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: June 30, 1999

Commission File No. 17533

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 July 26, 1999
Common Shares of Beneficial Interest	40,304,982

This report contains 24 pages.

FEDERAL REALTY INVESTMENT TRUST

S.E.C. FORM 10-Q

June 30, 1999

I N D E X

FEDERAL REALTY INVESTMENT TRUST

S.E.C. FORM 10-Q

June 30, 1999

PART I. FINANCIAL INFORMATION

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

Federal Realty Investment Trust

CONSOLIDATED BALANCE SHEETS

	June 30, 1999 (unaudited)	December 31, 1998
ASSETS	(in thousands)	
Investments		
Real estate, at cost	$1,701,981	$1,642,136
Less accumulated depreciation and amortization	(308,580)	(286,053)
	1,393,401	1,356,083
Mortgage notes receivable	56,451	51,154
	1,449,852	1,407,237
Other Assets		
Cash	11,853	17,230
Accounts and notes receivable	14,923	17,873
Prepaid expenses and other assets, principally property taxes and lease commissions	35,243	38,502
Debt issue costs	3,026	3,475
	$1,514,897	$1,484,317
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Obligations under capital leases	$ 122,219	$ 122,401
Mortgages payable	50,819	51,079
Notes payable	308,840	263,159
Accounts payable and accrued expenses	32,308	34,073
Dividends payable	19,037	18,972
Security deposits	5,116	5,214
Prepaid rents	4,703	3,641
Senior notes	335,000	335,000
5 1/4% Convertible subordinated debentures	75,289	75,289
Investors' interest in consolidated assets	46,976	45,542
Commitments and contingencies		
Shareholders' equity		
7.95% Series A Cumulative Redeemable Preferred Shares, liquidation preference $25 per share, 4,000,000 shares issued in 1997	100,000	100,000
Common shares of beneficial interest, no par or stated value, unlimited authorization, issued 40,327,397 and 40,139,675 shares, respectively	711,877	707,724
Accumulated dividends in excess of Trust net income	(274,201)	(255,211)
	537,676	552,513
Less 58,419 and 59,425 common shares in treasury - at cost, respectively deferred compensation and subscriptions receivable	(23,086)	(22,566)
	514,590	529,947
	$1,514,897	$1,484,317

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(In thousands, except per share data)	Six months ended June 30, 1999	1998
Revenue		
Rental income	$119,107	$106,608
Interest and other income	3,844	2,935
Other property income	4,827	5,036
	127,778	114,579
Expenses		
Rental	26,104	23,269
Real estate taxes	11,867	11,217
Interest	30,518	26,097
Administrative	5,414	5,836
Depreciation and amortization	24,932	21,972
	98,835	88,391
Operating income before investors' share of operations and loss on sale of real estate	28,943	26,188
Investors' share of operations	(1,524)	(1,531)
Income before loss on sale of real estate	27,419	24,657
Estimated loss on sale of real estate	(7,050)	-
Net Income	$ 20,369	$ 24,657
Dividends on preferred stock	(3,975)	(3,975)
Net income available for common shareholders	$ 16,394	$ 20,682
Earnings per common share, basic		
Income before loss on sale of real estate	$ 0.59	$ 0.53
Loss on sale of real estate	(0.18)	-
	$ 0.41	$ 0.53
Weighted average number of common shares, basic	39,489	39,057
Earnings per common share, diluted		
Income before loss on sale of real estate	$ 0.58	$ 0.52
Loss on sale of real estate	(0.17)	-
	$ 0.41	$ 0.52
Weighted average number of common shares, diluted	40,613	39,896

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(In thousands, except per share data)	Three months ended June 30, 1999	1998
Revenue		
Rental income	$59,674	$54,127
Interest and other income	1,966	1,341
Other property income	2,555	2,934
	64,195	58,402
Expenses		
Rental	12,456	11,347
Real estate taxes	5,855	5,745
Interest	15,385	13,404
Administrative	3,160	3,995
Depreciation and amortization	12,651	11,203
	49,507	45,694
Operating income before investors' share of operations and loss on sale of real estate	14,688	12,708
Investors' share of operations	(823)	(745)
Income before loss on sale of real estate	13,865	11,963
Estimated loss on sale of real estate	(7,050)	-
Net Income	$ 6,815	$11,963
Dividends on preferred stock	(1,987)	(1,987)
Net income available for common shareholders	$ 4,828	$ 9,976
Earnings per common share, basic		
Income before loss on sale of real estate	$ 0.30	$ 0.26
Loss on sale of real estate	(0.18)	-
	$ 0.12	$ 0.26
Weighted average number of common shares, basic	39,543	39,122
Earnings per common share, diluted		
Income before loss on sale of real estate	$ 0.29	$ 0.25
Loss on sale of real estate	(0.17)	-
	$ 0.12	$ 0.25
Weighted average number of common shares, diluted	40,682	39,900

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(unaudited)

(In thousands, except per share amounts)	Six months ended June 30, 1999 Shares	Amount
Common Shares of Beneficial Interest		
Balance, beginning of period	40,139,675	$707,724
Exercise of stock options	49,917	1,044
Shares issued under dividend reinvestment plan	77,151	1,735
Performance and Restricted Shares granted, net of retirements	60,654	1,374
Balance, end of period	40,327,397	$711,877
Common Shares of Beneficial Interest in Treasury, Deferred Compensation and Subscriptions Receivable		
Balance, beginning of period	(979,446)	($22,566)
Amortization of deferred compensation	28,738	571
Performance and Restricted Shares granted, net of retirements	(45,654)	(1,039)
Purchase of shares under share purchase plan	9,000	136
Reissuance of treasury shares	-	-
Decrease (increase) in stock option loans, net	(8,995)	(188)
Balance, end of period	(996,357)	($23,086)
Accumulated Dividends in Excess of Trust Net Income		
Balance, beginning of period		($255,211)
Net income		20,369
Dividends declared to shareholders		(39,359)
Balance, end of period		($274,201)

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Six months ended June 30, 1999	1998
	(In thousands)	
OPERATING ACTIVITIES		
Net income	$20,369	$24,657
Items not requiring cash outlays		
Depreciation and amortization	24,932	21,972
Estimated loss on sale of real estate	7,050	
Other, net	1,419	414
Changes in assets and liabilities		
Decrease in accounts and notes receivable	2,950	752
Decrease (Increase) in prepaid expenses and other assets before depreciation and amortization	895	(3,436)
Increase (decrease) in operating accounts payable, security deposits and prepaid rent	(2,850)	1,528
Increase (decrease) in accrued expenses	761	(1,314)
Net cash provided by operating activities	55,526	44,573
INVESTING ACTIVITIES		
Acquisition of real estate	(22,736)	(29,013)
Capital expenditures	(40,239)	(26,913)
Issuance of mortgage notes receivable, net	(5,297)	(5,104)
Net cash used in investing activities	(68,272)	(61,030)
FINANCING ACTIVITIES		
Borrowing (repayment) of short-term debt, net	45,853	6,209
Issuance of senior notes, net of costs	-	79,540
Issuance of common shares	1,743	2,742
Payments on mortgages, capital leases, and notes payable	(614)	(37,811)
Dividends paid	(38,031)	(36,845)
Decrease in minority interest	(1,582)	(867)
Net cash provided by financing activities	7,369	12,968
Decrease in cash	(5,377)	(3,489)
Cash at beginning of period	17,230	17,043
Cash at end of period	$11,853	$13,554

The accompanying notes are an integral part of these statements.

Federal Realty Investment Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1999

(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, 1998 which contain the Trust's accounting policies and other data.

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

	Six months ending June 30,		Three months ending June 30,	
Numerator	1999	1998	1999	1998
Net income available for common shareholders - basic	$16,394	$20,682	$ 4,828	$ 9,976
Income attributable to operating partnership units	361	414	97	207
Net income available for common shareholders - diluted	$16,755	$21,096	$ 4,925	$10,183
Denominator				
Denominator for basic EPS- weighted average shares	39,489	39,057	39,543	39,122
Effect of dilutive securities				
Stock options and awards	244	358	259	297
Operating partnership units	880	481	880	481
Denominator for diluted EPS	40,613	39,896	40,682	39,900

NOTE B - REAL ESTATE ACQUISITIONS AND DISPOSALS

During the first six months of 1999, the Trust acquired a ninety percent interest in two buildings in Hollywood, California. The Trust invested $15.3 million in cash in the $16.9 million Galaxy Building and $7.5 million in cash in the $8.3 million building adjacent to the Galaxy Building. The buildings have 120,000 and 64,0000 leasable square feet, respectively.

In addition, the Trust invested $5.5 million in mortgage notes receivable with an average weighted interest rate of 10% during the first six months of 1999.

During the second quarter of 1999, the Trust recorded a $7.1 million charge, representing the estimated loss on a potential sale of certain assets, principally Northeast Plaza in Atlanta, Georgia, thereby valuing the assets at their estimated fair value less estimated costs to sell. The Trust is in sale negotiations on this

448,000 square foot shopping center which is currently 66% occupied.

NOTE C - NOTES PAYABLE

At June 30, 1999 there was $180.0 million borrowed under the Trust's syndicated credit facility, which also represents the maximum drawn during the first two quarters. The weighted average interest rate on borrowings for the six months ended June 30, 1999 was 5.7%. 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.

NOTE D - REORGANIZATION EXPENSES

At September 30, 1998 the Trust recorded a $4.7 million charge related to a comprehensive restructuring program, the implementation of which was begun during the fourth quarter of 1998. As of June 30, 1999 cash payments of $2.9 million had been made against the reserve with most of the remaining cash expected to be paid during the remainder of 1999.

NOTE E - SHAREHOLDERS' EQUITY

On February 22, 1999, options for 705,000 shares at a price of $21 1/16 per share, fair value at the date of award, were awarded to officers and certain employees. The options vest evenly over three years.

NOTE F - INTEREST EXPENSE

The Trust incurred interest expense totaling $33.3 million during the first six months of 1999 and $28.9 million during the first six months of 1998, of which $2.8 million and $2.8 million, respectively, was capitalized in connection with development projects. Interest paid was $33.2 million in the first six months of 1999 and $27.3 million in the first six months of 1998.

NOTE G - COMMITMENTS AND CONTINGENCIES

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.

Pursuant to the provisions of the Congressional Plaza partnership agreement, in the event of the exercise of put options by another partner, the Trust would be required to purchase a 37.5% interest of Congressional Plaza at its then fair market value. On January 1, 1999 the Loehmann's Plaza Limited Partnership Agreement was amended to extend the partnership to December 31, 2000 and to delete the put and call options.

Under the terms of certain other partnerships, if certain leasing and revenue levels are obtained for the properties owned by the partnerships, the limited partners may require the Trust to purchase their partnership interests at a formula price based upon net operating income. The purchase price may be paid in cash or common stock of the Trust at the election of the limited partners. In certain of these partnerships, if the limited partners do not redeem their interest, the Trust may choose to purchase the limited partnership interest upon the same terms. Under the terms of other partnerships, the partners may exchange their 879,541 operating units into cash or the same number of common shares of the Trust, at the option of the Trust.

The Trust has reviewed the software and hardware systems used internally to operate its business, in order to assess their ability to handle the "Year 2000 Issue" which generally refers to the inability of systems hardware and software to correctly identify two-digit references to specific calendar years, beginning with 2000. The Year 2000 Issue can affect the Trust directly by impairing its internal data-based operations or processing and indirectly by impairing its suppliers' and tenants' data-based operations or processing. The Trust has identified and evaluated the Year 2000 compliance of its internal systems. The Trust believes that the remediation of all accounting systems and other systems of high priority is complete; however, testing is still ongoing. In addition, the Trust has requested information concerning and reviewed the equipment at its properties, including the use of embedded chips in machinery. Based on the review and since the Trust primarily owns shopping centers and street retail buildings with limited use of technology, the Trust believes it is year 2000 compliant.

The Trust has requested information from its major banks, tenants, and suppliers to determine their Year 2000 compliance in order to assess the possibility of any major year 2000 risk to the Trust related to these parties' Year 2000 noncompliance. Based on their responses, the Trust does not believe there is any material risk to the Trust in these areas.

The Trust is developing, with the aid of an outside consultant, a contingency plan for its critical internal systems, which is to be completed by the end of the third quarter. Costs spent to date and projections of future costs are not expected to exceed $75,000.

NOTE H - COMPONENTS OF RENTAL INCOME

The components of rental income for the periods ended June 30 are as follows (in thousands):

	Six months		Three months	
	1999	1998	1999	1998
Retail properties				
Minimum rents	$ 96,718	$ 85,627	$ 48,584	$ 43,383
Cost reimbursements	18,534	16,918	9,335	8,925
Percentage rents	2,526	2,786	1,100	1,181
Apartments	1,329	1,277	655	638
	$119,107	$106,608	$ 59,674	$ 54,127

NOTE I - SEGMENT INFORMATION

During the fourth quarter of 1998 the Trust completed a comprehensive restructuring program, which, among other things, divided its portfolio of properties into three geographic operating regions: Northeast, Mid-Atlantic and West. In 1999 there was a minor reorganization of the regions which moved the Illinois and Michigan properties to the Northeast region from the Western region.

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

Six months ended June 30, 1999	North East	Mid Atlantic	West	Other	Total
Rental income	$ 49,910	$ 54,513	$ 14,684		$ 119,107
Other income	2,550	1,564	713		4,827
Rental expense	(10,676)	(11,838)	(3,590)		(26,104)
Real estate tax	(6,014)	(4,395)	(1,458)		(11,867)
Net operating income	35,770	39,844	10,349		85,963
Interest income				3,844	3,844
Interest expense				(30,518)	(30,518)
Administrative expense				(5,414)	(5,414)
Depreciation and amortization	(11,074)	(11,523)	(1,886)	(449)	(24,932)
Income before investors' share of operations	$ 24,696	$ 28,321	$ 8,463	(32,537)	$ 28,943
Capital expenditures	$ 13,167	$ 11,600	$ 42,932		$ 67,699
Real estate assets	$696,786	$681,344	$ 323,851		$1,701,981

Six months ended June 30, 1998	North East	Mid Atlantic	West	Other	Total
Rental income	$ 45,407	$ 50,070	$ 11,131		$ 106,608
Other income	2,794	1,777	465		5,036
Rental expense	(9,756)	(10,873)	(2,640)		(23,269)
Real estate tax	(6,048)	(4,044)	(1,125)		(11,217)
Net operating income	32,397	36,930	7,831		77,158
Interest income				2,935	2,935
Interest expense				(26,097)	(26,097)
Administrative expense				(5,836)	(5,836)
Depreciation and amortization	(9,502)	(10,748)	(1,013)	(709)	(21,972)
Income before investors' share of operations	$ 22,895	$ 26,182	$ 6,818	(29,707)	$ 26,188
Capital expenditures	$ 15,810	$ 10,873	$ 35,145		$ 61,828
Real estate assets	$645,443	$627,977	$ 239,707		$1,513,127

Three months ended June 30, 1999	North East	Mid Atlantic	West	Other	Total
Rental income	$ 25,052	$ 27,051	$ 7,571		$ 59,674
Other income	1,381	753	421		2,555
Rental expense	(4,863)	(5,904)	(1,689)		(12,456)
Real estate tax	(2,927)	(2,226)	(702)		(5,855)
Net operating income	18,643	19,674	5,601		43,918
Interest income				1,966	1,966

	North East	Mid Atlantic	West	Other	Total
Interest expense				(15,385)	(15,385)
Administrative expense				(3,160)	(3,160)
Depreciation and amortization	(5,636)	(5,829)	(968)	(218)	(12,651)
Income before investors' share of operations	$ 13,007	$ 13,845	$ 4,633	(16,797)	$ 14,688
Capital expenditures	$ 11,072	4,163	$ 17,912		$ 33,147
Real estate assets	$696,786	$681,344	$ 323,851		$1,701,981

Three months ended June 30, 1998	North East	Mid Atlantic	West	Other	Total
Rental income	$ 23,247	$ 24,931	$ 5,949		$ 54,127
Other income	1,654	1,029	251		2,934
Rental expense	(4,562)	(5,372)	(1,413)		(11,347)
Real estate tax	(3,025)	(2,109)	(611)		(5,745)
Net operating income	17,314	18,479	4,176		39,969
Interest income				1,341	1,341
Interest expense				(13,404)	(13,404)
Administrative expense				(3,995)	(3,995)
Depreciation and amortization	(4,843)	(5,315)	(576)	(469)	(11,203)
Income before investors' share of operations	$ 12,471	$ 13,164	$ 3,600	(16,527)	$ 12,708
Capital expenditures	$ 10,035	$ 4,275	$ 17,949		$ 32,259
Real estate assets	$645,443	$627,977	$ 239,707		$1,513,127

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. Certain statements made in this report contain forward-looking statements, 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 achievements 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, general economic and business conditions which will affect credit-worthiness of tenants, financing availability and cost, retailing trends and rental rates; risks of real estate development and acquisitions; governmental and environmental regulations; and competition with other real estate companies and technology. Portions of this discussion include certain forward-looking statements about the Trust's and management's intentions and expectations. Although these intentions and expectations are based upon reasonable assumptions, many factors, such as general economic conditions, local and national real estate conditions, increases in interest rates and operating costs, may cause actual results to differ materially from current expectations.

LIQUIDITY AND CAPITAL RESOURCES

Federal Realty meets its liquidity requirements through net cash provided by operating activities, along with traditional 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.

Net cash provided by operating activities was $55.5 million in the first half of 1999 and $44.6 million in the first half of 1998 of which $38.0 million and $36.8 million, respectively, was distributed to shareholders. Contributions from newly acquired properties and from retenanted and redeveloped properties, as more fully described below, were the primary sources of these increases.

Net cash used in investing activities was $68.3 million during the first half of 1999 and $61.0 million during the first half of 1998. The Trust purchased real estate totaling $25.2 million in the first half of 1999 and $38.2 million in the first half of 1998, requiring cash outlays of $22.7 million and $29.0 million, respectively. During these two periods, the Trust expended an additional $40.2 million and $26.9 million, respectively, in capital improvements to its properties. The Trust invested $5.3 million during the first half of 1999 and $5.1 million during the first half of 1998 in mortgage notes receivable with an average weighted interest rate of 10%.

During the first six months of 1999, the Trust acquired a ninety percent interest in two buildings in Hollywood, California. The Trust invested $15.3 million in cash in the $16.9 million Galaxy Building and $7.5 million in cash in the $8.3 million building adjacent to the Galaxy Building. The buildings have 120,000 and 64,000 leasable square feet, respectively.

Approximately $19.7 million was invested during the first half of 1999 in predevelopment and development projects in Bethesda, Maryland; Los Gatos, California; San Antonio, Texas; and Arlington, Virginia. Furthermore, the Trust is devoting considerable time and internal resources to identify additional development opportunities.

Net cash provided by financing activities, before dividend payments, was $45.4 million in the first half of 1999 and $49.8 million in the first half of 1998. The Trust utilized its unsecured line of credit to fund acquisitions and capital expenditures in 1999. At June 30, 1999 there was $180.0 million borrowed under this syndicated credit facility, which also represents the maximum drawn during the first six months of the year. The weighted average interest rate on borrowings for the six months ended June 30, 1999 was 5.7%. 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 1999 will depend on acquisition opportunities, new development efforts, improvements and redevelopments on existing properties, and tenant work and allowances. Initial funding for such projects is expected to be provided under the line of credit facility or through possible joint venture relationships.

The Trust will need additional capital in order to fund acquisitions, expansions, developments and upcoming debt maturities, particularly its $100 million of 8.875% Notes due January 15, 2000. Sources of this funding may be additional debt, additional equity, proceeds from the sale of properties, joint venture relationships, and the issuance of operating partnership units. The timing and choice of capital sources will depend on the cost and availability of that capital, among other things. The Trust believes, based on past experience, that access to the capital needed to execute its business plan will be available to it.

CONTINGENCIES

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.

Pursuant to the provisions of the Congressional Plaza partnership agreement, in the event of the exercise of put options by another partner, the Trust would be required to purchase a 37.5% interest of Congressional Plaza at its then fair market value. On January 1, 1999 the Loehmann's Plaza Limited Partnership Agreement was amended to extend the partnership to December 31, 2000 and to delete the put and call options.

Under the terms of certain other partnerships, if certain leasing and revenue levels are obtained for the properties owned by the partnerships, the limited partners may require the Trust to purchase their partnership interests at a formula price based upon net operating income. The purchase price may be paid in cash or common stock of the Trust at the election of the limited partners. In certain of these partnerships, if the limited 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 879,541 operating units into cash or the same number of common shares of the Trust, at the option of the Trust.

The Trust has reviewed the software and hardware systems used internally to operate its business, in order to assess their ability to handle the "Year 2000 Issue" which generally refers to the inability of systems hardware and software to correctly identify two-digit references to specific calendar years, beginning with 2000. The Year 2000 Issue can affect the Trust directly by impairing its internal data-based operations or processing and indirectly by impairing its suppliers' and tenants' data-based operations or processing. The Trust has identified and evaluated the Year 2000 compliance of its internal systems. The Trust believes that the remediation of all accounting systems and other systems of high priority is complete; however, testing is still ongoing. In addition, the Trust has requested information concerning and reviewed the equipment at its properties, including the use of embedded chips in machinery. Based on the review and since the Trust primarily owns shopping centers and street retail buildings with limited use of technology, the Trust believes it is year 2000 compliant.

The Trust has requested information from its major banks, tenants, and suppliers to determine their Year 2000 compliance in order to assess the possibility of any major year 2000 risk to the Trust related to these parties' Year 2000 noncompliance. Based on their responses, the Trust does not believe there is any material risk to the Trust in these areas.

The Trust is developing, with the aid of an outside consultant, a contingency plan for its critical internal systems, which is to be completed by the end of the third quarter. Costs spent to date and projections of future costs are not expected to exceed $75,000.

RESULTS OF OPERATIONS

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 and significant non-recurring events 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.

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

	Six months ending June 30,		Three months ending June 30,	
	1999	1998	1999	1998
Net income available for common shareholders - basic	$16,394	$20,682	$ 4,828	$ 9,976
Estimated loss on real estate to be sold	7,050	-	7,050	-
Depreciation and amortization of real estate assets	22,617	19,906	11,489	10,168
Amortization of initial direct costs of leases	1,460	1,181	742	588
Income attributable to operating partnership units	361	414	97	207
Net income available for common shareholders - diluted	$47,882	$42,183	$24,206	$20,939

SIX MONTHS ENDED JUNE 30, 1999 and 1998

Consolidated Results

Rental income, which consists of minimum rent, percentage rent and cost recoveries, increased 12% from $106.6 million in the first half of 1998 to $119.1 million in the first half of 1999. If properties acquired in 1999 and 1998 are excluded, rental income increased 5%, due primarily to the favorable impact of redeveloped and retenanted centers.

Other property income includes items such as utility reimbursements, telephone income, merchant association dues, late fees and temporary tenant income. Other property income decreased 4.2% from $5.0 million in the first six months of 1998 to $4.8 million in the first six months of 1999. Increases in temporary tenant income, an area identified by the Trust as one with additional growth opportunity, were outweighed by decreases in telephone income and decreases in marketing dues, as the Trust discontinued marketing funds at certain shopping centers in 1999.

Rental expenses increased 12% from $23.3 million in the first half of 1998 to $26.1 million in the first half of 1999. If rental expenses are adjusted for properties acquired in 1999 and 1998, rental expenses increased 6% from $23.2 million in 1998 to $24.6 million in 1999. There was a decrease in marketing expenses consistent with the decrease in marketing dues, but this decrease was outweighed by increases in snow removal costs and the write off of tenant work and lease costs associated with several stores operated by a bankrupt tenant.

Real estate taxes increased 6% from $11.2 million in the first half of 1998 to $11.9 million in the first half of 1999. If real estate taxes are adjusted for properties acquired in 1999 and 1998, real estate taxes remained constant. Increased taxes on recently redeveloped properties were offset by a refund resulting from the reassessment of a 1997 acquisition.

Depreciation and amortization expenses increased 13% from $22.0 million in the first half of 1998 to $24.9 million in the first half of 1999 reflecting the impact of property acquisitions and recent tenant work and property improvements.

During the first six months 1999 the Trust incurred interest expense of $33.3 million, of which $2.8 million was capitalized, as compared to 1998's $28.9 million of which $2.8 million was capitalized. The increase in interest expense reflects the additional debt issued to fund the Trust's acquisition and capital improvement programs. The ratio of earnings to combined fixed charges and preferred dividends was 1.54x and 1.54x for the first half of 1999 and 1998, respectively. The ratio of earnings to fixed charges was 1.7x and 1.7x during the first half of 1999 and 1998, respectively. The ratio of funds from operations to combined fixed charges and preferred dividends was 2.1x for the first half of 1999 and 2.1x for the first half of 1998.

Administrative expenses decreased from $5.8 million in the first half of 1998 to $5.4 million in the first half of 1999,due to cost reductions resulting from the 1998 comprehensive restructuring of the Trust which were larger than the impact of the Emerging Issues Task Force ("EITF") Issue 97-11, which required the expensing of internal costs of acquisition activities beginning in late March 1998. Prior to this date, such costs were capitalized as a component of the basis of the acquired asset.

During the second quarter of 1999, the Trust recorded a $7.1 million charge, representing the estimated loss on a potential sale of certain assets, principally Northeast Plaza in Atlanta, Georgia, thereby valuing the assets at their estimated fair value less estimated costs to sell. The Trust is in active negotiations for the sale of Northeast Plaza which, if successful, would have the effect of increasing portfolio wide occupancy by 100 basis points to nearly 96%.

As a result of the foregoing items, net income before estimated loss on real estate to be sold increased from $24.7 million in the first half of 1998 to $27.4 million in the first half of 1999, while net income decreased from $24.7 million during the first half of 1998 to $20.4 million during the first half of 1999 and net income available for common shareholders decreased from $20.7 million to $16.4 million.

The Trust expects growth in net income before loss on sale of real estate and funds from operations during the remainder of 1999 both from contributions of its recent acquisitions and from contributions of its core portfolio, primarily the properties undergoing redevelopment and retenanting. However, growth of net income from the core portfolio is, in part, dependent on controlling expenses, some of which are beyond the complete control of the Trust, such as snow removal and trends in the retailing environment. The Trust currently expects that demand for its retail space should remain at levels similar to those in 1998. A weakening of the retail environment could, however, adversely impact the Trust by increasing vacancies and decreasing rents. In past weak retail and real estate environments, the Trust has been able to replace weak and bankrupt tenants with stronger tenants; management believes that due to the quality of the Trust's properties there will continue to be demand for its space. Growth in net income is also dependent on interest rates and controlling administrative costs. 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 due to the variable interest rates on the Trust's revolving credit facilities. The Trust is aggressively managing its administrative expenses through its reorganization efforts.

Segment Results

During the fourth quarter of 1998 the Trust completed a comprehensive restructuring program, which, among other things, divided its portfolio of properties into three geographic operating regions: Northeast, Mid-Atlantic and West. In 1999 there was a minor reorganization of the regions which moved the Illinois and Michigan properties to the Northeast region from the Western region.

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

	For the six months ended June 30,	
	1999	1998
Rental income		
Northeast	$ 49,910	$ 45,407
Mid-Atlantic	54,513	50,070
West	14,684	11,131
Total	$119,107	$106,608

Net operating income		
Northeast	$ 35,770	$ 32,397
Mid-Atlantic	39,844	36,930
West	10,349	7,831
	$ 85,963	$ 77,158

The Northeast

The Northeast region is comprised of fifty-three 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 half of 1999 with 1998, rental income increased 10% from $45.4 million in 1998 to $49.9 million in 1999. Excluding properties acquired since January 1, 1998, rental income increased 6.5%, primarily due to increases at recently redeveloped and retenanted shopping centers, such as Brick, Finley, Gratiot, Feasterville, and Wynnewood.

Net operating income increased 10% from $32.4 million in 1998 to $35.8 million in 1999. Excluding properties acquired since January 1, 1998, net operating income increased 6.5%, primarily due to increases at the recently redeveloped and retenanted shopping centers.

The Mid-Atlantic

The Mid-Atlantic region is comprised of thirty-two assets, located from Baltimore south to metropolitan Washington, D.C. and further south through Virginia, Georgia, and Florida.

When comparing the first half of 1999 with 1998, rental income increased 9% from $50.1 million in 1998 to $54.5 million in 1999. Excluding properties acquired since January 1, 1998, rental income increased 4%, due in part to new anchor leases at several centers.

When comparing the first half of 1999 with 1998, net operating income increased 8% from $36.9 million in 1998 to $39.8 million in 1999. Excluding properties acquired since January 1, 1998, net operating income increased 3%.

The West

The Western region is comprised of thirty-eight assets, located from Texas to the West Coast.

When comparing the first half of 1999 with 1998, rental income increased 32% from $11.1 million in 1998 to $14.7 million in 1999. Excluding properties acquired since January 1, 1998, rental income increased 7.6%, primarily due to increases from recently redeveloped properties in the Los Angeles, California area.

When comparing the first half of 1999 with 1998, net operating income increased 32% from $7.8 million in 1998 to $10.3 million in 1999. Excluding properties acquired since January 1, 1998, net operating income increased 4%, primarily due to increases from the recently redeveloped properties in the Los Angeles area.

RESULTS OF OPERATIONS - THREE MONTHS ENDED JUNE 30, 1999 and 1998

Consolidated Results

Rental income, which consists of minimum rent, percentage rent and cost recoveries, increased 10% from $54.1 million in the second quarter of 1998 to $59.7 million in the second quarter of 1999. If properties acquired in 1999 and 1998 are excluded, rental income increased 4%, due primarily to the favorable impact of redeveloped and retenanted centers.

Other property income includes items such as utility reimbursements, telephone income, merchant association dues, late fees and temporary tenant income. Other property income decreased 13% from $2.9 million in the second quarter of 1998 to $2.6 million in the second quarter of 1999. Increases in temporary tenant income, an area identified by the Trust as one with additional growth opportunity, were outweighed by decreases in telephone income, lease termination fees and decreases in marketing dues, as the Trust discontinued marketing funds at certain shopping centers in 1999.

Rental expenses increased 10% from $11.3 million in the second quarter of 1998 to $12.5 million in the second quarter of 1999. If rental expenses are adjusted for properties acquired in 1999 and 1998, rental expenses increased 2.5% from $11.3 million in 1998 to $11.6 million in 1999. There was a decrease in marketing expenses consistent with the decrease in marketing dues, but this decrease was outweighed by the write off of tenant work and lease costs associated with eleven stores operated by a bankrupt tenant.

Real estate taxes increased 2% from $5.7 million in the second quarter of 1998 to $5.9 million in the second quarter of 1999. If real estate taxes are adjusted for properties acquired in 1999 and 1998, real estate taxes decreased. Increased taxes on recently redeveloped properties were offset by a refund resulting from the reassessment of a 1997 acquisition.

Depreciation and amortization expenses increased 13% from $11.2 million in the second quarter of 1998 to $12.7 million in the second quarter of 1999 reflecting the impact of property acquisitions and recent tenant work and property improvements.

During the second quarter of 1999 the Trust incurred interest expense of $17.0 million, of which $1.6 million was capitalized, as compared to 1998's $14.9 million of which $1.5 million was capitalized. The increase in interest expense reflects the additional debt issued to fund the Trust's aquisition and capital improvement programs.

During the second quarter of 1999, the Trust recorded a $7.1 million charge, representing the estimated loss on a potential sale of certain assets, principally Northeast Plaza in Atlanta, Georgia, thereby valuing the assets at their estimated fair value less estimated costs to sell. The Trust is in active negotiation for the sale of Northeast Plaza which, if successful, would have the effect of increasing portfolio wide occupancy by 100 basis points to nearly 96%.

Administrative expenses decreased from $4.0 million in the second quarter of 1998 to $3.2 million in the second quarter of 1999, resulting from the benefits of the 1998 comprehensive restructuring of the Trust.

As a result of the foregoing items, net income before estimated loss on real estate to be sold increased from $12.0 million in the second quarter of 1998 to $13.9 million in the second quarter of 1999, while net income decreased from $12.0 million during the second quarter of 1998 to $6.8 million during the second quarter of 1999 and net income available for common shareholders decreased from $10.0 million to $4.8 million.

Segment Results

During the fourth quarter of 1998 the Trust completed a comprehensive restructuring program, which, among other things, divided its portfolio of properties into three geographic operating regions: Northeast, Mid-Atlantic and West. In 1999 there was a minor reorganization of the regions which moved the Illinois and Michigan properties to the Northeast region from the Western region.

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

	For the three months ended June 30, 1999	1998
Rental income		
Northeast	$25,052	$23,247
Mid-Atlantic	27,051	24,931
West	7,571	5,949
Total	$59,674	$54,127
Net operating income		
Northeast	$18,643	$17,314
Mid-Atlantic	19,674	18,479
West	5,601	4,176
	$43,918	$39,969

The Northeast

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

When comparing the second quarter of 1999 with 1998, rental income increased 8% from $23.2 million in 1998 to $25.1 million in 1999. Excluding properties acquired since January 1, 1998, rental income increased 4.5%, primarily due to increases at recently redeveloped and retenanted shopping centers, such as Brick, Finley, Gratiot, Feasterville, and Wynnewood.

Net operating income increased 8% from $17.3 million in 1998 to $18.6 million in 1999. Excluding properties acquired since January 1, 1998, net operating income increased 4%, primarily due to increases at the recently redeveloped and retenanted shopping centers.

The Mid-Atlantic

The Mid-Atlantic region is comprised of thirty-two assets, located from Baltimore south to metropolitan Washington, D.C. and further south through Virginia, Georgia, and Florida.

When comparing the second quarter of 1999 with 1998, rental income increased 8.5% from $24.9 million in 1998 to $27.1 million in 1999. Excluding properties acquired since January 1, 1998, rental income increased 3.5%, due in part to new anchor leases at several centers.

When comparing the second quarter of 1999 with 1998, net operating income increased 6.5% from $18.5 million in 1998 to $19.7 million in 1999. Excluding properties acquired since January 1, 1998, net operating income increased 2%.

The West

The Western region is comprised of thirty-eight assets, located from Texas to the West Coast.

When comparing the second quarter of 1999 with 1998, rental income increased 27% from $6.0 million in 1998 to $7.6 million in 1999. Excluding properties acquired since January 1, 1998, rental income decreased 1.5%; increases from recently redeveloped properties in the Los Angeles, California area were outweighed by a decrease at Town & Country Plaza in San Jose, whose occupancy is declining as the center is being vacated in preparation for its razing and subsequent new development.

When comparing the second quarter of 1999 with 1998, net operating income increased 34% from $4.2 million in 1998 to $5.6 million in 1999. Excluding properties acquired since January 1, 1998, net operating income increased 2%, primarily due to increases from the recently redeveloped properties in the Los Angeles area.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Shareholders

At the 1999 Annual Meeting of Shareholders on May 5, 1999 the Shareholders elected two trustees to serve for the ensuing three years and the Shareholders approved the reorganization of the Trust under the laws of the State of Maryland through an amendment and restatement of the declaration of trust. Holders of 34.3 million shares voted for and holders of 255,000 shares voted against both trustees. Holders of 28.8 million shares voted for the reorganization, holders of 1.1 million shares voted against the reorganization and holders of 365,000 shares abstained.

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits

(27) Financial Data Schedules Edgar filing only

(B) Reports on Form 8-K

A Form 8-K, dated March 31, 1999, was filed on April 28, 1999 in response to Item 5.

A Form 8-K, dated May 10, 1999, was filed on May 10, 1999 in response to Item 4.

A Form 8-K, dated May 25, 1999, was filed on May 25, 1999 in response to Item 5 and Item 7.

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)

July 29, 1999

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

July 29, 1999

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

This schedule contains summary financial information extracted from the
Consolidated Balance Sheet of Federal Realty Investment Trust as of June 30,
1999 and the related consolidated statement of operations for the six months
ended June 30, 1999 and is qualified in its entirety by reference to such
financial statements.

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JUN-30-1999
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