm Office Park I, Ashburn Farm Office Park II, Ashburn Farm Office Park III, Woodholme Medical Office Building, two office properties (6565 Arlington Boulevard and Woodholme Center) and undeveloped land at 4661 Kenmore Avenue.*

As of March 31, 2014 and December 31, 2013, investment in real estate for properties sold or held for sale, all of which were in the medical office segment, was as follows (in thousands):

	March 31, 2014	December 31, 2013
Investment in real estate sold or held for sale	$ —	$ 125,967
Less accumulated depreciation	—	(46,066)
Investment in real estate sold or held for sale, net	$ —	$ 79,901

Income from operations of properties sold or held for sale for thethree months ended March 31, 2014 and 2013 was as follows (in thousands):

	Three Months Ended March 31,	
	2014	2013
Revenues	$ 892	$ 12,711
Property expenses	(346)	(4,699)
Depreciation and amortization	—	(4,401)
Interest expense	—	(328)
Income from operations of properties sold or held for sale	$ 546	$ 3,283

Income from operations of properties sold or held for sale by property for thethree months ended March 31, 2014 and 2013 was as follows (in thousands):

		Three Months Ended March 31,	
Property	Segment	2014	2013
Atrium Building	Office	$ —	$ 185
Medical Office Portfolio	Medical Office / Office	546	3,098
		$ 546	$ 3,283

NOTE 4: MORTGAGE NOTES PAYABLE

In February 2014, we assumed a $48.2 million mortgage note as partial consideration for the acquisition of Yale West. This mortgage note bears interest at5.55% per annum. The fair value interest rate on this mortgage note is 3.75% based on quotes obtained for similar loans. We recorded the mortgage note at its estimated fair value of$54.0 million. Principal and interest are payable monthly until January 1, 2052, at which time all unpaid principal and interest are payable in full. The loan may be prepaid, without penalty, on January 31, 2022 or thereafter on the last business day of the month until maturity, with thirty days prior written notice to the lender.

In March 2014, we assumed a $52.7 million mortgage note as partial consideration for acquisition of The Army Navy Club Building. This mortgage note bears interest at3.45% per annum. The fair value interest rate on this mortgage note is 3.18% based on quotes obtained for similar loans. We recorded the mortgage at its estimated fair value of$53.2 million. Principal and interest are payable monthly until May 1, 2017, at which time all unpaid principal and interest are payable in full.

NOTE 5: UNSECURED LINES OF CREDIT PAYABLE

As of March 31, 2014, we maintained a $100.0 million unsecured line of credit maturing in June 2015 ("Credit Facility No. 1") and a $400.0 million unsecured line of credit maturing in July 2016 ("Credit Facility No. 2"). Credit Facilities No. 1 and No. 2 have accordion features that allow us to increase the facilities to$200.0 million and $600.0 million, respectively, subject to additional lender commitments.

The amounts of these lines of credit unused and available at March 31, 2014 are as follows (in thousands):

	Credit Facility No. 1	Credit Facility No. 2
Committed capacity	$ 100,000	$ 400,000
Borrowings outstanding	—	—
Unused and available	$ 100,000	$ 400,000

We had no borrowings and no repayments on the unsecured lines of credit during the 2014 Quarter.

NOTE 6: NOTES PAYABLE

We repaid without penalty the $100.0 million of our 5.25% unsecured notes on their due date of January 15, 2014, using proceeds from the sale of the Medical Office Portfolio.

NOTE 7: STOCK BASED COMPENSATION

Washington REIT maintains short-term ("STIP") and long-term ("LTIP") incentive plans that allow for stock-based awards to officers and non-officer employees. Stock based awards are provided to officers and non-officer employees, as well as trustees, under the Washington Real Estate Investment Trust 2007 Omnibus Long-Term Incentive Plan which allows for awards in the form of restricted shares, restricted share units, options and other awards up to an aggregate of 2,000,000 shares over the ten year period in which the plan will be in effect. Restricted share units are converted into shares of our stock upon full vesting through the issuance of new shares.

Total Compensation Expense

Total compensation expense recognized in the consolidated financial statements for all outstanding share based awards was $1.1 million and $1.0 million for the 2014 and 2013 Quarters, respectively.

Restricted Share Awards

The total fair values of restricted share awards vested was $0.2 million and $0.5 million for the 2014 and 2013 Quarters, respectively.

The total unvested restricted share awards at March 31, 2014 was 242,218 shares, which had a weighted average grant date fair value of $25.48 per share. As of March 31, 2014, the total compensation cost related to unvested restricted share awards was $3.1 million, which we expect to recognize over a weighted average period of 18 months.

NOTE 8: FAIR VALUE DISCLOSURES

Assets and Liabilities Measured at Fair Value

For assets and liabilities measured at fair value on a recurring basis, quantitative disclosures about the fair value measurements are required to be disclosed separately for each major category of assets and liabilities, as follows:

Level 1: Quoted prices in active markets for identical assets
Level 2: Significant other observable inputs
Level 3: Significant unobservable inputs

The only assets or liabilities we had at March 31, 2014 and December 31, 2013 that are recorded at fair value on a recurring basis are the assets held in the Supplemental Executive Retirement Program (“SERP”). We base the valuations related to this asset on assumptions derived from significant other observable inputs and accordingly these valuations fall into Level 2 in the fair value hierarchy.

The fair values of these assets at March 31, 2014 and December 31, 2013 were as follows (in thousands):

	March 31, 2014				December 31, 2013			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets:								
SERP	$ 3,382	$ —	$ 3,382	$ —	$ 3,290	$ —	$ 3,290	$ —

Financial Assets and Liabilities Not Measured at Fair Value

The following disclosures of estimated fair value were determined by management using available market information and established valuation methodologies, including discounted cash flow. Many of these estimates involve significant judgment. The estimated fair value disclosed may not necessarily be indicative of the amounts we could realize on disposition of the financial instruments. The use of different market assumptions or estimation methodologies could have an effect on the estimated fair value amounts. In addition, fair value estimates are made at a point in time and thus, estimates of fair value subsequent to March 31, 2014 may differ significantly from the amounts presented.

Following is a summary of significant methodologies used in estimating fair values and a schedule of fair values at March 31, 2014.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents and restricted cash include cash and commercial paper with original maturities of less than 90 days, which are valued at the carrying value, which approximates fair value due to the short maturity of these instruments (Level 1 inputs).

Notes Receivable

We acquired a note receivable ("2445 M Street note") in 2008 with the purchase of 2445 M Street. We estimate the fair value of the 2445 M Street note based on a discounted cash flow methodology using market discount rates (Level 3 inputs).

Debt

Mortgage notes payable consist of instruments in which certain of our real estate assets are used for collateral. We estimate the fair value of the mortgage notes payable by discounting the contractual cash flows at a rate equal to the relevant treasury rates (with respect to the timing of each cash flow) plus credit spreads estimated through independent comparisons to real estate assets or loans with similar characteristics. Lines of credit payable consist of bank facilities which we use for various purposes including working capital, acquisition funding or capital improvements. The lines of credit advances are priced at a specified rate plus a spread. We estimate the market value based on a comparison of the spreads of the advances to market given the adjustable base rate. We estimate the fair value of the notes payable by discounting the contractual cash flows at a rate equal to the relevant treasury rates (with respect to the timing of each cash flow) plus credit spreads derived using the relevant securities' market prices. We classify these fair value measurements as Level 3 as we use significant unobservable inputs and management judgment due to the absence of quoted market prices.

As of March 31, 2014 and December 31, 2013, the carrying values and estimated fair values of our financial instruments were as follows (in thousands):

	March 31, 2014		December 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	$ 62,080	$ 62,080	$ 130,343	$ 130,343
Restricted cash	107,039	107,039	9,189	9,189
2445 M Street note	6,280	7,184	6,070	6,803
Mortgage notes payable	404,359	423,454	294,671	313,476
Notes payable	746,830	772,063	846,703	856,171

NOTE 9: EARNINGS PER COMMON SHARE

We determine "Basic earnings per share" using the two-class method as our unvested restricted share awards and units have non-forfeitable rights to dividends and are therefore considered participating securities. We compute basic earnings per share by dividing net income attributable to the controlling interest less the allocation of undistributed earnings to unvested restricted share awards and units by the weighted-average number of common shares outstanding for the period.

We also determine "Diluted earnings per share" under the two-class method with respect to the unvested restricted share awards. We further evaluate any other potentially dilutive securities at the end of the period and adjust the basic earnings per share calculation for the impact of those securities that are dilutive. Our dilutive earnings per share calculation includes the dilutive impact of employee stock options based on the treasury stock method and our incentive share awards with performance or market conditions under the contingently issuable method. The diluted earnings per share calculation also considers our operating partnership units under the if-converted method. We have a loss from continuing operations for the 2014 Quarter, and therefore diluted earnings per share is calculated in the same manner as basic earnings per share for this quarter.

The computations of basic and diluted earnings per share for the three months ended March 31, 2014 and 2013 were as follows (in thousands, except per share data):

	Three Months Ended March 31,	
	2014	2013
Numerator:		
(Loss) income from continuing operations	$ (2,265)	$ 857
Allocation of earnings to unvested restricted share awards	(10)	(14)
Adjusted (loss) income from continuing operations attributable to the controlling interests	(2,275)	843
Income from discontinued operations, including gain on sale of real estate, net of taxes	106,819	6,478
Allocation of earnings to unvested restricted share awards	(285)	(106)
Adjusted income from discontinuing operations attributable to the controlling interests	106,534	6,372
Adjusted net income attributable to the controlling interests	$ 104,259	$ 7,215
Denominator:		
Weighted average shares outstanding – basic	66,701	66,393
Effect of dilutive securities:		
Operating partnership units	—	117
Employee stock options and restricted share awards	—	9
Weighted average shares outstanding – diluted	66,701	66,519
Earnings (loss) per common share, basic:		
Continuing operations	$ (0.04)	$ 0.01
Discontinued operations	1.60	0.10
	$ 1.56	$ 0.11
Earnings (loss) per common share, diluted:		
Continuing operations	$ (0.04)	$ 0.01
Discontinued operations	1.60	0.10
	$ 1.56	$ 0.11

NOTE 10: SEGMENT INFORMATION

We have three reportable segments: office, retail and multifamily. Office buildings provide office space for various types of businesses and professions. Retail shopping centers are typically grocery store anchored neighborhood centers that include other small shop tenants or regional power centers with several junior box tenants. Multifamily properties provide rental housing for individuals and families throughout the Washington metropolitan area. During the 2014 Quarter, we completed the sale of our medical office segment (see note 3).

We evaluate performance based upon operating income from the combined properties in each segment. Our reportable operating segments are consolidations of similar properties. GAAP requires that segment disclosures present the measure(s) used by the chief operating decision maker for purposes of assessing segments' performance. Net operating income is a key measurement of our segment profit and loss. Net operating income is defined as segment real estate rental revenue less segment real estate expenses.

The following tables present revenues, net operating income, capital expenditures and total assets for the2014 and 2013 Quarters from these segments, and reconciles net operating income of reportable segments to net income attributable to the controlling interests as reported (in thousands):

	Three Months Ended March 31, 2014				
	Office	Retail	Multifamily	Corporate and Other	Consolidated
Real estate rental revenue	$ 39,064	$ 14,625	$ 14,922	$ —	$ 68,611
Real estate expenses	15,696	4,231	6,415	—	26,342
Net operating income	$ 23,368	$ 10,394	$ 8,507	$ —	$ 42,269
Depreciation and amortization					(22,753)
General and administrative					(4,429)
Acquisition costs					(3,045)
Interest expense					(14,530)
Other income					223
Discontinued operations:					
Income from operations of properties sold or held for sale					546
Gain on sale of real estate					106,273
Net income					104,554
Less: Net income attributable to noncontrolling interests in subsidiaries					—
Net income attributable to the controlling interests					$ 104,554
Capital expenditures	$ 8,703	$ 110	$ 1,556	$ 17	$ 10,386
Total assets	$ 1,151,585	$ 341,134	$ 392,531	$ 189,922	$ 2,075,172

	Three Months Ended March 31, 2013					
	Office	Medical Office	Retail	Multifamily	Corporate and Other	Consolidated
Real estate rental revenue	$ 37,393	$ —	$ 13,834	$ 13,333	$ —	$ 64,560
Real estate expenses	13,599	—	3,565	5,390	—	22,554
Net operating income	$ 23,794	$ —	$ 10,269	$ 7,943	$ —	$ 42,006
Depreciation and amortization						(21,123)
Acquisition costs						(213)
General and administrative						(3,862)
Interest expense						(16,190)
Other income						239
Discontinued operations:						
Income from operations of properties sold or held for sale						3,283
Gain on sale of real estate						3,195
Net income						7,335
Less: Net income attributable to noncontrolling interests in subsidiaries						—
Net income attributable to the controlling interests						$ 7,335
Capital expenditures	$ 7,575	$ 1,077	$ 766	$ 784	$ 7	$ 10,209
Total assets	$ 1,118,579	$ 325,281	$ 351,967	$ 250,680	$ 49,613	$ 2,096,120

NOTE 11: SUBSEQUENT EVENTS

On May 1, 2014, we closed on the purchase of 1775 Eye Street, a185,000 office building in Washington, DC, for$104.5 million, using proceeds from the Medical Office Portfolio sale. The initial accounting for the acquisition is incomplete due to the timing of the acquisition relative to the filing date of this report and, therefore, purchase price accounting and pro forma disclosures are not included.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto appearing in Item 1 of this report and the more detailed information contained in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission on February 27, 2013.

We refer to the three months ended March 31, 2014 and March 31, 2013 as the "2014 Quarter" and the "2013 Quarter," respectively.

Forward-Looking Statements

This Form 10-Q contains forward-looking statements which involve risks and uncertainties. Forward-looking statements include statements in this report preceded by, followed by or that include the words "believe," "expect," "intend," "anticipate," "potential," "project," "will" and other similar expressions. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for these statements. The following important factors, in addition to those discussed elsewhere in this Form 10-Q, could affect our future results and could cause those results to differ materially from those expressed in the forward-looking statements: (a) the effect of credit and financial market conditions; (b) the availability and cost of capital; (c) fluctuations in interest rates; (d) the economic health of our tenants; (e) the timing and pricing of lease transactions; (f) the economic health of the greater Washington metro region, or other markets we may enter; (g) the effects of changes in Federal government spending; (h) the supply of competing properties; (i) consumer confidence; (j) unemployment rates; (k) consumer tastes and preferences; (l) our future capital requirements; (m) inflation; (n) compliance with applicable laws, including those concerning the environment and access by persons with disabilities; (o) governmental or regulatory actions and initiatives; (p) changes in general economic and business conditions; (q) terrorist attacks or actions; (r) acts of war; (s) weather conditions; (t) the effects of changes in capital available to the technology and biotechnology sectors of the economy, and (u) other factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission on March 3, 2014. We undertake no obligation to update our forward-looking statements or risk factors to reflect new information, future events, or otherwise.

General

Introductory Matters

We provide our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") in addition to the accompanying consolidated financial statements and notes to assist readers in understanding our results of operations and financial condition. We organize the MD&A as follows:

- *Overview.* Discussion of our business, operating results, investment activity and capital requirements, and summary of our significant transactions to provide context for the remainder of MD&A.
- *Results of Operations.* Discussion of our financial results comparing the 2014 Quarter to the 2013 Quarter.
- *Liquidity and Capital Resources.* Discussion of our financial condition and analysis of changes in our capital structure and cash flows.
- *Critical Accounting Policies and Estimates.* Descriptions of accounting policies that reflect significant judgments and estimates used in the preparation of our consolidated financial statements.

When evaluating our financial condition and operating performance, we focus on the following financial and non-financial indicators:

- Net operating income ("NOI"), calculated as real estate rental revenue less real estate expenses excluding depreciation and amortization and general and administrative expenses. NOI is a non-GAAP supplemental measure to net income;
- Funds From Operations ("FFO"), calculated as set forth below under the caption "Funds from Operations." FFO is a non-GAAP supplemental measure to net income;
- Occupancy, calculated as occupied square footage as a percentage of total square footage as of the last day of that period;
- Leased percentage, calculated as the percentage of available physical net rentable area leased for our commercial segments and percentage of apartments leased for our multifamily segment;
- Rental rates;
- Leasing activity, including new leases, renewals and expirations.

For purposes of evaluating comparative operating performance, we categorize our properties as “same-store”, “non-same-store” or discontinued operations.A "same-store" property is one that was owned for the entirety of the periods being evaluated and excludes properties under redevelopment or development and properties purchased or sold at any time during the periods being compared. A "non-same-store" property is one that was acquired, under redevelopment or development, or placed into service during either of the periods being evaluated. We define redevelopment properties as those for which we expect to spend significant development and construction costs on existing or acquired buildings pursuant to a formal plan which has a current impact on operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. Properties under redevelopment or development are included within the non-same-store properties beginning in the period during which redevelopment or development activities commence. Redevelopment and development properties are included in the same-store pool upon completion of the redevelopment or development, and the earlier of achieving 90% occupancy or two years after completion.

Overview

Business

Our revenues are derived primarily from the ownership and operation of income-producing properties in the greater Washington metro region. As ofMarch 31, 2014, we owned a diversified portfolio of 53 properties, totaling approximately 7.1 million square feet of commercial space and 2,540 multifamily units, and land held for development. These 53 properties consisted of 24 office properties, 16 retail centers and 13 multifamily properties.

Operating Results

Real estate rental revenue, NOI, net income and FFO for the three months endedMarch 31, 2014 and 2013 were as follows (in thousands):

	Three Months Ended March 31,			
	2014	2013	$ Change	% Change
Real estate rental revenue	$ 68,611	$ 64,560	$ 4,051	6.3 %
NOI [1]	$ 42,269	$ 42,006	$ 263	0.6 %
Net income	$ 104,554	$ 7,335	$ 97,219	1,325.4 %
FFO [2]	$ 21,034	$ 29,664	$ (8,630)	(29.1)%

[1] See page 24 of the MD&A for reconciliations of NOI to net income.

[2] See page 31 of the MD&A for reconciliations of FFO to net income.

The increase in NOI is due to acquisitions, while NOI from same-store properties decreased by $0.2 million as weather-related increases in utilities ($1.5 million) and snow removal ($1.0 million) expenses were partially offset by higher reimbursements for operating expenses ($1.5 million) and occupancy ($0.6 million). Same-store occupancy increased to 90.2% from 89.5% one year ago, as increases in the office and retail segments were partially offset by decreased occupancy in the multifamily segment.

Investment Activity

In September 2013, we entered into four separate purchase and sale agreements to effectuate the sale of the Medical Office Portfolio, which consisted of our entire medical office segment (including land held for development at 4661 Kenmore Avenue) and two office buildings (Woodholme Center and 6565 Arlington Boulevard), for an aggregate purchase price of $500.8 million. The dispositions consisted of four independent transactions, each of which closed pursuant to a separate purchase and sale agreement. Purchase and Sale Agreements #1 and #2 closed during the fourth quarter of 2013. We closed on Purchase and Sale Agreements #3 and #4 during the 2014 Quarter, resulting in a gain on sale of real estate of $106.3 million. We have identified a portion of the sold Medical Office Portfolio properties for tax deferred exchange under Section 1031 of the Internal Revenue Code.

We acquired one multifamily and one office property, each in Washington, DC, during the 2014 Quarter. We assumed mortgages totaling $100.9 million with these acquisitions, and funded the remainder of the purchase prices with proceeds from the sale of the Medical Office Portfolio. These acquisitions are consistent with our current strategy of focusing on properties inside the Washington metro region's Beltway, near major transportation nodes and in areas of strong employment drivers and superior growth demographics. The remaining sales proceeds designated for Section 1031 exchanges as of March 31, 2014 are reported as restricted cash on our consolidated balance sheets.

Capital Requirements

During the 2014 Quarter, we repaid without penalty the remaining $100.0 million of our 5.25% unsecured notes using proceeds from the sale of the Medical Office Portfolio. There are no further debt maturities for the remainder of 2014, though we will continue to make recurring principal amortization payments. As of March 31, 2014, our unsecured lines of credit had no borrowings outstanding, leaving a remaining borrowing capacity of $500.0 million.

Significant Transactions

Our significant transactions during the 2014 and 2013 Quarters are summarized as follows:

2014 Quarter

- The disposition of the Woodburn Medical Park I and II and Prosperity Medical Center I, II and III medical office buildings with a combined 427,000 square feet, for a contract sales price of $193.6 million, resulting in a gain on sale of $106.3 million. These sales transactions completed the disposition of the Medical Office Portfolio.
- The acquisition of Yale West, a 216-unit multifamily property in Washington, DC, for a contract purchase price of $73.0 million. We assumed a $48.2 million mortgage with this acquisition. We incurred $1.8 million of acquisition costs related to this transaction.
- The acquisition of The Army Navy Club Building, a 108,000 square foot office property in Washington, DC, for a contract purchase price of $79.0 million. We assumed a $52.7 million mortgage with this acquisition. We incurred $1.3 million of acquisition costs with this transaction.
- The execution of new leases for 0.2 million square feet of commercial space with an average rental rate increase of 14.6% over expiring leases.

2013 Quarter

- The disposition of the Atrium Building, an 80,000 square foot office building, for a contract sales price of $15.8 million, resulting in a gain on sale of $3.2 million.
- The execution of new leases for 0.4 million square feet of commercial space with an average rental rate increase of 10.9% over expiring leases.

Results of Operations

The discussion that follows is based on our consolidated results of operations for the 2014 and 2013 Quarters. The ability to compare one period to another may be significantly affected by acquisitions completed and dispositions made during those periods. To provide more insight into our operating results, we divide our discussion into two main sections:

- *Consolidated Results of Operations*: Overview analysis of results on a consolidated basis.
- *Net Operating Income*: Detailed analysis of same-store and non-same-store NOI results by segment.

Consolidated Results of Operations

Real Estate Rental Revenue

Real estate rental revenue for properties classified as continuing operations for the three months ended March 31, 2014 and 2013 were as follows (in thousands):

	Three Months Ended March 31,		Change	
	2014	2013	$	%
Minimum base rent	$ 57,746	$ 56,069	$ 1,677	3.0 %
Recoveries from tenants	8,061	6,587	1,474	22.4 %
Provisions for doubtful accounts	(717)	(995)	278	(27.9)%
Lease termination fees	480	47	433	921.3 %
Parking and other tenant charges	3,041	2,852	189	6.6 %
	$ 68,611	$ 64,560	$ 4,051	6.3 %

Minimum Base Rent: Minimum base rent increased by $1.7 million in the 2014 Quarter primarily due to acquisitions ($1.5 million) and higher rental rates ($0.6 million) and occupancy ($0.6 million) at same-store properties, partially offset by lower occupancy ($0.9 million) at 7900 Westpark Drive, which is under redevelopment.

Recoveries from Tenants: Recoveries from tenants increased by $1.5 million in the 2014 Quarter primarily due to higher reimbursements for operating expenses at same-store properties primarily caused by weather-related increases in utilities and snow removal expenses.

Provisions for Doubtful Accounts: Provisions for doubtful accounts decreased by $0.3 million in the 2014 Quarter primarily due to lower net provisions in the office and retail segments.

Lease Termination Fees: Lease termination fees increased by $0.4 million due to lease terminations in the office segment.

Parking and Other Tenant Charges: Parking and other tenant charges increased by $0.2 million in the 2014 Quarter primarily due to acquisitions ($0.1 million) and higher parking income ($0.1 million) at same-store properties.

Occupancy by segment for properties classified as continuing operations as of March 31, 2014 and 2013 was as follows:

	As of March 31,		
	2014	2013	Change
Office	83.7 %	85.2 %	(1.5)%
Retail	93.6 %	92.4 %	1.2 %
Multifamily	92.2 %	93.8 %	(1.6)%
Total	88.4 %	89.2 %	(0.8)%

Occupancy represents occupied square footage indicated as a percentage of total square footage as of the last day of that period.

A detailed discussion of occupancy by segment can be found in the Net Operating Income section.

Real Estate Expenses

Real estate expenses for properties classified as continuing operations for the three months ended March 31, 2014 and 2013 were as follows (in thousands):

	Three Months Ended March 31,		Change	
	2014	2013	$	%
Property operating expenses	$ 18,555	$ 15,673	$ 2,882	18.4%
Real estate taxes	7,787	6,881	906	13.2%
	$ 26,342	$ 22,554	$ 3,788	16.8%

Real estate expenses as a percentage of revenue were 38.4% and 34.9% for the 2014 and 2013 Quarters, respectively.

Property Operating Expenses: Property operating expenses include utilities, repairs and maintenance, property administration and management, operating services, common area maintenance, property insurance, bad debt and other operating expenses.

Property operating expenses increased by $2.9 million in the 2014 Quarter primarily due to higher utilities ($1.5 million) and snow removal ($1.0 million) expenses from same-store properties caused by severe winter weather and to acquisitions ($0.5 million).

Real Estate Taxes: Real estate taxes increased by $0.9 million in the 2014 Quarter primarily due to higher assessments ($0.7 million) at same-store properties and to acquisitions ($0.2 million).

Other Operating Expenses

Other operating expenses for the three months ended March 31, 2014 and 2013 were as follows (in thousands):

	Three Months Ended March 31,		Change	
	2014	2013	$	%
Depreciation and amortization	$ 22,753	$ 21,123	$ 1,630	7.7 %
Interest expense	14,530	16,190	(1,660)	(10.3)%
Acquisition costs	3,045	213	2,832	1,329.6 %
General and administrative	4,429	3,862	567	14.7 %
	$ 44,757	$ 41,388	$ 3,369	8.1 %

Interest Expense: Interest expense by debt type for the three months ended March 31, 2014 and 2013 was as follows (in thousands):

	Three Months Ended March 31,		Change	
	2014	2013	$	%
Notes payable	$ 9,522	$ 11,243	$ (1,721)	(15.3)%
Mortgages	4,814	4,548	266	5.8 %
Lines of credit	587	692	(105)	(15.2)%
Capitalized interest	(393)	(293)	(100)	34.1 %
Total	$ 14,530	$ 16,190	$ (1,660)	(10.3)%

Interest expense from notes payable decreased in the 2014 Quarter primarily due to the repayment of $100.0 million of 5.25% unsecured notes in January 2014 and the repayment of $60.0 million of 5.125% notes in March 2013. Interest expense from mortgage notes increased primarily due to the assumption of mortgages with the acquisition of Yale West and The Army Navy Club Building during the 2014 Quarter. Interest expense from our unsecured lines of credit decreased due to no borrowings during the 2014 Quarter. Capitalized interest increased because of higher expenditures on the development project at 650 North Glebe Road and the redevelopment project at 7900 Westpark Drive.

Acquisition Costs: Acquisition costs increased by $2.8 million in the 2014 Quarter primarily due to closing on the acquisitions of Yale West and The Army Navy Club Building.

General and Administrative Expense: General and administrative expense increased by $0.6 million in the 2014 Quarter, primarily due to higher compensation expense ($0.3 million) caused by additional personnel and annual pay increases and to higher shareholder relations expenses ($0.2 million).

Discontinued Operations

Operating results of the properties classified as discontinued operations for the three months ended March 31, 2014 and 2013 were as follows (in thousands):

	Three Months Ended March 31,		Change	
	2014	2013	$	%
Revenues	$ 892	$ 12,711	$ (11,819)	(93.0)%
Property expenses	(346)	(4,699)	4,353	(92.6)%
Depreciation and amortization	—	(4,401)	4,401	(100.0)%
Interest expense	—	(328)	328	(100.0)%
Total	$ 546	$ 3,283	$ (2,737)	(83.4)%

The decrease in income from discontinued operations is primarily due to the sale of the Medical Office Portfolio in January 2014 and December 2013 (see note 3 to the consolidated financial statements).

Net Operating Income

NOI is the primary performance measure we use to assess the results of our operations at the property level. We believe that NOI is useful as a performance measure because, when compared across periods, NOI reflects the impact on operations of trends in occupancy rates, rental rates and operating costs on an unleveraged basis, providing perspective not immediately apparent from net income. NOI excludes certain components from net income in order to provide results more closely related to a property's results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. As a result of the foregoing, we provide NOI as a supplement to net income or income from continuing operations, calculated in accordance with GAAP. NOI does not represent net income or income from continuing operations, in either case calculated in accordance with GAAP. As such, it should not be considered an alternative to these measures as an indication of our operating performance. NOI is calculated as real estate rental revenue less real estate expenses excluding depreciation and amortization, interest expense and general and administrative expenses. A reconciliation of NOI to net income follows.

2014 Quarter Compared to 2013 Quarter

The following tables of selected operating data reconcile NOI to net income and provide the basis for our discussion of NOI in the 2014 Quarter compared to the 2013 Quarter (in thousands).

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	$ Change	% Change
Real Estate Rental Revenue				
Same-store	$ 64,161	$ 61,226	$ 2,935	4.8 %
Non-same-store[1]	4,450	3,334	1,116	33.5 %
Total real estate rental revenue	$ 68,611	$ 64,560	$ 4,051	6.3 %
Real Estate Expenses				
Same-store	$ 24,327	$ 21,233	$ 3,094	14.6 %
Non-same-store[1]	2,015	1,321	694	52.5 %
Total real estate expenses	$ 26,342	$ 22,554	$ 3,788	16.8 %
NOI				
Same-store	$ 39,834	$ 39,993	$ (159)	(0.4)%
Non-same-store[1]	2,435	2,013	422	21.0 %
Total NOI	$ 42,269	$ 42,006	$ 263	0.6 %
Reconciliation to Net Income				
NOI	$ 42,269	$ 42,006		
Depreciation and amortization	(22,753)	(21,123)		
General and administrative expenses	(4,429)	(3,862)		
Interest expense	(14,530)	(16,190)		
Other income	223	239		
Acquisition costs	(3,045)	(213)		
Discontinued operations:				
Income from operations of properties sold or held for sale[2]	546	3,283		
Gain on sale of real estate	106,273	3,195		
Net income	104,554	7,335		
Less: Net income attributable to noncontrolling interests	—	—		
Net income attributable to the controlling interests	$ 104,554	$ 7,335		

(1) Non-same-store properties include:
2014 Multifamily acquisition – Yale West
2014 Office acquisition – The Army Navy Club Building
2013 Multifamily acquisition – The Paramount
2013 Office redevelopment property – 7900 Westpark Drive

(2) Sold and held for sale properties include:
2014 sold - Woodburn Medical Park I and II and Prosperity Medical Center I, II and III
2013 sold - Atrium Building and Medical Office Porftfolio Transactions I and II (see note 3 to the consoldiated financial statements)

Real estate rental revenue from same-store properties increased by $2.9 million in the 2014 Quarter primarily due to higher reimbursements for operating expenses ($1.5 million), higher rental rates ($0.6 million) and higher occupancy ($0.6 million).

Real estate expenses from same-store properties increased by $3.1 million in the 2014 Quarter primarily due to higher utilities expenses ($1.5 million), snow removal expenses ($1.0 million) and real estate taxes ($0.7 million).

Occupancy	As of March 31, 2014	2013
Same-store	90.2 %	89.5 %
Non-same-store	71.8 %	83.4 %
Total	88.4 %	89.2 %

Same-store occupancy increased to 90.2%, with increases in the office and retail segments partially offset by a decrease in the multifamily segment. The decrease in non-same-store occupancy is primarily due to lower occupancy at 7900 Westpark Drive, which is under redevelopment. During the 2014 Quarter, 74.2% of the commercial square footage expiring was renewed as compared to 72.5% in the 2013 Quarter, excluding properties sold or classified as held for sale. During the 2014 Quarter, we executed new leases (excluding leases at properties classified as held for sale) for 159,978 commercial square feet at an average rental rate of $33.75 per square foot, an increase of 14.6%, with average tenant improvements and leasing commissions and incentives (including free rent) of $36.49 per square foot.

An analysis of NOI by segment follows.

Office Segment:

	Three Months Ended March 31, 2014	2013	$ Change	% Change
Real Estate Rental Revenue				
Same-store	$ 36,201	$ 34,059	$ 2,142	6.3 %
Non-same-store[1]	2,863	3,334	(471)	(14.1)%
Total real estate rental revenue	$ 39,064	$ 37,393	$ 1,671	4.5 %
Real Estate Expenses				
Same-store	$ 14,364	$ 12,278	$ 2,086	17.0 %
Non-same-store[1]	1,332	1,321	11	0.8 %
Total real estate expenses	$ 15,696	$ 13,599	$ 2,097	15.4 %
NOI				
Same-store	$ 21,837	$ 21,781	$ 56	0.3 %
Non-same-store[1]	1,531	2,013	(482)	(23.9)%
Total NOI	$ 23,368	$ 23,794	$ (426)	(1.8)%

(1) Non-same-store properties include:
2014 acquisition – The Army Navy Club Building
2013 redevelopment property – 7900 Westpark Drive

Real estate rental revenue from same-store properties increased by $2.1 million in the 2014 Quarter primarily due to higher reimbursements for operating expenses ($1.0 million), occupancy ($0.6 million) and rental rates ($0.4 million). Non-same-store revenue decreased by $0.5 million due to lower occupancy at 7900 Westpark Drive, which is under redevelopment.

Real estate expenses from same-store properties increased by $2.1 million primarily due to higher utilities expenses ($1.3 million), real estate taxes ($0.5 million) and snow removal expenses ($0.1 million).

Occupancy	As of March 31, 2014	2013
Same-store	86.9 %	85.5 %
Non-same-store	63.6 %	83.4 %
Total	83.7 %	85.2 %

Same-store occupancy increased to 86.9% primarily due to higher occupancy at 2000 M Street, 51 Monroe Street and 6110 Executive Boulevard, partially offset by lower occupancy at Monument II and Fairgate at Ballston. Non-same-store occupancy decreased to 63.6% primarily due to lower occupancy at 7900 Westpark Drive, which is under redevelopment. During the 2014 Quarter, 71.4% of the square footage that expired was renewed compared to 56.3% in the 2013 Quarter, excluding properties sold or classified as held for sale. During the 2014 Quarter, we executed new leases (excluding leases at properties classified as held for sale) for 103,351 square feet of office space at an average rental rate of $35.14 per square foot, an increase of 13.3%, with average tenant improvements and leasing commissions and incentives (including free rent) of $52.05 per square foot.

Retail Segment:

	Three Months Ended March 31,			
	2014	2013	$ Change	% Change
Real estate rental revenue	$ 14,625	$ 13,834	$ 791	5.7%
Real estate expenses	$ 4,231	$ 3,565	$ 666	18.7%
NOI	$ 10,394	$ 10,269	$ 125	1.2%

Real estate rental revenue increased by $0.8 million in the 2014 Quarter primarily due to higher reimbursements for operating expenses ($0.4 million), higher occupancy ($0.2 million) and lower provisions for uncollectible revenue ($0.1 million).

Real estate expenses increased by $0.7 million in the 2014 Quarter primarily due to higher snow removal expenses.

Occupancy increased to 93.6% at the end of the 2014 Quarter from 92.4% at the end of the 2013 Quarter, primarily due to higher occupancy at the Centre at Hagerstown and Montgomery Village Center, partially offset by lower occupancy at Montrose Shopping Center and Olney Village Center. During the 2014 Quarter, 93.5% of the square footage that expired was renewed compared to 92.8% in the 2013 Quarter. During the 2014 Quarter, we executed new leases for 56,627 square feet of retail space at an average rental rate of $30.84, an increase of 17.1%, with average tenant improvements and leasing commissions and incentives (including free rent) of $8.12 per square foot.

Multifamily Segment:

	Three Months Ended March 31,			
	2014	2013	$ Change	% Change
Real Estate Rental Revenue				
Same-store	$ 13,335	$ 13,333	$ 2	— %
Non-same-store[(1)]	1,587	—	1,587	N/A
Total real estate rental revenue	$ 14,922	$ 13,333	$ 1,589	11.9 %
Real Estate Expenses				
Same-store	$ 5,732	$ 5,390	$ 342	6.3 %
Non-same-store[(1)]	683	—	683	N/A
Total real estate expenses	$ 6,415	$ 5,390	$ 1,025	19.0 %
NOI				
Same-store	$ 7,603	$ 7,943	$ (340)	(4.3)%
Non-same-store[(1)]	904	—	904	N/A
Total NOI	$ 8,507	$ 7,943	$ 564	7.1 %

(1) Non-same-store properties include:
2014 Multifamily acquisition – Yale West
2013 Multifamily acquisition – The Paramount

Real estate rental revenue slightly increased in the 2014 Quarter as higher rental rates ($0.1 million) and reimbursements ($0.1 million) were offset by lower occupancy ($0.2 million).

Real estate expenses increased by $0.3 million in the 2014 Quarter primarily due to higher utilities ($0.2 million) and snow removal ($0.1 million) expenses.

Occupancy	As of March 31, 2014	2013
Same-store	92.7%	93.8%
Non-same-store	88.4%	N/A
Total	92.2%	93.8%

Occupancy decreased to 92.2% primarily due to lower occupancy at 3801 Connecticut Avenue and the Kenmore, partially offset by higher occupancy at the Ashby at McLean.

Liquidity and Capital Resources

Capital Requirements

During 2014, we expect that we will have significant capital requirements, including the following items. There can be no assurance that our capital requirements will not be materially higher or lower than these expectations.

- Funding dividends and distributions to our shareholders;
- Approximately $70.0 - $75.0 million to invest in our existing portfolio of operating assets, including approximately $38.0 - $42.0 million to fund tenant-related capital requirements and leasing commissions;
- Approximately $50.0 - $55.0 million to invest in our development and redevelopment projects; and
- Funding for potential property acquisitions throughout the remainder of2014, offset by proceeds from property dispositions.

Debt Financing

Our total debt atMarch 31, 2014 and December 31, 2013 is as follows (in thousands):

	March 31, 2014	December 31, 2013
Mortgage notes payable	$ 404,359	$ 294,671
Unsecured credit facilities	—	—
Unsecured notes payable	746,830	846,703
	$ 1,151,189	$ 1,141,374

Mortgage Debt

At March 31, 2014, our$404.4 million in mortgage notes payable, which include$3.9 million in net unamortized discounts due to fair value adjustments, bore an effective weighted average fair value interest rate of 5.4% and had a weighted average maturity of3.8 years. We may either initiate secured mortgage debt or assume mortgage debt from time-to-time in conjunction with property acquisitions.

Unsecured Credit Facilities

Our primary external sources of liquidity are our two revolving credit facilities.

Credit Facility No. 1 is a four-year, $100.0 million unsecured credit facility maturing in June 2015, and may be extended by one year at our option. We hadno borrowings outstanding as of March 31, 2014, related to Credit Facility No. 1. Borrowings under the facility bear interest at LIBOR plus a spread based on the credit rating on our publicly issued debt. The interest rate spread is currently 120 basis points. All outstanding advances are due and payable upon maturity in June 2015, and may be extended by one year at our option. Interest only payments are due and payable generally on a monthly basis. In addition, we pay a facility fee based on the credit rating of our publicly issued debt which currently equals 0.25% per annum of the $100.0 million committed capacity, without regard to usage. Rates and fees may be increased or decreased based on changes in our senior unsecured credit ratings. These fees are payable quarterly.

Credit Facility No. 2 is a four-year, $400.0 million unsecured credit facility maturing in July 2016, and may be extended for one year at our option. We had no borrowings outstanding as of March 31, 2014 related to Credit Facility No. 2. Advances under this agreement bear interest at LIBOR plus a spread based on the credit rating of our publicly issued debt. The interest rate spread is currently 120 basis points. All outstanding advances are due and payable upon maturity in July 2016, and may be extended for one year at our option. Interest only payments are due and payable generally on a monthly basis. In addition, we pay a facility fee based on the credit rating of our publicly issued debt which currently equals 0.25% per annum of the $400.0 million committed capacity, without regard to usage. Rates and fees may be increased or decreased based on changes in our senior unsecured credit ratings. These fees are payable quarterly.

Our unsecured credit facilities contain financial and other covenants with which we must comply. Some of these covenants include:

- A minimum tangible net worth;
- A maximum ratio of total liabilities to gross asset value, calculated using an estimate of fair market value of our assets;
- A maximum ratio of secured indebtedness to gross asset value, calculated using an estimate of fair market value of our assets;
- A minimum ratio of quarterly EBITDA (earnings before interest, taxes, depreciation, amortization and extraordinary and nonrecurring gains and losses) to fixed charges, including interest expense;
- A minimum ratio of unencumbered asset value, calculated using a fair value of our assets, to unsecured indebtedness;
- A minimum ratio of net operating income from our unencumbered properties to unsecured interest expense; and

- A maximum ratio of permitted investments to gross asset value, calculated using an estimate of fair market value of our assets.

Failure to comply with any of the covenants under our unsecured credit facilities or other debt instruments could result in a default under one or more of our debt instruments. This could cause our lenders to accelerate the timing of payments and would therefore have a material adverse effect on our business, operations, financial condition and liquidity. In addition, our ability to draw on our unsecured credit facilities or incur other unsecured debt in the future could be restricted by the loan covenants. As of March 31, 2014, we were in compliance with our loan covenants.

We anticipate that in the near term we may rely to a greater extent upon our unsecured credit facilities. To the extent that we maintain larger balances on our unsecured credit facilities or maintain balances on our unsecured credit facilities for longer periods, adverse fluctuations in interest rates could have a material adverse effect on earnings.

Unsecured Notes

We generally issue unsecured notes to fund our real estate assets long term. In issuing future unsecured notes, we intend to ladder the maturities of our debt to mitigate exposure to interest rate risk in future years.

As of March 31, 2014, our unsecured notes have maturities ranging from May 2015 through February 2028, as follows (in thousands):

5.35% notes due 2015	$	150,000
4.95% notes due 2020		250,000
3.95% notes due 2022		300,000
7.25% notes due 2028		50,000
	$	750,000

Our unsecured notes contain covenants with which we must comply, including:

- Limits on our total indebtedness;
- Limits on our secured indebtedness;
- Limits on our required debt service payments; and
- Maintenance of a minimum level of unencumbered assets.

Failure to comply with any of the covenants under our unsecured notes could result in a default under one or more of our debt instruments. This could cause our debt holders to accelerate the timing of payments and would therefore have a material adverse effect on our business, operations, financial condition and liquidity. As of March 31, 2014, we were in compliance with our unsecured notes covenants.

From time to time, we may seek to repurchase and cancel our outstanding notes through open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

Common Equity

We have authorized for issuance 100.0 million common shares, of which 66.6 million shares were outstanding at March 31, 2014.

We are party to a sales agency financing agreement with BNY Mellon Capital Markets, LLC relating to the issuance and sale of up to $250.0 million of our common shares from time to time over a period of no more than 36 months from June 2012. Sales of our common shares are made at market prices prevailing at the time of sale. We would use net proceeds from the sale of common shares under this program for general corporate purposes. As of March 31, 2014, we have not issued any common shares under this program.

We have a dividend reinvestment program, whereby shareholders may use their dividends and optional cash payments to purchase common shares. The common shares sold under this program may either be common shares issued by us or common shares purchased in the open market. We did not issue any shares under this program during the 2014 Quarter.

Preferred Equity

Washington REIT's Board of Trustees can, at its discretion, authorize the issuance of up to 10.0 million shares of preferred stock. The ability to issue preferred equity provides Washington REIT an additional financing tool that may be used to raise capital for future acquisitions or other business purposes. As of March 31, 2014, no shares of preferred stock had been issued.

Dividends

We currently pay dividends quarterly at a rate of $0.30 per share. The maintenance of our dividend level is subject to various factors reviewed by the Board of Trustees in its discretion. These factors include our results of operations, the availability of cash to make the necessary dividend payments and the effect of REIT distribution requirements, which require at least 90% of our taxable income to be distributed to shareholders. When setting the dividend level, our Board looks in particular at trends in our level of funds from operations, together with associated recurring capital improvements, tenant improvements, leasing commissions and tenant incentives, and adjustments to straight-line rents to reflect cash rents received.

Our dividend and distribution payments for the three months ended March 31, 2014 and 2013 are as follows (in thousands):

	Three Months Ended March 31,		Change	
	2014	2013	$	%
Common dividends	$ 20,091	$ 20,034	$ 57	0.3%
Distributions to noncontrolling interests	—	—	—	N/A
	$ 20,091	$ 20,034	$ 57	0.3%

Historical Cash Flows

Cash flows from operations are an important factor in our ability to sustain our dividend at its current rate. If our cash flows from operations were to decline significantly, we may have to reduce our dividend. Consolidated cash flow information is summarized as follows (in thousands):

	Three Months Ended March 31,		Change	
	2014	2013	$	%
Net cash provided by operating activities	$ 22.5	$ 36.9	$ (14.4)	(39.0)%
Net cash provided by investing activities	27.6	1.2	26.4	2,200.0 %
Net used in financing activities	(118.4)	(40.6)	(77.8)	191.6 %

Cash provided by operating activities decreased primarily due to the loss of income from properties sold as part of the Medical Office Portfolio and higher acquisition costs.

Cash provided by investing activities increased primarily due to closing on Purchase and Sale Agreements #3 and #4 of the Medical Office Portfolio sale, partially offset by placing a portion of the proceeds into escrow accounts for tax-deferred exchanges under Section 1031 of the Internal Revenue Code and the acquisitions of Yale West and The Army Navy Club Building.

Cash used in financing activities increased primarily due to the repayment of the remaining $100.0 million of our 5.25% unsecured notes during the 2014 Quarter.

Ratios of Earnings to Fixed Charges and Debt Service Coverage

The following table sets forth our ratios of earnings to fixed charges and debt service coverage for the three months ended March 31, 2014 and 2013:

	Three Months Ended March 31,	
	2014	2013
Earnings to fixed charges [1]	0.82 x	1.03 x
Debt service coverage	2.33 x	2.67 x

[1] Due to Washington REIT's loss from continuing operations during the 2014 Quarter, the earnings to fixed charges ratio was less than 1:1. Washington REIT must generate additional earnings of $2.7 million in the 2014 Quarter to achieve a ratio of 1:1.

We computed the ratio of earnings to fixed charges by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations attributable to the controlling interests plus fixed charges, less capitalized interest. Fixed charges consist of interest expense, including amortized costs of debt issuance, and interest costs capitalized. Certain prior period amounts have been reclassified to conform to the current period presentation due to the reclassification of certain properties as discontinued operations (see note 3 to the consolidated financial statements).

We computed the debt service coverage ratio by dividing Adjusted EBITDA (which is earnings before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss from the extinguishment of debt and gain/loss on non-disposal activities) by interest expense and principal amortization. We believe that Adjusted EBITDA is appropriate for use in our debt service coverage ratio because it provides an estimate of the cash available to pay down long term debt. Adjusted EBITDA does not represent net income calculated in accordance with GAAP. As such, it should not be considered an alternative to net income as an indication of our operating performance. A reconciliation of Adjusted EBITDA to net income attributable to the controlling interests is in Exhibit 12 – Computation of Ratios.

Funds From Operations

FFO is a widely used measure of operating performance for real estate companies. We provide FFO as a supplemental measure to net income calculated in accordance with GAAP. Although FFO is a widely used measure of operating performance for REITs, FFO does not represent net income calculated in accordance with GAAP. As such, it should not be considered an alternative to net income as an indication of our operating performance. In addition, FFO does not represent cash generated from operating activities in accordance with GAAP, nor does it represent cash available to pay distributions and should not be considered as an alternative to cash flow from operating activities, determined in accordance with GAAP, as a measure of our liquidity. The National Association of Real Estate Investment Trusts, Inc. ("NAREIT") defines FFO (April, 2002 White Paper) as net income (computed in accordance with GAAP) excluding gains (or losses) from sales of property and impairments of depreciable real estate, if any, plus real estate depreciation and amortization. We consider FFO to be a standard supplemental measure for REITs because it facilitates an understanding of the operating performance of our properties without giving effect to real estate depreciation and amortization, which historically assumes that the value of real estate assets diminishes predictably over time. Since real estate values have instead historically risen or fallen with market conditions, we believe that FFO more accurately provides investors an indication of our ability to incur and service debt, make capital expenditures and fund other needs. Our FFO may not be comparable to FFO reported by other REITs. These other REITs may not define the term in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently.

The following table provides the calculation of our FFO and a reconciliation of FFO to net income for thethree months ended March 31, 2014 and 2013 (in thousands):

	Three Months Ended March 31,	
	2014	**2013**
Net income attributable to the controlling interests	$ 104,554	$ 7,335
Adjustments:		
Depreciation and amortization	22,753	21,123
Gain on sale of real estate	(106,273)	(3,195)
Income from operations of properties sold or held for sale	(546)	(3,283)
Funds from continuing operations	20,488	21,980
Discontinued operations:		
Income from operations of properties sold or held for sale	546	3,283
Depreciation and amortization	—	4,401
Funds from discontinued operations	546	7,684
FFO as defined by NAREIT	$ 21,034	$ 29,664

Critical Accounting Policies and Estimates

We base the discussion and analysis of our financial condition and results of operations upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We discuss the most critical estimates in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission on March 3, 2014.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The principal material financial market risk to which we are exposed is interest-rate risk. Our exposure to market risk for changes in interest rates relates primarily to refinancing long-term fixed rate obligations, the opportunity cost of fixed rate obligations in a falling interest rate environment and our variable rate lines of credit. We primarily enter into debt obligations to support general corporate purposes including acquisition of real estate properties, capital improvements and working capital needs.

As the majority of our outstanding debt is long-term, fixed rate debt, our interest rate risk has not changed significantly from what was disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission on March 3, 2014. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Debt Financing."

ITEM 4: CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, Chief Financial Officer and Executive Vice President of Accounting, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer, Chief Financial Officer and Executive Vice President of Accounting, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer, Chief Financial Officer and Executive Vice President of Accounting concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

There have been no changes in Washington REIT's internal control over financial reporting (as defined by Rule 13a-15(f)) that occurred during the period covered by the report that have materially affected, or are reasonably likely to materially affect, Washington REIT's internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

None.

ITEM 1A: RISK FACTORS

None.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4: MINE SAFETY DISCLOSURES

None.

ITEM 5: OTHER INFORMATION

None.

ITEM 6: EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	File Number	Exhibit	Filing Date	Filed Herewith
10.47*	Short Term Incentive Compensation Plan (effective January 1, 2014)					X
10.48*	Change in control agreement dated April 21, 2014 with Thomas Q. Bakke					X
12	Computation of Ratios					X
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (“the Exchange Act”)					X
31.2	Certification of the Executive Vice President – Accounting and Administration pursuant to Rule 13a-14(a) of the Exchange Act					X
31.3	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
32	Certification of the Chief Executive Officer, Executive Vice President – Accounting and Administration and Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101	The following materials from our Quarterly Report on Form 10–Q for the quarter ended March 31, 2014 formatted in eXtensible Business Reporting Language (“XBRL”): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Shareholders’ Equity, (iv) the Consolidated Statements of Cash Flows, and (v) notes to these consolidated financial statements					X

* Management contracts or compensation plans or arrangements in which trustees or executive officers are eligible to participate.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WASHINGTON REAL ESTATE INVESTMENT TRUST

/s/ Paul T. McDermott

Paul T. McDermott
President and Chief Executive Officer

/s/ Laura M. Franklin

Laura M. Franklin
Executive Vice President
Accounting, Administration and Corporate Secretary
(Principal Accounting Officer)

/s/ William T. Camp

William T. Camp
Executive Vice President and Chief Financial Officer
(Principal Finance Officer)

DATE: May 7, 2014

Exhibit 10.47

WASHINGTON REAL ESTATE INVESTMENT TRUST
SHORT-TERM INCENTIVE PLAN
(Effective January 1, 2014)

ARTICLE I. INTRODUCTION

1.1 Purpose. The purposes of the Washington Real Estate Investment Trust Short-Term Incentive Plan (the "Plan") contained herein are to allow Washington Real Estate Investment Trust (the "Trust") to attract and retain talented executives, to provide incentives to executives to achieve certain performance targets, and to link executive compensation to shareholder results by rewarding competitive and superior performance. In furtherance of those purposes, the Plan is designed to provide short-term incentive compensation to officers of the Trust, the amount of which is dependent on the degree of attainment of certain performance goals of the Trust over one-year performance periods beginning on or after January 1, 2014.

1.2 Background. The Plan replaces the Short-Term Incentive Plan that became effective January 1, 2012 (the "Prior Plan") with respect to one-year performance periods beginning on or after January 1, 2014. The Prior Plan remains in effect with respect to the one-year performance periods that began January 1, 2012 and January 1, 2013.

1.3 Overview. Each award under the Plan is comprised fifty percent (50%) of cash and fifty percent (50%) of restricted common shares of the Trust, which restricted common shares will have a value equal to the cash component of the award. The cash and the restricted shares are each initially expressed as a dollar amount that is a multiple of the participant's annual base salary, which multiple varies depending on the participant's job position and the degree of achievement of the performance goals over the one-year performance period under the Plan. The cash component of the award is paid following completion of the one-year performance period. The dollar amount attributable to the restricted shares is converted into a number of restricted common shares. The restricted shares are subject to a ratable vesting schedule that normally runs for three years from the January 1 following completion of the one-year performance period. Grants of restricted common shares under the Plan are made pursuant to and from the common share reserve established under the Trust's 2007 Omnibus Long-Term Incentive Plan.

1.4 Effective Date. This Plan is effective as of January 1, 2014 (the "Effective Date"), and was approved by the Compensation Committee of the Board of Trustees of the Trust (the "Committee") and by the Board of Trustees of the Trust (the "Board") on March 27, 2014.

ARTICLE II. DEFINITIONS

2.1 "Award" means an award of cash and Common Shares subject to vesting under the Plan.

2.2 "Cause" means

(a) commission by the Participant of a felony or crime of moral turpitude;

(b) conduct by the Participant in the performance of the Participant's duties to the Trust which is illegal, dishonest, fraudulent or disloyal;

(c) the breach by the Participant of any fiduciary duty the Participant owes to the Trust; or

(d) gross neglect of duty which is not cured by the Participant to the reasonable satisfaction of the Trust within thirty (30) days of the Participant's receipt of written notice from the Trust advising the Participant of said gross neglect.

2.3 "Change in Control" means an event or occurrence set forth in any one or more of subsections (a) through (d) below (including any event or occurrence that constitutes a Change in Control under one of such subsections but is specifically exempted from another such subsection):

(a) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership of any shares of beneficial interest in the Trust if, after such acquisition, such Person beneficially owns (within the meaning of rule 13d-3 promulgated under the Exchange Act) forty percent (40%) or more of either (1) the then-outstanding shares of beneficial interest in the Trust (the "Outstanding Trust Shares") or (2) the combined voting power of the then-outstanding shares of beneficial interest the Trust entitled to vote generally in the election of trustees (the "Outstanding Trust Voting Shares"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Trust or any corporation controlled by the Trust, or (B) any acquisition by any corporation pursuant to a transaction which complies with clauses (1) and (2) of subsection (c) of this Section; or

(b) such time as the Continuing Trustees (as defined below) do not constitute a majority of the Board (or, if applicable, the board of directors or trustees of a successor corporation or other entity to the Trust), where the term "Continuing Trustee" means at any date a member of the Board (1) who was a member of the Board on the date hereof or (2) who was nominated or elected subsequent to the date hereof with the approval of other Board members who themselves constitute Continuing Trustees at the time of such nomination or election; provided, however, that there shall be excluded from this clause (2) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of trustees or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(c) the consummation of a merger, consolidation, reorganization, recapitalization or statutory share exchange involving the Trust or a sale or other disposition of all or substantially all of the assets of the Trust in one or a series of transactions (a "Business Combination"), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (1) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Trust Shares and Outstanding Trust Voting Shares immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of beneficial interest or stock, as the case may be, and the combined voting power of the then-outstanding shares or stock, as the case may be, entitled to vote generally in the election of trustees, or directors, as the case may be, respectively, of the resulting or acquiring corporation or other entity in such Business Combination (which shall include, without limitation, a corporation or other entity which as a result of such transaction owns the Trust or substantially all of the Trust's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation or other entity referred to herein as the "Acquiring Entity") in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Trust Shares and Outstanding Trust Voting Shares, respectively; and (2) no Person (excluding the Acquiring Entity or any employee benefit plan (or related trust) maintained or sponsored by the Trust or by the Acquiring Entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of beneficial interest or stock, as the case may be, of the Acquiring Entity, or of the combined voting power of the then-outstanding shares of such corporation or other entity entitled to vote generally in the election of trustees or directors, as the case may be; or

(d) a liquidation or dissolution of the Trust.

Notwithstanding the foregoing, no Change in Control shall be deemed to have occurred unless the event also constitutes a "change in the ownership or effective control of the corporation or in the ownership of a substantial portion of the assets of the corporation" within the meaning of Section 409A(a)(2)(v) of the Internal Revenue Code.

2.4 "Common Shares" means common shares of the Trust.

2.5 "Core FAD" means core funds available for distribution of the Trust for the Performance Period, as adjusted and calculated in accordance with the Trust's accounting principles.

2.6 "Core FFO" means core funds from operations of the Trust for the Performance Period, as adjusted and calculated in accordance with the Trust's accounting principles.

2.7 "Disability" means any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, as a result of which the Participant is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Trust. The determination of whether the Participant's physical or mental impairment satisfies the conditions set forth in this Section shall be made under a disability insurance program covering employees of the Trust; provided, however, that if the Participant is determined to be totally disabled by the Social Security Administration, his physical or mental impairment shall be deemed to satisfy the conditions of this Section.

2.8 "Good Reason" means the occurrence of an event listed in Subsection (a), (b) or (c) below:

(a) the Trust materially diminishes the Participant's job responsibilities such that the Participant would no longer have responsibilities substantially equivalent to those of other officers holding an equivalent job position to that held by the Participant before the diminution at companies with similar revenues and market capitalization;

(b) the Trust reduces the Participant's annual base salary (except for a reduction that is a uniform percentage of annual base salary for each officer of the Trust and does not exceed ten percent (10%) of annual base salary) or annual bonus opportunity at high, target or threshold performance as a percentage of annual base salary; or

(c) the Trust requires the Participant to relocate the Participant's primary place of employment to a new location that is more than fifty (50) miles from its current location (determined using the most direct driving route), without the Participant's consent;

provided however, as to each event in Subsection (a), (b) or (c),

(i) the Participant gives written notice to the Trust within thirty (30) days following the event or receipt of notice of the event of his objection to the event;

(ii) the Trust fails to remedy the event within thirty (30) days following the Participant's written notice; and

(iii) the Participant terminates his employment within thirty (30) days following the Trust's failure to remedy the event.

2.9 "Participant" means a person who participates in the Plan pursuant to Section 3.1.

2.10 "Performance Period" means the period from and including January 1 through the earlier of December 31 of that year or the date of a Change in Control.

2.11 "Retire" means a Participant resigns upon or after reaching (a) age 55 and being employed by the Trust for at least twenty (20) years, or (b) age 65.

2.12 "Same Store NOI Growth" means the growth in same store net operating income of the Trust for the Performance Period as compared to the prior Performance Period, as adjusted and calculated in accordance with the Trust's accounting principles.

ARTICLE III. ELIGIBILITY AND ADMINISTRATION

3.1 Eligibility. Officers of the Trust at the level of President and Chief Executive Officer, Executive Vice President and Senior Vice President who are employees of the Trust as of the first day of the Performance Period shall be the initial Participants. The Committee may designate additional employees as Participants during the Performance Period. If the Committee adds Participants after the first day of the Performance Period, the Participant's Award opportunity will be as established by the Committee by written notice to the Participant in lieu of the level specified in Section 4.1. Unless otherwise specified by the Committee, the Award for any Participant who is not a Participant on the first day of the Performance Period shall be prorated in the proportion that the number of days the Participant is employed by the Trust during the Performance Period bears to the number of days in the Performance Period. Once a person becomes a Participant in the Plan, the Participant shall remain a Participant until any Award payable hereunder has been paid and is vested or forfeited.

3.2 Administration. The Plan shall be administered by the Committee, which shall have discretionary authority to interpret and make all determinations relating to the Plan. Any interpretation or determination by the Committee shall be binding on all parties.

ARTICLE IV. AWARDS

4.1 Award Opportunity. Each Participant's total Award under the Plan with respect to a Performance Period shall be divided into a cash component and a restricted Common Shares component, each of which shall initially be stated as a percentage of the Participant's annual base salary determined as of the first day of that Performance Period, which percentage shall depend upon the Participant's position and the degree of achievement of threshold, target, and high performance goals for the Performance Period as set forth in the table below:

	Cash Component (50%)			Restricted Share Component (50%)		
	Threshold	*Target*	*High*	*Threshold*	*Target*	*High*
President and Chief Executive Officer	58%	113%	195%	58%	113%	195%
Executive Vice President	48%	93%	160%	48%	93%	160%
Senior Vice President	35%	65%	115%	35%	65%	115%

4.2 Performance Goals. The initial performance goals under the Plan are, and are weighted, as follows:

(a) Aggregate financial performance goal (75% weighting in the aggregate and not 25% per metric), comprised of the following performance metrics:

(i) Core FFO per share;

(ii) Core FAD per share; and

(iii) Same Store NOI Growth; and

(b) Individual objectives goal (25% weighting).

The Committee shall establish guideline expectations for each performance metric comprising the aggregate financial performance goal for each Performance Period, but shall not establish specific threshold, target or high performance levels for such performance metrics. Upon or following completion of the Performance Period, (1) the degree of achievement of the aggregate financial performance goal shall be determined by the Committee in its discretion (taking into account absolute performance, performance relative to other companies in the industry, the challenges faced by the Trust and/or the positive external circumstances that may have beneficially impacted the Trust's performance, input from the Board and a written presentation on satisfaction of such aggregate financial performance goal to be provided by the Chief Executive Officer), and (2) the Committee shall evaluate the degree of achievement of the aggregate financial performance goal on a scale of below 1 (below threshold), 1 (threshold), 2 (target) or 3 (high) or any fractional number between 1 and 3. If the Committee determines that the degree of achievement of the aggregate financial performance goal performance is a fractional number between 1 and 3, the portion of the Award that is dependent upon the aggregate financial performance goal shall be determined by linear interpolation. If the degree of achievement of the aggregate financial performance goal falls below threshold, the portion of the Award that is dependent on the aggregate financial performance goal shall not be paid.

Upon or following completion of the Performance Period, (1) the degree of achievement of the individual objectives goal shall be determined by the Committee in its discretion with respect to the Chief Executive Officer, and by the Chief Executive Officer or other immediate supervisor in his or her discretion with respect to all other Participants (subject to final approval by the Committee), and (2) the Committee shall evaluate the degree of achievement of the individual objectives goal on a scale of below 1 (below threshold), 1 (threshold), 2 (target) or 3 (high) or any fractional number between 1 and 3. If the Committee determines that the degree of achievement of the individual objectives goal is a fractional number between 1 and 3, the portion of the Award that is dependent upon the individual objectives goal shall be determined by linear interpolation. If the degree of achievement of the individual objectives goal falls below threshold, the portion of the Award that is dependent on the individual objectives goal shall not be paid.

While the aggregate financial performance goal and the individual objectives goal shall apply as of the Effective Date, such goals shall be re-evaluated by the Committee (taking into account input from the Chief Executive Officer and the Board) on an annual basis as to their appropriateness for use with respect to the 2015 Performance Period and subsequent Performance Periods under the Plan based on potential future changes in the Trust's business goals and strategy. Any modification to the performance goals shall be approved by the Committee and the Board no later than the first ninety (90) days of the Performance Period in which the modification is to take effect.

4.3 Eligibility for, Timing and Form of Payment of Award. Except as provided in Section 4.3(d) or Sections 4.4 through 4.6, the Participant must be employed by the Trust on the last day of the Performance Period to receive an Award, and the Award shall be paid as follows:

(a) Upon or following the end of the Performance Period, the dollar amount payable in cash and the dollar amount payable in restricted Common Shares pursuant to Sections 4.1 and 4.2 shall be determined for each Participant;

(b) The dollar amount payable in cash for each Participant shall be paid in the year following the Performance Period but no later than the fifteenth day of the third month following the end of the Performance Period (except to the extent that the Participant has made an election to defer the Award pursuant to Section 4.8);

(c) The dollar amount payable in restricted Common Shares for each Participant shall be converted into a number of Common Shares by dividing the dollar amount by the closing price per Common Share on the January 1 following the Performance Period (or if such January 1 is not a trading day, the first trading day preceding such January 1) on the exchange on which Common Shares are traded (the "Restricted Shares"); and

(d) The Restricted Shares shall be issued in the year following the Performance Period by no later than the fifteenth day of the third month following the end of the Performance Period and shall be subject to vesting as described in Section 4.4.

All such Common Shares shall be awarded under and in accordance with the Trust's 2007 Omnibus Long Term Incentive Plan.

4.4 Common Shares subject to Vesting. The Restricted Shares shall vest (1) as to one-third of the shares on each of the first three anniversaries of the last day of the Performance Period, subject to the Participant remaining employed by the Trust through the applicable vesting date, (2) as to all of the shares, if during the period from the last day of the Performance Period through the third anniversary of the last day of the Performance Period, the Participant's employment is terminated by the Trust without Cause, or the Participant resigns for Good Reason, Retires, dies or becomes subject to a Disability while employed by the Trust, or a Change in Control occurs while the Participant is employed by the Trust, or (3) if, and to the extent determined under Section 4.5 or 4.6, if applicable.

4.5 Qualifying Termination during the Performance Period. If during the Performance Period, the Participant's employment is terminated by the Trust without Cause, or the Participant resigns with Good Reason, Retires, dies or becomes subject to a Disability while employed by the Trust, the Participant shall receive an Award calculated based on the actual levels of achievement of the performance goals for the entire Performance Period, but the Award shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the date the Participant ceases to be an employee of the Trust bears to the total number of days in the Performance Period. In such event, the Restricted Shares issued to the Participant with respect to such Performance Period shall be fully vested.

4.6 Change in Control during the Performance Period. If a Change in Control occurs while the Participant is employed by the Trust during the Performance Period, the Participant shall receive an Award calculated based on the actual levels of achievement of the prorated performance goals as of the date of the Change in Control, but the Award shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the date of the Change in Control bears to 365. In such event, the Restricted Shares issued to the Participant with respect to such Performance Period shall be fully vested and the number of shares shall be calculated based on the closing price per Common Share on the exchange on which Common Shares are traded on the trading day coinciding with (or if that is not a trading day, immediately preceding) the date of the Change in Control, or if Common Shares are no longer traded on an exchange as of such date, based on the value determined by the Committee in its reasonable discretion based on the actual or implied price paid in the Change in Control transaction. The Award shall be issued on the date of the Change in Control.

4.7 Forfeiture. Except as otherwise provided in this Article, any Award that is not vested as of the earlier of termination of employment or the third anniversary of the last day of the Performance Period in the case of the Restricted Shares, shall be forfeited.

4.8 Deferral Election as to Cash Portion of Award. Each Participant who is eligible under the Trust's Deferred Compensation Plan for Officers (the "DCP") may elect to defer the cash portion of the Award, to the extent permitted under the DCP, by making a timely deferral election under the DCP. Elections must be made by December 15 of the year prior to the Performance Period, unless otherwise permitted by the DCP. If a Participant makes deferral election, the deferral will be converted into restricted share units and held pursuant to the DCP. The deferred restricted share units will be matched twenty-five percent (25%) by the Trust in accordance with the terms of the DCP.

ARTICLE V. MISCELLANEOUS

5.1 Dividends on Unvested Shares. Dividends declared with respect to unvested Common Shares shall be paid currently.

5.2 Payroll Withholding on Cash Portion of Award. The cash portion of the Award shall be reduced by all required tax withholding and all other applicable payroll deductions.

5.3 Tax Withholding on Common Shares Portion of Award. In order to satisfy applicable tax withholding, the portion of the Award payable in Common Shares shall be reduced by that whole number of vested Common Shares which have a value equal to the minimum amount of the required tax obligations imposed on the Trust, and to the extent any remainder of the required tax withholding remains unsatisfied because no fraction of a Common Share is reduced, the Trust shall deduct the remainder from other cash payable to the Participant or if no cash is payable to the Participant, the Trust may require the Participant to remit the remainder.

5.4 Restrictions on Transfer. Except for the transfer by bequest or inheritance, the Participant shall not have the right to make or permit to exist any transfer or hypothecation, whether outright or as security, with or without consideration, voluntary or involuntary, of all or any part of any right, title or interest in or to an Award until such date as, and only to the extent that, cash has been paid or vested shares have been issued. Any such disposition not made in accordance with this Plan shall be deemed null and void. Any permitted transferee under this Section shall be bound by the terms of this Plan.

5.5 Change in Capitalization. The number and kind of shares issuable under this Plan shall be subject to adjustment pursuant to the provisions of the Trust's 2007 Omnibus Long-Term Incentive Plan.

5.6 Successors. This Plan shall be binding upon and inure to the benefit of the heirs, legal representatives, successors, and permitted assigns of the parties.

5.7 Notice. Except as otherwise specified herein, all notices and other communications under this Plan shall be in writing and shall be deemed to have been given if personally delivered or if sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the proposed recipient at the last known address of the recipient. Any party may designate any other address to which notices shall be sent by giving notice of the address to the other parties in the same manner as provided herein.

5.8 Severability. In the event that any one or more of the provisions or portion thereof contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the same shall not invalidate or otherwise affect any other provisions of this Plan, and this Plan shall be construed as if the invalid, illegal or unenforceable provision or portion thereof had never been contained herein.

5.9 No Right to Continued Retention. Neither the establishment of the Plan nor the Award hereunder shall be construed as giving any Participant the right to continued service with the Trust.

5.10 Interpretation and IRC Section 409A. Section headings used herein are for convenience of reference only and shall not be considered in construing this Plan. Sections 1.1 through 1.3 are intended to introduce and summarize the Plan only and shall not apply for purposes of determining a Participant's rights under the Plan. Termination of employment under the Plan shall be considered to have occurred for purposes of Sections 4.4 and 4.5 only if the Participant has a termination of employment that constitutes a "separation from service" within the meaning of Section 409A of the Internal Revenue Code. Awards under the Plan that are not deferred under the DCP are intended to be exempt from Section 409A as "short-term deferrals" within the meaning of the Treasury Regulations under Section 409A, but in any event Awards under the Plan are payable on a specified date or upon a Change in Control in compliance with Section 409A, and the Plan shall be interpreted in a manner to be exempt from or otherwise in compliance with Section 409A.

5.11 Amendment and Termination of the Plan. The Committee reserves the right to amend or terminate the Plan at any time, provided that no amendment shall deprive a Participant of any Award that is earned up to the date of the amendment or termination or result in the acceleration of any award payable under the Plan if such acceleration would result in any Participants incurring a tax under Section 409A of the Internal Revenue Code.

5.12 Governing Laws. The laws of the State of Maryland shall govern the Plan, to the extent not preempted by federal law, without reference to the principles of conflict of laws; provided, however, no Common Shares shall be issued except, in the reasonable judgment of the Committee, in compliance with exemptions under applicable securities laws.

WASHINGTON REAL ESTATE INVESTMENT TRUST

By: /s/ Laura M. Franklin

Laura M. Franklin

Title: Executive Vice President Accounting and Administration

CHANGE IN CONTROL AGREEMENT FOR EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

THIS CHANGE IN CONTROL AGREEMENT ("Agreement") is made and entered into as of April 21, 2014, by and between Washington Real Estate Investment Trust, a real estate investment trust organized under the laws of the State of Maryland (the "Trust"), and Thomas Q. Bakke ("Employee").

WHEREAS, Employee currently is employed in a key position with the Trust; and

WHEREAS, subject to the terms and conditions of this Agreement, the Trust has agreed to continue Employee's compensation and certain health benefits for a period of time should Employee's employment be terminated under certain conditions described herein;

NOW, THEREFORE, in consideration of the promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree to the following terms:

1. **Definitions**: For the purposes of this Agreement, the following words and phrases shall have the meanings set forth below:

A. **Change in Control**: "Change in Control" means an event or occurrence set forth in any one or more of subsections (i) through (iv) below (including any event or occurrence that constitutes a Change in Control under one of such subsections but is specifically exempted from another such subsection):

(i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership of any shares of beneficial interest in the Trust if, after such acquisition, such Person beneficially owns (within the meaning of rule 13d-3 promulgated under the Exchange Act) 40% or more of either (A) the then-outstanding shares of beneficial interest in the Trust (the "Outstanding Trust Shares") or (B) the combined voting power of the then-outstanding shares of beneficial interest the Trust entitled to vote generally in the election of trustees (the "Outstanding Trust Voting Shares"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Trust or any corporation controlled by the Trust, or (B) any acquisition by any corporation pursuant to a transaction which complies with clauses (A) and (B) of subsection (iii) of this Section 1(A); or

(ii) such time as the Continuing Trustees (as defined below) do not constitute a majority of the Board (or, if applicable, the Board of Directors or Trustees of a successor corporation or other entity to the Trust), where the term "Continuing Trustee" means at any date a member of the Board (A) who was a member of the Board on the date hereof or (B) who was nominated or elected subsequent to the date hereof with the approval of other Board members who themselves constitute Continuing Trustees at the time of such nomination or election; provided, however, that there shall be excluded from this clause (B) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of trustees or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(iii) the consummation of a merger, consolidation, reorganization, recapitalization or statutory share exchange involving the Trust or a sale or other disposition of all or substantially all of the assets of the Trust in one or a series of transactions (a "Business Combination"), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (A) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Trust Shares and Outstanding Trust Voting Shares immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of beneficial interest or stock, as the case may be, and the combined voting power of the then-outstanding shares or stock, as the case may be, entitled to vote generally in the election of trustees, or directors, as the case may be, respectively, of the resulting or acquiring corporation or other entity in such Business Combination (which shall include, without limitation, a corporation or other entity which as a result of such transaction owns the Trust or substantially all of the Trust's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation or other entity referred to herein as the "Acquiring Entity") in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Trust Shares and Outstanding Trust Voting Shares, respectively; and (B) no Person (excluding the Acquiring Entity or any employee benefit plan (or related trust) maintained or sponsored by the Trust or by the Acquiring Entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of beneficial interest or stock, as the case may be, of the Acquiring Entity, or of the combined voting power of the then-outstanding shares of such corporation or other entity entitled to vote generally in the election of trustees or directors, as the case may be; or

(iv) approval by the shareholders of the Trust of a complete liquidation or dissolution of the Trust.

B. **Involuntarily Terminated**: Employee's employment will be deemed to have been involuntarily terminated due to a Change in Control only if, on or after the date on which a Change in Control occurs, (i) Employee's employment is terminated by the Trust or the successor owner of the Trust without cause or (ii) Employee resigns because Employee's duties, responsibilities or compensation are materially diminished, provided (A) Employee gives written notice to the Trust within thirty (30) days following the diminution or receipt of notice of the diminution of his objection to the diminution, (B) the Trust fails to remedy the diminution within thirty (30) days following Employee s written notice, and (C) Employee terminates his or her employment within thirty (30) days following the Trust's failure to remedy the diminution; provided that if a termination otherwise covered by (i) or (ii) occurs during the ninety (90) day period before the date on which a Change in Control occurs, the termination will be presumed to be due to the Change in Control unless the Trust or the successor owner of the Trust can show, through a preponderance of the evidence, that the termination did not occur because of the impending Change in Control.

C. **Termination For Cause**: A termination for cause shall be deemed to occur only if the Trust or the successor owner of the Trust terminates Employee's employment for any of the following reasons: (1) commission by Employee of a felony or crime of moral turpitude; (2) conduct by Employee in the performance of Employee's duties which is illegal, dishonest, fraudulent or disloyal; (3) the breach by Employee of any fiduciary duty Employee owes to the Trust; or (4) gross neglect of duty or poor performance which is not cured by Employee to the reasonable satisfaction of the Trust within 30 days of Employee's receipt of written notice from the Trust advising Employee of said gross neglect or poor performance.

2. **Termination Benefits**: In the event Employee's employment with the Trust or the successor owner of the Trust is involuntarily terminated due to a Change in Control but not for cause, and such termination occurs within 24 months following the Change in Control or within ninety 90 days before the Change in Control as specified in Section 1(B), the Trust or the successor owner shall provide Employee with the following termination benefits:

A. continuation of Employee's base salary at the rate in effect as of the termination date for a period of 24 months from the date of termination (in the event of Employee's death, said salary shall be paid to Employee's estate);

B. payment of an annual bonus for each calendar year or partial calendar year in which Employee receives salary continuation pursuant to Section 2(A) above, in an amount equal to the average annual bonus received by Employee during the three years prior to the involuntary termination, provided that, if Employee was employed for fewer than three years prior to the termination, the bonus will be based on the average of the bonuses received by Employee in the year or years Employee received a bonus; and provided further, that if Employee receives salary continuation for a partial calendar year pursuant to Section 2(A) above, the bonus will be pro rated to reflect the number of full months Employee receives such salary continuation in such calendar year, rounded to the nearest number of months;

C. the Trust will pay the full cost for Employee to continue coverage under the Trust's group health insurance plan pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") for the period of time Employee receives salary continuation pursuant to Section 2(A) above up to a maximum of 18 months or until Employee obtains other comparable coverage, whichever is sooner;

D. immediate vesting in all then unvested options granted to Employee under the Trust's 2007 Omnibus Long-Term Incentive Plan or other plan under which such grants have been made by the Trust to Employee (the "Omnibus Plan") and immediate vesting in all unvested accrued dividend equivalent units under the Omnibus Plan, and Employee shall have the right, in Employee's sole discretion, to exercise all or any of such options and to sell the shares acquired pursuant thereto. In the event that Employee wishes to sell Employee's shares within 60 days of the involuntary termination, the shares must first be offered to the Trust for purchase at the Trust's option at the then current fair market value. The Trust shall respond within one business day to the offer or its rights to purchase the shares shall expire. Sales occurring more than 60 days after the involuntary termination shall not be subject to this option;

E. immediate vesting in all then unvested share grants granted to Employee under the Omnibus Plan and Employee shall have the right, in Employee's sole discretion, to sell the shares acquired pursuant thereto. In the event that Employee wishes to sell Employee's shares within 60 days of the involuntary termination, the shares must first be offered to the Trust for purchase at the Trust's option at the then current fair market value. The Trust shall respond within one business day to the offer or its rights to purchase the shares shall expire. Sales occurring more than 60 days after the involuntary termination shall not be subject to this option; and

F. if, by virtue of receipt of the Termination Benefits described above and any other payments in the nature of compensation, Employee is subject to excise tax pursuant to Section 4999 of the Internal Revenue Code (the "Code"), the Termination Benefits shall be reduced to the minimum extent necessary to avoid imposition of the excise tax, but only if such reduction would result in Employee retaining a greater amount after taking into account the excise tax that would be owed if no such reduction were made. If such reduction is required to be made, the Termination Benefits shall be reduced in such manner as required so as not to give rise to there being deemed to be more than one time or form of payment of any amount that constitutes nonqualified deferred compensation under Code Section 409A. To that end (i) to the extent permissible under Code Section 409A, such reductions shall be made so that the latest payments in time are reduced first, starting with payments under Section 2(B) until those payments have been eliminated if necessary, then payments under Section 2(A) until those payments have been eliminated if necessary, and ending with payments under Section 2(C) (if the payments under Section 2(C) are taxable payments) until those payments have been eliminated if necessary, or (ii) to the extent that is not permissible under Code Section 409A, the reductions shall be made ratably from each payment under Sections 2(B), 2(A), and 2(C) (if the payments under Section 2(C) are taxable payments). To the extent that the reduction of payments in Section 2(B), 2(A) and 2(C) is not sufficient to avoid imposition of the excise tax, then after making such reductions, accelerated vesting shall be reduced, starting with the vesting that otherwise would occur latest in time, first under Section 2(E) until accelerated vesting has been eliminated under that Section if necessary and last, accelerated vesting under Section 2(D) until accelerated vesting has been eliminated under that Section if necessary. Any reduction of payments or accelerated vesting required under Section 2(F) shall occur only to the minimum extent necessary to avoid imposition of the excise tax.

3. **Mitigation**: If a Change in Control occurs while Employee is employed by the Trust, and Employee's employment is involuntarily terminated as a result of the Change in Control, Employee shall have no obligation to seek other employment in order to mitigate the payment of the Termination Benefits described in Section 2 hereunder; provided, that should Employee continue to be employed by the Trust or the successor owner of the Trust after a Change in Control occurs, Employee's entitlement to receive the Termination Benefits described in Sections 2(A) and (B) hereunder shall be reduced for one-half of that period of time (rounded to the nearest month) that Employee continues to be thus employed after the Change in Control occurs without being involuntarily terminated. For example, should Employee continue to be thus employed for ten (10) months after the Change in Control occurs, Employee's entitlement to the Termination Benefits described in Sections 2(A) and (B) would be reduced by five (5) months. If Employee (despite the lack of obligation to seek other employment) does in fact obtain other employment, the compensation to Employee from such other employment shall not be applied as an offset to Employee's Termination Benefits described in Sections 2(A) and (B) hereunder.

4. **Code Section 409A**. It is intended that this Agreement and the payments hereunder will, to the fullest extent possible, be exempt from Code Section 409A, and the Agreement shall be interpreted to that end to the fullest extent possible. In this regard, it is intended that, to the extent possible, the maximum amount of severance pay possible be exempt from Code Section 409A as separation pay upon involuntary separation from service under Treas. Regs. Section 1.409A-1(b)(9)(iii). However, to the extent that any payment or benefit (or portion thereof) provided pursuant to this Agreement is determined to be subject to Code Section 409A, this Agreement shall be interpreted in a manner that complies with Code Section 409A to the fullest extent possible. In furtherance of the foregoing provisions:

A. the payments in Section 2(A) will commence on the next regular payroll date following termination of employment;

B. the payment of each average annual bonus amount in Section 2(B) will be made in the year following each calendar year or partial calendar year in which Employee receives salary continuation in Section 2(A), by no later than the fifteenth day of the third month thereof;

C. the payments in Section 2(C) will commence as of termination of employment and will be made on a monthly basis; and

D. the reductions required in Section 3 shall be made in such manner as required so as not to give rise to there being deemed to be more than one time or form of payment of any amount that constitutes nonqualified deferred compensation under Code Section 409A. To that end, to the extent permissible under Code Section 409A, the reductions required in Section 3 shall be first made from each payment that would otherwise be paid latest in time in Sections 2(A) and 2(B), or to the extent that is not permissible under Code Section 409A, the reductions shall be made ratably from each payment under Sections 2(A) and 2(B) that constitutes nonqualified deferred compensation.

If payment or provision of any amount or benefit hereunder at the time specified in this Agreement would subject such amount or benefit to any tax under Code Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or the provision of such amount or benefit could be made without incurring such tax (including paying any severance that is delayed in a lump sum upon the earliest possible payment date which is consistent with Code Section 409A). A termination of employment shall not be deemed to have occurred for purposes of this Agreement, unless such termination is also a "separation from service" within the meaning of Code Section 409A. For purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean such "separation from service." Notwithstanding anything to the contrary in this Agreement, if at the time of Employee's separation from service from the Trust, the Trust has shares which are publicly-traded on an established securities market and Employee is a "specified employee" within the meaning of Code Section 409A, then no payment, compensation, benefit or entitlement payable or provided to the Employee in connection with his separation from service that is determined, in whole or in part, to constitute a payment of nonqualified deferred compensation within the meaning of Code Section 409A shall be paid or provided to Employee before the earlier of (A) Employee's death or (B) the day that is six (6) months after the date of his separation from service date (the "New Payment Date"). The aggregate of any payments, compensation, benefits and entitlements that otherwise would have been paid to Employee during the period between the date of his separation from service date and the New Payment Date shall be paid to Employee in a lump sum on such New Payment Date. Thereafter, any payments, compensation, benefits and entitlements that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement. With regard to any provision herein that provides for reimbursement of expenses that are not excluded from Employee's taxable income and are nonqualified deferred compensation subject to Section 409A, then except as otherwise permitted by Section 409A (i) the right to reimbursement shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (iii) such payments shall be made, as soon as practicable, but in any case on or before the last day of Employee's taxable year following the taxable year in which the expense was incurred.

5. **Limitations of Agreement**: Nothing in this Agreement shall be construed to require the Trust or its successor owner to continue to employ Employee for any definite period of time. Either Employee or the Trust may terminate the employment relationship at any time with or without cause, unless otherwise expressly required by law or contract, and provided that the terms of this Agreement are observed.

6. **Arbitration**: Any dispute or controversy arising under or in connection with this Agreement which cannot be resolved informally by the parties shall be submitted to arbitration and adjudicated in Washington, D.C. pursuant to the commercial rules (single arbitrator) of the American Arbitration Association then in effect. The decision of the arbitrator shall be final and binding on all parties hereto. Each party shall bear its own costs in any arbitration proceeding held hereunder and the parties shall share the costs of the arbitrator.

7. **Severability**: In the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed, or if any such provision is held invalid or unenforceable by a court of competent jurisdiction or an arbitrator, such provision shall be deleted from this Agreement and the Agreement shall be construed to give full effect to the remaining provisions thereof.

8. **Governing Law**: This Agreement shall be interpreted, construed and governed according to the laws of the State of Maryland, without regard to the principles of conflicts of law thereof.

9. **Assignability**: Neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the prior written consent of the other. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

10. **Entire Agreement**: This Agreement contains and represents the entire agreement of the parties and supersedes all prior agreements, representations or understandings, oral or written, express or implied, with respect to the subject matter hereof, which are hereby terminated and of no further force or effect. This Agreement may not be modified or amended in any way unless in a writing signed by both parties.

11. **Counterparts**: This Agreement may be executed in one or more counterparts, each of which shall be considered an original and together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

EMPLOYEE		WASHINGTON REAL ESTATE INVESTMENT TRUST	
/s/ Thomas Q. Bakke		By:	/s/ Laura M. Franklin Laura M. Franklin
Print Name:	Thomas Q. Bakke	Title:	EVP, Accounting, Administration and Corporate Secretary
Date:	April 21, 2014	Date:	April 21, 2014

Exhibit 12

WASHINGTON REAL ESTATE INVESTMENT TRUST
Computation of Ratios
(In thousands)

Earnings to fixed charges ratio:

	Three Months Ended March 31,	
	2014	**2013**
Income from continuing operations	$ (2,265)	$ 857
Additions:		
Fixed charges		
Interest expense	14,530	16,190
Capitalized interest	393	293
	14,923	16,483
Deductions:		
Capitalized interest	(393)	(293)
Adjusted earnings	12,265	17,047
Fixed charges (from above)	$ 14,923	$ 16,483
Ratio of earnings to fixed charges [1]	**0.82**	**1.03**

[1] Due to Washington REIT's loss from continuing operations during the 2014 Quarter, the earnings to fixed charges ratio was less than 1:1. Washington REIT must generate additional earnings of $2.7 million in the 2014 Quarter to achieve a ratio of 1:1.

Debt service coverage ratio:

	Three Months Ended March 31,	
	2014	**2013**
Net income attributable to the controlling interests	$ 104,554	$ 7,335
Additions:		
Interest expense [1]	14,530	16,518
Real estate depreciation and amortization [1]	22,753	25,524
Non-real estate depreciation	193	196
	37,476	42,238
Deductions:		
Gain on sale of real estate	(106,273)	(3,195)
Adjusted EBITDA	35,757	46,378
Debt service		
Interest expense	14,530	16,518
Principal amortization	830	832
	$ 15,360	$ 17,350
Debt service coverage ratio	**2.33**	**2.67**

[1] Includes discontinued operations

Exhibit 31.1

CERTIFICATION

I, Paul T. McDermott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Washington Real Estate Investment Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 7, 2014

/s/ Paul T. McDermott

Paul T. McDermott

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Laura M. Franklin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Washington Real Estate Investment Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 7, 2014

/s/ Laura M. Franklin

Laura M. Franklin
Executive Vice President
Accounting, Administration and Corporate Secretary
(Principal Accounting Officer)

Exhibit 31.3

CERTIFICATION

I, William T. Camp, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Washington Real Estate Investment Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 7, 2014

/s/ William T. Camp

William T. Camp
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

WRITTEN STATEMENT OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the President and Chief Executive Officer, the Executive Vice President Accounting, Administration and Corporate Secretary, and the Chief Financial Officer of Washington Real Estate Investment Trust ("Washington REIT"), each hereby certifies on the date hereof, that:

(a) the Quarterly Report on Form 10-Q for the quarter endedMarch 31, 2014 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Washington REIT.

DATE: May 7, 2014

/s/ Paul T. McDermott
Paul T. McDermott
Chief Executive Officer

DATE: May 7, 2014

/s/ Laura M. Franklin
Laura M. Franklin
Executive Vice President
Accounting, Administration and Corporate Secretary
(Principal Accounting Officer)

DATE: May 7, 2014

/s/ William T. Camp
William T. Camp
Chief Financial Officer
(Principal Financial Officer)