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

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

For the Quarter Ended: June 30, 1996

Commission File No. 1-7533

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)

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

Yes X . No_____.

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

Class	Outstanding at August 6, 1996
Common Shares of Beneficial Interest	34,135,438

This report contains 21 pages.

FEDERAL REALTY INVESTMENT TRUST

S.E.C. FORM 10-Q

June 30, 1996

I N D E X

FEDERAL REALTY INVESTMENT TRUST

S.E.C. FORM 10-Q

June 30, 1996

PART I. FINANCIAL INFORMATION

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

The balance sheet as of December 31, 1995 was audited by Grant Thornton LLP, independent public accountants, who expressed an unqualified opinion on it in their report dated February 9, 1996. All other financial information presented is unaudited but has been reviewed as of June 30, 1996 and for each of the six months ended June 30, 1996 and 1995 by Grant Thornton LLP whose report thereon appears on Page 4. All adjustments and disclosures proposed by them have been reflected in the data presented.

Accountants' Review Report

Trustees and Shareholders
Federal Realty Investment Trust

We have reviewed the accompanying consolidated balance sheet of Federal Realty Investment Trust as of June 30, 1996 and the related consolidated statements of operations, shareholders' equity and cash flows for the six month periods ended June 30, 1996 and 1995, and the consolidated statements of operations for the three month periods ended June 30, 1996 and 1995. These financial statements are the responsibility of the Trust's management.

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

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

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1995 and the related consolidated statements of operations, shareholders' equity and cash flows for the year then ended (not presented herein); and in our report dated February 9, 1996, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1995 is stated fairly, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Grant Thornton LLP

Washington, D.C.
August 9, 1996

Federal Realty Investment Trust

CONSOLIDATED BALANCE SHEETS

	June 30 1996 (Unaudited)	December 31, 1995
	(in thousands)	
ASSETS		
Investments		
Real estate, at cost	$1,047,226	$1,009,682
Less accumulated depreciation and amortization	(206,813)	(190,795)
	840,413	818,887
Mortgage notes receivable	23,327	13,561
	863,740	832,448
Other Assets		
Cash	6,865	10,521
Investments	536	261
Notes receivable - officers	1,191	1,011
Accounts receivable	15,699	15,091
Prepaid expenses and other assets, principally property taxes and lease commissions	22,289	22,987
Debt issue costs (net of accumulated amortization of $4,117,000 and $3,918,000, respectively)	3,495	3,835
	$ 913,815	$ 886,154
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Obligations under capital leases	131,237	131,829
Mortgages payable	89,847	90,488
Notes payable	52,503	49,980
Accrued expenses	17,998	19,048
Accounts payable	7,210	8,571
Dividends payable	13,980	13,191
Security deposits	3,208	3,083
Prepaid rents	1,138	787
Senior notes	165,000	165,000
5 1/4% Convertible subordinated debentures	75,289	75,289
Investors' interest in consolidated assets	1,240	1,420
Commitments and contingencies	-	-
Shareholders' equity		
Common shares of beneficial interest, no par or stated value, unlimited authorization, issued 34,159,159 and 32,221,670 shares, respectively	550,752	508,870
Accumulated dividends in excess of Trust net income	(187,104)	(172,835)
	363,648	336,035
Less 62,386 and 61,328 common shares in treasury - at cost, respectively, deferred compensation and subscriptions receivable	(8,483)	(8,567)
	355,165	327,468
	$ 913,815	$ 886,154

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

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

(In thousands, except per share data)	Six months ended June 30, 1996	1995
Revenue		
Rental income	$80,660	$68,647
Interest	1,919	1,893
Other income	4,763	3,376
	87,342	73,916
Expenses		
Rental	21,717	16,219
Real estate taxes	7,969	6,985
Interest	22,288	18,716
Administrative	3,822	2,817
Depreciation and amortization	18,676	16,988
	74,472	61,725
Operating income before investors' share of operations and loss on real estate to be sold	12,870	12,191
Investors' share of operations	53	170
Income before loss on real estate to be sold	12,923	12,361
Loss on real estate to be sold	-	(535)
Net Income	$12,923	$11,826
Weighted Average Number of Common Shares	32,666	31,691
Earnings per share		
Income before loss on real estate to be sold	$0.40	$0.39
Loss on real estate to be sold	0.00	(0.02)
	$0.40	$0.37

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

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

(In thousands, except per share data)	Three months ended June 30, 1996	1995
Revenue		
Rental income	$39,913	$34,240
Interest	1,056	887
Other income	2,601	1,862
	43,570	36,989
Expenses		
Rental	9,924	8,264
Real estate taxes	4,045	3,588
Interest	11,139	9,559
Administrative	2,136	1,390
Depreciation and amortization	9,344	8,619
	36,588	31,420
Operating income before investors' share of operations and loss on real estate to be sold	6,982	5,569
Investors' share of operations	(85)	169
Income before loss on real estate to be sold	6,897	5,738
Loss on real estate to be sold	-	(535)
Net Income	$ 6,897	$ 5,203
Weighted Average Number of Common Shares	33,066	31,723
Earnings per share		
Income before loss on real estate to be sold	$ 0.21	$ 0.18
Loss on real estate to be sold	0.00	(0.02)
	$ 0.21	$ 0.16

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

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

	Six months ended June 30,			
	1996		1995	
(In thousands, except per share amounts)	Shares	Amount	Shares	Amount
Common Shares of Beneficial Interest				
Balance, beginning of period	32,221,670	$508,870	31,669,434	$496,958
Net proceeds from sale of shares	1,818,182	39,327		
Exercise of stock options	26,501	531	7,744	122
Shares issued under dividend reinvestment plan	92,806	2,024	96,754	2,024
Balance, end of period	34,159,159	$550,752	31,773,932	$499,104
Common Shares of Beneficial Interest in Treasury, Deferred Compensation and Subscriptions Receivable				
Balance, beginning of period	(500,095)	(8,567)	(539,188)	(9,130)
Amortization of deferred compensation	30,250	482	32,875	547
Purchase of shares under share purchase plan	1,250	19		
Purchase of treasury shares	(1,058)	(24)		
Payment of (issuance of) stock option loans, net	(19,834)	(393)	7,028	45
Balance, end of period	(489,487)	(8,483)	(499,285)	(8,538)
Allowance for Unrealized Loss on Marketable Securities				
Balance, beginning of period		$0		($53)
Unrealized (loss) recovery		0		42
Balance, end of period		$0		($11)
Accumulated Dividends in Excess of Trust Net Income				
Balance, beginning of period		($172,835)		($144,553)
Net income		12,923		11,826
Dividends declared to shareholders		(27,192)		(25,035)
Balance, end of period		($187,104)		($157,762)

The accompanying notes are an integral part of these statements.

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

(In thousands)	Six months ended June 30, 1996	1995
OPERATING ACTIVITIES		
Net income	$12,923	$11,826
Adjustments to reconcile net income to net cash provided by operations		
Depreciation and amortization	18,676	16,988
Rent abatements in lieu of leasehold improvements, net of tenant improvements retired	216	(918)
Imputed interest and amortization of debt cost	368	356
Amortization of deferred compensation and forgiveness of officers' notes	249	265
Loss on real estate to be sold	-	535
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(608)	3,718
Increase in prepaid expenses and other assets before depreciation and amortization	(998)	(1,569)
(Decrease) increase in operating accounts payable, security deposits and prepaid rent	(946)	1,108
Increase (decrease) in accrued expenses, net of the premium put on the 5 1/4% convertible subordinated debentures	(778)	6,179
Net cash provided by operating activities	29,102	38,488
INVESTING ACTIVITIES		
Acquisition of real estate	(19,494)	(56,759)
Capital expenditures	(19,183)	(17,820)
Net increase in notes receivable	(9,954)	(168)
Net (increase) decrease in temporary investments	(275)	142
Net cash used in investing activities	(48,906)	(74,605)
FINANCING ACTIVITIES		
Regular payments on mortgages, capital leases, and notes payable	(1,374)	(1,087)
Balloon payments of mortgages and notes payable	(3,000)	(23,601)
Net increase (decrease) in lines of credit	5,621	(35,380)
Issuance of senior notes, net of costs	-	123,761
Dividends paid	(25,099)	(23,625)
Issuance of shares of beneficial interest	40,180	772
Decrease in minority interest	(180)	(160)
Net cash provided by financing activities	16,148	40,680
Increase (decrease) in cash	(3,656)	4,563
Cash at beginning of period	10,521	3,995
Cash at end of period	$ 6,865	$ 8,558

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1996
(see accountants' review report)
(unaudited)

NOTE A - ACCOUNTING POLICIES AND OTHER DATA

Reference should be made to the notes to financial statements included in the Annual Report to shareholders for the year ended December 31, 1995 which contain the Trust's accounting policies and other data.

NOTE B - DIVIDENDS PAYABLE

On June 12, 1996 the Trustees declared a cash dividend of $.41 per share, payable July 15, 1996 to shareholders of record June 28, 1996.

NOTE C - REAL ESTATE

On February 28, 1996 the Trust purchased, for cash, two retail buildings totalling 28,446 square feet in Winter Park, Florida for a cost of $6.8 million.

On May 6, 1996 the Trust purchased a 14,712 square foot building in Greenwich, Connecticut, for $3.2 million in cash. On June 4, 1996 the Trust purchased a 21,954 square foot building in Greenwich, Connecticut for $9.5 million in cash. In connection with the purchase of these two buildings, the Trust paid $80,500 in commissions to a company that is wholly owned by the brother of the Trust's president.

NOTE D - MORTGAGE NOTES RECEIVABLE

On April 22, 1996 the Trust made a $9.2 million convertible participating loan to a partnership, secured by retail properties in Manayunk, Pennsylvania. The loan bears interest at 10% plus additional interest based upon the gross income of the secured properties. In addition, upon sale of the properties, the Trust will share in the appreciation of the properties. From and after April 2006, which date may be extended to April 2008, the Trust has the option to convert the loan into a partnership interest.

In 1995 the Trust issued a mortgage for up to $900,000 to a partnership with common ownership to the partnership above. During 1996 the Trust loaned the partnership $514,000 on this mortgage for a total outstanding of $893,000. The loan, which is due November 1997, is secured by properties in Manayunk, Pennsylvania and requires monthly interest payments at the greater of prime plus 2% or 10%.

NOTE E - NOTES PAYABLE

The Trust has $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, require fees and have covenants requiring a minimum shareholders' equity and a maximum ratio of debt to net worth. At June 30, 1996 there was $45.7 million borrowed under these credit facilities. The maximum drawn during the first six months of 1996 was $76.2 million. The weighted average interest rate on borrowings for the six months ended June 30, 1996 was 6.5%.

In June 1996 the Trust repaid a $3 million note which had been issued in connection with the purchase of Federal Plaza in 1989.

NOTE E - SHAREHOLDERS' EQUITY

On May 24, 1996 the Trust sold 1.8 million shares at $22 per share, netting $39.3 million. The proceeds were used to repay borrowings on the Trust's revolving credit facilities.

During the first six months of 1996, 26,501 shares were issued at prices ranging from $18.00 a share to $20.875 a share as the result of the exercise of stock options. The Trust accepted notes of $393,000 from certain of its officers and employees in connection with the issuance of 19,834 of these shares.

On February 16, 1996, 58,681 options at $21.125 per share were granted to employees of the Trust. An option for 20,000 shares at $21 per share was granted to an employee upon commencement of his employment.

On May 2, 1996 each of the trustees, other than the president, was awarded 2,500 options at $21.625 per share.

NOTE F - INTEREST EXPENSE

The Trust incurred interest expense totaling $22.8 million during the first six months of 1996 and $19.1 million during the first six months of 1995, of which $465,000 and $390,000, respectively, were capitalized. Interest paid was $22.6 million in the first six months of 1996 and $13.0 million in the first six months of 1995.

The ratio of earnings to fixed charges was 1.53x for the first six months of 1996 and 1.61x for the comparable period in 1995. The ratio of funds from operations to fixed charges was

2.30x for the first six months of 1996 and 2.43x for the first six months of 1995.

NOTE G - COMMITMENTS AND CONTINGENCIES

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 drycleaner 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 clean up 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. 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.

The Trust reserved approximately $2 million at closing in 1993 for environmental issues 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.

In connection with the purchase of Bristol Shopping Center in 1995, 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.

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.

At June 30, 1996 in connection with certain redevelopment projects and tenant improvements, the Trust is contractually obligated on contracts of approximately $7.5 million. At June 30, 1996 the Trust is also obligated under leases with tenants to provide up to an additional $13.8 million for improvements.

NOTE H - COMPONENTS OF RENTAL INCOME

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

	1996	1995
	(in thousands)	
Retail properties		
Minimum rents	$63,551	$53,847
Cost reimbursements	13,521	10,946
Percentage rents	2,366	2,630
Apartments	1,222	1,224
	$80,660	$68,647

NOTE I - SUBSEQUENT EVENTS

On July 2, 1996 the Trust was granted a purchase option on land in Bethesda, Maryland in exchange for a refundable deposit of $50,000 and a $3.6 million loan secured by the land. The loan requires monthly payments of interest at 9% until March 31, 1997 and 9.5% thereafter. The Note is due on the earlier of the exercise of the purchase option or March 31, 1998.

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

LIQUIDITY AND CAPITAL RESOURCES

Federal Realty meets its liquidity requirements through net cash provided by operating activities, long term borrowing through debt offerings and mortgages, medium and short term borrowing under revolving credit facilities, and equity offerings. Because 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.

Operating activities during the first six months of 1996 generated $29.1 million, of which $25.1 million was distributed to shareholders. During the first six months of 1995, $38.5 million was generated from operating activities, of which $23.6 million was distributed to shareholders. Less cash was generated from operating activities in the first six months of 1996 than the first six months of 1995 despite the $1.1 million increase in net income in 1996 and the $1.7 million increase in depreciation in 1996 because of $12.2 million more being used in 1996 for other operating uses of cash than in 1995, primarily changes in accounts receivable and accrued expenses. In 1995, $3.7 million was generated from a decrease in accounts receivable and $6.2 million was generated from an increase in accrued expenses, primarily interest on the senior notes, whereas in 1996 accounts receivable increased $608,000 and accrued expenses decreased $778,000.

During the first six months of 1996 the Trust purchased four retail properties; in February the Trust purchased two retail buildings in Winter Park, Florida for $6.8 million in cash, in May the Trust purchased a retail building in Greenwich, Connecticut for $3.2 million in cash and in June the Trust purchased another retail building in Greenwich for $9.5 million in cash. During the first six months of 1996 another $19.2 million was spent on tenant work and improvements to Trust properties; these improvements included: (1) $1.4 million on the redevelopment of Brick Plaza which was begun in 1995; (2) $2.2 million to buy out below market leases; (3) $4.5 million to begin the construction of an additional 30,000 square feet at Congressional Plaza; and (4) $2.0 million to begin the redevelopment and expansion of a portion of Bethesda Row.

During the first six months of 1996 the Trust made two mortgage loans, secured by retail property in Manayunk, Pennsylvania; a $9.2 million 25 year loan which bears base interest at 10% and which is convertible into a partnership interest in the secured properties and a $514,000 loan due November 1997 which bears interest at the greater of prime plus 2% or 10%.

In June 1996 the Trust repaid a $3 million note which had been issued in connection with the purchase of Federal Plaza in 1989.

These expenditures were primarily financed with borrowings under revolving credit facilities. The Trust has available $130.0 million of unsecured medium-term revolving credit facilities with four banks. The facilities, which require fees and have covenants requiring a minimum shareholders' equity and a maximum ratio of debt to net worth, are used to fund acquisitions and other cash requirements until conditions are favorable for issuing equity or long term debt. At June 30, 1996 the Trust had $45.7 million borrowed under these facilities. The maximum amount borrowed under these facilities during the first six months of 1996 was $76.2 million. Amounts advanced under these facilities bear interest at LIBOR plus 75 - 100 basis points; the weighted average interest rate on borrowings during the six months ended June 30, 1996 was 6.5%.

On May 24, 1996 the Trust sold 1.8 million shares at $22 per share, netting $39.3 million. These proceeds were used to repay borrowings on the Trust's revolving credit facilities.

The Trust is contractually obligated on contracts of approximately $7.5 million for redevelopment and tenant improvements and is committed under leases for up to an additional $13.8 million in tenant work. In addition to these committed amounts, the Trust has budgeted an additional $7 million for the remainder of 1996 for improvements to its properties. These committed and budgeted improvements include a 30,000 square foot expansion at Congressional Plaza, a renovation and expansion of a portion of Bethesda Row, a reconstruction of a portion of Crossroads Shopping Center, and a retenanting and renovation of a portion of Troy Shopping Center. These expenditures will be funded with the revolving credit facilities pending their long term financing with either equity or debt.

The Trust continues to seek to acquire existing retail properties. In addition, the Trust is searching for sites 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 financing will depend upon many factors, including the market price for the Trust's shares, interest rates and the ratio of debt to net worth. The Trust believes that it will be able to raise this capital as needed, based on its past success in so doing.

CONTINGENCIES

As previously reported, certain of the Trust's shopping centers have some environmental contamination. The North Carolina Department of the Environment, Health and Natural Resources ("DEHNR") issued a Notice of Violation ("NOV") against a former drycleaner 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 clean up 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. 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.

The Trust reserved approximately $2 million at closing in 1993 for environmental issues 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 of certain third party claims and government requirements related to contamination at adjacent properties.

In connection with the purchase of Bristol Shopping Center in 1995, 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.

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.

Recently the unfavorable trends in the retail environment have led to a number of retail bankruptcies. A further weakening of the retail environment and additional bankruptcies could adversely impact the Trust, by increasing vacancies and decreasing rents. In past difficult 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.

RESULTS OF OPERATIONS - SIX MONTHS ENDED JUNE 30, 1996 AND 1995

The Trust has historically reported its funds from operations in addition to its net income. Funds from operations is a supplemental measure of real estate companies' operating performance which excludes historical cost depreciation, since real estate values have historically risen and fallen with market conditions rather than over time. Funds from operations is defined by The National Association of Real Estate Investment Trusts ("NAREIT") as follows: income before depreciation and amortization of real estate assets and before extraordinary items and significant non-recurring events less gains on sale of real estate. The Trust complies with this definition. Funds from operations does not replace net income as a measure of performance or net cash provided by operating activities as a measure of liquidity. Rather, funds from operations has been adopted by real estate investment trusts to provide a consistent supplemental measure of operating performance in the industry.

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

	1996	1995
	(in thousands)	
Net income	$12,923	$11,826
Plus: depreciation and amortization of real estate assets	16,697	15,051
amortization of initial direct costs of leases	1,185	1,195
loss on sale and nonrecurring items	-	535
Funds from operations	$30,805	$28,607

Funds from operations increased 8% to $30.8 million for the six months ended June 30, 1996 from $28.6 million for the six months ended June 30, 1995.

Rental income, which consists of minimum rent, percentage rent and cost recoveries, increased 17% from $68.6 million in the first six months of 1995 to $80.7 million in the first six months of 1996. If properties purchased and sold in 1995 and 1996 are excluded, rental income increased 7%.

Minimum rent increased 17% from $55.1 million in the first six months of 1995 to $64.8 million in the first six months of 1996. Excluding properties purchased and sold in 1995 and 1996, minimum rent increased 6.5%. Forty-six percent of the increase results from rent increases at Brick Plaza, Gaithersburg Square and Congressional Plaza, all of which have recently been renovated and retenanted.

Cost reimbursements consist of tenant reimbursements of real estate taxes (real estate tax recovery) and common area maintenance expenses (CAM recovery). Cost reimbursements increased 24% from $10.9 million during the first six months of 1995 to $13.5 million during the first six months of 1996. The increase was due to the recent acquisitions, the partial recovery of increased CAM expenses, primarily snow removal, and an acceleration of billing CAM capital items from once at year end to monthly.

Other property income includes items which tend to fluctuate from period to period, such as utility reimbursements, telephone income, merchant association dues, lease termination fees, late fees and temporary tenant income. Other property income increased from $3.4 million during the first six months of 1995 to $4.8 million during the first six months of 1996, primarily due to increases in lease termination fees.

Rental expenses have increased 34% in the first six months of 1996 over the first six months of 1995, to $21.7 million from $16.2 million. If centers acquired and sold during 1995 and 1996 are excluded, rental expenses increased 22%, due to increased snow removal costs incurred during this winter's heavy snowfalls and due to a loss resulting from the decision to demolish a portion of Crossroads Shopping Center to allow for construction of new space.

Real estate taxes have increased from $7.0 million during the first six months of 1995 to $8.0 million during the first six months of 1996; $656,000 of the increase was due to taxes on the 1995 and 1996 acquisitions. Depreciation and amortization in the first six months of 1996 was 10% greater than in the first six months of 1995. Excluding the effect from the 1995 and 1996 acquisitions, depreciation and amortization increased 5%, primarily due to increases attributable to Brick Plaza, Gaithersburg Square and Congressional Plaza.

Interest expense increased from $18.7 million during the first six months of 1995 to $22.3 million during the first six months of 1996, primarily due to interest expense on the $165 million of senior notes issued during 1995 and due to increased interest on the revolving credit facilities due to larger average outstanding balances in 1996 than in 1995. The ratio of earnings to fixed charges was 1.53x for the first six months of 1996 and 1.61x for the comparable period in 1995. The ratio of funds from operations to fixed charges was 2.30x for the first six months of 1996 and 2.43x for the first six months of 1995.

Administrative expenses as a percentage of total revenue have increased from 3.8% in 1995 to 4.4% in 1996, primarily because of the write off of costs associated with unconsummated acquisitions and developments.

As a result of the foregoing items, net income increased from $11.8 million during the first six months of 1995 to $12.9 million during the first six months of 1996.

RESULTS OF OPERATIONS - THREE MONTHS ENDED JUNE 30, 1996 AND 1995

Funds from operations increased 13% to $15.8 million in the second quarter of 1996 from $14.0 million in the second quarter of 1995.

Rental income increased 17% from $34.2 million in the second quarter of 1995 to $40.0 million in 1996. If properties purchased and sold in 1995 and 1996 are excluded, rental income increased 6%. Fifty-nine percent of this increase is attributable to Brick Plaza, Gaithersburg and Congressional Plaza, all of which have recently been redeveloped and retenanted.

Minimum rent, a component of rental income, increased 18% from $27.9 million in the second quarter of 1995 to $32.8 million in the second quarter of 1996. If properties purchased and sold in 1995 and 1996 are excluded, minimum rent increased 7%. Fifty-seven percent of this increase is attributable to Brick Plaza, Gaithersburg, and Congressional Plaza.

Cost reimbursements, another component of rental income, increased 15% from $5.3 million in the second quarter of 1995 to $6.1 million in the second quarter of 1996. The increase is primarily due to the 1995 and 1996 acquisitions, but also to an acceleration of billing CAM capital items from once at year end to monthly.

Other property income has increased 37% from $1.9 million in the second quarter of 1995 to $2.6 million in the second quarter of 1996, primarily due to lease termination fees.

Rental expenses for the second quarter have increased 20% from $8.3 million in 1995 to $9.9 million in 1996. Excluding properties purchased and sold in 1995 and 1996, rental expenses increased 10%. The major source of this increase was the loss resulting from the decision to demolish a portion of Crossroads Shopping Center to allow for the construction of new space.

Real estate taxes increased from the second quarter of 1995 to the second quarter of 1996 because of the recent acquisitions and because of increased assessments at several centers.

Interest expense increased from $9.6 million during the second quarter of 1995 to $11.1 million during the second quarter of 1996 primarily due to increased usage of the revolving credit facilities and due to the interest on $65 million of senior notes issued during the second and fourth quarters of 1995.

Administrative expenses have increased due to the write off of costs related to unconsummated acquisitions and developments.

Depreciation and amortization expense was 8% greater during the second quarter of 1996 as compared to the second quarter of 1995. Excluding the depreciation on properties purchased and sold in 1995 and 1996, depreciation increased 3%, primarily due to increases attributable to Brick Plaza, Gaithersburg Square and Congressional Plaza.

In the second quarter of 1995 the Trust recorded a $535,000 loss, resulting from the write down of North City Plaza to its fair value less costs to sell, since it was being prepared for sale.

As a result of the foregoing items, net income increased from $5.2 million in the second quarter of 1995 to $6.9 million in the second quarter of 1996.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Shareholders

At the 1996 Annual Meeting of Shareholders on May 2, 1996 the Shareholders elected four trustees to serve for the ensuing three years. Holders of 23.2 million shares voted for each of the four trustees. Holders of under 100,000 shares voted against each of the four trustees.

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits

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

(B) Reports on Form 8-K

A Form 8-K, dated May 17, 1996, was filed in response to Item 7.(c)

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

FEDERAL REALTY INVESTMENT TRUST

(Registrant)

Date: August 12, 1996

Steven J. Guttman

Steven J. Guttman, President
(Chief Executive Officer)

Date: August 12, 1996

Cecily A. Ward

Cecily A. Ward, Vice President
(Principal Accounting Officer)

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This schedule contains summary financial information extracted from the Consolidated Balance Sheet of Federal Realty Investment Trust as of June 30, 1996 and the related consolidated statement of operations for the six months ended June 30, 1996 and is qualified in its entirety by reference to such financial statements.

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6-MOS
DEC-31-1996
JUN-30-1996
$6,865
536
16,890
0
0
0
1,047,226
(206,813)
913,815
0
513,876
0
0
550,752
(195,587)
913,815
0
85,423
0
29,686
0
0
22,288
12,923
0
0
0
0
0
12,923
.40
0

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