Easterly Government Properties, Inc.
Form 424B5
June 01, 2016

Filed Pursuant to Rule 424(b)(5)
Registration Nos. 333-210049 and 333-210052

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS SUPPLEMENT DATED JUNE 1, 2016

(to Prospectus dated May 3, 2016 and to Prospectus dated May 3, 2016)

6,126,967 Shares

Easterly Government Properties, Inc.

Common Stock

We are offering 3,800,000 shares of our common stock, $0.01 par value (common stock), and the selling stockholders named in this prospectus supplement are offering 826,967 shares of our common stock. We will not receive any proceeds from the sale of the shares of our common stock by the selling stockholders in this offering.

In addition, we expect to enter into separate forward sales agreements with Citigroup Global Markets Inc. and Jefferies LLC, or their affiliates, which we refer to in this capacity as the forward purchasers. Citigroup Global Markets Inc. and Jefferies LLC, either directly or as agents for their respective affiliated forward purchasers, which we refer to in this capacity as the forward sellers, are, at our request, borrowing from third parties and selling to the underwriters an aggregate of 1,500,000 shares of our common stock, in connection with the forward sales agreements. We will not initially receive any proceeds from the sale of shares by the forward sellers, except in certain circumstances described in this prospectus supplement. We expect to physically settle the forward sales agreements and receive proceeds, subject to certain adjustments, from the sale of those shares of our common stock upon one or more such physical settlements within approximately six months from the date of this prospectus supplement. Although we expect to settle the forward sales agreements entirely by the physical delivery of shares of our common stock for cash proceeds, we may also elect to cash or net-share settle all or a portion of our obligations under the forward sales agreements, in which case, we may receive, or we may owe, cash or shares of our common stock from or to the forward purchasers. See Underwriting Forward Sales Agreements in this prospectus supplement for a description of the forward sales agreements.

If any of the forward sellers determines, in its commercially reasonable judgment, that such forward seller is unable, after using commercially reasonable efforts, to borrow and sell the full number of such shares of our common stock, or if any forward purchaser, in its sole judgment, determines that such forward seller would incur a share loan cost in excess of a specified threshold to do so, we will issue and sell to the underwriters a number of shares of our common stock equal to the number of shares that such forward seller does not so borrow and sell.

To assist us in qualifying as a real estate investment trust, our charter limits ownership by any person to 7.1% of the lesser of the number or value of shares of our outstanding common stock, with certain exceptions. See Description of Common Stock Restrictions on Ownership and Transfer in the accompanying prospectus.

Our common stock is listed on the NYSE under the symbol DEA. The last reported sale price of our common stock on the NYSE on May 31, 2016 was $18.72 per share.

Investing in our common stock involves risks. You should read carefully and consider Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2015, beginning on page S-10 of this prospectus supplement, on page 3 of the accompanying company prospectus and on page 2 of the accompanying selling stockholder prospectus before investing in our common stock.

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

	Per Share	**Total**
Public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to us(2)	$	$
Proceeds, before expenses, to the selling stockholders	$	$

(1) See Underwriting for a description of compensation payable to the underwriters.
(2) We expect to receive net proceeds from the sale of the shares of our common stock, before fees and estimated expenses, of $ million upon full physical settlement of the forward sales agreements, which we expect will occur within approximately six months from the date of this prospectus supplement. For the purposes of calculating the aggregate net proceeds to us, we have assumed that the forward sales agreements will be fully physically settled based on the initial forward sale price of $ per share, which is the public offering price less the underwriting discount shown above. The forward sale price is subject to adjustment pursuant to the terms of each of the forward sales agreements, and the actual proceeds, if any, to us will be calculated as described in this prospectus supplement. Unless the federal funds rate increases substantially prior to the settlement of the forward sales agreements, we expect to receive less than the initial forward sale price per share upon physical settlement of the forward sales agreements. Although we expect to settle the forward sales agreements entirely by the full physical delivery of shares of our common stock in exchange for cash proceeds, we may elect cash settlement or net share settlement for all or a portion of our obligations under any forward sales agreement. See Underwriting Forward Sales Agreements for a description of the forward sales agreements.

We have granted the underwriters a 30-day option from the date of this prospectus supplement, exercisable in whole or in part from time to time, to purchase up to an additional 919,045 shares of our common stock from us at the initial price to the public less the underwriting discount.

The underwriters expect to deliver the shares to purchasers on or about , 2016 through the book-entry facilities of The Depository Trust Company.

Citigroup **Jefferies** **Raymond James** **RBC Capital Markets**
SunTrust Robinson Humphrey

BTIG

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in three parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information in the accompanying prospectuses and the documents incorporated by reference therein. The second and the third parts are the accompanying prospectuses, which provide more general information, some of which may not apply to this offering. You should read this entire document, including the prospectus supplement, the accompanying prospectuses and the documents incorporated by reference therein, and any free writing prospectus we authorize to be delivered to you. We, the selling stockholders, the underwriters and the forward purchasers have not authorized anyone else to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it**.** In the event that the description of this offering varies between this prospectus supplement and the accompanying prospectuses, you should rely on the information contained in this prospectus supplement. To the extent the information included in this prospectus supplement differs or varies from the information included or incorporated by reference in the accompanying prospectuses, the information included in this prospectus supplement updates and supersedes such information. You should assume that the information appearing in this prospectus supplement and the accompanying prospectuses, including the documents incorporated by reference therein, and any authorized free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement and (i) the accompanying prospectus dated May 3, 2016, which we refer to as the accompanying company prospectus, are part of the Registration Statement (Registration No. 333-210049) that we filed with the SEC on March 9, 2016, and (ii) the accompanying prospectus, dated May 3, 2016, which we refer to as the accompanying selling stockholder prospectus, are part of the Registration Statement (Registration No. 333-210052) that we filed with the SEC on March 9, 2016, each using a shelf registration process. We refer collectively to the accompanying company prospectus and the accompanying selling stockholder prospectus as the accompanying prospectuses.

This prospectus supplement and the accompanying prospectuses contain, or incorporate by reference, forward-looking statements. Such forward-looking statements should be considered together with the cautionary statements and important factors included or referred to in this prospectus supplement, the accompanying prospectuses and the documents incorporated therein by reference. Please see Forward-Looking Statements in this prospectus supplement and Cautionary Statement Regarding Forward-Looking Statements in each of the accompanying prospectuses.

Unless otherwise indicated or the context requires otherwise, in this prospectus supplement and the accompanying prospectus, references to we, our, us, and our company refer to Easterly Government Properties, Inc. and its consolidated subsidiaries.

The distribution of this prospectus supplement, the accompanying prospectuses and any authorized free writing prospectus and the offering of the shares of our common stock may be restricted by law. If you possess this prospectus supplement, the accompanying prospectuses or any authorized free writing prospectus, you should find out about and observe these restrictions. This prospectus supplement, the accompanying prospectuses and any authorized free writing prospectus are not an offer to sell the shares and are not soliciting an offer to buy the shares in any jurisdiction where the offer or sale is not permitted or where the person making the offer or sale is not qualified to do so or to any person to whom it is not permitted to make such offer or sale. See Underwriting Selling Restrictions in this prospectus supplement.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectuses and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of complying with those safe harbor provisions. We caution investors that any such forward-looking statements presented in this prospectus supplement, the accompanying prospectuses or any of the documents incorporated by reference herein or therein, or which management may make orally or in writing from time to time, are based on beliefs and on assumptions made by, and information currently available to, management. When used, the words anticipate, believe, estimate, expect, intend, may, might, plan, project, resul similar expressions which do not relate solely to historical matters are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected by the forward-looking statements.

Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

the factors included in our Annual Report on Form 10-K filed with the SEC on March 2, 2016, including those set forth under the headings Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations, the factors included in our other public filings, the factors beginning on page S-10 of this prospectus supplement, on page 3 of the accompanying company prospectus and page 2 of the accompanying selling stockholder prospectus, in each case under the heading Risk Factors ;

risks associated with our dependence on the U.S. Government and its agencies for substantially all of our revenues, including credit risk and risk that the U.S. Government reduces its spending on real estate or that it changes its preference away from leased properties;

risks associated with ownership and development of real estate;

decreased rental rates or increased vacancy rates;

loss of key personnel;

general volatility of the capital and credit markets and the market price of our common stock;

the risk that the market price of our common stock may be negatively impacted by increased selling activity as a result of the recent liquidation of certain private investment funds that contributed assets in our initial public offering;

the risk we may lose one or more major tenants;

difficulties in completing and successfully integrating acquisitions, including the portfolio acquisition described in this prospectus supplement;

failure of acquisitions or development projects to yield anticipated results, including the portfolio acquisition described in this prospectus supplement;

risks associated with actual or threatened terrorist attacks;

intense competition in the real estate market that may limit our ability to attract or retain tenants or re-lease space;

insufficient amounts of insurance or exposure to events that are either uninsured or underinsured;

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- uncertainties and risks related to adverse weather conditions, natural disasters and climate change;
- exposure to liability relating to environmental and health and safety matters;
- limited ability to dispose of assets because of the relative illiquidity of real estate investments and the nature of our assets;
- exposure to litigation or other claims;
- risks associated with breaches of our data security;
- risks associated with our indebtedness;
- failure to refinance current or future indebtedness on favorable terms, or at all;
- failure to meet the restrictive covenants and requirements in our existing and new debt agreements;
- fluctuations in interest rates and increased costs to refinance or issue new debt;
- risks associated with derivatives or hedging activity; and
- risks associated with mortgage debt or unsecured financing or the unavailability thereof, which could make it difficult to finance or refinance properties and could subject us to foreclosure.

We caution you that, while forward-looking statements reflect our good faith beliefs when we make them, they are not guarantees of future performance and are impacted by actual events when they occur after we make such statements. Accordingly, investors should use caution in relying on forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, future events or other changes. For a further discussion of these and other factors, see the section entitled Risk Factors in this prospectus supplement, in the accompanying prospectuses and in our Annual Report on Form 10-K for the year ended December 31, 2015, as may be updated by subsequent filings with the SEC that are incorporated by reference herein and therein.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information from this prospectus supplement, the accompanying prospectuses and the documents incorporated by reference herein or therein. It does not contain all of the information that may be important to you. We encourage you to carefully read this entire prospectus supplement, the accompanying prospectuses and the documents incorporated by reference herein or therein, especially the Risk Factors section beginning on page S-10 of this prospectus supplement, on page 3 of the accompanying company prospectus, on page 2 of the accompanying selling stockholder prospectus, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the SEC on March 2, 2016 and in our other public filings before making an investment decision regarding our common stock.

Overview

Easterly Government Properties, Inc. is an internally managed real estate investment trust, or REIT, focused primarily on the acquisition, development and management of Class A commercial properties that are leased to U.S. Government agencies that serve essential functions. We generate substantially all of our revenue by leasing our properties to such agencies through the U.S. General Services Administration, or GSA. Our objective is to generate attractive risk-adjusted returns for our stockholders over the long term through dividends and capital appreciation. We are the sole general partner of our operating partnership, and as of May 31, 2016, we owned approximately 70.1% of the aggregate outstanding common units representing limited partnership interests in our operating partnership, or common units.

As of March 31, 2016, we wholly owned 37 properties in the United States, including 34 properties that were leased primarily to U.S. Government tenant agencies and three properties that were entirely leased to private tenants, encompassing approximately 2.7 million rentable square feet in the aggregate. We focus on acquiring, developing, and managing GSA-leased properties that are essential to supporting the mission of the tenant agency and strive to be a partner of choice for the U.S. Government, working closely with the GSA to meet the needs and objectives of the tenant agency.

We were incorporated in Maryland as a corporation on October 9, 2014 and did not have any meaningful operations until the completion of our formation transactions and our initial public offering on February 11, 2015. We intend to elect to be treated as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2015. We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 Act, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies.

Our principal executive offices are located at 2101 L Street NW, Suite 650 Washington, DC 20037, and our telephone number is 202-595-9500.

Recent Developments

Acquisition of NPS Omaha

On May 19, 2016, we acquired a 62,772-square foot National Park Service (NPS) building in Omaha, NE for a purchase price of approximately $17.9 million. The built-to-suit property was completed in 2004, and is leased to the GSA on behalf of the National Park Service with eight years remaining on a 20-year initial lease. The property houses the NPS Midwest Regional Headquarters and serves as a visitor center for the Lewis and Clark National Historic Trail.

Portfolio Acquisition

On May 27, 2016, we entered into separate definitive purchase and sale agreements, or purchase agreements, to acquire a portfolio of four built-to-suit GSA-leased properties, comprising 302,057 rentable

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square feet, from a third-party seller and its affiliates, which we refer to as the sellers, for an aggregate contractual purchase price of approximately $97.4 million. The properties under contract to be acquired are a 96,278-square foot Federal Bureau of Investigation (FBI) field office located in Birmingham, AL (FBI Birmingham), a 35,616-square foot Drug Enforcement Administration (DEA) district office located in Birmingham, AL (DEA Birmingham), a 71,979-square foot Environmental Protection Agency (EPA) laboratory located in Kansas City, MO (EPA Kansas City), and a 98,184-square foot FBI field office located in Albany, NY (FBI Albany). We refer to the four-property portfolio as the acquisition portfolio and the proposed acquisition as the portfolio acquisition. We believe the portfolio acquisition fits squarely within our strategy to invest in properties leased to U.S. Government agencies that serve mission-critical functions and are of high importance within the hierarchy of these agencies. We expect to finance the portfolio acquisition with a portion of the net proceeds that we receive from this offering.

We expect to complete the acquisition of FBI Birmingham, DEA Birmingham, and EPA Kansas City in the third quarter of 2016 and we expect to complete the acquisition of FBI Albany during the fourth quarter of 2016. The completion of the portfolio acquisition is subject to customary closing conditions and is not subject to a financing or due diligence condition or the receipt of third-party consents. There is no assurance that we or the sellers will fulfill such customary closing conditions or that we will complete the portfolio acquisition on the anticipated schedule or at all. See Risk Factors We cannot assure you that the portfolio acquisition will be completed on a timely basis or at all. The closing of this offering is not conditioned upon the closing of the portfolio acquisition. We expect to assume the rights and obligations of the sellers under the existing leases underlying the properties.

All of the information in this prospectus supplement regarding the portfolio acquisition is based on information provided by the sellers in connection with our due diligence related to the pending acquisition.

The acquisition portfolio is comprised of the following four U.S. Government-leased properties:

FBI Birmingham

FBI Birmingham, a built-to-suit property completed in 2005, is 100% leased through 2020 to the GSA on behalf of the FBI. The 96,278-square foot property is one of 56 field offices of the FBI, a bureau-level federal agency within the U.S. Department of Justice, which serves a dual role as both a federal criminal investigative body and an intelligence agency. FBI Birmingham s geographic reach spans 31 counties in the northern part of the state. FBI Birmingham is also responsible for the oversight of four FBI resident agencies located throughout the state of Alabama. The property possesses a number of security features including 100-foot setbacks, reinforced security fencing and vehicle barriers, and redundant power systems.

DEA Birmingham

DEA Birmingham, a built-to-suit property completed in 2005, is 100% leased through 2020 to the GSA on behalf of the DEA, the lead U.S. federal agency for the enforcement of controlled substance laws and regulations, and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), a bureau-level federal agency within the U.S. Department of Justice, whose mission is to protect the public from crimes involving firearms, explosives, arson, and the diversion of tobacco products. The 35,616-square foot property houses one of three DEA district offices within the New Orleans Division, which encompasses four states, and is responsible for the oversight of one satellite resident office in Alabama. The ATF occupancy is part of the two-state (Alabama and Tennessee) Nashville Field Division and is one of four Field Offices in the state of Alabama. The property includes 90-foot setbacks, holding cells, anti-climb perimeter fencing, and a fenced sally port area.

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EPA Kansas City

EPA Kansas City, a LEED Gold, built-to-suit laboratory completed in 2003, is 100% leased through 2023 to the GSA on behalf of the EPA. The 71,979-square foot laboratory is one of ten regional EPA laboratories which support the agency s mission to protect human health and the environment. EPA Kansas City serves as the Region 7 Science and Technology Center, a special purpose laboratory where EPA scientists, using state of the art instruments and techniques, perform chemical and biological analyses, field sampling services, and air monitoring to determine if air, water, soil, plants and animals have been contaminated.

FBI Albany

FBI Albany, a built-to-suit property completed in 1998, is 100% leased through 2018 to the GSA on behalf of the FBI. The 98,184-square foot property is one of 56 field offices of the FBI, where the agency fulfills its mission to protect and defend the United States against terrorist and foreign intelligence threats, to uphold and enforce the criminal laws of the United States, and to provide leadership and criminal justice services to federal, state, municipal, and international agencies and partners. FBI Albany is one of two field offices located in New York with a territory encompassing 32 counties in upstate New York and 14 counties in Vermont. FBI Albany is also responsible for the oversight of eight FBI resident agencies in the region. The property possesses a number of security features including 100-foot setbacks, reinforced security fencing and hydraulic vehicle barricades, blast resistant envelope and window features, and intrusion detection systems.

The table below sets forth certain information with respect to the acquisition portfolio as of March 31, 2016.

Property Name	Location	Property Type	Tenant(s)	Tenant Lease Expiration Year	Year Built / Renovated	Rentable Square Feet
FBI Birmingham	Birmingham, AL	Office	FBI	2020	2005	96,278
DEA Birmingham	Birmingham, AL	Office	DEA / ATF	2020	2005	35,616
EPA Kansas City	Kansas City, MO	Laboratory	EPA	2023	2003	71,979
FBI Albany	Albany, NY	Office	FBI	2018	1998	98,184
Total						**302,057**

Our Competitive Strengths

We believe that we distinguish ourselves from other owners and operators of office and other commercial properties, including properties leased to the U.S. Government, through the following competitive strengths:

High Quality Portfolio Leased to Mission-Critical U.S. Government Agencies. We are the only internally managed public REIT that focuses primarily on the acquisition, development and management of Class A commercial properties that are leased to U.S. Government agencies, primarily through the GSA. As of March 31, 2016, we wholly owned 37 high quality properties in the United States that were 100% leased, including 34 properties leased primarily to U.S. Government tenant agencies. As of March 31, 2016, the weighted average age of our properties was approximately 11.6 years, and the weighted average remaining lease term was approximately 6.9 years. A majority of our properties are leased to U.S. Government agencies that serve mission-critical functions and are of high importance within the hierarchy of these agencies. These properties generally meet our investment criteria, which target major federal buildings of Class A construction that are less than 20 years old, are at least 85% leased to a single U.S. Government agency, are in excess of 40,000 rentable square feet with expansion potential, are in strategic locations to facilitate the tenant agency s mission, include build-to-suit features and are focused on environmental sustainability.

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U.S. Government Tenant Base with Strong History of Renewal. Our GSA leases are backed by the full faith and credit of the U.S. Government, are paid for through the Federal Buildings Fund and are not subject to direct federal appropriations. Furthermore, the GSA has never experienced a financial default. In addition to stable rent payments, our GSA leases typically have initial total terms of ten to 20 years with renewal leases typically having terms of five to ten years. GSA leases governing properties similar to the properties that we target have historically had high renewal rates, which limit operational risk. We believe that the strong credit quality of our U.S. Government tenant base, our long-term leases, the likelihood of lease renewal and the high tenant recovery rate for our property-related operating expenses contribute to the stability of our operating cash flows and expected distributions.

Experienced and Aligned Management Team. Our senior management team has a proven track record of sourcing, underwriting, acquiring, developing and managing properties leased to U.S. Government agencies, primarily through the GSA. Our multidisciplinary team possesses complementary skills and experience that we expect will drive our business and growth strategies and includes the co-founders of our predecessor and the founder and president of a company specializing in the development of build-to-suit properties for the GSA. Collectively, our senior management team has been responsible for the acquisition of an aggregate of approximately 2.1 million square feet of GSA-leased properties and the development of approximately 1.1 million aggregate square feet of such properties. We believe that our management expertise provides us with a significant advantage over our competitors when pursuing acquisition opportunities and engaging the GSA in property development opportunities and by providing us with superior property management and tenant service capabilities.

Access to Acquisition Opportunities with an Active Pipeline. Our senior management team has an extensive network of longstanding relationships with owners, specialized developers, leasing brokers, lenders and other participants in the GSA-leased property market. Our team has been able to leverage these relationships to access a wide variety of sourcing opportunities, frequently resulting in the acquisition of properties that were not broadly marketed. In addition, we maintain a proprietary database that tracks approximately 8,300 leases totaling approximately 200 million rentable square feet and includes substantially every major U.S. Government-leased property that meets our investment criteria as well as information about the ownership of such properties. We believe that our longstanding industry relationships, coupled with our proprietary database, improve our ability to source and execute attractive acquisition opportunities. Further, these factors enable us to effectively initiate transactions with property owners who may not currently be seeking to sell their property, which we believe gives us a competitive advantage over others bidding in broadly marketed transactions.

Extensive Development Experience with U.S. Government-Leased Properties. Our senior management team has developed projects comprising approximately 4.2 million square feet, including 37 build-to-suit projects for the GSA as well as other corporate and government tenants. In the aggregate, our senior management team has developed 20 projects for the GSA. Development of government projects, particularly build-to-suit projects, requires expertise in GSA requirements and the needs of tenant agencies. Since 1994, members of our senior management team have developed an average of approximately 49,000 square feet per year of GSA-leased build-to-suit properties. We believe that our thorough understanding of the U.S. Government s procurement processes and standards, our longstanding relationships with the GSA and other agencies of the U.S. Government, and our differentiated capabilities enable us to continue to compete effectively for U.S. Government development opportunities.

Value-Enhancing Asset Management. Our management team focuses on the efficient management of our properties and on improvements to our properties that enhance their value for a tenant agency and improve the likelihood of lease renewal. We work in close partnership with the GSA and tenant agencies to manage the construction of specialized, agency-specific design enhancements. These highly tailored build-outs substantially increase the likelihood of the tenant agency s renewal and also

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typically generate a construction management fee paid by the tenant agency to us in the amount of approximately 15% of the actual cost of construction. We also seek to reduce operating costs at all of our properties, often by implementing energy efficiency programs that help the U.S. Government achieve its conservation and efficiency goals. Our asset management team also conducts frequent audits of each of our properties in concert with the GSA and the tenant agency so as to keep each facility in optimal condition, allowing the tenant agency to better perform its stated mission and helping to position us as a GSA partner of choice.

Growth-Oriented Capital Structure. As of March 31, 2016, we had approximately $83.0 million of mortgage indebtedness and $184.4 million outstanding under our senior unsecured revolving credit facility for a debt to total enterprise value ratio of 27%. None of our outstanding indebtedness is scheduled to mature until 2019.

Business and Growth Strategies

Our objective is to generate attractive risk-adjusted returns for our stockholders over the long term through dividends and capital appreciation. We pursue the following strategies to achieve these goals:

Pursue Attractive Acquisition Opportunities. We seek to engage in strategic and disciplined acquisitions of properties that we believe are essential to the mission of select U.S. Government agencies and that, in many cases, contain agency-specific design enhancements that allow each tenant agency to better satisfy its mission. We target for acquisition primarily major federal buildings of Class A construction that are less than 20 years old, are at least 85% leased to a single U.S. Government agency, are in excess of 40,000 rentable square feet with expansion potential, are in strategic locations to facilitate the tenant agency s mission, include build-to-suit features and are focused on environmental sustainability.

Develop Build-to-Suit U.S. Government Properties. We seek to pursue attractive opportunities to develop build-to-suit properties for use by certain U.S. Government agencies. As U.S. Government agencies expand, they often require additional space tailored specifically to their needs, which may not be available in the agency s target market and therefore require new construction. The GSA typically solicits proposals from private companies to develop and lease such properties to the agency, rather than developing and owning the property itself. We typically bid for those property development opportunities published by the GSA that suit our investment criteria.

Renew Existing Leases at Positive Spreads. We seek to renew leases at our GSA-leased properties at positive spreads upon expiration. Upon lease renewal, GSA rental rates are typically reset based on a number of factors, including inflation, the replacement cost of the building at the time of renewal and enhancements to the property since the date of the prior lease. During the term of a GSA lease, we work in close partnership with the GSA to implement improvements at our properties to enhance the U.S. Government tenant agency s ability to perform its stated mission, thereby increasing the importance of the building to the tenant agency and the probability of an increase in rent upon lease renewal.

Reduce Property-Level Operating Expenses. We seek to manage our properties to increase our income by continuing to reduce property-level operating costs. We manage our properties in a cost efficient manner so as to eliminate any excess spending and streamline our operating costs. When we acquire a property, we review all property-level operating expenditures to determine whether and how the property can be managed more efficiently.

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The Offering

The offering terms are summarized below solely for convenience. For a more complete description of the terms of shares of our common stock offered by us and the selling stockholders, see the section entitled Description of Common Stock of Easterly Government Properties, Inc. in the accompanying company prospectus and the section entitled Description of Common Stock in the accompanying selling stockholder prospectus.

Issuer	Easterly Government Properties, Inc., a Maryland corporation
Shares of Our Common Stock Offered by Us	3,800,000 shares of our common stock (or 4,719,045 shares of our common stock if the underwriters option to purchase additional shares is exercised in full).
Shares of Our Common Stock Offered by the Forward Sellers	1,500,000 shares of our common stock.(1)(2)
Shares of Our Common Stock Offered by the Selling Stockholders	826,967 shares of our common stock.
Shares of Our Common Stock to Be Outstanding after this Offering, but Excluding the Settlement of the Forward Sales Agreements Assuming Full Physical Settlement	31,643,763 shares of common stock (or 32,562,808 shares of our common stock if the underwriters option to purchase additional shares is exercised in full).
Shares of Our Common Stock to Be Outstanding after Settlement of the Forward Sales Agreements Assuming Full Physical Settlement	33,143,763 shares of our common stock (or 34,062,808 shares of our common stock if the underwriters option to purchase additional shares is exercised in full).(1)(2)
Use of Proceeds	We will receive approximately $ million in net proceeds from the sale of shares offered by us in this offering (or $ million if the underwriters option to purchase additional shares is exercised in full), after deducting underwriting discounts and commissions and our estimated offering expenses.

We will not initially receive any proceeds from the sale of shares of our common stock by the forward sellers or their affiliates. We expect to receive net proceeds of approximately $ million (after deducting fees and estimated expenses related to the forward sales agreements and this offering), subject to certain adjustments pursuant to the forward sales agreements, only upon full physical settlement of the forward sales agreements, which we expect will occur within approximately six months from the date of this prospectus supplement.(3)

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We intend to contribute the net proceeds from this offering and the net proceeds, if any, received upon the settlement of the forward sales agreements (and from the sale of any shares of our common stock that we may sell to the underwriters in lieu of the forward sellers selling our common stock to the underwriters) to our operating partnership, which will subsequently use a portion of such net proceeds to fund the portfolio acquisition. Our operating partnership intends to use the balance of such net proceeds, if any, to repay borrowings outstanding under our senior unsecured revolving credit facility, to fund other potential acquisition opportunities, for general corporate purposes, or a combination of the foregoing. See Use of Proceeds and Risk Factors for certain considerations relevant to an investment in our common stock.

We will not receive any proceeds from the sale of shares of our common stock to be offered by the selling stockholders. We will pay our expenses and the expenses of the selling stockholders in connection with this offering other than underwriting discounts and commissions and certain other expenses associated with the sale of shares by the selling stockholders. See Selling Stockholders.

Accounting Treatment of the Forward Sales Agreements

Before the issuance of shares of our common stock, if any, upon physical or net share settlement of the forward sales agreements, we expect that the shares issuable upon settlement of the forward sales agreements will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares of our common stock that would be issued upon full physical settlement of the forward sales agreements over the number of shares of our common stock that could be purchased by us in the market (based on the average market price during the period) using the proceeds receivable upon full physical settlement (based on the adjusted forward sale price at the end of the reporting period). Consequently, prior to physical or net share settlement of the forward sales agreements and subject to the occurrence of certain events, we anticipate there will be no dilutive effect on our earnings per share except during periods when the average market price of shares of our common stock is above the applicable adjusted forward sale price, which is initially $ per share (which is the price at which the underwriters have agreed to buy the shares of common stock offered hereby), subject to increase or decrease on a daily basis based on a floating interest rate factor equal to the federal funds rate less a spread, and subject to decrease on each of certain dates by amounts related to expected dividends on shares of our common stock during the term of the forward sales agreements. However, if we physically or net share settle any forward sales agreement, the delivery of shares of our common stock would result in an increase in the number of shares outstanding and dilution to our earnings per share and return on equity.

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Conflicts of Interest	All of the proceeds to us from the sale of shares of our common stock by the forward sellers (excluding proceeds paid to us with respect to any shares of our common stock that we may sell to the underwriters in lieu of the forward sellers selling our common stock to the underwriters) will be paid to the forward purchasers. See Use of Proceeds. As a result, Citigroup Global Markets Inc. and Jefferies LLC or their affiliates will receive such net proceeds of this offering, not including underwriting compensation.
	We may use the net proceeds from the sale of shares or our common stock offered by us, or if we elect to physically settle the forward sales agreements, we may use the proceeds from such settlement(s) to repay borrowings outstanding under our senior unsecured revolving credit facility. Certain of our underwriters and/or their affiliates are lenders, joint lead arrangers and joint book running managers, co-syndication agents, issuing banks and an administrative agent under our senior unsecured revolving credit facility and would receive a pro rata portion from the net proceeds in this offering to us or from the physical settlement of the forward sales agreements to the extent that we use any such proceeds to reduce the outstanding balance under such facility. See Underwriting Other Relationships/Conflicts of Interest.
NYSE Symbol	DEA
Risk Factors	You should read carefully the Risk Factors beginning on page S-10 of this prospectus supplement, on page 3 of the accompanying company prospectus and on page 2 of the accompanying selling stockholder prospectus supplement as well as the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference herein, before making a decision to invest in our common stock.
Restrictions on Ownership	To assist us in maintaining our qualification as a REIT, our charter provides that no person or entity may actually own or be deemed to own by virtue of the applicable constructive ownership provisions, more than 7.1% (in value or in number of shares, whichever is more restrictive) of the outstanding shares of each class or series of our stock, or 7.1% in value of the aggregate of the outstanding shares of all classes and series of our stock, in each case excluding any shares of our stock that are not treated as outstanding for U.S. federal income tax purposes. For more information, see Description of Common Stock of Easterly Government Properties, Inc. Restrictions on Ownership and Transfer beginning on page 8 of the accompanying company prospectus and Description of Common Stock Restrictions on Ownership and Transfer beginning on

page 10 of the accompanying selling stockholder prospectus.

(1) The forward sellers have advised us that they (or their relevant affiliates) intend to acquire shares of our common stock to be sold under this prospectus supplement through borrowings from third-party share lenders. Subject to the occurrence of certain events, we will not be obligated to deliver shares of our common stock, if any, under a forward sales agreement until final settlement of such forward sales

agreement, which we expect will occur within approximately six months from the date of this prospectus supplement. Except in certain circumstances, we have the right to elect cash settlement or net share settlement under the forward sales agreements. See Underwriting Forward Sales Agreement in this prospectus supplement for a description of the terms of the forward sales agreements.

(2) Based on 27,843,763 shares of our common stock outstanding as of May 31, 2016. Excludes (i) 2,231,164 shares of our common stock available for future issuance as of May 31, 2016 under our 2015 equity incentive plan, and (ii) any additional shares that may be issued from and after May 31, 2016 through final settlement of the forward sales agreement. We provide these numbers assuming no event occurs that would require us to sell shares of our common stock to the underwriters in lieu of any forward seller selling shares of our common stock to the underwriters. If such an event occurs, then (a) the number of shares of our common stock to be outstanding immediately after the offering would be increased by such number of shares and (b) the number of shares of our common stock issuable pursuant to physical settlement of the forward sales agreement would be reduced by such number of shares.

(3) Calculated as of , 2016, assuming that each of the forward sales agreements is fully physically settled based on the initial forward sale price of $ per share by the delivery of 1,500,000 shares of our common stock. The forward sale price is subject to adjustment pursuant to the terms of the forward sales agreements, and any net proceeds to us are subject to settlement of the forward sales agreements. Unless the federal funds rate increases substantially prior to the settlement of the forward sales agreements, we expect to receive less than the initial forward sale price per share upon physical settlement of the forward sales agreements. If we elect to cash settle the forward sales agreements, we would expect to receive an amount of net proceeds that is significantly lower than the estimate included above, and we may not receive any net proceeds (or may owe cash to the forward purchasers). If we elect to net share settle the forward sales agreements in full, we would not receive any proceeds from the forward purchasers.

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RISK FACTORS

An investment in our common stock involves various risks, including those set forth below as well as the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated herein by reference herein. You should carefully consider these risk factors, together with the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectuses, before making an investment in shares of our common stock. These risks are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations.

Risks Related to the Portfolio Acquisition

We cannot assure you that the portfolio acquisition will be completed on a timely basis or at all.

There are a number of risks and uncertainties relating to the portfolio acquisition. For example, the portfolio acquisition may not be completed, or may not be completed in the time frame, on the terms or in the manner currently anticipated, as a result of a number of factors, including the failure of the parties to satisfy one or more of the conditions to closing. There can be no assurance that the conditions to closing of the portfolio acquisition will be satisfied or waived or that other events will not intervene to delay or result in the failure to close the acquisition. The purchase agreements may be terminated by the parties thereto under certain circumstances. Delays in closing the portfolio acquisition or the failure to close the portfolio acquisition at all may result in our incurring significant additional costs in connection with such delay or termination of the purchase and sale agreements and/or failing to achieve the anticipated benefits of the portfolio acquisition. Any delay in closing or a failure to close the portfolio acquisition could have a negative impact on our business and the trading price of our common stock.

If completed, the portfolio acquisition may not achieve its intended benefits.

There can be no assurance that we will be able to successfully integrate the portfolio of properties with our business or otherwise realize the expected benefits of the portfolio acquisition. Our ability to realize the anticipated benefits of the portfolio acquisition will depend, to a large extent, on our ability to integrate the acquired properties with our business. The integration process may require significant time and focus from our management team following the acquisition and may divert attention from the day-to-day operations of the combined business, which could delay the achievement of our strategic objectives. In addition, the portfolio acquisition may result in material unanticipated problems, including:

- we may have underestimated the costs to manage the portfolio and to make any necessary improvements to the portfolio;
- the portfolio may be subject to unknown or contingent liabilities for which we may have no or limited recourse against the sellers, including for liabilities for clean-up or remediation of environmental conditions, claims of vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise; and
- we may be unable to renew leases or lease vacating space with respect to the portfolio properties on favorable terms or at all as leases expire.

Many of these risks will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenue, disruptions in our current plans and operations and diversion of our management s time and energy, which could have a material adverse effect on our business, financial condition, results of operations and/or cash flows. In addition, even if the portfolio is integrated successfully with our operations, we may not realize the full benefits of the portfolio acquisition within the anticipated time frame or at all. All of these factors could cause dilution to our earnings per share, decrease or delay the expected accretive effect of the portfolio acquisition, and/or negatively impact the price of our common stock.

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If we do not complete the portfolio acquisition, we will have incurred substantial expenses without our stockholders realizing the expected benefits.

If we are unable to complete the portfolio acquisition, we will have incurred significant due diligence, legal, accounting and other transaction costs in connection with the portfolio acquisition without our stockholders realizing the anticipated benefits. We cannot assure you that we will acquire the acquisition portfolio because the proposed portfolio acquisition is subject to a variety of factors, including the satisfaction of customary closing conditions.

We may incur additional debt in order to consummate the portfolio acquisition and may incur additional debt in the future, which may have a material adverse effect on our financial condition and results of operations, and our ability to make distributions to our stockholders.

We intend to finance the portfolio acquisition with a portion of the net proceeds of this offering and may require additional borrowings under our senior unsecured revolving credit facility. As of May 31, 2016, we had approximately $204.2 million outstanding under our senior unsecured revolving credit facility. In the future, we may incur additional debt to finance future acquisition activities, which could have significant adverse consequences on our business, such as:

- require us to dedicate a substantial portion of cash flow from operations to the payment of principal, and interest on, indebtedness, thereby reducing the funds available for other purposes;

- make it more difficult for us to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our ability to meet operational needs;

- force us to dispose of one or more of our properties, possibly on unfavorable terms;