

FEDERAL REALTY INVESTMENT TRUST

Form 424B5

November 04, 2016

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**Filed Pursuant to 424(b)(5)  
Registration No. 333-203999**

**CALCULATION OF REGISTRATION FEE**

| <b>Title of Each Class of<br/>Securities to be Registered</b> | <b>Proposed<br/>Maximum<br/>Aggregate<br/>Offering Price</b> | <b>Amount of<br/>Registration Fee(1)<br/>\$</b> |
|---------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------|
| Common Shares of Beneficial Interest, \$0.01 par value        | \$400,000,000                                                | \$46,360                                        |

- (1) The filing fee is calculated in accordance with Rule 457(o) under the Securities Act, based on the proposed maximum aggregate offering price, and Rule 457(r) under the Securities Act. Pursuant to Rule 457(p) under the Securities Act, the Registrant is offsetting the registration fee of \$46,360 by \$4,932, which represents the portion of the registration fee previously paid by the Registrant with respect to the unsold securities registered on the Registration Statement on Form S-3 (File No. 333-203999) and offered by means of a prospectus supplement dated May 11, 2015.

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**PROSPECTUS SUPPLEMENT**

**(TO PROSPECTUS DATED MAY 8, 2015)**

**\$400,000,000**

**Common Shares of Beneficial Interest**

We have entered into separate equity distribution agreements with each of Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., or the Agents, relating to our common shares of beneficial interest, par value \$0.01 per share, offered by this prospectus supplement and the accompanying prospectus, pursuant to a continuous offering program. In accordance with the terms of the equity distribution agreements, we may from time to time offer and sell common shares having an aggregate offering price of up to \$400,000,000 through the Agents as our sales agents. Upon entering into these equity distribution agreements, we simultaneously terminated the equity distribution agreements we entered into with Wells Fargo Securities, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated in connection with a prior at the market offering program established in May 2015.

Our common shares are listed on the New York Stock Exchange, or the NYSE, under the symbol FRT. On November 3, 2016, the last reported sale price of our common shares on the NYSE was \$137.31 per share.

Sales of our common shares, if any, under this prospectus supplement and the accompanying prospectus may be made in transactions that are deemed to be at the market offerings, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange, or in negotiated transactions, which may include block trades. The Agents are not required to sell any specific number or dollar amount of common shares, but as instructed by us will make all sales using commercially reasonable efforts, as our sales agents and subject to the terms of the equity distribution agreements. Our common shares to which this prospectus supplement relates will be sold through only one Agent on any given day. The offering of common shares pursuant to the equity distribution agreements will terminate upon the earlier of (1) the sale of common shares having an aggregate offering price of \$400,000,000 and (2) with respect to a particular equity distribution agreement, the termination of such equity distribution agreement.

We will pay each of the Agents a commission that will not exceed, but may be lower than, 2.0% of the gross sales price per common share sold through it under the applicable equity distribution agreement.

**Investing in our common shares involves risks. See Risk Factors beginning on page S-3 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission, or the SEC, on February 9, 2016.**

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

**Wells Fargo Securities**

**BofA Merrill Lynch**

**Citigroup**

**The date of this prospectus supplement is November 4, 2016.**

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

You should read this prospectus supplement along with the accompanying prospectus, as well as the information incorporated by reference herein and therein, carefully before you invest in our common shares. These documents contain important information you should consider before making your investment decision. This prospectus supplement and the accompanying prospectus contain the terms of this offering of our common shares. The accompanying prospectus contains information about our securities generally, some of which does not apply to the common shares covered by this prospectus supplement. This prospectus supplement may add, update or change information contained in or incorporated by reference into the accompanying prospectus. If the information in this prospectus supplement is inconsistent with any information contained in or incorporated by reference into the accompanying prospectus, the information in this prospectus supplement shall apply and shall supersede the inconsistent information contained in or incorporated by reference into the accompanying prospectus.

It is important for you to read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the additional information incorporated by reference into this prospectus supplement and the accompanying prospectus. See [Where You Can Find More Information](#) in the accompanying prospectus.

References to [we](#), [us](#), [our](#) or [ours](#) refer to Federal Realty Investment Trust and its directly and indirectly owned subsidiaries, unless the context otherwise requires. The term [you](#) refers to a prospective investor.

**You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the SEC. We have not, nor have the Agents, authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. We are not, nor are the Agents, making an offer to sell the common shares in any jurisdiction where the offer or sale is not permitted by law. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.**

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**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus contain statements that are not based on historical facts, including statements or information with words such as may, will, could, should, plans, intends, expects, estimates, anticipates, continues, and other similar words. These statements constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the Private Securities Litigation Reform Act of 1995. In particular, the risk factors included or incorporated by reference into this prospectus supplement and the accompanying prospectus describe forward-looking information. The risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission, or the SEC, on February 9, 2016, describe risks that may affect these statements but are not exhaustive, particularly with respect to possible future events. Many things can happen that can cause actual results to be different from those we describe. These factors include, but are not limited to:

risks that our tenants may not pay rent, may vacate early or may file for bankruptcy, or that we may be unable to renew leases or re-let space at favorable rents as leases expire;

risks that we may not be able to proceed with or obtain necessary approvals for any redevelopment or renovation project, and that completion of anticipated or ongoing property redevelopment or renovation projects that we do pursue may cost more, take more time to complete or fail to perform as expected;

risk that we are investing a significant amount in ground-up development projects that may be dependent on third parties to deliver critical aspects of certain projects, requires spending a substantial amount upfront in infrastructure, and assumes receipt of public funding which has been committed but not entirely funded;

risks normally associated with the real estate industry, including risks that:

occupancy levels at our properties and the amount of rent that we receive from our properties may be lower than expected,

new acquisitions may fail to perform as expected,

competition for acquisitions could result in increased prices for acquisitions,

environmental issues may develop at our properties and result in unanticipated costs, and

because real estate is illiquid, we may not be able to sell properties when appropriate;

risks that our growth will be limited if we cannot obtain additional capital;

risks associated with general economic conditions, including local economic conditions in our geographic markets;

risks of financing, such as our ability to consummate additional financings or obtain replacement financing on terms which are acceptable to us, our ability to meet existing financial covenants and the limitations imposed on our operations by those covenants, and the possibility of increases in interest rates that would result in increased interest expense; and

risks related to our status as a real estate investment trust, commonly referred to as a REIT, for federal income tax purposes, such as the existence of complex tax regulations relating to our status as a REIT, the effect of future changes in REIT requirements as a result of new legislation, and the adverse consequences of the failure to qualify as a REIT.

Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements or those incorporated by reference into this prospectus supplement and the accompanying prospectus. We also make no promise to update any of the forward-looking statements, or to publicly release the results if we revise any of them.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*The following is only a summary. It should be read together with the more detailed information included elsewhere in this prospectus supplement and the accompanying prospectus. In addition, important information is incorporated by reference into this prospectus supplement and the accompanying prospectus.*

**The Trust**

Federal Realty Investment Trust is an equity REIT specializing in the ownership, management and redevelopment of high quality retail and mixed-use properties located primarily in densely populated and affluent communities in strategically selected metropolitan markets in the Northeast and Mid-Atlantic regions of the United States, California and South Florida.

As of September 30, 2016, we owned or had a majority interest in community and neighborhood shopping centers and mixed-use properties which are operated as 96 predominantly retail real estate projects comprising approximately 22.4 million square feet. In total, the real estate projects were 94.3% leased and 93.1% occupied at September 30, 2016. We have paid quarterly dividends to our shareholders continuously since our founding in 1962 and have increased our dividends per common share for 49 consecutive years.

We were founded in 1962 as a REIT under the laws of the District of Columbia and re-formed as a REIT in the state of Maryland in 1999. We operate in a manner intended to qualify as a REIT for tax purposes pursuant to provisions of the Internal Revenue Code of 1986, as amended, or the Code. Our principal executive offices are located at 1626 East Jefferson Street, Rockville, Maryland 20852. Our telephone number is (301) 998-8100. Our website address is [www.federalrealty.com](http://www.federalrealty.com). The information contained on our website is not a part of this prospectus supplement or the accompanying prospectus and is not incorporated herein or therein by reference.



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**The Offering**

For a more complete description of the terms of the common shares being offered by this prospectus supplement and the accompanying prospectus, see [Description of Shares of Beneficial Interest](#) in the accompanying prospectus.

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Common shares offered                           | Common shares with an aggregate offering price of up to \$400,000,000.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| New York Stock Exchange symbol                  | FRT.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Use of proceeds                                 | We intend to use the net proceeds from this offering to fund potential acquisition opportunities, fund our development or redevelopment pipeline, repay amounts outstanding under our revolving credit facility and/or for general corporate purposes. See <a href="#">Use of Proceeds</a> on page S-3 for more information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Material U.S. federal income tax considerations | For a description of material U.S. federal income tax considerations of an investment in our common shares, please review the disclosure in the accompanying prospectus under <a href="#">Material Federal Income Tax Considerations</a> and in this prospectus supplement under <a href="#">Additional Material Federal Income Tax Considerations</a> . Such disclosure may be updated from time to time in filings we make with the SEC that are incorporated by reference in the accompanying prospectus.                                                                                                                                                                                                                                                                                                             |
| Risk factors                                    | Investing in our common shares involves risks. Please review the risk factors discussed beginning on page S-3 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 9, 2016, and the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider before deciding to invest in our common shares. You may obtain a copy of our Annual Report on Form 10-K and the other documents incorporated by reference into this prospectus supplement and the accompanying prospectus by following the procedures described under <a href="#">Where You Can Find More Information</a> on page 47 of the accompanying prospectus. |

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**RISK FACTORS**

*Investing in our common shares involves a significant degree of risk. Before you decide to purchase our common shares, you should carefully consider the following risk factors, together with all of the other information contained in or incorporated by reference into the accompanying prospectus, including the additional risk factors in our most recent Annual Report on Form 10-K filed with the SEC. The risks and uncertainties we have described are those we believe to be the principal risks that could affect us, our business or our industry, and which could result in a material adverse impact on our financial condition, results of operation or the market price of our securities. However, additional risks and uncertainties not currently known to us or that we currently deem immaterial may affect our business operations and the market price of our securities.*

**You may experience significant dilution as a result of this offering and additional issuances of our securities, which could harm the market price of our common shares.**

Our declaration of trust permits our board of trustees to authorize, without shareholder approval, the issuance of additional common or preferred shares or securities convertible or exchangeable into equity securities. We may, from time to time and at any time, seek to offer and sell common or preferred shares or other securities, including sales of common shares in this offering through the Agents, based on market conditions and other factors that may be beyond our control.

This offering may have a dilutive effect on our earnings per share and funds from operations per share after giving effect to the issuance of our common shares in this offering and the receipt of the expected net proceeds. The actual amount of dilution from this offering, or from any future offering of common or preferred shares, will be based on numerous factors, particularly the use of proceeds and the return generated by such investment, and cannot be determined at this time. The market price of our common shares could decline as a result of sales of a large number of our common shares in the market pursuant to this offering, or otherwise, or as a result of the perception or expectation that such sales could occur.

**Holders of our debt or preferred shares have liquidation and other rights that are senior to the rights of the holders of our common shares, and any future issuance of debt or preferred shares could adversely affect the market price of our common shares.**

As of September 30, 2016, we had approximately \$2.8 billion of debt outstanding, and 399,896 shares of our 5.417% Series 1 Cumulative Convertible Preferred Shares, or the Series 1 Preferred Shares, were issued and outstanding. Holders of our debt and preferred shares have liquidation rights and other rights that are senior to the rights of the holders of our common shares. Upon any voluntary or involuntary liquidation, dissolution or winding up, payment will be made to holders of our debt and preferred shares, including our Series 1 Preferred Shares, before any payment is made to the holders of our common shares. This will reduce the amount of our assets, if any, available for distribution to holders of our common shares. Because our decision to issue debt and preferred shares is dependent on market conditions and other factors that may be beyond our control, we cannot predict or estimate the amount, timing or nature of our future issuances. Any such future issuance could reduce the market price of our common shares.

**USE OF PROCEEDS**

We intend to use the net proceeds from this offering to fund potential acquisition opportunities, fund our development or redevelopment pipeline, repay amounts outstanding under our revolving credit facility, and/or for general corporate purposes. As of September 30, 2016, our revolving credit facility, the interest rate on which is tied to our credit rating, bears interest at LIBOR plus 82.5 basis points and matures on April 20, 2020. Affiliates of the Agents are lenders

under our revolving credit facility and will receive a pro rata portion of any proceeds used to repay amounts outstanding under our revolving credit facility.

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**ADDITIONAL MATERIAL FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of additional material federal income tax considerations with respect to our qualification as a REIT and the purchase, ownership, and disposition of our shares. This discussion supplements and updates the discussions contained in the prospectus under the heading **Material Federal Income Tax Considerations** and supersedes such discussions to the extent inconsistent with such discussions. This discussion applies only to initial beneficial owners of our shares who purchase their shares at their issue price (as defined below) and who hold the shares as capital assets (generally property held for investment) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the **Code**). This discussion is based on the Code, income tax regulations promulgated thereunder, judicial decisions, published positions of the Internal Revenue Service (**IRS**) and other applicable authorities, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion is general in nature and is not exhaustive of all possible tax considerations, nor does the discussion address any state, local or foreign tax considerations or any U.S. tax considerations (e.g., estate, generation-skipping, or gift tax) other than U.S. federal income tax considerations, that may be applicable to particular shareholders. This discussion does not address all the tax consequences that may be relevant to a particular shareholder or to shareholders subject to special treatment under the Code, such as financial institutions, brokers, dealers in securities and commodities, insurance companies, certain former U.S. citizens or long-term residents, regulated investment companies, real estate investment trusts, tax-exempt organizations, controlled foreign corporations, passive foreign investment companies, persons subject to the alternative minimum tax, U.S. persons whose functional currency is not the U.S. dollar, persons that are, or that hold their shares through, partnerships or other pass-through entities, or persons that hold shares as part of a straddle, hedge, conversion, synthetic security or constructive sale transaction for U.S. federal income tax purposes. Except as specifically provided below with respect to Non-U.S. Holders (as defined in the prospectus), the discussion is limited to beneficial owners of shares that are U.S. Holders. As supplemented and updated by this summary, investors should review the discussion in the prospectus under the heading **Material Federal Income Tax Considerations** for a more detailed summary of the federal income tax consequences of the purchase, ownership and disposition of our shares and our election to be subject to federal income tax as a REIT.

**PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR SHARES.**

**Delayed Implementation Date for Withholding Taxes on Certain Foreign Accounts**

On September 18, 2015, the Internal Revenue Service issued a Notice with respect to the legislation discussed in **Material Federal Income Tax Considerations Reporting and Withholding on Foreign Financial Accounts**. This Notice extended the date on which withholding begins for gross proceeds withholding from January 1, 2017 to January 1, 2019. Prospective investors should consult their tax advisors regarding all aspects of this legislation.

**PATH Act Modification of Certain Rules Applicable to REITs**

On December 18, 2015, President Obama signed into law the Consolidated Appropriations Act, 2016, an omnibus spending bill, with a division referred to as the Protecting Americans from Tax Hikes Act of 2015 (the **PATH Act**). The PATH Act modified a number of important rules regarding the taxation of REITs and their shareholders, including, among others, the following rules described below. The rules in the PATH Act were enacted with different effective dates, some of which are retroactive. Prospective investors are urged to consult their tax advisors regarding the implications of the PATH Act.

*Reduction in Built-in Gains Period.* For taxable years beginning in 2015 and later, the built-in gains period (i.e., the period during which gains from the sale or disposition of property acquired by a REIT from a C corporation in a tax-free merger or other carryover basis transaction is subject to C corporation tax) is reduced from ten years to five years.

On June 7, 2016, the IRS and Treasury Department issued temporary regulations changing the built-in gains recognition period for the corporate tax on built-in gains described in the discussion above. For assets acquired prior to August 8, 2016, the recognition period applicable to us with respect to an asset with built-in gain was the five-year period beginning on the day the asset was acquired. Effective for assets with built-in gain acquired on or after August 8, 2016, the recognition period is the ten-year period beginning on the day the asset was acquired.

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*Reduction in Permissible Holdings of the Securities of Taxable REIT Subsidiaries.* For taxable years beginning after 2017, the percentage of our total assets that may be represented by securities of one or more taxable REIT subsidiaries is reduced from 25% to 20%.

*Prohibited Transaction Safe Harbors.* We are subject to a 100% tax on net income from prohibited transactions, i.e., sales of dealer property (other than foreclosure property). These rules also contain safe harbors under which certain sales of real estate assets will not be treated as prohibited transactions. Included among the requirements for the pre-PATH Act safe harbors is that (I) we do not make more than seven sales of property (subject to specified exceptions) during the taxable year at issue, (II) the aggregate adjusted bases (as determined for purposes of computing earnings and profits) of property (other than excepted property) sold during the taxable year does not exceed 10% of the aggregate bases in our assets as of the beginning of the taxable year, or (III) the fair market value of property (other than excepted property) sold during the taxable year does not exceed 10% of the fair market value of our total assets as of the beginning of the taxable year. If we rely on clause (II) or (III), substantially all of the marketing and certain development expenditures with respect to the properties sold must be made through an independent contractor. The PATH Act made the following changes to these safe harbors:

For taxable years beginning after December 18, 2015, clauses (II) and (III) are liberalized to permit us to sell properties with an aggregate adjusted basis (or fair market value) of up to 20% of the aggregate bases in (or fair market value of) our assets as long as the 10% standard is satisfied on average over the three-year period comprised of the taxable year at issue and the two immediately preceding taxable years.

For taxable years beginning after 2015, if we rely on clauses (II) or (III), a taxable REIT subsidiary may make the marketing and development expenditures that previously had to be made by an independent contractor.

*TRS Operation of Foreclosure Property.* For taxable years beginning after 2015, a taxable REIT subsidiary may operate property on which we have made a foreclosure property election without loss of foreclosure property status.

*Modification to Preferential Dividend Rules.* For distributions in taxable years beginning after 2014, the preferential dividend rules do not apply to publicly offered REITs. A publicly offered REIT means a REIT that is required to file annual and periodic reports with the Securities and Exchange Commission under the Securities Exchange Act of 1934. We are a publicly offered REIT.

*Limitations on Designation of Dividends by REITs.* The aggregate amount of dividends that we may designate as qualified dividend income or as capital gain dividends with respect to any taxable year beginning after 2015 cannot exceed the dividends actually paid by us during such year. In addition, the Secretary of the Treasury is authorized to prescribe regulations or other guidance requiring proportionality of the designation of particular types of dividends.

*Debt Instruments of Publicly Offered REITs and Mortgages Treated as Real Estate Assets.* The PATH Act provides that debt instruments issued by publicly offered REITs (as defined above) are treated as real estate assets for purposes of the 75% asset test. Income from such debt instruments is qualifying income for purposes of the 95% gross income test, but is not qualifying income for purposes of the 75% gross income test unless they would otherwise be treated as real estate assets. Under a new asset test, not more than 25% of the value of our assets can consist of debt instruments of publicly offered REITs unless they would otherwise be treated as real estate assets. These provisions are effective for taxable years beginning after 2015.

*Asset and Income Test Clarification Regarding Ancillary Personal Property.* Rent attributable to personal property which is leased under, or in connection with, a lease of real property, is treated as rents from real property for purposes of the 95% and 75% gross income tests if the rent attributable to the personal property for the taxable year does not exceed 15% of the total rent for the year for such real and personal property. The PATH Act extends this treatment to the 75% asset test by providing that, for taxable years beginning after 2015, personal property leased in connection with a lease of real property is treated as a real estate asset for purposes of the 75% asset test to the extent that rent attributable to such personal property meets the 15% test described above. In addition, for taxable years beginning after 2015, debt secured by a mortgage on both real and personal property qualifies as a real estate asset for purposes of the 75% asset test, and interest on such debt is qualifying income for purposes of both the 95% and 75% gross income tests, if the fair market value of the personal property securing the debt does not exceed 15% of the total fair market value of all property securing the debt.

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*Hedging Provisions.* Income from hedging transactions that hedge certain REIT liabilities and currency risks is disregarded in applying the gross income tests. The PATH Act provides that for taxable years beginning after 2015, certain income from hedging transactions entered into to hedge existing hedging positions after any portion of the hedged indebtedness or property is disposed of will also be disregarded for purposes of the 95% and 75% gross income tests.

*Modification of REIT Earnings and Profits Calculation.* The PATH Act modified the special earnings and profits rules in the Code to ensure that shareholders, for taxable years after 2015, will not be treated as receiving taxable dividends from us that exceed our earnings and profits.

*Treatment of Certain Services Provided by Taxable REIT Subsidiaries.* For taxable years beginning after 2015, a 100% excise tax is imposed on redetermined TRS service income, which is income of a taxable REIT subsidiary attributable to services provided to, or on behalf of, us and which would otherwise be increased on distribution, apportionment, or allocation under the Code (i.e., as a result of a determination that the income was not arm's length), except to the extent income is attributable to services provided to a tenant (which were already subject to the 100% excise tax).

*Exceptions from FIRPTA for Certain REIT Stock Gains and Distributions.* On or after December 18, 2015, the disposition of stock of a publicly traded REIT is not treated, under the Foreign Investment in Real Property Tax Act ( FIRPTA ), as a United States real property interest in the hands of a person who has not held more than 10% (increased from 5% under prior law) of the stock of such REIT during the applicable testing period. Similarly, on or after December 18, 2015, a distribution by a publicly traded REIT is not treated, under FIRPTA, as gain from the disposition of a United States real property interest for a person who has not held more than 10% (increased from 5% under prior law) of the stock of such REIT during the applicable testing period.

Stock of a REIT held (directly or through partnerships) by a qualified shareholder will not be a United States real property interest, and capital gain dividends from such a REIT will not be treated as gain from the sale of a United States real property interest, unless a person (other than a qualified shareholder) that holds an interest (other than an interest solely as a creditor) in such qualified shareholder owns, taking into account applicable constructive ownership rules, more than 10% of the stock of the REIT (an applicable investor ). If the qualified shareholder has such an applicable investor, gains and REIT distributions allocable to the portion of REIT stock held by the qualified shareholder indirectly owned through the qualified shareholder by the applicable investor will be treated as gains from the sale of United States real property interests. For these purposes, a qualified shareholder is a foreign person which is in a treaty jurisdiction and satisfies certain publicly traded requirements, is a qualified collective investment vehicle, and maintains records on the identity of certain 5% owners. A qualified collective investment vehicle is a foreign person that is eligible for a reduced withholding rate with respect to ordinary REIT dividends even if such person holds more than 10% of the REIT's stock, a publicly traded partnership that is a withholding foreign partnership that would be a United States real property holding corporation if it were a United States corporation, or is designated as a qualified collective investment vehicle by the Secretary of the Treasury and is either fiscally transparent within the meaning of the Code or required to include dividends in its gross income but entitled to a deduction for distributions to its investors. Finally, capital gain dividends and non-dividend redemption and liquidating distributions to a qualified shareholder that are not allocable to an applicable investor will be treated as ordinary dividends. These changes apply to dispositions and distributions on or after December 18, 2015.

*Determination of Domestically Controlled REIT Status.* In determining whether we are domestically controlled for purposes of the exception to FIRPTA for dispositions of domestically controlled REIT stock, we may presume that holders of less than 5% of a class of stock regularly traded on an established securities market in the United States are U.S. persons throughout the testing period, except to the extent that we have actual knowledge to the contrary. In



addition, the PATH Act provides that any stock in a REIT held by another REIT that is publicly traded will be treated as held by a non-U.S. person unless the other REIT is domestically controlled, in which case the stock will be treated as held by a U.S. person. Finally, any stock in a REIT held by another REIT that is not publicly traded will only be treated as held by a U.S. person to the extent that U.S. persons hold (or are treated as holding under the new rules) the other REIT's stock. These provisions were effective as of December 18, 2015.

*FIRPTA Exception for Interests Held by Foreign Retirement or Pension Funds.* Qualified foreign pension funds and entities that are wholly owned by a qualified foreign pension fund are exempted from FIRPTA and FIRPTA withholding. For these purposes, a qualified foreign pension fund is any trust, corporation, or other organization or arrangement if (i) it was created or organized under foreign law, (ii) it was established to provide retirement or pension benefits to participants or beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, (iii) it does not have a single participant or beneficiary with a right to more than 5% of its assets or income, (iv) it is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in the country in which it is established or operates, and (v) under the laws of the country in which it is established or operates, either contributions to such fund which would otherwise be subject to tax under such laws are deductible or excluded from the gross income of such fund or taxed at a reduced rate, or taxation of any investment income of such fund is deferred or such income is taxed at a reduced rate. This provision is effective for dispositions and distributions occurring after December 18, 2015.

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*Increase in Rate of FIRPTA Withholding.* For sales of United States real property interests occurring after February 16, 2016, the FIRPTA withholding rate for dispositions of United States real property interests and certain distributions increases from 10% to 15%.

**Bipartisan Budget Act Alteration of Rules Concerning Liability for Partnership Audit Adjustments**

On November 2, 2015, President Obama signed into law the Bipartisan Budget Act of 2015 (the Budget Act ). Among other things, the Budget Act changed the rules applicable to federal income tax audits of partnerships (including partnerships in which we are a partner) and the collection of any tax resulting from such audits or other tax proceedings. Under the new rules, the partnership itself must pay any imputed underpayments, consisting of delinquent taxes, interest, and penalties deemed to arise out of an audit of the partnership, unless certain alternative methods are available and the partnership elects to utilize them.

The new rule generally does not apply to audits of taxable years beginning before January 1, 2018, and many of the details, including the means by which a partnership can avail itself of the alternative methods and the manner in which the alternative methods may apply to REITs, will be determined through yet-to-be-proposed Treasury regulations or other guidance. Therefore, it is not clear at this time what effect this new legislation will have on us or our partnerships. However, it is possible that in the future, we and/or any partnership in which we are a partner could be subject to, or otherwise bear the economic burden of, federal income tax, interest, and penalties resulting from a federal income tax audit as a result of the changes enacted by the Budget Act.

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**PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)**

We have entered into separate equity distribution agreements, each dated as of November 4, 2016, with each of the Agents under which we may from time to time offer and sell common shares having an aggregate offering price of up to \$400,000,000. Sales of our common shares, if any, under this prospectus supplement and the accompanying prospectus may be made in transactions that are deemed to be at the market offerings, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange, or in negotiated transactions, which may include block trades. As our sales agents, the Agents will not engage in any transactions that stabilize the price of our common shares.

Upon its acceptance of written instructions from us, each Agent will use its commercially reasonable efforts, consistent with its sales and trading practices, to solicit offers to purchase our common shares under the terms and subject to the conditions set forth in the applicable equity distribution agreement. We will instruct each Agent as to the amount of common shares to be sold by it. We may instruct the Agents not to sell common shares if the sales cannot be effected at or above the price designated by us in any instruction. Our common shares sold pursuant to the equity distribution agreements will be sold through only one of the Agents on any given day. We or the Agents may suspend the offering of common shares upon proper notice and subject to other conditions.

The relevant Agent will provide written confirmation to us no later than the opening of the NYSE on the trading day following the trading day in which common shares were sold under the applicable equity distribution agreement. Each confirmation will include the number of common shares sold on the preceding day, the net proceeds to us and the compensation payable by us to the Agent in connection with the sales.

We will pay each Agent commissions for its services in acting as sales agent and/or principal in the sale of common shares. Each Agent will be entitled to compensation that will not exceed, but may be lower than, 2.0% of the gross sales price of all common shares sold through it under the applicable equity distribution agreement. We estimate that the total expenses for the offering, excluding compensation payable to the Agents under the terms of the equity distribution agreements, will be approximately \$200,000. In connection with the sale of common shares on our behalf, the Agents may be deemed to be underwriters within the meaning of the Securities Act, and the compensation paid to the Agents may be deemed to be underwriting commissions and discounts.

Settlement of sales of common shares will occur on the third business day following the date on which any sales are made, or on some other date that is agreed upon by us and the applicable Agent in connection with a particular transaction, in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

We will report at least quarterly the number of common shares sold through the Agents under the equity distribution agreements, the net proceeds to us and the compensation paid by us to the Agents in connection with the sales of common shares.

The Agents have determined that our common shares are actively-traded securities excepted from the requirements of Rule 101 of Regulation M under the Exchange Act by Rule 101(c)(1) under the Exchange Act. If either Agent has, or we have, reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are not satisfied, the party will promptly notify the other parties, and sales of common shares under the equity distribution agreements will be suspended until that or other exemptive provisions have been satisfied in the judgment of the Agents and us.

The offering of common shares pursuant to the equity distribution agreements will terminate upon the earlier of (1) the sale of common shares having an aggregate offering price of \$400,000,000 pursuant to this offering and (2) with respect to a particular equity distribution agreement, the termination of such equity distribution agreement. Each equity distribution agreement may be terminated by the applicable Agent or us at any time upon three days notice, and by the applicable Agent at any time in certain circumstances, including our failure to maintain a listing of our common shares on the NYSE or the occurrence of a material adverse change in our company.

### **Conflict of Interest**

As described above under Use of Proceeds, some of the net proceeds of this offering may be used to repay amounts outstanding under our revolving credit facility. Affiliates of the Agents are lenders under our revolving credit facility. Because affiliates of the Agents are lenders under our credit facility, the Agents or affiliates of the Agents may receive more than 5% of the proceeds of this offering. Nonetheless, in accordance with Rule 5121 of the Financial Industry Regulatory Authority Inc., the appointment of a qualified independent underwriter is not necessary in connection with this offering because, as a REIT, we are excluded from that requirement.

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### **Other Relationships**

The Agents and their respective affiliates have engaged in, and may in the future engage in, investment banking, commercial banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The Agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Listing on the New York Stock Exchange**

Our common shares are listed on the NYSE under the symbol FRT.

### **Indemnity**

Pursuant to the equity distribution agreements, we have agreed to indemnify the Agents against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Agents may be required to make because of any of those liabilities.

## **EXPERTS**

The audited consolidated financial statements, schedules and management's assessment of effectiveness of the internal control over financial reporting incorporated by reference into this prospectus supplement and elsewhere in the registration statement have been so incorporated by reference in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

## **LEGAL MATTERS**

The legality of the common shares offered by this prospectus supplement will be passed upon for us by Pillsbury Winthrop Shaw Pittman LLP, Washington, DC. In addition, the descriptions of material federal income tax considerations contained in the accompanying prospectus under "Material Federal Income Tax Considerations" are, to the extent that they constitute matters of law, summaries of legal matters or legal conclusions, based upon the opinion of Pillsbury Winthrop Shaw Pittman LLP, Washington, DC. Sidley Austin LLP, New York, New York, will act as counsel to the Agents.

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**PROSPECTUS**

**Debt Securities, Common Shares, Preferred Shares, Depositary Shares and Warrants**

We may from time to time offer, in one or more series, separately or together, the following:

our debt securities, which may be either senior debt securities or subordinated debt securities;

our common shares of beneficial interest;

our preferred shares of beneficial interest;

our preferred shares of beneficial interest represented by depositary receipts; and

warrants to purchase our common or preferred shares.

Our common shares are listed on the New York Stock Exchange under the symbol FRT.

We will offer our securities in amounts, at prices and on terms to be determined at the time we offer such securities. When we sell a particular series of securities, we prepare a prospectus supplement describing the offering and the terms of that series of securities. Such terms may include limitations on direct or beneficial ownership and restrictions on transfer of our securities being offered that we believe are appropriate to preserve our status as a real estate investment trust for federal income tax purposes.

The applicable prospectus supplement will also contain information, where applicable, about certain United States federal income tax considerations relating to the securities covered by such prospectus supplement.

We may offer our securities directly, through agents we may designate from time to time, or to or through underwriters or dealers. If any agents or underwriters are involved in the sale of any of our securities, their names and any applicable purchase price, fee, commission or discount arrangement between or among them will be set forth or will be calculable from the information set forth in the applicable prospectus supplement. None of our securities may be sold without delivery of the applicable prospectus supplement describing the method and terms of the offering of such class or series of the securities.

**Investing in our securities involves risks. See Risk Factors on page 3 of this prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is May 8, 2015.**

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus either separately or in units, in one or more offerings. Our prospectus provides you with a general description of these securities. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about all of the terms of that offering. Our prospectus supplement may also add, update or change information contained in this prospectus. Before purchasing any securities, you should read both this prospectus and the applicable prospectus supplement and any applicable free writing prospectus, together with additional information described under the heading **Where You Can Find More Information**.

References to we, us, our or ours refer to Federal Realty Investment Trust and its directly or indirectly owned subsidiaries, unless the context otherwise requires. The term you refers to a prospective investor.

**FORWARD-LOOKING STATEMENTS**

This prospectus contains and incorporates forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the Private Securities Litigation Reform Act of 1995. Also, documents that we incorporate by reference into this prospectus, including documents that we subsequently file with the SEC, will contain forward-looking statements. When we refer to forward-looking statements or information, sometimes we use words such as may, will, could, should, plans, intends, expects, believes, estimates, anticipates and other similar words. Factors in this prospectus and in any prospectus supplement describe risks that may affect these statements but are not all-inclusive, particularly with respect to possible future events. Many things can happen that can cause actual results to be different from those we describe. Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements. We also make no promise to update any of the forward-looking statements, or to publicly release the results if we revise any of them.

**Table of Contents****PROSPECTUS SUMMARY**

*The following summary is qualified in its entirety by the more detailed information and consolidated financial statements and notes thereto contained elsewhere in or incorporated by reference into this prospectus.*

**The Trust**

We are an equity real estate investment trust, or REIT, specializing in the ownership, management, and redevelopment of high quality retail and mixed-use properties located primarily in densely populated and affluent communities in strategically selected metropolitan markets in the Northeast and Mid-Atlantic regions of the United States, as well as in California. As of March 31, 2015, we owned or had a majority interest in community and neighborhood shopping centers and mixed-use properties which are operated as 90 predominantly retail real estate projects comprising approximately 20.7 million square feet. In total, the real estate projects were 95.4% leased and 94.5% occupied at March 31, 2015. A joint venture in which we own a 30% interest owned six retail real estate projects totaling approximately 0.8 million square feet as of March 31, 2015. In total, the joint venture properties in which we own an interest were 85.8% leased and 85.4% occupied at March 31, 2015. We have paid quarterly dividends to our shareholders continuously since our founding in 1962 and have increased our dividends per common share for 47 consecutive years.

We operate in a manner intended to enable us to qualify as a REIT pursuant to provisions of the Internal Revenue Code of 1986, as amended, or the Code.

We were founded in 1962 as a REIT under the laws of the District of Columbia and re-formed as a real estate investment trust in the state of Maryland in 1999. Our principal executive offices are located at 1626 East Jefferson Street, Rockville, Maryland 20852. Our telephone number is (301) 998-8100. Our website address is [www.federalrealty.com](http://www.federalrealty.com). The information contained on our website is not a part of this prospectus and is not incorporated herein by reference.

**Ratios of Earnings to Combined Fixed Charges and Preferred Share Dividends**

The following table sets forth our historical ratios of earnings to fixed charges and preferred share dividends for the periods indicated:

|                                                                           | <b>For the Three Months</b> |                                         |             |             |             |             |
|---------------------------------------------------------------------------|-----------------------------|-----------------------------------------|-------------|-------------|-------------|-------------|
|                                                                           | <b>Ended</b>                | <b>For the Years Ended December 31,</b> |             |             |             |             |
|                                                                           | <b>March 31,</b>            | <b>2014</b>                             | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
|                                                                           | <b>2015</b>                 |                                         |             |             |             |             |
| Ratio of earnings to fixed charges                                        | 2.5                         | 2.1                                     | 1.9         | 2.0         | 2.1         | 2.0         |
| Ratio of earnings to combined fixed charges and preferred share dividends | 2.4                         | 2.1                                     | 1.9         | 2.0         | 2.1         | 2.0         |

The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. In computing the ratio of earnings to fixed charges: (a) earnings consist of income from continuing operations before income or loss from equity investees plus distributed income of equity investees and fixed charges (excluding capitalized interest) less noncontrolling interests of subsidiaries with no fixed charges; and (b) fixed charges consist of interest expense including amortization of debt premiums and discounts and issuance costs (including capitalized interest), prepayment charges and the estimated portion of rents payable by us representing interest.

The ratio of earnings to combined fixed charges and preferred share dividends is computed by dividing earnings by the total of fixed charges and preferred share dividends. In computing the ratio of earnings to combined fixed charges and preferred share dividends: (a) earnings consist of income from continuing operations before income or loss from equity investees plus distributed income of equity investees and fixed charges (excluding capitalized interest) less noncontrolling interests of subsidiaries with no fixed charges; (b) fixed charges consist of interest expense including amortization of debt premiums and discounts and issuance costs (including capitalized interest), prepayment charges and the estimated portion of rents payable by us representing interest; and (c) preferred share dividends consist of preferred share dividends and preferred share redemption costs.

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**RISK FACTORS**

Investing in our securities involves a high degree of risk. Before making an investment decision, please consider the risks described under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, on file with the SEC, which is incorporated herein by reference, in addition to any risks and additional information included in this prospectus, in an applicable prospectus supplement and in any subsequent filing with the SEC that is incorporated herein by reference. The risks and uncertainties we have described are those we believe to be the principal risks that could affect us, our business or our industry, and which could result in a material adverse impact on our financial condition, results of operation or the market price of our securities. However, additional risks and uncertainties not currently known to us or that we currently deem immaterial may affect our business operations and the market price of our securities.

**USE OF PROCEEDS**

Unless otherwise specified in the applicable prospectus supplement, we will use the net proceeds from the sale of securities for one or more of the following:

repayment of debt;

acquisition of additional properties;

funding our development and redevelopment pipeline;

redemption of preferred shares; and

working capital and general corporate purposes.

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**DESCRIPTION OF DEBT SECURITIES**

We will prepare and distribute a prospectus supplement that describes the specific terms of the debt securities. In this section of the prospectus, we describe the general terms we expect all debt securities to have. We also identify some of the specific terms that will be described in a prospectus supplement. Although we expect that any debt securities we offer with this prospectus will have the general terms we describe in this section, our debt securities may have terms that are different from or inconsistent with the general terms we describe here. Therefore, you should read the prospectus supplement carefully.

**General Terms of Debt Securities**

Unless we say otherwise in a prospectus supplement, debt securities we offer through this prospectus:

will be our general, direct and unsecured obligations; and

may be either senior debt securities or subordinated debt securities.

Senior debt securities will rank equally with all of our other unsecured and unsubordinated obligations. Subordinated debt securities will be subordinate and junior in right of payment to all of our present and future senior debt in the manner we describe in a prospectus supplement.

We may incur additional debt, subject to limitations in the agreements governing our credit and other debt facilities and other notes we may have issued.

Unless we say otherwise in a prospectus supplement:

debt securities we offer through this prospectus will not limit the amount of other debt that we may incur;

you will not have any protection if we engage in a highly leveraged transaction, a restructuring, a transaction involving a change in control, or a merger or similar transaction that may adversely affect holders of the debt securities; and

we will not list the debt securities on any securities exchange.

**The Indentures**

Any debt securities we offer through this prospectus will be issued under one or more indentures, including the senior indenture between us and U.S. Bank National Association, successor to Wachovia Bank National Association, formerly First Union National Bank, as trustee. We have filed with the SEC the senior indenture that is an exhibit to the registration statement that includes this prospectus. The senior indenture describes the general terms of senior debt securities we may issue. The general terms of any subordinated debt securities that we may issue will be included in a subordinated indenture, which will also include additional terms describing the subordination provisions of these securities. The senior indenture is subject to the Trust Indenture Act of 1939, as amended.

Unless we say otherwise in a prospectus supplement, each indenture does not or will not include all the terms of debt securities we may issue through this prospectus. If we issue debt securities through this prospectus, our Board of Trustees, or any committee thereof, will establish the additional terms for each series of debt securities. The additional terms will be either established pursuant to, and set forth in, a supplemental indenture, or established pursuant to a resolution of our Board of Trustees, or any committee thereof, and set forth in an officer's certificate. Each indenture describes or will describe the additional terms that may be established and we summarize the additional terms that may be established under Additional Terms of Debt Securities, below.

We have summarized the provisions of the senior indenture and any subordinated indenture that we may enter into below. The summary is not complete. You should read the senior indenture and any other indenture that we may enter into for provisions that may be important to you. The extent, if any, to which the provisions of the base senior indenture or any other base indenture that we may enter into apply to particular debt securities will be described in the prospectus supplement relating to those securities. You should read the prospectus supplement for more information regarding any particular issuance of debt securities.

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**Additional Terms of Debt Securities**

As described above, the terms of a particular series of debt securities we offer through this prospectus will be established by our Board of Trustees, or any committee thereof, when we issue the series. We will describe the terms of the series in a prospectus supplement. Unless we say otherwise in a prospectus supplement, each indenture provides or will provide that the terms that may be established include the following:

***Title.*** The title of the debt securities offered.

***Amount.*** Any limit upon the total principal amount of the series of debt securities offered.

***Maturity.*** The date or dates on which the principal of and premium, if any, on the offered debt securities will mature or the method of determining such date or dates.

***Interest Rate.*** The rate or rates (which may be fixed or variable) at which the offered debt securities will bear interest, if any, or the method of calculating such rate or rates.

***Interest Accrual.*** The date or dates from which interest will accrue or the method by which such date or dates will be determined.

***Interest Payment Dates.*** The date or dates on which interest will be payable and the record date or dates to determine the persons who will receive payment, and the basis upon which interest shall be calculated if other than that of a 360-day year of twelve 30-day months.

***Place of Payment.*** The place or places where principal of, premium, if any, and interest, on the offered debt securities will be payable or at which the offered debt securities may be surrendered for registration of transfer or exchange.

***Optional Redemption.*** The period or periods within which, the price or prices at which, the currency or currencies (if other than in U.S. dollars), including currency unit or units, in which, and the other terms and conditions upon which, the offered debt securities may be redeemed, in whole or in part, at our option, if we have that option.

***Mandatory Redemption.*** The obligation, if any, we have to redeem or repurchase the offered debt securities pursuant to any sinking fund or similar provisions or upon the happening of a specified event or at the option of a holder; and the period or periods within which, the price or prices at which, the cur