SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2001 or

[_] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ______________________ to ______________________

Commission file number 0-25739

WELLS REAL ESTATE INVESTMENT TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland	58-2328421
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
6200 The Corners Pkwy., Norcross, Georgia	30092
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (770) 449-7800

____

(Former name, former address, and former fiscal year, if changed since last report)

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

Yes X No _________

FORM 10-Q

WELLS REAL ESTATE INVESTMENT TRUST, INC. AND SUBSIDIARY

INDEX

Page No.

PART I. FINANCIAL INFORMATION

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	September 30, 2001	December 31, 2001
ASSETS		
REAL ESTATE, at cost:		
Land	$ 73,985,267	$ 46,237,812
Building and improvements, less accumulated depreciation of $19,810,895 in 2001 and $9,469,653 in 2000	381,590,591	287,862,655
Construction in progress	2,202,200	3,357,720
Total real estate	457,778,058	337,458,187
INVESTMENT IN JOINT VENTURES (Note 2)	71,060,872	44,236,597
INVESTMENT IN BONDS	22,000,000	0
DUE FROM AFFILIATES	1,649,205	734,286
CASH AND CASH EQUIVALENTS	11,132,382	4,298,301
ACCOUNTS RECEIVABLE	5,675,988	3,356,428
DEFERRED LEASE ACQUISITION COSTS, net	1,662,822	1,890,332
DEFERRED PROJECT COSTS (Note 1)	475,811	550,256
DEFERRED OFFERING COSTS (Note 1)	0	1,291,376
PREPAID EXPENSES AND OTHER ASSETS, net	994,809	4,734,583
Total assets	$572,429,947	$398,550,346
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	$ 5,475,619	$ 2,166,387
Notes payable (Note 3)	49,148,162	127,663,187
Deferred rental income	0	381,194
Due to affiliates (Note 4)	247,131	1,772,956
Dividends payable	1,071,657	1,025,010
Total liabilities	55,942,569	133,008,734
COMMITMENTS AND CONTINGENCIES (Note 5)		
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	200,000
SHAREHOLDERS' EQUITY		
Common shares, $.01 par value; 125,000,000 shares authorized, 61,287,300 shares issued and 60,932,270 shares outstanding at September 30, 2001, and 31,509,807 shares issued and 31,368,510 shares outstanding at December 31, 2000	612,872	315,097
Additional paid-in capital	519,224,798	266,439,484
Treasury stock, at cost, 355,029 shares at September 30, 2001, and 141,297 shares at December 31, 2000	(3,550,292)	(1,412,969)
Total shareholders' equity	516,287,378	265,341,612

Total liabilities and shareholders' equity	$572,429,947	$398,550,346

See accompanying condensed notes to consolidated financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Nine Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
REVENUES:				
Rental income	$11,316,960	$5,819,968	$31,028,212	$13,712,371
Equity in income of joint ventures	1,102,453	635,065	2,621,647	1,684,247
Interest and other income (Note 5)	88,491	131,578	418,998	338,020
	12,507,904	6,586,611	34,068,857	15,734,638
EXPENSES:				
Operating costs, net of reimbursements	1,293,845	289,140	3,168,273	631,407
Management and leasing fees	631,947	381,766	1,749,849	919,630
Depreciation	3,947,425	2,155,366	10,341,242	5,084,689
Administrative costs	58,843	43,979	700,803	282,330
Legal and accounting	82,002	32,883	199,333	130,603
Amortization of deferred financing costs	236,816	64,016	528,715	150,143
Interest expense	147,889	1,094,233	2,957,262	2,798,299
	6,398,767	4,061,383	19,645,477	9,997,101
NET INCOME	$ 6,109,137	$2,525,228	$14,423,380	$ 5,737,537
BASIC AND DILUTED EARNINGS PER SHARE	$ 0.11	$ 0.11	$ 0.33	$ 0.30

See accompanying condensed notes to consolidated financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2000

AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001

	Common Stock		Additional Paid-In	Retained	Treasury Stock		Total Shareholders'
	Shares	Amount	Capital	Earnings	Shares	Amount	Equity
BALANCE, December 31, 1999	13,471,085	$134,710	$115,880,885	$ 0	0	$ 0	$116,015,595
Issuance of common stock	18,038,722	180,387	180,206,833	0	0	0	180,387,220

Treasury stock purchased	0	0	0	0	(141,297)	(1,412,969)	(1,412,969)
Net income	0	0	0	8,552,967	0	0	8,552,967
Dividends ($.73 per share)	0	0	(7,276,452)	(8,552,967)	0	0	(15,829,419)
Sales commissions and discounts	0	0	(17,002,554)	0	0	0	(17,002,554)
Other offering expenses	0	0	(5,369,228)	0	0	0	(5,369,228)
BALANCE, December 31, 2000	31,509,807	315,097	266,439,484	0	(141,297)	(1,412,969)	265,341,612
Issuance of common stock	29,777,493	297,775	297,477,152	0	0	0	297,774,927
Treasury stock purchased	0	0	0	0	(213,732)	(2,137,323)	(2,137,323)
Net income	0	0	0	14,423,380	0	0	14,423,380
Dividends ($.57 per share)	0	0	(9,125,583)	(14,423,380)	0	0	(23,548,963)
Sales commission	0	0	(28,085,572)	0	0	0	(28,085,572)
Other offering expenses	0	0	(7,480,683)	0	0	0	(7,480,683)
BALANCE, September 30, 2001	61,287,300	$612,872	$519,224,798	$ 0	(355,029)	$(3,550,292)	$516,287,378

See accompanying condensed notes to consolidated financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	September 30, 2001	September 30, 2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 14,423,380	$ 5,737,537
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	10,341,242	5,084,689
Amortization of deferred financing costs	528,715	150,143
Amortization of deferred leasing costs	227,510	269,482
Equity in income of joint ventures	(2,621,647)	(1,684,247)
Changes in assets and liabilities:		
Accounts receivable	(2,319,560)	(1,831,539)
Deferred rental income	(381,194)	(236,579)
Accounts payable	3,309,232	751,100
Prepaid expenses and other assets, net	3,211,059	(1,411,068)
Due to affiliates	(234,449)	149,777
Net cash provided by operating activities	26,484,288	6,979,295
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in real estate	(121,366,009)	(103,469,511)
Investment in joint ventures	(27,017,957)	(7,612,005)
Deferred project costs	(10,347,316)	(4,446,307)
Deferred lease acquisition costs	0	(2,241,322)
Distributions received from joint ventures	3,027,067	2,103,704
Net cash used in investing activities	(155,704,215)	(115,665,441)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	107,587,012	67,883,130
Repayment of note payable	(208,102,037)	(52,903,328)
Dividends paid	(23,502,316)	(8,124,023)
Issuance of common stock	297,774,927	127,695,243
Sales commissions paid	(28,085,572)	(12,068,553)
Offering costs paid	(7,480,683)	(3,811,122)
Treasury stock purchased	(2,137,323)	(657,844)
Net cash provided by financing activities	136,054,008	118,013,503
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,834,081	9,327,357
CASH AND CASH EQUIVALENTS, beginning of year	4,298,301	2,929,804
CASH AND CASH EQUIVALENTS, end of period	$ 11,132,382	$ 12,257,161
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:		
Deferred project costs applied to Joint Ventures	$ 1,126,657	$ 295,680
Deferred project costs applied to Real Estate	$ 9,295,104	$ 3,707,715
Decrease in deferred offering cost accrual	$ (1,291,376)	$ (143,265)
Assumption of mortgage	$ 22,000,000	$ 0
Investment in bonds	$ 22,000,000	$ 0

See accompanying condensed notes to consolidated financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General

Wells Real Estate Investment Trust, Inc. (the "Company") is a Maryland corporation formed on July 3, 1997. The Company is the sole general partner of Wells Operating Partnership, L.P. ("Wells OP"), a Delaware limited partnership organized for the purpose of acquiring, developing, owning, operating, improving, leasing, and otherwise managing income-producing commercial properties for investment purposes.

On January 30, 1998, the Company commenced a public offering of up to 16,500,000 shares of common stock at $10 per share pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933. The Company commenced active operations on June 5, 1998, when it received and accepted subscriptions for 125,000 shares. The Company terminated its initial public offering on December 19, 1999, and on December 20, 1999, the Company commenced a second follow-on public offering of up to 22,200,000 shares of common stock at $10 per share. As of September 30, 2001, the Company had received gross offering proceeds of approximately $305,462,615 from the sale of 30,546,262 shares from its third public offering. As of September 30, 2001, the Company had received aggregate gross offering proceeds of approximately $612,872,996 from the sale of 61,287,300 shares of its common stock. After payment of $21,326,295 in Acquisition and Advisory Fees and Acquisition Expenses, payment of $75,253,972 in selling commissions and organization and offering expenses, and capital contributions and acquisition expenditures by Wells OP of $504,065,814 in property acquisitions and common stock redemptions of $3,550,292 pursuant to the Company's share repurchase program, the Company was holding net offering proceeds of $8,676,623 available for investment in properties.

Wells OP owns interests in properties directly and through equity ownership in the following joint ventures: (i) a joint venture among Wells OP, Wells Real Estate Fund IX, L.P., Wells Real Estate Fund X, L.P., and Wells Real Estate Fund XI, L.P. (the "Fund IX-X-XI-REIT Joint Venture"), (ii) Wells/Fremont Associates (the "Fremont Joint Venture"), a joint venture between Wells OP and Fund X and Fund XI Associates, which is a joint venture between Wells Real Estate Fund X, L.P. and Wells Real Estate Fund XI, L.P. (the "Fund X-XI Joint Venture"), (iii) Wells/Orange County Associates (the "Cort Joint Venture"), a joint venture between Wells OP and the Fund X-XI Joint Venture, (iv) a joint venture among Wells OP, Wells Real Estate Fund XI, L.P., and Wells Real Estate Fund XII, L.P. (the "Fund XI-XII-REIT Joint Venture"), (v) a joint venture between Wells OP and Wells Real Estate Fund XII, L.P. (the "Fund XII-REIT Joint Venture"), (vi) the Fund VIII-IX-REIT Joint Venture, a joint venture between Wells OP and the Fund VIII-IX Joint Venture, which is a joint venture between Wells Real Estate Fund VIII, L.P. and Wells Real Estate

Fund IX, L.P., and (vii) a joint venture between Wells OP and Wells Real Estate Fund XIII, L.P. (the "Fund XIII-REIT Joint Venture").

As of September 30, 2001, Wells OP owned interests in the following properties either directly or through its interest in the foregoing joint ventures: (i) a three-story office building in Knoxville, Tennessee (the "Alstom Power-Knoxville Building"), (ii) a two-story office building in Louisville, Colorado (the "Ohmeda Building"), (iii) a three-story office building in Broomfield, Colorado (the "360 Interlocken Building"), (iv) a one-story office building in Oklahoma City, Oklahoma (the "Avaya Technologies Building"), (v) a one-story warehouse and office building in Ogden, Utah (the "Iomega Building"), all five of which are owned by the Fund IX-X-XI-REIT Joint Venture, (vi) a two-story warehouse office building in Fremont, California (the "Fremont Building"), which is owned by the Wells/ Fremont Joint Venture, (vii) a one-story warehouse and office building in Fountain Valley, California (the "Cort Building"), which is owned by the Wells/Orange County Joint Venture, (viii) a four-story office building in Tampa, Florida (the "PWC Building"), (ix) a four-story office building in Harrisburg, Pennsylvania (the "AT&T Harrisburg Building"), which are owned directly by Wells OP, (x) a two-story manufacturing and office building located in Fountain Inn, South Carolina (the "EYBL CarTex Building"), (xi) a three-story office building located in Leawood, Kansas (the "Sprint Building"), (xii) a one story office building and warehouse in Tredyffrin Township, Pennsylvania (the "Johnson Matthey Building"), (xiii) a two-story office building in Ft. Meyers, Florida (the "Gartner Building"), all four of which are owned by Fund XI-XII-REIT Joint Venture, (xiv) a two-story office building located in Lake Forest, California (the "Matsushita Building"), (xv) a four-story office building located in Richmond, Virginia (the "Alstom Power-Richmond Building"), (xvi) a two-story office building and warehouse in Wood Dale, Illinois (the "Marconi Building"), (xvii) a five-story office building in Plano, Texas (the "Cinemark Building"), (xviii) a three-story office building in Tulsa, Oklahoma (the "Metris Building"), (xix) a two-story office building in Scottsdale, Arizona (the "Dial Building"), (xx) a two-story office building in Tempe, Arizona (the "ASML Building"), (xxi) a two-story office building in Tempe, Arizona (the "Motorola-Arizona Building"), (xxii) a two-story office building in Tempe, Arizona (the "Avnet Building"), (xxiii) a three-story office building in Troy, Michigan (the "Delphi Building") all ten of which are owned directly by Wells OP, (xxiv) a three-story office building in Troy, Michigan (the "Siemens Building"), which is owned by the Wells Fund XII-REIT Joint Venture Partnership, (xxv) a two-story office building in Orange County, California (the "Quest Building"), formerly the Bake Parkway Building, previously owned by Fund VIII-IX Joint Venture, which is now owned by Fund VIII-IX-REIT Joint Venture, (xxvi) a three-story office building in South Plainfield, New Jersey (the "Motorola-New Jersey Building"), (xxvii) a nine-story office building in Minnetonka, Minnesota (the "Metris Minnetonka Building"), (xxviii) a six-story office building in Houston, Texas (the "Stone and Webster Building"), all three of which are owned directly by Wells OP, (xxix) a one-story and a two-story office building in Oklahoma City, Oklahoma (the "AT&T-Oklahoma Buildings"), which are owned by the Fund XII-REIT Joint Venture, (xxx) a three-story office building in Brentwood, Tennessee (the "Comdata Building"), which is owned by the Fund XII-REIT Joint Venture, (xxxi) a two-story office building in Jacksonville, Florida (the "Amercredit Building"), which is owned by XIII-REIT Joint Venture, (xxxii) a seven-story office building in Quincy, Massachusetts (the "State Street Building"), (xxxiii) two one-story office buildings in Houston, Texas (the "IKON Buildings"), (xxxiv) a 14.873 acre tract of land in Irving, Texas (the "Nissan Property"), (xxxv) a one-story office and warehouse building in Millington, Tennessee (the "Ingram Building"), and (xxxvi) a four-story office building in Cary, North Carolina (the "Lucent-NC Building"), all five of which are owned directly by Wells OP.

(b) Deferred Project Costs

The Company pays a percentage of shareholder contributions to Wells Capital, Inc. (the "Advisor") for acquisition and advisory services. These payments, are stipulated in the prospectus. These payments may not exceed 3 1/2% of shareholders' capital contributions. Cumulative Acquisition and Advisory Fees and Acquisition Expenses paid as of September 30, 2001, amounted to $21,326,295 and represented approximately 3 1/2% of total shareholders' capital contributions received. These fees are allocated to specific properties as they are purchased or developed and are capitalized with the real estate assets of the Company or of the joint venture invested in by the Company. Deferred project costs at September 30, 2001 and December 31, 2000, represent fees not yet applied to properties.

(c) Deferred Offering Costs

Offering expenses, to the extent that they exceed 3% of gross offering proceeds, will be paid by the Advisor and not by the Company. Offering expenses do not include sales or underwriting commissions but do include such costs as certain legal and accounting fees, printing costs, and other offering expenses. As of September 30, 2001, the Advisor had paid offering expenses on behalf of the Company in an aggregate amount of $16,891,235, which did not exceed the 3% limitation.

(d) Employees

The Company has no direct employees. The employees of the Advisor perform a full range of real estate services including leasing and property management, accounting, asset management, and investor relations for the Company.

(e) Insurance

Wells Management Company, Inc., an affiliate of the Company and the Advisor, carries comprehensive liability and extended coverage insurance with respect to all of the properties owned directly and indirectly by the Company. In the opinion of management, the properties are adequately insured.

(f) Competition

The Company will experience competition for tenants from owners and managers of competing projects, which may include its affiliates. As a result, the Company may be required to provide free rent, reduced charges for tenant improvements and other inducements, all of which may have an adverse impact on results of operations. At the time the Company elects to dispose of its properties, the Company will also be in competition with sellers of similar properties to locate suitable purchasers for its properties.

(g) Basis of Presentation

Substantially all of the Company's business is conducted through Wells OP. On December 31, 1997, Wells OP issued 20,000 limited partner units to the Advisor in exchange for a capital contribution of $200,000. The Company is the sole general partner in Wells OP; consequently, the accompanying consolidated balance sheet of the Company includes the amounts of the Company and Wells OP. The Advisor, a limited partner, is not currently receiving distributions from its investment in Wells OP.

The consolidated financial statements of the Company have been prepared in accordance with instructions to Form 10-Q and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. These quarterly statements have not been examined by independent accountants, but in the opinion of the Board of Directors, the statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary to present a fair presentation of the results for such periods. For further information, refer to the financial statements and footnotes included in the Company's Form 10-K for the year ended December 31, 2000.

(h) Distribution Policy

The Company will make distributions each taxable year (not including a return of capital for federal income tax purposes) equal to at least 90% of its real estate investment trusts taxable income. The Company intends to make regular quarterly distributions to holders of the shares. Distributions will be made to those shareholders who are shareholders as of the record date selected by the Directors. Distributions will be declared on a monthly basis and paid on a quarterly basis during the offering period and declared and paid quarterly thereafter.

(i) Income Taxes

The Company has made an election under Section 856 (C) of the Internal Revenue Code of 1986, as amended (the "Code"), to be taxed as a Real Estate Investment Trust ("REIT") under the Code beginning with its taxable year ended December 31, 1998. As a REIT for federal income tax purposes, the Company generally will not be subject to federal income tax on income that it distributes to its shareholders. If the Company fails to qualify as a REIT in any taxable year, it will then be subject to federal income tax on its taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost. Such an event could materially adversely affect the Company's net income and net cash available to distribute to shareholders. However, the Company believes that it is organized and operates in such a manner as to qualify for treatment as a REIT and intends to continue to operate in the foreseeable future in such a manner so that the Company will remain qualified as a REIT for federal income tax purposes.

(j) Statement of Cash Flows

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents include cash and short-term investments.

2. INVESTMENT IN JOINT VENTURES

As of September 30, 2001, the Company, through its ownership in Wells OP, which owns interests in seven joint ventures which, in turn own 16 properties. The Company does not have control over the operations of these joint ventures; however, it does exercise significant influence. Accordingly, investment in joint ventures is recorded using the equity method.

The following describes additional investments in joint ventures which the Company made during the three months ended September 30, 2001.

The Fund XIII-REIT Joint Venture

On June 27, 2001, Wells OP and Wells Real Estate Fund XIII, L.P. ("Wells Fund XIII") entered into a Joint Venture Partnership Agreement for the purpose of acquiring, owning, leasing, operating and managing real properties. The joint venture partnership is known as the Wells Fund XIII-REIT Joint Venture (the "Fund XIII-REIT Joint Venture").

The AmeriCredit Building

On July 16, 2001, the Fund XIII-REIT Joint Venture acquired a two-story office building containing approximately 85,000 rentable square feet on a 12.33 acre tract of land located in Clay County, Florida (the "AmeriCredit Building") from Adevco Contact Centers Jacksonville, L.L.C. pursuant to that certain Agreement for Purchase and Sale of Property between Adevco and Wells Capital, Inc., the Advisor. The rights under the agreement were assigned by Wells Capital, Inc., the original purchaser under the agreement, to the Fund XIII-REIT Joint Venture at closing. The purchase price paid for the AmeriCredit Building was $12,500,000, excluding closing costs.

The entire 85,000 rentable square feet of the AmeriCredit Building is currently under a triple-net lease agreement with AmeriCredit dated November 20, 2000. The landlord's interest in the AmeriCredit lease was assigned to the Fund XIII-REIT Joint Venture at the closing. The initial term of the AmeriCredit lease is 10 years, which commenced June 2001 and expires in May 2011. AmeriCredit has the right to extend the AmeriCredit lease for two additional five-year periods of time.

For additional information regarding the acquisition of the AmeriCredit Building, refer to Supplement No. 3 dated July 20, 2001, to the Prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was filed with the Commission in Post-Effective Amendment No. 3 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. on July 23, 2001 (Commission File No. 333-44900).

SUMMARY OF OPERATIONS

The following information summarizes the operations of the unconsolidated joint ventures in which the Company, through Wells OP, had ownership interests as of September 30, 2001 and 2000, respectively.

	Total Revenues		Net Income		Wells OP's Share of Net Income	
	Three Months Ended		Three Months Ended		Three Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
Fund IX-X-XI-REIT Joint Venture	$1,082,768	$1,087,126	$ 669,906	$ 678,125	$ 24,864	$ 25,178
Cort Joint Venture	203,812	198,885	149,477	137,099	65,272	59,866
Fremont Joint Venture	227,050	225,195	142,087	141,395	110,123	109,587
Fund XI-XII-REIT Joint Venture	843,962	844,121	520,011	532,905	295,173	302,492
Fund XII-REIT Joint Venture	1,409,716	376,457	814,542	252,825	447,634	126,413
Fund VIII-IX-REIT Joint Venture	313,536	259,148	155,976	196,497	24,629	11,529
Fund XIII-REIT Joint Venture	305,600	0	155,194	0	134,758	0
	$4,386,444	$2,990,932	$2,607,193	$1,938,846	$1,102,453	$635,065

	Total Revenues		Net Income		Wells OP's Share of Net Income	
	Nine Months Ended		Nine Months Ended		Nine Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
Fund IX-X-XI-REIT Joint Venture	$ 3,263,864	$3,297,516	$2,042,759	$1,992,374	$ 75,817	$ 74,057
Cort Joint Venture	602,280	596,656	414,603	422,477	181,046	184,484
Fremont Joint Venture	677,406	675,585	420,689	424,058	326,051	328,663
Fund XI-XII-REIT Joint Venture	2,533,153	2,506,049	1,534,247	1,557,772	870,883	884,236
Fund XII-REIT Joint Venture	3,305,911	599,032	1,847,726	402,556	967,079	201,278
Fund VIII-IX-REIT Joint Venture	894,460	259,148	416,328	196,497	66,013	11,529
Fund XIII-REIT Joint Venture	305,600	0	155,194	0	134,758	0
	$11,582,674	$7,933,986	$6,831,546	$4,995,734	$2,621,647	$1,684,247

3. INVESTMENTS IN REAL ESTATE

As of September 30, 2001, the Company, through its ownership in Wells OP, owns 20 properties directly. The following describes acquisitions made directly by Wells OP during the three months ended September 30, 2001.

The State Street Building

On July 30, 2001, Wells OP purchased a seven-story office building with approximately 234,668 rentable square feet located on an 11.22 acre tract of land at 1200 Crown Colony Drive, Norfolk County, Quincy, Massachusetts (the "State Street Building) from Crownview, LLC. Crownview is not affiliated with the Company or Wells Capital, Inc., our Advisor. The purchase price for the State Street Building was $49,563,000, excluding closing costs. The entire 234,668 rentable square feet of the State Street Building is currently under a lease agreement with SSB Realty. The landlord's interest in the SSB Realty Lease was assigned to Wells OP at the closing. The current term of the lease is 10 years, which commenced on February 1, 2001, and expires on March 31, 2011. SSB Realty has the right to extend the term of this lease for one additional five-year period at the then-current fair market rental rate.

Pursuant to the SSB Realty lease, SSB Realty is required to pay its proportionate share of taxes relating to the SSB Building and all operating costs incurred by the landlord in maintaining and operating the SSB Building. In addition, the base operating costs and the base taxes will be adjusted to reflect the actual operating costs and taxes for the preceding calendar year. Wells OP, as the landlord, will be responsible for maintaining the common areas of the building, the roof, foundation, exterior walls and windows, load bearing items and the central heating, ventilation and air conditioning, electrical, mechanical and plumbing systems of the building.

For additional information regarding the acquisition of the State Street Building, refer to Supplement No. 4 dated August 10, 2001, to the Prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was contained in Post-Effective Amendment No. 4 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. which was filed with the Commission on October 23, 2001 (Commission File No. 333-44900).

The IKON Buildings

On September 7, 2001, Wells OP purchased two one-story office buildings with approximately 157,900 rentable square feet located at 810 and 820 Gears Road, Harris County, Houston, Texas (the "IKON Buildings") from SV Reserve, LP. Reserve, LP is not in any way affiliated with the Company or Wells Capital, Inc., our Advisor.

The purchase price for the IKON Buildings was $20,650,000, excluding closing costs. The entire 157,790 rentable square feet of the IKON Buildings is currently under a net lease agreement with IKON. The landlord's interest in the IKON lease was assigned to Wells OP at the closing. The current term of the lease is 10 years, which commenced on May 1, 2000 and expires on April 30, 2010. IKON has the right to extend the term of this lease for two additional five-year periods at the then-current fair market rental rate, upon 12 months prior written notice.

Pursuant to the IKON lease, IKON is required to pay all taxes relating to the IKON Buildings and all operating costs incurred by the landlord in maintaining and operating the IKON Buildings. Wells OP, as landlord, will be responsible for repairs related to insurable casualty and for maintaining the roof, foundation, exterior walls and windows, load bearing items and electrical, mechanical and plumbing systems.

For additional information regarding the acquisition of the IKON Buildings, refer to the Company's Form 8-K dated September 7, 2001, which was filed with the Commission on September 21, 2001 (Commission File No. 0-25739), and Supplement No. 5 dated October 15, 2001 to the Prospectus of

Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was contained in Post-Effective Amendment No. 4 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. which was filed with the Commission on October 23, 2001 (Commission File No. 333-44900).

The Nissan Property

On September 19, 2001, Wells OP purchased a 14.873 acre tract of land located in Irving, Dallas County, Texas (the "Nissan Property"). Wells OP purchased the Nissan Property from the Ruth Ray and H.L. Hunt Foundation and the Ruth Foundation, each a Texas non-profit corporation and 50% owner in the Nissan Property for a purchase price of $5,545,700, excluding closing costs.

Wells OP has entered into agreements to construct a three-story office building containing 268,290 rentable square feet (the "Nissan Project") on the Nissan Property. The Nissan Project will be a concrete tilt-up, high performance glass building. The site consists of a 14,873 acre tract of land located in the Freeport Business Park.

The entire 268,290 rentable square feet of the Nissan Building is currently under a lease agreement with Nissan Motor Acceptance Corporation ("Nissan"), a wholly owned subsidiary of Nissan North America, Inc. with its corporate headquarters in Torrance, California. The initial lease term began on September 19, 2001 and will extend 10 years beyond the rent commencement date. Construction on the building is scheduled to begin on or before February 1, 2001, and is scheduled to be completed within 20 months from its commencement. The rent commencement date will occur shortly thereafter. Nissan also has the right to extend the lease for two additional five-year periods at 95% of the then current market rental rate upon written notice. The initial annual base rent payable under the Nissan lease will be $4,225,860.

The Ingram Micro Building

On September 27, 2001, Wells OP acquired a ground leasehold interest in a 701,819 square foot distribution facility located at 3820 Micro Drive in the City of Millington, Shelby County, Tennessee (the "Ingram Micro Building") pursuant to a Bond Real Property Lease dated December 20, 1995 (the "Bond Lease"). The rights under the Bond Lease were purchased from Ingram Micro L.P. ("Ingram") in a sale lease-back transaction for a purchase price of $21,050,000, excluding closing costs. The Bond Lease expires on December 31, 2026. In addition, Wells OP purchased from Ingram all rights, title and interest in an Industrial Development Revenue Note Ingram Micro L.P. Series 1995 (the "Bond") issued by the Industrial Development Board of the City of Millington, Tennessee ("Board") to Lease Plan North America, Inc. ("Lease Plan") in a principal amount not to exceed $22,000,000. The Bond is secured by a Fee Construction Mortgage Deed of Trust and Assignment of Rents and Leases dated December 20, 1995 (the "Deed of Trust") executed by the Board for the benefit of Lease Plan. Beginning in 2006, Wells OP has the option under the Bond Lease to purchase the land underlying the Ingram Micro Distribution Facility for $100 plus satisfying the indebtedness evidenced by the Bond, which is currently held by Wells OP.

The Board, as the fee simple owner of the Ingram Micro Building, had originally entered into the Bond Lease with Lease Plan. The proceeds from the issuance of the Bond were used to finance the construction of the Ingram Micro Building. On December 20, 2000, Ingram purchased the Bond, Deed of Trust and the ground leasehold interest in the Ingram Micro Building under the Bond Lease from Lease Plan.

At closing, Wells OP entered into a new lease with Ingram pursuant to which Ingram agreed to lease the entire Ingram Micro Building from Wells OP. The Ingram lease has a term of 10 years with two successive options to extend for 10 years each. The annual base rent for the Ingram Micro Building is $2,035,275 for years one through five of the lease term. Ingram is also required to pay as additional rent all other amounts, liabilities and obligations relating to the Ingram Micro, including all taxes, assessments, water rents, sewer rents and charges, duties, impositions, license and permit fees, charges for public utilities and other charges of every kind and nature incurred as a result of the use and occupation of the premises by Ingram.

The Lucent Building

On September 28, 2001, Wells OP purchased a four-story office building with approximately 120,000 rentable square feet located at 200 Lucent Lane, Cary, North Carolina (the "Lucent Building"). Wells OP purchased this building from Lucent Technologies, Inc. ("Lucent") pursuant to that certain Agreement for the Purchase and Sale of Property between Lucent and Wells OP for a purchase price of $17,650,000, excluding closing costs.

The Lucent Building, which was completed in 1999, is a four-story office building located on a 29.19 acre tract of land, which includes a 11.84 acre improved tract of land and a 17.34 acre undeveloped tract of land.

The Lucent Building is located at 200 Lucent Lane in Regency Park office part in the "Research Triangle" in Cary, North Carolina, approximately 10 miles west of downtown Raleigh and 15 miles south of Raleigh-Durham International Airport.

The entire Lucent Building is currently under a lease agreement with Lucent, which does not include the 17.34 acre undeveloped tract of land described above. The current term of the lease is 10 years, which commenced September 28, 2001, and expires on September 30, 2011. Lucent has the right to extend the term of this lease for three additional five-year periods at the then-current fair market rental rate, upon 12 months prior written notice. The current annual base rent payable under the Lucent lease is $1,800,000.

For additional information regarding the acquisitions of the Nissan property, the Ingram Micro Building and the Lucent Building, refer to the Company's Form 8-K dated September 27, 2001, which was filed with the Commission on October 10, 2001 (Commission File No. 0-25739), the Company's Form 8-K/A dated September 27, 2001, which was filed with the Commission on October 26, 2001 (Commission File No. 0-25739), and Supplement No. 5 dated October 15, 2001 to the Prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was filed with the Commission in Post-Effective Amendment No. 4 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. on October 23, 2001 (Commission File No. 333-44900).

3. NOTES PAYABLE

Notes payable consists of loans of (i) $21,650,000 due to Bank of America, N.A. secured by first mortgages against the ATT, Marconi, Matsushita, Motorola, NJ, Metris, MN, and Delphi Buildings, (the "Bank of America Note") (ii) $5,498,162 due to SouthTrust Bank collateralized by Wells OP's interest in the Cinemark, Dial, ASML, Alstom Power Richmond, Avaya Technologies, Motorola, and PWC Buildings, and (iii) $22,000,000 mortgage note secured by the Deed of Trust to the Ingram

Micro Building. Cash paid for interest on the notes payable totaled $3,466,606 for the nine months ended September 30, 2001.

4. DUE TO AFFILIATES

Due to affiliates consists of amounts due to the Advisor for Acquisitions and Advisory Fees and Acquisition Expenses, deferred offering costs, and other operating expenses paid on behalf of the Company. Also included in due to affiliates is the amount due to the Fund VIII-IX Joint Venture related to the Matsushita Rental Income Guaranty Agreement, which is explained in detail in the Company's Form 10-K for the year ended December 31, 2000. Aggregate payments of $601,963 have been made as of September 30, 2001 toward funding the obligation under the Matsushita Rental Income Guaranty Agreement.

5. COMMITMENTS AND CONTINGENCIES

Take Out Purchase and Escrow Agreement

An affiliate of the Advisor ("Wells Exchange") has developed a program (the

"Wells Section 1031 Program") involving the acquisition by Wells Exchange of income-producing commercial properties and the formation of a series of single member limited liability companies for the purpose of facilitating the resale of co-tenancy interests in such real estate properties to be owned in co-tenancy arrangements with persons ("1031 Participants") who are looking to invest the proceeds from a sale of real estate held for investment in another real estate investment for purposes of qualifying for like-kind exchange treatment under Section 1031 of the Code. Each of these properties will be financed by a combination of permanent first mortgage financing and interim loan financing obtained from institutional lenders.

Following the acquisition of each property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to pay off the interim financing. In consideration for the payment of a Take Out Fee to the Company, and following approval of the potential property acquisition by the Company's Board of Directors, it is anticipated that Wells OP will enter into a Take Out Purchase and Escrow Agreement or similar contract providing that, in the event that Wells Exchange is unable to sell all of the co-tenancy interests in that particular property to 1031 Participants, Wells OP will purchase, at Wells Exchange's cost, any co-tenancy interests remaining unsold at the end of the offering period.

As a part of the initial transaction in the Wells Section 1031 Program, and in consideration for the payment of a Take Out Fee in the amount of $137,500 to the Company, Wells OP entered into a Take Out Purchase and Escrow Agreement dated April 16, 2001 providing, among other things, that Wells OP is obligated to acquire, at Wells Exchange's cost ($839,694 in cash plus $832,060 of assumed debt for each 7.63358% interest of co-tenancy interest unsold), any unsold co-tenancy interests in the building known as the Ford Motor Credit Complex which remain unsold at the expiration of the offering of Wells Exchange, which has been extended to February 28, 2002, which is also the maturity date of the interim loan relating to such property. The Ford Motor Credit Complex consists of two connecting office buildings containing 167,438 rentable square feet located in Colorado Springs, Colorado currently under a triple-net lease with Ford Motor Credit Company, a wholly owned subsidiary of Ford Motor Company, which is the world's largest automotive finance company with more than 10 million customers in 40 countries.

The obligations of Wells OP under the Take Out Purchase and Escrow Agreement are secured by reserving against Wells OP's existing line of credit with Bank of America, N.A. (the "Interim Lender"). If, for any reason, Wells OP fails to acquire any of the co-tenancy interests in the Ford Motor Credit Complex which remain unsold as of February 28, 2002, or there is otherwise an uncured default under the interim loan or the line of credit documents, the Interim Lender is authorized to draw down Wells OP's line of credit in the amount necessary to pay the outstanding balance of the interim loan in full, in which event the appropriate amount of co-tenancy interests in the Ford Motor Credit Complex would be deeded to Wells OP. Wells OP's maximum economic exposure in the transaction is $11,000,000, in which event Wells OP would acquire the Ford Motor Credit Complex for $11,000,000 in cash plus assumption of the first mortgage financing in the amount of $10,900,000. If some, but not all, of the co-tenancy interests are sold, Wells OP's exposure would be less, and it would own an interest in the property in co-tenancy with the 1031 Participants who had previously acquired co-tenancy interests in the Ford Motor Credit Complex from Wells Exchange.

For further information regarding the Wells Section 1031 Program, refer to Supplement No. 2 dated April 25, 2001 to the Prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was filed with the Commission in Post-Effective Amendment No. 2 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. on April 25, 2001 (Commission File No. 333-44900).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the accompanying financial statements of the Company and notes thereto. This report contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including discussion and analysis of the financial condition of the Company, anticipated capital expenditures required to complete certain projects, and certain other matters. Readers of this report should be aware that there are various factors that could cause actual results to differ materially from any forward-looking statements made in this report, which include construction costs which may exceed estimates, construction delays, lease-up risks, inability to obtain new tenants upon the expiration of existing leases, and the potential need to fund tenant improvements or other capital expenditures out of operating cash flow.

Liquidity and Capital Resources

Cash and cash equivalents at September 30, 2001 and 2000 were $11,132,382 and $12,257,161, respectively. The decrease in cash and cash equivalents resulted primarily from investments in real property acquisitions offset by additional capital raised.

Operating cash flows are expected to increase as additional properties are added to the Company's investment portfolio. Dividends to be distributed to the shareholders are determined by the Board of Directors and are dependent upon a number of factors relating to the Company, including funds available for payment of dividends, financial condition, capital expenditure requirements and annual distribution requirements in order to maintain the Company's status as a REIT under the Internal Revenue Code.

For a description of the Company's commitment and contingent liability as a result of the Take Out Purchase and Escrow Agreement relating to the Ford Motor Credit Complex, refer to Footnote 5 of the Condensed Notes to Consolidated Financial Statements included herein.

As of September 30, 2001, the Company had acquired interests in 36 real estate properties. These properties are generating sufficient cash flows to cover the operating expenses of the Company and pay quarterly dividends. Dividends declared for the third quarter of 2001 and the third quarter of 2000 were approximately $0.1938 and $0.188 per share, respectively. The dividends were declared on a daily record date basis to the shareholders of record at the close of each business day during the quarter.

Cash Flows from Operating Activities

Net cash provided by operating activities was $26,484,288 for the nine months ended September 30, 2001 and $6,979,295 for the nine months ended September 30, 2000. The increase in net cash provided by operating activities resulted primarily from additional rental revenues and equity income of joint ventures generated from the properties acquired during the nine months ended September 30, 2001.

Cash Flows from Investing Activities

Net cash used in investing activities increased from $115,665,441 for the nine months ended September 30, 2000 compared to $155,704,215 for the nine months ended September 30, 2001, primarily due to acquiring a greater number of properties during the first three quarters of 2001 as compared to the same period in 2000.

Cash Flows from Financing Activities

Net cash inflows generated through financing activities increased from $118,013,503 for the nine months ended September 30, 2000, to $136,054,008 for the nine months ended September 30, 2001, primarily due to raising additional capital. The Company received $297,774,927 in offering proceeds for the nine months ended September 30, 2001, as compared to $127,695,243 for the nine months ended September 30, 2000. In addition, the Company received loan proceeds from financings of $107,587,012 and repaid notes payable in the amount of $208,102,037 during the first three quarters of 2001.

Results of Operations

As of September 30, 2001, the properties owned by the Company were 100% occupied. Gross revenues for the nine months ended September 30, 2001, as compared to the nine months ended September 30, 2000, increased to $34,068,857 from $15,734,638, respectively, primarily as a result of additional rental revenues and equity in income of joint ventures generated from properties acquired during the prior twelve months. The purchase of interests in additional properties also resulted in increases in operating expenses, management and leasing fees, depreciation expense, legal and accounting fees, financing costs, and interest expense. Administrative costs increased from $282,330 for the nine months ended September 30, 2000 to $700,803 for the same period in 2001 due to a non-use fee on the unused balance of the Bank of America Note and additional taxes, license fees and postage and delivery costs associated with the purchase of additional properties. Net income increased to $14,423,380 for the nine months ended September 30, 2001, as compared to $5,737,537 for the nine months ended September 30, 2000. Net income per share was $0.11 for the quarters ended September 30, 2001 and 2000, respectively, $0.33 per share for the nine months ended September 30, 2001, from $0.30 per share for the nine months ended September 30, 2000.

Funds from Operations

Funds from Operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), generally means net income, computed in accordance with GAAP excluding extraordinary items (as defined by GAAP) and gains (or losses) from sales of property, plus depreciation and amortization on real estate assets, and after adjustments for unconsolidated partnerships, joint ventures and subsidiaries. The Company believes that FFO is helpful to investors as a measure of the performance of an equity REIT. However, the Company's calculation of FFO, while consistent with NAREIT's definition, may not be comparable to similarly titled measures presented by other REITs. Adjusted Funds from Operations ("AFFO") is defined as FFO adjusted to exclude the effects of straight-line rent, loan cost amortization and other non-cash and/or unusual items. Neither FFO nor AFFO represent cash generated from operating activities in accordance with GAAP and should not be considered as alternatives to net income as an indication of the Company's performance or to cash flows as a measure of liquidity or ability to make distributions.

The following table reflects the calculation of Funds from Operations and Adjusted Funds from Operations for the three and nine months ended September 30, 2001 and 2000, respectively:

	Three Months Ended		Nine Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
FUNDS FROM OPERATIONS:				
Net income	$ 6,109,137	$ 2,525,228	$14,423,380	$ 5,737,537
Add:				
Depreciation of real assets	3,947,425	2,155,366	10,341,242	5,084,689
Amortization of deferred leasing costs	75,837	101,598	227,510	269,482
Depreciation and amortization - unconsolidated partnerships	647,184	303,402	1,560,844	830,366
Funds from operations (FFO)	10,779,583	5,085,594	26,552,976	11,922,074

Adjustments:

Loan cost amortization	236,816	64,016	528,715	150,143
Straight line rent	(707,581)	(468,487)	(1,930,297)	(1,132,052)
Straight line rent - unconsolidated partnerships	(100,432)	(78,851)	(232,678)	(191,748)
Lease acquisition fees paid	0	0	0	(152,500)
Lease acquisition fees paid- unconsolidated partnerships	0	(103)	(7,826)	(8,002)
Adjusted funds from operations	$10,208,386	$ 4,602,169	$24,910,890	$10,587,915
WEIGHTED AVERAGE SHARES: BASIC AND DILUTED	54,112,446	23,920,273	43,725,920	19,219,053

PART II. OTHER INFORMATION

ITEM 6(b.) During the third quarter of 2001, the Registrant filed the following Current Reports of Form 8-K:

i. Current Report on Form 8-K dated September 7, 2001, describing the Registrant's acquisition of the IKON Buildings;

ii. Current Report on Form 8-K dated September 7, 2001, describing the Registrant's acquisitions of the Nissan Property, the Ingram Micro Building and the Lucent Building; and

iii. Amendment No. 1 to Current Report on Form 8-K/A dated September 27, 2001, providing the required financial statements related to the Registrant's acquisitions of the Nissan Property, the Ingram Micro Building and the Lucent Building.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WELLS REAL ESTATE INVESTMENT TRUST, INC.
(Registrant)

Dated: November 9, 2001 By:/s/ Leo F. Wells, III

Leo F. Wells, III
President, Director, and Chief Financial Officer