SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended: June 30, 1997

Commission File No. 17533

FEDERAL REALTY INVESTMENT TRUST
(Exact name of registrant as specified in its charter)

District of Columbia	52-0782497
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1626 East Jefferson Street, Rockville, Maryland	20852-4041
(Address of principal executive offices)	(Zip Code)

(301) 998-8100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X . No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 25, 1997
Common Shares of Beneficial Interest	39,080,605

This report contains 23 pages.

FEDERAL REALTY INVESTMENT TRUST

S.E.C. FORM 10-Q

June 30, 1997

I N D E X

FEDERAL REALTY INVESTMENT TRUST

S.E.C. FORM 10-Q

June 30, 1997

PART I. FINANCIAL INFORMATION

The following financial information is submitted in response to the requirements of Form 10-Q and does not purport to be financial statements prepared in accordance with generally accepted accounting principles since they do not include all disclosures which might be associated with such statements. In the opinion of management, such information includes all adjustments, consisting only of normal recurring accruals, necessary to a fair statement of the results for the interim periods presented.

The balance sheet as of December 31, 1996 was audited by Grant Thornton LLP, independent public accountants, who expressed an unqualified opinion on it in their report dated February 5, 1997. All other financial information presented is unaudited but has been reviewed as of June 30, 1997 and for each of the six month periods ended June 30, 1997 and 1996 by Grant Thornton LLP whose report thereon appears on Page 4. All adjustments and disclosures proposed by them have been reflected in the data presented.

Accountants' Review Report

Trustees and Shareholders
Federal Realty Investment Trust

We have reviewed the accompanying consolidated balance sheet of Federal Realty Investment Trust as of June 30, 1997 and the related consolidated statements of operations, shareholders' equity and cash flows for the six month periods ended June 30, 1997 and 1996, and the consolidated statements of operations for the three month periods ended June 30, 1997 and 1996. These financial statements are the responsibility of the Trust's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1996 and the related consolidated statements of operations, shareholders' equity and cash flows for the year then ended (not presented herein); and in our report dated February 5, 1997, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1996 is stated fairly, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Grant Thornton LLP

Washington, D.C.
July 29, 1997

Federal Realty Investment Trust

CONSOLIDATED BALANCE SHEETS
(see accountants' review report)

	June 30, 1997 (unaudited)	December 31, 1996
	(in thousands)	
ASSETS		
Investments		
Real estate, at cost	$1,266,649	$1,147,865
Less accumulated depreciation and amortization	(233,401)	(223,553)
	1,033,248	924,312
Mortgage notes receivable	38,126	27,913
	1,071,374	952,225
Other Assets		
Cash	19,496	11,041
Notes receivable - officers	1,220	1,183
Accounts receivable	16,695	16,111
Prepaid expenses and other assets	32,642	51,374
Debt issue costs	3,220	3,372
	$1,144,647	$1,035,306
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Obligations under capital leases	$126,358	$130,613
Mortgages payable	97,871	98,576
Notes payable	97,396	66,106
Accrued expenses	18,083	20,405
Accounts payable	6,818	6,783
Dividends payable	16,401	15,072
Security deposits	3,709	3,515
Prepaid rents	3,336	3,801
Senior notes	215,000	215,000
5 1/4% Convertible subordinated debentures	75,289	75,289
Investors' interest in consolidated assets	14,134	11,261
Commitments and contingencies	-	-
Shareholders' equity		
Common shares of beneficial interest, no par or stated value, unlimited authorization, issued 39,111,350 and 35,948,044 shares, respectively	685,873	597,917
Accumulated dividends in excess of Trust net income	(207,161)	(200,700)
	478,712	397,217
Less 62,386 common shares in treasury - at cost, deferred compensation and subscriptions receivable	(8,460)	(8,332)
	470,252	388,885
	$1,144,647	$1,035,306

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF OPERATIONS
(see accountants' review report)
(unaudited)

(In thousands, except per share data)	Six months ended June 30, 1997	1996
Revenue		
Rental income	$90,981	$80,660
Interest	2,948	1,919
Other income	5,520	4,763
	99,449	87,342
Expenses		
Rental	21,005	21,717
Real estate taxes	9,466	7,969
Interest	23,988	22,288
Administrative	4,594	3,822
Depreciation and amortization	20,528	18,676
	79,581	74,472
Operating income before investors' share of operations and gain on sale of real estate	19,868	12,870
Investors' share of operations	(581)	53
Income before gain on sale of real estate	19,287	12,923
Gain on sale of real estate	7,034	-
Net Income	$26,321	$12,923
Weighted Average Number of Common Shares	38,633	32,666
Earnings per share		
Income before gain on sale of real estate	$0.50	$0.40
Gain on sale of real estate	0.18	-
	$0.68	$0.40

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF OPERATIONS
(see accountants' review report)
(unaudited)

(In thousands, except per share data)	Three months ended June 30, 1997	1996
Revenue		
Rental income	$47,061	$39,913
Interest	1,448	1,056
Other income	2,293	2,601
	50,802	43,570
Expenses		
Rental	10,789	9,924
Real estate taxes	4,892	4,045
Interest	11,999	11,139
Administrative	2,493	2,136
Depreciation and amortization	10,404	9,344
	40,577	36,588
Operating income before investors' share of operations and gain on sale of real estate	10,225	6,982
Investors' share of operations	(249)	(85)
Income before gain on sale of real estate	9,976	6,897
Gain on sale of real estate	7,034	-
Net Income	$17,010	$6,897
Weighted Average Number of Common Shares	39,219	33,066
Earnings per share		
Income before gain on sale of real estate	$0.25	$0.21
Gain on sale of real estate	0.18	-
	$0.43	$0.21

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(see accountants' review report)
(unaudited)

	Six months ended June 30, 1997		1996	
(In thousands, except per share amounts)	Shares	Amount	Shares	Amount
Common Shares of Beneficial Interest				
Balance, beginning of period	35,948,044	$597,917	32,221,670	$508,870
Net proceeds from sale of shares	3,000,000	83,925	1,818,182	$39,327
Exercise of stock options	66,468	1,401	26,501	531
Shares issued under dividend reinvestment plan	74,838	2,009	92,806	2,024
Shares granted under bonus plan	22,000	621	-	-
Balance, end of period	39,111,350	$685,873	34,159,159	$550,752
Common Shares of Beneficial Interest in Treasury, Deferred Compensation and Subscriptions Receivable				
Balance, beginning of period	(480,948)	($8,332)	(500,095)	($8,567)
Amortization of deferred compensation	30,125	480	30,250	482
Deferred compensation under bonus plan	(22,000)	(621)		
Purchase of shares under share purchase plan	16,753	236	1,250	19
Purchase of treasury shares	-	-	(1,058)	(24)
Increase in stock option loans, net of repayments	(10,500)	(223)	(19,834)	(393)
Balance, end of period	(466,570)	($8,460)	(489,487)	($8,483)
Accumulated Dividends in Excess of Trust Net Income				
Balance, beginning of period		($200,700)		($172,835)
Net income		26,321		12,923
Dividends declared to shareholders		(32,782)		(27,192)
Balance, end of period		($207,161)		($187,104)

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF CASH FLOWS
(see accountants' review report)
(unaudited)

(In thousands)	Six months ended June 30, 1997	1996
OPERATING ACTIVITIES		
Net income	$26,321	$12,923
Adjustments to reconcile net income to net cash provided by operations		
Depreciation and amortization	20,527	18,676
Rent abatements in lieu of leasehold improvements, net of tenant improvements retired	(526)	216
Imputed interest and amortization of debt cost	326	368
Amortization of deferred compensation and forgiveness of officers' notes	344	249
Gain on sale of real estate	(7,034)	-
Changes in assets and liabilities		
Increase in accounts receivable	(584)	(608)
Increase in prepaid expenses and other assets before depreciation and amortization	(3,303)	(1,273)
Decrease in operating accounts payable, security deposits and prepaid rent	(666)	(946)
Decrease in accrued expenses	(2,155)	(778)
Net cash provided by operating activities	33,250	28,827
INVESTING ACTIVITIES		
Acquisition of real estate	(103,269)	(19,494)
Capital expenditures	(23,571)	(19,183)
Application of deposit on real estate	23,447	-
Net increase in notes receivable	(10,250)	(9,954)
Net cash used in investing activities	(113,643)	(48,631)
FINANCING ACTIVITIES		
Regular payments on mortgages, capital leases, and notes payable	(992)	(1,374)
Balloon payment on note payable	-	(3,000)
Borrowing of short-term debt, net	33,695	5,621
Dividends paid	(30,149)	(25,099)
Issuance of shares of beneficial interest	86,044	40,180
Increase (decrease) in minority interest	250	(180)
Net cash provided by financing activities	88,848	16,148
Increase (decrease) in cash	8,455	(3,656)
Cash at beginning of period	11,041	10,521
Cash at end of period	$19,496	$6,865

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1997
(see accountants' review report)
(unaudited)

NOTE A - ACCOUNTING POLICIES AND OTHER DATA

Reference should be made to the notes to financial statements included in the Annual Report to shareholders for the year ended December 31, 1996 which contain the Trust's accounting policies and other data.

The Financial Accounting Standards Board has issued SFAS 128, "Earnings Per Share" which will be effective for financial statements issued for periods ending after December 15, 1997. SFAS 128 requires that public companies present basic and diluted earnings per share, which are computed differently than the currently used primary and fully diluted earnings per share. The most significant difference in the computation for the Trust is the exclusion of the effect of dilutive stock options from the computation of basic earnings per share. Since the effect of dilutive stock options is negligible, basic and diluted earnings per share are equal as follows:

	For the six mos. ended June 30,		For the three mos. ended June 30,	
	1997	1996	1997	1996
Income before gain on sale of real estate	$.50	$.40	$.26	$.21
Gain on sale of real estate	.18	-	.18	-
Net income	$.68	$.40	$.44	$.21

NOTE B - DIVIDENDS PAYABLE

On May 7, 1997 the Trustees declared a cash dividend of $.42 per share, payable July 15, 1997 to shareholders of record June 25, 1997.

NOTE C - REAL ESTATE

On January 6, 1997 the Trust purchased the fee interest in Shillington, Troy and Feasterville Shopping Centers for $1.9 million, $5.7 million and $2.2 million, respectively. The Trust also contracted to purchase the fee interest in Lawrence Park Shopping Center in June 1998 for $8.5 million. In connection with the purchase agreement for Lawrence Park, in January 1997 the Trust lent the seller $8.8 million at 8% interest which is due in June 1998. The Trust had previously held these properties under capital leases.

On February 24, 1997 the Trust purchased a 16 acre tract of land underlying part of the Shops at Willow Lawn for $4.6 million in cash. On June 3, 1997 the Trust exercised its purchase option on a parcel of land adjacent to its Bethesda Row property in Bethesda, Maryland for $5.8 million in cash. The land will be used for future development. In connection with the purchase, a $3.6 million mortgage which the Trust had made to the seller was repaid.

The Trust purchased four retail buildings and two shopping centers during the first half of 1997. On January 22, 1997 the Trust purchased a 5,000 square foot retail building in Chicago, Illinois for cash of $4.2 million. On March 31, 1997 two partnerships were formed to purchase property in California. One of the partnerships purchased a 15,000 square foot building in Santa Monica, California for $4.0 million and the other purchased a 20,000 square foot building in San Diego, California for $850,000. On April 17, 1997 Street Retail West II, a partnership which was organized in December 1996, exercised its purchase option on a retail building in Santa Monica, California. The total cost, including the buyout of the existing tenant, was $7.1 million. In accordance with the provisions of the three partnership agreements, the Trust contributed 90% of the costs to the partnerships with the other 10% being contributed by the minority interests.

On March 5, 1997 the Trust, through a Limited Liability Company ("the LLC") organized by the Trust, purchased the 320,000 square foot San Jose Town & Country Village Shopping Center in San Jose, California for $42.8 million. The other member of the LLC has a minor interest in the profits. On March 31, 1997 the 159,000 square foot Pike 7 Shopping Center in Tysons Corner, Virginia was purchased for $31.5 million by a partnership formed to own the center. The Trust contributed $30.9 million to the partnership which was used to pay off existing debt on the center. The other partners contributed the shopping center and its existing debt in exchange for partnership units valued at $495,000 which are exchangeable, at the option of the Trust, for cash or 18,074 common shares of the Trust.

On May 13, 1997 the Trust sold Town & Country Shopping Center in Springfield, Illinois for $7.5 million, resulting in a gain of $5.3 million. On May 30, 1997 Shillington Shopping Center in Shillington, Pennsylvania was sold for $4.6 million, resulting in a gain of $1.7 million. The cash from these transactions was deposited with an escrow agent to be used for future acquisitions, in order to structure the sales as tax free exchanges for tax purposes.

NOTE D - MORTGAGE NOTES RECEIVABLE

On April 17, 1997 the Trust loaned the minority partners in Street Retail West II $3.9 million. The loan is secured by property in Santa Monica, earns interest at 10% and participates in certain revenues and appreciation of the property.

NOTE E - OTHER ASSETS

On April 24, 1997 the Trust purchased Terranomics Retail Services, a property management and brokerage company, for approximately $2.0 million, to provide it with leasing and property management services on the west coast.

NOTE F - NOTES PAYABLE

The Trust has $135 million of unsecured medium term revolving credit facilities with four banks. The facilities, which bear interest at LIBOR plus 75 basis points, require fees and have covenants requiring a minimum shareholders' equity and a maximum ratio of debt to net worth. At June 30, 1997 there was $93.1 million borrowed under these credit facilities. The maximum drawn during the first half of 1997 was $93.1 million. The weighted average interest rate on borrowings for the six months ended June 30, 1997 was 6.4%.

A $2.5 million note issued in connection with a lease at Barracks Road was retired during the first six months of 1997.

NOTE E - SHAREHOLDERS' EQUITY

On February 4, 1997 the Trust sold 3.0 million shares to an institutional investor for $28 per share, netting $83.9 million. During the first six months of 1997, 66,468 shares were issued at prices ranging from $20.50 a share to $24.125 a share from the exercise of stock options. The Trust accepted notes of $264,000 from certain of its officers and employees in connection with the issuance of 12,500 of these shares and a note for $41,000 was repaid.

On January 31, 1997, 22,000 restricted shares were granted to an officer and two employees of the Trust. The shares vest over three years.

During the first six months of 1997, 1.1 million options at prices ranging from $25.75 per share to $27.125 per share were granted to certain officers and employees.

NOTE F - INTEREST EXPENSE

The Trust incurred interest expense totaling $25.2 million during the first half of 1997 and $22.8 million during the first half of 1996, of which $1.2 million and $465,000, respectively, were capitalized. Interest paid was $24.8 million in the first half of 1997 and $22.6 million in the first half of 1996.

NOTE G - COMMITMENTS AND CONTINGENCIES

As previously reported, certain of the Trust's shopping centers have some environmental contamination. The Trust has retained an environmental consultant to investigate contamination at a shopping center in New Jersey. The Trust is evaluating whether it has insurance coverage for this matter. At this time, the Trust has not determined what the range of remediation costs might be, but does not believe that the costs will have a material effect upon the Trust's financial condition. The Trust has also identified chlorinated solvent contamination at another property. The contamination appears to be linked to the current and/or previous dry cleaner. The Trust intends to look to the responsible parties for any remediation effort. Evaluation of this situation is preliminary and it is impossible, at this time, to estimate the range of remediation costs, if any.

Pursuant to the provisions of the respective partnership agreements, in the event of the exercise of put options by the other partners, the Trust would be required to purchase the 99% limited partnership interest at Loehmann's Plaza at its then fair market value and a 22.5% interest at Congressional Plaza at its then fair market value.

Under the terms of certain partnerships, if certain leasing and revenue levels are obtained for the properties owned by the partnerships, the limited partners may require the Trust to purchase their partnership interests at a formula price based upon net operating income. The purchase price may be paid in cash or common stock of the Trust at the election of the limited partners. If the limited partners do not redeem their interest, the Trust may choose to purchase the limited partnership interests upon the same terms.

At June 30, 1997 in connection with certain redevelopment projects and tenant improvements, the Trust is contractually obligated on contracts of approximately $7.6 million. At June 30, 1997 the Trust is also obligated under leases with tenants to provide up to an additional $6.5 million for improvements.

NOTE H - COMPONENTS OF RENTAL INCOME

The components of rental income for the six months ended June 30 are as follows:

	1997	1996
	(in thousands)	
Retail properties		
Minimum rents	$71,226	$63,551
Cost reimbursements	16,258	13,521
Percentage rents	2,259	2,366
Apartments	1,238	1,222
	$90,981	$80,660

NOTE I - SUBSEQUENT EVENTS

On July 16, 1997 the Trust purchased a 3,750 square foot parcel of land in Bethesda, Maryland for approximately $800,000. The land was purchased in order to allow future expansion of the Trust's Bethesda Row property.

On July 29, 1997 the Trust sold $40 million of 6.82% Medium Term Notes. The notes, which pay interest semi-annually on February 1 and August 1, mature on August 1, 2027, but may be redeemed, at par, at the option of the holders on August 1, 2007.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Federal Realty meets its liquidity requirements through net cash provided by operating activities, long term borrowing through debt offerings and mortgages, medium and short term borrowing under revolving credit facilities, and equity offerings. Because a significant portion of the Trust's net cash provided by operating activities is distributed to shareholders, capital outlays for property acquisitions, renovation projects and debt repayments require funding from borrowing or equity offerings.

Net cash provided by operating activities increased from $28.8 million during the first half of 1996 to $33.3 million during the first half of 1997. The $4.4 million increase resulted primarily from the positive cash effects of a $6.4 million increase in income before gain on sale of real estate and a $1.9 million increase in depreciation and amortization offset by a $3.1 million increase in cash used for operating activities such as accounts receivable, prepaid expenses, accounts payable and accrued expenses. Dividends paid in cash were $30.1 million in 1997 and $25.1 million in 1996.

During the first half of 1997, the Trust invested $103.3 million of cash to acquire real estate assets, $23.6 million to improve its properties and $13.7 million in mortgage notes receivable. On January 6, 1997 the Trust purchased the fee interest in Shillington, Troy and Feasterville Shopping Centers for $1.9 million, $5.7 million and $2.2 million, respectively. The Trust also contracted to purchase the fee interest in Lawrence Park Shopping Center in June 1998 for $8.5 million. In connection with the purchase agreement for Lawrence Park, in January 1997 the Trust lent the seller $8.8 million at 8% interest which is due in June 1998. The Trust had previously held these properties under capital leases. On February 24, 1997 the Trust purchased a 16 acre tract of land underlying part of the Shops at Willow Lawn for $4.6 million in cash. On June 3, 1997 the Trust exercised its purchase option on a parcel of land adjacent to its Bethesda Row property in Bethesda, Maryland for $5.8 million in cash. The land will be used for future development. In connection with the purchase, a $3.6 million mortgage which the Trust had made to the seller was repaid.

The Trust purchased four retail buildings and two shopping centers during the first half of 1997. On January 22, 1997 the Trust purchased a 5,000 square foot retail building in Chicago, Illinois for cash of $4.2 million. On March 31, 1997 two partnerships were formed to purchase property in California. One of the partnerships purchased a 15,000 square foot building in Santa Monica, California for $4.0 million and the other purchased a 20,000 square foot building in San Diego, California for $850,000. On April 17, 1997, Street Retail West II, a partnership which was organized in December 1996, exercised its purchase option on a retail building in Santa Monica, California. The total cost, including the buyout of the existing tenant, was $7.1 million. In accordance with the provisions of the partnership agreements, the Trust contributed 90% of the cost of these buildings to the partnerships with the other 10% being contributed by the minority interests. Also, on April 17, 1997 the Trust loaned the minority partners in Street Retail West II $3.9 million. The loan is secured by property in Santa Monica, earns interest at 10% and participates in certain revenues and appreciation of the property.

On March 5, 1997 the Trust, through a Limited Liability Company ("the LLC") organized by the Trust, purchased the 320,000 square foot San Jose Town & Country Village Shopping Center in San Jose, California for $42.8 million. The other member of the LLC has a minor interest in the profits. On March 31, 1997 the 159,000 square foot Pike 7 Shopping Center in Tysons Corner, Virginia was purchased for $31.5 million by a partnership formed to own the center. The Trust contributed $30.9 million to the partnership which was used to pay off existing debt on the center. The other partners contributed the shopping center and its existing debt in exchange for partnership units valued at $495,000 which are exchangeable, at the option of the Trust, for cash or 18,074 common shares of the Trust.

On May 13, 1997 the Trust sold Town & Country Shopping Center in Springfield, Illinois for $7.5 million, resulting in a gain of $5.3 million. On May 30, 1997 Shillington Shopping Center in Shillington, Pennsylvania was sold for $4.6 million, resulting in a gain of $1.7 million. The cash from these transactions was deposited with an escrow agent to be used for future acquisitions, in order to structure the sales as tax free exchanges for tax purposes.

Improvements to Trust properties during the first half of 1997 included $4.3 million for the second phase of the redevelopment of Brick Plaza, $2.7 million to begin the redevelopment of Wynnewood Shopping Center, $3.2 on the redevelopment of Troy Shopping Center and $6.5 million of tenant work.

On April 24, 1997 the Trust purchased Terranomics Retail Services, a property management and brokerage company for approximately $2.0 million, to provide it with leasing and property management services on the west coast.

On July 16, 1997 the Trust purchased a 3,750 square foot parcel of land in Bethesda, Maryland for approximately $800,000. The land was purchased in order to allow future expansion of the Trust's Bethesda Row property.

The Trust has $135.0 million of unsecured medium-term revolving credit facilities with four banks. The facilities, which require fees and have covenants requiring a minimum shareholders' equity and a maximum ratio of debt to net worth, are used to fund acquisitions and other cash requirements until conditions are favorable for issuing equity or long term debt. At June 30, 1997 the Trust had borrowed $93.1 million under these facilities, the maximum amount borrowed under these facilities in 1997. Amounts advanced under these facilities bear interest at LIBOR plus 75 basis points; the weighted average interest rate on borrowings during the first half of 1997 was 6.4%.

On February 4, 1997 the Trust sold 3.0 million shares to an institutional investor for $28 per share, netting $83.9 million. Proceeds from this offering were used primarily to repay borrowings on the revolving credit facilities.

On July 29, 1997 The Trust sold $49 million of 6.82% Medium Term Notes. The notes, which pay interest semi-annually on February 1 and August 1, mature on August 1, 2027, but may be redeemed, at par, at the option of the holders on August 1, 2007. Proceeds will be used to repay borrowings on the revolving credit facilities.

The Trust is contractually obligated on contracts of approximately $7.6 million for redevelopment and tenant improvements and is committed under leases for up to an additional $6.5 million in tenant work and general improvements to its properties. In addition to these committed amounts, the Trust has budgeted an additional $6 million for the remainder of 1997 for improvements to its properties. These committed and budgeted improvements include the completion of the second phase of the redevelopment and expansion of Brick Plaza, the completion of the renovation and retenanting of Troy Shopping Center, and the continuation of the renovation and retenanting of Wynnewood Shopping Center. These expenditures will be funded with the revolving credit facilities pending their long term financing with either equity or debt.

The Trust plans additional acquisitions of retail properties, both shopping center and main street retail buildings, during the remainder of 1997. In addition, the Trust has identified a limited number of sites in its core markets for the development of new shopping centers.

The Trust will need additional capital in order to fund these acquisitions, expansions and refinancings. Sources of this funding may be additional debt, additional equity or proceeds from the sale of existing properties. The timing and choice between additional debt or equity financing will depend upon many factors, including the market price for the Trust's shares, interest rates and the ratio of debt to net worth. The Trust believes that it will be able to raise this capital as needed, based on its past success in so doing.

CONTINGENCIES

As previously reported, certain of the Trust's shopping centers have some environmental contamination. The Trust has retained an environmental consultant to investigate contamination at a shopping center in New Jersey. The Trust is evaluating whether it has insurance coverage for this matter. At this time, the Trust has not determined what the range of remediation costs might be, but does not believe that the costs will have a material effect upon the Trust's financial condition. The Trust has also identified chlorinated solvent contamination at another property. The contamination appears to be linked to the current and/or previous dry cleaner. The Trust intends to look to the responsible parties for any remediation effort. Evaluation of this situation is preliminary and it is impossible, at this time, to estimate the range of remediation costs, if any.

Pursuant to the provisions of the respective partnership agreements, in the event of the exercise of put options by the other partners, the Trust would be required to purchase the 99% limited partnership interest at Loehmann's Plaza at its then fair market value and a 22.5% interest at Congressional Plaza at its then fair market value.

Under the terms of certain partnerships, if certain leasing and revenue levels are obtained for the properties owned by the partnerships, the limited partners may require the Trust to purchase their partnership interests at a formula price based upon net operating income. The purchase price may be paid in cash or common stock of the Trust at the election of the limited partners. If the limited partners do not redeem their interest, the Trust may choose to purchase the limited partnership interests upon the same terms.

RESULTS OF OPERATIONS - SIX MONTHS ENDED JUNE 30, 1997 AND 1996

Net income and funds from operations have been affected by the Trust's recent acquisition, redevelopment and financing activities. The Trust has historically reported its funds from operations in addition to its net income and net cash provided by operating activities. Funds from operations is a supplemental measure of real estate companies' operating performance which excludes historical cost depreciation, since real estate values have historically risen and fallen with market conditions rather than over time. Funds from operations is defined by The National Association of Real Estate Investment Trusts ("NAREIT") in a white paper issued during 1995, as follows: income before depreciation and amortization of real estate assets and before extraordinary items and significant non-recurring events less gains on sale of real estate. The Trust complies with this definition. 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 supplemental measure of operating performance in the industry.

The reconciliation of net income to funds from operations for the six months ended June 30 is as follows:

	1997	1996
	(in thousands)	
Net income	$26,321	$12,923
Plus: depreciation and amortization of real estate assets	18,418	16,697
amortization of initial direct costs of leases	1,148	1,185
Less: gain on sale of real estate	(7,034)	-
Funds from operations	$38,853	$30,805

Funds from operations increased 26% to $38.9 million in the first half of 1997 from $30.8 million in the first half of 1996.

Rental income, which consists of minimum rent, percentage rent and cost recoveries, increased 13% from $80.7 million in the first half of 1996 to $91.0 million in the first half of 1997. If properties purchased and sold in 1996 and 1997 are excluded, rental income increased 4%.

Minimum rent increased 12% from $64.8 million in the first half of 1996 to $72.5 million in the first half of 1997. Excluding properties purchased and sold in 1996 and 1997, minimum rent increased 3%.

Cost reimbursements consist of tenant reimbursements of real estate taxes (real estate tax recovery) and common area maintenance expenses (CAM recovery). Cost reimbursements increased 20% from $13.5 million during the first half of 1996 to $16.3 million during the first half of 1997. Excluding properties purchased and sold in 1996 and 1997, cost reimbursements increased from $13.2 million to $14.7 million. Real estate tax recovery on the core portfolio increased $448,000 as real estate taxes increased. CAM recovery increased $1.1 million on the core portfolio, reflecting the increased recovery of CAM in 1997 from properties under redevelopment in 1996 such as Congressional Plaza, Brick Plaza and Bethesda Row as well as the decrease in CAM billing adjustments from 1996 to 1997. In 1996 snow removal costs were so high that the Trust granted concessions to tenants at certain centers.

Other property income includes items which tend to fluctuate from period to period, such as utility reimbursements, telephone income, merchant association dues, lease termination fees, late fees and temporary tenant income. Other property income increased from $4.8 million during the first half of 1996 to $5.5 million during the first half of 1997, primarily due to an increase in lease termination fees.

Interest income increased from $1.9 million in the first half of 1996 to $2.9 million in the first half of 1997 primarily because of interest on notes receivable issued in 1996 and 1997.

Rental expenses have decreased 3% in the first half of 1997 from the first half of 1996, to $21.0 million from $21.7 million. If centers acquired and sold during 1996 and 1997 are excluded, rental expenses decreased 10%, primarily due to decreased snow removal costs on the east coast in 1997 as compared to 1996.

Real estate taxes have increased from $8.0 million during the first half of 1996 to $9.5 million during the first half of 1997, primarily due to taxes on the 1996 and 1997 acquisitions. Depreciation and amortization in the first half of 1997 was 10% greater than in the first half of 1996. Excluding the effect from the 1996 and 1997 acquisitions, depreciation and amortization increased 5% due to depreciation on recent tenant work and property improvements.

Interest expense increased from $22.3 million during the first half of 1996 to $24.0 million during the first half of 1997, primarily due to interest expense on the $50 million of 7.48% Debentures issued in August 1996. The ratio of earnings to fixed charges was 1.71x for the first half of 1997 and 1.53x for the comparable period in 1996. The ratio of funds from operations to fixed charges was 2.47x for the first half of 1997 and 2.30x for the first half of 1996.

Administrative expenses have increased from $3.8 million during the first half of 1996 to $4.6 million during the first half of 1997, primarily due to increased personnel costs as the Trust is expanding and increased state income taxes.

In May 1997 the Trust sold Town & Country Shopping Center in Springfield, Illinois for $7.5 million, resulting in a gain of $5.3 million and Shillington Shopping Center in Shillington, Pennsylvania for $4.6 million, resulting in a gain of $1.7 million.

As a result of the foregoing items, net income increased from $12.9 million during the first half of 1996 to $26.3 million during the first half of 1997.

RESULTS OF OPERATIONS - THREE MONTHS ENDED JUNE 30, 1997 AND 1996

Funds from operations increased 26% from $15.8 million in the second quarter of 1996 to $19.9 million in the second quarter of 1997.

Rental income of $47.1 million in the second quarter of 1997 was 18% higher than the $39.9 million in the second quarter of 1996. If properties purchased and sold in 1996 and 1997 are excluded, rental income increased 7% to $41.7 million from $38.8 million.

Minimum rent, a component of rental income, increased 14% from $32.8 million in the second quarter of 1996 to $37.4 million in the second quarter of 1997. Excluding properties purchased and sold in 1996 and 1997, minimum rent increased 3.5%.

Cost recoveries, another component of rental income, increased from $6.1 million in the second quarter of 1996 to $8.6 million in the second quarter of 1997. Excluding properties purchased and sold in 1996 and 1997, cost recoveries increased from $5.9 million in the second quarter of 1996 to $7.7 million in the second quarter of 1997. Real estate tax recovery on the core portfolio increased $283,000 as real estate taxes increased. CAM recovery increased $1.6 million from the second quarter of 1996 to the second quarter of 1997, reflecting the increased recovery of CAM in 1997 from properties under redevelopment in 1996 such as Congressional Plaza, Brick Plaza and Bethesda Row as well as the decrease in CAM billing adjustments from 1996 to 1997. In 1996 snow removal costs were so high that the Trust granted concessions to tenants at certain centers.

Rental expenses have increased 9% from $9.9 million in the second quarter of 1996 to $10.8 million in the second quarter of 1997. Excluding properties purchased and sold in 1996 and 1997, rental expenses rose 1%. Real estate taxes increased due to the 1996 and 1997 acquisitions and due to increased assessments at several centers. Depreciation and amortization expense increased 11% from the second quarter of 1996 to the second quarter of 1997. Approximately 50% of the increase is attributable to properties purchased in 1996 and 1997 with the balance of the increase being attributable to recent renovations and additions.

Interest expense increased from $11.1 million in the second quarter of 1996 to $12.0 million in the second quarter of 1997, primarily due to interest expense on the $50 million of 7.48% Debentures issued in August 1996 and to increased usage of the lines of credit, partially offset by an increase in interest capitalized on development projects.

Administrative expenses have increased from $2.1 million in the second quarter of 1996 to $2.5 million in the second quarter of 1997 due to increased personnel costs as the Trust is expanding.

In May 1997 the Trust sold Town & Country Shopping Center in Springfield, Illinois for $7.5 million, resulting in a gain of $5.3 million and Shillington Shopping Center in Shillington, Pennsylvania for $4.6 million, resulting in a gain of $1.7 million.

As a result of the foregoing items, net income increased from $6.9 million during the second quarter of 1996 to $17.0 million during the second quarter of 1997.

During the past few years, there have been a number of retailer consolidations. These consolidations and a weakening of the retail environment could adversely impact the Trust, by increasing vacancies and by decreasing rents. In past weak retail and real estate environments, the Trust has been able to replace tenants who leave or go bankrupt with stronger tenants. Management believes that due to the quality of the Trust's properties there will be continued demand for its retail space.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Shareholders

At the 1997 Annual Meeting of Shareholders on May 7, 1997 the Shareholders elected three trustees to serve for the ensuing three years and the Shareholders approved the Amended and Restated 1993 Long-Term Incentive Plan ("Amended Plan"). Holders of 34.0 million shares voted for each of the three trustees. Holders of approximately 100,000 shares voted against each of the three trustees. Holders of 32.9 million shares approved the Amended Plan, holders of 822,090 shares voted against the Amended Plan and holders of 441,183 shares abstained.

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits

(27) Financial Data Schedule.......................Edgar filing only

(B) Reports on Form 8-K

A Form 8-K, dated April 17, 1997, was filed in response to Item 5.
A Form 8-K, dated May 7, 1997, was filed in response to Item 7.(c).

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.

FEDERAL REALTY INVESTMENT TRUST
(Registrant)

Date: July 30, 1997

Steven J. Guttman
Steven J. Guttman, President
(Chief Executive Officer)

Date: July 30, 1997

Cecily A. Ward
Cecily A. Ward
(Principal Accounting Officer)

This schedule contains summary financial information extracted from the Consolidated Balance Sheet of Federal Realty Investment Trust as of June 30, 1997 and the related consolidated statement of operations for the six months ended June 30, 1997 and is qualified in its entirety by reference to such financial statements.

1,000

6-MOS
DEC-31-1997
JUN-30-1997
$19,496
0
17,915
0
0
0
1,266,649
(233,401)
1,144,647
0
611,914
0
0
685,873
(215,621)
1,144,647
0
96,501
0
30,471
0
0
23,988
26,321
0
0
0
0
0
26,321
.68
0

Current assets and current liabilities are not listed since Federal Realty does not prepare a classified balance sheet.