WASH★REIT®

Investor Presentation

March 2021

DISCLOSURES

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of Washington REIT, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification of such securities under the securities law of any such jurisdiction. If Washington REIT were to conduct an offering of securities in the future, it will be made under an effective registration statement filed with the Securities and Exchange Commission and only by means of a prospectus supplement and accompanying prospectus. In such an event, a copy of the prospectus and the applicable preliminary prospectus supplement and final prospectus supplement, as well the final term sheet, relating to such transaction will be able to be obtained from the Securities and Exchange Commission at www.sec.gov, by the underwriters in that offering, or by contacting Washington REIT at 202-774-3200. Before you invest in any such offering, you should read the applicable prospectus supplement related to such offering, the accompanying prospectus and the information incorporated by reference therein and other documents Washington REIT has then filed with the Securities and Exchange Commission for more complete information about Washington REIT and any such offering.

Forward-Looking Statements

Certain statements in this presentation are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,”or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of WashREIT to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. Currently, one of the most significant factors is the potential adverse effect of the COVID-19 virus and ensuing economic turmoil on the financial condition, results of operations, cash flows and performance of the WashREIT, particularly our ability to collect rent, on the financial condition, results of operations, cash flows and performance of our tenants, and on the global economy and financial markets. The extent to which COVID-19 impacts WashREIT and its tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Moreover, investors are cautioned to interpret many of the risks identified in the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2020 filed on February 16, 2021, as well as the risks set forth below, as being heightened as a result of the ongoing and numerous adverse impacts of COVID-19. Additional factors which may cause the actual results, performance, or achievements of WashREIT to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements include, but are not limited to the risks associated with the ownership of real estate in general and our real estate assets in particular; the economic health of the greater Washington metro region; the risk of failure to enter into/and or complete contemplated acquisitions and dispositions at all, within the price ranges anticipated and on the terms and timing anticipated; changes in the composition of our portfolio; fluctuations in interest rates; reductions in or actual or threatened changes to the timing of federal government spending; the risks related to use of third-party providers and joint venture partners; the ability to control our operating expenses; the economic health of our tenants; the supply of competing properties; shifts away from brick and mortar stores to ecommerce; compliance with applicable laws, including those concerning the environment and access by persons with disabilities; terrorist attacks or actions and/or cyber-attacks; weather conditions, natural disasters and pandemics; ability to maintain key personnel; failure to qualify and maintain our qualification as a REIT and the risks of changes in laws affecting REITs; and other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2020 Form 10-K filed on February 16, 2021, and Quarterly Reports on Form 10-Q. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We undertake no obligation to update our forward-looking statements or risk factors to reflect new information, future events, or otherwise.

Use of Non-GAAP Financial Measures and other Definitions

This presentation contains certain non-GAAP financial measures and other terms that have particular definitions when used by us. The definitions and calculations of these non-GAAP financial measures and other terms may differ from those used by other REITs and, accordingly, may not be comparable. Please refer to the definitions and calculations of these terms and the reasons for their use, and reconciliations to the most directly comparable GAAP measures included later in this investor presentation.

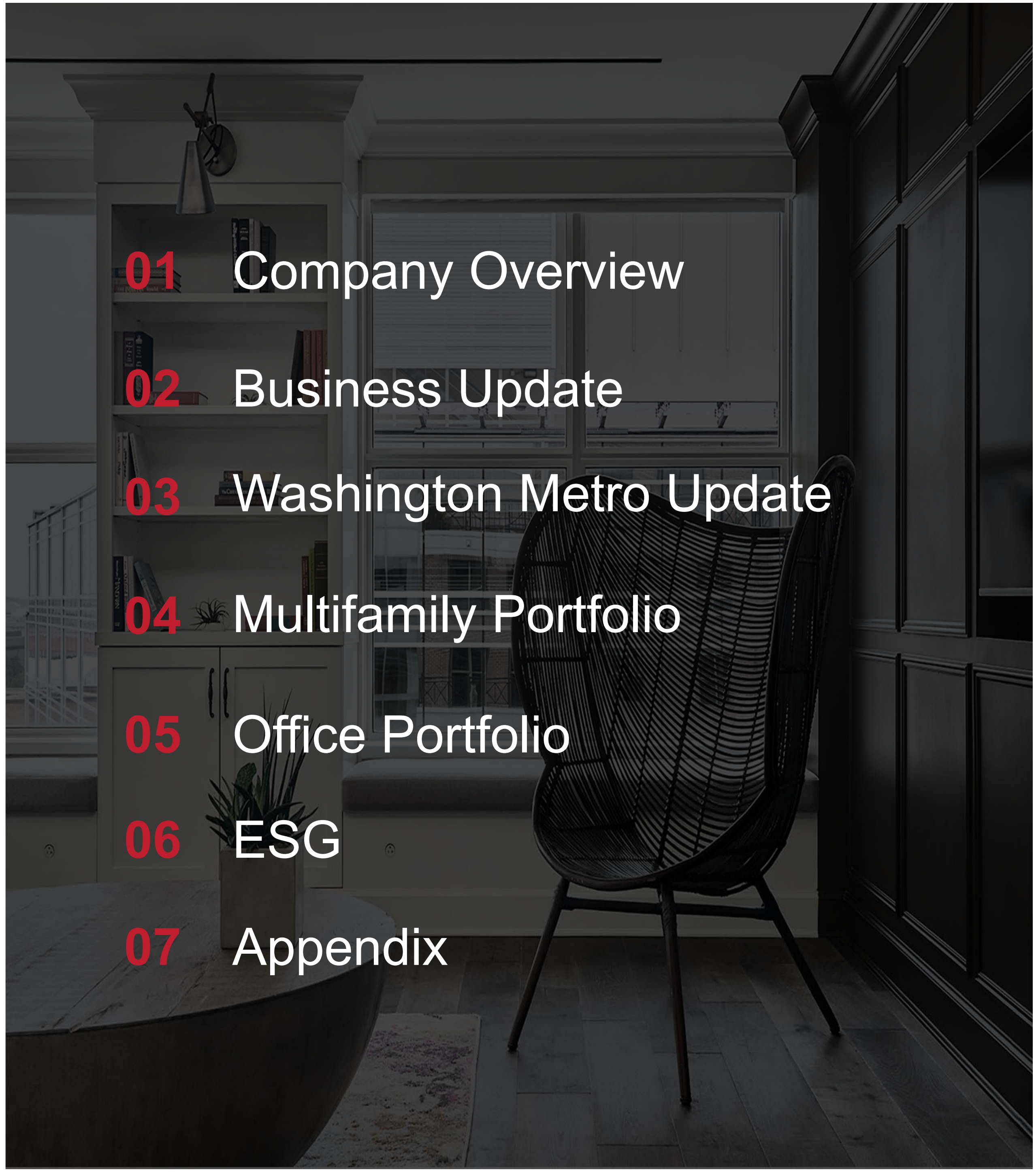
Reconciliation

This presentation also includes certain forward-looking non-GAAP information. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these estimates, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable efforts.

Market Data

Market data and industry forecasts are used in this presentation, including data obtained from publicly available sources. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but the accuracy and completeness of the information is not assured. The Company has not independently verified any such information.

Navigate Our Story

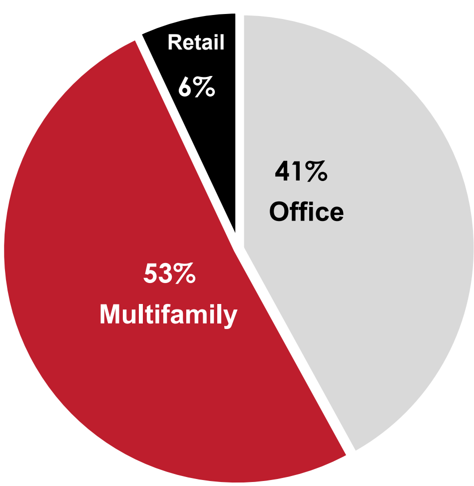


PORTFOLIO SNAPSHOT

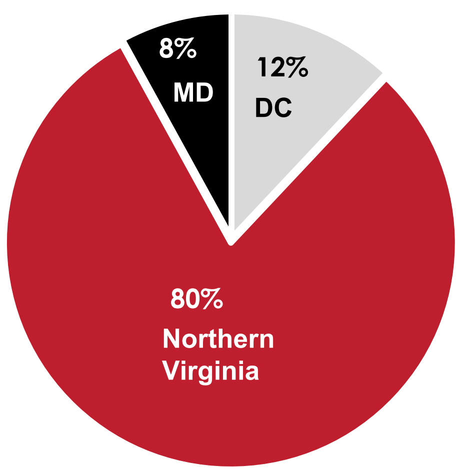
Our portfolio is most heavily weighted to value-oriented multifamily properties located in high-growth Northern VA submarkets with limited competitive supply

43	7,059	~3,000	3,100+	3.4M
PROPERTIES	MULTIFAMILY UNITS (Recently delivered Trove, 401 units)	RENOVATION PIPELINE (Multifamily units)	DEVELOPMENT PIPELINE (All multifamily, 767 shovel-ready units)	COMMERCIAL SF

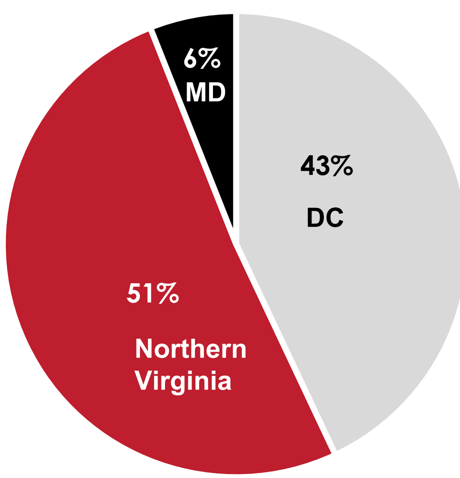
TOTAL NOI



MULTIFAMILY NOI



COMMERCIAL NOI



(1) Pro forma for stabilized Net Operating Income from the Trove development and the sales of Monument II and 1227 25th Street that closed in December 2020

WASHREIT VALUE PROPOSITION

WashREIT's value proposition reflects a track record of successful capital allocation, solid long-term growth prospects, durable cashflows and a strong liquidity position

RESEARCH-DRIVEN CAPITAL ALLOCATION

- ✓ Targeting the largest and most underserved renter cohorts in our region and maximizing rental growth by investing in Class B multifamily assets with renovation potential located in submarkets that offer the widest differential between Class A and Class B rents

REPOSITIONED PORTFOLIO

- ✓ Completed ~$3.7B of strategic portfolio transactions since 2013 to recycle capital into assets with stronger longer-term risk adjusted growth potential
- ✓ Eliminated the major risks to cashflow stability within our portfolio including selling big box retail assets and single-tenant office assets

DURABLE CASHFLOWS

- ✓ Strong, stable cash collection performance reflects the resilience of our local economy
- ✓ No exposure to co-working operators, no co-working tenants, no single-tenant risk and limited near-term expirations

EMBEDDED GROWTH OPPORTUNITIES

- ✓ ~3,000-unit renovation pipeline
- ✓ Currently leasing up our first WashREIT-led, ground-up multifamily development (Trove)
- ✓ Future development pipeline of over 3,100 multifamily units with 767 shovel-ready at Riverside

WELL POSITIONED BALANCE SHEET

- ✓ Approximately $670 million of available liquidity [1]
- ✓ Stable BBB/Baa2 investment grade credit ratings
- ✓ Zero secured debt and well-balanced debt maturity ladder

[1] As of 12/31/2020

STRENGTHENED LIQUIDITY POSITION

Well-balanced debt maturity ladder with substantial access to liquidity provides strength during times of economic uncertainty

Newly-executed $350 million 10-year Green Bond further solidifies our strong liquidity position and demonstrates our commitment to our sustainability goals[1]

~$670 million of available liquidity[2] with no significant capital commitments for balance of year and no remaining 2020 maturities

WashREIT has proven access to long-term unsecured debt and term loans, as well as a 100% unencumbered multifamily portfolio to access agency debt, if needed

No debt maturing until the fourth quarter of 2022 and a weighted average debt maturity of over 5 years

1) The 10-year 3.44% Green Bond closed and funded on December 17, 2020 with proceeds used to repay $300 million of existing term loans with the balance to pay down amounts due under the revolving credit facility. WashREIT also settled forward swap agreements for $20.4 million to be amortized over the term of the bonds.
2) Available liquidity consists of capacity under the Company's $700 million revolving credit facility and cash on hand as of December 31, 2020


BUSINESS UPDATE

2021 OUTLOOK AND EARLY INDICATORS

We are entering the vaccine-led recovery with a stronger balance sheet, a reaffirmed strategic direction and a portfolio that is positioned for growth as demand returns

Multifamily leading indicators point towards steady improvement in effective lease rate growth and occupancy as we head into the spring leasing season

Commercial leasing activity picked up significantly in January and active long-term renewal discussions with significant tenants are progressing well

We expect multifamily rents to improve throughout the year as concessions burn off, urban demand increases and suburban renovation programs are re-activated

We expect commercial new leasing volume to pick up with widespread vaccine inoculation, the reopening of schools, and increased usage of public transportation

During 2021, we expect the vaccine distribution to create a positive recovery inflection point, and from that point forward we should see improvement with more to follow in 2022

LOOKING BEYOND THE INFLECTION

We believe that we will see rapid improvement once vaccine distribution creates an inflection point which should carry over into 2022 and beyond as our pre-pandemic growth drivers remain in intact

TROVE

Trove is essentially fully funded and delivered, and is positioned to drive NOI growth in 2021 and beyond

MULTIFAMILY RENT GROWTH AND VALUE CREATION

Rent growth will be driven by growing regional demand for value-oriented assets and renovation-led value creation.

Our renovation program is being re-activated in our suburban markets which comprise 2/3rd of our 3,000 unit renovation pipeline.

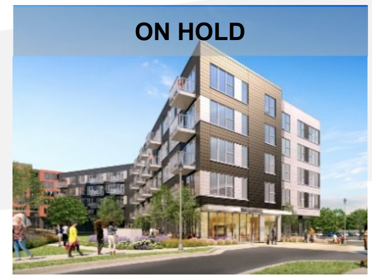
COMMERCIAL LEASING

We have high-quality, move-in space ready at:

- Watergate 600
- Silverline Center
- Arlington Tower

Additionally, we have an opportunistic lease expiration schedule with minimal expirations over the next 2 years

MULTIFAMILY DEVELOPMENT



Near Term
Approved for 767 units, at Riverside, which is on hold until the market validates our investment

Long Term
Additional development opportunities are available with superior value proposition through covered land plays

RECENT OPERATIONAL HIGHLIGHTS

With the vaccine rollout, we are seeing signs of increased activity across both our multifamily and commercial portfolios

Multifamily

- Urban multifamily net application volume increased nearly 30% year-over-year
- Multifamily new and blended lease rates improved sequentially in January and February on an effective basis and new and renewal lease executions with commencement dates in March indicate continued improvement in effective lease rate growth
- Trove reached breakeven in December, leasing momentum continues to increase, and the number of leases signed per month remains above the regional average
- Multifamily occupancy increased 40 basis points in through February month-end and currently stands at 95.2%, excluding our two rent-controlled properties

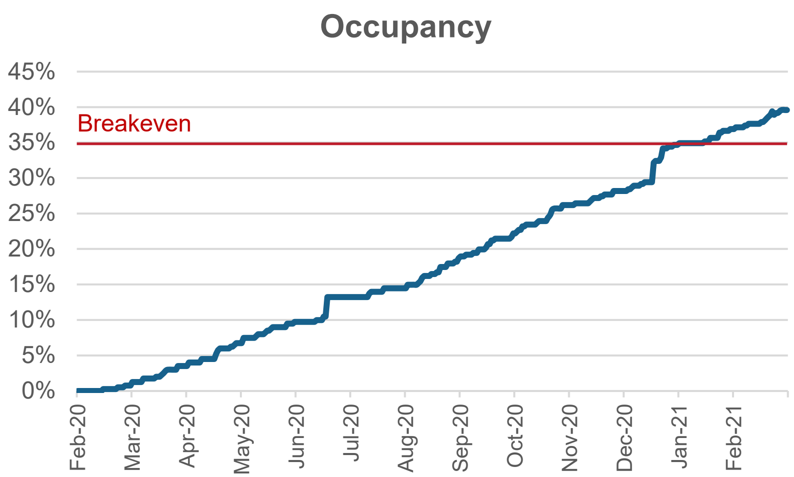
Commercial

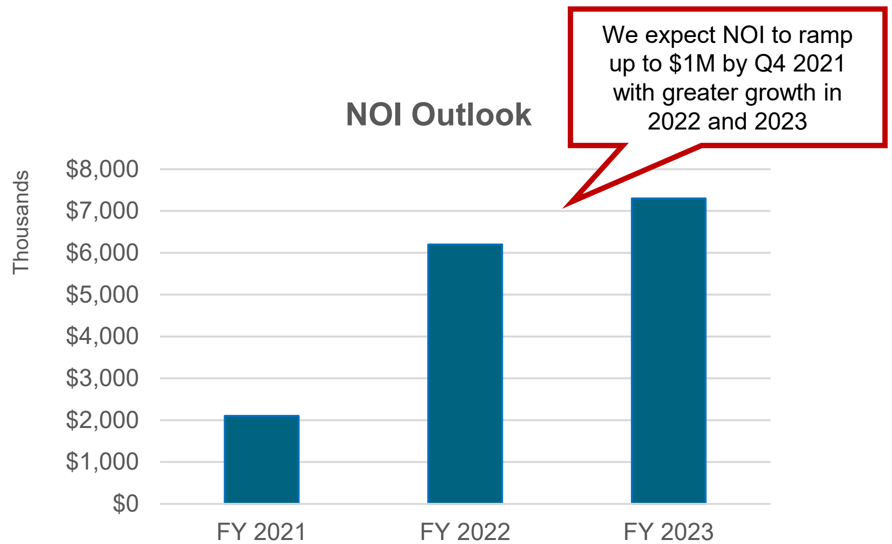
- Commercial tenant decision making accelerated post year-end and active long-term renewal discussions with major tenants are progressing well
- We signed approximately 60,000 square feet of retail lease renewals in January with a weighted average term of over 6 years, representing 10% of retail rental income
- We signed or progressed to advanced-stage renewal negotiations with approximately 7% of commercial revenue in January
- Our remaining 2021 commercial lease expirations represented approximately 3% of total revenue for the year

TROVE IS NOW DELIVERING GROWTH

Trove delivered its final phase in Q4 2020, reached breakeven occupancy in December, and is on track to reach stabilization in early 2022. During the pandemic, the number of signed leases per month remained above the long-term regional average

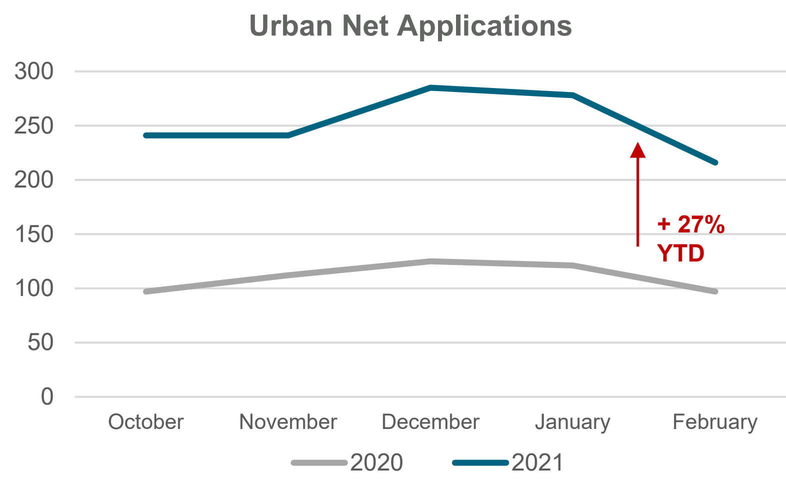
- Class A product for the value seeking renter
- 401 units; Over 41% leased
- Rooftop pool with views overlooking a golf course and DC monuments
- Proximate to some of the largest employers in the region
- 6-minute drive to Pentagon City and Amazon HQ2
- Targeting LEED Silver

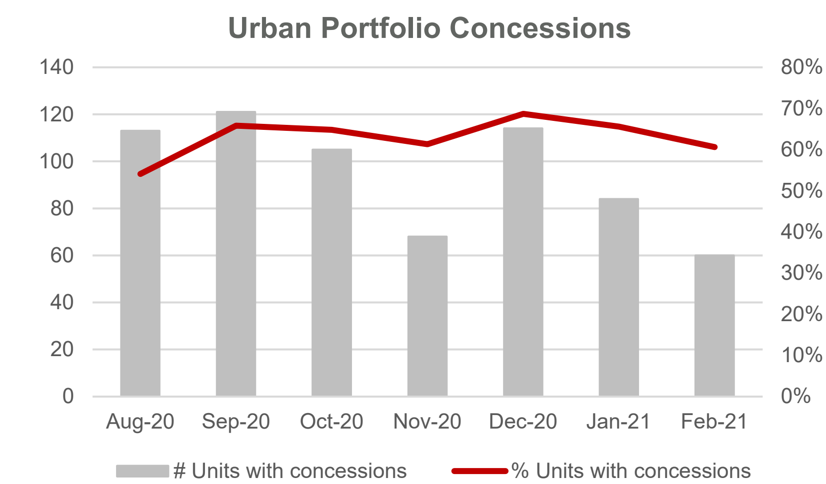


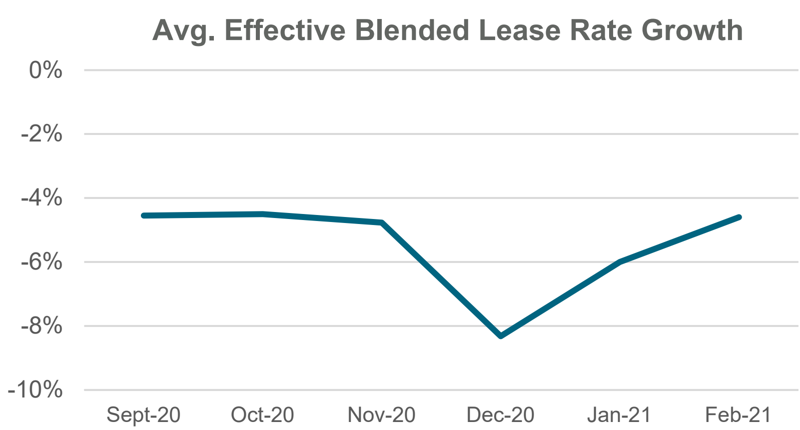


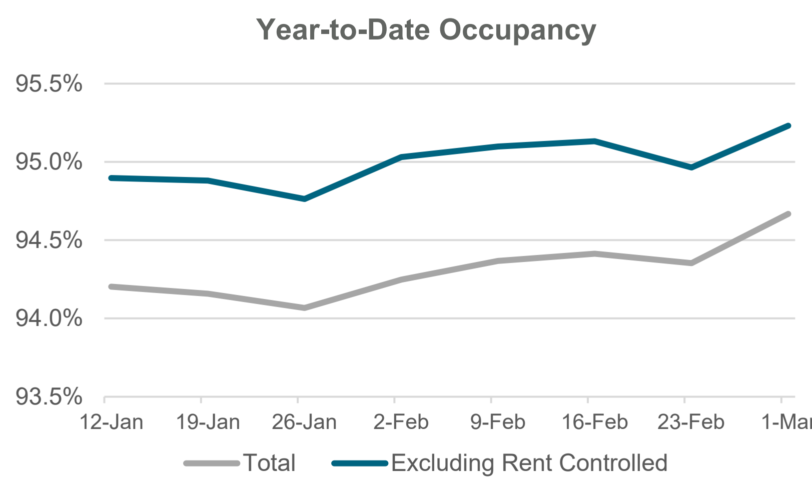
MULTIFAMILY FUNDAMENTALS ARE IMPROVING

Higher net application volumes year-over-year, declining concessions, and improving effective lease rate growth support our improving outlook as we head into the spring leasing season



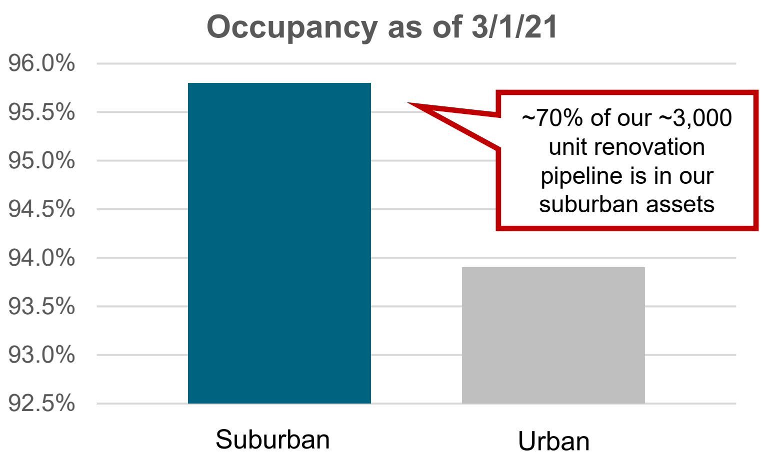


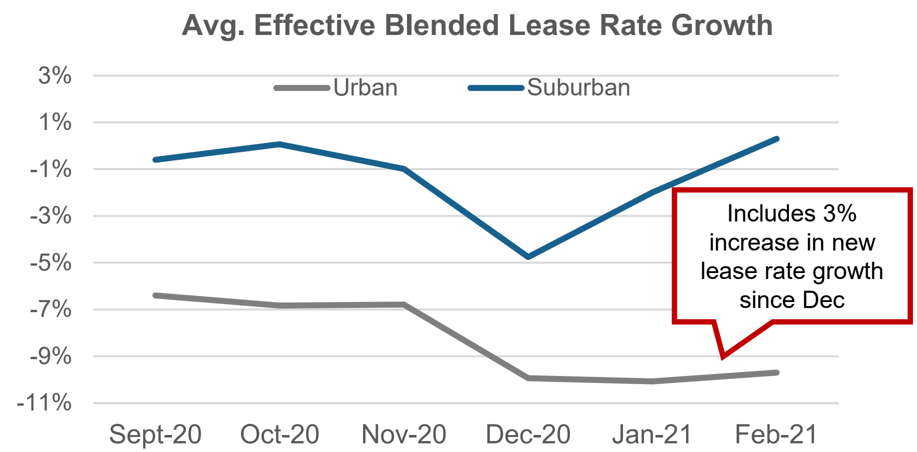




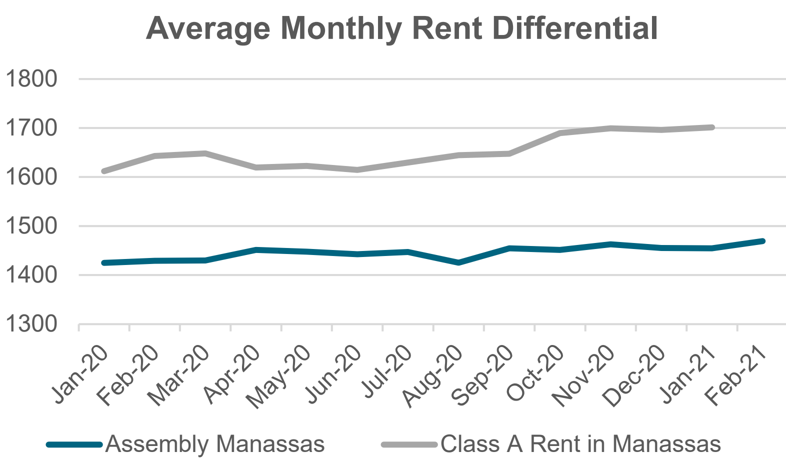
SUBURBAN PERFORMANCE REMAINS STRONG

Suburban performance remains strong and lease rates are improving more quickly in the suburbs than in urban markets and are on the cusp of turning positive





Renovation Program Market Performance Tracking : Manassas Case Study



- Our renovation platform is in motion in select markets and we will continue to scale our programs as market conditions improve.
- Assembly Manassas is an example of one of our markets that has performed well this year
- We are encouraged by the sustained strong **occupancy** level of **over 96%, new lease rate growth** of **over 6%** in January, and stable rent gap to local Class A rents

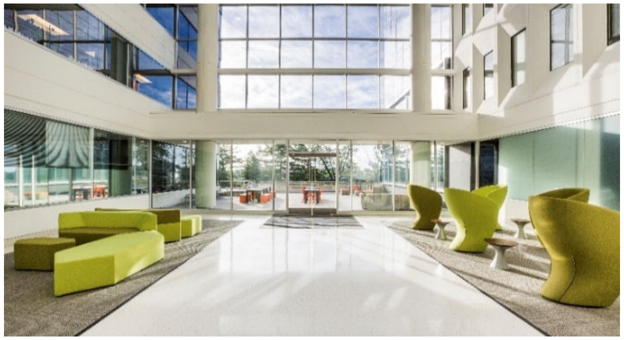
COMMERCIAL LEASING IS INCREASING

With the vaccine rollout that commenced toward the end of last year, we are seeing tenant decision-making accelerating

Signed LOI with Raytheon to renew 43K SF of space **through 2031** at Arlington Tower

Signed LOIs with B. Riley and a third party at Arlington Tower. B. Riley will waive termination rights on two of three floors thus extending 33K SF **through 2026**. An accredited third party will lease the remaining floor of 21K SF **through 2029.**

Arlington Tower



Silverline Center

Signed LOI with Sunrise Senior Living to renew their space for **7 years** at Silverline, which currently represents approximately 1.5% of office revenue

Signed a 45K SF **5-year** lease renewal with Giant Food at Takoma Park

Signed a 15K SF **10-year** lease renewal with our grocery anchor at Montrose Shopping Center

INFLECTION TIMING WILL DRIVE NEW LEASING

We believe that we are well positioned ahead of the inflection point for new office leasing, which will be driven by a combination of widespread vaccination and reopening schools and retailers

Well-positioned heading into recovery

- ~60% of vacancy in Northern Virginia
- ~50% of available space is in high-quality assets
- ~40% of available space is move-in ready
- Touring activity picked up in February

Inflection Recovery

- Widespread vaccine inoculation
- Reopening of schools
- Increased use of public transportation
- Reopening of restaurants and leisure

New Lease Commencements

- We believe new leasing will pick up as confidence and visibility returns
- We have a forecast that can result in occupancy growth of up to 4%

2000 M Street

Arlington Tower

OFFICE PORTFOLIO STRENGTHS

~ 5 year weighted average lease term and limited near-term lease expirations

Private spaces with no co-working exposure

99% of contractual rents collected in Q3 and Q4 2020

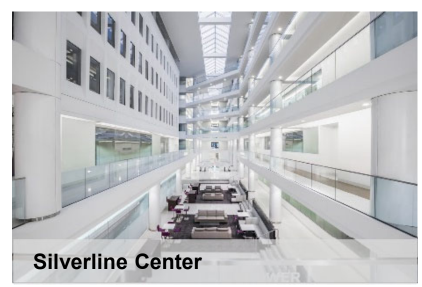
High-quality, move-in ready space at Arlington Tower, Watergate 600, and Silverline Center

No single-tenant risk

Tenants concentrated in industries with the lowest job losses (Prof & Business Services, Finance, and Information)

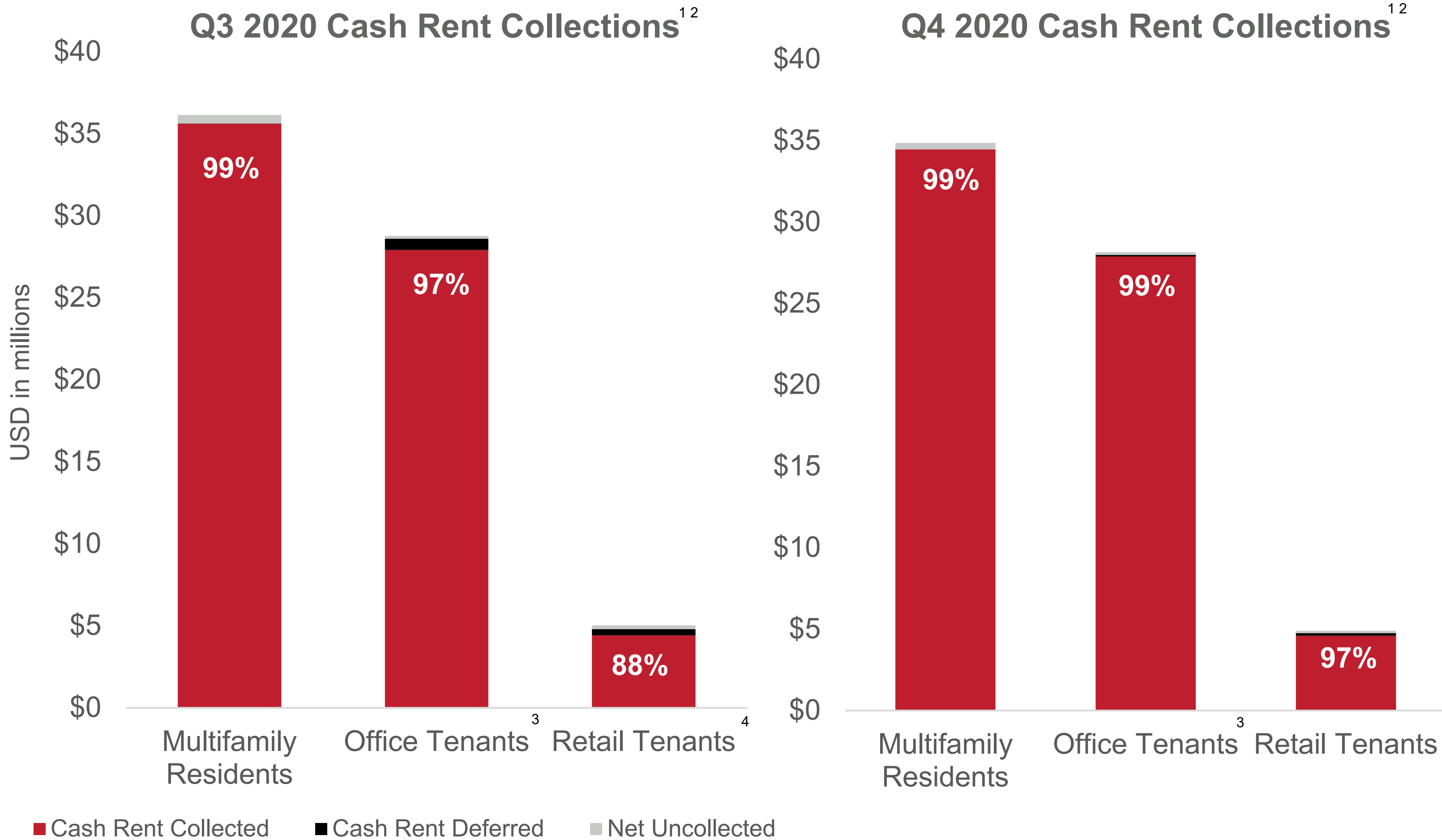

Watergate 600


Arlington Tower


Silverline Center

CASH COLLECTIONS CONTINUE TO IMPROVE

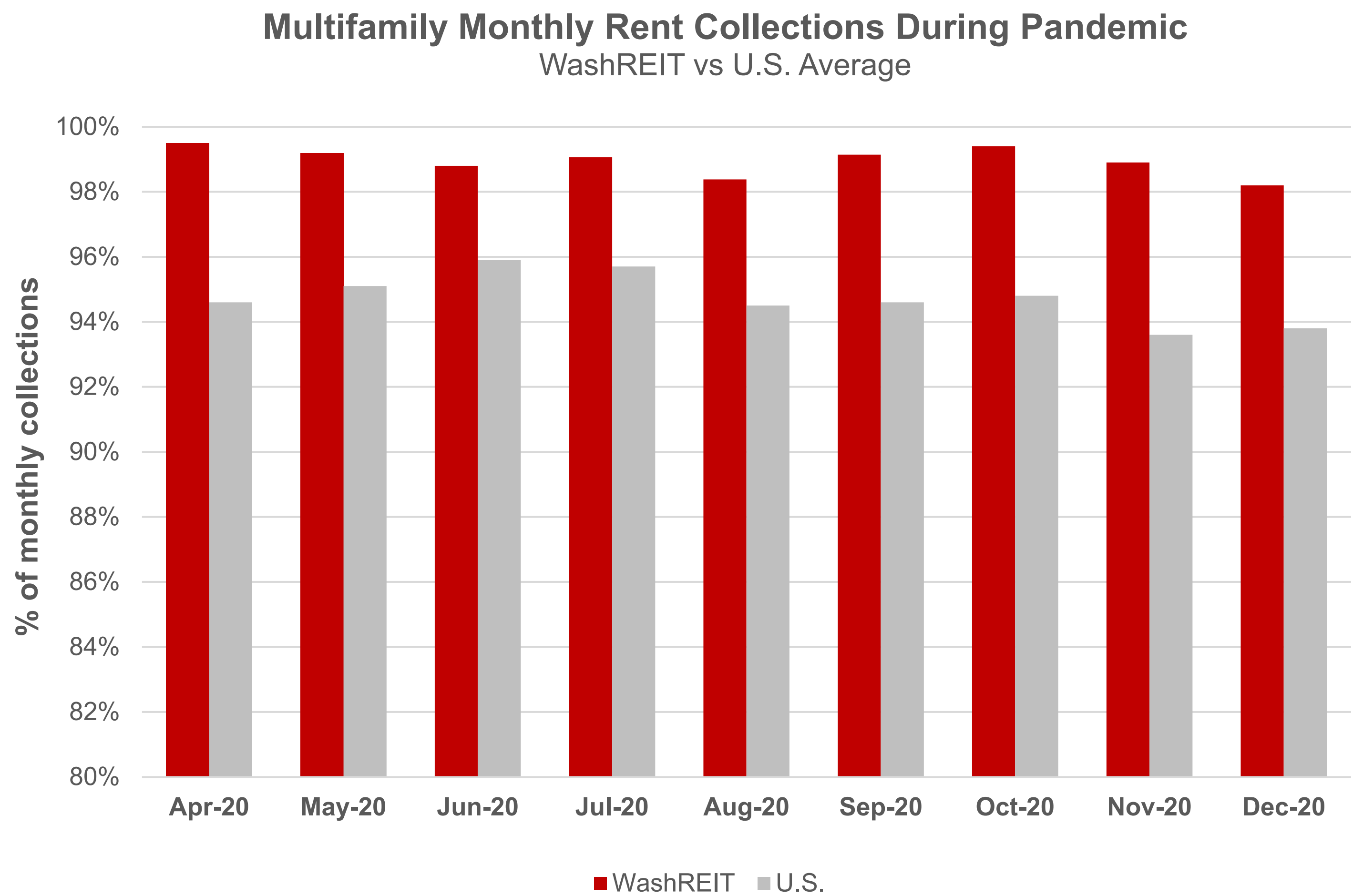
Collection performance continues to be strong and stable; we collected 99% of contractual multifamily and office rents during Q4 2020



(1) Percentages represent rents due after adjustments for deferral agreements
(2) Amounts exclude cash rent expensed as bad debt
(3) Excludes monthly expense recovery and other miscellaneous charges
(4) Includes rental income from retail tenants at office properties

MULTIFAMILY COLLECTIONS REMAIN ABOVE NATIONAL AVERAGE

WashREIT multifamily collections reflect the resilience of our local economy and strong portfolio credit



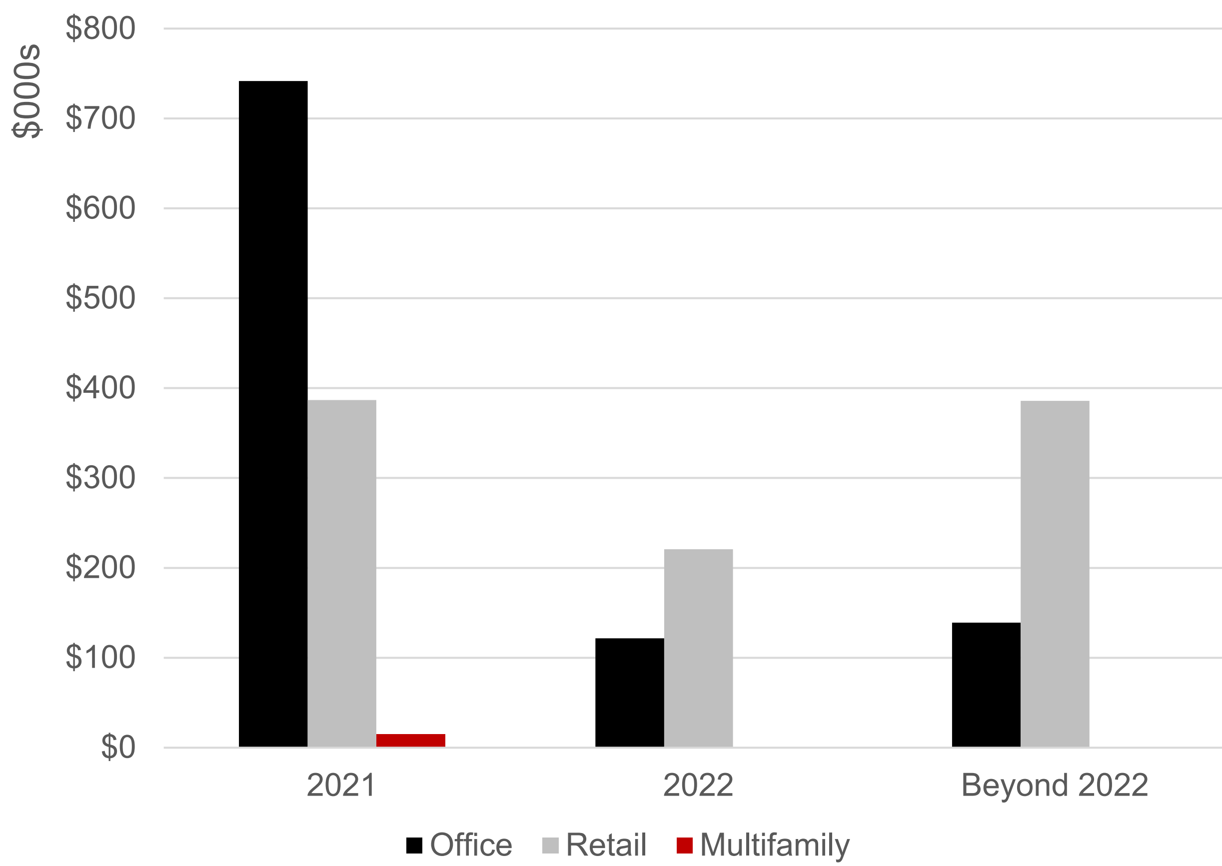
Source: NMHC Rent Payment Tracker.

MINIMAL CASH IMPACT FROM RENT DEFERRALS

To date, only a small portion of rent has been deferred due to COVID-19 and the expected cumulative NOI impact is less than $0.01 per share through 2021

Total Executed Rent Deferrals, Net [1]	
Office Tenants	$1.0M
Retail Tenants	$1.0M
Multifamily	$0.0M

Expected Timing of Remaining Deferred Rent Payments [1]



[1] Represents total outstanding deferred rent net of the amount that has been repaid as of 2/1/21

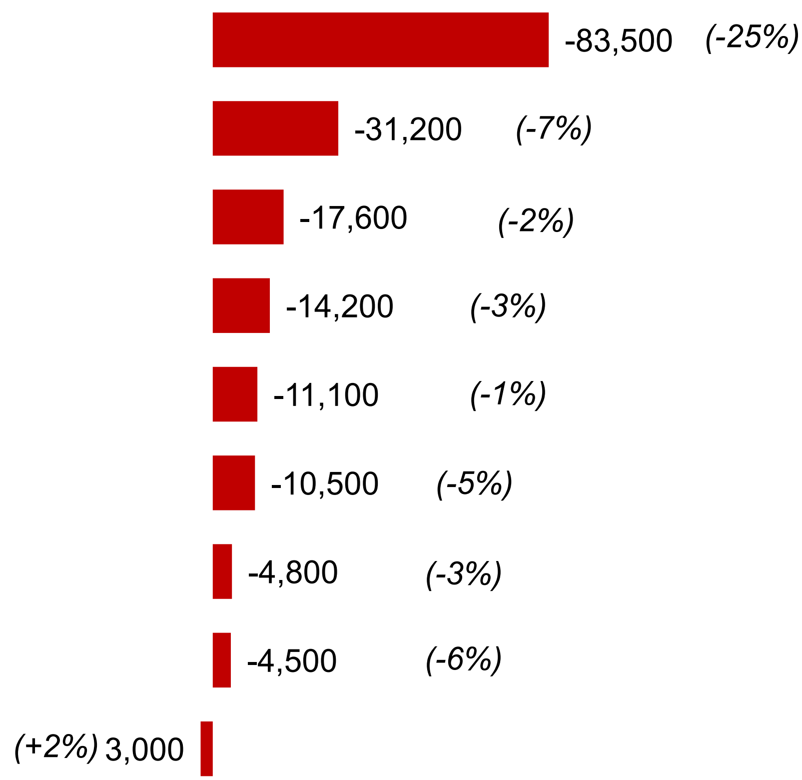
LIMITED PORTFOLIO EXPOSURE TO JOB LOSSES

Washington Metro job losses have been concentrated in industry sector groups where WashREIT has limited credit exposure

WashREIT Exposure

Industry Sector Group	Office	Multifamily
Leisure & Hospitality	4%	7%
Education & Health Services	7%	14%
Government	0%	15%
Trade, Transportation + Utilities	0%	12%
Prof & Business Services	30%	26%
Other Services	21%	5%
Financial Activities	25%	7%
Information	13%	4%
Construction	0%	4%

Washington Metro Nonfarm Employment
December YoY Absolute Change



Source: US Bureau of Labor Statistics, WashREIT % of Annual Base Rent, and % Industry Share of Employed Residents as of December 31, 2020

WASHINGTON METRO UPDATE

View from rooftop of Arlington Tower

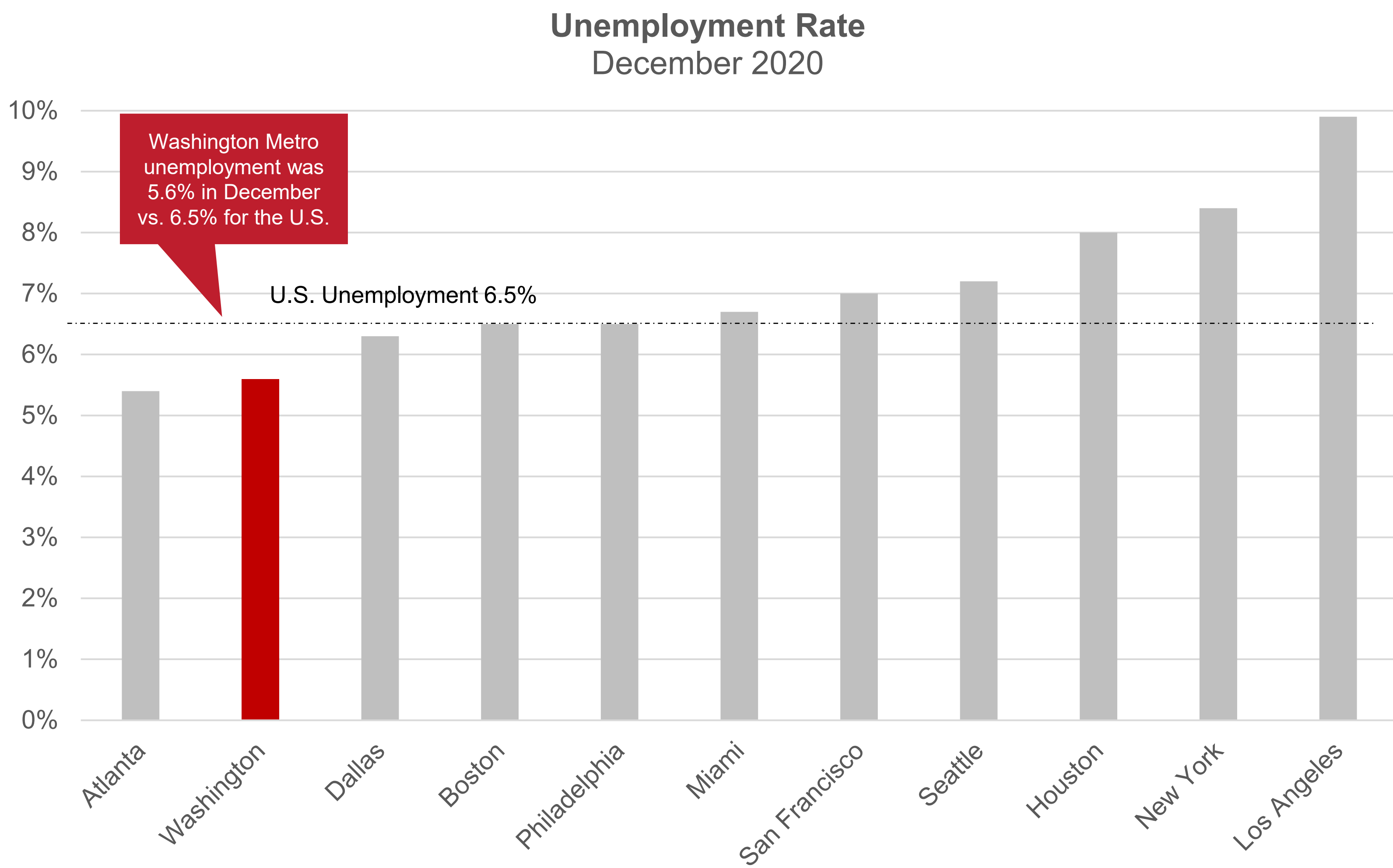
WASHINGTON METRO STRENGTHS AND UNIQUE CATALYSTS

As we continue down the path toward a vaccine-driven recovery, our region has several unique catalysts to accelerate the rebound in demand

- The Washington Metro has benefited from fewer job losses than other major metropolitan areas and has already gained back over half of the jobs lost from February to May
- Washington Metro job losses have been largely contained to non-office-using sectors; office-using sector employment in the Washington Metro market declined only 2% year-over-year in 2020, according to BLS data
- The election should have a positive effect on the Washington Metro apartment market and may accelerate a shift back into the city for renters according to data analyzed by CBRE over the past 6 presidential elections
- Alignment between the executive and legislative branches historically results in a higher number of legislative bills passed with increased lobbying and legal presence in D.C, resulting in higher absorption in the D.C. office market. The historical correlation to office absorption in years with aligned branches of the government is very strong.
- Northern Virginia's diversification over the past decade, blending government contracting with direct federal leasing, technology sector growth, investments in higher education and medicine have set it up for a quicker-than-average office market recovery in 2021 and beyond, according to Newmark
- Over the course of 2020, the tech sector contributed 36% of total leasing volume and more than 800,000 square feet of occupancy growth in Northern Virginia, according to CBRE
- Government contractor awards should remain at record highs in 2021, and the cloud market alone is forecasted to grow 9% to 10% annually over the next 3 years, according to JLL
- Amazon continues to expand their regional office footprint and remains on pace with HQ2 hiring

WASHINGTON METRO IS A RESILIENT MARKET

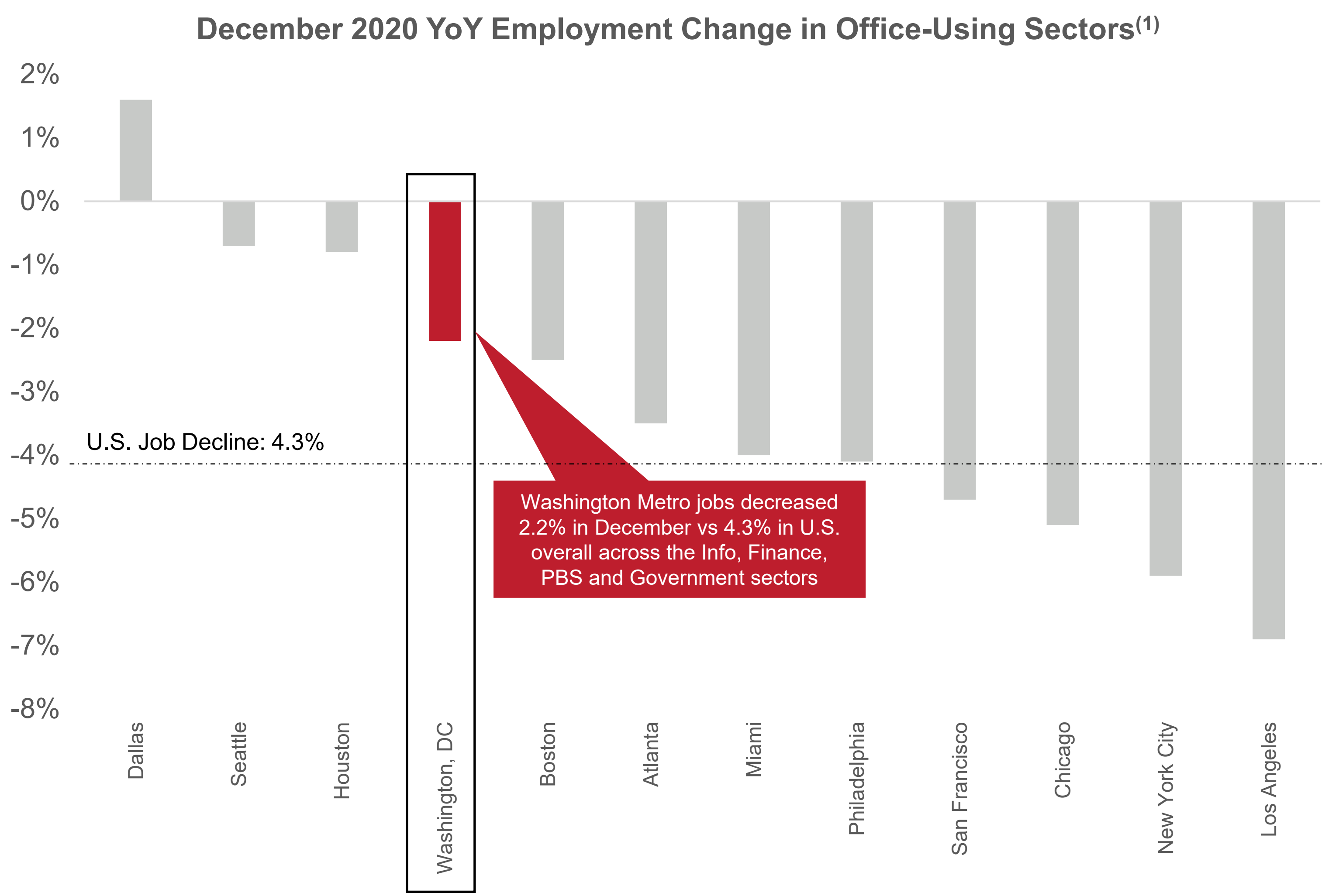
Washington Metro has experienced lower unemployment than most other major metro areas and U.S. overall



Source: Bureau of Labor Statistics, February 2021.

OFFICE-USING JOB SECTORS REMAIN STABLE

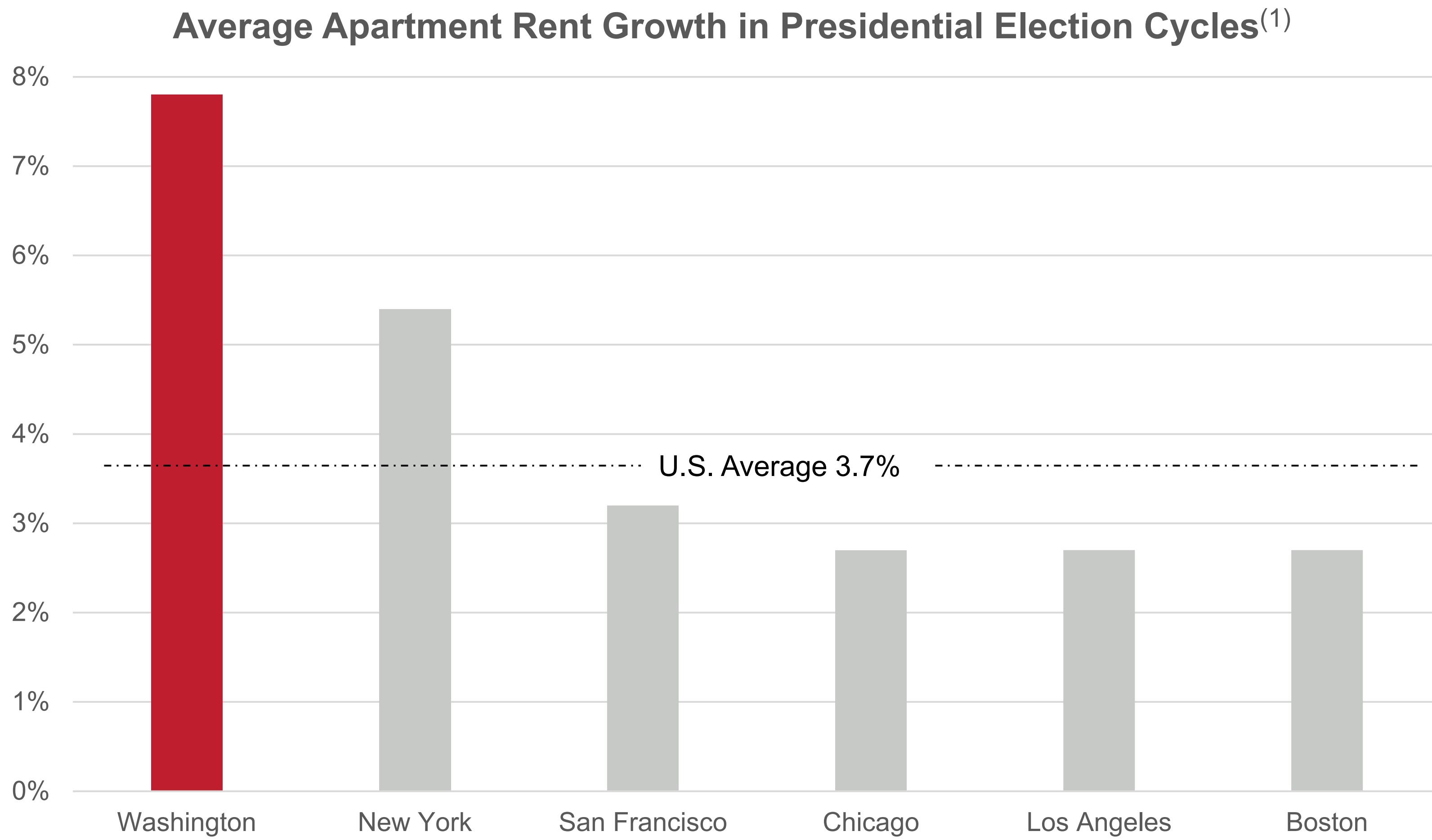
Washington Metro has experienced significantly higher office-using employment stability than other major metro areas and the U.S. overall



Source: Bureau of Labor Statistics, December 2020.
(1) Sectors include Information, Financial Activities, Professional and Business Services and Government

DC APARTMENT RENT GROWTH OUTPERFORMS IN PRESIDENTIAL ELECTION YEARS

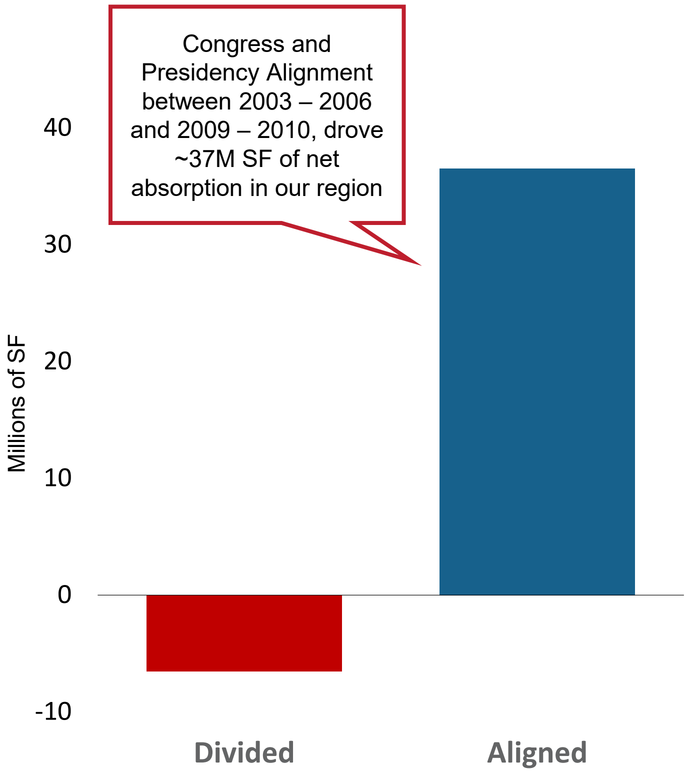
Historically Washington Metro has experienced higher apartment rent growth than other major metro areas and the U.S. overall after a presidential election

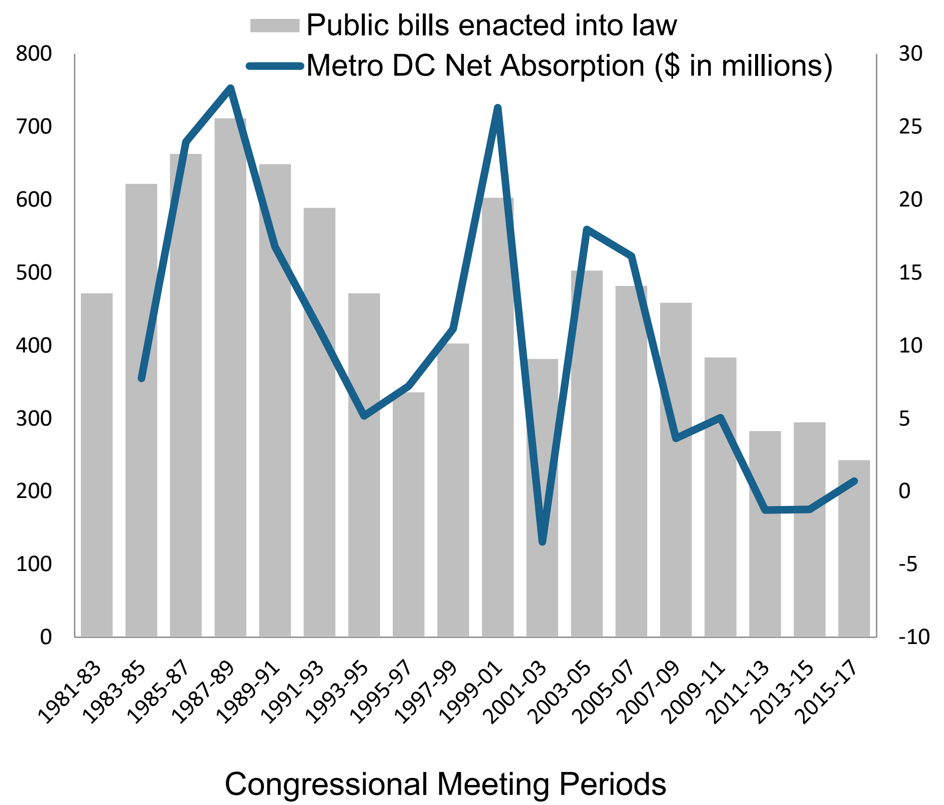


[1] Average apartment rent growth in presidential election years since 1996 by June following election, excluding the two greatest outliers of performance from each market
Source: CBRE Econometric Advisors, Q3 2020.

POLITICAL ALIGNMENT DRIVES LEASING ACTIVITY

Historically alignment between executive and legislative branches has resulted in a higher number of legislative bills passed and corresponding increases in lobbying and legal presence, resulting in higher absorption



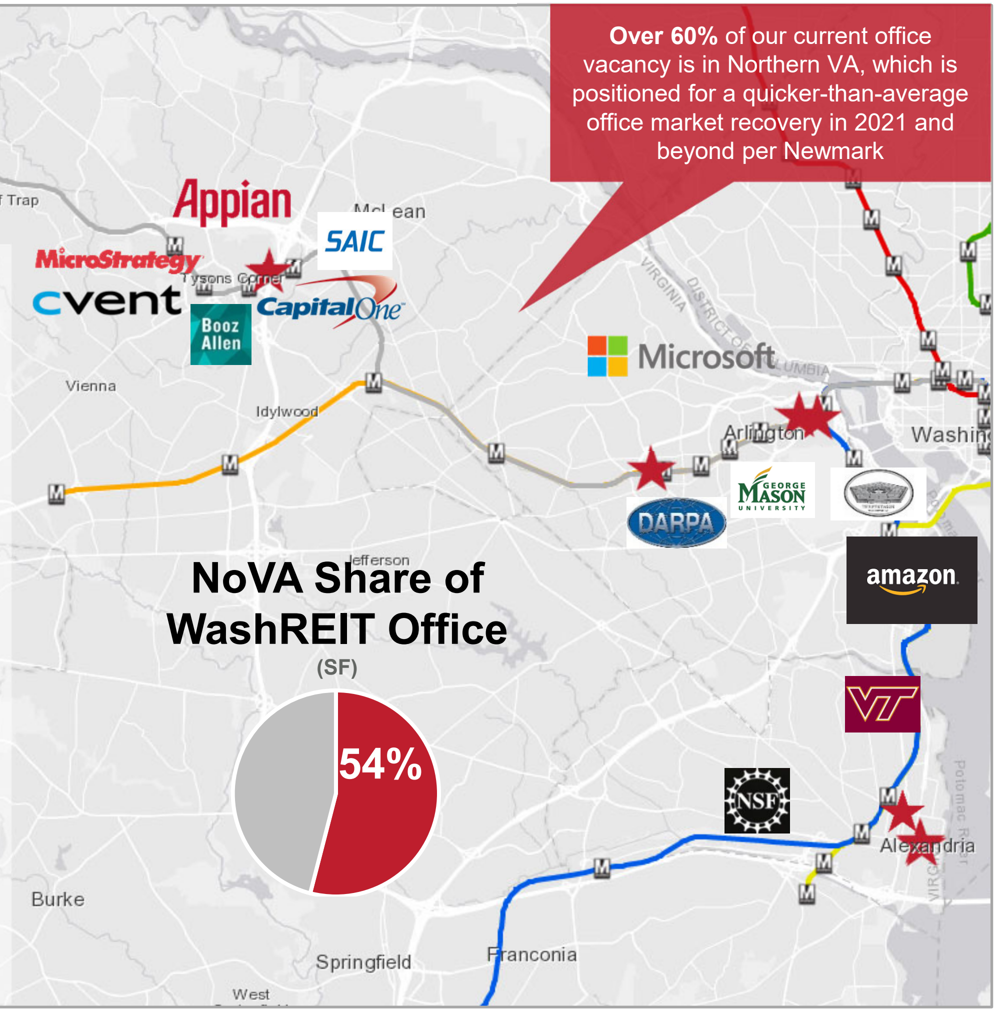


Source: JLL as of Q3 2016; historical data excludes the Trump presidency because the correlation dissolved during the 2017-2020 timeframe despite party alignment

TECH SECTOR LEASING MOMENTUM CONTINUES TO DRIVE DEMAND IN NORTHERN VIRGINIA

73% of future occupancy gains are expected to be driven by tech demand

- Washington Metro ranks #2 in the country in its Tech Talent ranking per CBRE
- The tech sector contributed 2.8M SF of leasing activity in 2020 (36%), in line with 2018-2019 levels.
- Microsoft leased 400,000 SF for a new software development and R&D hub in Reston in Q2 2020 plus 180,000 SF in Rosslyn in Q1 2021
- Construction at Amazon HQ2 and Virginia Tech Innovation Potomac Yards Campus remains on track despite the pandemic
- Government contract awards increased 4% year-over-year to a record $127 billion in 2020 and should remain at record highs in 2021. Government awards, often a leading indicator of future demand, were concentrated around tech, including cloud and cyber

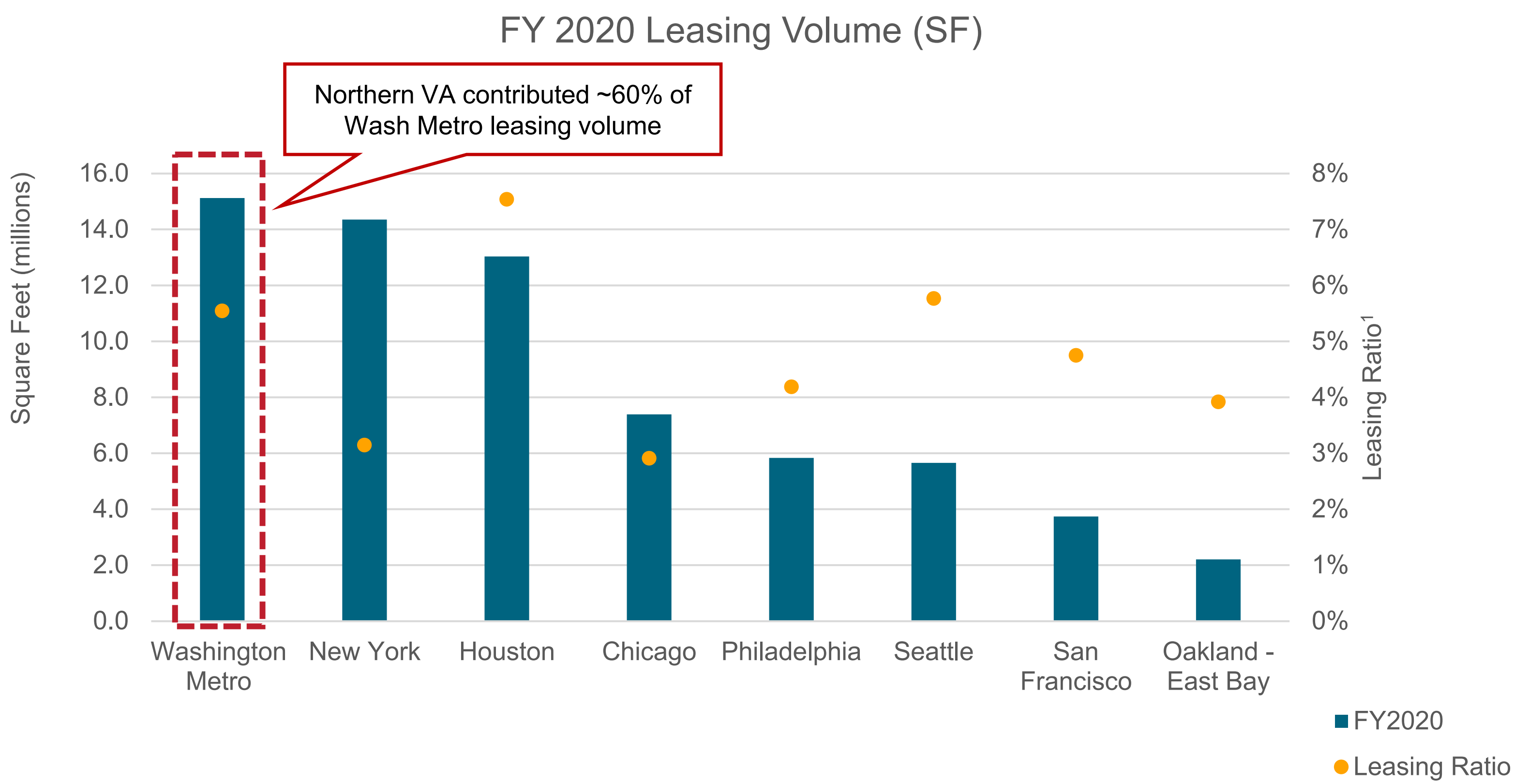


★ WashREIT NoVA Office

Source: JLL; July 2020, October 2020, Q4 2020; CBRE US 2020 Tech Talent July 2020

WASHINGTON METRO CONTINUES TO EXPERIENCE STRONG LEASING VOLUME

Washington Metro outperformed other major gateway markets in office leasing volume in 2020, driven by government contractor-technology, government, professional services, and business-to-consumer technology



(1) Leasing ratio reflects each markets leasing volume in SF over total SF inventory in the market
(2) Washington Metro is Northern Virginia and Washington DC combined into one market, excluding Maryland

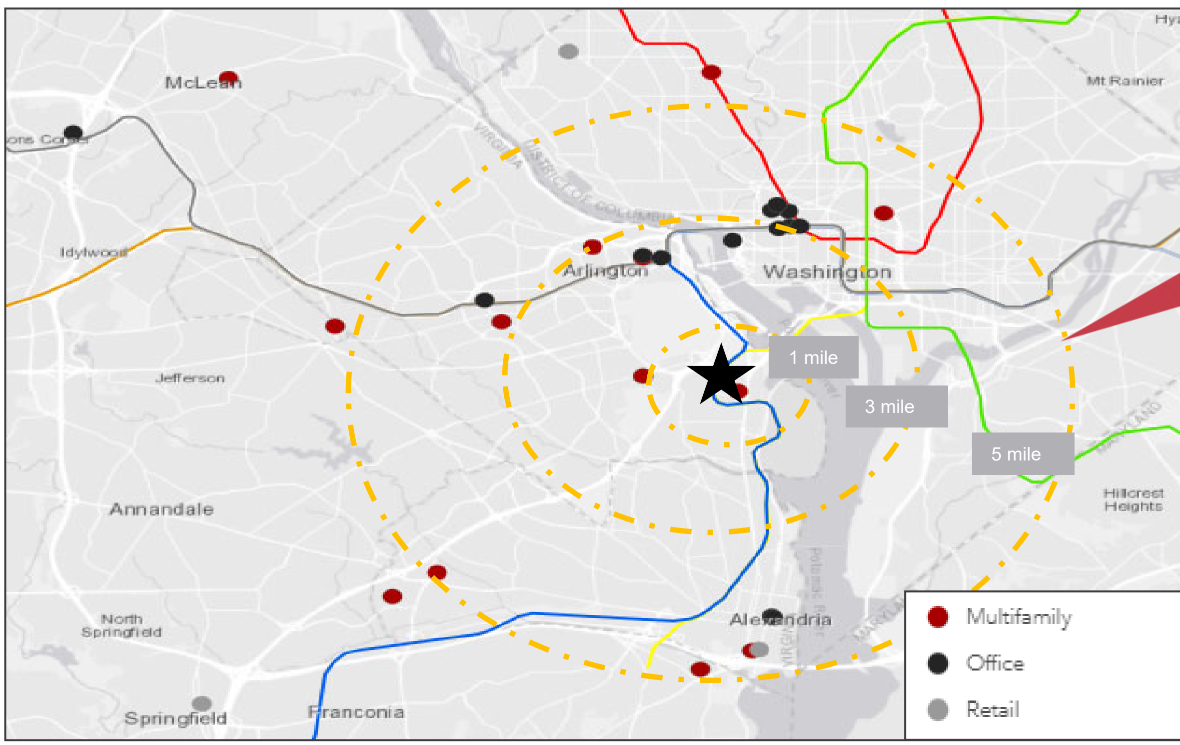
Source: JLL; February 2021

TECH INVESMENT IN WASHINGTON METRO

Amazon HQ2 is expected to create an influx of private and public sector growth over the next several years. Additional business-to-consumer technology companies are already beginning to plant roots in the region, diversifying our region's technology sector

Amazon HQ2

Amazon has hired **>1,500** employees as of 2020 year-end, tracking towards its commitment to fill **19,000** roles projected for HQ2 with diverse talent from across the region. State and local incentives encourage up to **37,850** employees.



59% multifamily units and 79% office SF within a 5-mile radius of Amazon HQ2(1)

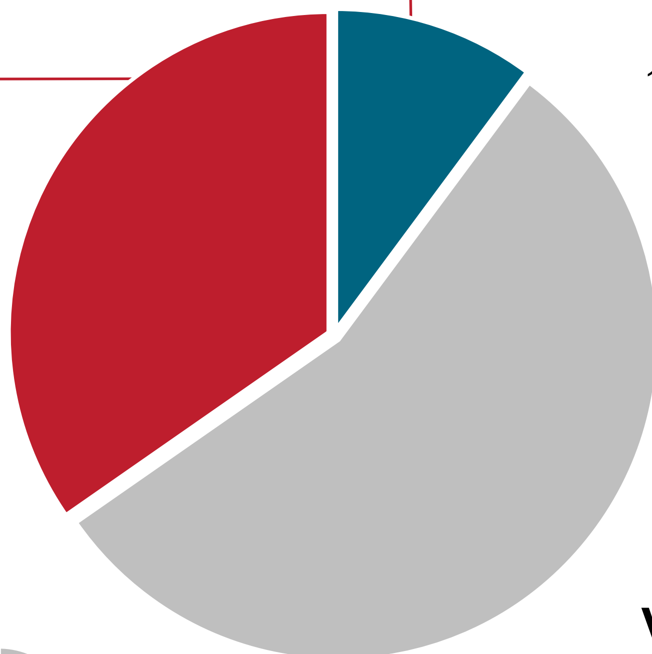
(1) WashREIT data as of December 31, 2020 and pro forma for fully delivered Trove


MULTIFAMILY PORTFOLIO

MULTIFAMILY PORTFOLIO COMPOSITION

MULTIFAMILY PORTFOLIO

UNIT DISTRIBUTION [1]



Class A 15%

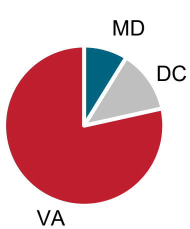
100% or 1,078 units within a **5-mile radius of Amazon HQ2** and 93% or 1,004 units within **one mile of Metro**

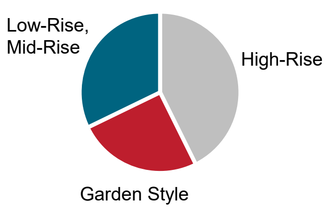
Value-Add Class B Suburban 33%

Over **400K jobs** within a 30-min commute

Value-Add Class B Urban in-fill 52%

93% or 3,417 units within **one mile of Metro** and 69% or 2,545 units within **5-mile radius of Amazon HQ2**

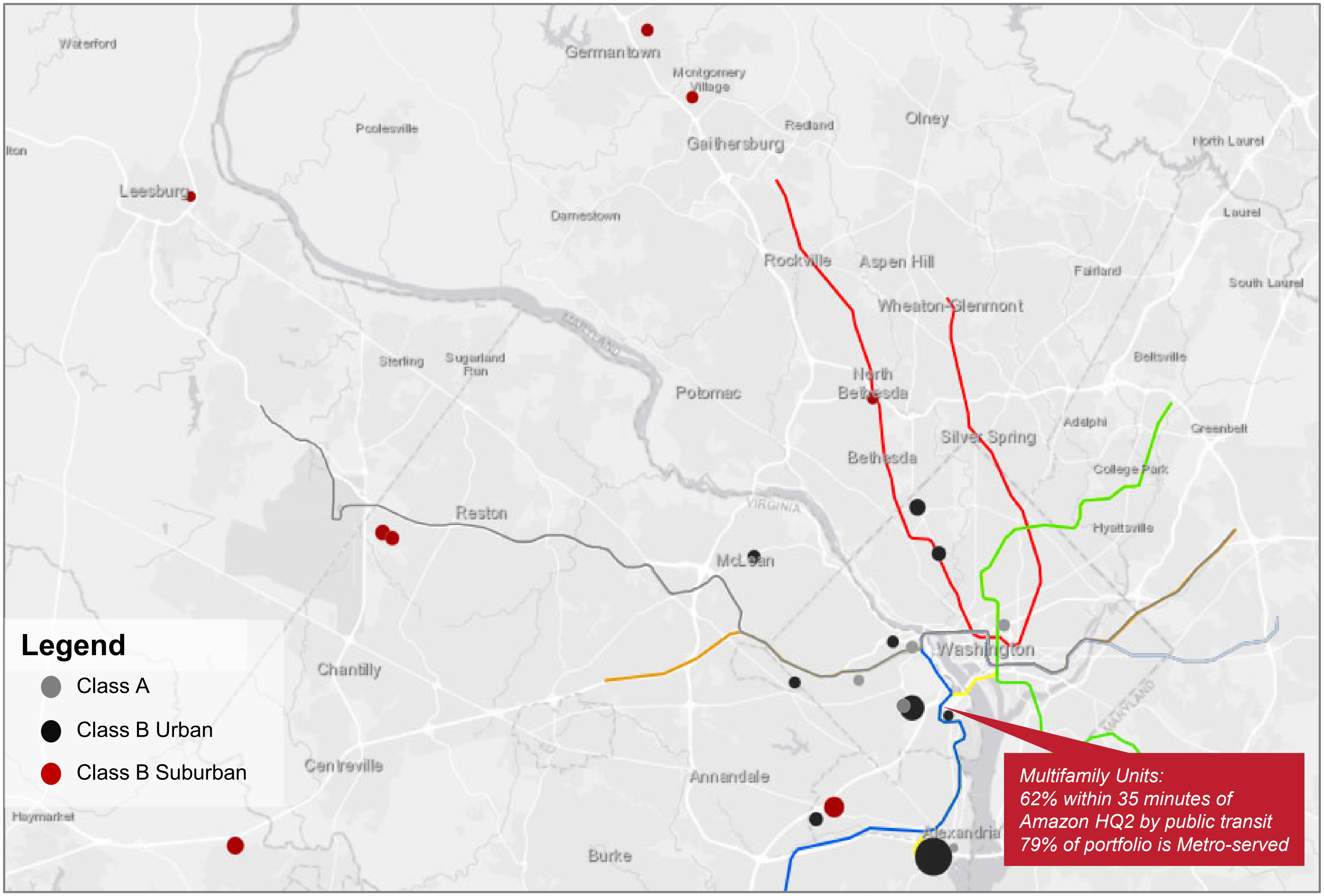




[1] Pro forma for fully delivered Trove

MULTIFAMILY UNIT DISTRIBUTION

Approximately 80% of our multifamily units are located in Northern Virginia and over 30% are located in the suburbs



Source: ESRI, WashREIT Research. Unit percentages include fully delivered Trove

RESEARCH-DRIVEN CAPITAL ALLOCATION

Research-led multifamily investment strategy has strengthened and stabilized our portfolio and reduced risk

Multifamily Investment Strategy:

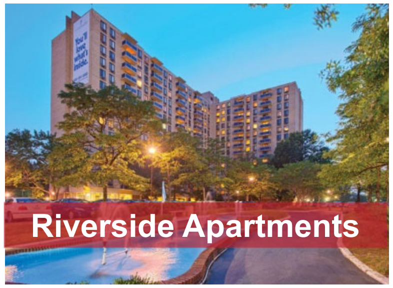
- ✓ Maximize Class B rental growth by uncovering submarkets that offer the widest differential, i.e. "affordability gap," between Class A and Class B unit rents
- ✓ Invest in submarkets near major job centers that have limited competitive supply
- ✓ Bolster rent growth with value-add unit renovations at compelling returns
- ✓ Capitalized on excess parking fields by adding on-site density (Trove, 401 units) and future opportunity to add 767 units at Riverside

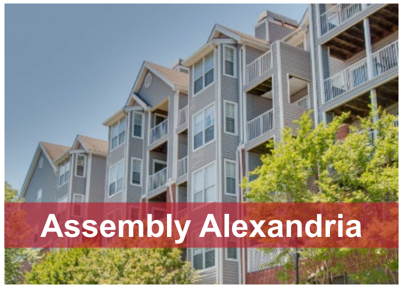
Multifamily Investments:

- ➢ The Wellington, Arlington, VA in 2015
- ➢ Riverside Apartments, Alexandria, VA in 2016
- ➢ The Assembly Portfolio in VA + MD in 2019
- ➢ Cascade at Landmark, Alexandria, VA in 2019
- ➢ Delivered Trove development in Arlington, VA in 2020

$1.1 Billion of Value-Oriented Multifamily Investments since 2015

Since 2013, we have completed **~$3.7bn** of strategic portfolio transactions to increase our exposure to value-oriented multifamily investments while reducing concentrations of non-core retail and office assets

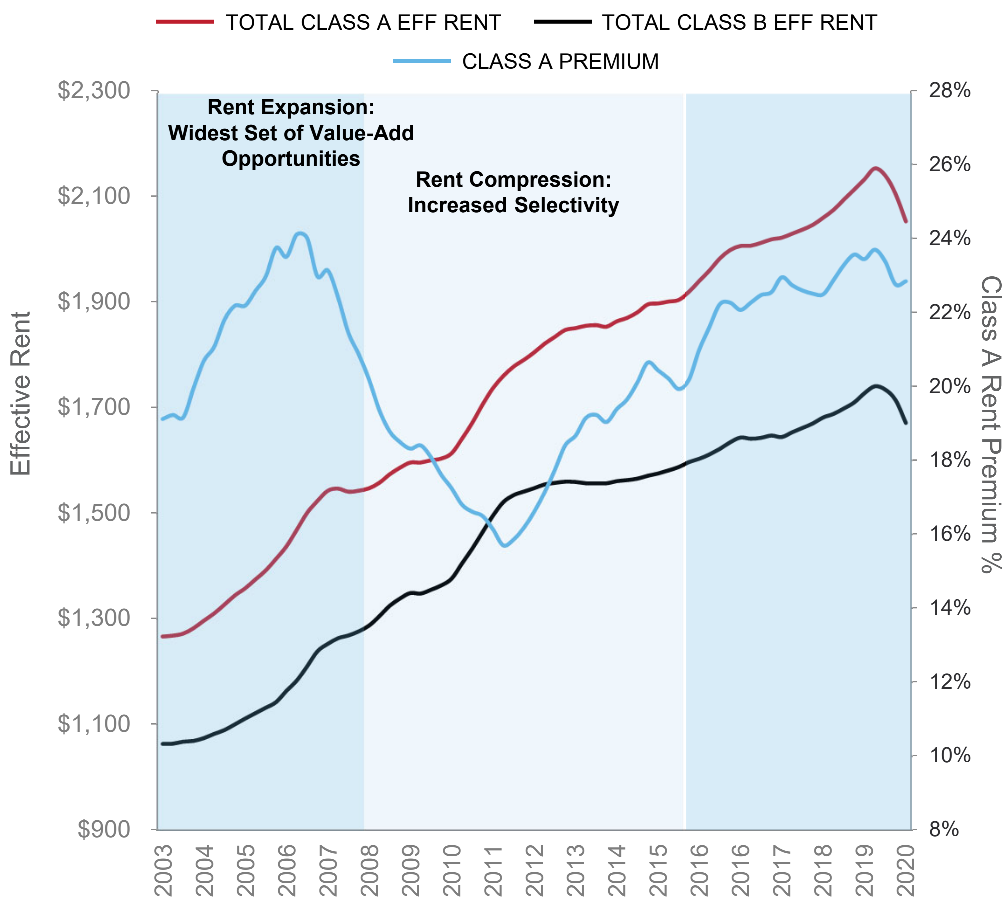




AFFORDABILITY STRATEGY OVERVIEW

WashREIT's strategy seeks to maximize Class B rental growth by uncovering submarkets offering a wider than average differential, i.e. "affordability gap," between Class A and Class B unit rents. These provide an opportunity for Class B unit renovations with a low to mid-teen ROI

Affordability Gap Strategy



Source: Delta Associates. As of December 31, 2020.

Value-add Class B multifamily portfolio

Urban In-fill

TARGET

Renters who can't afford Class A urban in-fill multifamily

IMPLEMENT

Value-add unit renovations at assets located in submarkets with large affordability gaps, i.e. wider than market average differentials between Class A and Class B rents

NEED FOR QUALITY AFFORDABLE HOUSING IN THE WASHINGTON METRO

ABILITY TO GROW RENTS ACROSS THE PORTFOLIO

Suburban

TARGET

Renters who can't afford homeownership or urban in-fill rents and prefer the suburbs

IMPLEMENT

Appropriately scoped unit renovations to upgrade well-located, accessible and desirable communities

SUBURBAN AFFORDABILITY GAP

WashREIT's suburban strategy maximizes Class B rental growth by uncovering submarkets offering a wider than average differential, i.e. "affordability gap," between the monthly cost of owning a home and Class B unit rents.

Homeownership remains unaffordable

$476,000

DC METRO MEDIAN HOME PRICE

$95,200

20% FULL DOWN PAYMENT

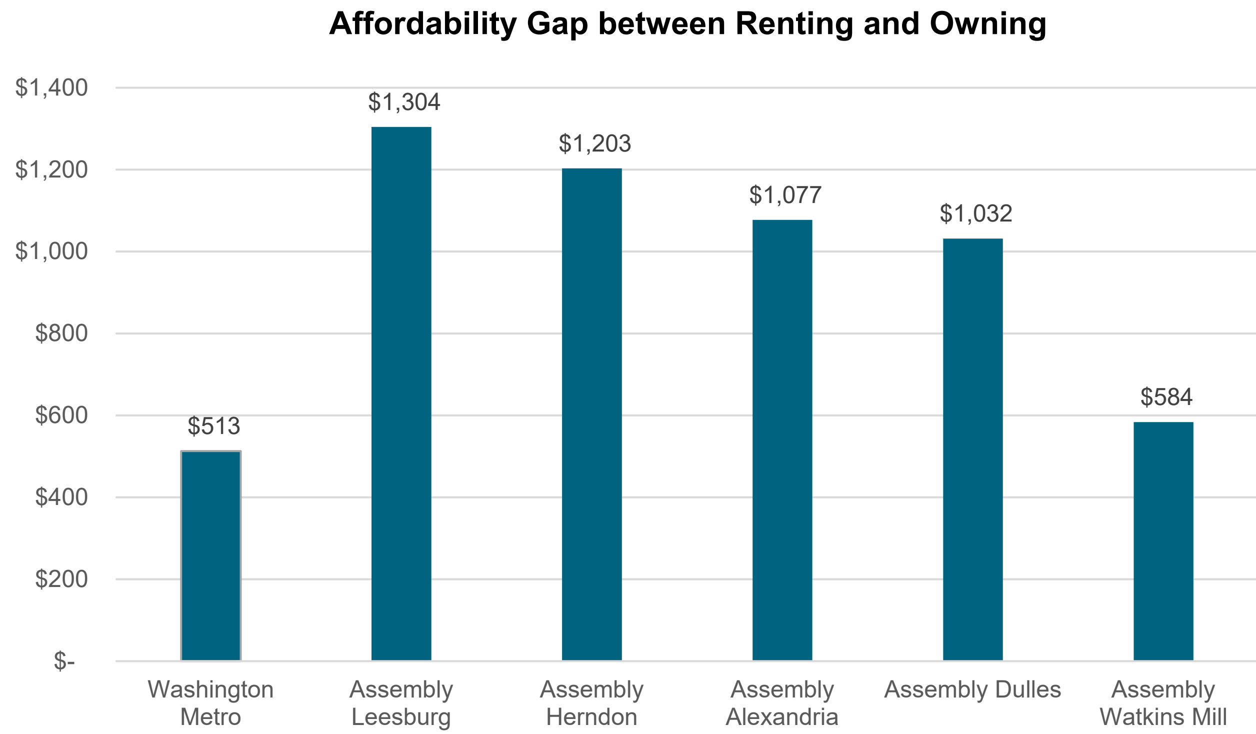
$14,300

3% FHA DOWN PAYMENT (UNDERWRITING IS TIGHTENING)

VS.

$9,000

AVERAGE MILLENNIAL SAVING (OF THOSE WHO ARE SAVING)

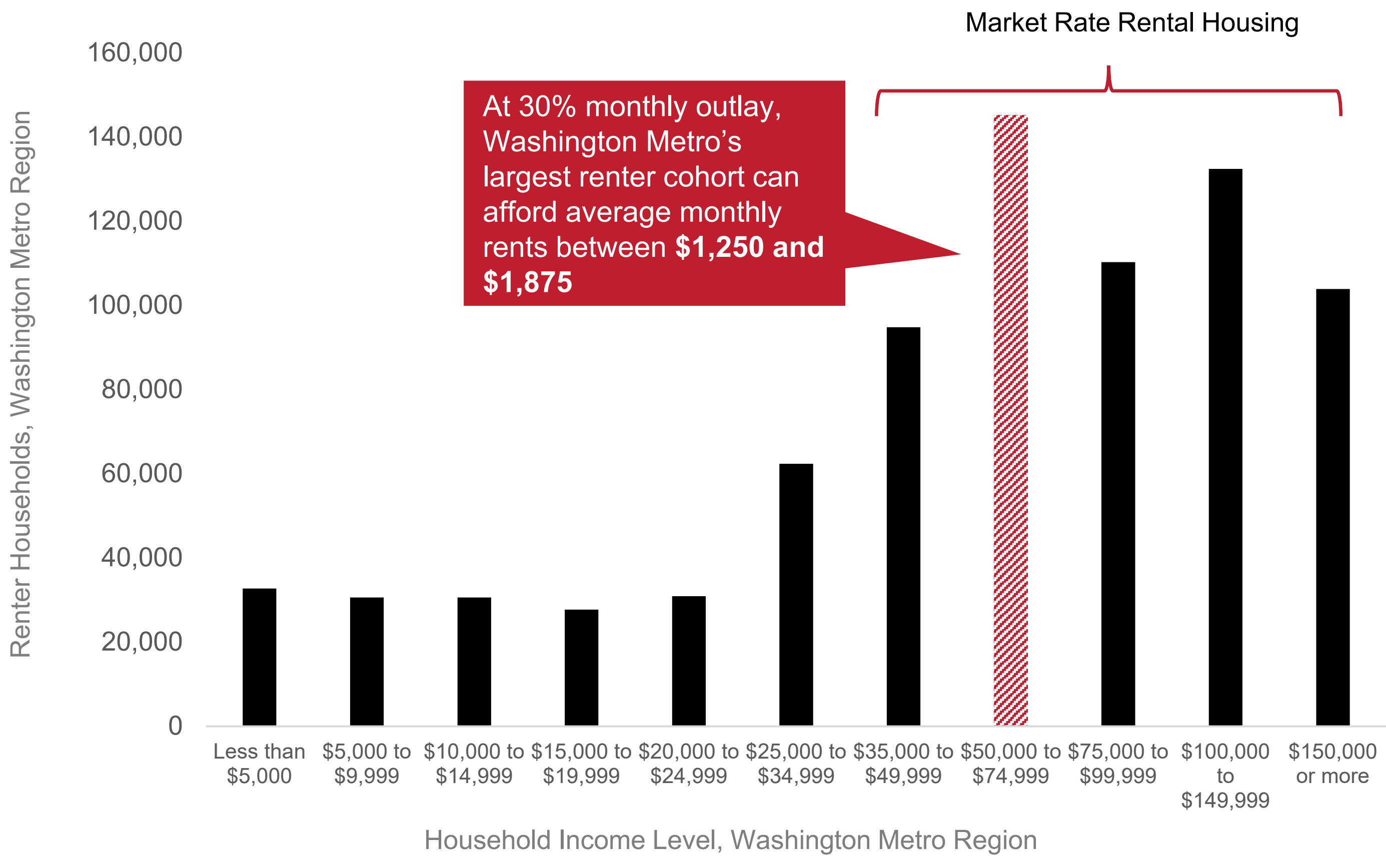


Even if a renter saves for the 20% down payment necessary for a mortgage, the estimated monthly mortgage is significantly higher than the average monthly rent across our Assembly assets.

Source: WashREIT Research, Zillow, February 2021. Estimated monthly mortgage calculated using Zillow Mortgage Calculator assuming 20% down payment and 30-year fixed at 3% and inclusive of taxes and insurance. Washington Metro rent is per Delta Associates Q4 2020.

TARGET RENTER DEMOGRAPHICS

Washington Metro region's largest renter cohort, comprising **25%** of all market renters, earns $50,000 to $75,000 per annum. This creates strong demand for units with average monthly rents between $1,250 and $1,875 that is largely met by Class B suburban and urban in-fill multifamily product.



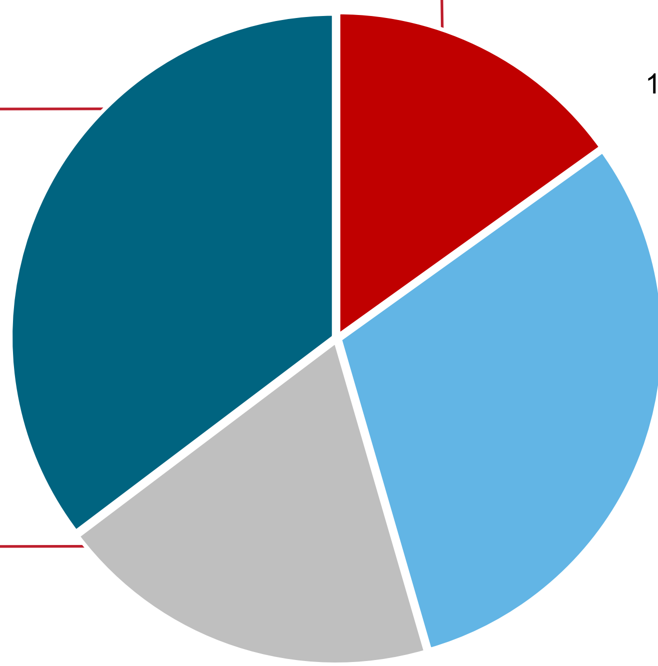
Source: US Census.

OFFICE PORTFOLIO

OFFICE PORTFOLIO COMPOSITION

OFFICE PORTFOLIO

SQUARE FOOTAGE DISTRIBUTION



DC Class A 15%

100% within a **3-mile radius of Amazon HQ2** and within **half mile of Metro**

Virginia Class A 35%

100% within **a mile of Metro**

DC Class B 31%

100% within **a mile of Metro and** 100% within a **5-mile radius of Amazon HQ2**

Virginia Class B 19%

100% within a **mile of Metro**

DEFINING SPACE+

Space+ is a WashREIT proprietary office program that is controlled and designed in-house, with strategically-located spaces in our portfolio. Space+ offers quick move-ins, all-in pricing on lease terms, scalable solutions, as well as privacy and independence.

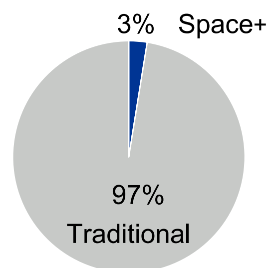
SPACE+
Powered by WASH•REIT

- Private office suites with both in-suite and shared amenities and sufficient space to allow for social distancing
- Move-in ready
- Pre-furnished and ability to customize space
- Showcase tenant's brand and culture through semi-custom interiors with signage opportunities
- **Wtd. Avg lease term >2 years**
- All-in pricing
- Tenant leases directly with and space is managed by WashREIT
  No co-working

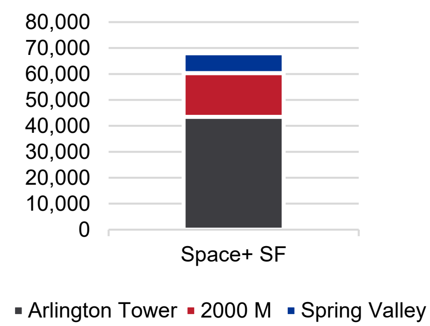
(1) Space+ includes delivered space as of 12/31/2020

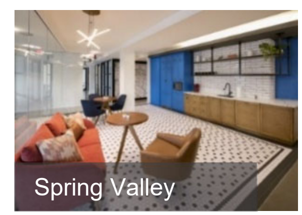
Space+ Portfolio Q4 2020 Overview

Office Portfolio
(SF)[1]



Space+ By Property
(SF) [1]





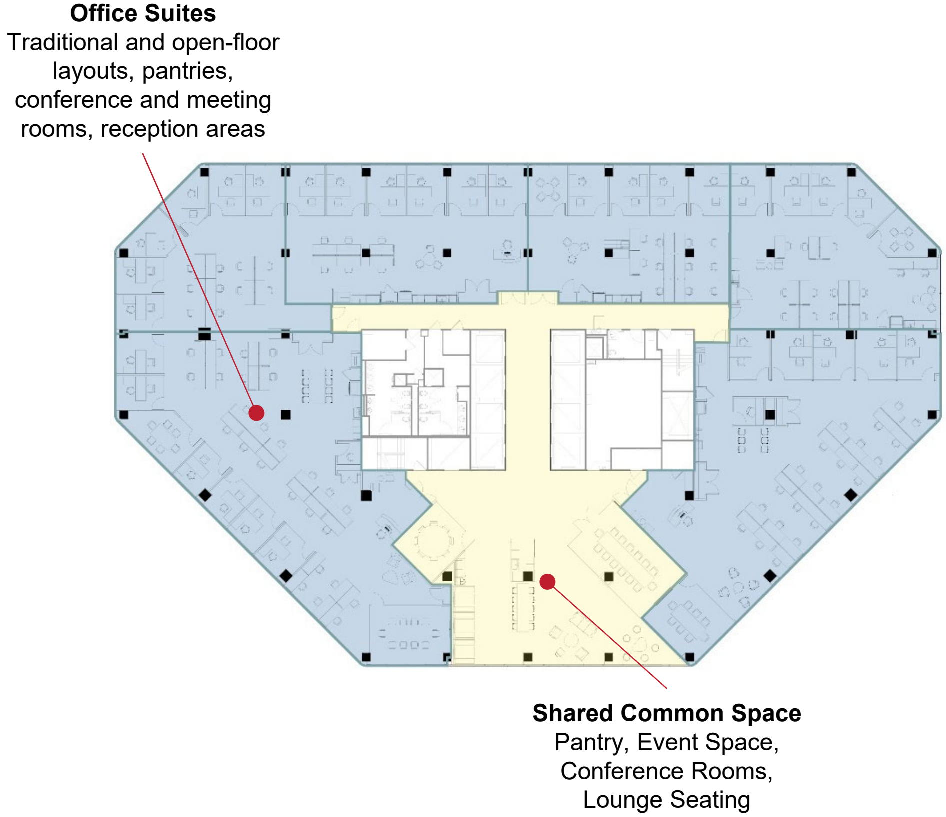
Visit our Space+ website at https://www.space-plus.com/

SPACE+ DESIGN PROVIDES ADVANTAGES

In addition to helping fill space quicker, our expenses are lower due to the reusability of build-out costs and the built-in flexibility in our design aspects

THE ADVANTAGES OF SPACE+ DESIGN

Representative Floorplan: Arlington Tower 8th Floor



In-Suite

- Controlled access to suites
- Variety of private/open seating floorplans
- Pre-furnished, with flexibility to customize furniture in as little as 3 days
- Branding opportunities in suite, including brand/logo walls
- In-suite conference rooms for additional privacy
- In-suite pantries

Shared Space

- Perks for smaller tenants in shared amenities such as views, higher-end design, and lounge areas
- Large shared conference rooms for when tenants need it
- Branding opportunity and directional signage in elevator lobby

Design Aspects

- Thoughtful layout that allows suites to be combined or divided by simply moving a wall.
- Neutral suite finishes encourage reusability

SPACE+ ADDS VALUE

Space+ was designed in 2018 to improve cash flow through reduced downtime to lease commencement, rent premiums to the market, and capex spend that is reusable for 2nd generation leases, while meeting tenant demand for speed to market, scalable solutions, and competitive amenities

Steady rent + Higher margins + Reusable capex = Strong cash flow

Less downtime than traditional leases

>2 years term
(weighted avg)

>7% rent premiums[1]
Compared to traditional leases in buildings with Space+

>90% of 1st generation capex is reutilized in 2nd generation spaces

(1) Represents average of new leases signed from January 2019 – September 2020 compared to traditional leases in buildings with Space+ signed during the same timeframe
(2) Downtime reflects time from delivery to lease commencement

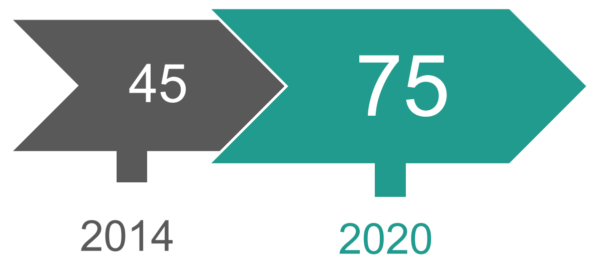

ENVIRONMENTAL
SOCIAL
GOVERNANCE
GOLDEN GARDEN
GOLDEN STREETS
WASH★REIT &
Squash
Thyme

ESG HIGHLIGHTS

By the Numbers

2.5M SF	**LEED-certified space**
1.3M SF	**New development is currently pursuing LEED for Building Design & Construction**
2.6M SF	**ENERGY STAR-certified space**
200,000+ SF	**Green Leases executed**
1,000+ hours	**Annual company-sponsored community service**

GRESB SCORE IMPROVEMENT



+30

GRESB Score Improvement

Our 2020 ESG Report can be found in the Investor section of our website.

As of 12/31/2019, Source: WashREIT 2020 ESG Report

RECENT INITIATIVES AND RECOGNITION

WashREIT's ESG programs are being accelerated, we just executed our first Green Bond and recently established an internal council committed to improving diversity, equity, inclusion, and belonging within our company and our local community

ESG IS A CORPORATE STRATEGIC OBJECTIVE

ESG performance is a 2021 corporate strategic objective, which extends across all departments and solidifies our commitment to demonstrating continual progress on our ESG initiatives.

CLIMATE RISK ASSESSMENT AND ALIGNMENT WITH TCFD

We have assessed the physical and transition risks and opportunities posed by climate change and have disclosed these results in our 2020 ESG Report. Our approach on these issues is aligned with TCFD Disclosures.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

DIVERSITY, EQUITY, INCLUSION AND BELONGING COUNCIL

The DEIB Council is overseen by our senior leadership team and Board. In it's inaugural year, the Council laid the groundwork for a more inclusive environment where employees can create a sense of belonging.

NAMED BEST CR PROGRAM BY NAIOP DC/MD CHAPTER 2020

This recent award recognized WashREIT's long-term commitments to deliver positive environmental, social, and governance impacts to tenants, employees, shareholders, and the community.

18TH ANNUAL Awards of Excellence NAIOP DC|MD CHAPTER

SUSTAINABILITY TARGETS

On track to achieve our sustainability goals and continuously demonstrating ESG performance improvement

Impact in 2019

INTENSITIES

	2018	2019
ENERGY	18.91 kWh/sf	18.14 kWh/sf
GHG	5.68 $kgCO_2e/sf$	5.43 $kgCO_2e/sf$
WATER	24.53 gal/sf	23.48 gal/sf

Sustainability Targets
(2015-2025)

ENERGY
Goal: **20% reduction** in energy use intensity use by 2025

Our progress

-10.6% | -20%

GHG
Goal: **20% reduction** in greenhouse gas emissions intensity by 2025

Our progress

-11.8% | -20%

WASTE
Goal: **60% diversion** from landfill by 2025

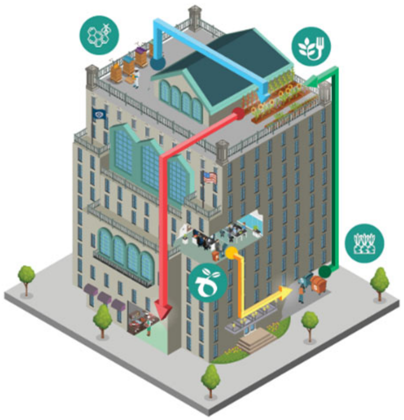
Our progress

38.4% | 60%

Source: WashREIT 2020 ESG Report.
Note: Water data covers office and multifamily properties and excludes retail properties. Energy and GHG targets limited to Office and Multifamily portfolios. Waste target limited to Office portfolio.

ESG PROJECTS AND PROGRAMS

Urban Ecosystem

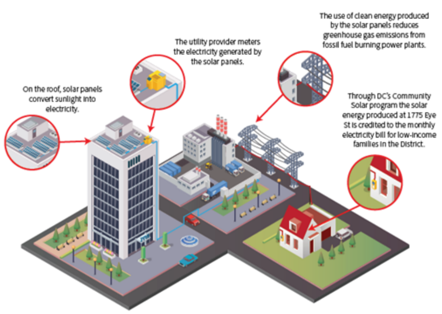


We have an entire food system housed in one building – from the bees pollinating the garden to the restaurant harvesting the produce and the building compost completing the circle.

Employee & Community Engagement

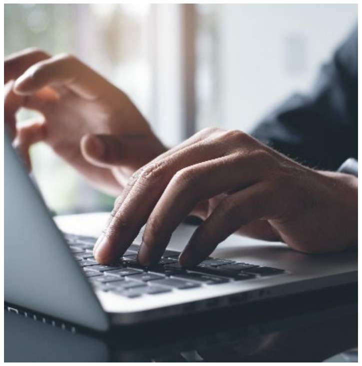
We believe the most valuable investments we make are in our people and community. We place great value on employee growth and development. And we give back to our community, most visibly through our annual company-wide community service day.

Supporting our Community with Clean Energy



We have solar panels on the roof of our headquarters building and the clean energy produced is credited to low- and moderate-income families at Jubilee Housing, a provider of deeply affordable housing in Washington, D.C.

Risk Management



We have established a company-wide focus on business continuity preparedness and cybersecurity prevention over the past several years. Our robust tools and resources have allowed us to work and collaborate remotely, performing to the highest standards without disruption during the global health crisis.

APPENDIX

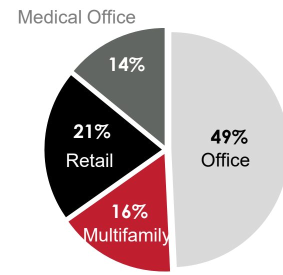
PORTFOLIO TRANSFORMATION

DISPOSITIONS	VALUE
2013-2014 Dispositions	**$518.1M**
Country Club Towers	$38M
Munson Hill Towers	$57M
Interest in Land 1225	$15M
Montgomery Village	$28M
2015 Dispositions	**$138M**
Land	$12M
Suburban MD office	$240M
2016 Dispositions	**$252M**
Walker House Apartments	$32.2M
2017 Dispositions	**$32.2M**
Braddock Metro Center	$79M
2445 M Street	$101.6M
2018 Dispositions	**$180.6M**
Quantico Corporate Center	$33M
Retail Tranche 1 (5 Shopping Centers)	$485M
Retail Tranche 2 (3 Power Centers)	$77M
1776 G Street	$129.5M
2019 Dispositions	**$724.5M**
John Marshall II	$57M
Monument II	$53M
1227 25th Street	$53.5M
2020 Dispositions	**$163.5M**
TOTAL DISPOSITIONS	**$2.01 BILLION**

ACQUISITIONS	VALUE
2013-2014 Acquisitions	**$345.2M**
The Wellington	$167M
2015 Acquisitions	**$167M**
Riverside Apartments	$244.8M
2016 Acquisitions	**$244.8M**
Watergate 600	$135M
2017 Acquisitions	**$135M**
Arlington Tower	$250M
2018 Acquisitions	**$250M**
Assembly Northern Virginia (5 assets)	$379.1M
Assembly Maryland (2 assets)	$82.1M
Cascade at Landmark	$69.8M
2019 Acquisitions	**$531M**
TOTAL ACQUISITIONS	**$1.67 BILLION**

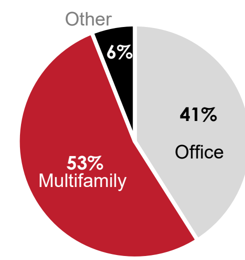
TOTAL TRANSACTION VOLUME: **~$3.7 BILLION**

NOI as of Q1 2013

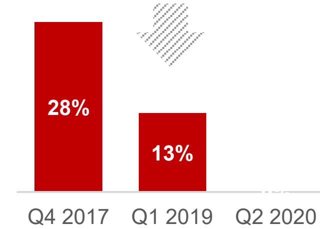


Repositioned

NOI as of Q4 2020[1]



De-risked



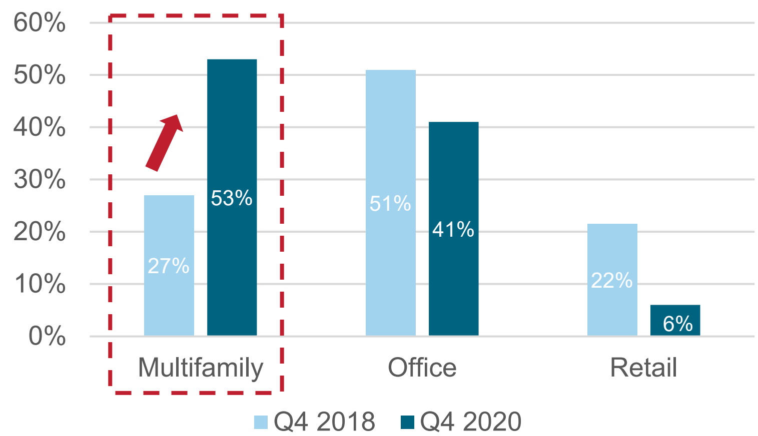
Single-Tenant Exposure

[1] Pro forma for stabilized Net Operating Income from the Trove development and the sales of Monument II and 1227 25th Street that closed in December 2020

MULTIFAMILY STRENGTHENS OPPORTUNITIES FOR LONG-TERM CASH FLOW AND FAD GROWTH

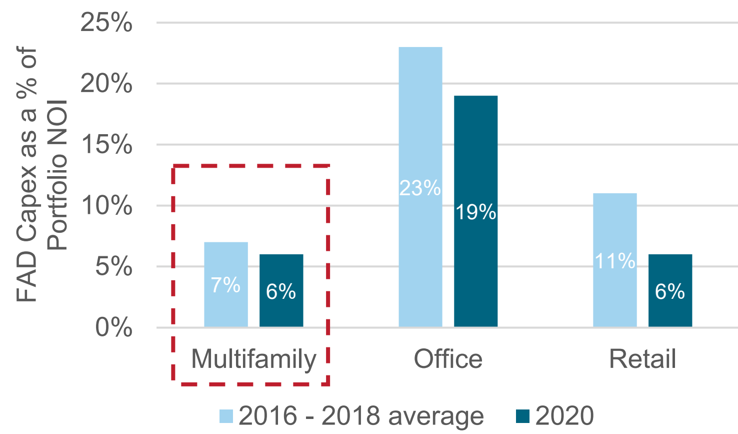
We continue to create value by de-risking our portfolio and transforming towards multifamily, which increases NOI and stabilizes cash flow, therefore, strengthening the opportunity for cash flow and FAD growth

NOI Composition(1)
2018 versus 2020



Our 2019 strategic allocation increased our weighting toward less capital-intensive multifamily assets

Leasing and Recurring (FAD) Capex as a % of Portfolio NOI(2) (3)



Our commercial asset sales and capital management efforts have reduced our FAD capex as a percentage of total NOI

(1) Q4 2020 NOI is pro forma for stabilized Net Operating Income from the Trove development and the sales of Monument II and 1227 25th Street that closed in December 2020
(2) Based on WashREIT 3-year average of 2016 - 2018 of leasing and recurring capex, prior to our 2019 strategic capital reallocation
(3) FY 2020 actual capital expenditures and NOI

BALANCE SHEET INITIATIVES

We took steps to strengthen our balance sheet and increase our operational flexibility during 2020 which has put us in a stronger position heading toward the recovery phase of the pandemic

Maintained strong credit ratios with substantial cushions to covenants

- FYE 2020 leverage of 6.2x was well within our target of operating between 6.0x to 6.5x
- Debt Service Coverage and Fixed Charge Coverage were 4.1x and 3.9x, respectively, at year end 2020

Strengthened liquidity and protected the balance sheet, despite COVID-19 challenges

- Eliminated secured debt
- Increased liquidity at the beginning of the pandemic by entering a one-year $150 million unsecured term loan with extension rights, which was prepaid 6 months later with no prepayment penalty
- Extended our debt ladder weight average maturity to >5 years by paying down ~$450M of debt due in 2020 and 2021, with no prepayment penalties, and refinancing into our inaugural $350 million 10-year Green Bond with remaining proceeds to pay down the line of credit
- No scheduled debt maturities until Q4 2022
- At year-end, we had $670 million of available liquidity

De-risked both sides of the balance sheet and improved cash flows as we increase multifamily exposure while reducing commercial risks

- Sold 3 office assets in 2020 for combined proceeds of ~ $163.5 million
- Eliminated single-tenant office risk exposure
- Reduced FAD capex needs and increased steadier rent collections as we continue to overweight our multifamily exposure

FINANCIALS FROM Q4 2020 SUPPLEMENT

Funds from Operations
(In thousands, except per share data)
(Unaudited)

	Twelve Months Ended		Three Months Ended				
	12/31/2020	12/31/2019	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Funds from operations (FFO) [1]							
Net (loss) income	$ (15,680)	$ 383,550	$ (11,037)	$ (956)	$ (5,406)	$ 1,719	$ 54,198
Real estate depreciation and amortization	120,030	136,253	30,241	30,470	29,599	29,720	38,812
Loss (gain) on sale of depreciable real estate	15,009	(59,961)	7,470	—	7,539	—	(61,007)
Real estate impairment	—	8,374	—	—	—	—	—
Discontinued operations:							
Gain on sale of depreciable real estate	—	(339,024)	—	—	—	—	—
Real estate depreciation and amortization	—	4,926	—	—	—	—	—
NAREIT funds from operations (FFO)	119,359	134,118	26,674	29,514	31,732	31,439	32,003
Loss (gain) on extinguishment of debt	34	764	296	—	206	(468)	—
Loss on interest rate derivatives	560	—	560	—	—	—	—
Restructuring expenses [2]	—	3,019	—	—	—	—	270
Core FFO [1]	$ 119,953	$ 137,901	$ 27,530	$ 29,514	$ 31,938	$ 30,971	$ 32,273
Allocation to participating securities [3]	(545)	(477)	(92)	(151)	(151)	(151)	(81)
NAREIT FFO per share - basic	$ 1.44	$ 1.67	$ 0.32	$ 0.36	$ 0.38	$ 0.38	$ 0.39
NAREIT FFO per share - fully diluted	$ 1.44	$ 1.66	$ 0.32	$ 0.36	$ 0.38	$ 0.38	$ 0.39
Core FFO per share - fully diluted	$ 1.45	$ 1.71	$ 0.33	$ 0.36	$ 0.39	$ 0.37	$ 0.40
Common dividend per share	$ 1.20	$ 1.20	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30
Average shares - basic	82,348	80,257	82,962	82,186	82,153	82,086	81,220
Average shares - fully diluted (for NAREIT FFO and Core FFO)	82,516	80,335	83,093	82,357	82,323	82,287	81,313

[1] See "Definitions" for the definitions of NAREIT FFO and Core FFO.
[2] Restructuring expenses include severance, accelerated share-based compensation and other expenses related to a restructuring of corporate personnel.
[3] Adjustments to the numerators for FFO and Core FFO per share calculations when applying the two-class method for calculating EPS.

FINANCIALS FROM Q4 2020 SUPPLEMENT

Funds Available for Distribution
(In thousands, except per share data)
(Unaudited)

	Twelve Months Ended		Three Months Ended				
	12/31/2020	12/31/2019	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Funds available for distribution (FAD) [1]							
NAREIT FFO	$ 119,359	$ 134,118	$ 26,674	$ 29,514	$ 31,732	$ 31,439	$ 32,003
Non-cash (gain) loss on extinguishment of debt	(881)	(244)	296	—	204	(1,381)	—
Tenant improvements and incentives	(13,212)	(15,898)	(6,250)	(4,013)	(1,877)	(1,072)	(6,857)
External and internal leasing commissions capitalized	(3,852)	(6,371)	(1,445)	(1,081)	(797)	(529)	(2,700)
Recurring capital improvements	(5,044)	(6,746)	(2,164)	(1,068)	(824)	(988)	(4,345)
Straight-line rent, net	(1,758)	(3,266)	82	(522)	(655)	(663)	(763)
Non-cash fair value interest expense	(59)	(778)	—	—	—	(59)	(178)
Non-real estate depreciation and amortization of debt costs	3,795	5,005	987	956	910	942	1,030
Amortization of lease intangibles, net	1,942	2,183	477	464	544	457	504
Amortization and expensing of restricted share and unit compensation	7,873	7,743	1,972	2,479	1,644	1,778	1,479
FAD	108,163	115,746	20,629	26,729	30,881	29,924	20,173
Cash loss on extinguishment of debt	915	1,008	—	—	2	913	—
Loss on interest rate derivatives	560	—	560	—	—	—	—
Restructuring expenses (excluding accelerated share-based compensation)	—	1,822	—	—	—	—	270
Core FAD [1]	$ 109,638	$ 118,576	$ 21,189	$ 26,729	$ 30,883	$ 30,837	$ 20,443

(1) See “Definitions” for the definitions of FAD and Core FAD.

SAME-STORE PORTFOLIO FROM Q4 2020 SUPPLEMENT

Same-Store Portfolio Net Operating Income (NOI) Growth
2020 vs. 2019

	Twelve Months Ended December 31,			Three Months Ended December 31,		
	2020	2019	% Change	2020	2019	% Change
Cash Basis:						
Multifamily	$ 60,099	$ 60,677	(1.0)%	$ 14,378	$ 15,513	(7.3)%
Office	74,590	79,703	(6.4)%	17,486	20,040	(12.7)%
Other [2]	11,016	12,813	(14.0)%	2,404	3,097	(22.4)%
Overall Same-Store Portfolio [1]	$ 145,705	$ 153,193	(4.9)%	$ 34,268	$ 38,650	(11.3)%
GAAP Basis:						
Multifamily	$ 60,078	$ 60,638	(0.9)%	$ 14,373	$ 15,485	(7.2)%
Office	75,409	81,205	(7.1)%	17,680	20,244	(12.7)%
Other [2]	11,404	13,468	(15.3)%	2,497	3,235	(22.8)%
Overall Same-Store Portfolio [1]	$ 146,891	$ 155,311	(5.4)%	$ 34,550	$ 38,964	(11.3)%

[1] Non same-store properties were:

Acquisitions:

Multifamily - Assembly Alexandria, Assembly Manassas, Assembly Dulles, Assembly Leesburg, Assembly Herndon, Assembly Germantown, Assembly Watkins Mill and Cascade at Landmark

Development:

Multifamily - Trove

Sold properties:

Office - Quantico Corporate Center, 1776 G Street, John Marshall II, Monument II and 1227 25th Street

Discontinued operations:

Retail - Wheaton Park, Bradlee Shopping Center, Shoppes at Foxchase, Gateway Overlook, Olney Village Center, Frederick County Square, Centre at Hagerstown and Frederick Crossing

[2] Consists of retail centers not classified as discontinued operations: Takoma Park, Westminster, Concord Centre, Chevy Chase Metro Plaza, 800 S. Washington Street, Randolph Shopping Center, Montrose Shopping Center and Spring Valley Village.

FINANCIALS FROM Q4 2020 SUPPLEMENT

Same-Store Portfolio Net Operating Income (NOI) Detail
(In thousands)

	Three Months Ended December 31, 2020			
	Multifamily	Office	Corporate and Other (1)	Total
Real estate rental revenue				
Same-store portfolio	$ 24,002	$ 28,980	$ 3,902	$ 56,884
Non same-store (1)	12,161	2,184	—	14,345
Total	36,163	31,164	3,902	71,229
Real estate expenses				
Same-store portfolio	9,629	11,300	1,405	22,334
Non same-store (1)	5,403	976	—	6,379
Total	15,032	12,276	1,405	28,713
Net Operating Income (NOI)				
Same-store portfolio	14,373	17,680	2,497	34,550
Non same-store (1)	6,758	1,208	—	7,966
Total	$ 21,131	$ 18,888	$ 2,497	$ 42,516
Same-store portfolio NOI (from above)	$ 14,373	$ 17,680	$ 2,497	$ 34,550
Straight-line revenue, net for same-store properties	4	(567)	16	(547)
Amortization of acquired lease assets (liabilities) for same-store properties	1	42	(126)	(83)
Amortization of lease intangibles for same-store properties	—	331	17	348
Same-store portfolio cash NOI	$ 14,378	$ 17,486	$ 2,404	$ 34,268
Reconciliation of NOI to net income				
Total NOI	$ 21,131	$ 18,888	$ 2,497	$ 42,516
Depreciation and amortization	(14,636)	(14,157)	(1,448)	(30,241)
General and administrative expenses	—	—	(5,988)	(5,988)
Interest expense	—	—	(8,998)	(8,998)
Loss on interest rate derivatives	—	—	(560)	(560)
Loss on sale of real estate	—	—	(7,470)	(7,470)
Loss on extinguishment of debt	—	—	(296)	(296)
Net income (loss)	$ 6,495	$ 4,731	$ (22,263)	$ (11,037)

[1] For a list of non same-store, discontinued operations and other properties, see "Same-Store Portfolio Net Operating Income (NOI) Growth 2020 vs 2019"

DEFINITIONS

Adjusted EBITDA (a non-GAAP measure) is earnings before interest expense, taxes, depreciation, amortization, gain/loss on sale of real estate, casualty gain/loss, real estate impairment, gain/loss on extinguishment of debt, restructuring expenses (which include severance, accelerated share-based compensation and other expenses related to a restructuring of corporate personnel), acquisition expenses and gain from non-disposal activities.

Annualized base rent ("ABR") is calculated as monthly base rent (cash basis) per the lease, as of the reporting period, multiplied by 12.

Average occupancy is based on monthly occupied net rentable square footage as a percentage of total net rentable square footage, except for the rows labeled "Multifamily (calculated on a unit basis)," on which average occupancy is based on average monthly occupied units as a percentage of total units. The square footage for multifamily properties only includes residential space. The occupied square footage for office and retail properties includes temporary lease agreements.

Debt service coverage ratio is computed by dividing earnings attributable to the controlling interest before interest expense, taxes, depreciation, amortization, real estate impairment, gain on sale of real estate, gain/loss on extinguishment of debt, severance expense, relocation expense, acquisition and structuring expenses and gain/loss from non-disposal activities by interest expense (including interest expense from discontinued operations) and principal amortization.

Debt to total market capitalization is total debt divided by the sum of total debt plus the market value of shares outstanding at the end of the period.

Earnings to fixed charges ratio is computed by dividing earnings attributable to the controlling interest by fixed charges. For this purpose, earnings consist of income from continuing operations (or net income if there are no discontinued operations) plus fixed charges, less capitalized interest. Fixed charges consist of interest expense (excluding interest expense from discontinued operations), including amortized costs of debt issuance, plus interest costs capitalized.

Ending Occupancy is calculated as occupied square footage as a percentage of total square footage as of the last day of that period. Multifamily unit basis ending occupancy is calculated as occupied units as a percentage of total units as of the last day of that period.

NAREIT Funds from operations ("NAREIT FFO") is defined by National Association of Real Estate Investment Trusts, Inc. (“NAREIT”) in its NAREIT FFO White Paper – 2018 Restatement, as net income (computed in accordance with generally accepted accounting principles (“GAAP”) excluding gains (or losses) associated with sales of property, impairment of depreciable real estate and real estate depreciation and amortization. We consider NAREIT FFO to be a standard supplemental measure for equity real estate investment trusts (“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 NAREIT 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 real estate investment trusts. These other REITs may not define the term in accordance with the current NAREIT definition or may interpret the current NAREIT definition differently. NAREIT FFO is a non-GAAP measure.

Core Funds From Operations ("Core FFO") is calculated by adjusting NAREIT FFO for the following items (which we believe are not indicative of the performance of Washington REIT’s operating portfolio and affect the comparative measurement of Washington REIT’s operating performance over time): (1) gains or losses on extinguishment of debt, (2) expenses related to acquisition and structuring activities, (3) executive transition costs, severance expenses and other expenses related to corporate restructuring and related to executive retirements or resignations, (4) property impairments, casualty gains and losses, and gains or losses on sale not already excluded from NAREIT FFO, as appropriate, and (5) relocation expense. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FFO serves as a useful, supplementary measure of Washington REIT’s ability to incur and service debt, and distribute dividends to its shareholders. Core FFO is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Funds Available for Distribution ("FAD") is calculated by subtracting from NAREIT FFO (1) recurring expenditures, tenant improvements and leasing costs, that are capitalized and amortized and are necessary to maintain our properties and revenue stream (excluding items contemplated prior to acquisition or associated with development / redevelopment of a property) and (2) straight line rents, then adding (3) non-real estate depreciation and amortization, (4) non-cash fair value interest expense and (5) amortization of restricted share compensation, then adding or subtracting the (6) amortization of lease intangibles, (7) real estate impairment and (8) non-cash gain/loss on extinguishment of debt, as appropriate. FAD is included herein, because we consider it to be a performance measure of a REIT’s ability to incur and service debt and to distribute dividends to its shareholders. FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Core Funds Available for Distribution ("Core FAD") is calculated by adjusting FAD for the following items (which we believe are not indicative of the performance of Washington REIT’s operating portfolio and affect the comparative measurement of Washington REIT’s operating performance over time): (1) gains or losses on extinguishment of debt, (2) costs related to the acquisition of properties, (3) non-share-based executive transition costs, severance expenses and other expenses related to corporate restructuring and related to executive retirements or resignations, (4) property impairments, casualty gains and losses, and gains or losses on sale not already excluded from FAD, as appropriate, and (5) relocation expense. These items can vary greatly from period to period, depending upon the volume of our acquisition activity and debt retirements, among other factors. We believe that by excluding these items, Core FAD serves as a useful, supplementary performance measure of Washington REIT’s ability to incur and service debt, and distribute dividends to its shareholders. Core FAD is a non-GAAP and non-standardized measure, and may be calculated differently by other REITs.

Net Operating Income (“NOI”) is a non-GAAP measure defined as real estate rental revenue less real estate expenses. NOI is calculated as net income, less non-real estate revenue and the results of discontinued operations (including the gain or loss on sale, if any), plus interest expense, depreciation and amortization, general and administrative expenses, acquisition costs, real estate impairment, casualty gains and losses, and gain or loss on extinguishment of debt. We also present NOI on a cash basis ("Cash NOI") which is calculated as NOI less the impact of straightlining of rent and amortization of market intangibles. We provide each of NOI and cash NOI as a supplement to net income calculated in accordance with GAAP. As such, neither should be considered an alternative to net income as an indication of our operating performance. They are the primary performance measures we use to assess the results of our operations at the property level.

Recurring capital expenditures represent non-accretive building improvements and leasing costs required to maintain current revenues. Recurring capital expenditures do not include acquisition capital that was taken into consideration when underwriting the purchase of a building or which are incurred to bring a building up to "operating standard."

Rent increases on renewals and rollovers are calculated as the difference, weighted by square feet, of the net ABR due the first month after a term commencement date and the net ABR due the last month prior to the termination date of the former tenant's term. Beginning in Q4 2018, in cases where the space has been remeasured in accordance with criteria set by the Building Owners and Managers Association ("BOMA"), the square feet former tenant's space is adjusted to be equivalent to the square feet of the new/renewing tenant's space.

Same-store portfolio properties include properties that were owned for the entirety of the years being compared, and exclude properties under redevelopment or development and properties acquired, sold or classified as held for sale during the years being compared. We define development properties as those for which we have planned or ongoing major construction activities on existing or acquired land pursuant to an authorized development plan. We consider a property's development activities to be complete when the property is ready for its intended use. The property is categorized as same-store when it has been ready for its intended use for the entirety of the years being compared. We define redevelopment properties as those for which have planned or ongoing significant development and construction activities on existing or acquired buildings pursuant to an authorized plan, which has an impact on current operating results, occupancy and the ability to lease space with the intended result of a higher economic return on the property. We categorize a redevelopment property as same-store when redevelopment activities have been complete for the majority of each year being compared.

Same-store portfolio NOI growth is the change in the NOI of the same-store portfolio properties from the prior reporting period to the current reporting period.

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