WRIT
WASHINGTON REAL ESTATE INVESTMENT TRUST

6110 Executive Boulevard, Suite 800
Rockville, Maryland 20852

main 301 984 9400
fax 301 984 9610

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Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

Dear Board Members and Staff:

We appreciate the opportunity to comment on the Revised Proposed Accounting Standards Update ("Revised ASU") regarding File Reference No. 2013-270: Leases (Topic 842) on behalf of Washington Real Estate Investment Trust ("WRIT"). We appreciate the thorough process the Financial Accounting Standards Board ("Board") has undertaken in revising lease accounting standards and we support the Revised ASU. WRIT is a real estate investment trust with a diverse portfolio of 69 properties and thousands of leases with both commercial and residential tenants.

We provided comments on the Proposed Accounting Standards Update issued in August 2010 ("Original ASU"), and as a lessor of real estate, raised several concerns regarding the utility and practicality of the proposed standards in the Original ASU. Fortunately, the standards in the Revised ASU have adequately and sensibly addressed our concerns regarding lessor accounting, and we provide the following responses to certain of the questions provided in the Revised ASU:

Question 3: Lessor Accounting

Do you agree that the lessor should apply a different accounting approach to different leases, depending on whether the lessee is expected to consume more than an insignificant portion of the economic benefits embedded in the underlying asset? Why or why not? If not, what alternative approach would you propose and why?

The Revised ASU allows lessors to account for a lease in a manner similar to existing operating lease accounting when the lessee is not expected to consume more than an insignificant portion of the underlying asset (e.g., property leases). As a lessor of real estate properties, we strongly agree with this accounting approach. While applying the same accounting approach to all leases may appear more straightforward and consistent, the fundamental economics for property leases is different from non-property leases. For example, if a floor of an office building is leased for a term of seven years, the economic value embedded within that office building is not consumed during the term of the lease. Therefore, to derecognize a portion of the office building and replace it with the present value of the lease payments would significantly misrepresent the economics of the lease transaction. We agree with the Board when it states in paragraph BC73 of the Revised ASU, "A lessor would better represent the economics of the transaction by recognizing rental income over the lease term."

We also believe that the lessor accounting model under the Revised ASU is more useful to the users of our financial statements. The accounting model under the Original ASU would have introduced a significantly greater amount of volatility to our operating results. We had concerns that such volatility would make it more difficult for users of to understand our operating results and compare our operating performance to that of our peers. By better aligning the lessor accounting model with the underlying economics of our lease transactions, the Revised ASU effectively mitigates these concerns.

Question 8: Lessor Accounting

Paragraphs 842-10-50-1, 842-20-50-1 through 50-10, and 842-30-50-1 through 50-13 set out disclosure requirements for a lessee and lessor. Those proposals include maturity analyses of undiscounted lease payments, reconciliations of amounts recognized in the statement of financial position, and narrative disclosures about leases (including information about variable lease payments and options). Do you agree with those proposals? Why or why not? If not, what changes do you propose and why?

As a lessor of real estate, we agree with the proposed disclosure requirements. We believe that the requirements would fulfill the objective enabling users of our financial statements to understand the amount, timing and uncertainty of the cash flows arising from our leases, without imposing an undue burden on the financial statement preparers.

Thank you for the opportunity to comment on this Revised ASU. If you have any questions or would like to discuss our comments and concerns, please contact Robert Fisher, WRIT's Director of Financial Reporting, at (301) 255-0825 or bfisher@writ.com.

Sincerely,

Robert W. Fisher

Robert W. Fisher
Director of Financial Reporting