

VALUE

RENOVATIONS, REDEVELOPMENT, DEVELOPMENT

Value for the long term is achieved through the combination of creativity and sustainability. Sustainability is achieved through a serious commitment to the tenant and operating the properties at optimum levels. When properties reach a level of maturity, offering only limited growth potential, they are sold. Other properties, through renovation or redevelopment, provide the opportunity for further enhancement of income, leading to higher value.

This past year, WRIT was very busy with renovations, redevelopment and the planning of two new future developments. In both cases for future development, we are increasing the overall value of the properties by taking advantage of excess densities, embedded at the time of the acquisitions, and, in one case, adding adjacent parcels. Projects completed or currently under construction are primarily in retail and apartment properties. The major capital expenditures are for lobby and hallway improvements, which will enhance both occupancy and rental rate growth. We are completely remodeling 50 apartment units at the Ashby in McLean, Virginia. The apartments were occupied by tenants under a government subsidy program for the last 20 years, which has recently expired. The renovated units are being offered for lease at significantly higher rates. At Westminster Shopping Center, we demolished a portion of the center that will be replaced by a new supermarket and additional retail space. Completion is expected in the fall of 2004. These and other ongoing efforts will result in increased values driven by increased income.

