

WASHINGTON REAL ESTATE INVESTMENT TRUST
Form 424B5
October 04, 2005
Table of Contents

Filed Pursuant to Rule 424(b)(5)

Registration File Number 333-114410

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED APRIL 29, 2004

\$100,000,000

5.35% Senior Notes due May 1, 2015

We will pay interest on the Notes each May 1 and November 1. The first interest payment will be made on November 1, 2005. The notes being offered by this prospectus supplement will be part of a series of notes issued initially on April 26, 2005. Upon completion of this offering, \$150 million of our 5.35% Senior Notes due May 1, 2015 will be outstanding.

We may redeem the Notes in whole or in part at any time before maturity at the redemption price described in this prospectus supplement. There is no sinking fund for the Notes.

Investing in our Notes involves risks. See the Risk Factors section in our Annual Report on Form 10-K for the year ended December 31, 2004.

	<u>Price to Public(1)</u>	<u>Underwriting Discounts and Commissions</u>	<u>Proceeds to WRIT(1)</u>
Per Note	98.942%	0.650%	98.292%
Total	\$98,942,000	\$650,000	\$98,292,000

(1) Plus accrued interest from April 26, 2005.

Delivery of the Notes in book-entry form only will be made on or about October 6, 2005.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Sole Book Running Manager

Credit Suisse First Boston

Wells Fargo Securities

JPMorgan

The date of this prospectus supplement is October 3, 2005.

Table of Contents

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

	<u>Page</u>
<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	S-1
<u>RATIOS OF EARNINGS TO FIXED CHARGES AND DEBT SERVICE COVERAGE</u>	S-4
<u>USE OF PROCEEDS</u>	S-4
	<u>Page</u>
<u>DESCRIPTION OF THE NOTES</u>	S-5
<u>UNDERWRITING</u>	S-10
<u>LEGAL MATTERS</u>	S-11

PROSPECTUS

	<u>Page</u>
<u>ABOUT THIS PROSPECTUS</u>	3
<u>WASHINGTON REAL ESTATE INVESTMENT TRUST</u>	3
<u>USE OF PROCEEDS</u>	4
<u>RATIOS OF EARNINGS TO FIXED CHARGES AND DEBT SERVICE COVERAGE</u>	4
<u>DESCRIPTION OF SHARES</u>	5
	<u>Page</u>
<u>DESCRIPTION OF COMMON SHARE WARRANTS</u>	11
<u>DESCRIPTION OF DEBT SECURITIES</u>	12
<u>PLAN OF DISTRIBUTION</u>	27
<u>LEGAL OPINIONS</u>	28
<u>EXPERTS</u>	29
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	29

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate as of the date of this document.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary may not contain all of the information that may be important to you. You should read this prospectus supplement, the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference into the prospectus, including the financial data and the related notes, in their entirety before making an investment decision. When used in this prospectus supplement, the terms we, our, us and WRIT refer to Washington Real Estate Investment Trust.

WRIT

Washington Real Estate Investment Trust is a self-administered, self-managed equity real estate investment trust. Our business consists of the ownership and operation of income-producing real properties. We have a fundamental strategy of regional focus, diversification by property type and conservative capital management. Our principal objective is to invest in high quality properties in prime locations, then proactively manage, lease and develop ongoing capital improvement programs to improve their long-term economic performance. On June 30, 2005, we owned 67 properties, consisting of 27 office buildings, 12 retail shopping centers, 9 multifamily buildings and 19 industrial/flex properties, encompassing in the aggregate approximately 10.1 million square feet.

While we have historically focused most of our investments within the greater Washington-Baltimore region, in order to maximize acquisition opportunities, we consider investments as far north as Philadelphia, Pennsylvania and as far south as Richmond, Virginia.

Our principal offices are located at 6110 Executive Boulevard, Suite 800, Rockville, Maryland 20852. Our telephone number there is (301) 984-9400.

RECENT DEVELOPMENTS

On July 29, 2005, we acquired a 29-acre business park, known as Albemarle Point, located in Chantilly, Virginia for \$67 million. The business park consists of five single-story industrial/flex buildings totaling 206,727 square feet and one two-story office building totaling 89,378 square feet. We funded the acquisition with cash on hand and borrowings of \$63 million under our line of credit.

S-1

Table of Contents

The Offering

All capitalized terms not defined in this summary have the meanings specified in Description of the Notes. For a more complete description of the terms of the Notes specified in the following summary, see Description of the Notes in this prospectus supplement and Description of Debt Securities in the prospectus.

Securities Offered \$100,000,000 aggregate principal amount of 5.35% Senior Notes due May 1, 2015 (the Notes). The Notes will be treated as a single class with the \$50,000,000 principal amount of WRIT s existing 5.35% Senior Notes due May 1, 2015, issued on April 26, 2005.

Maturity The Notes will mature on May 1, 2015.

Interest Payment Dates Interest on the Notes is payable semi-annually in arrears on each May 1 and November 1, commencing November 1, 2005, and at maturity. Interest will accrue from April 26, 2005.

Ranking The Notes will be direct obligations of WRIT and will rank equally with each other and with all other unsecured and unsubordinated indebtedness of WRIT.

Use of Proceeds To repay borrowings outstanding under our unsecured lines of credit and for general corporate purposes.

Limitations on Incurrence of Debt The Notes contain various covenants, including the following:

(1) WRIT will not, and will not permit any subsidiary to, incur any Debt if, immediately after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount of all outstanding Debt of WRIT and its subsidiaries on a consolidated basis is greater than 60% of the sum of: (i) WRIT s Total Assets as of the end of the most recent calendar quarter reported prior to the incurrence of such additional Debt and (ii) any increase in WRIT s Total Assets since the end of such quarter, including any increase in Total Assets resulting from the incurrence of such additional Debt (such increase, together with WRIT s Total Assets being referred to as Adjusted Total Assets).

(2) WRIT will not, and will not permit any subsidiary to, incur any Secured Debt if, immediately after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount of all outstanding Secured Debt of WRIT and its subsidiaries on a consolidated basis is greater than 40% of Adjusted Total Assets.

(3) WRIT will not, and will not permit any subsidiary to, incur any Debt if the ratio of Consolidated Income Available for Debt Service to the Annual Service Charge for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred shall have been less than 1.5 to 1 on a pro forma basis, after giving effect thereto and the application of the proceeds thereof.

Table of Contents

Maintenance of Total Unencumbered Assets	WRIT must maintain Total Unencumbered Assets of not less than 150% of the aggregate outstanding principal amount of Unsecured Debt of WRIT and its subsidiaries.
Optional Redemption	The Notes are redeemable at any time at our option, in whole or in part, at a redemption price equal to the sum of: (i) the principal amount of the Notes being redeemed plus accrued interest to the redemption date and (ii) the Make-Whole Amount, if any. See Description of the Notes Optional Redemption.

Table of Contents**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 period and years shown:

	Six Months Ended	Year Ended			
		June 30, 2005	December, 31,		
			2004	2003	2002
Earnings to fixed charges	1.92x	2.14x	2.34x	2.50x	
Debt service coverage	3.10x	3.29x	3.53x	3.64x	

We computed the ratios of earnings to fixed charges by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations and fixed charges. Fixed charges consist of interest expense, including interest costs capitalized, and the amortization of debt issuance costs. We computed the debt service coverage ratio by dividing earnings before interest income and expense, depreciation, amortization and gain on sale of real estate by the sum of interest expense and principal amortization.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of the Notes will be approximately \$98.0 million. Net proceeds is what we expect to receive after paying expenses of the offering, which we estimate will be approximately \$325,000, and the deduction of the underwriting discount. We intend to use the net proceeds of this offering to repay approximately \$93 million of borrowings currently outstanding under our lines of credit. The borrowings under the lines of credit presently bear interest at a weighted average rate of 4.5% per annum and are due and payable between July 2007 and July 2008. We intend to use the balance of the net proceeds for general business purposes, including the acquisition and/or renovation, expansion or improvement of income-producing properties. Pending such uses, the net proceeds may be invested in short-term income-producing investments.

Table of Contents

DESCRIPTION OF THE NOTES

The following description of the particular terms of the Notes offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus, under the heading Description of Debt Securities. Certain terms used in this prospectus supplement are defined in that section of the accompanying prospectus.

General

An aggregate principal amount of \$50 million of our 5.35% Senior Notes due May 1, 2015 were initially issued on April 26, 2005. In this offering, we are reopening the series of notes pursuant to our senior indenture, dated as of August 1, 1996, between WRIT and J.P. Morgan Trust Company, N.A. (as successor in interest to the First National Bank of Chicago), as trustee, and will issue an additional \$100 million of our 5.35% Senior Notes due May 1, 2015. Accordingly, upon completion of this offering, \$150 million in aggregate principal amount of our 5.35% Senior Notes due May 1, 2015 will be outstanding. The Notes are being issued under the senior indenture and pursuant to resolutions of our board of trustees and an officers certificate, to be dated as of October 3, 2005. The terms of the Notes will include those provisions contained in the senior indenture and the officers certificate and those made part of the senior indenture by reference to the Trust Indenture Act of 1939, as amended. The following summary of the Notes is qualified in its entirety by reference to the senior indenture and the officers certificate.

We may, without the consent of the holders of the Notes, as we are doing in this offering, increase the principal amount of the Notes in the future, on the same terms and conditions and with the same CUSIP numbers as the Notes being offered hereby. The Notes offered hereby will, collectively with the 5.35% Senior Notes due May 1, 2015 issued on April 26, 2005, constitute a single series of debt securities under the senior indenture.

We will pay interest on the Notes semi-annually in arrears on May 1 and November 1 of each year, beginning on November 1, 2005, to the registered holders of the Notes at the close of business 15 calendar days prior to such payment date regardless of whether such day is a business day. Interest on the Notes will accrue from April 26, 2005. The Notes will not be subject to any sinking fund provisions.

The Notes will be direct, unsecured obligations of WRIT and will rank equally with each other and with all of our other unsecured and unsubordinated debt. The Notes will be effectively subordinated to the prior claims of each secured mortgage lender to any specific WRIT property, which secures that lender's loan. As of June 30, 2005, our mortgage loans aggregated approximately \$197.0 million. Subject to limitations set forth in the senior indenture and as described under Description of Debt Securities Covenants and Merger, Consolidation or Sale in the accompanying prospectus, the senior indenture will permit WRIT to incur additional secured and unsecured debt.

See the section entitled Description of Debt Securities Covenants in the accompanying prospectus for a description of the covenants applicable to the Notes. Compliance with these covenants generally may not be waived by the trustee under the senior indenture unless the holders of at least a majority in principal amount of all outstanding Notes consent to that waiver. However, the defeasance and covenant defeasance provisions in the senior indenture described under Description of Debt Securities Discharge, Defeasance and Covenant Defeasance in the accompanying prospectus will apply to the Notes.

Except as described under Description of Debt Securities Covenants Senior Indenture Limitations on Incurrence of Debt and Merger, Consolidation or Sale in the accompanying prospectus, the senior indenture does not contain any other provisions that would limit WRIT's ability

Edgar Filing: WASHINGTON REAL ESTATE INVESTMENT TRUST - Form 424B5

to incur debt or that would afford holders of the Notes protection in the event of (a) a highly leveraged or similar transaction involving WRIT or (b) a reorganization, restructuring, merger or similar transaction involving WRIT that may adversely affect the holders

S-5

Table of Contents

of the Notes. In addition, subject to the limitations set forth under **Description of Debt Securities Covenants** and **Merger, Consolidation or Sale** in the accompanying prospectus, WRIT may, in the future, enter into transactions such as the sale of all or substantially all of its assets or the merger or consolidation of WRIT with another entity that would increase the amount of WRIT's debt or substantially reduce or eliminate WRIT's assets, which may have an adverse effect on WRIT's ability to service its debt, including the Notes. WRIT has no present intention of engaging in a highly leveraged or similar transaction.

The Notes will only be issued in fully registered book-entry form without coupons in denominations of \$1,000 and integral multiples thereof, except under the limited circumstances described below under **Book-Entry Form**.

Principal and Interest

The Notes will bear interest at a rate of 5.35% per annum from April 26, 2005, or the most recent interest payment date to which interest has been paid or provided for, payable semi-annually in arrears on each May 1 and November 1, commencing November 1, 2005, and on the maturity date to the persons in whose names the Notes are registered in the securities register applicable to the Notes at the close of business 15 calendar days prior to such payment date regardless of whether such day is a business day. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

The principal of each Note payable on the maturity date will be paid against presentation and surrender of such note at the corporate trust office of the trustee, located initially at J.P. Morgan Trust Company, National Association, 4 New York Plaza, Fifteenth Floor, New York, New York 10004, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If any interest payment date or the maturity date falls on a day that is not a business day, the required payment shall be made on the next business day as if it were made on the date such payment was due and no interest shall accrue on the amount so payable for the period from and after such interest payment date or the maturity date. Business day means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in the City of New York are authorized or required by law, regulation or executive order to close.

Optional Redemption

We may redeem the Notes at any time in whole or from time to time in part at a **Redemption Price** equal to the sum of:

the principal amount of the Notes being redeemed plus accrued interest thereon to the redemption date and

the Make-Whole Amount (as defined below), if any, with respect to those Notes.

If notice of redemption has been given as provided in the senior indenture and funds for the redemption of any Notes called for redemption have been made available on the redemption date specified in the notice, the Notes called for redemption will cease to bear interest on the date fixed

Edgar Filing: WASHINGTON REAL ESTATE INVESTMENT TRUST - Form 424B5

for redemption specified in the notice and the only right of the holders of the Notes called for redemption from and after the redemption date will be to receive payment of the Redemption Price upon surrender of the Notes called for redemption in accordance with the notice.

Notice of any optional redemption of any Notes will be given to holders at their addresses, as shown in the security register for the Notes, not more than 60 nor less than 30 days prior to the date fixed for redemption. The notice of redemption will specify, among other items, the Redemption Price and the principal amount of the Notes held by the holder to be redeemed.

If less than all the Notes are to be redeemed at our option, we will notify the trustee under the senior indenture at least 45 days prior to the giving of notice of redemption, or such shorter period as is satisfactory to the trustee, of

S-6

Table of Contents

the aggregate principal amount of Notes to be redeemed and their redemption date. The trustee under the senior indenture will select, in such manner as it deems fair and appropriate, the Notes to be redeemed in part.

As used in this prospectus supplement **Make-Whole Amount** means, in connection with any optional redemption or accelerated payment of any Notes, the excess, if any, of:

the aggregate present value as of the date of redemption or accelerated payment of each dollar of principal being redeemed or paid and the amount of interest, exclusive of interest accrued to the date of redemption or accelerated payment, that would have been payable in respect of each dollar if the redemption or accelerated payment had not been made, determined by discounting, on a semi-annual basis, the principal and interest at the Reinvestment Rate (as defined below), determined on the third business day preceding the date notice of the redemption is given or declaration of acceleration is made, from the respective dates on which the principal and interest would have been payable if the redemption or accelerated payment had not been made; over

the aggregate principal amount of the Notes being redeemed or paid.

Reinvestment Rate means 0.20%, plus the arithmetic mean of the yields under the headings **Week Ending** published in the most recent Statistical Release under the caption **Treasury Constant Maturities** for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity of the Notes, as of the payment date of the principal of the Notes being redeemed or paid. If no maturity exactly corresponds to the maturity, yields for the two published maturities most closely corresponding to that maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from those yields on a straight-line basis, rounding each of the relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

Statistical Release means the statistical release designated **H.15(519)** or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if the statistical release is not published at the time of any determination of the Make-Whole Amount, then such other reasonably comparable index which shall be designated by us.

Book-Entry Form

WRIT has established a depositary arrangement with The Depository Trust Company (**DTC**) with respect to the Notes, the terms of which are summarized below. Upon issuance, the Notes will be represented by a single Global Security and will be deposited with, or on behalf of, DTC and will be registered in the name of DTC or DTC's nominee, Cede & Co. Unless and until it is exchanged in whole or in part for Notes in definitive form under the limited circumstances described below, the Global Security may not be transferred except as a whole by a nominee of DTC to DTC or to another nominee of DTC, or by DTC or such nominee to a successor of DTC or a nominee of such successor.

So long as DTC or its nominee is the registered owner of the Global Security, DTC or its nominee, as the case may be, will be the sole Holder of the Notes for all purposes under the senior indenture. Except as otherwise provided in this section, the Beneficial Owners (as defined below) of the Global Security representing the Notes will not be entitled to receive physical delivery of the Notes in certificated form and will not be considered the holders of the Notes for any purpose under the senior indenture, and no Global Security representing the Notes shall be exchangeable or transferable. Accordingly, each Beneficial Owner must rely on the procedures of DTC and, if such Beneficial Owner is not a Participant (as defined below), on the procedures of the Participant through which such Beneficial Owner owns its interest in order to exercise

Edgar Filing: WASHINGTON REAL ESTATE INVESTMENT TRUST - Form 424B5

any rights of a Holder under such Global Security or the senior indenture. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. Such laws may impair the ability to transfer beneficial interests in a Global Security representing the Notes.

S-7

Table of Contents

The Global Security representing the Notes will be exchangeable for certificated Notes of like tenor and terms and of differing authorized denominations aggregating a like principal amount, only if (1) DTC notifies WRIT that it is unwilling or unable to continue as depository for the Global Security or DTC ceases to be a clearing agency registered under the Securities Exchange Act (if so required by applicable law or regulation) and, in each case, a successor depository is not appointed by WRIT within 90 days after WRIT receives such notice or become aware of such unwillingness, inability or ineligibility, (2) WRIT, in its discretion, determines that the Global Security shall be exchangeable for certificated Notes or (3) there shall have occurred and be continuing an Event of Default under the senior indenture with respect to the Notes and Beneficial Owners representing a majority in aggregate principal amount of the Notes represented by the Global Security advise DTC to cease acting as depository. Upon any such exchange, the certificated Notes shall be registered in the names of the Beneficial Owners of the Global Security representing the Notes, which names shall be provided by DTC's relevant Participants (as identified by DTC) to the securities registrar for the Notes.

The following information concerning DTC and DTC's system has been furnished by DTC, and WRIT takes no responsibility for the accuracy of this information:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants (Participants) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants of DTC (Direct Participants) include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Notes under DTC's system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each note represented by a Global Security (Beneficial Owner) is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participants or Indirect Participants through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the Global Security representing the Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners of the Global Security representing the Notes will not receive certificated Notes representing their ownership interests therein, except in the event that use of the book-entry system for such Notes is discontinued.

To facilitate subsequent transfers, the Global Security representing the Notes which are deposited with, or on behalf of, DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Global Security with, or on behalf of, DTC and its registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Global Security representing the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Table of Contents

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Global Security representing the Notes. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

Principal, Make-Whole Amount, if any, and/or interest payments on the Global Security representing the Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the applicable payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on such date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of DTC, the trustee or WRIT, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, Make-Whole Amount, if any, and/or interest to DTC is the responsibility of WRIT or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

If applicable, redemption notices shall be sent to Cede & Co. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to WRIT or the trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificated Notes are required to be printed and delivered. WRIT may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificated Notes will be printed and delivered.

Table of Contents**UNDERWRITING**

Under the terms and subject to the conditions contained in the terms agreement and the related underwriting agreement, each dated October 3, 2005, we have agreed to sell to each of the underwriters named below, for whom Credit Suisse First Boston LLC is acting as representative, the respective principal amounts of the Notes set forth opposite their names below.

<u>Underwriter</u>	<u>Principal Amount of Notes</u>
Credit Suisse First Boston LLC	\$ 75,000,000
Wells Fargo Securities, LLC	17,500,000
J.P. Morgan Securities Inc.	7,500,000
Total	\$ 100,000,000

The underwriting agreement provides that the underwriters are obligated to purchase all of the Notes if any are purchased. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering of Notes may be terminated.

The underwriters propose to offer the Notes initially at the public offering price on the cover page of this prospectus supplement, and to selling group members at that price less a selling concession of 0.40% of the principal amount thereof. The underwriters and selling group members may allow a discount of 0.25% of the principal amount thereof on sales to other broker/dealers. After the initial public offering, the underwriters may change the public offering price and concession and discount to broker/dealers.

We estimate that our out of pocket expenses for this offering will be approximately \$325,000.

The Notes have no established trading market. One or more of the underwriters intend to make a secondary market for the Notes. However, they are not obligated to do so and may discontinue making a secondary market for the Notes at any time without notice. No assurance can be given as to how liquid the trading market for the Notes will be.

We intend to use more than 10% of the net proceeds from the sale of the Notes to repay indebtedness owed by us to the affiliates of Wells Fargo Securities, LLC and J.P. Morgan Securities Inc. Pursuant to Rule 2710(h)(3)(C), Rules 2710(h)(1) and (2) of the Conduct Rules of the National Association of Securities Dealers, Inc. do not apply to the offering.

The underwriters from time to time provide investment banking and financial advisory services to us. Wells Fargo Bank, National Association, an affiliate of Wells Fargo Securities, LLC, is a lender for one of our lines of credit. J.P. Morgan Trust Company, National Association, an affiliate of J.P. Morgan Securities Inc. and JP Morgan Chase Bank, N.A., bank agent and lender for one of our lines of credit, serves as trustee for the Notes.

We have agreed to indemnify the underwriters against liabilities under the Securities Act of 1933, as amended, or to contribute to payments, which the underwriters may be required to make in that respect.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

S-10

Table of Contents

Over-allotment involves sales by the underwriters of Notes in excess of the principal amount of the Notes the underwriters are obligated to purchase, which creates a syndicate short position.

Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover syndicate short positions. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the Notes originally sold by the syndicate member are purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result the price of the Notes may be higher than the price that might otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

Credit Suisse First Boston LLC will make securities available for distribution on the Internet through a proprietary Web site and/or a third-party system operated by Market Axess Corporation, an Internet-based communications technology provider. Market Axess Corporation is providing the system as a conduit for communications between Credit Suisse First Boston LLC and its customers and is not a party to any transactions. Market Axess Corporation, a registered broker-dealer, will receive compensation from Credit Suisse First Boston LLC based on transactions conducted through the system. Credit Suisse First Boston LLC will make securities available to its customers through the Internet distributions, whether made through a proprietary or third-party system, on the same terms as distributions made through other channels.

LEGAL MATTERS

Arent Fox PLLC, Washington, D.C., our legal counsel, will issue opinions about the valid issuance of the Notes offered by this prospectus supplement and tax matters relating to the qualification of WRIT as a real estate investment trust. David M. Osnos, a trustee of WRIT, is of counsel to Arent Fox PLLC. Vinson & Elkins L.L.P., Washington, D.C., will issue an opinion about some legal matters with respect to the Notes offered by this prospectus supplement for the underwriters.

Table of Contents

PROSPECTUS

\$502,979,150

6110 EXECUTIVE BOULEVARD, SUITE 800

ROCKVILLE, MARYLAND 20852

(301) 984-9400

COMMON SHARES

PREFERRED SHARES

COMMON SHARE WARRANTS

DEBT SECURITIES

Washington Real Estate Investment Trust may offer from time to time its

common shares of beneficial interest,

preferred shares of beneficial interest,

warrants to purchase common shares, and

unsecured senior or subordinated debt securities,

up to an aggregate amount of \$502,979,150 or an equivalent amount in one or more foreign currencies or composite currencies, including European currency units.

We may sell the offered securities in one or more ways: directly, through agents we designate from time to time or to or through underwriters or dealers. If we use any agents or underwriters in selling any of the offered securities, the prospectus supplement that we will provide will identify the agents and underwriters and describe any applicable purchase price, fee, commission or discount arrangement.

Our common shares of beneficial interest are listed on the New York Stock Exchange under the symbol WRE . Where applicable, the prospectus supplement will contain information on any listing on a securities exchange of securities covered by that prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the offered securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 29, 2004.

Table of Contents

TABLE OF CONTENTS

	Page
<u>ABOUT THIS PROSPECTUS</u>	3
<u>WASHINGTON REAL ESTATE INVESTMENT TRUST</u>	3
<u>USE OF PROCEEDS</u>	4
<u>RATIOS OF EARNINGS TO FIXED CHARGES AND DEBT SERVICE COVERAGE</u>	4
<u>DESCRIPTION OF SHARES</u>	5
	Page
<u>DESCRIPTION OF COMMON SHARE WARRANTS</u>	11
<u>DESCRIPTION OF DEBT SECURITIES</u>	12
<u>PLAN OF DISTRIBUTION</u>	27
<u>LEGAL OPINIONS</u>	28
<u>EXPERTS</u>	29
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	29

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS AND THE ACCOMPANYING PROSPECTUS SUPPLEMENT OR INCORPORATED BY REFERENCE IN THESE DOCUMENTS. NO DEALER, SALESPERSON OR OTHER PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO REPRESENT ANYTHING NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR THE ACCOMPANYING PROSPECTUS SUPPLEMENT. IF ANYONE PROVIDES YOU WITH DIFFERENT, INCONSISTENT OR UNAUTHORIZED INFORMATION OR REPRESENTATIONS, YOU MUST NOT RELY ON THEM. THIS PROSPECTUS AND THE ACCOMPANYING PROSPECTUS SUPPLEMENT ARE AN OFFER TO SELL ONLY THE SECURITIES OFFERED BY THESE DOCUMENTS, BUT ONLY UNDER CIRCUMSTANCES AND IN JURISDICTIONS WHERE IT IS LAWFUL TO DO SO. THE INFORMATION CONTAINED IN THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT IS CURRENT ONLY AS OF THE DATE ON THE FRONT OF THOSE DOCUMENTS.

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC using a shelf registration process. Under this process, we may sell the common shares, the preferred shares, the common share warrants and the debt securities described in this prospectus in one or more offerings up to a total amount of \$502,979,150. We may sell the offered securities in any combination separately, together or as units with other offered securities in one or more series or amounts and at prices and on other terms that we determine at the time of sale.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement containing information about the specific terms and method of the offering. The prospectus supplement may also add, update or change the information in this prospectus. You should read both this prospectus and the applicable prospectus supplement, together with additional information that we refer to under [Where You Can Find More Information](#), before making an investment decision.

WASHINGTON REAL ESTATE INVESTMENT TRUST

Washington Real Estate Investment Trust, which is also known as WRIT, is a self-administered and self-managed equity real estate investment trust investing in income producing properties in the Mid-Atlantic area with a principal focus in the greater Washington-Baltimore region. WRIT owns a diversified portfolio of 67 properties consisting of 29 office buildings, 11 retail shopping centers, 9 multi-family properties and 18 industrial/flex properties.

WRIT's principal objective is to invest in high quality real estate in prime locations and proactively manage, lease and develop its properties through ongoing capital improvement programs to improve their economic performance. During the quarter ended December 31, 2003, the economic occupancy rates of our properties were:

office buildings	88.1%
retail centers	96.1%
apartment buildings	89.2%
industrial/flex properties	88.8%
overall portfolio	89.5%

WRIT's total debt on December 31, 2003 was approximately \$517 million.

WRIT's funds from operations (FFO) per share has increased every year for 31 consecutive years. WRIT concentrates on increasing its income from operations and funds from operations to achieve its objective of paying increasing dividends to its shareholders. Funds from operations is a supplemental measure of real estate companies' operating performance. As of January 1, 2000 the National Association of Real Estate Investment Trusts (NAREIT) defines funds from operations as income available for common shareholders before depreciation and amortization of real estate assets and before extraordinary items, less gains on sale of real estate. Prior to January 1, 2000 funds from operations also excluded significant nonrecurring events. Funds from operations does not replace net income as a measure of performance or net cash provided by operating activities as a measure of liquidity. Rather, funds from operations has been adopted by real estate investment trusts to provide a consistent measure of operating performance in the industry. WRIT has paid consecutive quarterly dividends to its shareholders for 42 years, and the annual dividend paid has increased every year for the past 33 years.

Edgar Filing: WASHINGTON REAL ESTATE INVESTMENT TRUST - Form 424B5

WRIT is a Maryland REIT, successor to a trust founded in 1960. Our principal offices are located at 6110 Executive Boulevard, Suite 800, Rockville, Maryland 20852, telephone (301) 984-9400 or (800) 565-9748.

Table of Contents**USE OF PROCEEDS**

Unless we state otherwise in our prospectus supplement, we intend to use the net proceeds from the sale of offered securities for general business purposes, including the acquisition, renovation, expansion or improvement of income-producing properties or the repayment of debt. We expect that properties that we purchase in the future will be of the same general character as those we presently own. We may also use the net proceeds to acquire another REIT or other company that invests in income producing properties, although we do not have a specific plan to do so. Until we use the net proceeds for the purposes described above, we may invest them in short-term income producing investments, such as commercial paper, government securities or money market funds that invest in government securities and/or commercial paper.

RATIOS OF EARNINGS TO FIXED CHARGES AND DEBT SERVICE COVERAGE

The following table sets forth WRIT's ratios of earnings to fixed charges and debt service coverage for the periods shown:

	Year Ended December 31,				
	2003	2002	2001	2000	1999
Earnings to fixed charges	2.47x	2.71x	2.75x	2.59x	2.58x
Debt service coverage	3.53x	3.64x	3.63x	3.40x	3.42x

We computed the ratios of earnings to fixed charges by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations plus fixed charges. Fixed charges consist of interest expense, including interest costs capitalized, and the amortized costs of debt issuance.

We computed debt service coverage by dividing income before gain on sale of real estate, interest expense, depreciation and amortization by the sum of interest expense (excluding the amortized costs of debt issuance) plus mortgage principal amortization.

Table of Contents

DESCRIPTION OF SHARES

General

WRIT is authorized to issue 100,000,000 common shares with a par value of \$.01 per share. Under Maryland law and WRIT's declaration of trust, WRIT may increase the aggregate number of authorized common shares without shareholder approval. As of December 31, 2003, there were 41,607,000 common shares outstanding.

WRIT's board of trustees intends to propose to amend WRIT's declaration of trust to authorize WRIT to issue preferred shares with a par value of \$.01 per share. The preferred shares amendment will also include modifications to the declaration of trust to distinguish the rights of the holders of common shares and the holders of preferred shares. Adoption of the preferred shares amendment will require the approval of the holders of 70% of WRIT's outstanding common shares at a meeting of WRIT's shareholders. No preferred shares may be issued prior to the adoption of the preferred shares amendment.

We describe below some of the terms of the common shares and preferred shares. In addition, we describe selected provisions of WRIT's declaration of trust and selected provisions of Maryland law. We will describe in a prospectus supplement the specific terms of any series of preferred shares. The descriptions in this prospectus and the applicable prospectus supplement are not complete and may not contain all of the information that may be important to you. To obtain further information, you should refer to the provisions of WRIT's declaration of trust dated April 5, 1996, the amendment to the declaration of trust dated September 21, 1998, the bylaws, the preferred shares amendment to be proposed and any applicable amendment to the declaration of trust fixing the terms of a series of preferred shares.

Common Shares

Holders of common shares are entitled to receive dividends and distributions when and as declared by the board of trustees after payment of, or provision for, any cumulated dividends and distributions on and any required redemptions of any preferred shares then outstanding. Holders of common shares have one vote per share. Voting rights are not cumulative. This means that in the election of trustees at a shareholders' meeting, the holders of a majority of the outstanding common shares can cast all of their votes for each trustee to be elected and elect all of the trustees then standing for election, and the votes held by the holders of the remaining common shares will not be sufficient to elect any trustee.

The declaration of trust establishes the number of trustees at not less than three nor more than seven and divides the trustees into three classes to be elected on a staggered basis. Those trustees are elected by the holders of the common shares. If the preferred shares amendment is proposed and adopted, the board of trustees could establish a series of preferred stock having the right to elect up to two additional trustees, but less than a majority of the trustees, under specified circumstances and for specified periods, which we describe below.

Under the preferred shares amendment, the board of trustees could reclassify any unissued common shares in one or more classes and could amend the declaration of trust to decrease, as well as increase, the aggregate number of common shares authorized without shareholder approval.

Edgar Filing: WASHINGTON REAL ESTATE INVESTMENT TRUST - Form 424B5

Upon liquidation of WRIT, holders of common shares would receive their pro rata share of the distributable assets of WRIT remaining after the satisfaction of preferential rights of any preferred shares and the satisfaction of all debts and liabilities of WRIT. Holders of common shares do not have any preference, conversion, exchange, preemptive or redemption rights.

The common shares are listed on the New York Stock Exchange. Equiserve, Jersey City, New Jersey is the transfer agent for the common shares.

Table of Contents

Preferred Shares

General. The following description of preferred shares is based upon the terms of the preferred shares amendment that WRIT's board of trustees intends to propose. Following shareholder approval of the preferred shares amendment, the board of trustees will be authorized, without further shareholder action, to issue preferred shares, in one or more series, with designations, preferences, rights and limitations as the board of trustees approves. Under the preferred shares amendment, WRIT will be authorized to issue 1,000,000 preferred shares with a par value of \$.01 per share, but the board of trustees could amend the declaration of trust to increase or decrease the aggregate number of preferred shares authorized without shareholder approval.

The preferred shares are proposed to have the dividend, liquidation, redemption, conversion and voting rights described below unless the prospectus supplement relating to a particular series of preferred shares indicates otherwise. You should refer to the prospectus supplement relating to the particular series of preferred shares offered for specific terms, including:

- (1) the title of the preferred shares;
- (2) the number of shares included in the series offered;
- (3) the offering price of the preferred shares;
- (4) the liquidation preference per share;
- (5) the dividend rate or method of calculation, the payment dates and the payment periods, including, if applicable, the dates from which dividends will accumulate;
- (6) any voting rights provisions;
- (7) any redemption provisions;
- (8) any sinking fund provisions;
- (9) any conversion provisions; and
- (10) any other terms, rights, preferences or limitations.

The prospectus supplement also may discuss the federal income tax considerations applicable to the preferred shares offered.

The preferred shares, when issued, will be fully paid and nonassessable. Unless otherwise indicated in the prospectus supplement relating to a particular series of preferred shares, each series of preferred shares will rank equally with each other series of preferred shares as to dividends

Edgar Filing: WASHINGTON REAL ESTATE INVESTMENT TRUST - Form 424B5

and distributions in the event of a liquidation and, in all cases, will be senior to the common shares.

Dividend Rights. Holders of preferred shares of each series will be entitled to receive, when declared by the board of trustees, cash dividends at the rates and on the dates described in the prospectus supplement relating to the series of preferred shares, out of WRIT's assets legally available for that purpose. The rates may be fixed or variable or both and may be cumulative, noncumulative or partially cumulative.

As long as any preferred shares are outstanding, no dividends will be declared or paid and no distributions will be made on the common shares, other than a dividend payable in common shares, unless the accrued dividends on each series of preferred shares have been fully paid or declared and set apart for payment and, if the applicable prospectus supplement so indicates, WRIT has set apart any required amounts for any sinking funds for each series of preferred shares.

When dividends are not paid in full upon any series of preferred shares and any other series of preferred shares ranking equally as to dividends with that series of preferred shares, all dividends declared upon that series of preferred shares and any other series of preferred shares ranking equally as to dividends will be paid ratably in proportion to the amount of accrued dividends to which they are entitled.

Table of Contents

Each series of preferred shares will be entitled to dividends as described in the prospectus supplement relating to that series. Different series of preferred shares may be entitled to dividends at different dividend rates or based upon different methods of determination.

Rights Upon Liquidation. Upon any voluntary or involuntary liquidation, dissolution or winding up of WRIT, the holders of each series of preferred shares will be entitled to receive out of the assets of WRIT available for distribution to shareholders the amount stated or determined on the basis described in the prospectus supplement relating to that series. If, upon any voluntary or involuntary liquidation, dissolution or winding up of WRIT, the amounts payable on the preferred shares of any series and any other shares of stock of WRIT ranking as to distribution equally with that series of preferred shares are not paid in full, the holders of preferred shares of that series and of the other shares will share ratably in any distribution of assets of WRIT in proportion to the full preferential amounts to which they are entitled or on another basis as described in the applicable prospectus supplement. Any rights of the holders of any series of preferred shares to participate in the assets of WRIT remaining after the holders of other series of preferred shares have been paid their liquidation preferences upon any liquidation, dissolution or winding up of WRIT will be described in the prospectus supplement relating to that series.

Redemption. Subject to the terms of WRIT's outstanding debt, a series of preferred shares may be redeemable, in whole or in part, at the option of WRIT or the option of the holder. In each case, the applicable prospectus supplement will describe the terms of any redemption rights including the number of shares, the price, the dates and the type of consideration.