

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported):
May 8, 2018

Easterly Government Properties, Inc.
(Exact name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-36834
(Commission
File Number)

47-2047728
(IRS Employer
Identification No.)

2101 L Street NW, Suite 650, Washington, D.C.
(Address of Principal Executive Offices)

20037
(Zip Code)

Registrant's Telephone Number, Including Area Code: (202) 595-9500

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 8, 2018, we issued a press release announcing our results of operations for the first quarter ended March 31, 2018. A copy of this press release as well as a copy of our supplemental information package are available on our website and are attached hereto as Exhibits 99.1 and 99.2 and incorporated herein by reference. The information in this Item 2.02 as well as the attached Exhibits 99.1 and 99.2 are being furnished and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

We will host a webcast and conference call at 10:00 a.m. Eastern Time on May 8, 2018, to review our first quarter ended 2018 performance, discuss recent events and conduct a question-and-answer session. The number to call is 1-877-705-6003 (domestic) and 1-201-493-6725 (international). A live webcast will be available in the Investor Relations section of our website. A replay of the conference call will be available through May 22, 2018, by dialing 1-844-512-2921 (domestic) and 1-412-317-6671 (international) and entering the passcode 13678848. Please note that the full text of the press release and supplemental information package are available through our website at ir.easterlyreit.com. The information contained on our website is not incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated May 8, 2018.
99.2	Easterly Government Properties, Inc. Supplemental Information Package for the quarter ended March 31, 2018.

SIGNATURES

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 hereunto duly authorized.

**EASTERLY GOVERNMENT
PROPERTIES, INC.**

By: /s/ William C. Trimble, III
Name: William C. Trimble, III
Title: Chief Executive Officer and President

Date: May 8, 2018



EASTERLY GOVERNMENT PROPERTIES REPORTS FIRST QUARTER 2018 RESULTS

WASHINGTON, D.C. – May 8, 2018 – Easterly Government Properties, Inc. (NYSE: DEA) (the “Company” or “Easterly”), a fully integrated real estate investment trust (“REIT”) focused primarily on the acquisition, development and management of Class A commercial properties leased to the U.S. Government, today announced its results of operations for the quarter ended March 31, 2018.

Highlights for the Quarter Ended March 31, 2018:

- Net income of \$1.8 million, or \$0.03 per share on a fully diluted basis
- FFO of \$16.4 million, or \$0.31 per share on a fully diluted basis
- FFO, as Adjusted of \$13.7 million, or \$0.26 per share on a fully diluted basis
- CAD of \$11.9 million
- Announced the purchase of the re-development rights to a 210,373-square foot Federal Emergency Management Agency (FEMA) distribution center in Tracy, California (“FEMA - Tracy”)
- Subsequent to quarter end, announced an agreement to purchase a Department of Veterans Affairs (VA) Community-Based Outpatient Clinic in San Jose, California (“VA - San Jose”)
- Issued 671,666 shares of common stock for approximately \$13.7 million of gross proceeds through the Company’s At-the-Market (ATM) Program
- Portfolio occupancy at 100%

“Easterly’s federal tenants perform vital tasks with enduring missions critical to the American people,” said William C. Trimble, III, Easterly’s Chief Executive Officer. “As such, these missions largely require purpose-built facilities for our federal tenants. VA - San Jose is an example of such a facility. It is Easterly’s pleasure to expand our relationship with the Department of Veterans Affairs while continuing to grow our young portfolio of assets leased to the U.S. Federal Government.”

Financial Results for the Quarter Ended March 31, 2018

Net income of \$1.8 million, or \$0.03 per share on a fully diluted basis

FFO of \$16.4 million, or \$0.31 per share on a fully diluted basis

FFO, as Adjusted of \$13.7 million, or \$0.26 per share on a fully diluted basis

CAD of \$11.9 million

“Easterly continues to cultivate a strong pipeline of mission critical assets in both single asset purchases and portfolios,” said Darrell Crate, Easterly’s Chairman. “Our goal is to scale our portfolio and deliver accretion



through acquisitions to our investors with earnings backed by the full faith and credit of the United States Government.”

Portfolio Operations

As of March 31, 2018, the Company wholly owned 46 operating properties in the United States, encompassing approximately 3.7 million square feet in the aggregate, including 44 operating properties that were leased primarily to U.S. Government tenant agencies and two operating properties that were entirely leased to private tenants. As of March 31, 2018, the portfolio had an average age of 12.3 years, was 100% occupied, and had a weighted average remaining lease term of 6.9 years. With approximately 17.0% of leases based on square footage, or 17.8% based on total annualized lease income scheduled to expire before 2020, Easterly expects to continue to provide a highly visible and stable cash-flow stream.

Balance Sheet and Capital Markets Activity

As of March 31, 2018, the Company had total indebtedness of \$577.9 million comprised of \$98.8 million outstanding on its senior unsecured revolving credit facility, \$100.0 million outstanding on its senior unsecured term loan facility, \$175.0 million of senior unsecured notes, and \$204.1 million of mortgage debt (excluding unamortized premiums and discounts and deferred financing fees). At March 31, 2018, Easterly’s outstanding debt had a weighted average maturity of 7.6 years and a weighted average interest rate of 3.7%. As of March 31, 2018, Easterly’s net debt to total enterprise value was 33.7% and its net debt to annualized quarterly EBITDA ratio was 6.4x.

During the quarter ended March 31, 2018 the Company issued 671,666 shares of the Company’s common stock at an average price of \$20.35 per share through the Company’s ATM program, raising gross proceeds of \$13.7 million to maintain balance sheet strength.

Dividend

On May 3, 2018 the Board of Directors of Easterly approved a cash dividend for the first quarter of 2018 in the amount of \$0.26 per common share. The dividend will be payable June 28, 2018 to shareholders of record on June 11, 2018.

Subsequent Events

The Company announced the agreement to purchase the Department of Veterans Affairs (VA) San Jose Community-Based Outpatient Clinic (“VA - San Jose”). The 90,085-square foot state-of-the-art facility consists of medical clinic and administrative space distributed over three floors. Services include primary care, mental health care, women’s health, audiology and speech pathology, podiatry, optometry and dermatology. VA - San Jose is leased to the VA for an initial, non-cancelable lease term of 20 years.

Outlook for 2018

The Company is modifying its financial guidance for the 12 months ending December 31, 2018 as follows:

Outlook for the 12 Months Ending December 31, 2018

	Low	High
Net income (loss) per share – fully diluted basis	\$ 0.17	0.21
Plus: real estate depreciation and amortization	\$ 1.10	1.10
FFO per share – fully diluted basis	\$ 1.27	1.31

This guidance assumes \$450 million of acquisitions, weighted heavily towards the second half of 2018, and \$50 - \$75 million of development-related investment during 2018. This guidance is forward-looking and reflects management's view of current and future market conditions. The Company's actual results may differ materially from this guidance.

Non-GAAP Supplemental Financial Measures

This section contains definitions of certain non-GAAP financial measures and other terms that the Company uses in this press release and, where applicable, the reasons why management believes these non-GAAP financial measures provide useful information to investors about the Company's financial condition and results of operations and the other purposes for which management uses the measures. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with GAAP. Additional detail can be found in the Company's most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as other documents filed with or furnished to the SEC from time to time.

Cash Available for Distribution (CAD) is a non-GAAP financial measure that is not intended to represent cash flow for the period and is not indicative of cash flow provided by operating activities as determined under GAAP. CAD is calculated in accordance with the current NAREIT definition as FFO minus normalized recurring real estate-related expenditures and other non-cash items and nonrecurring expenditures. CAD is presented solely as a supplemental disclosure because the Company believes it provides useful information regarding the Company's ability to fund its dividends. Because all companies do not calculate CAD the same way, the presentation of CAD may not be comparable to similarly titled measures of other companies.

EBITDA is calculated as the sum of net income (loss) before interest expense, income taxes, depreciation and amortization. EBITDA is not intended to represent cash flow for the period, is not presented as an alternative to operating income as an indicator of operating performance, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not indicative of operating income or cash provided by operating activities as determined under GAAP. EBITDA is presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding the Company's ability to service or incur debt. Because all companies do not calculate EBITDA the same way, the presentation of EBITDA may not be comparable to similarly titled measures of other companies.

Funds From Operations (FFO) is defined by NAREIT as net income (loss), calculated in accordance with GAAP, excluding gains or losses from sales of property and impairment losses on depreciable real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a widely recognized measure of REIT performance. Although FFO is a non-GAAP financial measure, the Company believes that information regarding FFO is helpful to shareholders and potential investors.



Funds From Operations, as Adjusted (FFO, as Adjusted) adjusts FFO to present an alternative measure of our operating performance, which, when applicable, excludes the impact of acquisition costs, straight-line rent, above-/below-market leases, non-cash interest expense and non-cash compensation. By excluding income and expense items such as straight-line rent, above-/below-market leases, non-cash interest expense, non-cash compensation and other non-cash items including amortization of lease inducements from FFO, as Adjusted, the Company believes it provides useful information as these items have no cash impact. In addition, by excluding acquisition related costs the Company believes FFO, as Adjusted provides useful information that is comparable across periods and more accurately reflects the operating performance of the Company's properties.

Other Definitions

Fully diluted basis assumes the exchange of all outstanding common units representing limited partnership interests in the Company's operating partnership, or common units, the full vesting of all shares of restricted stock units, and the exchange of all earned and vested LTIP units in the Company's operating partnership for shares of common stock on a one-for-one basis, which is not the same as the meaning of "fully diluted" under GAAP.

Conference Call Information

The Company will host a webcast and conference call at 10:00 a.m. Eastern Daylight time on May 8, 2018 to review the first quarter 2018 performance, discuss recent events and conduct a question-and-answer session. The number to call is 1-877-705-6003 (domestic) and 1-201-493-6725 (international). A live webcast will be available in the Investor Relations section of the Company's website. A replay of the conference call will be available through May 22, 2018 by dialing 844-512-2921 (domestic) and 1-412-317-6671 (international) and entering the passcode 13678848. Please note that the full text of the press release and supplemental information package are available through the Company's website at ir.easterlyreit.com.

About Easterly Government Properties, Inc.

Easterly Government Properties, Inc. (NYSE:DEA) is based in Washington, D.C., and focuses primarily on the acquisition, development and management of Class A commercial properties that are leased to the U.S. Government. Easterly's experienced management team brings specialized insight into the strategy and needs of mission-critical U.S. Government agencies for properties leased to such agencies either directly or through the U.S. General Services Administration (GSA). For further information on the company and its properties, please visit www.easterlyreit.com.

Contact:

Easterly Government Properties, Inc.



Lindsay S. Winterhalter
Vice President, Investor Relations & Operations
202-596-3947
lr@easterlyreit.com

Forward Looking Statements

We make statements in this press release that are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions and include our guidance with respect to Net income (loss) and FFO per share on a fully diluted basis. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement in this press release for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation: risks associated with our dependence on the U.S. Government and its agencies for substantially all of our revenues; risks associated with ownership and development of real estate; decreased rental rates or increased vacancy rates; loss of key personnel; general volatility of the capital and credit markets and the market price of our common stock; the risk we may lose one or more major tenants; difficulties in completing and successfully integrating acquisitions; failure of acquisitions or development projects to occur at anticipated levels or to yield anticipated results; risks associated with actual or threatened terrorist attacks; intense competition in the real estate market that may limit our ability to attract or retain tenants or re-lease space; insufficient amounts of insurance or exposure to events that are either uninsured or underinsured; uncertainties and risks related to adverse weather conditions, natural disasters and climate change; exposure to liability relating to environmental and health and safety matters; limited ability to dispose of assets because of the relative illiquidity of real estate investments and the nature of our assets; exposure to litigation or other claims; risks associated with breaches of our data security; risks associated with our indebtedness; and other risks and uncertainties detailed in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission on March 1, 2018. In addition, our anticipated qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, or the Code, and depends on our ability to meet the various requirements imposed by the Code through actual operating results, distribution levels and diversity of stock ownership. We assume no obligation to update publicly any forward looking statements, whether as a result of new information, future events or otherwise.



Balance Sheet

(Unaudited, in thousands, except share amounts)

	March 31, 2018	December 31, 2017
Assets		
Real estate properties, net	\$ 1,232,211	\$ 1,230,162
Cash and cash equivalents	9,591	12,682
Restricted cash	4,389	3,519
Deposits on acquisitions	1,050	750
Rents receivable	13,565	12,751
Accounts receivable	9,911	9,347
Deferred financing, net	733	945
Intangible assets, net	136,651	143,063
Interest rate swaps	5,890	4,031
Prepaid expenses and other assets	10,710	8,088
Total assets	\$ 1,424,701	\$ 1,425,338
Liabilities		
Revolving credit facility	98,750	99,750
Term loan facility, net	99,236	99,202
Notes payable, net	173,702	173,692
Mortgage notes payable, net	202,495	203,250
Intangible liabilities, net	36,093	38,569
Accounts payable and accrued liabilities	19,733	19,786
Total liabilities	630,009	634,249
Equity		
Common stock, par value \$0.01, 200,000,000 shares authorized, 45,458,706 and 44,787,040 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively.	455	448
Additional paid-in capital	741,089	740,546
Retained earnings	8,646	7,127
Cumulative dividends	(95,447)	(83,718)
Accumulated other comprehensive income	4,889	3,403
Total stockholders' equity	659,632	667,806
Non-controlling interest in Operating Partnership	135,060	123,283
Total equity	794,692	791,089
Total liabilities and equity	\$ 1,424,701	\$ 1,425,338



Income Statement

(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended	
	March 31, 2018	March 31, 2017 ⁽¹⁾
Revenues		
Rental income	\$ 32,289	\$ 26,020
Tenant reimbursements	3,483	3,628
Other income	202	239
Total revenues	35,974	29,887
Operating expenses		
Property operating	6,560	6,349
Real estate taxes	3,700	2,735
Depreciation and amortization	14,634	12,869
Acquisition costs	224	532
Corporate general and administrative	3,459	3,444
Total expenses	28,577	25,929
Operating income	7,397	3,958
Other expenses		
Interest expense, net	(5,582)	(2,417)
Net income	1,815	1,541
Non-controlling interest in Operating Partnership	(296)	(304)
Net income available to Easterly Government Properties, Inc.	\$ 1,519	\$ 1,237
Net income available to Easterly Government Properties, Inc. per share:		
Basic	\$ 0.03	\$ 0.03
Diluted	\$ 0.03	\$ 0.03
Weighted-average common shares outstanding:		
Basic	45,008,062	36,891,595
Diluted	46,018,040	39,143,887
Net income, per share - fully diluted basis	\$ 0.03	\$ 0.03
Weighted average common shares outstanding - fully diluted basis	53,813,881	45,947,709

In the fourth quarter of 2017, the Company revised the prior period depreciation and amortization expense amount. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, for a detailed discussion of the revision.



EBITDA, FFO and CAD
(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended	
	March 31, 2018	March 31, 2017 ⁽¹⁾
Net income	\$ 1,815	\$ 1,541
Depreciation and amortization	14,634	12,869
Interest expense	5,582	2,417
EBITDA	<u>\$ 22,031</u>	<u>\$ 16,827</u>
Net income	\$ 1,815	\$ 1,541
Depreciation and amortization	14,634	12,869
Funds From Operations (FFO)	<u>\$ 16,449</u>	<u>\$ 14,410</u>
Adjustments to FFO:		
Acquisition costs	224	532
Straight-line rent and other non-cash adjustments	(1,794)	(143)
Above-/below-market leases	(2,279)	(2,112)
Non-cash interest expense	264	230
Non-cash compensation	864	727
Funds From Operations, as Adjusted	<u>\$ 13,728</u>	<u>\$ 13,644</u>
FFO, per share - fully diluted basis	\$ 0.31	\$ 0.31
FFO, as Adjusted, per share - fully diluted basis	<u>\$ 0.26</u>	<u>\$ 0.30</u>
Funds From Operations, as Adjusted	\$ 13,728	\$ 13,644
Acquisition costs	(224)	(532)
Principal amortization	(763)	(732)
Maintenance capital expenditures	(466)	(185)
Contractual tenant improvements	(95)	(13)
Leasing related expenditures	(283)	(40)
Cash Available for Distribution (CAD)	<u>\$ 11,897</u>	<u>\$ 12,142</u>
Weighted average common shares outstanding - fully diluted basis	53,813,881	45,947,709

In the fourth quarter of 2017, the Company revised the prior period depreciation and amortization expense amount. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, for a detailed discussion of the revision.



Supplemental Information Package

First Quarter 2018



Forward-looking Statement

We make statements in this Supplemental Information Package that are considered "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement in this Supplemental Information Package for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation: risks associated with our dependence on the U.S. Government and its agencies for substantially all of our revenues; risks associated with ownership and development of real estate; decreased rental rates or increased vacancy rates; loss of key personnel; general volatility of the capital and credit markets and the market price of our common stock; the risk we may lose one or more major tenants; difficulties in completing and successfully integrating acquisitions; failure of acquisitions or development projects to occur at anticipated levels or to yield anticipated results; risks associated with actual or threatened terrorist attacks; intense competition in the real estate market that may limit our ability to attract or retain tenants or re-lease space; insufficient amounts of insurance or exposure to events that are either uninsured or underinsured; uncertainties and risks related to adverse weather conditions, natural disasters and climate change; exposure to liability relating to environmental and health and safety matters; limited ability to dispose of assets because of the relative illiquidity of real estate investments and the nature of our assets; exposure to litigation or other claims; risks associated with breaches of our data security; risks associated with our indebtedness; and other risks and uncertainties detailed in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2017, filed with the Securities and Exchange Commission on March 1, 2018 and the factors included under the heading "Risk Factors" in our other public filings. In addition, our qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, or the Code, and depends on our ability to meet the various requirements imposed by the Code through actual operating results, distribution levels and diversity of stock ownership. We assume no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Ratings

Ratings are not recommendations to buy, sell or hold the Company's securities.

The following discussion related to the consolidated financial statements of the Company should be read in conjunction with the financial statements for the quarter ended March 31, 2018 that will be released on Form 10-Q to be filed on or about May 8, 2018.

This section contains definitions of certain non-GAAP financial measures and other terms that the Company uses in this Supplemental Information Package and, where applicable, the reasons why management believes these non-GAAP financial measures provide useful information to investors about the Company's financial condition and results of operations and the other purposes for which management uses the measures. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with GAAP. Additional detail can be found in the Company's most recent quarterly report on Form 10-Q and the Company's most recent annual report on Form 10-K, as well as other documents filed with or furnished to the SEC from time to time.

Annualized lease income is defined as the annualized contractual base rent for the last month in a specified period, plus the annualized straight-line rent adjustments for the last month in such period and the annualized expense reimbursements earned by us for the last month in such period.

Cash Available for Distribution (CAD) is a non-GAAP financial measure that is not intended to represent cash flow for the period and is not indicative of cash flow provided by operating activities as determined under GAAP. CAD is calculated in accordance with the current NAREIT definition as FFO minus normalized recurring real estate-related expenditures and other non-cash items and nonrecurring expenditures. CAD is presented solely as a supplemental disclosure because the Company believes it provides useful information regarding the Company's ability to fund its dividends. Because all companies do not calculate CAD the same way, the presentation of CAD may not be comparable to similarly titled measures of other companies.

EBITDA is calculated as the sum of net income (loss) before interest expense, income taxes, depreciation and amortization. EBITDA is not intended to represent cash flow for the period, is not presented as an alternative to operating income as an indicator of operating performance, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP and is not indicative of operating income or cash provided by operating activities as determined under GAAP. EBITDA is presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding the Company's ability to service or incur debt. Because all companies do not calculate EBITDA the same way, the presentation of EBITDA may not be comparable to similarly titled measures of other companies.

Fully diluted basis assumes the exchange of all outstanding common units representing limited partnership interests in the Company's operating partnership, or common units, the full vesting of all shares of restricted stock, and the exchange of all earned and vested LTIP units in the Company's operating partnership for shares of common stock on a one-for-one basis, which is not the same as the meaning of "fully diluted" under GAAP.

Funds From Operations (FFO) is defined by NAREIT as net income (loss), calculated in accordance with GAAP, excluding gains or losses from sales of property and impairment losses on depreciable real estate, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a widely recognized measure of REIT performance. Although FFO is a non-GAAP financial measure, the Company believes that information regarding FFO is helpful to shareholders and potential investors.

Funds From Operations, as Adjusted (FFO, as Adjusted) adjusts FFO to present an alternative measure of our operating performance, which, when applicable, excludes the impact of acquisition costs, straight-line rent, above-/below-market leases, non-cash interest expense and non-cash compensation. By excluding income and expense items such as straight-line rent, above-/below-market leases, non-cash interest expense, non-cash compensation and other non-cash items including amortization of lease inducements from FFO, as Adjusted, the Company believes it provides useful information as these items have no cash impact. In addition, by excluding acquisition related costs the Company believes FFO, as Adjusted provides useful information that is comparable across periods and more accurately reflects the operating performance of the Company's properties.

Net Operating Income (NOI) is calculated as net income plus depreciation and amortization, acquisition costs, corporate general and administrative costs and interest expense. Cash NOI excludes from NOI straight-line rent and amortization of above-/below market leases and lease inducements. NOI and Cash NOI presented by the Company may not be comparable to NOI and Cash NOI reported by other REITs that define NOI and Cash NOI differently. The Company believes that NOI and Cash NOI provide investors with useful measures of the operating performance of our properties. NOI and Cash NOI should not be considered an alternative to net income as an indication of our performance or to cash flows as a measure of the Company's liquidity or its ability to make distributions.

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Corporate Information

Corporate Headquarters

2101 L Street NW
Suite 650
Washington, DC 20037
202-595-9500

Stock Exchange Listing

New York Stock Exchange

Ticker

DEA

Information Requests

Please contact ir@easterlyreit.com
or 202-596-3947 to request an
Investor Relations package

Investor Relations

Lindsay Winterhalter,
VP, Investor Relations
& Operations

Executive Team

William Trimble III, CEO
Michael Ibe, Vice-Chairman and EVP
Alison Bernard, CAO

Darrell Crate, Chairman
Meghan Baivier, CFO & COO
Ronald Kendall, EVP

Board of Directors

William Binnie
Darrell Crate
Cynthia Fisher
Emil Henry Jr.

Michael Ibe
James Mead
William Trimble III

Equity Research Coverage

Citigroup

Michael Bilerman / Emmanuel Korchman
212-816-1383 / 212-816-1382

Raymond James & Associates

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727-567-2594 / 727-567-2253

RBC Capital Markets

Michael Carroll
440-715-2649

Jefferies

Jonathan Petersen
212-284-1705

SunTrust Robinson Humphrey

Michael R. Lewis
212-319-5659

Any opinions, estimates, forecasts or predictions regarding Easterly Government Properties, Inc.'s performance made by these analysts are theirs alone and do not represent opinions, estimates, forecasts or predictions of Easterly Government Properties, Inc. or its management. Easterly Government Properties, Inc. does not by its reference above or distribution imply its endorsement of or concurrence with such opinions, estimates, forecasts or predictions.

Executive Summary

(In thousands, except share amounts)



<u>Price of Common Shares</u>	<u>Three months ended March 31, 2018</u>	<u>Earnings</u>	<u>Three months ended March 31, 2018</u>	<u>Three months ended March 31, 2017⁽³⁾</u>
High closing price during period	\$ 21.28	Net income available to Easterly Government Properties, Inc.	\$ 1,519	\$ 1,237
Low closing price during period	\$ 19.04	Net income available to Easterly Government Properties, Inc.		
End of period closing price	\$ 20.40	per share:		
		Basic	\$ 0.03	\$ 0.03
		Diluted	\$ 0.03	\$ 0.03
Outstanding Classes of Stock and				
Partnership Units - Fully Diluted Basis	At March 31, 2018	Net income	\$ 1,815	\$ 1,541
Common shares	45,440,794	Net income, per share - fully diluted basis	\$ 0.03	\$ 0.03
Unvested restricted shares	17,912			
Common partnership and vested LTIP units	<u>9,307,730</u>	Funds From Operations ("FFO")	\$ 16,449	\$ 14,410
Total - fully diluted basis	<u>54,766,436</u>	FFO, per share - fully diluted basis	\$ 0.31	\$ 0.31
		Funds From Operations, as Adjusted	\$ 13,728	\$ 13,644
		FFO, as Adjusted, per share - fully diluted basis	\$ 0.26	\$ 0.30
Market Capitalization				
Total equity market capitalization - fully diluted basis	At March 31, 2018			
Consolidated debt ⁽¹⁾	\$ 577,892	Cash Available for Distribution	\$ 11,897	\$ 12,142
Cash and cash equivalents	(9,591)			
Total enterprise value	<u>\$ 1,685,536</u>			
		Liquidity		
				At March 31, 2018
		Cash and cash equivalents		\$ 9,591
Ratios				
	At March 31, 2018			
Net debt to total enterprise value	33.7%	Unsecured revolving credit facility		
Net debt to annualized quarterly EBITDA	6.4x	Total current facility size ⁽²⁾	\$	400,000
Cash interest coverage ratio	4.1x	Less: outstanding balance		(98,750)
Cash fixed charge coverage ratio	3.6x	Available under unsecured revolving credit facility	\$	301,250

⁽¹⁾Excludes unamortized premiums / discounts and deferred financing fees.

⁽²⁾Credit facility has an accordion feature that provides additional capacity, subject to the satisfaction of customary terms and conditions, of up to \$250 million, for a total facility size of not more than \$650 million.

⁽³⁾ In the fourth quarter of 2017, the Company revised the prior period depreciation and amortization expense amount. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, for a detailed discussion of the revision.

Balance Sheets

(Unaudited, in thousands, except share amounts)



	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Assets		
Real estate properties, net	\$ 1,232,211	\$ 1,230,162
Cash and cash equivalents	9,591	12,682
Restricted cash	4,389	3,519
Deposits on acquisitions	1,050	750
Rents receivable	13,565	12,751
Accounts receivable	9,911	9,347
Deferred financing, net	733	945
Intangible assets, net	136,651	143,063
Interest rate swaps	5,890	4,031
Prepaid expenses and other assets	10,710	8,088
Total assets	<u>\$ 1,424,701</u>	<u>\$ 1,425,338</u>
Liabilities		
Revolving credit facility	98,750	99,750
Term loan facility, net	99,236	99,202
Notes payable, net	173,702	173,692
Mortgage notes payable, net	202,495	203,250
Intangible liabilities, net	36,093	38,569
Accounts payable and accrued liabilities	19,733	19,786
Total liabilities	<u>630,009</u>	<u>634,249</u>
Equity		
Common stock, par value \$0.01, 200,000,000 shares authorized, 45,458,706 and 44,787,040 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively.	455	448
Additional paid-in capital	741,089	740,546
Retained earnings	8,646	7,127
Cumulative dividends	(95,447)	(83,718)
Accumulated other comprehensive income	4,889	3,403
Total stockholders' equity	<u>659,632</u>	<u>667,806</u>
Non-controlling interest in Operating Partnership	135,060	123,283
Total equity	<u>794,692</u>	<u>791,089</u>
Total liabilities and equity	<u>\$ 1,424,701</u>	<u>\$ 1,425,338</u>

Income Statements

(Unaudited, in thousands, except share and per share amounts)



	Three Months Ended	
	March 31, 2018	March 31, 2017 ⁽¹⁾
Revenues		
Rental income	\$ 32,289	\$ 26,020
Tenant reimbursements	3,483	3,628
Other income	202	239
Total revenues	<u>35,974</u>	<u>29,887</u>
Operating expenses		
Property operating	6,560	6,349
Real estate taxes	3,700	2,735
Depreciation and amortization	14,634	12,869
Acquisition costs	224	532
Corporate general and administrative	3,459	3,444
Total expenses	<u>28,577</u>	<u>25,929</u>
Operating income	<u>7,397</u>	<u>3,958</u>
Other expenses		
Interest expense, net	(5,582)	(2,417)
Net income	<u>1,815</u>	<u>1,541</u>
Non-controlling interest in Operating Partnership	(296)	(304)
Net income available to Easterly Government Properties, Inc.	<u>\$ 1,519</u>	<u>\$ 1,237</u>
Net income available to Easterly Government Properties, Inc. per share:		
Basic	<u>\$ 0.03</u>	<u>\$ 0.03</u>
Diluted	<u>\$ 0.03</u>	<u>\$ 0.03</u>
Weighted-average common shares outstanding:		
Basic	45,008,062	36,891,595
Diluted	46,018,040	39,143,887
Net income, per share - fully diluted basis	<u>\$ 0.03</u>	<u>\$ 0.03</u>
Weighted average common shares outstanding - fully diluted basis	53,813,881	45,947,709

⁽¹⁾In the fourth quarter of 2017, the Company revised the prior period depreciation and amortization expense amount. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, for a detailed discussion of the revision.

Net Operating Income

(Unaudited, in thousands)



	Three Months Ended	
	March 31, 2018	March 31, 2017 ⁽¹⁾
Net income	\$ 1,815	\$ 1,541
Depreciation and amortization	14,634	12,869
Acquisition costs	224	532
Corporate general and administrative	3,459	3,444
Interest expense	5,582	2,417
Net Operating Income	<u>25,714</u>	<u>20,803</u>
Adjustments to Net Operating Income:		
Straight-line rent and other non-cash adjustments	(1,792)	(140)
Above-/below-market leases	(2,279)	(2,112)
Cash Net Operating Income	<u>\$ 21,643</u>	<u>\$ 18,551</u>

⁽¹⁾In the fourth quarter of 2017, the Company revised the prior period depreciation and amortization expense amount. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, for a detailed discussion of the revision.

EBITDA, FFO and CAD

(Unaudited, in thousands, except share and per share amounts)



	Three Months Ended	
	March 31, 2018	March 31, 2017 ⁽¹⁾
Net income	\$ 1,815	\$ 1,541
Depreciation and amortization	14,634	12,869
Interest expense	5,582	2,417
EBITDA	<u>\$ 22,031</u>	<u>\$ 16,827</u>
Net income	\$ 1,815	\$ 1,541
Depreciation and amortization	14,634	12,869
Funds From Operations (FFO)	<u>\$ 16,449</u>	<u>\$ 14,410</u>
Adjustments to FFO:		
Acquisition costs	224	532
Straight-line rent and other non-cash adjustments	(1,794)	(143)
Above-/below-market leases	(2,279)	(2,112)
Non-cash interest expense	264	230
Non-cash compensation	864	727
Funds From Operations, as Adjusted	<u>\$ 13,728</u>	<u>\$ 13,644</u>
FFO, per share - fully diluted basis	<u>\$ 0.31</u>	<u>\$ 0.31</u>
FFO, as Adjusted, per share - fully diluted basis	<u>\$ 0.26</u>	<u>\$ 0.30</u>
Funds From Operations, as Adjusted	\$ 13,728	\$ 13,644
Acquisition costs	(224)	(532)
Principal amortization	(763)	(732)
Maintenance capital expenditures	(466)	(185)
Contractual tenant improvements	(95)	(13)
Leasing related expenditures	(283)	(40)
Cash Available for Distribution (CAD)	<u>\$ 11,897</u>	<u>\$ 12,142</u>
Weighted average common shares outstanding - fully diluted basis	53,813,881	45,947,709

⁽¹⁾In the fourth quarter of 2017, the Company revised the prior period depreciation and amortization expense amount. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, for a detailed discussion of the revision.

Debt Schedules

(Unaudited, in thousands)



Debt Instrument	Maturity Date	Stated Rate(1)	March 31, 2018 Balance(2)	March 31, 2018 Percent of Total Indebtedness
Unsecured debt				
Unsecured revolving credit facility(3)	11-Feb-19(4)	LIBOR + 150bps	\$ 98,750	17.1%
Unsecured term loan facility	29-Sep-23	3.17%(5)	100,000	17.3%
Notes payable - series A	25-May-27	4.05%	95,000	16.4%
Notes payable - series B	25-May-29	4.15%	50,000	8.7%
Notes payable - series C	25-May-32	4.30%	30,000	5.2%
Total unsecured debt	6.7 years (wtd-avg maturity)	3.66% (wtd-avg rate)	\$ 373,750	64.7%
Secured mortgage debt				
VA - Loma Linda	6-Jul-27	3.59%	\$ 127,500	22.1%
ICE - Charleston	15-Jan-27	4.21%	19,517	3.4%
USFS II - Albuquerque	14-Jul-26	4.46%	16,816	2.9%
DEA - Pleasanton	18-Oct-23	LIBOR + 150bps	15,700	2.7%
CBP - Savannah	10-Jul-33	3.40%	14,035	2.4%
MEPCOM - Jacksonville	14-Oct-25	4.41%	10,574	1.8%
Total secured mortgage debt	9.2 years (wtd-avg maturity)	3.72% (wtd-avg rate)	\$ 204,142	35.3%
Debt Statistics				
			March 31, 2018	
Variable rate debt - unhedged	\$		114,450	
Fixed rate debt			463,442	
Total debt(2)	\$		577,892	
% Variable rate debt - unhedged			19.8%	
% Fixed rate debt			80.2%	
Weighted average maturity			7.6 years	
Weighted average interest rate			3.7%	

(1) Average stated rates represent the weighted average interest rate at March 31, 2018.

(2) Excludes unamortized premiums / discounts and deferred financing fees.

(3) Credit facility has available capacity of \$301.2 million as of March 31, 2018.

(4) Credit facility has two six-month as-of-right extension options, subject to certain conditions and the payment of an extension fee.

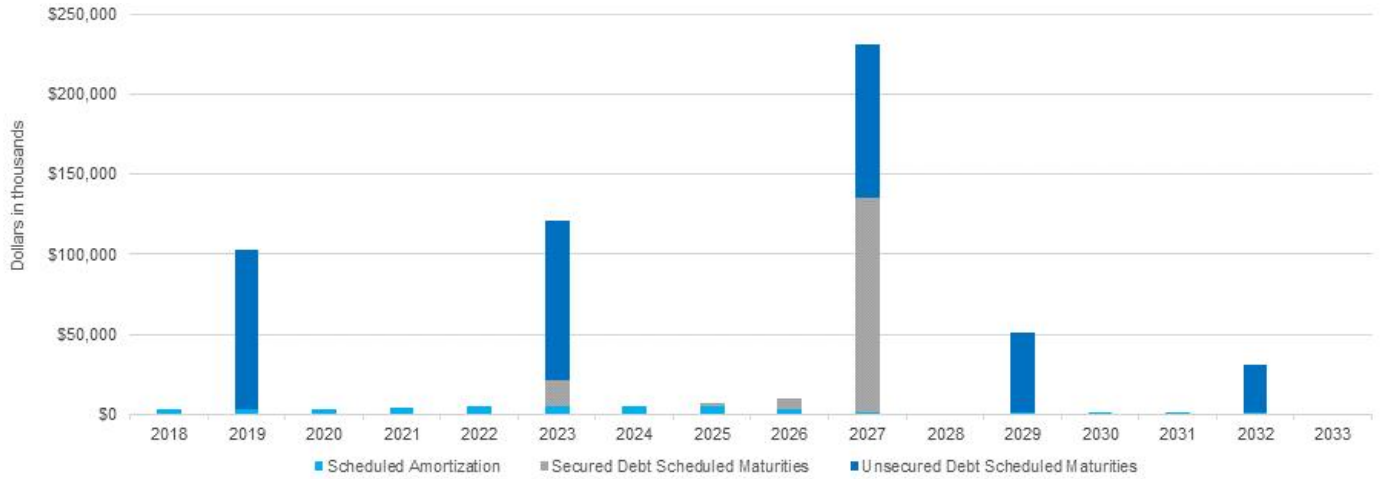
(5) The stated rate is calculated based on two interest rate swaps with an effective date of March 29, 2017 with an aggregate notional value of \$100.0 million, which effectively fix the interest rate at 3.17% annually based on the Company's current leverage ratio.

Debt Maturities

(Unaudited, in thousands)



Year	Secured Debt		Unsecured Debt		Total	Percentage of Debt Maturing	Weighted Average Interest Rate of Scheduled Maturities
	Scheduled Amortization	Scheduled Maturities	Scheduled Maturities				
2018	\$ 2,337	\$ -	\$ -	\$ -	2,337	0.4%	-
2019	3,229	-	98,750	-	101,979	17.6%	3.33%
2020	3,395	-	-	-	3,395	0.6%	-
2021	4,054	-	-	-	4,054	0.7%	-
2022	5,109	-	-	-	5,109	0.9%	-
2023	5,388	15,700	100,000	-	121,088	21.0%	3.17%
2024	5,679	-	-	-	5,679	1.0%	-
2025	5,633	1,917	-	-	7,550	1.3%	4.41%
2026	3,686	6,368	-	-	10,054	1.7%	4.46%
2027	1,093	134,640	95,000	-	230,733	39.9%	3.82%
2028	983	-	-	-	983	0.2%	-
2029	1,016	-	50,000	-	51,016	8.8%	4.15%
2030	1,049	-	-	-	1,049	0.2%	-
2031	1,082	-	-	-	1,082	0.2%	-
2032	1,116	-	30,000	-	31,116	5.4%	4.30%
2033	668	-	-	-	668	0.1%	-
Total	\$ 45,517	\$ 158,625	\$ 373,750	\$ -	\$ 577,892	100.0%	



Operating Property Overview

(As of March 31, 2018, unaudited)



Property Name	Location	Property Type	Tenant Lease Expiration Year	Year Built / Renovated	Rentable Square Feet	Annualized Lease Income	Percentage of Total Annualized Lease Income	Annualized Lease Income per Leased Square Foot
U.S. Government Leased Properties								
VA - Loma Linda	Loma Linda, CA	Outpatient Clinic	2036	2016	327,614	\$ 16,015,434	12.2%	\$ 48.89
IRS - Fresno	Fresno, CA	Office	2018	2003	180,481	7,578,831	5.8%	41.99
FBI - Salt Lake	Salt Lake City, UT	Office	2032	2012	169,542	6,746,595	5.1%	39.79
PTO - Arlington	Arlington, VA	Office	2019 / 2020	2009	189,871	6,519,811	5.0%	34.34
FBI - San Antonio	San Antonio, TX	Office	2021	2007	148,584	5,132,896	3.9%	34.55
FBI - Omaha	Omaha, NE	Office	2024	2009	112,196	4,437,584	3.4%	39.55
EPA - Kansas City	Kansas City, KS	Laboratory	2023	2003	71,979	4,171,384	3.2%	57.95
VA - South Bend	Mishakawa, IN	Outpatient Clinic	2032	2017	86,363	3,985,799	3.0%	46.15
ICE - Charleston	North Charleston, SC	Office	2021 / 2027	1994 / 2012	86,733	3,772,210	2.9%	43.49
DOT - Lakewood	Lakewood, CO	Office	2024	2004	122,225	3,382,692	2.7%	27.68
USCIS - Lincoln	Lincoln, NE	Office	2020	2005	137,671	3,298,565	2.5%	23.96
FBI - Birmingham	Birmingham, AL	Office	2020	2005	96,278	3,285,723	2.5%	34.13
AOC - El Centro	El Centro, CA	Courthouse/Office	2019	2004	46,813	3,099,437	2.4%	66.21
OSHA - Sandy	Sandy, UT	Laboratory	2024	2003	75,000	2,979,790	2.3%	39.73
USFS II - Albuquerque	Albuquerque, NM	Office	2026	2011	98,720	2,856,835	2.2%	28.94
ICE - Albuquerque	Albuquerque, NM	Office	2027	2011	71,100	2,804,426	2.1%	39.44
DEA - Vista	Vista, CA	Laboratory	2020	2002	54,119	2,777,302	2.1%	51.32
DEA - Pleasanton	Pleasanton, CA	Laboratory	2035	2015	42,480	2,770,028	2.1%	65.21
FBI - Richmond	Richmond, VA	Office	2021	2001	96,607	2,737,803	2.1%	28.34
USFS I - Albuquerque	Albuquerque, NM	Office	2021	2006	92,455	2,737,373	2.1%	29.61
AOC - Del Rio	Del Rio, TX	Courthouse/Office	2024	1992 / 2004	89,880	2,667,861	2.0%	29.68
DEA - Dallas Lab	Dallas, TX	Laboratory	2021	2001	49,723	2,414,114	1.8%	48.55
FBI - Little Rock	Little Rock, AR	Office	2021	2001	101,977	2,206,381	1.7%	21.64
MEPCOM - Jacksonville	Jacksonville, FL	Office	2025	2010	30,000	2,183,870	1.7%	72.80
CBP - Savannah	Savannah, GA	Laboratory	2033	2013	35,000	2,118,784	1.6%	60.54
FBI - Albany	Albany, NY	Office	2018	1998	98,184	2,098,811	1.6%	21.38
DEA - Santa Ana	Santa Ana, CA	Office	2024	2004	39,905	2,078,323	1.6%	52.08
DOE - Lakewood	Lakewood, CO	Office	2029	1999	115,650	2,068,524	1.6%	17.89
DEA - Dallas	Dallas, TX	Office	2021	2001	71,827	1,830,279	1.4%	25.48
NPS - Omaha	Omaha, NE	Office	2024	2004	62,772	1,751,754	1.3%	27.91

Operating Property Overview (Cont.)

(As of March 31, 2018, unaudited)



Property Name	Location	Property Type	Tenant Lease Expiration Year	Year Built / Renovated	Rentable Square Feet	Annualized Lease Income	Percentage of Total Annualized Lease Income	Annualized Lease Income per Leased Square Foot
U.S. Government Leased Properties (Cont.)								
ICE - Otay	San Diego, CA	Office	2022 / 2026	2001	52,881	1,735,240	1.3%	35.09
DEA - North Highlands	Sacramento, CA	Office	2018	2002	37,975	1,721,698	1.3%	45.34
CBP - Chula Vista	Chula Vista, CA	Office	2018	1998	59,397	1,710,248	1.3%	28.79
CBP - Sunburst	Sunburst, MT	Office	2028	2008	33,000	1,597,758	1.2%	48.42
USCG - Martinsburg	Martinsburg, WV	Office	2027	2007	59,547	1,582,249	1.2%	26.57
DEA - Birmingham	Birmingham, AL	Office	2020	2005	35,616	1,533,079	1.2%	43.04
DEA - Otay	San Diego, CA	Office	2018	1997	32,560	1,482,682	1.1%	45.54
AOC - Aberdeen	Aberdeen, MS	Courthouse/Office	2025	2005	46,979	1,465,665	1.1%	31.20
DEA - Albany	Albany, NY	Office	2025	2004	31,976	1,422,021	1.1%	44.47
DEA - Riverside	Riverside, CA	Office	2032	1997	34,354	1,235,147	0.9%	35.95
AOC - South Bend	South Bend, IN	Courthouse/Office	2027	1996 / 2011	30,119	823,889	0.6%	27.35
DEA - San Diego	San Diego, CA	Warehouse	2032	1999	16,100	530,404	0.4%	32.94
SSA - Mission Viejo	Mission Viejo, CA	Office	2020	2005	11,590	467,296	0.4%	40.32
SSA - San Diego	San Diego, CA	Office	2032	2003	10,856	327,423	0.2%	32.55
Subtotal					3,494,699	\$ 130,144,018	99.2%	\$ 37.29
Privately Leased Properties								
5998 Osceola Court - United Technologies	Midland, GA	Warehouse/Manufacturing	2023	2014	105,641	544,405	0.4%	5.15
501 East Hunter Street - Lummus Corporation	Lubbock, TX	Warehouse/Distribution	2028	2013	70,078	527,804	0.4%	7.53
Subtotal					175,719	\$ 1,072,209	0.8%	\$ 6.10
Total / Weighted Average					3,670,418	\$ 131,216,227	100.0%	\$ 35.79

Tenants

(As of March 31, 2018, unaudited)



Tenant	Number of Properties	Number of Leases	Weighted Average Remaining Lease Term ⁽¹⁾	Leased Square Feet	Percentage of Leased Square Feet	Annualized Lease Income	Percentage of Total Annualized Lease Income
U.S. Government							
Federal Bureau of Investigation ("FBI")	7	7	5.5	823,368	22.6%	\$ 26,645,793	20.3%
Department of Veteran Affairs ("VA")	2	2	17.4	413,977	11.3%	20,001,233	15.2%
Drug Enforcement Administration ("DEA")	11	11	6.0	441,340	12.0%	19,566,920	14.9%
Administrative Office of the U.S. Courts ("AOC")	4	4	5.6	213,791	5.8%	8,056,852	6.1%
Internal Revenue Service ("IRS")	1	1	0.7	180,481	4.9%	7,578,831	5.8%
Immigration and Customs Enforcement ("ICE")	3	3	7.6	172,270	4.7%	7,206,384	5.5%
Patent and Trademark Office ("PTO")	1	2	1.1	189,871	5.2%	6,519,811	5.0%
U.S. Forest Service ("USFS")	2	2	5.8	191,175	5.2%	5,594,208	4.3%
Customs and Border Protection ("CBP")	3	3	7.0	127,397	3.5%	5,426,790	4.1%
Environmental Protection Agency ("EPA")	1	1	5.0	71,979	2.0%	4,171,384	3.2%
Department of Transportation ("DOT")	1	2	6.1	129,659	3.5%	3,628,580	2.8%
U.S. Citizenship and Immigration Services ("USCIS")	1	1	2.4	137,671	3.8%	3,298,565	2.5%
Occupational Safety and Health Administration ("OSHA")	1	1	5.8	75,000	2.0%	2,979,790	2.3%
Military Entrance Processing Command ("MEPCOM")	1	1	7.5	30,000	0.8%	2,183,870	1.7%
Department of Energy ("DOE")	1	1	11.6	115,650	3.2%	2,068,524	1.6%
National Park Service ("NPS")	1	1	6.2	62,772	1.7%	1,751,754	1.3%
U.S. Coast Guard ("USCG")	1	1	9.7	59,547	1.6%	1,582,249	1.2%
Social Security Administration ("SSA")	2	2	8.3	21,649	0.6%	794,719	0.6%
Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") ⁽²⁾	0	0	2.7	8,680	0.2%	373,628	0.3%
U.S. Department of Agriculture ("USDA")	0	1	7.8	1,538	0.0%	54,999	0.0%
U.S. Marshals Service ("USMS") ⁽³⁾	0	0	8.8	1,054	0.0%	47,002	0.0%
Subtotal	44	47	6.9	3,468,869	94.6%	\$ 129,531,886	98.7%
Private Tenants							
We Are Sharing Hope SC ⁽⁴⁾	0	1	3.5	21,609	0.6%	\$ 612,132	0.5%
United Technologies (Pratt & Whitney)	1	1	5.8	105,641	2.9%	544,405	0.4%
Lummus Corporation	1	1	10.3	70,078	1.9%	527,804	0.4%
Subtotal	2	3	7.1	197,328	5.4%	\$ 1,684,341	1.3%
Total / Weighted Average	46	50	6.9	3,666,197	100.0%	\$ 131,216,227	100.0%

⁽¹⁾Weighted based on leased square feet.

⁽²⁾ATF occupies the first floor of the DEA - Birmingham building in a joint lease with the DEA.

⁽³⁾USMS occupies a portion of the ICE - Charleston building in a joint lease with ICE and the DEA.

⁽⁴⁾LifePoint, Inc. changed its legal name to We Are Sharing Hope SC in the first quarter of 2017.

Lease Expirations

(As of March 31, 2018, unaudited)

Year of Lease Expiration	Number of Leases Expiring	Square Footage Expiring	Percentage of Total Square Footage Expiring	Annualized Lease Income Expiring	Percentage of Total Annualized Lease Income Expiring	Annualized Lease Income per Leased Square Foot Expiring
2018	6	408,597	11.1%	\$ 14,592,270	11.1%	\$ 35.71
2019	2	215,281	5.9%	8,849,543	6.7%	41.11
2020	7	356,677	9.7%	12,131,670	9.2%	34.01
2021	7	582,782	15.9%	17,670,978	13.5%	30.32
2022	2	47,919	1.3%	1,680,241	1.3%	35.06
2023	2	177,620	4.8%	4,715,789	3.6%	26.55
2024	6	501,978	13.7%	17,298,004	13.2%	34.46
2025	3	108,955	3.0%	5,071,556	3.9%	46.55
2026	2	100,258	2.7%	2,911,834	2.2%	29.04
2027	6	225,890	6.2%	8,370,642	6.4%	37.06
Thereafter	7	940,240	25.7%	37,923,700	28.9%	40.33
Total / Weighted Average	50	3,666,197	100.0%	\$ 131,216,227	100.0%	\$ 35.79

Summary of Re/Development Projects

(As of March 31, 2018, unaudited, costs in thousands)



Projects Under Construction⁽¹⁾

Property Name	Location	Property Type	Total Rentable Square Feet	Percentage Leased	Lease Term	Anticipated Total Cost	Cost to Date	Anticipated Completion Date	Anticipated Lease Commencement
FEMA - Tracy	Tracy, CA	Warehouse/Office	210,373	100%	20-Year	\$ 44,643	\$ 24,461	3Q 2018	3Q 2018
Total			210,373			\$ 44,643	\$ 24,461		

Projects in Design⁽²⁾

Property Name	Location	Property Type	Total Estimated Rentable Square Feet	Percentage Leased	Lease Term	Anticipated Completion Date	Anticipated Lease Commencement
FDA - Alameda	Alameda, CA	Laboratory	69,624	100%	20-Year	4Q 2019	4Q 2019
FDA - Lenexa	Lenexa, KS	Laboratory	53,120	100%	20-Year	2Q 2020	2Q 2020
Total			122,744				

⁽¹⁾Includes properties under construction for which design is complete.

⁽²⁾Includes properties in the design phase for which project scope is not fully determined.