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WASHINGTON REAL ESTATE INVESTMENT TRUST
Form 8-K/A
January 15, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A
Amendment No. 1

CURRENT REPORT

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

Date of Report (Date of earliest event reported) NOVEMBER 1, 2001

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

Maryland	1-6622	53-0261100
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

6110 Executive Boulevard, Rockville, Maryland	20852
-----	-----
(Address of principal executive offices)	(Zip Code)

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

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

The undersigned registrant, in order to provide the financial statements required to be included in the Current Report on Form 8-K dated November 1, 2001 in connection with the acquisition of certain assets and the issuance of additional shares via an equity offering to pay for the acquisition of One Central Plaza, hereby amends the following items, as set forth in the pages attached hereto.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Businesses Acquired

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1. One Central Plaza - Audited Historical Summary of Gross Income and Direct Operating Expenses for the year ended December 31, 2000.

In acquiring One Central Plaza, WRIT evaluated among other things, sources of revenue (including but not limited to, competition in the rental market, comparative rents and occupancy rates) and expenses (including but not limited to, utility rates, ad valorem tax rates, maintenance expenses and anticipated capital expenditures). After reasonable inquiry, management is not aware of any material factors affecting One Central Plaza that would cause the reported financial information not to be indicative of One Central Plaza's future operating results.

(b) Pro Forma Financial Information

The following pro forma financial statements for a substantial majority of the assets acquired by WRIT in 2001 (as defined in Regulation S-X) are filed as an exhibit hereto:

1. WRIT Unaudited Pro Forma Condensed and Consolidated Balance Sheet as of September 30, 2001.
2. WRIT Unaudited Pro Forma Condensed and Consolidated Statements of Operations for the year ended December 31, 2000 and the nine months ended September 30, 2001.

(c) Exhibits

23. Consent of Auditors

SIGNATURES

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

WASHINGTON REAL ESTATE INVESTMENT TRUST

(Registrant)

By: /s/ Laura M. Franklin

(Signature)

Laura M. Franklin
Managing Director,
Accounting, Administration and
Corporate Secretary

January 15, 2002

(Date)

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees of
Washington Real Estate Investment Trust

We have audited the accompanying Historical Summary of Gross Income and Direct Operating Expenses of One Central Plaza ("Historical Summary") for the year ended December 31, 2000. This Historical Summary is the responsibility of the Building's management. Our responsibility is to express an opinion on the Historical Summary based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Historical Summary. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Historical Summary. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Historical Summary was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission as described in Note 2, and is not intended to be a complete presentation of the Building's revenue and expenses.

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the gross income and direct operating expenses described in Note 2 of One Central Plaza for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

ARGY, WILTSE & ROBINSON, P.C.

McLean, Virginia
November 27, 2001

ONE CENTRAL PLAZA

HISTORICAL SUMMARY OF GROSS INCOME AND DIRECT OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 2000

Gross income:

Base rents	\$ 6,064,938
Expense recoveries	179,448
Other	36,046

Total gross income	\$ 6,280,432
	=====

Direct operating expenses:

Insurance	\$ 19,713
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Real estate taxes	418,228
Repairs and maintenance	877,343
Utilities	658,408

Total direct operating expenses	\$ 1,973,692
	=====

The accompanying notes are an integral part of this historical summary.

ONE CENTRAL PLAZA

NOTES TO HISTORICAL SUMMARY OF GROSS INCOME AND DIRECT OPERATING EXPENSES

DECEMBER 31, 2000

NOTE 1 - NATURE OF BUSINESS

One Central Plaza is a twelve-story building located in Rockville, Maryland, containing approximately 269,000 rentable square feet. The operations of One Central Plaza consist of leasing office space to various tenants.

Expenses recoveries represent operating expenses, including real estate taxes, billed to the tenants and are recognized in the period the expenses are incurred.

All leases are classified as operating leases and expire at various dates prior to 2010. The following is a schedule by years of future minimum rents receivable on noncancelable operating leases in effect as of December 31, 2000:

2001	\$ 5,953,350
2002	5,488,061
2003	5,141,796
2004	4,715,438
2005	3,186,949
Thereafter	7,412,513

	\$ 31,898,107
	=====

During the year ended December 31, 2000, one tenant accounted for approximately 23% of the total base rents.

NOTE 2 - BASIS OF PRESENTATION

Washington Real Estate Investment Trust purchased One Central Plaza in April 2001. The Historical Summary has been prepared for the purpose of complying with Regulation S-X, Rule 3-14 of the Securities and Exchange Commission ("SEC"), which requires certain information with respect to real estate operations acquired to be included with certain filings with the SEC. This Historical Summary includes the historical gross income and direct operating expenses of One Central Plaza, exclusive of the following expenses which may not be comparable to the proposed future operations:

- (a) Interest expense on existing mortgages and borrowings
- (b) Depreciation of property and equipment
- (c) Management and leasing fees
- (d) Certain corporate and administrative expenses

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(e) Provisions for income taxes

WASHINGTON REAL ESTATE INVESTMENT TRUST PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET AND CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

The pro forma balance sheet as of September 30, 2001 presents consolidated financial information as if the acquisition of the Properties had taken place on December 31, 2000. The pro forma statements of operations for the year ended December 31, 2000 present combined financial information as if the acquisition of the Properties had taken place as of January 1, 2000.

WRIT purchased One Central Plaza on April 19, 2001.

The pro forma statements of operations show earnings in the amount of \$45,107,000 and \$36,817,000 for the year ended December 31, 2000 and the nine months ended September 30, 2001, respectively, after giving effect to certain pro forma adjustments required to reflect the operating results as if the Properties had been acquired as of January 1, 2000.

WASHINGTON REAL ESTATE INVESTMENT TRUST PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2001 (In thousands)

	REGISTRANT -----	PRO FORMA ADJ'S -----	PRO FORMA -----
Assets			
Real estate at cost	\$ 746,858	\$ -	\$ 746,858
Accumulated depreciation	(116,463)	-	(116,463)
Total Investment in Real Estate	630,395	-	630,395
Cash and cash equivalents, receivables, net of Allowance for doubtful accounts	43,658	-	43,658
Prepaid Expenses and Other Assets	20,748	-	20,748
Total Assets	\$ 694,801	\$ -	\$ 694,801
Liabilities			
Senior notes payable	\$ 265,000	\$ -	\$ 265,000
Mortgage notes payable	85,641	-	85,641
Accounts payable and other liabilities	11,776	-	11,776
Advance Rents	2,791	-	2,791
Tenant security deposits	6,071	-	6,071
Total Liabilities	371,279	-	371,279
Minority Interest	1,594	-	1,594
Shareholders' Equity			

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Shares of beneficial interest, \$0.01 par value	387	-	387
Additional paid in capital	321,541	-	321,541
	-----	-----	-----
 Total Shareholders' equity	 321,928	 -	 321,928
	-----	-----	-----
Total Liabilities & shareholders' equity	\$ 694,801	\$ -	\$ 694,801
	=====	=====	=====

(1) No adjustments are necessary for One Central Plaza because the property was acquired prior to September 30, 2001. The property acquisition and operating activities are already reflected in WRIT's Balance Sheet as of September 30, 2001. The contract purchase price for One Central Plaza was paid through an equity offering.

WASHINGTON REAL ESTATE INVESTMENT TRUST
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2000
(In thousands, except per share amounts)

	REGISTRANT	ONE CENTRAL PLAZA	PRO FORMA ADJ'S	
	-----	-----	-----	-----
Real Estate Revenue	\$ 134,732	\$ 6,280	\$ 399 (3) #	\$ 1
Real Estate Expenses	(38,316)	(1,974)	(195) (1) -	(
	-----	-----	-----	-----
Depreciation	96,416 (22,723)	4,307 -	204 (976) (2) -	1 (
	-----	-----	-----	-----
Income From Real Estate	73,693	4,307	(771) -	-
Other Income (Expense)				
Investment Income	943	-	-	-
Interest Expense	(25,531)	-	-	(
General and Administrative	(7,533)	-	-	-
	-----	-----	-----	-----
Net Income	\$ 41,572	\$ 4,307	\$ (771) #	\$
	=====	=====	=====	=====
Net Income Per Share	\$ 1.16			\$

(1) Property Management Fees based on rate schedule paid by Registrant.

(2) Depreciation over 40 years, based upon the portion of the purchase price allocated to building and improvements.

(3) Garage rent from monthly parking based on Registrants contract in place with parking management company.

(4) On April 24, 2001 WRIT completed a public offering of 2,300,000 Shares of Beneficial Interest priced at \$22.15 per share. \$43.0 million of the \$48.2 million net proceeds from the sale of shares was used to repay the \$43.0 million of borrowing on April 19, 2001 for the acquisition of One Central Plaza.

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WASHINGTON REAL ESTATE INVESTMENT TRUST
 PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001
 (In thousands, except per share amounts)

	REGISTRANT	ONE CENTRAL PLAZA	PRO FORMA ADJ'S	PRO FORMA
	-----	-----	-----	-----
Real Estate Revenue	\$ 110,618	\$ 2,181	\$ 117 (3)	\$ 112,916
Real Estate Expenses	(31,805)	(675)	(64) (1)	(32,544)
	-----	-----	-----	-----
Depreciation	78,813 (19,157)	1,506 -	53 (393) (2)	80,372 (19,550)
	-----	-----	-----	-----
Income From Real Estate	59,656	1,506	(340)	60,822
Other Income (Expense)				
Investment Income	714	-	-	714
Interest Expense	(20,178)	-	-	(20,178)
General and Administrative	(4,541)	-	-	(4,541)
	-----	-----	-----	-----
Net Income	\$ 35,651	\$ 1,506	\$ (340)	\$ 36,817
	=====	=====	=====	=====
Net Income Per Share	\$ 0.96			\$ 0.96

(1) Property Management Fees based on rate schedule paid by Registrant.

(2) Depreciation over 40 years, based upon the portion of the purchase price allocated to building and improvements.

(3) Garage rent from monthly parking based on Registrants contract in place with parking management company.

(4) On April 24, 2001 WRIT completed a public offering of 2,300,000 Shares of Beneficial Interest priced at \$22.15 per share. \$43.0 million of the \$48.2 million net proceeds from the sale of shares was used to repay the \$43.0 million of borrowing on April 19, 2001 for the acquisition of One Central Plaza.

(5) The pro forma amounts were derived by annualizing 164 days of actual results in 2001 and prorating for nine months.