UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934
FORM 10-K

For Fiscal Year Ended: December 31, 1995 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.)

4800 Hampden Lane, Suite 500, Bethesda, Maryland	20814
(Address of principal executive offices)	(Zip Code)

(301) 652-3360
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares of Beneficial Interest	New York Stock Exchange
Common Stock Purchase Rights	New York Stock Exchange
Preferred Shares of Beneficial Interest*	

* None issued, registered pursuant to a shelf registration

Securities registered pursuant to Section 12(g) of the Act:

8 7/8% Senior Notes
8% Senior Notes
6 5/8% Senior Notes
Subordinated Debt Securities*
* None issued, registered pursuant to a shelf registration

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

At March 12, 1996, the aggregate market value of Common Shares of Beneficial Interest of Federal Realty Investment Trust held by nonaffiliates was $733.0 million based upon the closing price of such Shares on the New York Stock Exchange.

Indicate the number of shares outstanding of each of the issuer's classes of common stock.

Class	Outstanding at March 12, 1996
Common Shares of Beneficial Interest	32,221,086

DOCUMENTS INCORPORATED BY REFERENCE

PART III

Portions of the Trust's Proxy Statement in connection with its Annual Meeting to be held on May 2, 1996 (hereinafter called "1996 Proxy Statement"). Specifically, the Sections entitled "Summary Compensation Table", "Employment Agreements", "Aggregated Option Exercises in 1995 and December 31, 1995 Option Values", "Retirement and Disability Plans", and "Compensation Committee Interlocks and Insider Participation", "Ownership of Shares by Trustees and Officers", and "Certain Transactions" appearing in the 1996 Proxy Statement are incorporated herein by reference.

The Exhibit Index for this report is found on page 25.
This report, including Exhibits, contains 60 pages.

PART I & II

Item 1. Business

Federal Realty Investment Trust is an owner, operator and redeveloper of retail properties. Founded in 1962 as a District of Columbia business trust of unlimited duration, the Trust is a self-administered equity real estate investment trust. The Trust consolidates the financial statements of one wholly owned subsidiary, eight partnerships and a joint venture. At December 31, 1995 the Trust owned 70 retail properties and one apartment complex.

The Trust operates in a manner intended to enable it to qualify as a real estate investment trust (REIT) under Sections 856- 860 of the Internal Revenue Code. Under those sections, a REIT which distributes at least 95% of its real estate investment trust taxable income to its shareholders each year and which meets certain other conditions will not be taxed on that portion of its taxable income which is distributed to its shareholders. Therefore, no provision for Federal income taxes is required.

An important part of the Trust's strategy is to acquire older, well-located properties in prime, densely populated and affluent areas and to enhance their operating performance through a program of renovation, expansion, reconfiguration and retenanting. The Trust's traditional focus has been on community and neighborhood shopping centers that are anchored by supermarkets, drug stores or high volume, value oriented retailers that provide consumer necessities. Late in 1994 the Trust expanded this strategy to include retail buildings and shopping centers in prime established main street shopping areas. The Trust continually evaluates its properties for renovation, retenanting and expansion opportunities. Similarly, the Trust regularly reviews its portfolio and from time to time considers selling certain of its properties.

The Trust's portfolio of properties has increased from 44 as of January 1, 1991 to 71 at December 31, 1995. During this five year period the Trust acquired 31 retail properties for approximately $305.3 million. Six of the acquisitions were in the Chicago, Illinois area and three were in the Boston, Massachusetts area, both of which are markets the Trust entered during the past five years. During this same period four shopping centers were sold. Also during this period the Trust spent over $145 million to renovate, expand, improve and retenant its properties. One of the retail properties acquired during the last five years was acquired by means of capital and ground leases, one was acquired for common shares of the Trust as well as the assumption of a mortgage and the remainder were acquired primarily for cash. This growth was financed through borrowing and equity offerings, since each year the Trust has distributed all or the majority of its cash provided by operating activities to its shareholders.

The Trust's 70 retail properties, consisting of 55 shopping centers and 15 main street retail buildings, are located in 13 states and the District of Columbia, primarily along the East Coast between the Boston metropolitan area and Richmond, Virginia. Nineteen of the shopping centers are located in the Washington, D.C. metropolitan area; ten are in Pennsylvania, primarily in the Philadelphia area; nine are in New Jersey; five are in Illinois; three are in Virginia; two are in Massachusetts; and there is one in each of the following states, Connecticut, Georgia, Louisiana, Michigan, New York, North Carolina and Tennessee. No single property accounts for over 10% of the Trust's revenues.

The Trust has over 1,700 tenants, ranging from sole proprietors to major national retailers; no one tenant or corporate group of tenants accounts for 5% or more of revenue. The Trust's leases with these tenants are classified as operating leases and typically are structured to include minimum rents, percentage rents based on tenants' sales volumes and reimbursement of certain operating expenses and real estate taxes.

The Trust intends to continue its strategy of acquiring older, well-located shopping centers and retail buildings and then enhancing their revenue potential through a program of renovation, retenanting and remerchandising. The Trust is also studying sites which are suitable for the development of new shopping centers. During the years ended December 31, 1995, 1994 and 1993, retail properties have contributed 96%, 95% and 94%, respectively of the Trust's total revenue.

The Trust is currently limited to investing east of the Mississippi River; to change this limitation requires Trustee approval. Investments are not required to be based on specific allocation by type of property. The extent to which the Trust might mortgage or otherwise finance investments varies with the investment involved and the economic climate.

The success of the Trust depends upon, among other factors, the trends of the economy, including interest rates, construction costs, retailing trends, income tax laws, increases or decreases in operating expenses, governmental regulations, population trends, zoning laws, legislation and the ability of the Trust to keep its properties leased at profitable levels. The Trust competes for tenants with other real estate owners and the Trust's properties account for only a small fraction of the retail space available for lease. The Trust competes for investment opportunities and debt and equity capital with individuals, partnerships, corporations, financial institutions, life insurance companies, pension funds, trust funds and other real estate investment trusts.

Investments in real property create a potential for environmental liability on the part of the current and previous owners of, or any mortgage lender on, such real property. If hazardous substances are discovered on or emanating from any property, the owner or operator of the property may be held liable for costs and liabilities relating to such hazardous substances. The Trust's current policy is to obtain an environmental study on each property it seeks to acquire. On recent acquisitions, any substances identified prior to closing which present an immediate environmental hazard have been or are in the process of remediation. Costs related to the abatement of asbestos which increase the value of Trust properties are capitalized. Other costs are expensed. In 1995 approximately $1.0 million, of which $796,000 was capitalized abatement costs, was spent on environmental matters. The Trust has budgeted approximately $2.0 million for 1996 for environmental matters, a majority of which is projected for asbestos abatement. (See Note 6 of Notes to Consolidated Financial Statements.)

Current Developments

In 1995 the Trust purchased 20 retail properties. Finley Square Shopping Center in suburban Chicago, Illinois was purchased for approximately $18.8 million in cash; Bristol Shopping Center in Bristol, Connecticut was purchased for $19.6 million, by assuming a $11.3 million mortgage and by issuing common shares valued at $7.3 million with the balance in cash; Park & Shop Center in Washington, D.C. was purchased for $11.2 million in cash; and Shirlington Shopping Center in Arlington, Virginia was purchased for $23.5 million in cash. Retail building acquisitions during 1995 were as follows: seven buildings in West Hartford, Connecticut for $15.3 million; two buildings in Greenwich,Connecticut for $14.9 million; one building in Westport, Connecticut for $5.7 million; one building in Brookline, Massachusetts for $3.8 million; one building in Westfield, New Jersey for $2.2 million; two buildings in Evanston, Illinois for $3.6 million; and a building contiguous to Bethesda Row in Bethesda, Maryland for $2.0 million. In addition, the Trust purchased a building abutting Flourtown Shopping Center, one of its existing centers, for $3.1 million.

The Trust continued its strategy of renovating, expanding and retenanting its centers in 1995, spending approximately $33.8 million. These improvements included an additional $3.8 million on the redevelopment of Congressional Plaza in Rockville, Maryland, $5.5 million to complete the redevelopment and retenanting of Gaithersburg Square in Gaithersburg, Maryland and $5.8 million for the renovation of Brick Plaza in Brick, New Jersey.

The Trust funded its 1995 acquisitions, capital improvement projects and major debt repayment requirements primarily through three issues of senior notes, totalling $165.0 million. The notes bear interest at rates ranging from 6.625% to 8.875% and mature from 2000 to 2005.

At December 31, 1995 the Trust had 195 full-time employees.

Item 2. Properties

Retail Properties

The following table sets forth information concerning each retail property in which the Trust owns an equity interest or has a leasehold interest as of December 31, 1995. Except as otherwise noted, retail properties are 100% owned in fee by the Trust.

	Year Completed	Year Acquired	Square Feet (1)	Number of Tenants	Acres
Allwood Clifton, NJ 07013 (2)	1958	1988	52,000	8	5
Andorra Philadelphia, PA 19128 (3)	1953	1988	257,000	46	23
Bala Cynwyd Bala Cynwyd, PA 19004	1955	1993	266,000	30	22
Barracks Road Charlottesville, VA 22905 (3)	1958	1985	478,000	85	39
Bethesda Row Bethesda, MD 20814 (2) (5)	1945-1991	1993	238,000	70	8
Blue Star Watchung, NJ 07060 (2)	1959	1988	392,000	36	55
Brainerd Village Chattanooga, TN 37411	1960	1987	218,000	27	20
Brick Plaza Brick Township, NJ 08723 (2)	1958	1989	310,000	29	42
Bristol Bristol, CT 06010	1959	1995	296,000	40	22
Brunswick North Brunswick, NJ 08902 (2)	1957	1988	261,000	22	22
Clifton Clifton, NJ 07013 (2)	1959	1988	80,000	13	8
Congressional Plaza Rockville, MD 20852 (4)	1965	1965	311,000	44	22

	Occupancy (1) Overall / Economic	Principal Tenants
Allwood Clifton, NJ 07013 (2)	100% / 100%	Grand Union Mandee Shop
Andorra Philadelphia, PA 19128 (3)	99% / 91%	Acme Markets Andorra Theater Clover
Bala Cynwyd Bala Cynwyd, PA 19004	100% / 100%	Lord & Taylor Acme Markets
Barracks Road Charlottesville, VA 22905 (3)	99% / 97%	Rose's Safeway Superfresh
Bethesda Row Bethesda, MD 20814 (2) (5)	94% /89%	Giant Food Giant Pharmacy
Blue Star Watchung, NJ 07060 (2)	99% / 99%	Caldor Shop Rite Toys R Us
Brainerd Village Chattanooga, TN 37411	92% / 92%	Office Town 50 Off Sports Authority
Brick Plaza Brick Township, NJ 08723 (2)	90% / 89%	A&P Supermarket Steinbach's
Bristol		

Bristol, CT 06010	98% / 98%	Bradlees Super Stop & Shop
Brunswick North Brunswick, NJ 08902 (2)	100% / 99%	Caldor Grand Union Schwartz Furniture
Clifton Clifton, NJ 07013 (2)	98% / 98%	Acme Markets Rickel Home Center
Congressional Plaza Rockville, MD 20852 (4)	99% / 83%	Fresh Fields Tower Records Container Store

	Year Completed	Year Acquired	Square Feet (1)	Number of Tenants	Acres
Crossroads Highland Park, IL 60035	1959	1993	192,000	28	15
Dedham Dedham, MA 02026	1959	1993	253,000	35	18
Eastgate Chapel Hill, NC 27514	1963	1986	159,000	32	17
Ellisburg Circle Cherry Hill, NJ 08034	1959	1992	258,000	36	27
Falls Plaza Falls Church, VA 22046	1962	1967	60,000	9	6
Feasterville Feasterville, PA 19047 (2)	1958	1980	104,000	14	12
Federal Plaza Rockville, MD 20852	1970	1989	243,000	38	18
Finley Square Downers Grove, IL 60515	1974	1995	306,000	19	21
Flourtown Flourtown, PA 19031	1957	1980	183,000	23	15
Gaithersburg Square Gaithersburg, MD 20878	1966	1993	207,000	35	17
Garden Market Western Springs, IL 60558	1958	1994	134,000	19	12
Governor Plaza Glen Burnie, MD 21961 (3)	1963	1985	252,000	24	26
Hamilton Hamilton, NJ 08690 (2)	1961	1988	180,000	13	18

	Occupancy (1) Overall / Economic	Principal Tenants
Crossroads Highland Park, IL 60035	88% / 88%	Gold Standard Liquors TJ Maxx
Dedham Dedham, MA 02026	100% / 100%	Ames Cherry & Webb
Eastgate Chapel Hill, NC 27514	98% / 98%	Food Lion Southern Season
Ellisburg Circle Cherry Hill, NJ 08034	98% / 98%	Shop Rite Bed, Bath & Beyond
Falls Plaza Falls Church, VA 22046	97% / 97%	Giant Food CVS Pharmacy
Feasterville Feasterville, PA 19047 (2)	94% / 94%	Eric Theater Genuardi Markets Office Max
Federal Plaza Rockville, MD 20852	100% / 97%	Bed, Bath & Beyond Comp USA TJ Maxx
Finley Square Downers Grove, IL 60515	94% / 94%	Bed, Bath & Beyond Service Merchandise
Flourtown Flourtown, PA 19031	100% / 100%	Rickel Home Center Genuardi Markets K Mart
Gaithersburg Square Gaithersburg, MD 20878	91% / 86%	Borders Books Fresh Fields Bed, Bath & Beyond
Garden Market Western Springs, IL 60558	92% / 89%	Dominick's Ace Hardware
Governor Plaza Glen Burnie, MD 21961 (3)	99% / 99%	Comp USA Office Depot

		Syms
Hamilton Hamilton, NJ 08690 (2)	100% / 97%	Shop Rite Steven's Furniture A.C. Moore

	Year Completed	Year Acquired	Square Feet (1)	Number of Tenants	Acres	Occupancy (1) Overall/Economic
Huntington Huntington, NY 11746 (2)	1962	1988	274,000	11	21	99% / 90%
Idylwood Plaza Falls Church, VA 22030	1991	1994	73,000	18	6	79% / 79%
Lancaster Lancaster, PA 17601 (2)	1958	1980	107,000	17	11	99% / 99%
Langhorne Square Levittown, PA 19056	1966	1985	208,000	31	21	86% / 86%
Laurel Centre Laurel, MD 20707	1956	1986	382,000	56	26	90% / 90%
Lawrence Park Broomall, PA 19008 (2)	1972	1980	340,000	41	28	97% / 97%
Loehmann's Plaza Fairfax, VA 22042 (6)	1971	1983	245,000	49	18	94% / 94%
Mid-Pike Plaza Rockville, MD 20852 (2)	1963	1982	303,000	22	20	99% / 99%
Northeast Philadelphia, PA 19114	1959	1983	303,000	41	19	98% / 97%
Northeast Plaza Atlanta, GA 30329	1952	1986	446,000	51	44	79% / 79%
North Lake Commons Lake Zurich, IL 60047	1989	1994	123,000	21	13	95% / 95%
Old Keene Mill Springfield, VA 22152	1968	1976	92,000	21	11	90% / 90%
Pan Am Fairfax, VA 22031	1979	1993	218,000	30	25	98% / 98%

	Principal Tenants
Huntington Huntington, NY 11746 (2)	Bed, Bath and Beyond Service Merchandise Toys R Us
Idylwood Plaza Falls Church, VA 22030	Storehouse Fresh Fields
Lancaster Lancaster, PA 17601 (2)	Giant Eagle A.C. Moore
Langhorne Square Levittown, PA 19056	Drug Emporium Marshalls Jubilee Lanes
Laurel Centre Laurel, MD 20707	Giant Food Marshalls Toys R US
Lawrence Park Broomall, PA 19008 (2)	Acme Markets Best Products Rickel Home Center
Loehmann's Plaza Fairfax, VA 22042 (6)	Scan Furniture Linens N Things
Mid-Pike Plaza Rockville, MD 20852 (2)	Syms Toys R Us G Street Fabrics
Northeast Philadelphia, PA 19114	Burlington Coat Factory Marshalls
Northeast Plaza Atlanta, GA 30329	Publix Levitz Furniture
North Lake Commons Lake Zurich, IL 60047	Dominick's
Old Keene Mill Springfield, VA 22152	Fresh Fields Rite Aid

Pan Am Fairfax, VA 22031	Micro Center Safeway MJ Designs

	Year Completed	Year Acquired	Square Feet (1)	Number of Tenants	Acres
Park & Shop Washington, DC 20036	1930	1995	47,000	11	1
Perring Plaza Baltimore, MD 21134 (3)	1963	1985	437,000	17	27
Queen Anne Plaza Norwell, MA 02061	1967	1994	149,000	11	18
Quince Orchard Gaithersburg, MD 20877 (5)	1975	1993	238,000	29	16
Roseville Roseville, MI 48066	1964	1973	143,000	3	20
Rutgers Franklin, N.J. 08873 (2)	1973	1988	216,000	18	27
Shillington Shillington, PA 19607 (2)	1956	1980	74,000	19	8
Shirlington Arlington, VA 22206	1940	1995	349,000	46	16
Town & Country Springfield, IL 62704	1968	1973	236,000	24	19
Town & Country Hammond, LA 70401 (5)	1974	1990	215,000	35	26
Troy Parsippany-Troy, NJ 07054 (2)	1966	1980	205,000	19	19
Tysons Station Falls Church, VA 22043	1954	1978	50,000	15	4
West Falls Falls Church, VA 22046	1960	1972	62,000	17	5
Wildwood Bethesda, MD 20814	1958	1969	85,000	32	13

	Occupancy (1) Overall / Economy	Principal Tenants
Park & Shop Washington, DC 20036	93%/93%	Herman's Sporting Goods Pizzeria Uno
Perring Plaza Baltimore, MD 21134 (3)	100% /100%	Home Depot Metro Foods Burlington Coat Factory
Queen Anne Plaza Norwell, MA 02061	100% / 100%	TJ Maxx Star Markets
Quince Orchard Gaithersburg, MD 20877 (5)	97% / 73%	Circuit City MJ Design
Roseville Roseville, MI 48066	100% / 100%	Drug Emporium Handy Andy
Rutgers Franklin, N.J. 08873 (2)	96% / 96%	Foodtown K Mart
Shillington Shillington, PA 19607 (2)	100% / 67%	Rite Aid
Shirlington Arlington, VA 22206	96%/96%	Best Products Cineplex Odeon
Town & Country Springfield, IL 62704	96% / 96%	Burlington Coat Factory Schnuck Market
Town & Country Hammond, LA 70401 (5)	91% /91%	Weiner's Department Store Winn-Dixie
Troy Parsippany-Troy, NJ 07054 (2)	99% / 99%	Comp USA K Mart Pathmark
Tysons Station	92% /92%	Linens N Things

Falls Church, VA 22043		
West Falls Falls Church, VA 22046	96% /96%	Staples
Wildwood Bethesda, MD 20814	100% / 97%	CVS Pharmacy Sutton Place Gourmet

	Year Completed	Year Acquired	Square Feet (1)	Number of Tenants	Acres
Williamsburg Williamsburg, VA 23187	1961	1986	248,000	34	21
Willow Grove Shopping Center Willow Grove, PA 19090	1953	1984	228,000	29	14
The Shops at Willow Lawn Richmond, VA 23230 (5)	1957	1983	435,000	106	37
Retail buildings					
Eleven buildings in CT	1900-1991	1994- 1995	192,000	62	
One building in MA	1930	1995	12,000	8	
One building in NJ	1940	1995	11,000	1	
Two buildings in IL	1920-1927	1995	19,000	4	

	Occupancy (1) Overall / Economic	Principal Tenants
Williamsburg Williamsburg, VA 23187	100% /100%	Food Lion Peebles Rose's
Willow Grove Shopping Center Willow Grove, PA 19090	87% /77%	Marshalls Toys R Us
The Shops at Willow Lawn Richmond, VA 23230 (5)	91% / 91%	Leggett Stores Barnes & Noble Cineplex Odeon
Retail buildings		
Eleven buildings in CT	96%/93%	Barney's Eddie Bauer Saks Fifth Avenue
One building in MA	100%/100%	M. Joseph
One building in NJ	35%/35%	
Two buildings in IL	100%/100%	Foodstuff

(1) Overall occupancy is expressed as a percentage of rentable square feet and includes square feet covered by leases for stores not yet opened. Economic occupancy is expressed as a percentage of rentable square feet, but only includes leases currently generating rental income.

(2) The Trust has a leasehold interest in this property.

(3) The Trust owns a 99.9% partnership interest in this center.

(4) The Trust owns a 49% equity interest in this center.

(5) The Trust owns this property subject to a ground lease.

(6) The Trust has a 1% general partnership interest and manages the partnership. A 99% interest was sold to a limited partner.

Apartments

The following table sets forth information concerning the Trust's apartment development as of December 31, 1995 which is 100% owned by the Trust in fee. This development is not subject to rent control.

Property	Year Completed	Year Acquired	Acres	1-BR	2-BR
Rollingwood Silver Spring, MD 9 three-story buildings	1960	1971	14	58	163

	Eff. and 3-BR	Total	Occupancy
Rollingwood Silver Spring, MD 9 three-story buildings	61	282	96%

Item 3. Legal Proceedings.

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

Market Quotations

Quarter ended	High	Low	Dividends Paid
December 31, 1995	$23 1/2	$20	$.41
September 30, 1995	23 5/8	21 1/8	.395
June 30, 1995	22 5/8	19 3/4	.395
March 31, 1995	22	20 1/4	.395
December 31, 1994	$23 3/4	$19 5/8	$.395
September 30, 1994	26 1/8	21	.39
June 30, 1994	25 7/8	23 1/2	.39
March 31, 1994	29 1/2	23	.39

The number of holders of record for Federal Realty's common shares of beneficial interest at December 31, 1995 was 5,342.

For the years ended December 31, 1995 and 1994, $.43 and $.75, respectively, of dividends paid represented a return of capital.

Dividends declared per quarter during the last two fiscal years were as follows:

Quarter Ended	1995	1994
March 31	$.395	$ .39
June 30	.395	.39
September 30	.41	.395
December 31	.41	.395

The Trust's common shares of beneficial interest are listed on the New York Stock Exchange.

Item 6. Selected Financial Data.

In thousands, except per share data

	YEAR ENDED DECEMBER 31,				
OPERATING DATA	1995	1994	1993	1992	1991
Rental Income	$142,841	$128,133	$105,948	$89,971	$88,350
Income before gain on sale of real estate and extra-ordinary item	23,655	20,466	16,114	6,987	4,324
Gain (loss)on sale of real estate	(545)	---	---	2,501	61
Extraordinary item - gain (loss) on early extinguishment of debt	---	---	2,016	<58>	415
Net income	23,110	20,466	18,130	9,430	4,800
Net cash provided by operating activities (1)	65,117	45,199	35,183	28,236	26,111
Funds from Operations (2)	57,034	50,404	40,824	29,374	25,701
Dividends declared	51,392	48,196	42,021	36,306	25,771
Weighted average number of shares outstanding	31,860	30,679	27,009	22,767	17,304
PER SHARE:					
Net income	.72	.67	.67	.41	.28
Dividends declared	1.61	1.57	1.55	1.53	1.50
BALANCE SHEET DATA					
Real estate at cost	$1,009,682	$852,722	$758,088	$598,867	$566,056
Total assets	886,154	751,804	689,803	603,365	565,716
Mortgage and capital lease obligations	222,317	235,705	218,545	245,694	225,859

Notes payable	49,980	61,883	30,519	6,117	11,665
Senior notes	165,000	---	---	50,000	50,000
Convertible subordinated debentures	75,289	75,289	115,167	46,218	92,003
Shareholders' equity	327,468	343,222	283,059	222,432	151,134
Number of shares outstanding	32,160	31,609	28,018	24,718	19,687

(1) Determined in accordance with Financial Accounting Standards Board Statement No. 95.

(2) Defined as income before depreciation and amortization of real estate assets and before extraordinary items and significant nonrecurring events less gains on sale of real estate. Funds from operations differs from net cash provided by operating activities primarily because funds from operations does not include changes in operating assets and liabilities. Funds from operations is a supplemental measure of performance that does not replace net income as a measure of performance or net cash provided by operating activities as a measure of liquidity.

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 all or 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 $35.2 million in 1993 to $45.2 million in 1994 to $65.1 million in 1995. The major source of the $10.0 million increase from 1993 to 1994 was an increase in net income of $2.3 million and an increase of $4.4 million in depreciation and amortization. The $19.9 million increase from 1994 to 1995 resulted primarily from a $2.6 million increase in net income, a $5.1 million increase in depreciation and amortization and a $12.9 million increase in cash provided by changes in operating assets and liabilities. Dividends paid in cash were $38.1 million in 1993, $44.0 million in 1994 and $47.9 million in 1995.

In 1995 net cash provided by operating activities was comprised primarily of $23.1 million in net income increased by $34.9 million of depreciation and amortization and $6.1 million of cash provided by changes in operating assets and liabilities. In 1994 net cash provided by operating activities was primarily comprised of $20.5 million in net income increased by $29.8 million in depreciation and amortization and decreased by cash used for operating assets and liabilities of $6.8 million. In 1993 net cash provided by operating activities was comprised primarily of $18.1 million in net income increased by $25.4 million of depreciation and amortization and decreased by $6.4 million of cash used for operating assets and liabilities.

During the period 1993 through 1995, the Trust spent over $370 million to acquire properties and to improve its properties. These expenditures were primarily funded from the proceeds of various debt and equity transactions.

In 1995 the Trust purchased 19 retail properties. The Trust also purchased a building abutting Flourtown Shopping Center, one of its existing centers, for $3.1 million. The 302,000 square foot Finley Square Shopping Center in suburban Chicago, Illinois was purchased on April 27, 1995 for approximately $18.8 million in cash; the 284,000 square foot Bristol Shopping Center in Bristol, Connecticut was purchased on September 22, 1995 for $19.6 million, by assuming a $11.3 million mortgage and by issuing common shares valued at $7.3 million with the balance in cash; the 47,000 square foot Park & Shop Center in Washington, D.C. was purchased on December 1, 1995 for $11.2 million in cash; and on December 21, 1995 the 349,000 square foot Shirlington Shopping Center in Arlington, Virginia was purchased for $23.5 million in cash. The retail building acquisitions during 1995 were as follows: seven buildings in West Hartford, Connecticut for $15.3 million; two buildings in Greenwich, Connecticut for $14.9 million; one building in Westport, Connecticut for $5.7 million; one building in Brookline, Massachusetts for $3.8 million; one building in Westfield, New Jersey for $2.2 million; two buildings in Evanston, Illinois for $3.6 million; and a building contiguous to Bethesda Row in Bethesda, Maryland for $2.0 million.

During 1995 $33.8 million was expended on improvements to Trust properties. These improvements included $3.8 million on the redevelopment of Congressional Plaza in Rockville, Maryland, $5.5 million to complete the redevelopment and retenanting of Gaithersburg Square in Gaithersburg, Maryland and $5.8 million for the renovation of Brick Plaza in Brick, New Jersey.

During 1994 the Trust purchased four shopping centers and one retail building, Idylwood Plaza in Falls Church, Virginia, North Lake Commons in Lake Zurich, Illinois, Garden Market Shopping Center in Western Springs, Illinois, Queen Anne Plaza in Norwell, Massachusetts and the Ship's Building in Westport, Connecticut. In addition, the Trust purchased a 3.9 acre parcel of land, on which there is a supermarket, which adjoins its Bala Cynwyd Shopping Center. These properties were acquired for a total cash investment of $48.3 million and a $1.1 million note.

During 1994, $42.3 million was expended on improvements to Trust properties. These improvements included $15.5 million on the renovation and expansion of Congressional Plaza in Rockville, Maryland, $4.1 million to complete the redevelopment of Ellisburg Circle Shopping Center in Cherry Hill, New Jersey, and $3.9 million to begin the redevelopment and retenanting of Gaithersburg Square Shopping Center in Gaithersburg, Maryland.

In 1993 the Trust spent $101.8 million to acquire six shopping centers (Gaithersburg Square and Quince Orchard Shopping Centers in Gaithersburg, Maryland, Pan Am Shopping Center in Fairfax, Virginia, Crossroads Shopping Center in Highland Park, Illinois, Bala Cynwyd Shopping Center in suburban Philadelphia, Pennsylvania, and Dedham Plaza in Dedham, Massachusetts), $6.2 million in connection with the long term lease of Bethesda Row in Bethesda, Maryland, and $34.3 million in improvements to its properties.

These acquisitions and improvements, as well as debt repayment requirements, were funded through a variety of equity and debt issues. During 1995 the Trust issued $165 million of senior notes: $100.0 million at 8 7/8% interest in January netting proceeds of approximately $98.9 million; $25.0 million at 8% interest in April, netting approximately $24.9 million; and $40.0 million at 6 5/8% interest in December, netting approximately $39.6 million. In January 1995 the Trust repaid a $22.5 million mortgage which had been borrowed in 1994 and a $1.1 million note issued in connection with the purchase of Queen Anne Plaza in 1994.

In order to protect itself against the risk that the general level of interest rates for senior notes would rise before the senior notes were priced in January 1995, the Trust entered into two interest rate hedge agreements in December 1994 on a total principal amount of $75.0 million. The cost of the agreements, which terminated on January 20, 1995, was $21,000, which is being amortized into interest expense over the life of the notes.

In January 1995 in connection with the issuance of the $100.0 million of senior notes, the Trust executed a five year interest rate swap on $25.0 million, whereby the Trust swappped fixed interest payment obligations of 8.1% for a floating rate interest payment of three month LIBOR (London Interbank Offered Rate). The floating rate during the first quarter of 1995 was 6.2%. In May 1995 the swap was terminated and the Trust sold the swap for $1.5 million, which is being amortized as a deduction to interest expense over the remaining term.

In April 1994 the Trust raised net proceeds of $61.3 million from a public offering of 2.5 million common shares of beneficial interest ("shares"). In a concurrent offering of 840,000 shares to an institutional investor, the Trust raised net proceeds of $21.7 million. In April 1994 the Trust redeemed $39.8 million principal amount of its 5 1/4% convertible subordinated debentures due 2002 at a price equal to 120% of their principal amount or $47.8 million. In November 1994 the Trust spent $4.2 million to exercise the option to purchase the land at Northeast Shopping Center, $3.4 million of which had been recorded as a capital lease obligation.

In April 1993, 2.8 million shares were issued in a public offering, netting proceeds of $72.8 million. In December 1993 another 220,000 shares were issued for $5.4 million in a private placement in connection with the long term lease of Bethesda Row. The Trust called its 8 3/4% convertible subordinated debentures and its 8.65% Senior Notes for redemption in 1993. The Trust redeemed $173,000 principal amount of the 8 3/4% debentures at a price of $1017.50 per debenture on March 15; the balance of the debentures that had been outstanding or $2.2 million were converted into shares. The senior notes were redeemed on May 14, at a price of $1010 for a total redemption price of $50.5 million. In October 1993 the Trust issued $75.0 million of 5 1/4% convertible subordinated debentures, realizing cash proceeds of approximately $73.0 million. The debentures, which mature in 2003, are convertible into shares at $36 per share.

At December 31, 1995 and 1994 the Trust had $130 million of unsecured medium term revolving credit facilities with four banks. The facilities require fees and have covenants requiring a minimum shareholders' equity and a maximum ratio of debt to net worth. The Trust uses these facilities to fund acquisitions and other cash requirements until conditions are favorable for issuing equity or long term debt. At December 31, 1995 there was $40.1 million drawn under these facilities; the maximum amount borrowed under these facilities during 1995 was $66.8 million. Amounts advanced under these facilities bear interest at LIBOR plus 75 - 100 basis points; the weighted average interest rate on borrowings during 1995 was 6.9%. At December 31, 1994 there was $54.7 million drawn under these facilities, which was the maximum drawn during 1994. The weighted average interest rate on borrowings during 1994 was 5.6%.

At December 1993 the Trust had $70.0 million of unsecured medium term revolving credit facilities with three banks. The maximum drawn under these facilities in 1993 was $64.1 million and at December 31, 1993, there was $24.4 million outstanding. The weighted average interest rate on borrowing during 1993 was 4.2%.

The Trust has budgeted $48.0 million for capital improvements to its properties in 1996. These improvements include: (1) $12.0 million at Congressional Plaza whose renovation has been expanded to include the construction of an additional 30,000 square feet of space; (2) $6.7 million to renovate and expand a portion of Bethesda Row; (3) $5.6 million to retenant and renovate a portion of Troy Shopping Center; and (4) $2.1 million to complete the retenanting of Brick Plaza.

The Trust's long term debt has varying maturity dates and in a number of instances includes balloon payments or other contractual provisions that could require significant repayments during a particular period. The next significant maturity is approximately $53.5 million of mortgage obligations which are due in 1998.

The Trust intends to continue to acquire existing retail properties, both shopping centers and main street retail buildings. In addition, the Trust is searching for site acquisitions in its core markets to permit the Trust to build new shopping centers.

The Trust will need additional capital in order to fund these acquisitions, expansions and refinancings. Sources of this funding may be proceeds from the sale of existing properties, additional debt and additional equity. The timing and choice between additional debt or equity 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

The State of New Jersey Division of Taxation assessed the Trust $364,000 in taxes, penalty and interest for the years 1985 through 1990, since the State disallowed the dividends paid deduction in computing New Jersey taxable income. The Trust protested this assessment since the Trust believed that it was entitled to the deduction. The case was dismissed in December 1995 in favor of the Trust.

As previously reported, certain of the Trust's shopping centers have some environmental contamination. The North Carolina Department of the Environment, Health and Natural Resources ("DEHNR") issued a Notice of Violation ("NOV") against a former dry cleaner tenant at Eastgate Shopping Center in Chapel Hill, North Carolina concerning a spill at the shopping center. As owner of the shopping center, the Trust was named in and received a copy of the NOV. Estimates to remediate the spill range from $300,000 to $500,000. The Trust has entered into an agreement with two previous owners of the shopping center to share the costs to assess and remediate. In 1993 the Trust recorded a liability of $120,000 as its estimated share of the cleanup costs.

In 1992 contaminants at levels in excess of New Jersey cleanup standards were identified at a shopping center in New Jersey. The Trust has retained an environmental consultant to investigate the contamination. The Trust is also 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.

On September 22, 1995 the Trust purchased the Bristol Shopping Center in Bristol, Connecticut. Pursuant to an agreement executed at closing, the Trust agreed to perform all remedial measures necessary to obtain a final letter of compliance from the Connecticut Commissioner of Environmental Protection with respect to certain identified soil and ground water contamination associated with a former dry cleaning operation. The seller established an escrow account at closing of $187,500 to cover such remedial measures and has indemnified the Trust in connection with the identified contamination.

The Trust reserved $2.25 million at closing in 1993 for environmental issues principally associated with Gaithersburg Square Shopping Center. Pursuant to an indemnity agreement entered into with the seller at closing, the Trust agreed to take certain actions with respect to identified chlorinated solvent contamination. The seller indemnified the Trust for certain third party claims and government requirements related to contamination at adjacent properties. During the third quarter of 1995 the reserve was reduced by $269,000 with a corresponding reduction in the basis of land at one shopping center since the environmental issue there was resolved.

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.

Results of Operations

Net income and funds from operations have been affected by the Trust's recent acquisition 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 was historically defined as income before depreciation and amortization and extraordinary items less gains on sale of real estate. The National Association of Real Estate Investment Trusts (NAREIT) issued a white paper during 1995, which has amended the definition 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 is complying with this new definition and has consequently restated funds from operations for prior periods. 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 measure of operating performance in the industry.

The reconciliation of net income to funds from operations is as follows:

	Year ended December 31, (in thousands)		
	1995	1994	1993
Net income	$23,110	$20,466	$18,130
Depreciation and amortization of real estate assets	30,986	26,479	22,489
Amortization of initial direct costs of leases	2,393	2,404	2,221
Loss on sale of real estate, extra-ordinary and non-recurring items	545	1,055	(2,016)
Funds from operations	$57,034	$50,404	$40,824

The Trust's retail leases generally provide for minimum rents, with periodic increases. Most retail tenants pay a majority of on-site operating expenses. Many leases also contain a percentage rent clause which calls for additional rents based on tenant sales, so that at a given sales volume, if prices increase, so does rental income. These features in the Trust leases reduce the Trust's exposure to higher costs caused by inflation, although inflation has not been significant in recent years.

Rental income, which consists of minimum rent, percentage rent, and cost recoveries, increased 20.9% from $105.9 million in 1993 to $128.1 million in 1994 and 11.5% in 1995 to $142.8 million. If centers acquired and sold in 1993, 1994 and 1995 are excluded, rental income increased 6.1% from 1993 to 1994 and 3.6% from 1994 to 1995.

Minimum rents increased 19.4% in 1994 to $99.9 million from $83.6 million in 1993 and 14% in 1995 to $113.9 million. If centers acquired and sold in 1993, 1994 and 1995 are excluded, minimum rents increased 4.3% from 1993 to 1994 and 6.2% from 1994 to 1995. Thirty-four percent of the increase in minimum rent in 1995 was from Congressional Plaza whose occupancy has increased since its redevelopment was substantially completed in late 1994.

Cost reimbursements consist of tenant reimbursements of real estate taxes (real estate tax recovery) and common area maintenance expenses (CAM recovery). After removing the effect of properties purchased and sold during the past three years, real estate tax recovery has remained fairly constant, with the largest fluctuation being at Congressional Plaza. Recovery was down in 1994 from 1993 as the center was vacated for renovation and recovery was up in 1995 compared to 1994 as the center was leased following the renovation. CAM recovery on the portfolio, adjusted to remove the effect of properties purchased in 1993, 1994 and 1995, was $8.4 million in 1993, $11.7 million in 1994 and $10.0 million in 1995. These fluctuations correspond to fluctuations in CAM expenses, primarily snow removal, landscaping and security which were up in 1994 as compared to 1993, but which decreased in 1995.

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. The increases from 1993 to 1995 were due in part to the acquisition of new properties and in part to the fluctuating nature of the income. Major increases in 1995 over 1994 resulted from lease termination fees, an unexpected recovery from a bankrupt tenant, merchant association dues and a commission on telephone services.

Rental expenses went from $26.5 million in 1993 to $35.8 million in 1994 to $35.1 million in 1995, which represents 23.8% of property income (rental income plus other property income) in 1993, 26.8% in 1994 and 23.3% in 1995. The components of rental expense with the greatest percentage increase in 1994 were repairs and maintenance and ground rent. Snow removal expense, a component of repairs and maintenance, increased from $910,000 in 1993 to over $2.4 million in 1994 because of new properties and because of increased expense on the core portfolio resulting from the harsh weather conditions during 1994. Ground rent increased $2.1 million in 1994 over 1993 because of the acquisition of Bethesda Row on December 31, 1993, a large part of which is ground leased. In 1995 the greatest percentage changes were decreases in repairs and maintenance and in maintenance and security payroll costs. Snow removal expense decreased to $1.3 million despite the acquisition of new properties and there has been a decrease in payroll costs as the Trust has taken measures to control these costs. If rental expenses are adjusted to remove the effect of properties purchased in 1993, 1994 and 1995, rental expenses ranged from $24.9 million in 1993 to $27.2 million in 1994 to $24.5 million in 1995. Real estate taxes have ranged from 9.3% of rental income in 1993 to 9.0% in 1994 to 9.6% in 1995. The decline in 1994 was primarily due to Congressional Plaza, which received a refund of prior year taxes in 1994.

Depreciation and amortization expenses have increased because of the recent acquisitions and also because of the depreciation on recent tenant work and property improvements.

Interest income has remained relatively constant in each of the past three years. The Trust's major sources of interest income are on its mortgage notes receivable, its notes to officers, and its available cash balances. Included in interest income in 1995 is the effect of the sale in December 1995 of the Trust's investment in Olympia and York Senior First Mortgage Notes and other real estate investment trusts, both of which were written down to market in prior years.

Interest expense increased to $39.3 million in 1995 from $31.5 million in 1994, primarily due to interest on the three issues of senior notes in 1995. Interest expense was relatively constant in 1994 and 1993, $31.5 million and $31.6 million, respectively. Decreases in interest expense in 1994 from the repayment of several mortgages, an issue of senior notes and an issue of convertible subordinated debentures was offset by increases due to an issuance of convertible subordinated debentures, the interest portion of the capital lease at Bethesda Row and increased usage of the revolving credit facilities. The ratio of earnings to fixed charges was 1.55x, 1.61X and 1.5X in 1995, 1994 and 1993, respectively. The ratio of funds from operations to fixed charges was 2.35x, 2.52x, and 2.27x in 1995, 1994 and 1993, respectively.

While administrative expenses are increasing as the Trust grows and as it seeks acquisition and development opportunities, administrative expenses as a percentage of total income have remained relatively constant, at 4.7%, 4.8% and 4.1%, in 1995, 1994 and 1993, respectively. The major components of the increase in 1995 over 1994 were in payroll and in costs related to a business combination that the Trust decided not to pursue. The major component of the increase in 1994 over 1993 was an increase in costs connected with the review and analysis of potential property acquisitions which were not purchased.

Other charges consisted of three nonrecurring items in 1994, a $758,000 write off of a mortgage note receivable and accrued interest thereon, an unrealized loss of $449,000 on an investment in common shares of another real estate investment trust and a $152,000 recovery of a legal settlement paid in 1987. During 1995 the Trust sold its investments in common shares of other real estate investment trusts.

Investors' share of operations represents the minority interest in Congressional Plaza, Loehmann's Plaza and North City Plaza. In 1995 minority net losses at Loehmann's and North City exceeded the minority net income at Congressional Plaza.

Income before loss on sale of real estate and extraordinary item increased from $16.1 million in 1993 to $20.5 million in 1994 to $23.7 million in 1995, reflecting increased revenues from the Trust's acquisitions and from improved operating results of the core portfolio.

Loss or gain on the sale of real estate is dependent on the extent and timing of sales. The Trust regularly reviews its portfolio and does from time to time sell properties. In 1995 the Trust sold North City Plaza for $1.8 million resulting in a loss on sale of $545,000.

In 1993 the Trust had a net gain of $2.0 million on the early extinguishment of debt, resulting from a gain on the extinguishment of one mortgage offset by losses on the redemption of an issue of senior notes, an issue of convertible subordinated debentures and two other mortgages.

As a result of the foregoing items, net income rose from $18.1 million in 1993 to $20.5 million in 1994 to $23.1 million in 1995.

The Trust intends to continue to acquire properties in 1996. If successful in so doing, these acquisitions should contribute to growth in rental income and expenses and, thereby, net income. The growth of the core portfolio, however, is, in part, dependent on controlling expenses, some of which are beyond the complete control of the Trust, such as snow removal, and trends in the retailing environment. Recently there have been a number of retailer bankruptcies and others are anticipated. These bankruptcies and a further 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 weak and bankrupt tenants with stronger tenants; management believes that the quality of the Trust's properties will continue to generate demand for its retail space.

Impact of New Accounting Standards

In October 1995 the Financial Accounting Standards Board (FASB) issued FASB 123, "Accounting for Stock-Based Compensation". This standard will be effective for 1996 financial statements and requires that stock based compensation be accounted for on the fair value method described in FASB 123, or on the intrinsic value based method of APB 25, whereby if options are priced at fair market value or above on the date of grant, there is no compensation expense of the options to the Trust. If APB 25 is used, proforma net income and earnings per share must be disclosed as if the fair value based method had been applied. The Trust intends to continue accounting for its employee stock option plan under APB 25 and therefore the only effect on the Trust's financial statements will be the proforma disclosure.

Item 8. Financial Statements and Supplementary Data.

Included in Item 14.

Item 9. Disagreements on Accounting and Financial Disclosure.

None.

Part III

Item 10. Directors and Executive Officers of the Registrant.

Executive Officers of the Registrant

The Executive Officers are:

Name	Age	Position with Trust
Steven J. Guttman	49	President and Chief Executive Officer and Trustee
Ron D. Kaplan	33	Vice President-Capital Markets
Catherine R. Mack	51	Vice President-General Counsel and Secretary
Mary Jane Morrow	43	Senior Vice President-Finance and Treasurer
Hal A. Vasvari	52	Executive Vice President and Chief Operating Officer
Cecily A. Ward	49	Vice President-Controller
Robert S. Wennett	35	Senior Vice President-Acquisitions

Steven J. Guttman has been the Trust's President and Chief Executive Officer since April 1980. Mr. Guttman has been associated with the Trust since 1972, became Chief Operating Officer in 1975 and became a Managing Trustee in 1979.

Ron D. Kaplan joined the Trust in November 1992 as Vice President-Capital Markets. Mr. Kaplan was formerly a Vice President of Salomon Brothers Inc where he was responsible for capital raising and financial advisory services for public and private real estate companies. While at Salomon Brothers which he joined in 1987, he participated in two of the Trust's debt offerings.

Catherine R. Mack came to the Trust in January 1985 as General Counsel and became a Vice President in February 1986. Before joining the Trust, Ms. Mack was an Assistant United States Attorney for the District of Columbia and, prior to that, an attorney with Fried, Frank, Harris, Shriver and Jacobson in Washington, D.C. where she represented several local real estate entities. She has practiced law since 1974.

Mary Jane Morrow joined the Trust in January 1987 as Vice President-Finance and Treasurer. Before joining Federal Realty, Ms.

Morrow was a Partner with Grant Thornton LLP, the Trust's independent accountants. She was with Grant Thornton LLP for over 10 years and has extensive experience in real estate and accounting.

Hal A. Vasvari joined Federal Realty Management, Inc., the Trust's former managing agent, in August 1985 as Executive Vice President. In January 1989, Mr. Vasvari became Executive Vice President-Management of the Trust. In December 1994, Mr. Vasvari was appointed Chief Operating Officer. Prior to August 1985, he was director of leasing for Kravco Co., a developer of shopping malls and shopping centers.

Cecily A. Ward joined the Trust in April 1987 as Controller. Prior to joining the Trust, Ms. Ward, a certified public accountant, was with Grant Thornton LLP, the Trust's independent accountants.

Robert S. Wennett joined the Trust's acquisitions department in April 1986. Prior to joining the Trust, Mr. Wennett was an associate with Chemical Realty Corporation in New York where he was involved in real estate financing for corporate clients.

The schedule identifying Trustees under the caption "Election of Trustees" of the 1996 Proxy Statement is incorporated herein by reference thereto.

Item 11. Executive Compensation.

The sections entitled "Summary Compensation Table" and "Aggregated Option Exercises in 1995 and December 31, 1995 Option Values" of the 1996 Proxy Statement are incorporated herein by reference thereto.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The section entitled "Ownership of Shares by Trustees and Officers" of the 1996 Proxy Statement is incorporated herein by reference thereto.

Item 13. Certain Relationships and Related Transactions.

The section entitled "Certain Transactions" of the 1996 Proxy Statement is incorporated herein by reference thereto.

Part IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) 3. Exhibits
----

(3) (i) The Trust's Third Amended and Restated Declaration of Trust dated May 24, 1984, filed with the Commission on July 5, 1984 as Exhibit 4 to the Trust's Registration Statement on Form S-2 (file No. 2-92057) is incorporated herein by reference thereto.

(ii) Bylaws of the Trust, filed with the Commission as an exhibit to the Trust's Current Report on Form 8-K dated February 20, 1985, as most recently amended and filed with the Commission as an exhibit to the Trust's Current Report on Form 8-K dated November 30, 1994, is incorporated herein by reference thereto.

(4) (i) Specimen Share of Beneficial Interest, filed with the Commission on November 23, 1982 as Exhibit 4 to the Trust's Registration Statement on Form S-2 (file No. 2-80524), is incorporated herein by reference thereto.

(ii) Indenture dated March 15, 1985, relating to the Trust's 8 3/4% Convertible Subordinated Debentures Due 2010, filed with the Commission on March 1, 1985 as Exhibit 4 (a) (2) to the Trust's Registration Statement on Form S-2 (File No. 2-96136) is incorporated herein by reference thereto.

(iii) Indenture dated April 1, 1986, relating to the Trust's 8.65% Senior Notes due 1996, filed with the commission on March 27, 1986 as exhibit 4 (a) 1 to the Trust's Registration Statement on Form S-3, (File No. 33-3934) is incorporated herein by reference thereto.

(iv) The 5 1/4% Convertible Subordinated Debenture due 2002 as described in Amendment No. 1 to Form S-3 (File No. 33-15264), filed with the Commission on August 4, 1987 is incorporated herein by reference thereto.

(v) Shareholder Rights Plan, dated April 13, 1989, filed with the Commission as an exhibit to the Trust's Current Report on Form 8-K, dated April 13, 1989, is incorporated herein by reference thereto.

(vi) Indenture dated December 13, 1993, related to the Trust's 8 7/8% Senior Notes due January 15, 2000, the Trust's 8% Notes due April 21, 2002 and the Trust's 6 5/8% Notes due 2005, filed with the commission on December 13, 1993 as exhibit 4 (a) to the Trust's Registration Statement on Form S-3, (File No. 33-51029) is incorporated herein by reference thereto.

(9) Voting Trust Agreement..................................*

(10) (i) Consultancy Agreement with Samuel J. Gorlitz, as amended, filed with the Commission as Exhibit 10 (v) to the Trust's Annual Report on Form 10-K for the year ended

December 31, 1983, is incorporated herein by reference thereto.

(ii) The Trust's 1983 Stock Option Plan adopted May 12, 1983, filed with the Commission as Exhibit 10 (vi) to the Trust's Annual Report on Form 10-K for the year ended December 31, 1983, is incorporated herein by reference.

(iii) Deferred Compensation Agreement with Steven J. Guttman dated December 13, 1978, filed with the Commission as Exhibit 10 (iv) to the Trust's Annual Report on Form 10-K for the year ended December 31, 1980 is incorporated herein by reference thereto.

The following documents, filed with the Commission as portions of Exhibit 10 to the Trust's Annual Report on Form 10-K for the year ended December 31, 1985, are incorporated herein by reference thereto.

(iv) The Trust's 1985 Non-Qualified Stock Option Plan, adopted on September 13, 1985

The following documents, filed with the Commission as portions of Exhibit 10, to the Trust's Annual Report on Form 10-K for the year ended December 31, 1980, have been modified as noted below, and are incorporated herein by reference thereto.

(v) Consultancy Agreement with Daniel M. Lyons dated February 22, 1980, as amended (modified as of December l, 1983, to provide for an annual cost of living increase, not to exceed 10%).

The following documents filed as portions of Exhibit 10 to the Trust's Annual Report on Form 10-K for the year ended December 31, 1988 are incorporated herein by reference thereto:

(vi) The 1988 Share Bonus Plan.

(vii) Amendment No. 3 to Consultancy Agreement with Samuel J. Gorlitz.

The following documents filed with the Commission as portions of Item 6 to the Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 1989 are incorporated herein by reference thereto;

(viii) Executive Agreement between the Trust and Steven J. Guttman, dated April 13, 1989.

(ix) Executive Agreement between the Trust and Catherine R. Mack, dated April 13, 1989.

(x) Executive Agreement between the Trust and Mary Jane Morrow, dated April 13, 1989.

(xi) Executive Agreement between the Trust and Hal A. Vasvari, dated April 13, 1989.

(xii) Employment Agreement between the Trust and Steven J. Guttman, dated April 13, 1989.

(xiii) Employment Agreement between the Trust and Catherine R. Mack, dated April 13, 1989.

(xiv) Executive Agreement between the Trust and Robert S. Wennett, dated April 13 ,1989, modified January 1, 1990, filed with the Commission as a portion of Exhibit 10 to the Trust's Annual Report on Form 10-K for the year ended December 31, 1989 is incorporated herein by reference thereto.

(xv) The 1991 Share Purchase Plan, dated January 31, 1991, filed with the Commission as a portion of Exhibit 10 to the Trust's Annual Report on Form 10-K for the year ended December 31, 1990 is incorporated herein by reference thereto.

(xvi) Employment Agreement between the Trust and Robert S. Wennett, dated January 1, 1992, filed with the Commission as an exhibit to the Trust's Annual Report on Form 10-K for the year ended December 31, 1991 is incorporated herein by reference thereto.

(xvii) Amendment No. 4 to Consultancy Agreement with Samuel J. Gorlitz, filed with the Commission as an exhibit to the Trust's Annual Report on Form 10-K for the year ended December 31, 1992 is incorporated herein by reference thereto.

(xviii) Employment and Relocation Agreement between the Trust and Ron D. Kaplan, dated September 30, 1992, filed as an exhibit to the Trust's Annual Report on Form 10-K for the year ended December 31, 1992 is incorporated herein by reference thereto.

(xix) Amendment dated October 1, 1992, to Voting Trust Agreement dated as of March 3, 1989 by and between I. Wolford Berman and Dennis L. Berman filed as an exhibit to the Trust's Annual Report on Form 10-K for the year ended December 31, 1992 is incorporated herein by reference thereto.

(xx) 1993 Long-Term Incentive Plan and Certified Resolution Re: Amendment to 1993 Long-Term Incentive Plan, filed with the Commission as portions of Item 6 to the Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, are incorporated herein by reference thereto.

The following documents, filed with the Commission as portions of Item 6 to the Trust's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993 are incorporated herein by reference thereto:

(xxi) Revolving Credit Agreement dated as of September 1, 1993 among Federal Realty Investment Trust and Corestates Bank.

(xxii) Credit Agreement dated as of August 25, 1993 between Federal Realty Investment Trust and First Union National Bank of Virginia.

(xxiii) Revolving Credit Agreement dated as of June 22, 1993 between Federal Realty Investment Trust and Signet Bank/Maryland.

(xxiv) Consulting Agreement between Misner Development and Federal Realty Investment Trust.

(xxv) Fiscal Agency Agreement dated as of October 28, 1993 between Federal Realty Investment Trust and Citibank, N.A.

(xxvi) Credit Agreement dated as of February 11, 1994 between Federal Realty Investment Trust and Mellon Bank as filed as an exhibit to the Trust's Annual Report on Form 10-K for the year ended December 31, 1993 is incorporated herein by reference thereto.

(xxvii) Other Share Award and Purchase Note between Federal Realty Investment Trust and Ron D. Kaplan, dated January 1, 1994, filed with the Commission as a portion of Item 6 to the Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994 is incorporated herein by reference thereto.

(xxviii) Amended and Restated 1983 Stock Option Plan of Federal Realty Investment Trust and 1985 Non-Qualified Stock Option Plan of Federal Realty Investment Trust, filed with the Commission on August 17, 1994 on Form S-8, (File No. 33-55111) is incorporated herein by reference thereto.

The following documents, filed with the Commission as portions of Exhibit 10 to the Trust's Annual Report on Form 10-K for the year ended December 31, 1994, are incorporated herein by reference thereto.

(xxix) Form of Severance Agreement between Federal Realty Investment Trust and Certain of its Officers dated December 31, 1994.

(xxx) Credit Agreement dated as of September 30, 1994 between Federal Realty Investment Trust and First Union National Bank of Virginia.

(xxxi) Second Amendment to Revolving Credit Agreement dated as of September 30, 1994 between Federal Realty Investment Trust and Corestates Bank.

(xxxii) First Amendment to Credit Agreement dated September 30, 1994 between Federal Realty Investment Trust and Mellon Bank.

(xxxiii) First Amendment to Revolving Credit Agreement dated September 30, 1994 between Federal Realty Investment Trust and Signet Bank/Maryland.

(xxxiv) Exclusive Brokerage Agreement between Street Retail Inc. and Westport Advisors Corporation filed as an exhibit to the Trust's Quarterly Report on Form 10-Q for quarter ended March 31, 1995 is incorporated herein by reference thereto.

The following documents, filed with the Commission as portions of Item 6 to the Trust's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995 are incorporated herein by reference thereto:

(xxxv) Non-Exclusive Brokerage Agreement between Federal Realty Investment Trust and Westport Advisors Corporation and Jack Alan Guttman dated August 20, 1995.

(xxxvi) Exclusive Brokerage Agreement between Street Retail, Inc. and Westport Advisors Corporation and Jack Alan Guttman dated August 20, 1995.

(11) Statement regarding computation of per share earnings..*

(12) Statements regarding computation of ratios.......*

(13) Annual Report to Shareholders, Form 10Q or quarterly report to shareholders....................................*

(18) Letter regarding change in accounting principles......................................*

(19) Report furnished to security holders............*

(21) Subsidiaries of the registrant....................
(xxxvii) Articles of Incorporation of Street Retail, Inc. filed with the Commission as a portion of Exhibit 21 to the Trust's Annual Report on Form 10-K for the year ended December 31, 1994 is incorporated herein by reference thereto.

(xxxviii) By-Laws of Street Retail, Inc. filed with the Commission as a portion of Exhibit 21 to the Trust's Annual Report on Form 10-K for the year ended December 31 1994 is incorporated herein by reference thereto.

(22) Published report regarding matters submitted to vote of security holders........................*

(23) Consent of Grant Thornton LLP...................

(24) Power of attorney...............................*

(27) Financial Data Schedule..........................+

(99) Additional exhibits.............................*

(b) Reports on Form 8-K Filed during the Last Quarter

A Form 8-K, dated November 17, 1995, was filed in response to Item 7.(c)99

A Form 8-K, dated December 20, 1995 was filed in response to Item 5.

---

* Not applicable.

\+ For Edgar filing only.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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

Date: March 13, 1996 By:Steven J. Guttman

Steven J. Guttman
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
Steven J. Guttman Steven J. Guttman	President and Trustee (Chief Executive Officer)	March 13, 1996
Mary Jane Morrow Mary Jane Morrow	Senior Vice-President and Treasurer (Chief Financial Officer)	March 13, 1996
Cecily A. Ward Cecily A. Ward	Vice-President and Controller (Principal Accounting Officer)	March 13, 1996
Dennis L. Berman	Trustee	March 13, 1996
A. Cornet de Ways Ruart A. Cornet de Ways Ruart	Trustee	March 13, 1996
Samuel J. Gorlitz	Trustee	March 13, 1996
Kristin Gamble Kristin Gamble	Trustee	March 13, 1996
Morton S. Lerner	Trustee	March 13, 1996
Walter F. Loeb Walter F. Loeb	Trustee	March 13, 1996
Donald H. Misner Donald H. Misner	Trustee	March 13, 1996
George L. Perry George L. Perry	Trustee	March 13, 1996

FINANCIAL STATEMENTS AND
SCHEDULES

REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

Trustees and Shareholders
Federal Realty Investment Trust

We have audited the accompanying consolidated balance sheets of Federal Realty Investment Trust as of December 31, 1995 and 1994, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Federal Realty Investment Trust as of December 31, 1995 and 1994 and the consolidated results of its operations and its consolidated cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

Grant Thornton LLP
Washington, D.C.
February 9, 1996

Federal Realty Investment Trust

CONSOLIDATED BALANCE SHEETS

	December 31, 1995	December 31, 1994
ASSETS	(in thousands)	
Investments		
Real estate, at cost	$1,009,682	$852,722
Less accumulated depreciation and amortization	(190,795)	(160,636)
	818,887	692,086
Mortgage notes receivable	13,561	13,178
	832,448	705,264
Other Assets		
Cash	10,521	3,995
Investments	261	3,588
Notes receivable-officers	1,011	845
Accounts receivable	15,091	16,023
Prepaid expenses and other assets, principally property taxes and lease commissions	22,987	19,158
Debt issue costs (net of accumulated amortization of $3,918,000 and $3,206,000, respectively)	3,835	2,931
	$886,154	$751,804
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Obligations under capital leases	$131,829	$132,924
Mortgages payable	90,488	102,781
Notes payable	49,980	61,883
Accrued expenses	19,048	10,675
Accounts payable	8,571	6,566
Dividends payable	13,191	12,486
Security deposits	3,083	2,687
Prepaid rents	787	1,017
Senior notes	165,000	-
5 1/4% Convertible subordinated debentures	75,289	75,289
Investors' interest in consolidated assets	1,420	2,274
Commitments and contingencies	-	-
Shareholders' equity		
Common shares of beneficial interest, no par or stated value, unlimited authorization, issued 32,221,670 and 31,669,434 shares, respectively	508,870	496,958
Accumulated dividends in excess of Trust net income	(172,835)	(144,553)
Allowance for unrealized loss on marketable securities	-	(53)
	336,035	352,352
Less 61,328 and 60,200 common shares in treasury-at cost, respectively, deferred compensation and subscriptions receivable	(8,567)	(9,130)
	327,468	343,222
	$886,154	$751,804

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)	Year ended December 31, 1995	1994	1993
Revenue			
Rental income	$142,841	$128,133	$105,948
Interest	4,113	3,933	3,894
Other property income	7,435	5,698	5,495
	154,389	137,764	115,337
Expense			
Rental	35,093	35,830	26,519
Real estate taxes	14,471	12,097	10,324
Interest	39,268	31,462	31,550
Administrative	7,305	6,661	4,675
Other charges	--	1,055	--
Depreciation and amortization	34,901	29,801	25,375
	131,038	116,906	98,443
Operating income before investors' share of operations, loss on sale of real estate and extraordinary item	23,351	20,858	16,894
Investors' share of operations	304	(392)	(780)
Income before loss on sale of real estate and extraordinary item	23,655	20,466	16,114
Loss on sale of real estate	(545)	--	--
Income before extraordinary item	23,110	20,466	16,114
Extraordinary item			
Net gain on early extinguishment of debt	--	--	2,016
Net Income	$ 23,110	$ 20,466	$ 18,130
Weighted Average Number of Common Shares	31,860	30,679	27,009
Earnings per share			
Income before loss on sale of real estate and extraordinary item	$0.74	$0.67	$0.60
Loss on sale of real estate	(0.02)	--	--
Extraordinary item	--	--	0.07
	$0.72	$0.67	$0.67

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands, except share amounts)	1995 Shares	1995 Amount	1994 Shares	1994 Amount	1993 Shares	1993 Amount
Common Shares of Beneficial Interest						
Balance, beginning of year	31,669,434	$496,958	28,077,999	$408,005	24,777,831	$322,903
Exercise of stock options	20,744	390	47,240	1,035	53,384	1,053
Shares issued under dividend reinvestment plan	193,965	4,181	162,466	3,891	131,620	3,588
Conversion of 8 3/4% subordinated debentures	-	-	-	-	137,364	2,209
Conversion of 5 1/4% subordinated debentures due 2002	-	-	1,729	64	-	-
Shares purchased under share purchase plan	-	-	40,000	1,000	-	-
Shares issued to purchase shopping center	337,527	7,341	-	-	-	-
Net proceeds from sale of shares	-	-	3,340,000	82,963	2,977,800	78,252
Balance, end of year	32,221,670	$508,870	31,669,434	$496,958	28,077,999	$408,005

(In thousands, except share amounts)	1995 Shares	1995 Amount	1994 Shares	1994 Amount	1993 Shares	1993 Amount
Common Shares of Beneficial Interest in Treasury, Deferred Compensation and Subscriptions Receivable						
Balance, beginning of year	(539,188)	($9,130)	(496,499)	($7,759)	(465,718)	($7,154)
Amortization of deferred compensation	32,875	547	27,875	422	4,000	89
Net (increase) decrease in stock option loans	5,971	20	(30,564)	(793)	(34,781)	(694)
Purchase of treasury shares	(1,128)	(25)			-	-
Purchase (subscription) under share purchase plan	1,375	21	(40,000)	(1,000)	-	-
Balance, end of year	(500,095)	($8,567)	(539,188)	($9,130)	(496,499)	($7,759)

	1995	1994	1993
Allowance for Unrealized Loss on Marketable Securities			
Balance, beginning of year	($53)	($364)	($385)
Change due to recognizing loss on securities	53	334	-
Net unrealized (loss) gain		(23)	21
Balance, end of year	$0	($53)	($364)

	1995	1994	1993
Accumulated Dividends in Excess of Trust Net Income			
Balance, beginning of year	($144,553)	($116,823)	($92,932)
Net income	23,110	20,466	18,130
Dividends declared to shareholders	(51,392)	(48,196)	(42,021)
Balance, end of year	($172,835)	($144,553)	($116,823)

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Twelve months ended December 31, 1995	1994	1993
OPERATING ACTIVITIES			
Net income	$23,110	$20,466	$18,130
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	34,900	29,801	25,375
Rent abatements in lieu of leasehold improvements, net of tenant improvements retired	(951)	(812)	(1,185)
Imputed interest and amortization of debt cost	731	547	520
Amortization of deferred compensation and forgiveness of officers' notes	531	621	591
Write-down of investments	-	1,207	-
Loss on sale of real estate	545	-	-
Payment of trustees' fees in shares	136	132	185
Net gain on early extinguishment of debt	-	-	(2,016)
Changes in assets and liabilities			
Decrease (increase) in accounts receivable	932	(400)	(5,345)
Increase in prepaid expenses and other assets before depreciation and amortization	(4,768)	(4,674)	(6,484)
Increase (decrease) in operating accounts payable, security deposits and prepaid rent	1,453	(1,161)	3,221
Increase (decrease) in accrued expenses, net of the premium put on the 5 1/4% convertible subordinated debentures	8,498	(528)	2,191
Net cash provided by operating activities	65,117	45,199	35,183
INVESTING ACTIVITIES			
Acquisition of real estate	(105,096)	(48,337)	(108,007)
Capital expenditures	(33,829)	(42,286)	(34,267)
(Issuance) payments of mortgage notes receivable, net	(383)	(7)	21
Issuance of notes receivable - officers, net	(215)	(116)	(48)
Proceeds from sale of real estate	1,782	-	-
Net decrease in temporary investments	3,381	281	31,607
Net cash used in investing activities	(134,360)	(90,465)	(110,694)
FINANCING ACTIVITIES			
Proceeds of mortgage financings	-	22,500	-
Regular payments on mortgages, capital leases and notes payable	(2,289)	(2,080)	(2,225)
Balloon payments on mortgages and capital leases, including prepayment fees	(23,601)	(3,400)	(32,547)
Borrowing (repayment) of short-term debt, net	(14,635)	30,332	24,413
Early retirement of 5 1/4% convertible debentures due 2002	-	-	(4,416)
Redemption of 5 1/4% convertible debentures due 2002, including premium put	-	(47,790)	-
Redemption of 8 3/4% convertible debentures	-	-	(176)
Issuance (redemption) of senior notes, net of costs	163,384	-	(50,505)
Issuance of 5 1/4% convertible debentures due 2003, net of costs	-	-	73,025
Dividends paid	(47,918)	(43,973)	(38,087)
Issuance of shares	1,682	84,247	79,489
Decrease in minority interest	(854)	(210)	(141)
Net cash provided by financing activities	75,769	39,626	48,830
Increase (decrease) in cash	6,526	(5,640)	(26,681)
Cash at beginning of year	3,995	9,635	36,316
Cash at end of year	$10,521	$3,995	$9,635

The accompanying notes are an integral part of these statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Federal Realty Investment Trust invests predominantly in income-producing real estate properties, primarily community and neighborhood shopping centers. Beginning in late 1994 the Trust expanded its investments to main street retail properties, retail buildings and shopping centers in densely developed urban and suburban areas. The Trust's leases with tenants are classified as operating leases and rental income is recognized on an accrual basis over the terms of the related leases.

The Trust uses the straight-line method in providing for depreciation. Estimated useful lives range from three to 25 years on apartment buildings and improvements, and from three to 35 years on retail properties and improvements. Maintenance and repair costs are charged to operations as incurred. Major improvements are capitalized. The gain or loss resulting from the sale of properties is included in net income at the time of sale. The Trust has adopted FAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of". The Trust does not hold any assets that meet the impairment criteria of FAS 121.

The Trust capitalizes certain costs directly related to the acquisition, improvement and leasing of real estate including applicable salaries and other related costs. The capitalized costs associated with unsuccessful acquisitions are charged to operations when that determination is made. The capitalized costs associated with improvements and leasing are depreciated or amortized over the life of the improvement and lease, respectively.

Costs related to the issuance of debt instruments are capitalized and are amortized as interest expense over the life of the related issue using the interest method. Upon conversion or in the event of redemption, applicable unamortized costs are charged to shareholders' equity or to operations, respectively.

The Trust operates in a manner intended to enable it to qualify as a real estate investment trust under Sections 856-860 of the Internal Revenue Code (the "Code"). Under those sections, a trust which distributes at least 95% of its real estate trust taxable income to its shareholders each year and which meets certain other conditions will not be taxed on that portion of its taxable income which is distributed to its shareholders. Therefore, no provision for Federal income taxes is required.

The Trust consolidates the financial statements of one wholly owned subsidiary, eight partnerships, and a joint venture which are controlled by the Trust. The equity interests of other investors are reflected as investors' interest in consolidated assets. All significant intercompany transactions and balances are eliminated.

The Trust defines cash as cash on hand, demand deposits with financial institutions and short term liquid investments with an initial maturity under three months. Cash balances may exceed insurable amounts.

Earnings per share are computed using the weighted average number of shares outstanding during the respective periods, including options. Options are accounted for in accordance with APB 25, whereby if options are priced at fair market value or above at the date of grant, there is no compensation expense of the options to the Trust.

Inherent in the preparation of the Trust's financial statements are certain estimates. These estimates are prepared using management's best judgment, after considering past and current events.

Certain previously reported amounts for 1994 and 1993 have been reclassified to assure comparability of all periods presented. See Note 10.

NOTE 1: REAL ESTATE AND ENCUMBRANCES

A summary of the Trust's properties at December 31, 1995 is as follows:

	Cost	Accumulated depreciation and amortization	Encumbrances
(in thousands)			
Retail properties	$ 802,329	$134,397	$ 90,488
Retail properties under capital leases	201,121	52,236	131,829
Apartments	6,232	4,162	-
	$1,009,682	$190,795	$222,317

The Trust's 70 retail properties are located in 13 states and the District of Columbia, primarily along the East Coast between the Boston metropolitan area and Richmond, Virginia. There are approximately 1,700 tenants providing a wide range of retail products and services. These tenants range from sole proprietorships to national retailers; no one tenant or corporate group of tenants account for 5% or more of revenue.

The Trust purchased 19 retail properties during 1995 for a total cost of $120.6 million. The Trust also purchased a building abutting Flourtown Shopping Center, one of its existing centers, for $3.1 million. Finley Square Shopping Center in suburban Chicago was purchased on April 27, 1995 for $18.8 million in cash; Bristol Shopping Center in Bristol, Connecticut was purchased on September 22, 1995 for $19.6 million, by assuming a $11.3 million mortgage and by issuing 337,527 common shares valued at $7.3 million with the balance in cash; Park & Shop Center in Washington, D.C. was purchased on December 1, 1995 for $11.2 million in cash; and on December 21, 1995 Shirlington Shopping Center in Arlington, Virginia was purchased for $23.5

million in cash. The retail building acquisitions during 1995 were as follows: seven buildings in West Hartford, Connecticut for $15.3 million; two buildings in Greenwich, Connecticut for $14.9 million; one building in Westport, Connecticut for $5.7 million; one building in Brookline, Massachusetts for $3.8 million; one building in Westfield, New Jersey for $2.2 million; two buildings in Evanston, Illinois for $3.6 million and one building in an infill space at Bethesda Row, one of its existing properties in Bethesda, Maryland, for $2.0 million. In connection with certain of these purchases, brokerage commissions of $671,000 were incurred to a company that is fifty percent owned by a brother of the Trust's president. These commissions were paid pursuant to a brokerage contract on terms comparable to terms contained in contracts which the Trust has with brokers providing similar services in other geographic areas.

On August 1, 1995 the Trust sold the 111,000 square foot North City Shopping Center in New Castle, Pennsylvania for $1.8 million, resulting in a loss of $545,000.

The Trust purchased four shopping centers in 1994. Idylwood Plaza in Falls Church, Virginia was purchased for $14.3 million in cash; North Lake Commons in Lake Zurich, Illinois was purchased for $10.9 million in cash; Garden Market Shopping Center in Western Springs, Illinois was purchased for $7.6 million in cash; and Queen Anne Plaza in Norwell, Massachusetts was purchased for $10.7 million in cash and a $1.1 million note which was paid in January 1995. In addition the Trust purchased a 3.9 acre parcel of land underlying a supermarket which adjoins its Bala Cynwyd Shopping Center for cash of $1.1 million and a retail building in Westport, Connecticut for cash of $3.8 million.

During 1993 the Trust acquired seven shopping centers. Pan Am Shopping Center in Fairfax, Virginia was acquired for $21.6 million in cash; Gaithersburg Square in Gaithersburg, Maryland was purchased for $11.0 million in cash and the assumption of a $2.0 million liability which is the estimated cost to remediate certain preexisting environmental issues; Quince Orchard Plaza in Gaithersburg, Maryland and its adjoining office building were purchased for $10.9 million in cash and the assumption of a liability of approximately $250,000 to remediate preexisting environmental issues; Crossroads Shopping Center in Highland Park, Illinois was purchased for $16.2 million in cash; Bala Cynwyd Shopping Center in suburban Philadelphia, Pennsylvania was purchased for $17.0 million in cash; Dedham Plaza in Dedham, Massachusetts was purchased for $25.0 million in cash and the assumption of a $250,000 liability to remediate existing environmental issues; and the leasehold interest in Bethesda Row in Bethesda, Maryland was acquired with $6.2 million in cash.

Mortgage notes receivable consist of two notes in 1995 and 1994 and three notes in 1993 collateralized by shopping centers. All three notes were issued in connection with either the acquisition or sale of Trust properties. In 1994 one note for $700,000 with accrued interest thereon was deemed uncollectible and therefore was written off.

In January 1994 a $22.5 million one year mortgage was placed on Northeast Plaza in Atlanta, Georgia. The mortgage, which bore interest at LIBOR (London Interbank Offered Rate), plus 100 to 150 basis points was repaid in January 1995. In 1993 the Trust prepaid mortgages on Laurel, Northeast and Northeast Plaza shopping centers, resulting in a net gain of $2.9 million which was recorded as a component of the net gain on early extinguishment of debt.

In November 1994 the Trust exercised an option to purchase the ground underlying the Northeast Shopping Center in Philadelphia, Pennsylvania for $4.2 million, $3.4 million of which had been recorded as a capital lease obligation.

Mortgages payable and capital lease obligations are due in installments over various terms extending to 2060 with actual or imputed interest rates ranging from 7.9% to 11.25%. Certain of the mortgage and capital lease obligations require additional interest payments based upon property performance.

Aggregate mortgage principal payments due during the next five years are $1.3 million, $1.4 million, $54.5 million, $532,000, and $583,000, respectively.

Future minimum lease payments and their present value for property under capital leases as of December 31, 1995 are as follows:

Year ending December 31,	(in thousands)
1996	$ 12,953
1997	12,969
1998	13,002
1999	13,005
2000	13,441
Thereafter	547,387
	612,757
Less amount representing interest	(480,928)
Present value	$ 131,829

Leasing Arrangements

The Trust's leases with retail property and apartment tenants are classified as operating leases. Leases on apartments are generally for a period of one year, whereas retail property leases generally range from three to 10 years and usually provide for contingent rentals based on sales and sharing of certain operating costs.

The components of rental income are as follows:

(in thousands)	Year ended December 31, 1995	1994	1993
Retail properties			
Minimum rents	$111,454	$ 97,503	$ 81,291
Cost reimbursements	23,961	23,774	18,171
Percentage rent	4,977	4,478	4,147
Apartments - rents	2,449	2,378	2,339
	$142,841	$128,133	$105,948

The components of rental expense are as follows:

(in thousands)	Year ended December 31, 1995	1994	1993
Management fees and costs	$5,707	$ 5,316	$ 5,213
Repairs and maintenance	8,140	9,238	6,452
Utilities	4,936	4,981	3,944
Payroll - properties	3,230	4,094	3,205
Ground rent	2,852	2,510	375
Insurance	2,281	1,879	1,585
Other operating	7,947	7,812	5,745
	$ 35,093	$ 35,830	$ 26,519

Minimum future retail property rentals on noncancelable operating leases as of December 31, 1995 are as follows:

Year ending December 31,	(in thousands)
1996	$120,878
1997	112,474
1998	100,554
1999	89,803
2000	77,526
Thereafter	347,620
	$848,855

NOTE 2. INVESTMENTS

At December 31, 1994 the Trust's investments of $3.6 million consisted of $4.7 million of Olympia and York Senior First Mortgage Notes due March 20, 1999, which were carried at $3.1 million and $500,000 of marketable equity securities and mutual funds which were stated at market. In 1994 the Trust recognized an unrealized loss of $449,000 on these equity securities. In 1995 the Trust sold the equity securities realizing an additional loss of $54,000. The Olympia and York Senior Notes were also sold in 1995, at a gain of $200,000 over their recorded value. At December 31, 1995 investments consisted of mutual funds stated at market.

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of estimated fair value was determined by the Trust, using available market information and appropriate valuation methods. Considerable judgment is necessary to develop estimates of fair value. The estimates presented herein are not necessarily indicative of the amounts that could be realized upon disposition of the financial instruments.

The Trust estimates the fair value of its financial instruments using the following methods and assumptions: (1) quoted market prices, when available, are used to estimate the fair value of investments in marketable debt and equity securities; (2) quoted market prices are used to estimate the fair value of the Trust's marketable convertible subordinated debentures; (3) discounted cash flow analyses are used to estimate the fair value of long term notes receivable and payable, using the Trust's estimate of current interest rates for similar notes; (4) carrying amounts in the balance sheet approximate fair value for cash and short term borrowings. Notes receivable from officers are excluded from fair value estimation since they have been issued in connection with employee stock ownership programs.

(in thousands)	December 31, 1995 Carrying Value	December 31, 1995 Fair Value	December 31, 1994 Carrying Value	December 31, 1994 Fair Value
Cash & equivalents	$ 10,521	$ 10,521	$ 3,995	$ 3,995
Investments	261	261	3,588	3,588
Mortgage notes receivable	13,561	15,027	13,178	13,459
Mortgages and notes payable	140,468	146,801	164,664	165,700
Convertible debentures	75,289	66,932	75,289	54,585
Senior notes	165,000	176,653	-	-

NOTE 4. NOTES PAYABLE

At December 31, 1995 and 1994 the Trust had notes payable of $50.0 million and $61.9 million, respectively. Of these balances, $40.1 million in 1995 and $54.7 million in 1994 were issued under the Trust's revolving credit facilities.

The remaining balance of notes payable was issued in connection with the acquisition, leasing or renovation of properties. A $2.5 million noninterest bearing note which is due on or before December 16, 1996, was issued in September 1995 in connection with a lease transaction at Barracks Road. A note, with a balance of $1.4 million at December 31, 1995, was issued in connection with the buyout of a tenant at Queen Anne Plaza in January 1995. The noninterest bearing note of $2.2 million, due in annual installments of $200,000 for 11 years was recorded at its discounted value using an interest rate of 8 7/8%.

In December 1994 the Trust issued a one month note payable January 1995 for $1.1 million in connection with the purchase of Queen Anne Plaza. A 10% note, payable in equal monthly installments with a final maturity in 2013, issued in connection with the renovation of Perring Plaza had a balance of $2.9 million in 1995 and $3.0 million in 1994. A note issued in connection with the acquisition of Federal Plaza, bearing interest at 11% and maturing in 1996, with a balance of $2.9 million in 1994 and $3.0 million in 1995 comprises the majority of the balance of the notes payable.

At December 31, 1995 and 1994 the Trust had $130 million of unsecured medium term revolving credit facilities with four banks. The facilities, which bear interest at LIBOR plus 75 to 100 basis points at December 31, 1995, at LIBOR plus 85 to 100 basis points prior to December 1995, require fees and have covenants requiring a minimum shareholders' equity and a maximum ratio of debt to net worth. The maximum drawn under these facilities during 1995 and 1994 was $66.8 million and $54.7 million, respectively. In 1995 and 1994 the weighted average interest rate on borrowings was 6.9% and 5.6%, respectively, and the average amount outstanding was $26.7 million and $26.3 million, respectively.

NOTE 5. DIVIDENDS

On November 27, 1995 the Trustees declared a quarterly cash dividend of $.41 per share, payable January 12, 1996 to shareholders of record January 2, 1996. For the years ended December 31, 1995, 1994 and 1993, $.43, $.75 and $.45 of dividends paid per share, respectively, represented a return of capital.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Pursuant to the provisions of the Loehmann's Plaza Limited Partnership Agreement, on or after September 1, 1995 the limited partner may require the Trust to purchase his interest in the Partnership at its then fair market value.

The Congressional Plaza Shopping Center Joint Venture Agreement provides that upon six months advance notice the Trust can be required to purchase its pro rata share of one venturer's 22.5% or greater joint venture interest for a purchase price based on the appraised fair market value of the shopping center, but no less than the percentage of joint venture interest being sold multiplied by the difference between $17.5 million and the remaining principal balance of any liabilities of the Joint Venture.

The State of New Jersey Division of Taxation assessed the Trust $364,000 in taxes, penalty and interest for the years 1985 through 1990, since the State disallowed the dividends paid deduction in computing New Jersey taxable income. The Trust protested this assessment since the Trust believed that it was entitled to the deduction. The case was dismissed in December 1995 in favor of the Trust.

As previously reported,certain of the Trust's shopping centers have some environmental contamination. The North Carolina Department of the Environment, Health and Natural

Resources ("DEHNR") issued a Notice of Violation ("NOV") against a former dry cleaner tenant at Eastgate Shopping Center in Chapel Hill, North Carolina concerning a spill at the shopping center. As owner of the shopping center, the Trust was named in and received a copy of the NOV. Estimates to remediate the spill range from $300,000 to $500,000. The Trust has entered into an agreement with two previous owners of the shopping center to share the costs to assess and remediate. In 1993 the Trust recorded a liability of $120,000 as its estimated share of the cleanup costs.

In 1992 contaminants at levels in excess of New Jersey cleanup standards were identified at a shopping center in New Jersey. The Trust has retained an environmental consultant to investigate the contamination. The Trust is also 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.

On September 22, 1995 the Trust purchased the Bristol Shopping Center in Bristol, Connecticut. Pursuant to an agreement executed at closing, the Trust agreed to perform all remedial measures necessary to obtain a final letter of compliance from the Connecticut Commissioner of Environmental Protection with respect to certain identified soil and ground water contamination associated with a former dry cleaning operation. The seller established an escrow account at closing of $187,500 to cover such remedial measures and has indemnified the Trust in connection with the identified contamination.

The Trust reserved $2.25 million at closing in 1993 for environmental issues, principally associated with Gaithersburg Square Shopping Center. Pursuant to an indemnity agreement entered into with the seller at closing, the Trust agreed to take certain actions with respect to identified chlorinated solvent contamination. The seller indemnified the Trust for certain third party claims and government requirements related to contamination at adjacent properties. During the third quarter of 1995 the reserve was reduced by $269,000 with a corresponding reduction in the basis of land at one shopping center since the environmental issue there was resolved.

A nonqualified deferred compensation plan for Trust officers was established in 1994. The plan allows the officers to defer future income until the earlier of age 65 or termination of employment with the Trust. As of December 31, 1995, the Trust is liable to participants for approximately $261,000 under this plan. Although this is an unfunded plan, the Trust has purchased certain investments with which to match this obligation.

The Trust has entered into agreements with certain key employees whereby if these employees voluntarily or involuntarily leave the employment of the Trust within six months after a "change of control" (defined as control of 35% or more of outstanding shares) of the Trust, they will be entitled to a lump sum cash payment equal to one to three times their annual salary as of the date of termination and have their health and welfare benefits and executive privileges continued for a period of one to three years. In the event of a change of control, the Trust also agreed that all restrictions on the exercise or receipt of any stock options and stock grants shall lapse upon termination of employment and that all shares owned at termination shall be redeemed by the Trust at a formula price.

The Trust had previously entered into employment agreements with its President and certain other key employees for terms of up to three years, which automatically renewed at the end of each month unless either party notified the other that it elected not to extend the term. During 1994 the Trust offered certain of the employees covered under these agreements, other than the President, a severance agreement in lieu of the employment agreement. Two employees retained their employment agreements, which agreements now have a fixed declining term. The severance agreement prescribes that, among other things, if the employee is terminated without cause, he/she is entitled to salary for up to 18 months and benefits for up to nine months.

As of December 31, 1995 in connection with the renovation of certain shopping centers, the Trust has contractual obligations of $7.4 million. In addition the Trust is contractually obligated under leases to provide up to $6.0 million in building and tenant improvements.

The Trust is obligated under ground lease agreements on several shopping centers requiring minimum annual payments as follows:

	(in thousands)
1996	$2,851
1997	2,851
1998	2,851
1999	2,859
2000	2,855
Thereafter	157,799
	$172,066

NOTE 7. 5 1/4% CONVERTIBLE SUBORDINATED DEBENTURES

In October 1993 the Trust issued $75.0 million of 5 1/4% convertible subordinated debentures, realizing cash proceeds of approximately $73.0 million. The debentures were not registered under the Securities Act of 1933, and were not publicly distributed within the United States. The debentures, which mature in 2003, are convertible into shares of beneficial interest at $36 per share. The debentures are redeemable by the Trust, in whole, at any time after October 28, 1998 at 100% of the principal amount plus accrued interest.

At December 1995 and 1994 the Trust had outstanding $289,000 of 5 1/4% convertible subordinated debentures due 2002. The debentures which are convertible into shares of beneficial interest at $30.625 were not registered under the Securities Act of 1933 and were not publicly distributed within the United States.

In April 1994, $39.8 million of the debentures were redeemed at a price equal to 120% of their principal amount or $47.8 million, in accordance with a premium put. A principal amount of $53,000 of these debentures was converted into 1,729 shares in 1994. During 1993 the Trust purchased $3.7 million of these debentures, resulting in a loss of $74,000 which was recorded as a component of the net gain on early extinguishment of debt.

NOTE 8. SENIOR NOTES

On January 19, 1995 the Trust issued $100.0 million of 8 7/8% Notes, due January 15, 2000. The notes, which were issued at a price of 99.815%, pay interest semiannually on January 15 and July 15 and are not redeemable prior to maturity. After deducting the underwriting discount and other costs, the Trust netted approximately $98.9 million.

In order to protect itself against the risk that the general level of interest rates for such securities would rise before the senior notes were priced, in December 1994, the Trust entered into two interest rate hedge agreements on a total principal amount of $75.0 million. The cost of the agreements, which terminated on January 20, 1995, was $21,000, which is being amortized into interest expense over the life of the notes.

In January 1995 the Trust executed a five year interest rate swap on $25.0 million, whereby the Trust swapped fixed interest payment obligations of 8.1% for a floating rate interest payment of three month LIBOR. The floating rate during the first quarter of 1995 was 6.2%. In May 1995 the swap was terminated and the Trust sold the swap for $1.5 million, which is being amortized as a deduction to interest expense over the remaining term.

On April 21, 1995 the Trust issued $25.0 million of senior notes, netting $24.9 million after deducting discounts and costs. The notes, which are due April 21, 2002 and bear interest at 8%, payable semiannually on April 21 and October 21, were issued at a price of 99.683%.

On December 8, 1995 the Trust issued an additional $40.0 million of senior notes, netting $39.6 million after deducting costs. The notes, which mature on December 1, 2005 and bear interest at 6 5/8%, payable June 1 and December 1, were issued at a price of 99.3%.

NOTE 9. SHAREHOLDERS' EQUITY

In September 1995 the Trust issued 337,527 shares of beneficial interest valued at $7.3 million in partial consideration for the purchase of Bristol Shopping Center.

In April 1994 the Trust raised net proceeds of $61.3 million from a public offering of 2.5 million shares of beneficial interest ("shares"). In a concurrent offering of 840,000 shares to an institutional investor, the Trust raised net proceeds of $21.7 million. In April 1993 the Trust sold 2.8 million shares in a public offering, raising net proceeds of $72.8 million. In December 1993 the Trust sold 220,000 shares for $5.4 million in a private placement in connection with the long term lease of a property.

The Trust has a Dividend Reinvestment Plan, whereby shareholders may use their dividends to purchase shares. In November 1995 and March 1993, the Trust registered an additional 1.0 million shares and 500,000 shares, respectively, with the Securities and Exchange Commission in connection with the plan. In 1995, 1994, and 1993, 193,965 shares, 162,466 shares and 131,620 shares, respectively, were issued under the Plan.

On January 1, 1994 under the terms of the 1993 Long Term Incentive Plan, an officer of the Trust purchased 40,000 common shares at $25 per share with the assistance of a $1.0 million loan from the Trust. The loan, which has a term of 12 years, bears interest at 6.24%. Forgiveness of up to 75% of the loan is subject to the future performance of the Trust. One eighth of the loan was forgiven on January 31, 1995; another one sixteenth was forgiven on January 31, 1996 as certain performance criteria of the Trust were met.

In January 1991 the Trustees adopted the Federal Realty Investment Trust Share Purchase Plan. Under the terms of this plan, officers and certain employees of the Trust purchased 446,000 common shares at $15.125 per share with the assistance of loans of $6.7 million from the Trust. Originally, the Plan called for one sixteenth of the loan to be forgiven each year for eight years, as long as the participant was still employed by the Trust. The loans for all participants, but two, were modified in 1994 to extend the term an additional four years and to tie forgiveness in 1995 and thereafter to certain performance criteria of the Trust. One sixteenth of the loan was forgiven in 1995. The Trust has loaned participants $839,000 to pay the taxes due in connection with the plan. The purchase loans and the tax loans bear interest at 9.39%. The shares purchased under the plan may not be sold, pledged or assigned until both the purchase and tax loans are satisfied and the term has expired.

Under the terms of the 1988 Share Bonus Plan, 108,000 shares were granted to officers and key employees. During the year ended December 31, 1993, the last 4,000 shares were vested and charged to operations. In connection with these shares, the Trust has made loans to the participants to pay the taxes due in connection with the plan. The notes bear interest at the lesser of (i) the Trust's borrowing rate or (ii) the Trust's current indicated annual dividend rate divided by the purchase price of such shares. Notes issued under this plan are being forgiven over three years from issuance if the officer is still employed by the Trust. During the years ended December 31, 1995, 1994 and 1993, $49,000, $74,000 and $80,000, respectively, was forgiven. The tax loans under this plan and the share purchase plan are recorded as notes receivable-officers.

In connection with a restricted share grant, the Trust accepted from the President a noninterest bearing note for $210,000. One installment of $105,000 was paid on the note in 1992 and the second installment is due April 15, 2001.

In 1987 the Trust purchased approximately $887,000 worth of shares of other real estate investment trusts ("REITs") as a long term investment. In 1994 the Trust recognized an unrealized loss of $449,000 on these shares, since the decline in value of one investment appeared to be permanent. Due to temporary price declines in the other REITs, the Trust had an allowance for unrealized losses of $53,000 as of December 31, 1994. The Trust sold these shares in 1995, recognizing an additional loss of $54,000.

At December 31, 1995, the Trust had 61,328 shares in treasury at a cost of $1.2 million . At December 31, 1994 and 1993, the Trust had 60,200 shares in treasury at a cost of $1.1 million.

On April 13, 1989, the Trustees adopted a Shareholder Rights Plan (the Plan). Under the Plan, one right was issued for each outstanding share of common stock held as of April 24, 1989, and a right will be attached to each share issued in the future. The rights are exercisable into common shares upon the occurrence of certain events, including acquisition by a person or group of certain levels of beneficial ownership or a tender offer by such a person or group. The rights are redeemable by the Trust for $.01 and expire on April 24, 1999.

NOTE 10. STOCK OPTION PLAN

The 1993 Long Term Incentive Plan ("Plan") was approved by shareholders in May 1993. On the date of approval, 472,500 options were awarded to officers, employees and nonemployee Trustees. On December 16, 1993, 69,000 options were awarded to employees. Under the Plan, on each annual meeting date during the term of the plan, each nonemployee Trustee will be awarded 2,500 options. Accordingly on each of May 10, 1995 and May 4, 1994, 20,000 options were awarded to nonemployee Trustees. On February 15, 1995, 719,000 stock options at $20.75 per share were granted to employees of the Trust.

The option price to acquire shares under the 1993 Plan and previous plans is required to be at least the fair market value at the date of grant. As a result of the exercise of options, the Trust has outstanding from its officers and employees notes for $1.9 million. The notes issued under the 1993 plan bear interest at the dividend rate on the date of exercise divided by the purchase price of such shares. The notes issued under the previous plans bear interest at the lesser of (i) the Trust's borrowing rate or (ii) the current indicated annual dividend rate on the shares acquired pursuant to the option, divided by the purchase price of such shares. The notes are collateralized by the shares and are with recourse. In September 1995 the terms of the option loans were modified. The loans, which previously had a five year term, may now have a term extending to the employee's or officer's retirement date. Consequently these loans are now being classified as subscriptions receivable, a component of stockholder's equity, rather than as notes receivable-officers. The 1994 and 1993 balances of notes receivable-officers and subscriptions receivable have been reclassified to allow comparability.

	Shares available for future option grants	Options Shares	Outstanding Price per share
December 31,1992	171,537	373,250	
Expiration of 1989 plan	(171,537)	-	
Adoption of 1993 plan	6,000,000	-	
Options granted	(541,500)	541,500	$25.75-$26.00
Options exercised	-	(53,384)	$15.00-$24.125
Options expired	2,500	(8,250)	$20.875-$26.00
December 31, 1993	5,461,000	853,116	
Options granted	(20,000)	20,000	$24.875
Options exercised	-	(47,240)	$18.00-$22.625
Options expired		(1,750)	$20.875-$25.75
December 31, 1994	5,441,000	824,126	
Options granted	(739,000)	739,000	$20.75-$22.00
Options exercised	---	(20,744)	$15.00-$20.875
Options expired		(47,750)	$17.25-$26.00
December 31, 1995	4,702,000	1,494,632	

NOTE 11. SAVINGS AND RETIREMENT PLAN

The Trust has a savings and retirement plan in accordance with the provisions of Section 401(k) of the Internal Revenue Code. Under the plan, the Trust, out of its current net income, contributed 50% of each employee's contribution. Employees' contributions range, at the discretion of each employee, from 1% to 5% of compensation. In addition, the Trust may make discretionary contributions within the limits of deductibility set forth by the Code. Employees of the Trust, who work over 1,000 hours annually, are eligible to become plan participants. The Trust's expense for the years ended December 31, 1995, 1994 and 1993 was $158,000, $147,000 and $133,000, respectively. In 1995 the Trust recorded a liability for an additional contribution of 1% of salary for all nonofficer employees who are eligible for the 401(k) plan; this is in addition to another 1% of salary which will be paid to all eligible nonofficer employees as a bonus for 1995.

The plan was amended in December 1995 so that effective January 1, 1996 nonofficer participants may defer compensation to the maximum levels allowable, currently the lesser of $9,500 or 17% of income. The Trust will continue to contribute 50% of the deferral up to 5% of compensation.

NOTE 12. INTEREST EXPENSE

The Trust incurred interest expense totaling $40.2 million, $31.8 million and $31.8 million, in 1995, 1994 and 1993, respectively, of which $975,000, $348,000 and $216,000, respectively, was capitalized. Interest paid was $33.4 million in 1995, $39.9 million in 1994 which included $8.0 million of the premium on the 5 1/4% convertible subordinated debentures which were redeemed in April 1994, and $31.4 million in 1993.

NOTE 13. SUBSEQUENT EVENTS

On February 16, 1996, 58,681 options at $21.125 were issued to employees of the Trust.

On February 28, 1996 the Trust purchased two buildings in Winter Park, Florida for a combined purchase price of $6.7 million.

NOTE 14. QUARTERLY DATA (UNAUDITED)

The following summary represents the results of operations for each quarter in 1995 and 1994:

(in thousands, except per share amounts)

	Revenue	Net Income	Earnings per share
1995			
March 31	$36,927	$6,623	$.21
June 30	36,989	5,203 (1)	.16
September 30	38,973	5,918	.19
December 31	41,500	5,366	.16
1994			
March 31	$33,692	$4,083	$.15
June 30	32,794	5,206	.17
September 30	34,796	4,966	.16
December 31	36,482	6,211	.19

(1) Income before loss on sale of real estate was $5.7 million or $.18 per share.

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE III
SUMMARY OF REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1995

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E	
		Initial cost to company		Cost Capitalized	Gross amount at which carried at close of period	
Descriptions	Encumbrance	Land	Building and Improvements	Subsequent to Acquisition	Land	Building and Improvements
ALLWOOD (New Jersey)	$3,569,000	$	$3,920,000	$231,000	$	$4,151,000
ANDORRA (Pennsylvania)		2,432,000	12,346,000	1,529,000	2,432,000	13,875,000
BALA CYNWYD (Pennsylvania)		3,565,000	14,466,000	1,520,000	3,565,000	15,986,000
BARRACKS ROAD (Virginia)	21,765,000	4,363,000	16,459,000	11,080,000	4,363,000	27,539,000
BETHESDA AVENUE ROW (Maryland)	12,576,000	459,000	20,409,000	1,478,000	459,000	21,887,000
BLUESTAR (New Jersey)	27,238,000		29,922,000	1,235,000		31,157,000
BRAINERD VILLAGE (Tennessee)		1,920,000	8,006,000	3,649,000	1,920,000	11,655,000
BRICK PLAZA (New Jersey)	21,362,000		24,715,000	10,851,000		35,566,000
BRISTOL (Connecticut)	11,221,000	3,856,000	15,959,000	0	3,856,000	15,959,000
BRUNSWICK (New Jersey)	11,338,000		12,456,000	890,000		13,346,000
CLIFTON (New Jersey)	3,319,000		3,646,000	117,000		3,763,000
CONGRESSIONAL PLAZA (Maryland)		2,793,000	7,424,000	23,134,000	2,793,000	30,558,000
CONNECTICUT RETAIL BUILDINGS (11)		18,377,000	21,557,000	1,087,000	18,377,000	22,644,000
CROSSROADS (Illinois)		4,635,000	11,611,000	773,000	4,635,000	12,384,000
DEDHAM PLAZA (Massachusetts)		12,369,000	12,918,000	537,000	12,369,000	13,455,000
EASTGATE (North Carolina)		1,608,000	5,775,000	4,283,000	1,608,000	10,058,000
ELLISBURG CIRCLE (New Jersey)		4,028,000	11,309,000	9,608,000	4,028,000	20,917,000
FALLS PLAZA (Virginia)	4,327,000	530,000	735,000	1,319,000	530,000	2,054,000
FEASTERVILLE (Pennsylvania)	837,000		1,600,000	2,420,000		4,020,000
FEDERAL PLAZA (Maryland)	28,797,000	10,216,000	17,895,000	31,065,000	10,216,000	48,960,000
FINLEY SQUARE (Illinois)		9,252,000	9,544,000	568,000	9,252,000	10,112,000
FLOURTOWN (Pennsylvania)		1,345,000	3,943,000	1,539,000	1,345,000	5,482,000
FOREST CITY (Michigan)		525,000	1,601,000	2,069,000	525,000	3,670,000
GAITHERSBURG SQUARE (Maryland)		7,701,000	5,271,000	9,630,000	7,701,000	14,901,000
GARDEN MARKET (Illinois)		2,677,000	4,829,000	254,000	2,677,000	5,083,000
GOVERNOR PLAZA (Maryland)		2,068,000	4,905,000	9,818,000	2,068,000	14,723,000
HAMILTON (New Jersey)	4,920,000		5,405,000	1,776,000		7,181,000
HUNTINGTON (New York)	14,571,000		16,008,000	4,230,000		20,238,000
IDYLWOOD PLAZA (Virginia)		4,308,000	10,026,000	225,000	4,308,000	10,251,000
ILLINOIS RETAIL BUILDINGS (2)		1,291,000	2,325,000	24,000	1,291,000	2,349,000
LANCASTER (Pennsylvania)	1,231,000		2,103,000	2,541,000		4,644,000
LANGHORNE SQUARE (Pennsylvania)		720,000	2,974,000	8,243,000	720,000	11,217,000
LAUREL (Maryland)		7,458,000	22,525,000	12,148,000	7,458,000	34,673,000
LAWRENCE PARK (Pennsylvania)	4,144,000		7,160,000	5,390,000		12,550,000
LOEHMANN'S PLAZA (Virginia)	6,499,000	1,237,000	15,096,000	4,484,000	1,248,000	19,569,000
MASSACHUSETTS RETAIL BLDG (1)		1,873,000	1,884,000	32,000	1,873,000	1,916,000
MID PIKE PLAZA (Maryland)	10,041,000		10,335,000	5,257,000		15,592,000
NEW JERSEY RETAIL BUILDINGS (1)		737,000	1,466,000	111,000	737,000	1,577,000
NORTHEAST (Pennsylvania)	1,500,000	1,152,000	10,596,000	8,549,000	1,152,000	19,145,000
NORTHEAST PLAZA (Georgia)		6,930,000	26,236,000	5,073,000	6,933,000	31,306,000
NORTH LAKE COMMONS (Illinois)		2,529,000	8,604,000	275,000	2,529,000	8,879,000
OLD KEENE MILL (Virginia)	7,094,000	638,000	998,000	2,483,000	638,000	3,481,000
PAN AM SHOPPING CENTER (Virginia)		8,694,000	12,929,000	2,330,000	8,694,000	15,259,000
PARK & SHOP (District of Columbia)		4,840,000	6,319,000	73,000	4,840,000	6,392,000
PERRING PLAZA (Maryland)		2,800,000	6,461,000	14,261,000	2,800,000	20,722,000
QUEEN ANNE PLAZA (Massachusetts)		3,319,000	8,457,000	2,099,000	3,319,000	10,556,000
QUINCE ORCHARD PLAZA (Maryland)		3,197,000	7,949,000	3,065,000	2,928,000	11,283,000
ROLLINGWOOD APTS. (Maryland)		552,000	2,246,000	3,433,000	572,000	5,659,000
RUTGERS (New Jersey)	13,135,000		14,429,000	610,000		15,039,000
SHILLINGTON (Pennsylvania)	716,000		1,387,000	1,595,000		2,982,000
SHIRLINGTON (Virginia)		8,761,000	14,808,000	0	8,761,000	14,808,000

		COLUMN F	COLUMN G	COLUMN H	COLUMN I
	Total	Accumulated Depreciation and Amortization	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed
ALLWOOD (New Jersey)	$4,151,000	$834,000	1958	12/12/88	35 years
ANDORRA (Pennsylvania)	16,307,000	3,192,000	1953	01/12/88	35 years
BALA CYNWYD (Pennsylvania)	19,551,000	1,042,000	1955	09/22/93	35 years
BARRACKS ROAD (Virginia)	31,902,000	9,388,000	1958	12/31/85	35 years
BETHESDA AVENUE ROW (Maryland)	22,346,000	1,136,000	1945-1991	12/31/93	35 years
BLUESTAR (New Jersey)	31,157,000	6,339,000	1959	12/12/88	35 years
BRAINERD VILLAGE (Tennessee)	13,575,000	2,994,000	1960	12/31/87	35 years
BRICK PLAZA (New Jersey)	35,566,000	5,178,000	1958	12/28/89	35 years
BRISTOL (Connecticut)	19,815,000	113,000	1959	9/22/95	35 years
BRUNSWICK (New Jersey)	13,346,000	2,817,000	1957	12/12/88	35 years
CLIFTON (New Jersey)	3,763,000	751,000	1959	12/12/88	35 years
CONGRESSIONAL PLAZA (Maryland)	33,351,000	8,391,000	1965	04/01/65	20 years
CONNECTICUT RETAIL BUILDINGS (11)	41,021,000	317,000	1900-1991	1994-1995	35 years
CROSSROADS (Illinois)	17,019,000	907,000	1959	07/19/93	35 years
DEDHAM PLAZA (Massachusetts)	25,824,000	778,000	1959	12/31/93	35 years
EASTGATE (North Carolina)	11,666,000	3,431,000	1963	12/18/86	35 years
ELLISBURG CIRCLE (New Jersey)	24,945,000	2,186,000	1959	10/16/92	35 years
FALLS PLAZA (Virginia)	2,584,000	1,517,000	1962	09/30/67	22 3/4 years
FEASTERVILLE (Pennsylvania)	4,020,000	2,705,000	1958	07/23/80	20 years

FEDERAL PLAZA (Maryland)	59,176,000	7,463,000	1970	06/29/89	35 years
FINLEY SQUARE (Illinois)	19,364,000	158,000	1974	04/27/95	35 years
FLOURTOWN (Pennsylvania)	6,827,000	1,301,000	1957	04/25/80	35 years
FOREST CITY (Michigan)	4,195,000	1,572,000	1964	03/29/73	25 3/4 years
GAITHERSBURG SQUARE (Maryland)	22,602,000	641,000	1966	04/22/93	35 years
GARDEN MARKET (Illinois)	7,760,000	186,000	1958	07/28/94	35 years
GOVERNOR PLAZA (Maryland)	16,791,000	5,114,000	1963	10/01/85	35 years
HAMILTON (New Jersey)	7,181,000	1,642,000	1961	12/12/88	35 years
HUNTINGTON (New York)	20,238,000	3,806,000	1962	12/12/88	35 years
IDYLWOOD PLAZA (Virginia)	14,559,000	488,000	1991	04/15/94	35 years
ILLINOIS RETAIL BUILDINGS (2)	3,640,000	6,000	1900-1927	1995	35 years
LANCASTER (Pennsylvania)	4,644,000	2,667,000	1958	04/24/80	22 years
LANGHORNE SQUARE (Pennsylvania)	11,937,000	3,330,000	1966	01/31/85	35 years
LAUREL (Maryland)	42,131,000	9,152,000	1956	08/15/86	35 years
LAWRENCE PARK (Pennsylvania)	12,550,000	8,335,000	1972	07/23/80	22 years
LOEHMANN'S PLAZA (Virginia)	20,817,000	7,558,000	1971	07/21/83	35 years
MASSACHUSETTS RETAIL BLDG (1)	3,789,000	18,000	1930	09/07/95	35 years
MID PIKE PLAZA (Maryland)	15,592,000	5,786,000	1963	05/18/82	35 years
NEW JERSEY RETAIL BUILDINGS (1)	2,314,000	0	1940	08/16/95	35 years
NORTHEAST (Pennsylvania)	20,297,000	5,353,000	1959	08/30/83	35 years
NORTHEAST PLAZA (Georgia)	38,239,000	9,336,000	1952	12/31/86	35 years
NORTH LAKE COMMONS (Illinois)	11,408,000	419,000	1989	04/27/94	35 years
OLD KEENE MILL (Virginia)	4,119,000	1,810,000	1968	06/15/76	33 1/3 years
PAN AM SHOPPING CENTER (Virginia)	23,953,000	1,531,000	1979	02/05/93	35 years
PARK & SHOP (District of Columbia)	11,232,000	0	1930	12/01/95	35 years
PERRING PLAZA (Maryland)	23,522,000	4,826,000	1963	10/01/85	35 years
QUEEN ANNE PLAZA (Massachusetts)	13,875,000	419,000	1967	12/23/94	35 years
QUINCE ORCHARD PLAZA (Maryland)	14,211,000	878,000	1975	04/22/93	35 years
ROLLINGWOOD APTS. (Maryland)	6,231,000	4,162,000	1960	01/15/71	25 years
RUTGERS (New Jersey)	15,039,000	2,947,000	1973	12/12/88	35 years
SHILLINGTON (Pennsylvania)	2,982,000	1,764,000	1956	07/23/80	20 years
SHIRLINGTON (Virginia)	23,569,000	0	1940	12/21/95	35 years

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E	
		Initial cost to company		Cost Capitalized Subsequent to Acquisition	Gross amount at which carried at close of period	
Descriptions	Encumbrance	Land	Building and Improvements		Land	Building and Improvements
TOWN & COUNTRY (Louisiana)		1,326,000	3,440,000	601,000	1,326,000	4,041,000
TOWN & COUNTRY (Illinois)		904,000	2,483,000	4,893,000	904,000	7,376,000
TROY (New Jersey)	2,832,000		5,193,000	5,397,000		10,590,000
TYSONS STATION (Virginia)	4,319,000	388,000	453,000	2,351,000	475,000	2,717,000
WESTFALLS (Virginia)	4,966,000	538,000	535,000	2,066,000	559,000	2,580,000
WILDWOOD (Maryland)		9,111,000	1,061,000	5,163,000	9,111,000	6,224,000
WILLIAMSBURG (Virginia)		2,758,000	7,160,000	2,529,000	2,758,000	9,689,000
WILLOW GROVE (Pennsylvania)		1,600,000	6,643,000	16,641,000	1,600,000	23,284,000
WILLOW LAWN (Virginia)		3,192,000	7,723,000	38,840,000	3,192,000	46,563,000
TOTALS	$222,317,000	$175,572,000	$536,638,000	$297,472,000	$175,445,000	$834,237,000

		COLUMN F	COLUMN G	COLUMN H	COLUMN I
	Total	Accumulated Depreciation and Amortization	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed
TOWN & COUNTRY (Louisiana)	5,367,000	647,000	1974	12/31/90	35 years
TOWN & COUNTRY (Illinois)	8,280,000	5,729,000	1968	10/15/73	25 years
TROY (New Jersey)	10,590,000	5,552,000	1966	07/23/80	22 years
TYSONS STATION (Virginia)	3,192,000	2,369,000	1954	01/17/78	17 years
WESTFALLS (Virginia)	3,139,000	1,771,000	1960	10/05/72	25 years
WILDWOOD (Maryland)	15,335,000	4,505,000	1958	05/05/69	33 1/3 years
WILLIAMSBURG (Virginia)	12,447,000	3,029,000	1961	04/30/86	35 years
WILLOW GROVE (Pennsylvania)	24,884,000	6,832,000	1953	11/20/84	35 years
WILLOW LAWN (Virginia)	49,755,000	13,677,000	1957	12/05/83	35 years
TOTALS	$1,009,682,000	$190,795,000			

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE III
SUMMARY OF REAL ESTATE AND ACCUMULATED
DEPRECIATION - CONTINUED
Three Years Ended December 31, 1995

Reconciliation of Total Cost

Balance, January 1, 1993	$598,867,000
Additions during period	
Acquisitions	123,083,000
Improvements	37,110,000
Deduction during period - disposition of property and miscellaneous retirements	(972,000)
Balance, December 31, 1993	758,088,000
Additions during period	
Acquisitions	49,438,000
Improvements	46,916,000
Deductions during period - miscellaneous retirements	(1,720,000)
Balance, December 31, 1994	852,722,000
Additions during period	
Acquisitions	123,722,000
Improvements	38,001,000
Deduction during period - disposition of property and miscellaneous retirements	(4,763,000)
Balance, December 31, 1995	$1,009,682,000

(A) For Federal tax purposes, the aggregate cost basis is approximately $892,762,000 as of December 31, 1995.

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE III
SUMMARY OF REAL ESTATE AND ACCUMULATED
DEPRECIATION - CONTINUED
Three Years Ended December 31, 1995

Reconciliation of Accumulated Depreciation and Amortization

Balance, January 1, 1993	$113,182,000
Additions during period	
Depreciation and amortization expense	22,643,000
Deductions during period - disposition of property and miscellaneous retirements	(780,000)
Balance, December 31, 1993	135,045,000
Additions during period	
Depreciation and amortization expense	26,681,000
Deductions during period - miscellaneous retirements	(1,090,000)
Balance, December 31, 1994	160,636,000
Additions during period	
Depreciation and amortization expense	31,550,000
Deductions during period - disposition of property and miscellaneous retirements	(1,391,000)
Balance, December 31, 1995	$190,795,000

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE IV
MORTGAGE LOANS ON REAL ESTATE
Year Ended December 31, 1995

Column A	Column B	Column C	Column D	Column E	Column F	Column G
Description of Lien	Interest Rate	Maturity Date	Periodic Payment Terms	Prior Liens	Face Amount of Mortgage	Carrying Amount of Mortgages (1)
Leasehold mortgage on shopping center in New Jersey	10%	December 2003	Interest only monthly; $10,000,000 balloon payment December 2003	---	10,000,000	10,000,000 (2)
Mortgage on shopping center in New Jersey	10%	January 1997	Interest only monthly; balloon payment January 1997	---	4,020,000	3,182,000 (3)
Mortgage on retail buildings in Philadelphia	Greater of prime plus 2% or 10%	November 1997	Interest only monthly; balloon payment January 1997		900,000	379,000 (4)
				---	$14,920,000	$13,561,000

1) For Federal tax purposes, the aggregate tax basis is approximately $13,561,000 as of December 31, 1995. No payments are delinquent on these mortgages.

2) This mortgage is extendable for up to 45 years with interest increasing to a maximum of 11%.

3) This mortgage is available for up to $4,020,000. At December 31, 1994, $3,178,000 was outstanding.

4) This mortgage is available for up to $900,000.

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE IV
MORTGAGE LOANS ON REAL ESTATE-CONTINUED
Year Ended December 31, 1995

	RECONCILIATION OF CARRYING AMOUNT
Balance, January 1, 1993	$16,693,000
Additions during period	
Increase in existing loan	47,000
Deductions during period	
First trust on wrap mortgage transferred to borrower	(2,801,000)
Collections of principal	(68,000)
Balance, December 31, 1993	13,871,000
Additions during period	
Increase in existing loan	7,000
Deductions during period	
Wrap portion of wrap mortgage written off as uncollectible	(700,000)
Balance, December 31, 1994	13,178,000
Additions during period	
Increase in existing loan	4,000
Issuance of loan	379,000
Balance, December 31, 1995	$13,561,000

Report of Independent Certified Public Accountants on Supplemental Information

Trustees and Shareholders
Federal Realty Investment Trust

In connection with our audit of the consolidated financial statements of Federal Realty Investment Trust referred to in our report dated February 9, 1996 which is included in this Form 10-K, we have also audited Schedules III and IV as of December 31, 1995 and for each of the three years then ended. In our opinion, these schedules present fairly, in all material respects, the information required to be set forth therein.

Grant Thornton LLP
Washington, D.C.
February 9, 1996

Exhibit 23

Consent of Independent Accountants

We have issued our reports dated February 9, 1996 accompanying the consolidated financial statements and schedules included in the Annual Report of Federal Realty Investment Trust on Form 10K for the year ended December 31, 1995. We hereby consent to the incorporation by reference of said reports in the Registration Statement of Federal Realty Investment Trust on Form S-3 (File No. 33-63687, effective December 4, 1995, which pursuant to Rule 429 of the Securities and Exchange Act of 1934 constitues a post-effective amendment to Registration Statement No. 33-51029 effective December 13, 1993).

Grant Thornton LLP
Washington, D.C.
March 15, 1996

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET OF FEDERAL REALTY INVESTMENT TRUST AS OF DECEMBER 31, 1995 AND THE RELATED CONSOLIDATED STATEMENT OF OPERATIONS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

12-MOS
DEC-31-1995
DEC-31-1995
10,521
261
16,102
0
0
0
1,009,682
(190,795)
886,154
0
512,586
0
0
508,870
(181,402)
886,154
0
150,276
0
49,564
0
0
39,268
23,110
0
0
0
0
0
23,110
.72
0

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