SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-Q

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

For the Quarter Ended: March 31,2002

Commission File No. 1-07533

FEDERAL REALTY INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

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

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

(301)998-8100

(Registrant's telephone number, including area code)

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

Yes X . No .

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

Class	Outstanding at May 2, 2002
Common Shares of Beneficial Interest	40,765,216

This report, including exhibits, contains 39 pages.

FEDERAL REALTY INVESTMENT TRUST

S.E.C. FORM 10-Q

March 31, 2002

I N D E X

FEDERAL REALTY INVESTMENT TRUST

S.E.C. FORM 10-Q

March 31, 2002

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 present a fair statement of the results for the interim periods presented.

Federal Realty Investment Trust

CONSOLIDATED BALANCE SHEETS

	March 31, 2002 (unaudited)	December 31, 2001
ASSETS	(in thousands, except share data)	
Real estate, at cost		
Operating	$ 1,770,455	$ 1,782,318
Development	356,450	321,986
Held for sale	18,141	-
	2,145,046	2,104,304
Less accumulated depreciation and amortization	(410,295)	(395,767)
	1,734,751	1,708,537
Other Assets		
Cash	17,325	17,563
Mortgage notes receivable	48,661	35,607
Accounts and notes receivable	17,095	18,580
Prepaid expenses and other assets, principally property taxes and lease commissions	50,802	50,739
Debt issue costs, net of accumulated amortization of $5,227 and $4,840, respectively	6,565	6,952
	$ 1,875,199	$ 1,837,978
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Obligations under capital leases	$ 99,663	$ 100,293
Mortgages and construction loans payable	381,338	350,043
Notes payable	185,801	174,843
Accounts payable and accrued expenses	68,093	64,014
Dividends payable	22,702	21,664
Security deposits	6,234	6,026
Prepaid rents	8,938	10,400
Senior notes and debentures	410,000	410,000
5 1/4% Convertible subordinated debentures	75,289	75,289
Investors' interest in consolidated assets	33,803	33,018
Commitments and contingencies		
Shareholders' equity		
Preferred stock, authorized 15,000,000 shares, $.01 par		
7.95% Series A Cumulative Redeemable Preferred Shares, (stated at liquidation preference $25 per share), 4,000,000 shares issued in 1997	100,000	100,000
8.5% Series B Cumulative Redeemable Preferred Shares, (stated at liquidation preference $25 per share), 5,400,000 shares issued in 2001	135,000	135,000
Common shares of beneficial interest, $.01 par, 100,000,000 shares authorized, 42,094,708 and 41,524,165 issued, respectively	421	417
Additional paid in capital	744,094	730,835
Accumulated dividends in excess of Trust net income	(348,080)	(322,428)
	631,435	643,824
Less:1,457,328 and 1,452,926 common shares in treasury - at cost, respectively	(28,088)	(27,990)
Deferred compensation on restricted shares	(12,485)	(15,005)
Notes receivable from employee stock plans	(4,551)	(4,148)
Accumulated other comprehensive income (loss)	(2,973)	(4,293)
	583,338	592,388
	$ 1,875,199	$ 1,837,978

The accompanying notes are an integral part of these consolidated statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(In thousands, except per share data)	Three months ended March 31, 2002	2001
Revenue		
Rental income	$ 71,575	$ 66,825
Interest and other income	1,261	1,857
Other property income	3,482	2,709
	76,318	71,391
Expenses		
Rental	15,622	15,029
Real estate taxes	7,832	6,600
Interest	16,640	17,150
Administrative	2,999	3,133
Restructuring expenses	8,489	-
Depreciation and amortization	15,986	14,110
	67,568	56,022
Operating income before investors' share of operations and discontinued operations	8,750	15,369
Investors' share of operations	(697)	(1,378)
Income before loss on abandoned developments held for sale and discontinued operations	8,053	13,991
Income from operations of discontinued asset	263	242
Income before loss on abandoned developments held for sale	8,316	14,233
Loss on abandoned developments held for sale	(9,647)	-
Net (loss) income	(1,331)	14,233
Dividends on preferred stock	(4,856)	(1,988)
Net (loss) income available for common shareholders	($6,187)	$ 12,245
Earnings per common share, basic		
Income before loss on abandoned developments held for sale and discontinued operations	$ 0.08	$ 0.31
Discontinued operations	0.01	0.01
Loss on abandoned developments held for sale	(0.24)	-
	($0.15)	$ 0.32
Weighted average number of common shares, basic	39,702	38,822
Earnings per common share, diluted		
Income before loss on abandoned developments held for sale and discontinued operations	$ 0.08	$ 0.31
Discontinued operations	0.01	0.01
Loss on abandoned developments held for sale	(0.24)	-
	($0.15)	$ 0.32
Weighted average number of common shares, diluted	40,942	39,856

The accompanying notes are an integral part of these consolidated statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

(In thousands, except share data)	2002 Shares	2002 Amount	2002 Additional Paid-in Capital	2001 Shares	2001 Amount	2001 Additional Paid-in Capital
	Three months ended March 31,					
Common Shares of Beneficial Interest						
Balance, beginning of year	41,524,165	$ 417	$730,835	40,910,972	$ 410	$723,078
Exercise of stock options	437,209	4	8,874	-	-	-
Shares issued under dividend reinvestment plan	36,345	-	874	39,436	-	773
Performance and Restricted Shares granted, net of Restricted Shares retired	96,989	-	2,346	95,259	1	1,849
Accelerated vesting of options and restricted shares	-	-	1,165	-	-	-
Balance, end of period	42,094,708	$ 421	$744,094	41,045,667	$ 411	$725,700
Accumulated Dividends in Excess of Trust Net Income						
Balance, beginning of year		($322,428)			($306,287)	
Net income (loss)		(1,331)			14,233	
Dividends declared to common shareholders		(19,465)			(18,614)	
Dividends declared to preferred shareholders		(4,856)			(1,988)	
Balance, end of period		($348,080)			($312,656)	
Common Shares of Beneficial Interest in Treasury						
Balance, beginning of year	(1,452,926)	($27,990)		(1,441,594)	($27,753)	
Performance and Restricted Shares forfeited	(4,402)	(98)		(294)	(5)	
Balance, end of period	(1,457,328)	($28,088)		(1,441,888)	($27,758)	
Deferred Compensation on Restricted Shares						
Balance, beginning of year	(666,656)	($15,005)		(735,875)	($17,254)	
Performance and Restricted Shares issued, net of forfeitures	(73,821)	(1,763)		(71,869)	(1,392)	
Vesting of Performance and Restricted Shares	186,246	4,283		106,803	2,554	
Balance, end of period	(554,231)	($12,485)		(700,941)	($16,092)	
Subscriptions receivable from employee stock plans						
Balance, beginning of year	(218,555)	($4,148)		(242,638)	($4,540)	
Subscription loans issued	(48,333)	(1,416)		-	-	
Subscription loans paid	53,329	1,013		19,520	297	
Balance, end of period	(213,559)	($4,551)		(223,118)	($4,243)	
Accumulated other comprehensive income (loss)						
Balance, beginning of year		($4,293)			-	
Change due to recognizing gain on securities		73			-	
Change in valuation on interest rate swap		1,247			($1,079)	
Balance, end of period		($2,973)			($1,079)	
Other comprehensive income						
Net (loss) income		($1,331)			$ 14,233	
Change due to recognizing gain on securities		73			-	
Change in valuation on interest rate swap		1,247			(1,079)	
Total other comprehensive (loss) income		($11)			$ 13,154	

The accompanying notes are an integral part of these consolidated statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Three months ended March 31,	
	2002	2001
(In thousands)		
OPERATING ACTIVITIES		
Net (loss) income	($1,331)	$ 14,233
Items not requiring cash outlays		
Depreciation and amortization, including discontinued operations	16,021	14,144
Loss on abandoned developments held for sale	9,647	-
Non-cash portion of restructuring expense	5,806	-
Other, net	(2,431)	563
Changes in assets and liabilities		
(Increase) in accounts receivable	(303)	(122)
(Increase) in prepaid expenses and other assets before depreciation and amortization	(1,357)	(2,381)
(Decrease) in operating accounts payable, security deposits and prepaid rent	(2,247)	(542)
Increase in accrued expenses	8,031	4,001
Net cash provided by operating activities	31,836	29,896
INVESTING ACTIVITIES		
Acquisition of real estate	-	(33,534)
Capital expenditures - development	(41,937)	(32,978)
Capital expenditures - other	(9,445)	(21,452)
(Issuance) repayments of mortgage notes receivable, net	(7,566)	675
Net cash used in investing activities	(58,948)	(87,289)
FINANCING ACTIVITIES		
Borrowing of short-term debt, net	11,000	75,000
Proceeds from mortgage and construction financing, net of costs	31,427	2,197
Issuance of common shares	8,534	937
Payments on mortgages, capital leases and notes payable	(297)	(312)
Dividends paid	(22,608)	(19,933)
(Decrease) in minority interest, net	(1,182)	(710)
Net cash provided by financing activities	26,874	57,179
(Decrease) in cash	(238)	(214)
Cash at beginning of period	17,563	11,357
Cash at end of period	$ 17,325	$ 11,143

The accompanying notes are an integral part of these consolidated statements.

Federal Realty Investment Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2002

(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, 2001 which contain the accounting policies and other data of Federal Realty Investment Trust (the "Trust").

The following table sets forth the reconciliation between basic and diluted EPS:

	Three months ending March 31,	
Numerator	2002	2001
Net (loss) income available for common shareholders - basic	($6,187)	$12,245
(Loss) income attributable to operating partnership units	(136)	299
Net (loss) income available for common shareholders - diluted	($6,323)	$12,544
Denominator		
Denominator for basic EPS- weighted average shares	39,702	38,822
Effect of dilutive securities		
Stock options and awards	335	129
Operating partnership units	905	905
Denominator for diluted EPS	40,942	39,856

Risk Management. Upon adoption of SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" on January 1, 2001, the Trust had no derivatives and thus there was no transition adjustment upon adoption. SFAS No. 133 requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge of the exposure to certain risks. The Trust enters into derivative contracts, which qualify as cash flow hedges, in order to manage interest rate risk. Derivatives are not purchased for speculation. During 2001, to hedge its exposure to interest rates on its $125 million term loan, the Trust entered into interest rate swaps, which fixed the LIBOR interest rate on the term loan at 5.27%. The current interest rate on the term loan is LIBOR plus 95 basis points, thus fixing the interest rate at 6.22% on notional amounts totaling $125 million. The Trust is exposed to credit loss in the event of non-performance by the counterparties to the interest rate protection agreement should interest rates exceed the cap. However, management does not anticipate non-performance by the counterparties. The counterparties have long-term debt ratings of A- or above by S&P and AA2 or above by Moody's. Although the Trust's cap is not exchange traded, there are a number of financial institutions which enter into these types of transactions as part of their day-to-day activities. The interest rate swaps mature concurrently with the $125 million term loan on December 19, 2003. The swaps were documented as cash flow hedges and designated as effective at inception of the swap contract. Consequently, the unrealized gain or loss upon measuring the swaps at their fair value is recorded as a component of other comprehensive income within stockholders' equity and either a derivative instrument asset or liability is recorded on the balance sheet. At March 31, 2002, a cumulative unrealized loss of $3.1 million, representing the difference between the current market value and the 6.22% fixed interest rate on the swap, was recorded in other comprehensive income with a corresponding derivative liability on the balance sheet. Interest expense of approximately $1.8 million will be reclassified from other comprehensive income into current earnings over the next twelve months to bring the effective interest rate up to 6.22%.

Reclassifications. Certain components of rental income, other property income, rental expense, real estate tax expense and depreciation and amortization expense on the March 31, 2001 Statement of Operations have been reclassified to Income from properties held for sale to assure comparability of all periods presented.

NOTE B - REAL ESTATE ASSETS AND ENCUMBRANCES

On February 1, 2002, to complete the buyout of the minority partner at Santana Row, the Trust received the minority partner's interest in Santana Row in exchange for a $2.6 million investment in a partnership. A $5.9 million loan made by the Trust to the partnership on January 12, 2001 is due January 12, 2003.

The Trust made an additional mortgage loan of $1.5 million to an existing borrower with an interest rate of 10.0%. $1.1 million of notes were repaid to the Trust during the first quarter of 2002. In addition, the Trust loaned $7.2 million to the hotel venture at Santana Row. The loan bears interest at rates ranging from 12% to 15% and has a ten year term. During the first five years, interest is payable from cash flow, if available. If cash flow is not sufficient to pay interest in full, the unpaid amount will accrue and bear interest at the same rate as the principal.

NOTE C - MORTGAGES AND CONSTRUCTION LOANS PAYABLE AND NOTES PAYABLE

At March 31, 2002 there was $55.0 million borrowed under the Trust's syndicated credit facility. The maximum amount drawn during the quarter was $60.0 million. The weighted average interest rate on borrowings for the three months ended March 31, 2002 was 2.6%. The facility requires fees and has various covenants including the maintenance of a minimum shareholders' equity and a maximum ratio of debt to net worth. At March 31, 2002 the Trust is in compliance with all loan covenants.

At March 31, 2002 there was $93.1 million borrowed under the construction loan for the Santana Row development in San Jose, California. The loan, which initially bears interest at LIBOR plus 212.5 basis points, matures April 16, 2004 with two one-year extension options, subject to certain operating and other conditions. The interest rate on the loan will decrease to LIBOR plus 187.5 basis points then to LIBOR plus 162.5 basis points upon achievement of certain leasing, occupancy and net operating income hurdles. There is no assurance that these conditions and hurdles will be met. The construction loan requires fees and has various covenants including the maintenance of a minimum shareholders' equity and a maximum ratio of debt to gross asset value. At March 31, 2002 the Trust was in compliance with all loan covenants.

At March 31, 2002 there was $23.5 million borrowed under the construction loan for the Trust's Woodmont East development in Bethesda, Maryland. The loan, which has a current floating interest rate of LIBOR plus 135 basis points, matures August 29, 2002 with two one-year extension options. No principal payments are due until maturity. The property secures the construction loan facility.

NOTE D - SHAREHOLDERS' EQUITY

In February 2002, options for 415,000 shares at $25.16 per share, fair market value at the date of award, were awarded to certain officers and employees of the Trust. The options vest over three years.

NOTE E - INTEREST EXPENSE

The Trust incurred interest expense totaling $21.4 million during the first three months of 2002 and $21.3 million during the first three months of 2001 of which $4.8 million and $4.1 million, respectively, was capitalized in connection with development projects. Interest paid was $18.1 million in the first three months of 2002 and $17.2 million in the first three months of 2001.

NOTE F - COMMITMENTS AND CONTINGENCIES

Pentagon Row is a mixed-use project with the retail component being developed by the Trust and the residential component being developed by an unrelated developer. In October 2000 the general contractor on the project was replaced by the Trust and the residential developer because of schedule delays and other events that caused the Trust and the residential developer to conclude that the original contractor was either unable or unwilling to comply with its contractual obligations. The Trust and the residential developer filed suit against the original contractor to recover damages that are being incurred as a result of defaults under the contract. Though not quantifiable until the project is completed, the combined damage claim is estimated to be approximately $40 million. The original contractor filed a counterclaim against the Trust and the residential developer for damages of $7 million plus interest, attorneys' fees and litigation costs. The Trust believes that the counterclaim is generally without merit and that the outcome of the counterclaim will not have a material adverse effect on its financial condition, results of operations or on the project. Work continues under the direction of the new general contractor. Due to the delay and other costs associated with the change in general contractor the estimated cost of the project is now $92 million, if there is no recovery of damages from the original general contractor. The lawsuit against the original contractor is scheduled for mediation in May 2002, and, should mediation prove unsuccessful, is scheduled to go to trial in October 2002.

In addition, the Trust is involved in various lawsuits and environmental matters arising in the normal course of business. Management believes that such matters will not have a material effect on the financial condition or results of operations of the Trust.

Under the terms of the Congressional Plaza partnership agreement, from and after January 1, 1986 Rockville Plaza Company ("RPC"), an unaffiliated third party, has the right to require the Trust and the two other minority partners to purchase from half to all of RPC's 37.5% interest in Congressional Plaza at the interest's then-current fair market value. Based on management's current estimate of fair market value, the Trust's estimated liability upon exercise of the put option is approximately $27.5 million. In conjunction with a redevelopment currently taking place at the property, the Trust has agreed to acquire an additional 7.5% interest in Congressional Plaza from RPC in exchange for funding approximately $7 million of RPC's share of the redevelopment cost. This funding will take place through 2002 and the transaction will be completed in 2003.

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

Under the terms of other partnerships, the partners may exchange their 904,589 operating units for cash or exchange into the same number of common shares of the Trust, at the option of the Trust.

The Trust has committed approximately $5.5 million to four restaurant joint ventures at Santana Row in lieu of tenant allowances. The Trust will participate in profits, losses and cash flow in accordance with the terms of each individual venture. As of March 31, 2002 the Trust has invested approximately $504,000.

NOTE G - COMPONENTS OF RENTAL INCOME

The components of rental income for the periods ended March 31 are as follows (in thousands):

	2002	2001
Retail properties		
Minimum rents	$58,333	$53,747
Cost reimbursements	10,990	10,422
Percentage rents	1,474	1,931
Apartments	778	725
	$71,575	$66,825

NOTE H - RESTRUCTURING EXPENSE

On February 28, 2002 the Trust adopted a new business plan which returns the Trust's primary focus to its traditional business of acquiring and redeveloping community and neighborhood shopping centers that are anchored by supermarkets, drug stores, or high volume, value oriented retailers that provide consumer necessities. The Trust will complete Bethesda Row, Pentagon Row and Santana Row but does not plan to develop any new large-scale, mixed-use, ground-up development projects. Rather, the Trust will seek to acquire income producing centers and may seek opportunities to develop ground-up grocery anchored shopping centers, all in and around the metropolitan Washington, D.C., Philadelphia and New York markets, and will identify and execute redevelopment opportunities in its existing portfolio. Concurrent with the adoption of the business plan, the Trust adopted a management succession plan and restructured its management team.

In connection with this change in business plan the Trust recorded a charge of $18.2 million, which includes a restructuring charge of $8.5 million; $6.9 million of severance and other compensation costs for several senior officers of the Trust related to the management restructuring, as well as the write-off of $1.6 million of the Trust's development costs. Cash payments and non-cash compensation and non-cash writedowns of development costs against this $8.5 million reserve totaled $7.0 million for the three months ended March 31, 2002. An additional component of the restructuring charge is an impairment loss of $9.7 million representing the estimated loss on the abandonment of development projects held for sale, primarily the Tanasbourne development project located in Portland, Oregon, thereby adjusting the value of these assets to their estimated fair value. The Trust is marketing these properties, components of the Trust's western region, for sale. The current carrying value of these properties, classified on the Trust's consolidated balance sheet as real estate held for sale, is $8.4 million.

NOTE I - DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

On April 11, 2002 the Trust sold the street retail property located at 252 Greenwich Avenue in Greenwich, Connecticut for $16.5 million. The carrying amount of this property, classified on the Trust's consolidated balance sheet as Real estate held for sale, is $9.7 million. The net income from this property, reported as income from properties held for sale on the Trust's consolidated statements of operations, was $263,000 and $242,000 for the three months ended March 31, 2002 and 2001, respectively. This property is a component of the Trust's northeast region. The gain from the sale of this asset will be recorded in the second quarter of 2002.

NOTE J - SEGMENT INFORMATION

The Trust operates its portfolio of properties in three geographic operating regions: Northeast, Mid-Atlantic and West.

A summary of the Trust's operations by geographic region is presented below (in thousands):

Three months ended March 31, 2002	Northeast	Mid-Atlantic	West	Other	Total
Rental income	$ 29,724	$ 32,974	$ 8,877		$ 71,575
Other income	1,652	1,322	508		3,482
Rental expense	(5,437)	(7,290)	(2,895)		(15,622)
Real estate tax	(4,079)	(2,947)	(806)		(7,832)
Net operating income	21,860	24,059	5,684		51,603
Interest income				$ 1,261	1,261
Interest expense				(16,640)	(16,640)
Administrative expense				(2,999)	(2,999)
Restructuring expense				(8,489)	(8,489)
Depreciation and amortization	(7,073)	(6,588)	(2,102)	(223)	(15,986)
Income before investors' share of operations and discontinued operations	$ 14,787	$ 17,471	$ 3,582	($27,090)	$ 8,750
Capital expenditures	$ 850	$ 10,222	$ 48,281		$ 59,353
Real estate assets	$761,564	$803,672	$579,810		$2,145,046

Three months ended March 31, 2001	Northeast	Mid-Atlantic	West	Other	Total
Rental income	$ 28,673	$ 30,042	$ 8,110		$ 66,825
Other income	1,040	977	692		2,709
Rental expense	(6,602)	(6,207)	(2,220)		(15,029)
Real estate tax	(3,612)	(2,315)	(673)		(6,600)
Net operating income	19,499	22,497	5,909		47,905
Interest income				$ 1,857	1,857
Interest expense				(17,150)	(17,150)
Administrative expense				(3,133)	(3,133)
Depreciation and amortization	(6,664)	(5,664)	(1,555)	(227)	(14,110)
Income before investors' share of operations	$ 12,835	$ 16,833	$ 4,354	($18,653)	$ 15,369
Capital expenditures	$ 6,737	$ 15,135	$ 48,926		$ 70,798
Real estate assets	$760,725	$735,267	$429,576		$1,925,568

There are no transactions between geographic areas.

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

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto of Federal Realty Investment Trust (the "Trust"). The Trust and its representatives may from time to time make written or oral statements that are "forward-looking", within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievement's of the Trust to be materially different from the results of operations or plans expressed or implied by such forward-looking statements. Such factors include, among others,

... changes in our business strategy;

... general economic and business conditions which will affect the credit worthiness of tenants;

... financing availability and cost;

... retailing trends and rental rates;

... risks of real estate development and acquisitions, including the risk that potential acquisitions or development projects may not perform in accordance with expectations;

... our ability to satisfy the complex rules in order to qualify for taxation as a REIT for federal income tax purposes and to operate effectively within the limitations imposed by these rules;

... government approvals, actions and initiatives including the need for compliance with environmental and safety requirements, and changes in laws and regulations or the interpretation thereof; and

... competition with other real estate companies, real estate projects and technology.

We identify forward-looking statements by using words or phrases such as "anticipate", "believe", "estimate", "expect", "intend", "may be", "objective", "plan", "predict", "project", and "will be" and similar words or phrases, or the negatives thereof or other similar variations thereof or comparable terminology. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

LIQUIDITY AND CAPITAL RESOURCES

Federal Realty meets its liquidity requirements through net cash provided by operating activities, along with debt and equity funding alternatives available to it. A significant portion of cash provided by operating activities is distributed to common and preferred shareholders in the form of dividends. Accordingly, capital outlays for property acquisitions, major renovation and development projects and balloon debt repayments require debt or equity funding. At times, proceeds from the sale of selected assets may also provide an additional source of capital. From 1998 until November 2001, the Trust relied primarily on debt to fund these capital needs, and accordingly, debt as a percentage of total capitalization steadily increased over that period. In November 2001 the Trust issued $135 million of preferred stock. In the future, the Trust will look to common, preferred and joint-venture equity in addition to debt to fund longer term growth needs.

Net cash provided by operating activities was $31.8 million in the first quarter of 2002 and $29.9 million in the first quarter of 2001 of which $22.6 million and $19.9 million, respectively, was distributed to shareholders. Contributions from newly acquired, retenanted, redeveloped and developed properties, such as Pentagon Row, as more fully described below, were the primary sources of this increase.

Net cash used in investing activities was $58.9 million during the first quarter of 2002 and $87.3 million during the first quarter of 2001. There was no real estate acquired in the first quarter of 2002. Cash outlays for real estate in the first quarter of 2001 totaled $33.5 million. During these two periods, the Trust expended an additional $51.4 million and $54.4 million, respectively, in capital improvements to its properties. The Trust invested $8.7 million during the first quarter of 2002 and $553,000 during the first quarter of 2001 in mortgage notes receivable with an average weighted interest rate of 11.7% and 10%, respectively. $1.1 million and $1.2 million of notes receivable were repaid during the first quarter of 2002 and 2001, respectively.

On February 1, 2002, to complete the buyout of the minority partner at Santana Row, the Trust received the minority partner's interest in Santana Row in exchange for a $2.6 million investment in a partnership. A $5.9 million loan made by the Trust to the partnership on January 12, 2001 is due January 12, 2003.

Of the $51.4 million spent in the first quarter of 2002 on the Trust's existing real estate portfolio, approximately $41.9 million was invested in development projects in San Jose, California and in Arlington, Virginia. The remaining $9.5 million of capital expenditures relates to improvements to common areas, tenant work and various redevelopments, including the Congressional Apartments in Rockville, Maryland, the completion of tenant work at the Trust's

Woodmont East development in Bethesda, Maryland and the redevelopment of retail buildings in San Antonio, Texas.

Net cash provided by financing activities, before dividend payments, was $49.5 million in the first quarter of 2002 and $77.1 million in the first quarter of 2001. The Trust utilizes its unsecured syndicated line of credit and the Santana Row construction loan to fund capital expenditures. At March 31, 2002 there was $55.0 million borrowed under this syndicated credit facility. The maximum amount drawn during the quarter was $60.0 million. The weighted average interest rate on borrowings for the three months ended March 31, 2002 was 2.6%. The facility requires fees and has various covenants including the maintenance of a minimum shareholders' equity and a maximum ratio of debt to net worth.

Capital requirements for the remainder of 2002 will depend upon acquisition opportunities, the rate of build-out on the Trust's current developments and the level of improvements and redevelopments on existing properties.

The Trust will need additional capital in order to fund acquisitions, expansions and any new developments, including future phases of Santana Row, if any, and to refinance its maturing debt. Sources of this funding may be additional debt, both secured and unsecured, additional equity and joint venture relationships. In addition, the Trust has identified certain of its properties that may be exchanged or sold as a source of funding, if the Trust's sales price is met.

Santana Row

In 2002, the Trust's single largest capital need is anticipated to be the development of Santana Row, a multi-phase mixed-use project being built on 42 acres in San Jose, California in the heart of Silicon Valley. The project will consist of residential, retail and hotel components, creating a community with the feel of an urban district. Phase 1 of the project includes Santana Row, the "1,500 foot long main street" and nine buildings which will contain approximately 538,000 square feet of retail space, 501 residential units, a 214 room hotel and the supporting infrastructure. Eight buildings comprising 440,000 square feet of retail space are expected to be completed during the third and fourth quarters of 2002 with the ninth building being completed twelve to eighteen months later. The Trust estimates the total cost of Phase 1 to be $500 million. As of March 31, 2002, the Trust has incurred costs of $274 million including the purchase of the land; the Trust estimates that it will spend approximately $197 million in the remainder of 2002 and the balance in 2003 to complete the first phase of the project.

On April 17, 2001, the Trust closed on a $295 million construction loan. The loan, which initially bears interest at LIBOR plus 212.5 basis points, matures April 16, 2004 with two one-year extension options, subject to certain operating and other conditions. The interest rate on the loan will decrease to LIBOR plus 187.5

basis points then to LIBOR plus 162.5 basis points upon the achievement of certain leasing, occupancy and net operating income hurdles. There is no assurance that these conditions and hurdles will be met. The construction loan requires fees and has various covenants including the maintenance of a minimum shareholders' equity and a maximum ratio of debt to gross asset value. As of March 31, 2002, $93.1 million was borrowed under the loan.

The success of Santana Row will depend on many factors which cannot be assured and are not entirely within the Trust's control. These factors include among others, the demand for retail and residential space and at what rents, the ability to construct the current and later phases at reasonable costs, the cost of operations, including utilities and insurance, the availability and cost of capital and the general economy, particularly in the Silicon Valley.

The Trust has not finalized the cost and scope for future phases of Santana Row and will not do so until the success of Phase 1 and future demand for rental space is determined. However, as Phase 1 utilizes only part of the retail and residential entitlements of the property, and as Phase 1 contains infrastructure for future phases, the Trust expects to identify and execute economically viable additional phases to the project.

CONTINGENCIES

Pentagon Row is a mixed-use project with the retail component being developed by the Trust and the residential component being developed by an unrelated developer. In October 2000 the general contractor on the project was replaced by the Trust and the residential developer because of schedule delays and other events that caused the Trust and the residential developer to conclude that the original contractor was either unable or unwilling to comply with its contractual obligations. The Trust and the residential developer filed suit against the original contractor to recover damages that are being incurred as a result of defaults under the contract. Though not quantifiable until the project is completed, the combined damage claim is estimated to be approximately $40 million. The original contractor filed a counterclaim against the Trust and the residential developer for damages of $7 million plus interest, attorneys' fees and litigation costs. The Trust believes that the counterclaim is generally without merit and that the outcome of the counterclaim will not have a material adverse effect on its financial condition, results of operations or on the project. Work continues under the direction of the new general contractor. Due to the delay and other costs associated with the change in general contractor the estimated cost of the project is now $92 million, if there is no recovery of damages from the original general contractor. The lawsuit against the original contractor is scheduled for mediation in May 2002, and, should mediation prove unsuccessful, is scheduled to go to trial in October 2002.

In addition, the Trust is involved in various lawsuits and environmental matters arising in the normal course of business.

Management believes that such matters will not have a material effect on the financial condition or results of operations of the Trust.

Under the terms of the Congressional Plaza partnership agreement, from and after January 1, 1986 Rockville Plaza Company ("RPC"), an unaffiliated third party, has the right to require the Trust and the two other minority partners to purchase from half to all of RPC's 37.5% interest in Congressional Plaza at the interest's then-current fair market value. Based on management's current estimate of fair market value, the Trust's estimated liability upon exercise of the put option is approximately $27.5 million. In conjunction with a redevelopment currently taking place at the property, the Trust has agreed to acquire an additional 7.5% interest in Congressional Plaza from RPC in exchange for funding approximately $7 million of RPC's share of the redevelopment cost. This funding will take place through 2002 and the transaction will be completed in 2003.

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

Under the terms of other partnerships, the partners may exchange their 904,589 operating units for cash or exchange into the same number of common shares of the Trust, at the option of the Trust.

The Trust has committed approximately $5.5 million to four restaurant joint ventures at Santana Row in lieu of tenant allowances. The Trust will participate in profits, losses and cash flow in accordance with the terms of each individual venture. As of March 31, 2002 the Trust has invested approximately $504,000.

RESULTS OF OPERATIONS - THREE MONTHS ENDED MARCH 31, 2002 AND 2001

Net income and funds from operations have been affected by the Trust's recent acquisition, redevelopment and financing activities. The Trust has historically reported its funds from operations in addition to its net income and net cash provided by operating activities. Funds from operations is a supplemental measure of real estate companies' operating performance. The National Association of Real Estate Investment Trusts ("NAREIT") defines funds from operations as follows: income available for common shareholders before depreciation and amortization of real estate assets and before extraordinary items less gains on sale of real estate. Funds from operations does not replace net income as a measure of performance or net cash provided by operating activities as a measure of liquidity. Rather, funds from operations has been adopted by real estate investment trusts to provide a consistent measure of operating performance in the industry. Nevertheless, funds from operations, as presented by the Trust, may not be comparable to funds from operations as presented by other real estate investment trusts.

The reconciliation of net income to funds from operations for the three months ended March 31 is as follows:

	2002	2001
	(in thousands)	
Net (loss) income available for common shareholders	($6,187)	$12,245
Depreciation and amortization of real estate assets	14,537	12,866
Amortization of initial direct costs of leases	1,171	969
Loss on abandoned developments held for sale	9,647	-
(Loss) income attributable to operating partnership units	(136)	299
Funds from operations for common shareholders	$19,032	$26,379

Consolidated Results

Rental income, which consists of minimum rent, percentage rent and cost recoveries, increased 7.1% from $66.8 million in the first quarter of 2001 to $71.6 million in the first quarter of 2002. On a same center basis, rental income increased 5.1%, due primarily to the favorable impact of redeveloped and retenanted centers, as well as, increases associated with lease rollovers. Same center basis, in 2002, excludes Williamsburg Shopping Center in Williamsburg, Virginia, 101 E. Oak Street in Chicago, Illinois and 70/10 Austin Street in Forest Hills, New York which were sold in 2001, Friendship Center in Washington, D.C. which was purchased on September 21, 2001, the office building located at 580 Market Street in San Francisco, California which was exchanged for the minority partner's interest in Santana Row and properties under development in 2001 and 2002, including Pentagon Row in Arlington, Virginia and Santana Row in San Jose, California.

Other property income includes items, which although recurring, tend to fluctuate more than rental income from period to period, such as utility reimbursements, telephone income, merchant association dues, late fees, lease termination fees and temporary tenant income. Other property income increased 28.5% from $2.7 million in 2001 to $3.5 million in 2002 due primarily to increases in lease termination fees of $342,000 and income earned at the Pentagon Row project which began phasing into service in the second quarter of 2001. On a same center basis, other property income increased 19.3%, primarily due to the increased lease termination fees.

Rental expenses increased 3.9% from $15.0 million in the first quarter of 2001 to $15.6 million in the first quarter of 2002. Expenses for the Pentagon Row project were the major cause of this increase. Rental expense as a percentage of property income, rental income plus other property income, decreased from 21.6% in 2001 to 20.8% in 2002. On a same center basis, rental expenses decreased 4.6% from $14.8 million in 2001 to $14.1 million in 2002, primarily due to decreased snow removal costs in 2002.

Real estate taxes increased 18.7% from $6.6 million in the first quarter of 2001 to $7.8 million in the first quarter of 2002. On a same center basis, real estate taxes increased 16.2% due primarily to increased taxes on recently redeveloped properties and overall increases in tax assessments.

Depreciation and amortization expenses increased 13.3% from $14.1 million in the first quarter of 2001 to $16.0 million in the first quarter of 2002 reflecting the impact of recent new development, tenant work and property redevelopments which were placed in service throughout 2001 and the first quarter of 2002.

During the first quarter of 2002 the Trust incurred interest expense of $21.4 million, of which $4.8 million was capitalized, as compared to 2001's $21.3 million of which $4.1 million was capitalized. The modest increase in interest expense reflects the additional construction debt issued to fund the Trust's capital improvement programs offset by the decrease in interest expense on the Trust's syndicated credit facility, reflecting the pay-down on the credit facility with the proceeds from the November 2001 preferred stock offering, as well as lower interest rates on the Trust's variable rate debt. The ratio of earnings to combined fixed charges and preferred dividends was .98x and 1.29x for the first quarter of 2002 and 2001, respectively. The ratio of earnings to fixed charges was 1.16x and 1.39x during the first quarter of 2002 and 2001, respectively. The ratio of earnings before interest, taxes, depreciation and amortization ("EBITDA") to combined fixed charges and preferred dividends was 1.32x for the first quarter of 2002 and 1.63x for the first quarter of 2001. Excluding the one-time restructuring charge of $8.5 million in the first quarter of 2002, the Trust's ratio of earnings to combined fixed charges and preferred dividends was 1.25x and 1.29x for the first quarter of 2002 and 2001, respectively. The ratio of earnings to fixed charges was 1.49x and 1.39x during the first quarter of 2002 and 2001, respectively. The ratio of EBITDA to combined fixed charges and preferred dividends was 1.60x for the first quarter of 2002 and 1.63x for the first quarter of 2001.

Administrative expenses decreased from $3.1 million, or 4.4% of revenue in the first quarter of 2001 to $3.0 million, or 3.9% of revenue in the first quarter of 2002 primarily due to a reimbursement of $360,000 for acquisition costs incurred by the Trust that were written off to expense in a prior period.

On February 28, 2002 the Trust adopted a new business plan which returns the Trust's primary focus to its traditional business of acquiring and redeveloping community and neighborhood shopping centers that are anchored by supermarkets, drug stores, or high volume, value oriented retailers that provide consumer necessities. The Trust will complete Bethesda Row, Pentagon Row and Santana Row but does not plan to develop any new large-scale, mixed-use, ground-up development projects. Rather, the Trust will seek to acquire income producing centers and may seek opportunities to develop ground-up grocery anchored shopping centers, all in and around the metropolitan Washington, D.C., Philadelphia and New York markets, and will identify and execute redevelopment opportunities in its existing portfolio. Concurrent with the adoption of the business plan, the Trust adopted a management succession plan and restructured its management team.

In connection with this change in business plan the Trust recorded a charge of $18.2 million, which includes a restructuring charge of $8.5 million; $6.9 million of severance and other compensation costs for several senior officers of the Trust related to the management restructuring, as well as the write-off of $1.6 million of the Trust's development costs. Cash payments and non-cash compensation and non-cash writedowns of development costs against this $8.5 million reserve totaled $7.0 million for the three months ended March 31, 2002. An additional component of the restructuring charge is an impairment loss of $9.7 million representing the estimated loss on the abandonment of development projects held for sale, primarily the Tanasbourne development project located in Portland, Oregon, thereby adjusting the value of these assets to their estimated fair value. The Trust is marketing these properties, a component of the Trust's western region, for sale. The current carrying value of these properties, classified on the Trust's consolidated balance sheet as real estate held for sale, is $8.4 million.

Investors' share of operations represents the minority interest in the income of certain properties. The $700,000 decrease from $1.4 million for the first three months of 2001 to $700,000 for the first three months of 2002 is due to the Trust's 2001 buy-out of nine street retail buildings in southern California and three street retail buildings in Forest Hills, New York, thereby increasing the

Trust's ownership to 100%. In addition, the net loss realized by the Trust in the first quarter of 2002 is reflected in the minority interest allocation to all operating unit holders who are allocated income as if they held shares of the Trust.

On April 11, 2002 the Trust sold the street retail property located at 252 Greenwich Avenue in Greenwich, Connecticut for $16.5 million. The income from this property, reported as income from properties held for sale, was $263,000 and $242,000 for the three months ended March 31, 2002 and 2001, respectively.

As a result of the foregoing items, net income before loss on abandoned developments held for sale and discontinued operations decreased from $14.0 million during the first quarter of 2001 to $8.1 million during the first quarter of 2002, while net income decreased from $14.2 million during the first quarter of 2001 to a loss of $1.3 million during the first three months of 2002. Net income available for common shareholders decreased from $12.2 million during the first three months of 2001 to a loss of $6.2 million during the first three months of 2002, as a result of the forgoing items and as a result of an increase of $2.9 million in preferred dividends on the 8.5% preferred shares issued in November 2001.

Growth in net income and funds from operations during 2002 will continue to be primarily dependent on contributions from the core portfolio. Growth of net income from the core portfolio is, in part, dependent on the financial health of the Trust's tenants and on controlling expenses, some of which are beyond the complete control of the Trust, such as snow removal, insurance and real estate tax assessments and the general economy. The current weakening of the retail and overall economic environment could adversely impact the Trust by increasing vacancies and decreasing rents. In past weak retail and real estate environments, however, the Trust has been able to replace weak and bankrupt tenants with stronger tenants; management believes that due to the quality of the Trust's properties there will continue to be demand for its space. Growth in the core portfolio, however, will be offset by expenses at Santana Row. Leasing, marketing and pre-opening expenses at Santana Row prior to its scheduled opening in fall 2002 and additional depreciation and interest expense as the project is phased into operations will have a dilutive effect on 2002 earnings.

Growth in net income is also dependent on the amount of the Trust's leverage and interest rates. The Trust's leverage is increasing as it finances its development projects. In addition, to the extent variable-rate debt is unhedged, the Trust will continue to have exposure to changes in market interest rates. If interest rates increase, net income and funds from operations, as well as the ultimate cost of the Trust's development projects, will be negatively impacted. Net income available for common shareholders' and funds from operations will also be reduced by the November 2001 issuance of the 8.5% Series B Cumulative Redeemable Preferred Shares.

Segment Results

The Trust operates its portfolio of properties in three geographic operating regions: Northeast, Mid-Atlantic and West.

Historical operating results for the three regions are as follows (in thousands):

	For the three months ended March 31, 2002	2001
Rental income		
Northeast	$29,724	$28,673
Mid-Atlantic	32,974	30,042
West	8,877	8,110
Total	$71,575	$66,825

	For the three months ended March 31, 2002	2001
Net operating income		
Northeast	$21,860	$19,499
Mid-Atlantic	24,059	22,497
West	5,684	5,909
	$51,603	$47,905

The Northeast

The Northeast region is comprised of fifty-two assets, extending from suburban Philadelphia north through New York and its suburbs into New England and west to Illinois and Michigan.

When comparing the first quarter of 2002 with 2001, rental income increased 3.7% from $28.7 million in 2001 to $29.7 million in 2002. On a same center basis, excluding 101 E. Oak Street and 70/10 Austin Street which were sold in 2001, rental income increased 4.7% from $28.4 million in 2001 to $29.7 million in 2002, primarily due to increases at recently redeveloped and retenanted shopping centers such as Brunswick, Dedham, Fresh Meadows, Garden Market and Wynnewood.

Net operating income increased 12.1% from $19.5 million in 2001 to $21.9 million in 2002. On a same center basis, as defined above, net operating income increased 13.3% from $19.3 million in 2001 to

$21.9 million in 2002, primarily due to increases at the recently redeveloped and retenanted shopping centers, as well as, increased lease termination fees of $400,000 and significantly lower common area maintenance costs, specifically snow removal costs.

The Mid-Atlantic

The Mid-Atlantic region is comprised of thirty-two assets, including Pentagon Row, the final phase of which is currently under development, extending from Baltimore south to metropolitan Washington, D.C. and further south through Virginia and North Carolina into Florida.

When comparing the first quarter of 2002 with 2001, rental income increased 9.8% from $30.0 million in 2001 to $33.0 million in 2002. On a same center basis, excluding Williamsburg Shopping Center which was sold in 2001, Friendship Center which was purchased in 2001 and Pentagon Row which is being phased into service throughout 2001 and 2002, rental income increased 3.5%, due primarily to successful retenanting at several shopping centers and street retail properties, as well as the increased rental income from the Trust's Woodmont East project in Bethesda, Maryland which was open and occupied for a complete quarter in 2002.

When comparing the first quarter of 2002 with 2001, net operating income increased 6.9% from $22.5 million in 2001 to $24.1 million in 2002. On the same center basis as defined above net operating income increased 1.1%, with the increased rental income being offset by increased operating expenses and real estate taxes.

The West

The Western region is comprised of thirty-six assets, including Santana Row, which is currently under development, extending from Texas to the West Coast.

When comparing the first quarter of 2002 with 2001 on a same center basis, which excludes 580 Market Street which was exchanged for the minority partner's interest in Santana Row and Santana Row, which is currently under development, rental income increased 12.6% from $7.8 million in 2001 to $8.8 million in 2002, due primarily to increases from the recently redeveloped and retenanted properties in the Los Angeles area and in San Francisco, California. On an overall basis, rental income increased 9.5%, from $8.1 million in 2001 to $8.9 million in 2001.

On a same center basis as defined above, net operating income increased 12.2% from $5.7 million in 2001 to $6.3 million in 2002, due primarily to increases from the recently redeveloped and retenanted properties in the Los Angeles area and San Francisco, California. Overall net operating income decreased 3.8% from $5.9 million in 2001 to $5.7 million in 2002, reflecting the marketing, leasing and start-up costs associated with Santana Row.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits

(3)(i) Declaration of Trust of Federal Realty Investment Trust dated May 5, 1999 filed with the Commission on May 25, 1999 as an exhibit to the Trust's Current Report on Form 8-K is incorporated herein by reference thereto.

(ii) Bylaws of the Trust dated May 5, 1999 filed with the Commission on May 25, 1999 as an exhibit to the Trust's Current Report on Form 8-K is incorporated herein by reference thereto.

(10)(i) Termination agreement between Federal Realty Investment Trust and Cecily A. Ward dated March 1, 2002.

(ii) Termination agreement between Federal Realty Investment Trust and Nancy J. Herman dated March 29, 2002.

The following filed with the commission as portions of Exhibit 10 to the Trust's Annual Report on Form 10-K for the year ended December 31, 2001, is incorporated herein by reference thereto:

(iii) Termination Letter dated March 1, 2002 between Federal Realty Investment Trust and Ron D. Kaplan.

(iv) Consulting Agreement dated March 1, 2002 between Federal Realty Investment Trust and Ron D. Kaplan.

(v) Full Recourse Secured Promissory Note dated March 14, 2002 between Federal Realty Investment Trust and Ron D. Kaplan.

(vi) Share Pledge Agreement dated March 14, 2002 between Federal Realty Investment Trust and Ron D. Kaplan.

(B) Reports on Form 8-K

A Form 8-K, dated December 31, 2001 was filed on February 12, 2002 in response to Item 5.

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)

May 2, 2002

/s/ Steven J. Guttman
Steven J. Guttman, Chairman of the Board, Chief Executive Officer and Trustee (Chief Executive Officer)

May 2, 2002

/s/ Larry E. Finger
Larry E. Finger, Chief Financial Officer (Principal Accounting Officer)

EXHIBIT INDEX

Item 6. Exhibits and Reports on Form 8-K

(B) Exhibits

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Exhibit 10(i)

March 1, 2002

Ms. Cecily A. Ward
7904 Hackamore Drive
Potomac, Maryland 20854

Dear Cecily:

This letter agreement will set forth the terms of the termination of your employment with Federal Realty Investment Trust (the "Trust"):

1. Your employment is being terminated without cause pursuant to the Severance Agreement dated December 31, 1994 between you and the Trust (the "Severance Agreement"). You will continue to work full-time as a Vice President through the Termination Date (as defined in the last sentence of this paragraph), at your most recently approved annual base salary rate. During the period from the date hereof through the Termination Date (the "Transition Period"), you will continue to perform your current duties and work to transition your duties to Larry Finger, Ken Shoop and other Trust personnel as appropriate. It is anticipated that you will continue to work for the Trust through August 31, 2002, but you will meet with Don Wood on a monthly basis to discuss your employment situation and you may depart prior to that date if you wish; similarly, your employment may be extended on a month-to-month basis through the end of the year if you and Don Wood jointly so agree. The final day of your employment as determined in accordance with this paragraph will be referred to hereinafter as the "Termination Date". If the Trust determines to terminate your employment prior to August 31, 2002, the Termination Date will be considered to be August 31, 2002 for all purposes (including but not limited to payment of salary, bonus, benefits and vesting of options).

2. You will continue to receive full benefits, and to accrue vacation, sick leave and personal leave, through the Termination Date. You will, of course, continue to pay the premiums and any other costs of your benefits in the same dollar amounts that you were required to pay prior to the Transition Period (plus any increase that may be assessed on Trust employees during the Transition Period). For purposes of COBRA continuation coverage, you will be deemed to have experienced a "qualifying event" on the Termination Date. You will be paid for all accrued vacation as of the Termination Date.

3. You will be eligible for a bonus for 2002, equal to 40% of your most recently approved annual base salary rate divided by 12 (40% x $190,000 /12, or $6,333), times the number of whole or partial calendar months during which you are employed by the Trust in 2002. For example, if the Termination Date is September 15, 2002, your bonus will be $6,333 x 9, or $56,997.

4. The Trust will make a severance payment to you in the amount of $407,054 pursuant to Section 3(d) of your Severance Agreement. You agree that the above amount is the correct amount payable under that section of your Severance Agreement. Your severance

payment will be payable in a lump sum within five (5) days after the date on which this letter agreement becomes effective and enforceable (i.e., within five (5) days after the expiration of the revocation period referred to in paragraph 11 below without your having revoked this letter agreement).

5. You will remain eligible for continued vesting of your stock options through the Termination Date, at which time options outstanding and scheduled to vest during the succeeding 18 months will vest on an accelerated basis. You will receive the benefits and perquisites described in Sections 3(e), (g), (h) and (i) of the Severance Agreement, as well as the accelerated vesting provided for under the various restricted share award agreements between you and the Trust, effective on the Termination Date. Notwithstanding the previous sentence, the Trust will make available the outplacement services described in Section 3(h) of the Severance Agreement during the Transition Period if you so request.

6. The Trust may withhold from any amounts payable under this letter agreement, and pay over to the appropriate authority, all federal, state, county, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

7. You understand and acknowledge that the payments provided for in this letter agreement are the only payments to which you will be entitled and that they exceed the payments and benefits to which you were otherwise entitled. In consideration of these payments, you agree that you will not be entitled to collect unemployment compensation. You acknowledge and recognize that in agreeing to provide you with the payments provided under this letter agreement, the Trust in no way admits any wrongdoing or liability to you arising out of any basis, including but not limited to your employment and/or ending of employment with the Trust.

8. You acknowledge that the Trust's business reputation in the real estate industry and the morale of its employees are of great value to the Trust. Thus, in consideration of the payments provided under this letter agreement, you agree that (a) you will not disparage the Trust, its affiliates or its and their officers, directors, trustees or employees, and (b) you will comply with all the terms and conditions of the confidentiality letter you executed as a condition of employment with the Trust (a copy of which is attached to this letter agreement as Attachment A) and you will not divulge and will keep confidential all proprietary and private information regarding the Trust which was made known to you during your employment.

The Trust acknowledges your reputation and its great value to you. The Trust agrees that neither it nor its officers, directors, trustees, or agents will disparage your work performance or ethic or your integrity, or otherwise comment upon you unfavorably; and that neither it nor its officers, directors, trustees, or agents will make or publish, without your express prior written consent, any disparaging written or oral statement concerning you or your work performance or ethic or your integrity.

9. You agree to return to the Trust on or before the Termination Date all items containing proprietary information or trade secrets and any other property belonging to the Trust.

10. In consideration of the mutual promises of the parties and of the payments and other benefits promised herein by the Trust, you agree to release the Trust, all affiliated companies, and all employees, representatives, officers, trustees and directors of those entities of any and all claims or causes of action which you could assert arising, directly or indirectly, out of, or in any way connected with, based upon, or related to your employment by the Trust or your retirement under all statutes, laws, and regulations, whether, federal, state or local by executing a Release (in the form attached to this letter agreement as Attachment B) simultaneously with the execution of this letter agreement, and the Release shall be attached to and form a part of this letter agreement. Furthermore, the Trust's obligations under this letter agreement shall be subject to the Trust's receipt from you of a second Release, in the same form as the Release attached to this letter agreement as Attachment B, dated and effective as of the Termination Date.

11. You acknowledge that you have been given at least twenty-one (21) days to consider this letter agreement, that you have seven (7) days from the date you sign this letter agreement in which to revoke it, and that this letter agreement will not be effective or enforceable until after the seven-day revocation period ends without your revocation of it. Revocation can be made by delivery of a written notice of revocation to Nancy Herman, Senior Vice President - General Counsel, on or before the seventh calendar day after you sign this letter agreement.

12. This letter agreement (i) supersedes all other agreements between you and the Trust with regard to the subject matter hereof (including but not limited to the Executive Agreement dated March 24, 1989 between you and the Trust, which is rendered null and void and is terminated hereby), (ii) will be governed by and interpreted under the laws of Maryland, and (iii) will become final and binding on both parties only upon full execution by both parties, your execution of the Release and the passage of the seven-day revocation period without your revocation.

Cecily, words cannot express the amount of respect and gratitude I have for the tremendous hard work, leadership and inspiration you have given the Trust each and every day of the past fifteen years. On behalf of myself, the other officers and employees of the Trust, and the Board of Trustees, I want to wish you all the best as you begin this next chapter of your life.

WITNESS: FEDERAL REALTY INVESTMENT TRUST

______________________________ By: ____
Steven J. Guttman
Chairman and Chief Executive Officer

WITNESS:

______________________________ ____
Cecily A. Ward
Date of Signature: _________________________

ATTACHMENT B

RELEASE

This Release, entered into and effective for all purposes as of this ____ day of __________, 2002, between Cecily A. Ward ("Employee") and Federal Realty Investment Trust ("Employer"),

KNOW ALL MEN BY THESE PRESENTS THAT:

A. In consideration of Employer's agreement to make the payments and to provide other benefits to Employee as set forth in a letter agreement dated March 1, 2002, the receipt and sufficiency of which are hereby acknowledged, Employee hereby irrevocably and unconditionally releases, remits, acquits, and discharges Employer and any affiliate of Employer and its present and former officers, Trustees, agents, employees, contractors, successors and assigns (separately and collectively "releasees"), jointly and individually, from any and all claims, known or unknown, which Employee, her heirs, successors or assigns have or may have against releasees and any and all liability which the releasees may have to her whether called claims, demands, causes of action, obligations, damages or liabilities arising from any and all basis, however called, including but not limited to claims of discrimination under any federal, state or local law, rule or regulation. This release relates to claims known or unknown arising prior to and during Employee's employment by Employer, whether those claims are past or present, whether they arise from common law, contract or statute, whether they arise from labor laws or discrimination laws, or any other law, rule or regulation, provided, however, that this release does not apply to any rights or claims that may arise after the date of this Release. Employee specifically acknowledges that this release is applicable to any claim under the CIVIL RIGHTS ACT OF 1964, as amended, the AGE DISCRIMINATION IN EMPLOYMENT ACT, as amended, and/or the AMERICANS WITH DISABILITIES ACT. This release is for any relief, no matter how called, including but not limited to reinstatement, wages, back pay, front pay, severance pay, compensatory damages, punitive damages or damages for pain or suffering, or attorney fees.

B. Subject to Paragraph D. below, Employer and its successors and assigns hereby irrevocably and unconditionally release, remit, acquit, and discharge Employee from any and all claims, known or unknown, which Employer has or may have against Employee and any and all liability which Employee may have to it whether called claims, demands, causes of action, obligations, damages or liabilities arising from any and all basis, however called. This release relates to claims known or unknown arising prior to and during Employee's employment by Employer, whether those claims are past or present, whether they arise from common law, contract or statute, whether they arise from labor laws or discrimination laws, or any other law, rule or regulation, provided, however, that this release does not apply to any rights or claims that may arise after the date of this Mutual Release. This release is for any relief, no matter how called, including but not limited to compensatory damages, punitive damages or damages for pain or suffering, or attorney fees.

C. Employee represents that she has not filed any administrative or judicial claim or complaint against releasees. Employer represents that it has filed no administrative or judicial claim or complaint against Employee.

D. This Release shall be and remain in effect despite any alleged breach of the letter agreement or the discovery or existence of any new or additional fact or any fact different from that which Employee or Employer or their counsel now know or believe to be true. Notwithstanding the foregoing, nothing in this Release shall be construed as or constitute a release of Employee's or Employer's rights to enforce the terms of the letter agreement, or to seek relief, including but not limited to any damages, for any breach of the letter agreement.

E. Employee acknowledges that she has read the foregoing Release; that she has had a right to consult an attorney, and has been encouraged by the Employer to review this Release with an attorney; that she has been given a period of not less than 21 days in which to consider this Release; that she understands it; and that she accepts and agrees to all the provisions contained herein. Employee understands that this Release sets forth the entire understanding of the parties, and she acknowledges that she has not relied upon any other representations or promises in entering into this Release.

Employee may revoke this Release at any time during the seven days immediately following her execution of the Release, after which time the Release shall be irrevocable and enforceable in any court of competent jurisdiction.

IN WITNESS WHEREOF, the parties have executed this Release as of the date first above written.

____
Cecily A. Ward

FEDERAL REALTY INVESTMENT TRUST

By: ______________________________________
Title:

Exhibit 10(ii)

March 29, 2002

Ms. Nancy J. Herman
3012 Rodman Street, N.W.
Washington, DC 20008

Dear Nancy:

This letter agreement will set forth the terms of the termination of your employment with Federal Realty Investment Trust (the "Trust"):

1. Your employment is being terminated without cause pursuant to the Amended and Restated Severance Agreement dated December 27, 1999 between you and the Trust (the "Severance Agreement"). You will continue to work full-time as a Senior Vice President through May 31, 2002 (the "Termination Date"), at your most recently approved annual base salary rate. During the period from the date hereof through the Termination Date (the "Transition Period"), you will work to transition your duties to Dawn Becker, Debbie Colson and other Trust personnel as appropriate.

2. You will continue to receive full benefits, and to accrue vacation, sick leave and personal leave, through the Termination Date. You will, of course, continue to pay the premiums and any other costs of your benefits in the same dollar amounts that you were required to pay prior to the Transition Period (plus any increase that may be assessed on Trust employees during the Transition Period). For purposes of COBRA continuation coverage, you will be deemed to have experienced a "qualifying event" on the Termination Date. You will be paid for all accrued vacation as of the Termination Date.

3. You will be paid a bonus for 2002 in the amount of $31,667, which is equal to 40% of your most recently approved annual base salary rate divided by 12 (40% x $190,000 /12, or $6,333), times the number of months (5) during which you will have been employed by the Trust in 2002, provided that you comply with the terms of this letter agreement. This bonus will be payable in a lump sum within five (5) days after the Termination Date.

4. The Trust will make a severance payment to you in the amount of $293,282 pursuant to Section 3(d) of your Severance Agreement. You agree that the above amount is the correct amount payable under that section of your Severance Agreement. Your severance payment will be payable in a lump sum within five (5) days after the date on which this letter agreement is signed by you and the Trust and the first Release referred to in Paragraph 12 below is signed by you.

5. Effective on the date hereof, you will receive the accelerated vesting of stock options, performance shares and restricted shares that you are to receive upon termination without cause under Section 3(f) of the Severance Agreement and other agreements between you and the Trust and the resolutions of the Board of Trustees, all as itemized in Exhibit A to this

letter agreement. The stock options may be exercised for a period of twelve months from the date hereof. You will receive the benefits and perquisites described in Sections 3(e), (g) and (h) of the Severance Agreement effective on the Termination Date. Notwithstanding the previous sentence, the Trust will make available the outplacement services described in Section 3(g) of the Severance Agreement during the Transition Period if you so request.

6. It is acknowledged and agreed that the Split Dollar Life Insurance Agreement between you, the Trust and the Nancy J. Herman Insurance Trust shall remain in full force and effect in accordance with the Split Dollar Life Insurance Agreement.

7. The Trust agrees that it will provide favorable employment references for you and that such references will be delivered verbally or in writing (at your request). The references will reflect favorably on your initiative, intelligence, analytical ability, management skills and professionalism.

8. The Trust may withhold from any amounts payable under this letter agreement, and pay over to the appropriate authority, all federal, state, county, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

9. You understand and acknowledge that the payments provided for in this letter agreement are the only payments to which you will be entitled and that they exceed the payments and benefits to which you were otherwise entitled. In consideration of these payments, you agree that you will not be entitled to collect unemployment compensation. You acknowledge and recognize that in agreeing to provide you with the payments provided under this letter agreement, the Trust in no way admits any wrongdoing or liability to you arising out of any basis, including but not limited to your employment and/or ending of employment with the Trust.

10. You acknowledge that the Trust's business reputation in the real estate industry and the morale of its employees are of great value to the Trust. Thus, in consideration of the payments provided under this letter agreement, you agree that (a) you will not disparage the Trust, its affiliates or its and their officers, directors, trustees or employees, and (b) you will comply with all the terms and conditions of the confidentiality letter you executed as a condition of employment with the Trust (a copy of which is attached to this letter agreement as Exhibit B) and you will not divulge and will keep confidential all proprietary and private information regarding the Trust which was made known to you during your employment.

The Trust acknowledges your reputation and its great value to you. The Trust agrees that neither it nor its officers, directors, trustees, or agents will disparage your work performance or ethic or your integrity, or otherwise comment upon you unfavorably; and that neither it nor its officers, directors, trustees, or agents will make or publish, without your express prior written consent, any disparaging written or oral statement concerning you or your work performance or ethic or your integrity.

11. You agree to return to the Trust on or before the Termination Date all items containing proprietary information or trade secrets and any other property belonging to the Trust. Notwithstanding the foregoing, you may retain, as your personal property, the Compaq Armada M700 laptop computer that the Trust provided for your use ("Computer"), provided that you

must present the Computer to Lisa Denson on or before the Termination Date so that she may delete any proprietary or confidential information stored thereon.

12. In consideration of the mutual promises of the parties and of the payments and other benefits promised herein by the Trust, you agree to release the Trust, all affiliated companies, and all employees, representatives, officers, trustees and directors of those entities of any and all claims or causes of action which you could assert arising, directly or indirectly, out of, or in any way connected with, based upon, or related to your employment by the Trust or termination of employment under all statutes, laws, and regulations, whether, federal, state or local by executing a Release (in the form attached to this letter agreement as Exhibit C) simultaneously with the execution of this letter agreement, and the Release shall be attached to and form a part of this letter agreement. Furthermore, the Trust's obligations under this letter agreement shall be subject to the Trust's receipt from you of a second Release, in the same form as the Release attached to this letter agreement as Exhibit C, dated and effective as of the Termination Date.

13. This letter agreement (i) supersedes all other agreements between you and the Trust with regard to the subject matter hereof, (ii) will be governed by and interpreted under the laws of Maryland, and (iii) will become final and binding on both parties only upon full execution by both parties and your execution of the Release.

Nancy, it has been an honor and a privilege to have gotten to know you and work with you over the past four years. You are a person of great integrity and I will miss your counsel. We wish you all the best in your future endeavors.

WITNESS: FEDERAL REALTY INVESTMENT TRUST

______________________________ By: ____
Donald C. Wood
President and Chief Operating Officer

WITNESS:

______________________________ ____
Nancy J. Herman

EXHIBIT A

ACCELERATED VESTING

TYPE OF AWARD	ACCELERATION
Performance Share Award Agreement	Accelerated vesting of all 3,500 shares
Restricted Share Award Agreement (Service)	Accelerated vesting of all remaining shares (2,280)
Restricted Share Award Agreements (Bonus)	Accelerated vesting of all remaining shares (1,605)
Options	Accelerated vesting of all unvested options (46,667); vested options are exercisable for 12 months

EXHIBIT C

RELEASE

This Release, entered into and effective for all purposes as of this ____ day of __________, 2002, between Nancy J. Herman ("Employee") and Federal Realty Investment Trust ("Employer"),

KNOW ALL MEN BY THESE PRESENTS THAT:

A. In consideration of Employer's agreement to make the payments and to provide other benefits to Employee as set forth in a letter agreement dated March 29, 2002, the receipt and sufficiency of which are hereby acknowledged, Employee hereby irrevocably and unconditionally releases, remits, acquits, and discharges Employer and any affiliate of Employer and its present and former officers, Trustees, agents, employees, contractors, successors and assigns (separately and collectively "releasees"), jointly and individually, from any and all claims, known or unknown, which Employee, her heirs, successors or assigns have or may have against releasees and any and all liability which the releasees may have to her whether called claims, demands, causes of action, obligations, damages or liabilities arising from any and all basis, however called, including but not limited to claims of discrimination under any federal, state or local law, rule or regulation. This release relates to claims known or unknown arising prior to and during Employee's employment by Employer, whether those claims are past or present, whether they arise from common law, contract or statute, whether they arise from labor laws or discrimination laws, or any other law, rule or regulation, provided, however, that this release does not apply to any rights or claims that may arise after the date of this Release. Employee specifically acknowledges that this release is applicable to any claim under the CIVIL RIGHTS ACT OF 1964, as amended, and/or the AMERICANS WITH DISABILITIES ACT. This release is for any relief, no matter how called, including but not limited to reinstatement, wages, back pay, front pay, severance pay, compensatory damages, punitive damages or damages for pain or suffering, or attorney fees.

B. Subject to Paragraph D. below, Employer and its successors and assigns hereby irrevocably and unconditionally release, remit, acquit, and discharge Employee from any and all claims, known or unknown, which Employer has or may have against Employee and any and all liability which Employee may have to it whether called claims, demands, causes of action, obligations, damages or liabilities arising from any and all basis, however called. This release relates to claims known or unknown arising prior to and during Employee's employment by Employer, whether those claims are past or present, whether they arise from common law, contract or statute, whether they arise from labor laws or discrimination laws, or any other law, rule or regulation, provided, however, that this release does not apply to any rights or claims that may arise after the date of this Mutual Release. This release is for any relief, no matter how called, including but not limited to compensatory damages, punitive damages or damages for pain or suffering, or attorney fees.

C. Employee represents that she has not filed any administrative or judicial claim or complaint against releasees. Employer represents that it has filed no administrative or judicial claim or complaint against Employee.

D. This Release shall be and remain in effect despite any alleged breach of the letter agreement or the discovery or existence of any new or additional fact or any fact different from that which Employee or Employer or their counsel now know or believe to be true. Notwithstanding the foregoing, nothing in this Release shall be construed as or constitute a release of Employee's or Employer's rights to enforce the terms of the letter agreement, or to seek relief, including but not limited to any damages, for any breach of the letter agreement.

E. The above notwithstanding, nothing in this Release shall preclude Employee from seeking indemnification and defense for any claims, damages or liabilities arising out of acts or omissions committed by her in good faith while employed by Employer.

F. Employee acknowledges that she has read the foregoing Release; that she understands it; and that she accepts and agrees to all the provisions contained herein. Employee understands that this Release sets forth the entire understanding of the parties, and she acknowledges that she has not relied upon any other representations or promises in entering into this Release.

IN WITNESS WHEREOF, the parties have executed this Release as of the date first above written.

____
Nancy J. Herman

FEDERAL REALTY INVESTMENT TRUST

By: _________________________________
Title: