

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

OR

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

FOR QUARTER ENDED MARCH 31, 2000

COMMISSION FILE NO. 1-6622

WASHINGTON REAL ESTATE INVESTMENT TRUST
(Exact name of registrant as specified in its charter)

<TABLE>
<CAPTION>
<S>

<C>

MARYLAND

53-0261100

(State or other jurisdiction of incorporation or organization) (IRS Employer Identification Number)
</TABLE>

6110 EXECUTIVE BOULEVARD, ROCKVILLE, MARYLAND 20852

(Address of principal executive office) (Zip code)

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

(Former name, former address and former fiscal year,
if changed since last report)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the close of the period covered by this report.

SHARES OF BENEFICIAL INTEREST 35,733,793

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 twelve (12) months (or such shorter period that the Registrant was required to file such report) and (2) has been subject to such filing requirements for the past ninety (90) days.

YES X NO

1

WASHINGTON REAL ESTATE INVESTMENT TRUST

INDEX

<TABLE>
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Page

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Part I: Financial Information

Item 1. Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Income	4
Consolidated Statement of Changes in Shareholders' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Financial Statements	7
Item 2. Management's Discussion and Analysis	13

Part II: Other Information

Item 1. Legal Proceedings	17
Item 2. Changes in Securities	17
Item 3. Defaults upon Senior Securities	17

Item 4. Submission of Matters to a Vote of Security Holders	17
Item 5. Other Information	17
Item 6. Exhibits and Reports on Form 8-K	17
Signatures	18

Part I

FINANCIAL INFORMATION

The information furnished in the accompanying Consolidated Balance Sheets, Statements of Income, Statements of Cash Flows and Statement of Changes in Shareholders' Equity reflect 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 of 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, 1999 included in the Trust's 1999 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

2

Part I

Item I. Financial Statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED BALANCE SHEETS

(In Thousands, except per share amounts)

	(Unaudited) March 31,	December
	2000	1999
31,		
-----	-----	-----
<S>	<C>	<C>
Assets		
Real estate at cost	\$665,286	
\$661,870		
Accumulated depreciation	(87,635)	
(83,574)		
-----	-----	-----
Total investment in real estate	577,651	
578,296		
Cash and temporary investments	5,914	
4,716		
Rents and other receivables, net of allowance for doubtful		
accounts of \$974 and \$799, respectively	5,226	
6,572		
Prepaid expenses and other assets	18,527	
18,896		
-----	-----	-----
	\$607,318	
\$608,480		
=====	=====	
Liabilities		
Accounts payable and other liabilities	\$ 8,834	\$
11,421		
Tenant security deposits	5,310	
5,006		
Advance rents	1,995	
3,304		
Mortgage notes payable	86,851	
87,038		
Lines of credit payable	35,000	
33,000		
Notes payable	210,000	
210,000		
-----	-----	-----
	347,990	
349,769		

-----	-----	-----
Minority interest	1,525	
1,522	-----	-----

Shareholders' Equity		
Shares of beneficial interest; \$.01 par value; 100,000,000 shares authorized: 35,733 and 35,721 shares issued and outstanding at March 31, 2000 and December 31, 1999, respectively	357	
357		
Additional paid-in capital	257,446	
256,832	-----	-----

	257,803	
257,189	-----	-----

	\$607,318	
\$608,480	=====	
=====		

</TABLE>

See accompanying notes to financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, except per share amounts)
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2000	1999
	-----	-----
<S>	<C>	<C>
Real estate rental revenue	\$31,935	\$27,654
Real estate expenses	(9,372)	(8,423)
	-----	-----
Operating income	22,563	19,231
Depreciation and amortization	(5,430)	(4,451)
	-----	-----
Income from real estate	17,133	14,780
Other income	149	204
Interest expense	(6,090)	(5,220)
General and administrative	(1,780)	(1,315)
	-----	-----
Income before gain on sale of real estate	9,412	8,449
	-----	-----
Gain on sale of real estate	1,498	7,909
	-----	-----
Net Income	\$10,910	\$16,358
	=====	=====
Per share information based on the weighted average number of shares outstanding		
Shares--Basic	35,734	35,708
Shares--Diluted	35,763	35,727
Net income per share--Basic	\$ 0.31	\$ 0.46
	=====	=====
Net income per share--Diluted	\$ 0.31	\$ 0.46
	=====	=====
Dividends paid	\$0.2925	\$ 0.28
	=====	=====

</TABLE>

See accompanying notes to financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2000
(Unaudited)
(In Thousands)

Shareholders' Equity	Shares	Par Value	Additional Paid in Capital	
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Balance, December 31, 1999	35,721	\$357	\$256,832	
\$257,189				
Net income			10,910	
10,910				
Dividends			(10,452)	
(10,452)				
Share Grants	13	-	156	
156				
-----	-----	-----	-----	-----
Balance, March 31, 2000	35,734	\$357	\$257,446	
\$257,803				
=====	=====	=====	=====	=====

</TABLE>

See accompanying notes to financial statements

WASHINGTON REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	(Unaudited)	
	Three Months Ended March 31, 2000	Three Months Ended March 31, 1999
--	-----	-----
<S>	<C>	<C>
Cash Flow From Operating Activities		
Net income	\$ 10,910	
\$16,358		
Adjustments to reconcile net income to net cash provided by operating activities		
Gain on sale of real estate	(1,498)	
(7,909)		
Depreciation and amortization	5,430	4,451
Changes in prepaid and other assets	467	1,312
Changes in other liabilities	(3,589)	
(4,728)		
--	-----	-----
Net cash provided by operating activities	11,720	9,484
--	-----	-----
Cash Flow From Investing Activities		
Capital improvements to real estate	(3,016)	
(5,358)		
Non-real estate capital improvements	(122)	
(39)		
Real estate acquisitions	(1,358)	
(6,909)		
Cash received for sale of real estate	2,456	22,033
--	-----	-----
Net cash (used) provided by investing activities	(2,040)	9,727
--	-----	-----
Cash Flow From Financing Activities		
Dividends paid	(10,452)	
(9,999)		

Borrowings - Lines of credit	2,000	
10,000		
Principal payments - Mortgage note payable	(187)	
(134)		
Share options exercised	157	
100		
--	-----	-----
Net cash used in financing activities	(8,482)	
(33)		
--	-----	-----
Net (decrease) increase in cash and temporary investments	1,198	19,178
Cash and temporary investments at beginning of period	4,716	4,595
--	-----	-----
Cash and temporary investments at end of period	\$ 5,914	\$23,773
=====	=====	
Supplemental disclosure of cash flow information:		
-		

Cash paid during the first three months for interest	\$ 9,694	\$ 8,512
=====	=====	

</TABLE>

See accompanying notes to financial statements

6

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2000

NOTE 1: NATURE OF BUSINESS

- - - - -

Washington Real Estate Investment Trust ("WRIT") is a self-administered, self managed qualified equity real estate investment trust, successor to a trust organized in 1960. The Trust's business consists of the ownership of income-producing real estate properties in the greater Washington - Baltimore Region.

WRIT operates in a manner intended to enable it to qualify as a real estate investment trust under the Internal Revenue Code (the "Code"). In accordance with the Code, a trust which distributes its capital gains and at least 95% of its taxable income to its shareholders each year, and which meets certain other conditions, will not be taxed on that portion of its taxable income which is distributed to its shareholders. Accordingly, no provision for Federal income taxes is required.

NOTE 2: ACCOUNTING POLICIES

- - - - -

Basis of Presentation

The accompanying unaudited financial statements have been prepared 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 generally accepted accounting principles have been condensed or omitted pursuant to those rules and regulations, although WRIT believes that the disclosures made are adequate to make the information presented not misleading.

Comprehensive Income

WRIT has no items of comprehensive income that would require separate reporting in the accompanying consolidated statements of income.

Earnings Per Common Share

"Basic earnings per share" is computed as net income divided by the weighted average common shares outstanding. "Diluted earnings per share" is computed as net income divided by the total weighted average common shares outstanding plus the effect of dilutive common equivalent shares outstanding for the period. Dilutive common equivalent shares reflect the assumed issuance of additional common shares pursuant to certain of WRIT's share based compensation plans that could potentially reduce or "dilute" earnings per share, based on the treasury stock method.

New Accounting Pronouncements

In June 1998, Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued. This statement (as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133) establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred

7

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2000

to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction, or (c) a hedge of the foreign currency exposure to a net investment in a foreign operation, an unrecognized firm commitment, an available-for-sale security, or a foreign-currency-denominated forecasted transaction. This statement is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. Although WRIT currently has no derivative instruments, this statement could affect derivative instruments acquired by WRIT in future periods.

Revenue Recognition

Residential properties are leased under operating leases with terms of generally one year or less, and commercial properties are leased under operating leases with average terms of three to five years. WRIT recognizes rental income and rental abatements from its residential and commercial leases when earned in accordance with SFAS No. 13.

Deferred Financing Costs

Costs associated with the issuance of notes payable are capitalized and amortized using the effective interest rate method over the term of the related notes.

Real Estate and Depreciation

Buildings are depreciated on a straight-line basis over estimated useful lives not exceeding 50 years. Effective January 1, 1995, WRIT revised its estimate of useful lives for major capital improvements to real estate. All capital improvement expenditures associated with replacements, improvements, or major repairs to real property are depreciated using the straight-line method over their estimated useful lives ranging from 3 to 30 years. All tenant improvements are amortized using the straight-line method over 5 years or the term of the lease if it differs significantly from 5 years. Capital improvements placed in service prior to January 1, 1995 will continue to be depreciated on a straight-line basis over their previously estimated useful lives not exceeding 30 years. Maintenance and repair costs are charged to expense as incurred.

WRIT recognizes impairment losses on long-lived assets used in operations when indicators of impairment are present and the net undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Impairment is generally assessed through comparison of amortized value to fair value. No such losses have been recorded during 2000 or 1999.

Cash and Temporary Investments

Cash and temporary investments include cash equivalents with original maturities of 90 days or less. At March 31, 2000 and March 31, 1999, cash and temporary investments includes \$2.5 million and \$22 million, respectively, of escrowed cash from property sales to be reinvested on a tax-free basis in real property. The cash escrowed from property sales is voluntarily escrowed by the Company and can be accessed without restriction at any time.

8

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2000

Use of Estimates in the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 year amounts have been reclassified to conform to the current year presentation.

NOTE 3: REAL ESTATE INVESTMENTS

WRIT's real estate investment portfolio, at cost, consists of properties located in Maryland, Washington, D.C. and Virginia as follows:

<TABLE>
<CAPTION>

	March 31, 2000 (In Thousands)

<S>	<C>
Office buildings	\$354,576
Industrial distribution centers	114,511
Apartment buildings	99,633
Shopping centers	96,566

	\$665,286
	=====

</TABLE>

As of March 31, WRIT acquired the following property during 2000:

<TABLE>
<CAPTION>

Acquisition Date Cost	Property Name	Property Type	Rentable Square Feet	Acquisition (in thousands)

<S>	<C>	<C>	<C>	<C>
February 29, 2000	833 South Washington Street	Retail	6,000	\$1,350

On February 29, 2000, WRIT sold Prince William Plaza Shopping Center for \$2.8 million in cash resulting in a gain of approximately \$1.5 million. WRIT anticipates that this sale will be the first step of a tax-deferred exchange whereby the sales proceeds will be reinvested on a tax-free basis in another real estate property.

NOTE 4: MORTGAGE NOTES PAYABLE

On September 20, 1999, WRIT assumed an \$8.7 million mortgage note payable as partial consideration for its acquisition of Avondale Apartments. The mortgage bears interest at 7.875 percent per annum. Principal and interest are payable monthly until November 1, 2005, at which time all unpaid principal and interest are payable in full.

On September 27, 1999, WRIT executed a \$50.0 million mortgage note payable secured by the Ashby Apartments,

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2000

Country Club Towers, Munson Hill Towers, Park Adams and Roosevelt Towers. The mortgage bears interest at a fixed 7.14 percent per annum and is payable monthly until October 1, 2009, at which time all unpaid principal and interest are payable in full. The funds were used to repay advances received on the Unsecured Lines of Credit Payable.

Annual maturities of principal as of March 31, 2000 are as follows:

<TABLE>
<CAPTION>

	(In Thousands)
	<C>
<S>	
2000	\$ 583
2001	833
2002	902
2003	7,376

2004	820
Thereafter	76,337

Total	\$86,851
	=====

</TABLE>

NOTE 5: UNSECURED LINES OF CREDIT PAYABLE

As of March 31, 2000, WRIT had two unsecured credit commitments in the amount of \$50 million and \$25 million. As of March 31, 2000, \$35 million was outstanding under the credit commitments leaving \$40 million available. Under the terms of the credit commitments, interest only is payable monthly, in arrears, on the unpaid principal balance. Amounts outstanding under the credit commitments during the three months ended March 31, 2000 bore interest at rates ranging from 6.64 percent to 7.57 percent per annum. All new advances will bear interest at LIBOR plus a spread based on WRIT's credit rating on its publicly issued debt. All unpaid interest and principal can be prepaid prior to the expiration of WRIT's interest rate lock-in periods subject to a yield maintenance obligation.

The \$50 million credit commitment requires WRIT to pay the lender unused commitment fees at the rate of 0.200 percent per annum on the amount by which the unused portion of the commitment exceeds the balance of outstanding advances and term loans. The \$25 million credit commitment requires WRIT to pay the lender a facility management fee of 0.175 percent per annum on the commitment amount of \$25 million. These fees are payable quarterly. The credit commitments also contain certain financial covenants related to debt, net worth, and cash flow and non-financial covenants which WRIT has met as of March 31, 2000.

NOTE 6: NOTES PAYABLE

On August 13, 1996 WRIT sold \$50 million of 7.125 percent 7-year unsecured notes due August 13, 2003, and \$50 million of 7.25 percent unsecured 10-year notes due August 13, 2006. The 7-year notes were sold at 99.107 percent of par and the 10-year notes were sold at 98.166 percent of par. Net proceeds to the Trust after deducting underwriting expenses were \$97.6 million. The 7-year notes bear an effective interest rate of 7.46 percent, and the

10

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2000

10-year notes bear an effective interest rate of 7.49 percent, for a combined effective interest rate of 7.47 percent. WRIT used the proceeds of these notes to pay down its lines of credit and to finance acquisitions and capital improvements to its properties.

On February 20, 1998, WRIT sold \$50 million of 7.25 percent unsecured notes due February 25, 2028 at 98.653 percent to yield approximately 7.36 percent. WRIT also sold \$60 million in unsecured Mandatory Par Put Remarketed Securities ("MOPPRS") at an effective borrowing rate through the remarketing date (February 2008) of approximately 6.74 percent. The net proceeds to WRIT after deducting loan origination fees was \$102.7 million. WRIT used the proceeds of these notes for general business purposes, including repayment of outstanding advances under its lines of credit and to finance acquisitions and capital improvements to its properties. WRIT's costs of the borrowings of approximately \$7.2 million will be amortized over the lives of the notes using the effective interest method.

These notes contain certain financial and non-financial covenants which WRIT has met as of March 31, 2000.

NOTE 7: SEGMENT INFORMATION

WRIT has four reportable segments: Office Buildings, Industrial Distribution Centers, Apartment Buildings and Shopping Centers. Office Buildings represent 52 percent of real estate rental revenue and provide office space for various types of businesses. Industrial Distribution Centers represent 14 percent of real estate rental revenue and are used for warehousing and distribution. Apartment Buildings represent 20 percent of real estate rental revenue. These properties provide housing for families throughout the Washington Metropolitan area. Shopping Centers represent the remaining 14 percent of real estate rental revenue and are typically grocery store or drug store anchored centers and retail outlets for a variety of stores.

The accounting policies of the segments are the same as those described in Note 2. WRIT evaluates performance based upon operating income from the combined properties in each segment. WRIT's reportable segments are consolidations of similar properties. They are managed separately because each segment requires

different operating, pricing and leasing strategies. All of these properties have been acquired separately and are incorporated into the applicable segment.

WASHINGTON REAL ESTATE INVESTMENT TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2000

<TABLE>
<CAPTION>

Consolidated	(in thousands)				
	Three Months Ended March 31, 1999				
	Office Buildings	Industrial Centers	Apartment Buildings	Shopping Centers	Corporate and Other
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Real estate rental revenue \$ 31,935	\$ 16,695	\$ 4,315	\$ 6,400	\$ 4,525	\$ -
Real estate expenses 9,372	4,977	1,022	2,340	1,033	-
Operating income 22,563	11,718	3,293	4,060	3,492	-
Depreciation and amortization 5,430	3,082	915	849	584	-
Income from real estate 17,133	8,636	2,378	3,211	2,908	-
Other income 149	-	-	-	-	149
Interest expense (6,090)	(343)	-	(1,084)	(161)	(4,502)
General and administrative (1,780)	-	-	-	-	(1,780)
Net income before gain on sale of real estate \$ 9,412	\$ 8,293	\$ 2,378	\$ 2,127	\$ 2,747	\$ (6,133)
Capital investments \$ 4,283	\$ 2,438	\$ 893	\$ 559	\$ 259	\$ 134
Total assets \$607,318	\$320,024	\$105,254	\$79,237	\$83,925	\$18,878

</TABLE>

<TABLE>
<CAPTION>

Consolidated	(in thousands)				
	Three Months Ended March 31, 1999				
	Office Buildings	Industrial Centers	Apartment Buildings	Shopping Centers	Corporate and Other
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Real estate rental revenue \$ 27,654	\$ 14,002	\$ 3,829	\$ 5,397	\$ 4,426	\$ -
Real estate expenses 8,423	4,492	870	2,045	1,016	-
Operating income 19,231	9,510	2,959	3,352	3,410	-
Depreciation and amortization 4,451	2,520	745	652	534	-

Income from real estate	6,990	2,214	2,700	2,876	-
14,780					
Other income	-	-	-	-	204
204					
Interest expense	(414)	-	-	(164)	(4,642)
(5,220)					
General and administrative	-	-	-	-	(1,315)
(1,315)					

Net income before gain on sale of real estate	\$ 6,576	\$ 2,214	\$ 2,700	\$ 2,712	\$ (5,753)
\$ 8,449					

=====

Capital investments	\$ 9,796	\$ 802	\$ 637	\$ 1,032	\$ 39
\$ 12,306					

=====

Total assets	\$287,596	\$95,545	\$65,571	\$84,610	\$36,981
\$570,303					

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</TABLE>

NOTE 8: SUBSEQUENT EVENT

On May 5, 2000, WRIT purchased Wayne Avenue Plaza for a purchase price of \$7.7 million. A portion of the funds used to purchase the 91,000 square foot office property were provided by the proceeds discussed in Note 3 and an additional \$5 million advance on the unsecured lines of credit discussed in Note 5.

12

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

RESULTS OF OPERATIONS

FORWARD LOOKING STATEMENTS

WRIT's Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that may be considered forward looking. Although WRIT believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Factors that could cause actual results to differ materially from WRIT's current expectations include general economic conditions, local real estate conditions, the performance of properties that WRIT has acquired or may acquire and other risks, detailed from time to time in WRIT's past and future SEC reports.

REAL ESTATE RENTAL REVENUE AND OPERATING INCOME: Three Months Ended March 31,

2000 Compared to the Three Months Ended March 31, 1999

Total revenues for the first quarter of 2000 increased 15.5% (\$4.3 million) to \$31.9 million from \$27.7 million in the first quarter of 1999. Operating income increased 17.3% (\$3.3 million) to \$22.6 million from \$19.2 million in the first quarter of 1999.

For the first quarter of 2000, WRIT's office buildings had increases of 19.2% in revenues and 23.2% in operating income, over the first quarter of 1999. These increases were primarily due to the acquisitions of 600 Jefferson Plaza and 1700 Research Boulevard in May 1999, the acquisition of Parklawn Plaza in November 1999 and increased core portfolio operating income offset in part by the sale of 444 N. Frederick and Arlington Financial Center in February 1999. Comparing those office buildings owned by WRIT for the entire first quarter of 1999 and 2000, revenue and operating income increased 10.2% and 11.3% respectively. These increases in revenues and operating income were primarily due to increases in rental rates and tenant pass through expense recoveries across the sector, offset by a slight decrease in occupancy from 98.3% to 97.3%.

For the first quarter of 2000, WRIT's industrial distribution center revenues and operating income increased 12.7% and 11.3%, respectively, over the first quarter of 1999. These increases were primarily due to the acquisitions of Dulles South IV in January 1999, Sully Square in April 1999 and North American

Vaccine in September 1999, offset in part by the sale of Department of Commerce and V Street Distribution Center in February 1999, and due to increased core portfolio operating income. Comparing those industrial distribution centers owned by WRIT for the entire first quarters of 1999 and 2000, revenue and operating income increased by 5.6% and 6.1% respectively. These increases in revenues and operating income were primarily due to increased rental rates and occupancy.

For the first quarter of 2000, WRIT's apartment revenues and operating income increased 18.6% and 21.1%, respectively, over the first quarter of 1999. These increases were primarily due to the acquisition of Avondale Apartments in September 1999 and increased rental and occupancy rates in WRIT's core portfolio. Comparing those apartment buildings owned by WRIT for the entire first quarters of 1999 and 2000, revenue and operating income increased

13

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

by 8.3% and 13.7%, respectively. These increases in revenues and operating income were primarily due to increased rental rates and occupancy. Occupancy rates increased from 95.4% in first quarter 1999 to 97.7% in first quarter 2000.

For the first quarter of 2000, WRIT's shopping center revenues and operating income increased 2.2% and 2.4%, respectively, over the first quarter of 1999. These increases were primarily due to increased core portfolio revenues and operating income, offset by the February 2000 sale of Prince William Plaza. Comparing those shopping centers owned by WRIT for the entire first quarters of 1999 and 2000, revenue and operating income increased by 1.6% and 1.9%, respectively. These increases were primarily due to increased rental and occupancy rates.

OPERATING EXPENSES AND OTHER RESULTS OF OPERATIONS: Three Months Ended March 31,

2000 Compared to the Three Months Ended March 31, 1999

Real estate expenses increased \$0.9 million or 11.3% to \$9.4 million as compared to \$8.4 million for the first quarter of 1999. This increase is primarily due to expenses relating to \$63.1 million of properties acquired in 1999 and 2000 partially offset by the impact of the \$25.9 million of properties sold in 1999 and 2000 and a 0.4% increase in core portfolio operating expense.

Depreciation and amortization expense increased \$1.0 million or 22.0% to \$5.4 million as compared to \$4.5 million for the first quarter of 1999. This is primarily due to 1999 and year to date 2000 acquisitions of \$61.8 million and \$1.3 million, respectively, and 1999 and year to date 2000 capital and tenant improvement expenditures which totaled \$17.7 million and \$4.3 million, respectively. The amount was partially offset by 1999 and year to date 2000 dispositions of \$23.1 million and \$2.8 million, respectively.

Total interest expense was \$6.1 million for the first quarter of 2000 as compared to \$5.2 million for the first quarter of 1999. This increase is primarily attributable to a \$50.0 million mortgage note payable executed in September 1999 and secured by the Ashby Apartments, Country Club Towers, Munson Hill Towers, Park Adams and Roosevelt Towers. The increase is also due to the assumption of an \$8.7 million mortgage in September 1999. For the first quarter of 2000, notes payable interest expense was \$3.9 million, mortgage interest expense was \$1.6 million and lines of credit interest expense was \$0.6 million. For the first quarter of 1999, notes payable interest expense was \$3.9 million, mortgage interest expense was \$0.6 million and lines of credit interest expense was \$0.7 million.

General and administrative expenses increased \$0.5 million to \$1.8 million as compared to \$1.3 million for the first quarter of 1999. The change is primarily attributable to increased salaries, incentive compensation and professional fees. For the first quarter of 2000, general and administrative expenses as a percentage of revenue were 5.6% as compared to 4.8% for the first quarter of 1999.

14

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

CAPITAL RESOURCES AND LIQUIDITY

WRIT has utilized the proceeds of share offerings, medium and long-term fixed interest rate debt, bank lines of credit and cash flow from operations for its capital needs. External sources of capital are available to WRIT from its existing unsecured credit commitments and management believes that additional

sources of capital are available from the sale of additional shares, the sale of medium or long-term notes and/or through secured financing. The funds raised would be used to pay off any outstanding advances on the Trust's lines of credit and/or for new acquisitions and capital improvements.

WRIT anticipates that over the near term, recent and future interest rate increases will not have a material effect on earnings. WRIT's long-term fixed rate notes payable have maturities ranging from August 2003 through February 2028 (see Note 5 for further discussion). Only \$35 million from unsecured lines of credit payable of the \$331.9 million total debt outstanding at March 31, 2000 was at a floating rate. WRIT estimates that a 200 basis point increase in interest rates would result in less than a 1.5% reduction in earnings.

WRIT has line of credit commitments in place from commercial banks for up to \$75 million which bear interest at an adjustable spread over LIBOR based on the Trust's interest coverage ratio and public debt rating. As of March 31, 2000, WRIT had \$35 million outstanding under its lines of credit. WRIT acquired seven properties in 1999 and one property in 2000 (as of March 31) for total acquisition costs of \$61.8 million and \$1.3 million, respectively. The 1999 acquisitions were financed through line of credit advances, the use of the proceeds from the property sales in February 1999 and the assumption of a mortgage payable of \$8.7 million.

On September 27, 1999, WRIT closed on a \$50.0 million mortgage note payable of which the proceeds were used to pay down WRIT's unsecured lines of credit. The mortgage is secured by five of WRIT's Virginia residential properties.

Cash flow from operating activities totaled \$11.7 million for the first three months of 2000, as a result of net income before gain on sale of real estate of \$9.4 million, depreciation and amortization of \$5.4 million, decreases in other assets of \$0.5 million and decreases in liabilities (other than mortgage note, senior notes and lines of credit payable) of \$3.6 million. The majority of the increase in cash flow from operating activities was primarily due to a larger property portfolio, increased rental rates and increased occupancies.

Net cash used in investing activities for the first three months of 2000 was \$2.0 million, including real estate acquisitions of \$1.4 million and capital improvements to real estate of \$3.0 million offset by cash received from sale of real estate properties of \$2.5 million.

Net cash used in financing activities for the first three months of 2000 was \$8.5 million, including line of credit borrowings of \$2.0 million, principal repayments on the mortgage notes payable of \$0.2 million and \$10.5 million in dividends paid. Rental revenue has been the principal source of funds to pay WRIT's operating expenses, interest expense and dividends to shareholders.

Management believes that WRIT has the liquidity and the capital resources necessary to meet all of its known obligations and to make additional property acquisitions and capital improvements when appropriate to enhance long-term growth.

15

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

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The only material market risk to which WRIT is exposed is interest rate risk. WRIT's 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 its variable rate lines of credit. WRIT primarily enters into debt obligations to support general corporate purposes including acquisition of real estate properties, capital improvements and working capital needs. In the past, WRIT has used interest rate hedge agreements to hedge against rising interest rates in anticipation of refinancing or new debt issuance.

WRIT's interest rate risk has not changed significantly from its risk as disclosed in its 1999 Form 10-K.

YEAR 2000

WRIT's Year 2000 Project completion resulted in no interruption or failure of normal business activities or operations. No material failures or significant interruptions were experienced that materially or adversely affected WRIT's operations, liquidity or financial condition. The total costs incurred to become Year 2000 compliant were not material to WRIT's financial position in first quarter 2000 or first quarter 1999. Any future cost associated with Year 2000 compliancy is not expected to be material to WRIT's financial position.

PART II

OTHER INFORMATION

- Item 1. Legal Proceedings
None
- Item 2. Changes in Securities
None
- Item 3. Defaults Upon Senior Securities
None
- Item 4. Submission of Matters to a Vote of Security Holders
None
- Item 5. Other Information
None
- Item 6. Exhibits and Reports on Form 8-K
(a) Exhibits
(27) Financial Data Schedule
(b) Reports on Form 8-K

1. February 22, 2000--Report pursuant to Item 5 on the release of the Trust's December 31, 1999 earnings information.
2. April 25, 2000--Report pursuant to Item 5 on the release of the Trust's March 31, 2000 earnings information.

SIGNATURES

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

WASHINGTON REAL ESTATE INVESTMENT TRUST

/s/ Larry E. Finger

Larry E. Finger,
Senior Vice President
and Chief Financial Officer

/s/ Laura M. Franklin

Laura M. Franklin,
Vice President,
Chief Accounting Officer and
Corporate Secretary

Date: May 12, 2000

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