



# Fourth Quarter 2015

Earnings Release and Supplemental Financial Information

Azure  
SAN FRANCISCO, CA

Completed: Q3 2015  
Estimated Stabilization: Q2 2016



Azure is  
GreenPoint  
Rated

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# Fourth Quarter 2015 Results

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Note: This press release supplement contains certain non-GAAP financial measures that management believes are helpful in understanding our business, as further discussed within this press release supplement. These financial measures, which include but are not limited to Funds From Operations, Normalized Funds From Operations, Normalized EBITDA and Same Store Net Operating Income, should not be considered as an alternative to net earnings or any other GAAP measurement of performance or as an alternative to cash flows from operating, investing or financing activities. Furthermore, these non-GAAP financial measures are not intended to be a measure of cash flow or liquidity.

Information included in this supplemental package is unaudited.

**NEWS RELEASE - FOR IMMEDIATE RELEASE**

FEBRUARY 2, 2016

## **Equity Residential Reports Full Year 2015 Results**

**Same Store Revenue Increased 5.1%**

**Same Store NOI Increased 6.5%**

**Normalized FFO per Share Increased 9.1%**

**Chicago, IL - February 2, 2016** - Equity Residential (NYSE: EQR) today reported results for the quarter and year ended December 31, 2015. All per share results are reported as available to common shares on a diluted basis.

“We are delighted to have delivered a 9.1% increase in Normalized FFO in 2015 driven by another very strong year of same store revenue growth,” said David J. Neithercut, Equity Residential’s President and CEO. “We are also pleased to have started the New Year very much in line with our original expectations and that 2016 will be yet another year of strong apartment fundamentals and above trend revenue growth.”

### **Fourth Quarter 2015**

FFO (Funds from Operations), as defined by the National Association of Real Estate Investment Trusts (NAREIT), for the fourth quarter of 2015 was \$0.92 per share compared to \$0.87 per share in the fourth quarter of 2014. The difference is due primarily to the various non-comparable items listed on page 25 of this release and the items described below.

For the fourth quarter of 2015, the company reported Normalized FFO of \$0.93 per share compared to \$0.86 per share in the same period of 2014. The following items impacted Normalized FFO per share in the quarter:

- a positive impact of approximately \$0.08 per share from higher same store net operating income (NOI) and approximately \$0.01 per share from NOI from non-same store properties currently in lease-up; and
- a negative impact of approximately \$0.02 per share of lower NOI due to 2014 and 2015 transaction activity, higher general and administrative costs and other items.

Normalized FFO begins with FFO and eliminates certain items that by their nature are not comparable from period to period or that tend to obscure the company’s actual operating performance.

Reconciliations and definitions of FFO and Normalized FFO are provided on pages 7 and 27 of this release and the company has included guidance for Normalized FFO on page 26 and FFO on page 27 of this release.

For the fourth quarter of 2015, the company reported earnings of \$0.55 per share compared to \$0.59 per share in the fourth quarter of 2014. The difference is due primarily to lower gains on asset sales in the fourth quarter of 2015 and the items described above.

**Year Ended December 31, 2015**

FFO for the year ended December 31, 2015 was \$3.48 per share compared to \$3.15 per share in the same period of 2014.

For the year ended December 31, 2015, the company reported Normalized FFO of \$3.46 per share compared to \$3.17 per share for the same period of 2014.

For the year ended December 31, 2015, the company reported earnings of \$2.36 per share compared to \$1.73 per share for the same period of 2014. The difference is due primarily to higher gains on property sales and improved operations during the year ended December 31, 2015.

**Same Store Results**

On a same store fourth quarter to fourth quarter comparison, which includes 98,202 apartment units, revenues increased 5.2%, expenses increased 2.0% and NOI increased 6.8%. Average rental rate increased 5.2% and occupancy remained even at 96.0%.

On a same store year to year comparison, which includes 96,286 apartment units, revenues increased 5.1%, expenses increased 2.5% and NOI increased 6.5%. Average rental rate increased 4.8% and occupancy increased 0.3% to 96.1%.

**Investment Activity**

During the fourth quarter of 2015, the company acquired three properties, two in Seattle and one in Orange County, California, consisting of 423 apartment units for an aggregate purchase price of approximately \$165.8 million at a weighted average capitalization (cap) rate of 4.7%.

During the fourth quarter of 2015, the company sold one consolidated apartment property located in Seattle, consisting of 150 apartment units, for a sale price of approximately \$48.5 million at a cap rate of 4.5% generating an unlevered internal rate of return (IRR), inclusive of indirect management costs, of 12.8%.

During 2015, the company acquired four properties consisting of 625 apartment units for an aggregate purchase price of approximately \$296.0 million at a weighted average cap rate of 4.5% and three contiguous land parcels for an aggregate purchase price of \$27.8 million. Also during 2015, the company completed seven development projects consisting of 1,546 apartment units for a total development cost of approximately \$835.1 million.

During 2015, the company sold eight consolidated apartment properties, consisting of 1,857 apartment units, for an aggregate sale price of approximately \$390.0 million at a weighted average cap rate of 5.5%. The company also sold a 193,230 square foot medical office building located adjacent to its Longfellow Place property in Boston for approximately \$123.3 million at a cap rate of 4.5%. These combined sales generated an unlevered IRR, inclusive of indirect management costs, of 13.4%.

**Asset Sale to Starwood**

As previously announced on January 27, 2016, the company completed the sale of 72 properties consisting of 23,262 apartment units to controlled affiliates of Starwood Capital Group for \$5.365 billion, or approximately \$230,634 per unit on average, generating an unlevered IRR, inclusive of indirect management costs, of 11.1%.

## Debt Extinguishments

In connection with the Starwood sale and other anticipated 2016 asset sales, the company has retired in 2016 approximately \$1.7 billion in debt principal prior to scheduled maturity with an additional \$271.2 million anticipated to be retired at par at maturity on March 15, 2016. In addition, no commercial paper or revolving credit facility balances were outstanding as of February 2, 2016. The debt payoffs included both secured and unsecured debt in order to maintain the company's existing credit metrics and strong credit profile. The company incurred approximately \$112.4 million in prepayment penalties associated with these debt extinguishments. The prepayment penalties, including certain related write-offs of unamortized deferred financing costs, premiums/discounts and derivative settlements, will reduce earnings per share and FFO in the first quarter of 2016 by approximately \$120.1 million but will not impact Normalized FFO. A summary table of the debt retired is set forth below:

| (\$) in thousands                | Maturity  | Principal<br>Amount Repaid | GAAP<br>Interest<br>Rate (1) | Prepayment<br>Penalty |
|----------------------------------|-----------|----------------------------|------------------------------|-----------------------|
| <b>Mortgage notes payable:</b>   |           |                            |                              |                       |
| 6.256% Fannie Mae Pool 3         | 2017      | \$ 440,806                 | 3.671%                       | \$ 29,291             |
| Various Secured – Tax Exempt (2) | 2026-2034 | 41,795                     | various                      | 194                   |
| <b>Notes, net:</b>               |           |                            |                              |                       |
| 5.125% Notes due 2016 (3)        | 2016      | 228,757                    | 5.274%                       | 1,382                 |
| 5.375% Notes due 2016            | 2016      | 400,000                    | 5.091%                       | 9,475                 |
| 5.750% Notes due 2017            | 2017      | 255,923                    | 5.785%                       | 16,494                |
| 7.125% Notes due 2017            | 2017      | 46,102                     | 7.168%                       | 4,648                 |
| 4.625% Notes due 2021            | 2021      | 250,000                    | 5.989%                       | 31,638                |
| 7.570% Notes due 2026            | 2026      | 47,975                     | 7.557%                       | 19,302                |
| <b>Total</b>                     |           | <b>\$ 1,711,358</b>        |                              | <b>\$ 112,424</b>     |

(1) GAAP interest rate is defined as cash interest paid net of discount/(premium) amortization and deferred derivative settlement amortization as applicable in determining interest expense.

(2) Includes various tax exempt mortgage notes that encumbered assets sold as part of the Starwood portfolio.

(3) \$228.8 million in 5.125% notes due 2016 were retired in conjunction with the company's tender offer with the remaining \$271.2 million anticipated to be retired at par at maturity on March 15, 2016.

## First Quarter 2016 Guidance

The company has established a Normalized FFO guidance range of \$0.73 to \$0.77 per share for the first quarter of 2016. The difference between the company's fourth quarter 2015 Normalized FFO of \$0.93 per share and the midpoint of the first quarter 2016 guidance range of \$0.75 per share is due primarily to:

- a negative impact of approximately \$0.17 per share from lower NOI due to 2016 transaction activity including the portfolio sale to Starwood;
- a negative impact of approximately \$0.04 per share from lower NOI primarily as a result of higher seasonal operating expenses in the first quarter of 2016;
- a negative impact of approximately \$0.01 per share from higher general and administrative and property management costs; and
- a positive impact of approximately \$0.04 per share from lower total interest expense.

## **Full Year 2016 Guidance**

The company has established a Normalized FFO guidance range of \$3.00 to \$3.20 per share for the full year 2016. The assumptions underlying this guidance can be found on page 26 of this release. The difference between the company's full-year 2015 Normalized FFO of \$3.46 per share and the midpoint of the full year 2016 guidance range of \$3.10 per share is primarily due to:

- a negative impact of approximately \$0.90 per share from lower NOI due to 2016 transaction activity including the portfolio sale to Starwood;
- a positive impact of approximately \$0.23 per share from higher NOI from the company's full year 2016 same store pool of approximately 70,000 apartment units;
- a positive impact of approximately \$0.12 per share from higher NOI from development properties in lease-up;
- a positive impact of approximately \$0.21 per share from lower total interest expense; and
- a negative impact of approximately \$0.02 per share from other items.

## **Special Dividends and 2016 Common Share Dividend**

In addition to regular quarterly dividends, Equity Residential anticipates paying two special dividends to its common shareholders in 2016 totaling \$10.00 to \$12.00 per share. The company expects to pay, in the second quarter of 2016, a special dividend of approximately \$8.00 per share from proceeds from the asset sales closed in the first few months of 2016, including the sale to Starwood, and an additional special dividend of approximately \$2.00 to \$4.00 per share later in the year from the proceeds of additional asset sales.

In regards to the company's regular quarterly common share dividend, as previously announced, the company's dividend policy is to pay 65% of the midpoint of the range of Normalized FFO guidance customarily provided as part of the company's fourth quarter earnings release. Based on the guidance above, the company expects to pay four quarterly common share dividends of \$0.50375 per share for an annual common share dividend of \$2.015 per share in 2016. All future dividends remain subject to the discretion of the company's Board of Trustees.

## **First Quarter 2016 Earnings and Conference Call**

Equity Residential expects to announce first quarter 2016 results on Tuesday, April 26, 2016 and host a conference call to discuss those results at 10:00 a.m. CT on Wednesday, April 27, 2016.

## **About Equity Residential**

Equity Residential is an S&P 500 company focused on the acquisition, development and management of high quality apartment properties in top U.S. growth markets. As of January 31, 2016, Equity Residential owns or has investments in 316 properties consisting of 85,391 apartment units located primarily in Boston, New York, Washington DC, Seattle, San Francisco and Southern California. For more information on Equity Residential, please visit our website at [www.equityapartments.com](http://www.equityapartments.com).

## **Forward-Looking Statements**

In addition to historical information, this press release contains forward-looking statements and information within the meaning of the federal securities laws. These statements are based on current expectations, estimates, projections and assumptions made by management. While Equity Residential's management believes the assumptions underlying its forward-looking statements are reasonable, such information is inherently subject to uncertainties and may involve certain risks, including, without limitation, changes in general market conditions, including the rate of job growth and cost of labor and construction material, the level of new multifamily construction and development,

competition and local government regulation. Other risks and uncertainties are described under the heading “Risk Factors” in our Annual Report on Form 10-K and subsequent periodic reports filed with the Securities and Exchange Commission (SEC) and available on our website, [www.equityapartments.com](http://www.equityapartments.com). Many of these uncertainties and risks are difficult to predict and beyond management’s control. Forward-looking statements are not guarantees of future performance, results or events. Equity Residential assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

**A live web cast of the company’s conference call discussing these results will take place tomorrow, Wednesday, February 3, at 10:00 a.m. Central. Please visit the Investor section of the company’s web site at [www.equityapartments.com](http://www.equityapartments.com) for the link. A replay of the web cast will be available for two weeks at this site.**

# Equity Residential

## Consolidated Statements of Operations

(Amounts in thousands except per share data)  
(Unaudited)

|                                                                                                                                                                                                  | Year Ended December 31, |              | Quarter Ended December 31, |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------|----------------------------|------------|
|                                                                                                                                                                                                  | 2015                    | 2014         | 2015                       | 2014       |
| <b>REVENUES</b>                                                                                                                                                                                  |                         |              |                            |            |
| Rental income                                                                                                                                                                                    | \$ 2,736,578            | \$ 2,605,311 | \$ 701,219                 | \$ 662,819 |
| Fee and asset management                                                                                                                                                                         | 8,387                   | 9,437        | 1,974                      | 1,841      |
| Total revenues                                                                                                                                                                                   | 2,744,965               | 2,614,748    | 703,193                    | 664,660    |
| <b>EXPENSES</b>                                                                                                                                                                                  |                         |              |                            |            |
| Property and maintenance                                                                                                                                                                         | 479,160                 | 473,098      | 114,212                    | 112,011    |
| Real estate taxes and insurance                                                                                                                                                                  | 339,802                 | 325,401      | 85,289                     | 79,684     |
| Property management                                                                                                                                                                              | 81,185                  | 79,636       | 20,298                     | 18,556     |
| Fee and asset management                                                                                                                                                                         | 5,021                   | 5,429        | 1,257                      | 1,136      |
| Depreciation                                                                                                                                                                                     | 765,895                 | 758,861      | 181,033                    | 193,089    |
| General and administrative                                                                                                                                                                       | 65,082                  | 50,948       | 14,140                     | 9,652      |
| Total expenses                                                                                                                                                                                   | 1,736,145               | 1,693,373    | 416,229                    | 414,128    |
| Operating income                                                                                                                                                                                 | 1,008,820               | 921,375      | 286,964                    | 250,532    |
| Interest and other income                                                                                                                                                                        | 7,372                   | 4,462        | 466                        | 1,249      |
| Other expenses                                                                                                                                                                                   | (2,942)                 | (9,073)      | (103)                      | (1,894)    |
| Interest:                                                                                                                                                                                        |                         |              |                            |            |
| Expense incurred, net                                                                                                                                                                            | (444,069)               | (457,191)    | (110,447)                  | (109,967)  |
| Amortization of deferred financing costs                                                                                                                                                         | (10,801)                | (11,088)     | (3,067)                    | (2,534)    |
| Income before income and other taxes, income (loss) from investments in unconsolidated entities, net gain (loss) on sales of real estate properties and land parcels and discontinued operations | 558,380                 | 448,485      | 173,813                    | 137,386    |
| Income and other tax (expense) benefit                                                                                                                                                           | (917)                   | (1,394)      | (219)                      | (248)      |
| Income (loss) from investments in unconsolidated entities                                                                                                                                        | 15,025                  | (7,952)      | 637                        | 2,249      |
| Net gain on sales of real estate properties                                                                                                                                                      | 335,134                 | 212,685      | 39,442                     | 84,141     |
| Net (loss) gain on sales of land parcels                                                                                                                                                         | (1)                     | 5,277        | —                          | 3,431      |
| Income from continuing operations                                                                                                                                                                | 907,621                 | 657,101      | 213,673                    | 226,959    |
| Discontinued operations, net                                                                                                                                                                     | 397                     | 1,582        | 47                         | 82         |
| Net income                                                                                                                                                                                       | 908,018                 | 658,683      | 213,720                    | 227,041    |
| Net (income) attributable to Noncontrolling Interests:                                                                                                                                           |                         |              |                            |            |
| Operating Partnership                                                                                                                                                                            | (34,241)                | (24,831)     | (8,050)                    | (8,558)    |
| Partially Owned Properties                                                                                                                                                                       | (3,657)                 | (2,544)      | (1,184)                    | (744)      |
| Net income attributable to controlling interests                                                                                                                                                 | 870,120                 | 631,308      | 204,486                    | 217,739    |
| Preferred distributions                                                                                                                                                                          | (3,357)                 | (4,145)      | (800)                      | (1,036)    |
| Premium on redemption of Preferred Shares                                                                                                                                                        | (3,486)                 | —            | (697)                      | —          |
| Net income available to Common Shares                                                                                                                                                            | \$ 863,277              | \$ 627,163   | \$ 202,989                 | \$ 216,703 |
| <b>Earnings per share – basic:</b>                                                                                                                                                               |                         |              |                            |            |
| Income from continuing operations available to Common Shares                                                                                                                                     | \$ 2.37                 | \$ 1.73      | \$ 0.56                    | \$ 0.60    |
| Net income available to Common Shares                                                                                                                                                            | \$ 2.37                 | \$ 1.74      | \$ 0.56                    | \$ 0.60    |
| Weighted average Common Shares outstanding                                                                                                                                                       | 363,498                 | 361,181      | 363,828                    | 362,018    |
| <b>Earnings per share – diluted:</b>                                                                                                                                                             |                         |              |                            |            |
| Income from continuing operations available to Common Shares                                                                                                                                     | \$ 2.36                 | \$ 1.72      | \$ 0.55                    | \$ 0.59    |
| Net income available to Common Shares                                                                                                                                                            | \$ 2.36                 | \$ 1.73      | \$ 0.55                    | \$ 0.59    |
| Weighted average Common Shares outstanding                                                                                                                                                       | 380,620                 | 377,735      | 381,220                    | 378,886    |
| Distributions declared per Common Share outstanding                                                                                                                                              | \$ 2.21                 | \$ 2.00      | \$ 0.5525                  | \$ 0.50    |

# Equity Residential

## Consolidated Statements of Funds From Operations and Normalized Funds From Operations

(Amounts in thousands except per share data)  
(Unaudited)

|                                                                                                                                         | Year Ended December 31, |              | Quarter Ended December 31, |            |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------|----------------------------|------------|
|                                                                                                                                         | 2015                    | 2014         | 2015                       | 2014       |
| Net income                                                                                                                              | \$ 908,018              | \$ 658,683   | \$ 213,720                 | \$ 227,041 |
| Net (income) attributable to Noncontrolling Interests – Partially Owned Properties                                                      | (3,657)                 | (2,544)      | (1,184)                    | (744)      |
| Preferred distributions                                                                                                                 | (3,357)                 | (4,145)      | (800)                      | (1,036)    |
| Premium on redemption of Preferred Shares                                                                                               | (3,486)                 | —            | (697)                      | —          |
| Net income available to Common Shares and Units                                                                                         | 897,518                 | 651,994      | 211,039                    | 225,261    |
| Adjustments:                                                                                                                            |                         |              |                            |            |
| Depreciation                                                                                                                            | 765,895                 | 758,861      | 181,033                    | 193,089    |
| Depreciation – Non-real estate additions                                                                                                | (4,981)                 | (4,643)      | (1,214)                    | (1,158)    |
| Depreciation – Partially Owned Properties                                                                                               | (4,332)                 | (4,285)      | (1,084)                    | (1,074)    |
| Depreciation – Unconsolidated Properties                                                                                                | 4,920                   | 6,754        | 1,232                      | 1,572      |
| Net (gain) on sales of unconsolidated entities – operating assets                                                                       | (100)                   | (4,902)      | —                          | (4,902)    |
| Net (gain) on sales of real estate properties                                                                                           | (335,134)               | (212,685)    | (39,442)                   | (84,141)   |
| Discontinued operations:                                                                                                                |                         |              |                            |            |
| Net (gain) loss on sales of discontinued operations                                                                                     | —                       | (179)        | —                          | 44         |
| FFO available to Common Shares and Units (1) (3) (4)                                                                                    | 1,323,786               | 1,190,915    | 351,564                    | 328,691    |
| Adjustments (see page 25 for additional detail):                                                                                        |                         |              |                            |            |
| Asset impairment and valuation allowances                                                                                               | —                       | —            | —                          | —          |
| Property acquisition costs and write-off of pursuit costs                                                                               | (11,706)                | 8,248        | 2,241                      | (466)      |
| Debt extinguishment (gains) losses, including prepayment penalties, preferred share redemptions and non-cash convertible debt discounts | 5,704                   | (1,110)      | 1,203                      | (1,623)    |
| (Gains) losses on sales of non-operating assets, net of income and other tax expense (benefit)                                          | (2,883)                 | (1,866)      | (2,155)                    | 37         |
| Other miscellaneous non-comparable items                                                                                                | 2,901                   | 259          | 200                        | (932)      |
| Normalized FFO available to Common Shares and Units (2) (3) (4)                                                                         | \$ 1,317,802            | \$ 1,196,446 | \$ 353,053                 | \$ 325,707 |
| FFO (1) (3)                                                                                                                             | \$ 1,330,629            | \$ 1,195,060 | \$ 353,061                 | \$ 329,727 |
| Preferred distributions                                                                                                                 | (3,357)                 | (4,145)      | (800)                      | (1,036)    |
| Premium on redemption of Preferred Shares                                                                                               | (3,486)                 | —            | (697)                      | —          |
| FFO available to Common Shares and Units - basic and diluted (1) (3) (4)                                                                | \$ 1,323,786            | \$ 1,190,915 | \$ 351,564                 | \$ 328,691 |
| FFO per share and Unit - basic                                                                                                          | \$ 3.51                 | \$ 3.18      | \$ 0.93                    | \$ 0.87    |
| FFO per share and Unit - diluted                                                                                                        | \$ 3.48                 | \$ 3.15      | \$ 0.92                    | \$ 0.87    |
| Normalized FFO (2) (3)                                                                                                                  | \$ 1,321,159            | \$ 1,200,591 | \$ 353,853                 | \$ 326,743 |
| Preferred distributions                                                                                                                 | (3,357)                 | (4,145)      | (800)                      | (1,036)    |
| Normalized FFO available to Common Shares and Units - basic and diluted (2) (3) (4)                                                     | \$ 1,317,802            | \$ 1,196,446 | \$ 353,053                 | \$ 325,707 |
| Normalized FFO per share and Unit - basic                                                                                               | \$ 3.49                 | \$ 3.19      | \$ 0.94                    | \$ 0.87    |
| Normalized FFO per share and Unit - diluted                                                                                             | \$ 3.46                 | \$ 3.17      | \$ 0.93                    | \$ 0.86    |
| Weighted average Common Shares and Units outstanding - basic                                                                            | 377,073                 | 374,899      | 377,380                    | 375,711    |
| Weighted average Common Shares and Units outstanding - diluted                                                                          | 380,620                 | 377,735      | 381,220                    | 378,886    |

*Note: See page 25 for additional detail regarding the adjustments from FFO to Normalized FFO. See page 27 for the definitions, the footnotes referenced above and the reconciliations of EPS to FFO and Normalized FFO.*

**Equity Residential**  
**Consolidated Balance Sheets**  
(Amounts in thousands except for share amounts)  
(Unaudited)

|                                                                                                                                                                                                                                           | December 31,<br>2015        | December 31,<br>2014        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                                                                                                                                                                                                             |                             |                             |
| Investment in real estate                                                                                                                                                                                                                 |                             |                             |
| Land                                                                                                                                                                                                                                      | \$ 5,864,046                | \$ 6,295,404                |
| Depreciable property                                                                                                                                                                                                                      | 18,027,087                  | 19,851,504                  |
| Projects under development                                                                                                                                                                                                                | 1,122,376                   | 1,343,919                   |
| Land held for development                                                                                                                                                                                                                 | 168,843                     | 184,556                     |
|                                                                                                                                                                                                                                           | <u>25,182,352</u>           | <u>27,675,383</u>           |
| Investment in real estate                                                                                                                                                                                                                 | (4,905,406)                 | (5,432,805)                 |
| Investment in real estate, net                                                                                                                                                                                                            | <u>20,276,946</u>           | <u>22,242,578</u>           |
| Real estate held for sale                                                                                                                                                                                                                 | 2,181,135                   | —                           |
| Cash and cash equivalents                                                                                                                                                                                                                 | 42,276                      | 40,080                      |
| Investments in unconsolidated entities                                                                                                                                                                                                    | 68,101                      | 105,434                     |
| Deposits – restricted                                                                                                                                                                                                                     | 55,893                      | 72,303                      |
| Escrow deposits – mortgage                                                                                                                                                                                                                | 56,946                      | 48,085                      |
| Deferred financing costs, net                                                                                                                                                                                                             | 54,004                      | 58,380                      |
| Other assets                                                                                                                                                                                                                              | 422,027                     | 383,754                     |
| <b>Total assets</b>                                                                                                                                                                                                                       | <b><u>\$ 23,157,328</u></b> | <b><u>\$ 22,950,614</u></b> |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                                                                                                             |                             |                             |
| Liabilities:                                                                                                                                                                                                                              |                             |                             |
| Mortgage notes payable                                                                                                                                                                                                                    | \$ 4,704,870                | \$ 5,086,515                |
| Notes, net                                                                                                                                                                                                                                | 5,876,352                   | 5,425,346                   |
| Line of credit and commercial paper                                                                                                                                                                                                       | 387,276                     | 333,000                     |
| Accounts payable and accrued expenses                                                                                                                                                                                                     | 187,124                     | 153,590                     |
| Accrued interest payable                                                                                                                                                                                                                  | 85,221                      | 89,540                      |
| Other liabilities                                                                                                                                                                                                                         | 366,387                     | 389,915                     |
| Security deposits                                                                                                                                                                                                                         | 77,582                      | 75,633                      |
| Distributions payable                                                                                                                                                                                                                     | 209,378                     | 188,566                     |
| <b>Total liabilities</b>                                                                                                                                                                                                                  | <b><u>11,894,190</u></b>    | <b><u>11,742,105</u></b>    |
| <i>Commitments and contingencies</i>                                                                                                                                                                                                      |                             |                             |
| <b>Redeemable Noncontrolling Interests – Operating Partnership</b>                                                                                                                                                                        | <b><u>566,783</u></b>       | <b><u>500,733</u></b>       |
| Equity:                                                                                                                                                                                                                                   |                             |                             |
| Shareholders' equity:                                                                                                                                                                                                                     |                             |                             |
| Preferred Shares of beneficial interest, \$0.01 par value;<br>100,000,000 shares authorized; 745,600 shares issued and<br>outstanding as of December 31, 2015 and 1,000,000 shares<br>issued and outstanding as of December 31, 2014      | 37,280                      | 50,000                      |
| Common Shares of beneficial interest, \$0.01 par value;<br>1,000,000,000 shares authorized; 364,755,444 shares issued and<br>outstanding as of December 31, 2015 and 362,855,454 shares<br>issued and outstanding as of December 31, 2014 | 3,648                       | 3,629                       |
| Paid in capital                                                                                                                                                                                                                           | 8,572,365                   | 8,536,340                   |
| Retained earnings                                                                                                                                                                                                                         | 2,009,091                   | 1,950,639                   |
| Accumulated other comprehensive (loss)                                                                                                                                                                                                    | (152,016)                   | (172,152)                   |
| <b>Total shareholders' equity</b>                                                                                                                                                                                                         | <b><u>10,470,368</u></b>    | <b><u>10,368,456</u></b>    |
| Noncontrolling Interests:                                                                                                                                                                                                                 |                             |                             |
| Operating Partnership                                                                                                                                                                                                                     | 221,379                     | 214,411                     |
| Partially Owned Properties                                                                                                                                                                                                                | 4,608                       | 124,909                     |
| <b>Total Noncontrolling Interests</b>                                                                                                                                                                                                     | <b><u>225,987</u></b>       | <b><u>339,320</u></b>       |
| <b>Total equity</b>                                                                                                                                                                                                                       | <b><u>10,696,355</u></b>    | <b><u>10,707,776</u></b>    |
| <b>Total liabilities and equity</b>                                                                                                                                                                                                       | <b><u>\$ 23,157,328</u></b> | <b><u>\$ 22,950,614</u></b> |

**Equity Residential**  
**Portfolio Summary**  
**As of December 31, 2015**

| Markets/Metro Areas        | Properties | Apartment<br>Units | % of<br>Stabilized<br>NOI (1) | Average<br>Rental<br>Rate (2) |
|----------------------------|------------|--------------------|-------------------------------|-------------------------------|
| <b>Core:</b>               |            |                    |                               |                               |
| New York                   | 40         | 10,835             | 17.6%                         | \$ 4,112                      |
| Washington DC              | 57         | 18,656             | 17.0%                         | 2,212                         |
| San Francisco              | 53         | 13,656             | 15.1%                         | 2,704                         |
| Los Angeles                | 61         | 13,313             | 12.3%                         | 2,339                         |
| Boston                     | 35         | 8,018              | 9.5%                          | 2,885                         |
| Seattle                    | 44         | 8,756              | 7.6%                          | 2,045                         |
| Orange County, CA          | 12         | 3,684              | 3.1%                          | 1,907                         |
| San Diego                  | 13         | 3,505              | 3.1%                          | 2,089                         |
| <b>Subtotal – Core</b>     | <b>315</b> | <b>80,423</b>      | <b>85.3%</b>                  | <b>2,606</b>                  |
| <b>Non-Core:</b>           |            |                    |                               |                               |
| South Florida              | 35         | 11,435             | 7.2%                          | 1,708                         |
| Denver                     | 19         | 6,935              | 4.6%                          | 1,565                         |
| Inland Empire, CA          | 9          | 2,751              | 1.9%                          | 1,631                         |
| All Other Markets          | 14         | 2,969              | 1.0%                          | 1,226                         |
| <b>Subtotal – Non-Core</b> | <b>77</b>  | <b>24,090</b>      | <b>14.7%</b>                  | <b>1,599</b>                  |
| <b>Total</b>               | <b>392</b> | <b>104,513</b>     | <b>100.0%</b>                 | <b>2,372</b>                  |
| Military Housing           | 2          | 5,139              | —                             | —                             |
| <b>Grand Total</b>         | <b>394</b> | <b>109,652</b>     | <b>100.0%</b>                 | <b>\$ 2,372</b>               |

Note: Projects under development are not included in the Portfolio Summary until construction has been completed.

(1) % of Stabilized NOI includes actual 2015 NOI for stabilized properties and projected annual NOI at stabilization (defined as having achieved 90% occupancy for three consecutive months) for properties that are in lease-up.

(2) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartment units for the last month of the period presented.

## Equity Residential

### Portfolio as of December 31, 2015

|                                             | Properties | Apartment<br>Units |
|---------------------------------------------|------------|--------------------|
| Wholly Owned Properties                     | 367        | 98,608             |
| Master-Leased Properties - Consolidated     | 3          | 853                |
| Partially Owned Properties - Consolidated   | 19         | 3,771              |
| Partially Owned Properties - Unconsolidated | 3          | 1,281              |
| Military Housing                            | 2          | 5,139              |
|                                             | 394        | 109,652            |

### Portfolio Rollforward Q4 2015

(\$ in thousands)

|                       | Properties | Apartment<br>Units | Purchase/<br>(Sale) Price | Cap Rate |
|-----------------------|------------|--------------------|---------------------------|----------|
| 9/30/2015             | 392        | 109,347            |                           |          |
| Acquisitions:         |            |                    |                           |          |
| Consolidated:         |            |                    |                           |          |
| Rental Properties     | 3          | 423                | \$ 165,762                | 4.7%     |
| Dispositions:         |            |                    |                           |          |
| Consolidated:         |            |                    |                           |          |
| Rental Properties     | (1)        | (150)              | \$ (48,500)               | 4.5%     |
| Configuration Changes | —          | 32                 |                           |          |
| 12/31/2015            | 394        | 109,652            |                           |          |

### Portfolio Rollforward 2015

(\$ in thousands)

|                                       | Properties | Apartment<br>Units | Purchase/<br>(Sale) Price | Cap Rate |
|---------------------------------------|------------|--------------------|---------------------------|----------|
| 12/31/2014                            | 391        | 109,225            |                           |          |
| Acquisitions:                         |            |                    |                           |          |
| Consolidated:                         |            |                    |                           |          |
| Rental Properties                     | 4          | 625                | \$ 296,037                | 4.5%     |
| Land Parcels (A)                      | —          | —                  | \$ 27,800                 |          |
| Dispositions:                         |            |                    |                           |          |
| Consolidated:                         |            |                    |                           |          |
| Rental Properties (B)                 | (8)        | (1,857)            | \$ (513,312)              | 5.3%     |
| Completed Developments - Consolidated | 7          | 1,546              |                           |          |
| Configuration Changes                 | —          | 113                |                           |          |
| 12/31/2015                            | 394        | 109,652            |                           |          |

(A) The Company acquired three contiguous land parcels in San Francisco during 2015 which will be combined for future development.

(B) Includes a 193,230 square foot medical office building adjacent to our Longfellow Place property in Boston (sales price of approximately \$123.3 million) which is included in our consolidated rental dispositions guidance but not included in our property and apartment unit counts.

## Equity Residential

### Fourth Quarter 2015 vs. Fourth Quarter 2014 Same Store Results/Statistics for 98,202 Same Store Apartment Units

\$ in thousands (except for Average Rental Rate)

| Description | Results    |            |            | Statistics              |           |          |
|-------------|------------|------------|------------|-------------------------|-----------|----------|
|             | Revenues   | Expenses   | NOI (1)    | Average Rental Rate (2) | Occupancy | Turnover |
| Q4 2015     | \$ 666,440 | \$ 207,889 | \$ 458,551 | \$ 2,357                | 96.0%     | 11.4%    |
| Q4 2014     | \$ 633,240 | \$ 203,860 | \$ 429,380 | \$ 2,240                | 96.0%     | 12.3%    |
| Change      | \$ 33,200  | \$ 4,029   | \$ 29,171  | \$ 117                  | 0.0%      | (0.9%)   |
| Change      | 5.2%       | 2.0%       | 6.8%       | 5.2%                    |           |          |

### Fourth Quarter 2015 vs. Third Quarter 2015 Same Store Results/Statistics for 100,124 Same Store Apartment Units

\$ in thousands (except for Average Rental Rate)

| Description | Results    |            |            | Statistics              |           |          |
|-------------|------------|------------|------------|-------------------------|-----------|----------|
|             | Revenues   | Expenses   | NOI (1)    | Average Rental Rate (2) | Occupancy | Turnover |
| Q4 2015     | \$ 680,190 | \$ 211,993 | \$ 468,197 | \$ 2,359                | 96.0%     | 11.5%    |
| Q3 2015     | \$ 677,812 | \$ 220,956 | \$ 456,856 | \$ 2,349                | 96.1%     | 17.6%    |
| Change      | \$ 2,378   | \$ (8,963) | \$ 11,341  | \$ 10                   | (0.1%)    | (6.1%)   |
| Change      | 0.4%       | (4.1%)     | 2.5%       | 0.4%                    |           |          |

### 2015 vs. 2014 Same Store Results/Statistics for 96,286 Same Store Apartment Units

\$ in thousands (except for Average Rental Rate)

| Description | Results      |            |              | Statistics              |           |          |
|-------------|--------------|------------|--------------|-------------------------|-----------|----------|
|             | Revenues     | Expenses   | NOI (1)      | Average Rental Rate (2) | Occupancy | Turnover |
| 2015        | \$ 2,566,705 | \$ 837,880 | \$ 1,728,825 | \$ 2,314                | 96.1%     | 54.5%    |
| 2014        | \$ 2,441,390 | \$ 817,337 | \$ 1,624,053 | \$ 2,208                | 95.8%     | 54.9%    |
| Change      | \$ 125,315   | \$ 20,543  | \$ 104,772   | \$ 106                  | 0.3%      | (0.4%)   |
| Change      | 5.1%         | 2.5%       | 6.5%         | 4.8%                    |           |          |

(1) The Company's primary financial measure for evaluating each of its apartment communities is net operating income ("NOI"). NOI represents rental income less direct property operating expenses (including real estate taxes and insurance) as well as an allocation of indirect property management costs. The Company believes that NOI is helpful to investors as a supplemental measure of its operating performance because it is a direct measure of the actual operating results of the Company's apartment communities. See page 27 for reconciliations from operating income.

(2) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartment units for the period.

**Equity Residential**  
**Fourth Quarter 2015 vs. Fourth Quarter 2014**  
**Same Store Results/Statistics by Market**

| Markets/Metro Areas | Apartment<br>Units | Q4 2015<br>% of<br>Actual<br>NOI | Q4 2015<br>Average<br>Rental<br>Rate (1) | Q4 2015<br>Weighted<br>Average<br>Occupancy % | Increase (Decrease) from Prior Year's Quarter |          |       |                               |           |
|---------------------|--------------------|----------------------------------|------------------------------------------|-----------------------------------------------|-----------------------------------------------|----------|-------|-------------------------------|-----------|
|                     |                    |                                  |                                          |                                               | Revenues                                      | Expenses | NOI   | Average<br>Rental<br>Rate (1) | Occupancy |
| Core:               |                    |                                  |                                          |                                               |                                               |          |       |                               |           |
| Washington DC       | 18,134             | 17.3%                            | \$ 2,221                                 | 95.6%                                         | 0.9%                                          | 0.7%     | 0.9%  | 0.6%                          | 0.2%      |
| New York            | 10,330             | 16.8%                            | 4,027                                    | 96.5%                                         | 4.3%                                          | 4.0%     | 4.4%  | 4.6%                          | (0.3%)    |
| San Francisco       | 12,766             | 15.5%                            | 2,641                                    | 96.5%                                         | 10.3%                                         | 0.7%     | 14.4% | 10.6%                         | (0.3%)    |
| Los Angeles         | 11,811             | 11.7%                            | 2,331                                    | 96.2%                                         | 6.3%                                          | 2.1%     | 8.4%  | 6.1%                          | 0.3%      |
| Boston              | 7,722              | 9.8%                             | 2,891                                    | 96.5%                                         | 3.2%                                          | 3.5%     | 3.1%  | 3.2%                          | 0.1%      |
| Seattle             | 7,459              | 6.8%                             | 2,026                                    | 95.9%                                         | 7.6%                                          | (2.0%)   | 12.0% | 7.2%                          | 0.4%      |
| San Diego           | 3,505              | 3.3%                             | 2,111                                    | 96.0%                                         | 5.5%                                          | 1.6%     | 7.3%  | 6.1%                          | (0.5%)    |
| Orange County, CA   | 3,490              | 3.1%                             | 1,898                                    | 96.1%                                         | 4.7%                                          | (0.7%)   | 6.7%  | 5.2%                          | (0.5%)    |
| Subtotal – Core     | 75,217             | 84.3%                            | 2,588                                    | 96.1%                                         | 5.0%                                          | 1.8%     | 6.5%  | 5.0%                          | 0.0%      |
| Non-Core:           |                    |                                  |                                          |                                               |                                               |          |       |                               |           |
| South Florida       | 10,666             | 7.4%                             | 1,702                                    | 96.0%                                         | 5.9%                                          | 4.3%     | 6.7%  | 5.5%                          | 0.4%      |
| Denver              | 6,935              | 5.2%                             | 1,571                                    | 95.5%                                         | 8.4%                                          | (1.4%)   | 11.9% | 8.8%                          | (0.3%)    |
| Inland Empire, CA   | 2,751              | 2.0%                             | 1,653                                    | 95.7%                                         | 6.6%                                          | 5.2%     | 7.2%  | 6.1%                          | 0.4%      |
| All Other Markets   | 2,633              | 1.1%                             | 1,188                                    | 95.6%                                         | 3.7%                                          | 2.2%     | 4.9%  | 4.1%                          | (0.4%)    |
| Subtotal – Non-Core | 22,985             | 15.7%                            | 1,598                                    | 95.8%                                         | 6.5%                                          | 2.8%     | 8.3%  | 6.4%                          | 0.1%      |
| Total               | 98,202             | 100.0%                           | \$ 2,357                                 | 96.0%                                         | 5.2%                                          | 2.0%     | 6.8%  | 5.2%                          | 0.0%      |

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartment units for the period.

**Equity Residential**  
**Fourth Quarter 2015 vs. Third Quarter 2015**  
**Same Store Results/Statistics by Market**

| Markets/Metro Areas | Apartment Units | Q4 2015<br>% of<br>Actual<br>NOI | Q4 2015<br>Average<br>Rental<br>Rate (1) | Q4 2015<br>Weighted<br>Average<br>Occupancy % | Increase (Decrease) from Prior Quarter |          |      |                               |           |
|---------------------|-----------------|----------------------------------|------------------------------------------|-----------------------------------------------|----------------------------------------|----------|------|-------------------------------|-----------|
|                     |                 |                                  |                                          |                                               | Revenues                               | Expenses | NOI  | Average<br>Rental<br>Rate (1) | Occupancy |
| Core:               |                 |                                  |                                          |                                               |                                        |          |      |                               |           |
| Washington DC       | 18,494          | 17.3%                            | \$ 2,223                                 | 95.6%                                         | (1.3%)                                 | (6.8%)   | 1.5% | (0.7%)                        | (0.6%)    |
| New York            | 10,330          | 16.4%                            | 4,027                                    | 96.5%                                         | 0.0%                                   | (0.8%)   | 0.5% | 0.2%                          | (0.2%)    |
| San Francisco       | 12,766          | 15.2%                            | 2,641                                    | 96.5%                                         | 1.5%                                   | (3.6%)   | 3.5% | 1.6%                          | 0.0%      |
| Los Angeles         | 12,343          | 12.1%                            | 2,352                                    | 96.2%                                         | 0.6%                                   | (1.7%)   | 1.7% | 0.4%                          | 0.1%      |
| Boston              | 7,924           | 10.0%                            | 2,902                                    | 96.4%                                         | 1.4%                                   | (4.6%)   | 4.2% | 1.4%                          | 0.0%      |
| Seattle             | 8,019           | 7.2%                             | 2,045                                    | 95.8%                                         | 0.5%                                   | (5.4%)   | 3.1% | 0.1%                          | 0.3%      |
| San Diego           | 3,505           | 3.2%                             | 2,111                                    | 96.0%                                         | (0.2%)                                 | (2.8%)   | 1.0% | 0.4%                          | (0.5%)    |
| Orange County, CA   | 3,490           | 3.0%                             | 1,898                                    | 96.1%                                         | 0.3%                                   | (8.6%)   | 3.8% | (0.1%)                        | 0.3%      |
| Subtotal – Core     | 76,871          | 84.4%                            | 2,589                                    | 96.1%                                         | 0.3%                                   | (3.7%)   | 2.2% | 0.4%                          | (0.1%)    |
| Non-Core:           |                 |                                  |                                          |                                               |                                        |          |      |                               |           |
| South Florida       | 10,934          | 7.5%                             | 1,703                                    | 96.0%                                         | 0.6%                                   | (4.8%)   | 3.7% | 0.3%                          | 0.3%      |
| Denver              | 6,935           | 5.1%                             | 1,571                                    | 95.5%                                         | 1.1%                                   | (13.4%)  | 6.7% | 1.2%                          | (0.2%)    |
| Inland Empire, CA   | 2,751           | 1.9%                             | 1,653                                    | 95.7%                                         | 0.8%                                   | 2.0%     | 0.3% | 1.2%                          | (0.4%)    |
| All Other Markets   | 2,633           | 1.1%                             | 1,188                                    | 95.6%                                         | 0.5%                                   | (2.5%)   | 2.9% | 0.9%                          | (0.4%)    |
| Subtotal – Non-Core | 23,253          | 15.6%                            | 1,600                                    | 95.8%                                         | 0.7%                                   | (5.9%)   | 4.1% | 0.8%                          | 0.0%      |
| Total               | 100,124         | 100.0%                           | \$ 2,359                                 | 96.0%                                         | 0.4%                                   | (4.1%)   | 2.5% | 0.4%                          | (0.1%)    |

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartment units for the period.

|                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------|
| <p align="center"><b>Equity Residential</b><br/> <b>2015 vs. 2014</b><br/> <b>Same Store Results/Statistics by Market</b></p> |
|-------------------------------------------------------------------------------------------------------------------------------|

| Markets/Metro Areas | Apartment Units | 2015 % of Actual NOI | 2015 Average Rental Rate (1) | 2015 Weighted Average Occupancy % | Increase (Decrease) from Prior Year |          |        |                         |           |
|---------------------|-----------------|----------------------|------------------------------|-----------------------------------|-------------------------------------|----------|--------|-------------------------|-----------|
|                     |                 |                      |                              |                                   | Revenues                            | Expenses | NOI    | Average Rental Rate (1) | Occupancy |
| Core:               |                 |                      |                              |                                   |                                     |          |        |                         |           |
| Washington DC       | 17,745          | 17.7%                | \$ 2,232                     | 95.9%                             | 0.7%                                | 2.5%     | (0.1%) | 0.1%                    | 0.7%      |
| New York            | 10,330          | 17.3%                | 3,975                        | 96.6%                             | 4.2%                                | 3.6%     | 4.6%   | 3.9%                    | 0.3%      |
| San Francisco       | 12,766          | 15.5%                | 2,544                        | 96.5%                             | 10.5%                               | 1.5%     | 14.6%  | 9.9%                    | 0.5%      |
| Los Angeles         | 10,641          | 10.7%                | 2,241                        | 96.1%                             | 5.9%                                | 0.6%     | 8.8%   | 5.6%                    | 0.4%      |
| Boston              | 7,722           | 9.9%                 | 2,834                        | 96.3%                             | 3.3%                                | 4.9%     | 2.5%   | 3.0%                    | 0.3%      |
| Seattle             | 7,230           | 6.6%                 | 1,980                        | 95.7%                             | 7.3%                                | (0.6%)   | 11.1%  | 7.1%                    | 0.1%      |
| San Diego           | 3,505           | 3.4%                 | 2,067                        | 96.1%                             | 5.4%                                | 1.8%     | 7.0%   | 5.3%                    | 0.1%      |
| Orange County, CA   | 3,490           | 3.1%                 | 1,867                        | 96.0%                             | 5.1%                                | 2.2%     | 6.2%   | 5.1%                    | 0.0%      |
| Subtotal – Core     | 73,429          | 84.2%                | 2,547                        | 96.2%                             | 4.9%                                | 2.4%     | 6.2%   | 4.5%                    | 0.4%      |
| Non-Core:           |                 |                      |                              |                                   |                                     |          |        |                         |           |
| South Florida       | 10,538          | 7.5%                 | 1,674                        | 95.8%                             | 5.7%                                | 3.6%     | 7.0%   | 5.5%                    | 0.2%      |
| Denver              | 6,935           | 5.2%                 | 1,519                        | 95.6%                             | 8.8%                                | 2.9%     | 11.0%  | 8.9%                    | (0.2%)    |
| Inland Empire, CA   | 2,751           | 2.0%                 | 1,616                        | 95.6%                             | 4.8%                                | 1.6%     | 6.4%   | 4.9%                    | (0.1%)    |
| All Other Markets   | 2,633           | 1.1%                 | 1,168                        | 96.1%                             | 3.9%                                | 4.0%     | 3.8%   | 3.9%                    | (0.1%)    |
| Subtotal – Non-Core | 22,857          | 15.8%                | 1,562                        | 95.8%                             | 6.3%                                | 3.2%     | 7.9%   | 6.3%                    | 0.1%      |
| Total               | 96,286          | 100.0%               | \$ 2,314                     | 96.1%                             | 5.1%                                | 2.5%     | 6.5%   | 4.8%                    | 0.3%      |

(1) Average rental rate is defined as total rental revenues divided by the weighted average occupied apartment units for the period.

## Equity Residential

### Fourth Quarter 2015 vs. Fourth Quarter 2014 Same Store Operating Expenses for 98,202 Same Store Apartment Units

\$ in thousands

|                                      | Actual<br>Q4 2015 | Actual<br>Q4 2014 | \$<br>Change    | %<br>Change | % of Actual<br>Q4 2015<br>Operating<br>Expenses |
|--------------------------------------|-------------------|-------------------|-----------------|-------------|-------------------------------------------------|
| Real estate taxes                    | \$ 75,507         | \$ 72,331         | \$ 3,176        | 4.4%        | 36.3%                                           |
| On-site payroll (1)                  | 43,090            | 40,949            | 2,141           | 5.2%        | 20.7%                                           |
| Utilities (2)                        | 28,590            | 29,529            | (939)           | (3.2%)      | 13.8%                                           |
| Repairs and maintenance (3)          | 23,913            | 24,103            | (190)           | (0.8%)      | 11.5%                                           |
| Property management costs (4)        | 19,993            | 18,997            | 996             | 5.2%        | 9.6%                                            |
| Insurance                            | 5,468             | 6,136             | (668)           | (10.9%)     | 2.6%                                            |
| Leasing and advertising              | 2,601             | 3,060             | (459)           | (15.0%)     | 1.3%                                            |
| Other on-site operating expenses (5) | 8,727             | 8,755             | (28)            | (0.3%)      | 4.2%                                            |
| Same store operating expenses        | <u>\$ 207,889</u> | <u>\$ 203,860</u> | <u>\$ 4,029</u> | <u>2.0%</u> | <u>100.0%</u>                                   |

### 2015 vs. 2014

### Same Store Operating Expenses for 96,286 Same Store Apartment Units

\$ in thousands

|                                      | Actual<br>2015    | Actual<br>2014    | \$<br>Change     | %<br>Change | % of Actual<br>2015<br>Operating<br>Expenses |
|--------------------------------------|-------------------|-------------------|------------------|-------------|----------------------------------------------|
| Real estate taxes                    | \$ 296,484        | \$ 282,487        | \$ 13,997        | 5.0%        | 35.4%                                        |
| On-site payroll (1)                  | 174,950           | 171,706           | 3,244            | 1.9%        | 20.9%                                        |
| Utilities (2)                        | 118,986           | 123,296           | (4,310)          | (3.5%)      | 14.2%                                        |
| Repairs and maintenance (3)          | 104,033           | 98,168            | 5,865            | 6.0%        | 12.4%                                        |
| Property management costs (4)        | 77,001            | 73,242            | 3,759            | 5.1%        | 9.2%                                         |
| Insurance                            | 21,335            | 23,909            | (2,574)          | (10.8%)     | 2.6%                                         |
| Leasing and advertising              | 10,370            | 10,605            | (235)            | (2.2%)      | 1.2%                                         |
| Other on-site operating expenses (5) | 34,721            | 33,924            | 797              | 2.3%        | 4.1%                                         |
| Same store operating expenses        | <u>\$ 837,880</u> | <u>\$ 817,337</u> | <u>\$ 20,543</u> | <u>2.5%</u> | <u>100.0%</u>                                |

- (1) On-site payroll - Includes payroll and related expenses for on-site personnel including property managers, leasing consultants and maintenance staff.
- (2) Utilities - Represents gross expenses prior to any recoveries under the Resident Utility Billing System ("RUBS"). Recoveries are reflected in rental income.
- (3) Repairs and maintenance - Includes general maintenance costs, apartment unit turnover costs including interior painting, routine landscaping, security, exterminating, fire protection, snow removal, elevator, roof and parking lot repairs and other miscellaneous building repair costs.
- (4) Property management costs - Includes payroll and related expenses for departments, or portions of departments, that directly support on-site management. These include such departments as regional and corporate property management, property accounting, human resources, training, marketing and revenue management, procurement, real estate tax, property legal services and information technology.
- (5) Other on-site operating expenses - Includes ground lease costs and administrative costs such as office supplies, telephone and data charges and association and business licensing fees.

## Equity Residential

### Debt Summary as of December 31, 2015

(Amounts in thousands)

|                                          | Amounts (1)          | % of Total    | Weighted Average Rates (1) | Weighted Average Maturities (years) |
|------------------------------------------|----------------------|---------------|----------------------------|-------------------------------------|
| Secured                                  | \$ 4,704,870         | 42.9%         | 4.23%                      | 6.9                                 |
| Unsecured                                | 6,263,628            | 57.1%         | 4.73%                      | 8.2                                 |
| Total                                    | <u>\$ 10,968,498</u> | <u>100.0%</u> | <u>4.51%</u>               | <u>7.6</u>                          |
| Fixed Rate Debt:                         |                      |               |                            |                                     |
| Secured – Conventional                   | \$ 3,997,930         | 36.5%         | 4.86%                      | 5.3                                 |
| Unsecured – Public                       | 5,423,012            | 49.4%         | 5.30%                      | 9.2                                 |
| Fixed Rate Debt                          | <u>9,420,942</u>     | <u>85.9%</u>  | <u>5.10%</u>               | <u>7.6</u>                          |
| Floating Rate Debt:                      |                      |               |                            |                                     |
| Secured – Conventional                   | 7,985                | 0.1%          | 0.13%                      | 18.1                                |
| Secured – Tax Exempt                     | 698,955              | 6.3%          | 0.64%                      | 15.5                                |
| Unsecured – Public (2)                   | 453,340              | 4.2%          | 0.93%                      | 3.5                                 |
| Unsecured – Revolving Credit Facility    | —                    | —             | 1.07%                      | 2.3                                 |
| Unsecured – Commercial Paper Program (3) | 387,276              | 3.5%          | 0.56%                      | —                                   |
| Floating Rate Debt                       | <u>1,547,556</u>     | <u>14.1%</u>  | <u>0.75%</u>               | <u>8.1</u>                          |
| Total                                    | <u>\$ 10,968,498</u> | <u>100.0%</u> | <u>4.51%</u>               | <u>7.6</u>                          |

(1) Net of the effect of any derivative instruments. Weighted average rates are for the year ended December 31, 2015.

(2) Fair value interest rate swaps convert the \$450.0 million 2.375% notes due July 1, 2019 to a floating interest rate of 90-Day LIBOR plus 0.61%.

(3) As of December 31, 2015, the weighted average maturity on the Company's outstanding commercial paper was 19 days.

Note: The Company capitalized interest of approximately \$59.9 million and \$52.8 million during the years ended December 31, 2015 and 2014, respectively. The Company capitalized interest of approximately \$14.1 million and \$14.7 million during the quarters ended December 31, 2015 and 2014, respectively.

Note: The Company recorded approximately \$8.6 million and \$2.8 million of net debt discount/deferred derivative settlement amortization as additional interest expense during the years ended December 31, 2015 and 2014, respectively. The Company recorded approximately \$2.8 million of net debt discount/deferred derivative settlement amortization as additional interest expense during the quarter ended December 31, 2015. The Company recorded approximately \$0.7 million of net debt premium/deferred derivative settlement amortization as a reduction to interest expense during the quarter ended December 31, 2014.

### Debt Maturity Schedule as of December 31, 2015

(Amounts in thousands)

| Year               | Fixed Rate (1)      | Floating Rate (1)   | Total                | % of Total    | Weighted Average Rates on Fixed Rate Debt (1) | Weighted Average Rates on Total Debt (1) |
|--------------------|---------------------|---------------------|----------------------|---------------|-----------------------------------------------|------------------------------------------|
| 2016               | \$ 965,341          | \$ 387,472 (2)      | \$ 1,352,813         | (3) 12.3%     | 5.33%                                         | 4.06%                                    |
| 2017               | 1,347,390           | 456                 | 1,347,846            | (3) 12.3%     | 6.16%                                         | 6.16%                                    |
| 2018               | 82,802              | 97,659              | 180,461              | 1.7%          | 5.59%                                         | 3.07%                                    |
| 2019               | 806,705             | 474,422             | 1,281,127            | 11.7%         | 5.48%                                         | 3.75%                                    |
| 2020               | 1,678,623           | 809                 | 1,679,432            | 15.3%         | 5.49%                                         | 5.49%                                    |
| 2021               | 1,195,251           | 856                 | 1,196,107            | 10.9%         | 4.63%                                         | 4.63%                                    |
| 2022               | 228,924             | 905                 | 229,829              | 2.1%          | 3.16%                                         | 3.17%                                    |
| 2023               | 1,327,965           | 956                 | 1,328,921            | 12.1%         | 3.74%                                         | 3.74%                                    |
| 2024               | 2,497               | 1,011               | 3,508                | 0.0%          | 4.97%                                         | 5.14%                                    |
| 2025               | 452,625             | 1,069               | 453,694              | 4.1%          | 3.38%                                         | 3.39%                                    |
| 2026+              | 1,319,792           | 641,228             | 1,961,020            | 17.9%         | 4.87%                                         | 3.41%                                    |
| Premium/(Discount) | 13,027              | (59,287)            | (46,260)             | (0.4%)        | N/A                                           | N/A                                      |
| Total              | <u>\$ 9,420,942</u> | <u>\$ 1,547,556</u> | <u>\$ 10,968,498</u> | <u>100.0%</u> | <u>4.97%</u>                                  | <u>4.35%</u>                             |

(1) Net of the effect of any derivative instruments. Weighted average rates are as of December 31, 2015.

(2) Represents the principal outstanding on the Company's unsecured commercial paper program. The Company may borrow up to a maximum of \$500.0 million on the program subject to market conditions. No amounts remain outstanding under this program as of February 2, 2016.

(3) Following completion of the debt extinguishment activities as described on page 3 and repayment of all outstanding commercial paper balances, the Company will have approximately \$336.6 million and \$605.0 million in debt maturing in 2016 and 2017, respectively.

|                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p align="center"><b>Equity Residential</b></p> <p align="center"><b>Unsecured Debt Summary as of December 31, 2015</b></p> <p align="center">(Amounts in thousands)</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                             | Coupon<br>Rate | Due<br>Date |        | Face<br>Amount      | Unamortized<br>Premium/<br>(Discount) | Net<br>Balance      |
|---------------------------------------------|----------------|-------------|--------|---------------------|---------------------------------------|---------------------|
| <b>Fixed Rate Notes:</b>                    |                |             |        |                     |                                       |                     |
|                                             | 5.125%         | 03/15/16    | (5)    | \$ 500,000          | \$ (9)                                | \$ 499,991          |
|                                             | 5.375%         | 08/01/16    | (5)    | 400,000             | (108)                                 | 399,892             |
|                                             | 5.750%         | 06/15/17    | (5)    | 650,000             | (763)                                 | 649,237             |
|                                             | 7.125%         | 10/15/17    | (5)    | 150,000             | (116)                                 | 149,884             |
|                                             | 2.375%         | 07/01/19    | (1)    | 450,000             | (315)                                 | 449,685             |
| Fair Value Derivative Adjustments           |                |             | (1)    | (450,000)           | 315                                   | (449,685)           |
|                                             | 4.750%         | 07/15/20    |        | 600,000             | (2,060)                               | 597,940             |
|                                             | 4.625%         | 12/15/21    | (5)    | 1,000,000           | (2,254)                               | 997,746             |
|                                             | 3.000%         | 04/15/23    |        | 500,000             | (3,226)                               | 496,774             |
|                                             | 3.375%         | 06/01/25    |        | 450,000             | (2,331)                               | 447,669             |
|                                             | 7.570%         | 08/15/26    | (5)    | 140,000             | —                                     | 140,000             |
|                                             | 4.500%         | 07/01/44    |        | 750,000             | (5,009)                               | 744,991             |
|                                             | 4.500%         | 06/01/45    |        | 300,000             | (1,112)                               | 298,888             |
|                                             |                |             |        | <u>5,440,000</u>    | <u>(16,988)</u>                       | <u>5,423,012</u>    |
| <b>Floating Rate Notes:</b>                 |                |             |        |                     |                                       |                     |
|                                             |                | 07/01/19    | (1)    | 450,000             | (315)                                 | 449,685             |
| Fair Value Derivative Adjustments           |                | 07/01/19    | (1)    | 3,655               | —                                     | 3,655               |
|                                             |                |             |        | <u>453,655</u>      | <u>(315)</u>                          | <u>453,340</u>      |
| <b>Line of Credit and Commercial Paper:</b> |                |             |        |                     |                                       |                     |
| Revolving Credit Facility                   | LIBOR+0.95%    | 04/01/18    | (2)(3) | —                   | —                                     | —                   |
| Commercial Paper Program                    | (4)            | (4)         | (2)    | 387,472             | (196)                                 | 387,276             |
|                                             |                |             |        | <u>387,472</u>      | <u>(196)</u>                          | <u>387,276</u>      |
| <b>Total Unsecured Debt</b>                 |                |             |        | <u>\$ 6,281,127</u> | <u>\$ (17,499)</u>                    | <u>\$ 6,263,628</u> |

(1) Fair value interest rate swaps convert the \$450.0 million 2.375% notes due July 1, 2019 to a floating interest rate of 90-Day LIBOR plus 0.61%.

(2) Facility/program is private. All other unsecured debt is public.

(3) Represents the Company's \$2.5 billion unsecured revolving credit facility maturing April 1, 2018. The interest rate on advances under the credit facility will generally be LIBOR plus a spread (currently 0.95%) and an annual facility fee (currently 15 basis points). Both the spread and the facility fee are dependent on the credit rating of the Company's long-term debt. As of December 31, 2015, there was approximately \$2.07 billion available on this facility (net of \$45.1 million which was restricted/dedicated to support letters of credit and net of \$387.5 million outstanding on the commercial paper program). As of February 2, 2016, there was approximately \$2.47 billion available on this facility (net of \$32.8 million which was restricted/dedicated to support letters of credit).

(4) Represents the Company's unsecured commercial paper program. The Company may borrow up to a maximum of \$500.0 million on this program subject to market conditions. The notes bear interest at various floating rates with a weighted average of 0.56% for the year ended December 31, 2015 and a weighted average maturity of 19 days as of December 31, 2015. No amounts remain outstanding under this program as of February 2, 2016.

(5) All or a portion of these notes were repaid in conjunction with the debt extinguishment activities as described on page 3.

|                           |
|---------------------------|
| <b>Equity Residential</b> |
|---------------------------|

**Selected Unsecured Public Debt Covenants**

|                                                                                                                    | December 31,<br>2015 | September 30,<br>2015 |
|--------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------|
| Total Debt to Adjusted Total Assets (not to exceed 60%)                                                            | 38.5%                | 38.3%                 |
| Secured Debt to Adjusted Total Assets (not to exceed 40%)                                                          | 16.5%                | 17.3%                 |
| Consolidated Income Available for Debt Service to<br>Maximum Annual Service Charges<br>(must be at least 1.5 to 1) | 3.67                 | 3.56                  |
| Total Unsecured Assets to Unsecured Debt<br>(must be at least 150%)                                                | 336.8%               | 342.8%                |

Note: These selected covenants relate to ERP Operating Limited Partnership's ("ERPOP") outstanding unsecured public debt, which represent the Company's most restrictive covenants. Equity Residential is the general partner of ERPOP.

**Selected Credit Ratios (1)**

|                                 | December 31,<br>2015 | September 30,<br>2015 |
|---------------------------------|----------------------|-----------------------|
| Total debt to Normalized EBITDA | 6.14x                | 6.14x                 |
| Net debt to Normalized EBITDA   | 6.09x                | 6.09x                 |

Note: See page 24 for the footnote referenced above and the Normalized EBITDA reconciliations.

## Equity Residential

### Capital Structure as of December 31, 2015

(Amounts in thousands except for share/unit and per share amounts)

|                                                |                   |                      |               |               |
|------------------------------------------------|-------------------|----------------------|---------------|---------------|
| Secured Debt                                   |                   | \$ 4,704,870         | 42.9%         |               |
| Unsecured Debt                                 |                   | <u>6,263,628</u>     | <u>57.1%</u>  |               |
| <b>Total Debt</b>                              |                   | <b>10,968,498</b>    | <b>100.0%</b> | <b>26.2%</b>  |
|                                                |                   |                      |               |               |
| Common Shares (includes Restricted Shares)     | 364,755,444       |                      | 96.2%         |               |
| Units (includes OP Units and Restricted Units) | <u>14,427,164</u> |                      | <u>3.8%</u>   |               |
| Total Shares and Units                         | 379,182,608       |                      | 100.0%        |               |
| Common Share Price at December 31, 2015        | <u>\$ 81.59</u>   |                      |               |               |
|                                                |                   | 30,937,509           | 99.9%         |               |
| Perpetual Preferred Equity (see below)         |                   | <u>37,280</u>        | <u>0.1%</u>   |               |
| <b>Total Equity</b>                            |                   | <b>30,974,789</b>    | <b>100.0%</b> | <b>73.8%</b>  |
|                                                |                   |                      |               |               |
| <b>Total Market Capitalization</b>             |                   | <b>\$ 41,943,287</b> |               | <b>100.0%</b> |

### Perpetual Preferred Equity as of December 31, 2015

(Amounts in thousands except for share and per share amounts)

| Series                           | Redemption Date | Outstanding Shares | Liquidation Value | Annual Dividend Per Share | Annual Dividend Amount |
|----------------------------------|-----------------|--------------------|-------------------|---------------------------|------------------------|
| Preferred Shares:                |                 |                    |                   |                           |                        |
| 8.29% Series K                   | 12/10/26        | <u>745,600</u>     | <u>\$ 37,280</u>  | \$ 4.145                  | <u>\$ 3,091</u>        |
| Total Perpetual Preferred Equity |                 | 745,600            | \$ 37,280         |                           | \$ 3,091               |

(1) Effective November 12, 2015, the Company repurchased and retired 58,000 Series K Preferred Shares with a par value of \$2.9 million for total cash consideration of approximately \$3.6 million. As a result of this partial redemption, the Company incurred a cash charge of approximately \$0.7 million which was recorded as a premium on the redemption of preferred shares but did not impact Normalized FFO.

|                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------|
| <p align="center"><b>Equity Residential</b><br/> <b>Common Share and Unit</b><br/> <b>Weighted Average Amounts Outstanding</b></p> |
|------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                  | 2015               | 2014               | Q4 2015            | Q4 2014            |
|----------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Weighted Average Amounts Outstanding for Net Income Purposes:</b>             |                    |                    |                    |                    |
| Common Shares - basic                                                            | 363,497,518        | 361,181,497        | 363,827,809        | 362,017,851        |
| Shares issuable from assumed conversion/vesting of:                              |                    |                    |                    |                    |
| - OP Units                                                                       | 13,575,927         | 13,717,844         | 13,552,095         | 13,692,848         |
| - long-term compensation shares/units                                            | 3,546,058          | 2,836,034          | 3,839,809          | 3,174,890          |
| Total Common Shares and Units - diluted                                          | <u>380,619,503</u> | <u>377,735,375</u> | <u>381,219,713</u> | <u>378,885,589</u> |
| <b>Weighted Average Amounts Outstanding for FFO and Normalized FFO Purposes:</b> |                    |                    |                    |                    |
| Common Shares - basic                                                            | 363,497,518        | 361,181,497        | 363,827,809        | 362,017,851        |
| OP Units - basic                                                                 | <u>13,575,927</u>  | <u>13,717,844</u>  | <u>13,552,095</u>  | <u>13,692,848</u>  |
| Total Common Shares and OP Units - basic                                         | 377,073,445        | 374,899,341        | 377,379,904        | 375,710,699        |
| Shares issuable from assumed conversion/vesting of:                              |                    |                    |                    |                    |
| - long-term compensation shares/units                                            | <u>3,546,058</u>   | <u>2,836,034</u>   | <u>3,839,809</u>   | <u>3,174,890</u>   |
| Total Common Shares and Units - diluted                                          | <u>380,619,503</u> | <u>377,735,375</u> | <u>381,219,713</u> | <u>378,885,589</u> |
| <b>Period Ending Amounts Outstanding:</b>                                        |                    |                    |                    |                    |
| Common Shares (includes Restricted Shares)                                       | 364,755,444        | 362,855,454        |                    |                    |
| Units (includes OP Units and Restricted Units)                                   | <u>14,427,164</u>  | <u>14,298,691</u>  |                    |                    |
| Total Shares and Units                                                           | <u>379,182,608</u> | <u>377,154,145</u> |                    |                    |

|                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><b>Equity Residential</b><br/> <b>Partially Owned Entities as of December 31, 2015</b><br/> (Amounts in thousands except for project and apartment unit amounts)</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                    | Consolidated      | Unconsolidated    |
|----------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                    | Operating         | Operating         |
| Total projects                                                                                     | 19                | 3                 |
| Total apartment units                                                                              | 3,771             | 1,281             |
| Operating information for the year ended 12/31/15 (at 100%):                                       |                   |                   |
| Operating revenue                                                                                  | \$ 94,349         | \$ 32,285         |
| Operating expenses                                                                                 | 26,081            | 12,061            |
| Net operating income                                                                               | 68,268            | 20,224            |
| Depreciation                                                                                       | 22,216            | 12,350            |
| General and administrative/other                                                                   | 330               | 255               |
| Operating income                                                                                   | 45,722            | 7,619             |
| Interest and other income                                                                          | 12                | (1)               |
| Other expenses                                                                                     | (50)              | —                 |
| Interest:                                                                                          |                   |                   |
| Expense incurred, net                                                                              | (15,459)          | (9,390)           |
| Amortization of deferred financing costs                                                           | (349)             | (2)               |
| Income (loss) before income and other taxes and (loss) from investments in unconsolidated entities | 29,876            | (1,774)           |
| Income and other tax (expense) benefit                                                             | (35)              | (18)              |
| (Loss) from investments in unconsolidated entities                                                 | (1,501)           | —                 |
| Net income (loss)                                                                                  | <u>\$ 28,340</u>  | <u>\$ (1,792)</u> |
| Debt - Secured (1):                                                                                |                   |                   |
| EQR Ownership (2)                                                                                  | \$ 266,414        | \$ 34,969         |
| Noncontrolling Ownership                                                                           | 77,015            | 139,877           |
| Total (at 100%)                                                                                    | <u>\$ 343,429</u> | <u>\$ 174,846</u> |

(1) All debt is non-recourse to the Company.

(2) Represents the Company's current equity ownership interest.

Note: The above table excludes the Company's interests in unconsolidated joint ventures entered into with AvalonBay Communities, Inc. ("AVB") in connection with the acquisition of certain real estate related assets from Archstone Enterprise LP (such assets are referred to herein as "Archstone"). These ventures owned certain non-core Archstone assets and succeeded to certain residual Archstone liabilities/litigation, as well as responsibility for tax protection arrangements and third-party preferred interests in former Archstone subsidiaries. The preferred interests had an aggregate liquidation value of \$42.2 million at December 31, 2015. The ventures are owned 60% by the Company and 40% by AVB.

**Equity Residential**  
**Development and Lease-Up Projects as of December 31, 2015**  
(Amounts in thousands except for project and apartment unit amounts)

| Projects                                                    | Location          | No. of<br>Apartment<br>Units | Total<br>Capital<br>Cost (1) | Total<br>Book Value<br>to Date | Total Book<br>Value Not<br>Placed in<br>Service | Total<br>Debt | Percentage<br>Completed | Percentage<br>Leased | Percentage<br>Occupied | Estimated<br>Completion<br>Date | Estimated<br>Stabilization<br>Date |
|-------------------------------------------------------------|-------------------|------------------------------|------------------------------|--------------------------------|-------------------------------------------------|---------------|-------------------------|----------------------|------------------------|---------------------------------|------------------------------------|
| <b>Projects Under Development:</b>                          |                   |                              |                              |                                |                                                 |               |                         |                      |                        |                                 |                                    |
| Potrero 1010                                                | San Francisco, CA | 453                          | \$ 224,474                   | \$ 174,741                     | \$ 174,741                                      | \$ —          | 75%                     | —                    | —                      | Q2 2016                         | Q3 2017                            |
| Vista 99 (formerly Tasman)                                  | San Jose, CA      | 554                          | 214,923                      | 191,153                        | 116,624                                         | —             | 94%                     | 20%                  | 16%                    | Q2 2016                         | Q2 2018                            |
| Altitude (formerly Village at Howard Hughes)                | Los Angeles, CA   | 545                          | 193,231                      | 153,993                        | 153,993                                         | —             | 74%                     | —                    | —                      | Q3 2016                         | Q2 2017                            |
| The Alton (formerly Millikan)                               | Irvine, CA        | 344                          | 102,331                      | 75,416                         | 75,416                                          | —             | 58%                     | —                    | —                      | Q3 2016                         | Q3 2017                            |
| 340 Fremont (formerly Rincon Hill)                          | San Francisco, CA | 348                          | 287,454                      | 218,851                        | 218,851                                         | —             | 82%                     | —                    | —                      | Q3 2016                         | Q1 2018                            |
| One Henry Adams                                             | San Francisco, CA | 241                          | 172,337                      | 89,907                         | 89,907                                          | —             | 44%                     | —                    | —                      | Q1 2017                         | Q4 2017                            |
| 455 I St                                                    | Washington, DC    | 174                          | 73,157                       | 28,977                         | 28,977                                          | —             | 13%                     | —                    | —                      | Q3 2017                         | Q2 2018                            |
| 855 Brannan (formerly 801 Brannan)                          | San Francisco, CA | 449                          | 304,035                      | 100,482                        | 100,482                                         | —             | 19%                     | —                    | —                      | Q3 2017                         | Q1 2019                            |
| 2nd & Pine (2)                                              | Seattle, WA       | 398                          | 214,742                      | 95,681                         | 95,681                                          | —             | 34%                     | —                    | —                      | Q3 2017                         | Q2 2019                            |
| Cascade                                                     | Seattle, WA       | 483                          | 172,486                      | 67,704                         | 67,704                                          | —             | 28%                     | —                    | —                      | Q3 2017                         | Q2 2019                            |
| <b>Projects Under Development</b>                           |                   | <b>3,989</b>                 | <b>1,959,170</b>             | <b>1,196,905</b>               | <b>1,122,376</b>                                | <b>—</b>      |                         |                      |                        |                                 |                                    |
| <b>Completed Not Stabilized (3):</b>                        |                   |                              |                              |                                |                                                 |               |                         |                      |                        |                                 |                                    |
| Prism at Park Avenue South                                  | New York, NY      | 269                          | 245,161                      | 239,992                        | —                                               | —             |                         | 91%                  | 90%                    | Completed                       | Q1 2016                            |
| 170 Amsterdam (4)                                           | New York, NY      | 236                          | 111,892                      | 111,609                        | —                                               | —             |                         | 76%                  | 71%                    | Completed                       | Q2 2016                            |
| Azure (at Mission Bay)                                      | San Francisco, CA | 273                          | 187,390                      | 183,455                        | —                                               | —             |                         | 71%                  | 70%                    | Completed                       | Q2 2016                            |
| Junction 47 (formerly West Seattle)                         | Seattle, WA       | 206                          | 67,112                       | 66,115                         | —                                               | —             |                         | 79%                  | 75%                    | Completed                       | Q3 2016                            |
| Odin (formerly Tallman)                                     | Seattle, WA       | 301                          | 81,777                       | 79,909                         | —                                               | —             |                         | 57%                  | 52%                    | Completed                       | Q4 2016                            |
| <b>Projects Completed Not Stabilized</b>                    |                   | <b>1,285</b>                 | <b>693,332</b>               | <b>681,080</b>                 | <b>—</b>                                        | <b>—</b>      |                         |                      |                        |                                 |                                    |
| <b>Completed and Stabilized During the Quarter:</b>         |                   |                              |                              |                                |                                                 |               |                         |                      |                        |                                 |                                    |
| Residences at Westgate II (formerly Westgate III)           | Pasadena, CA      | 88                           | 54,287                       | 52,083                         | —                                               | —             |                         | 99%                  | 99%                    | Completed                       | Stabilized                         |
| Parc on Powell (formerly 1333 Powell)                       | Emeryville, CA    | 173                          | 87,500                       | 82,975                         | —                                               | —             |                         | 98%                  | 97%                    | Completed                       | Stabilized                         |
| <b>Projects Completed and Stabilized During the Quarter</b> |                   | <b>261</b>                   | <b>141,787</b>               | <b>135,058</b>                 | <b>—</b>                                        | <b>—</b>      |                         |                      |                        |                                 |                                    |
| <b>Total Development Projects</b>                           |                   | <b>5,535</b>                 | <b>\$ 2,794,289</b>          | <b>\$ 2,013,043</b>            | <b>\$ 1,122,376</b>                             | <b>\$ —</b>   |                         |                      |                        |                                 |                                    |
| <b>Land Held for Development</b>                            |                   | <b>N/A</b>                   | <b>N/A</b>                   | <b>\$ 168,843</b>              | <b>\$ 168,843</b>                               | <b>\$ —</b>   |                         |                      |                        |                                 |                                    |

**NOI CONTRIBUTION FROM DEVELOPMENT PROJECTS**

|                                             |                           |                 |
|---------------------------------------------|---------------------------|-----------------|
| Projects Under Development                  | Total Capital<br>Cost (1) | Q4 2015<br>NOI  |
| Completed Not Stabilized                    |                           |                 |
| Completed and Stabilized During the Quarter |                           |                 |
| Total Development NOI Contribution          |                           |                 |
|                                             | \$ 1,959,170              | \$ (27)         |
|                                             | 693,332                   | 3,980           |
|                                             | 141,787                   | 1,608           |
|                                             | <u>\$ 2,794,289</u>       | <u>\$ 5,561</u> |

Note: All development projects listed are wholly owned by the Company.

- (1) Total capital cost represents estimated cost for projects under development and/or developed and all capitalized costs incurred to date plus any estimates of costs remaining to be funded for all projects, all in accordance with GAAP.
- (2) 2nd & Pine – Includes an adjacent land parcel on which certain improvements including a portion of a parking structure will be constructed as part of the development of this project. The Company may eventually construct an additional apartment tower on this site or sell a portion of the garage and the related air rights.
- (3) Properties included here are substantially complete. However, they may still require additional exterior and interior work for all apartment units to be available for leasing.
- (4) 170 Amsterdam – The land under this project is subject to a long term ground lease.

**Equity Residential**  
**Repairs and Maintenance Expenses and Capital Expenditures to Real Estate**  
**For the Year Ended December 31, 2015**

(Amounts in thousands except for apartment unit and per apartment unit amounts)

|                               | Total<br>Apartment<br>Units (1) | Repairs and Maintenance Expenses |                               |             |                               |            |                               | Capital Expenditures to Real Estate |                               |                                 |                               |            |                               | Total Expenditures |                               |
|-------------------------------|---------------------------------|----------------------------------|-------------------------------|-------------|-------------------------------|------------|-------------------------------|-------------------------------------|-------------------------------|---------------------------------|-------------------------------|------------|-------------------------------|--------------------|-------------------------------|
|                               |                                 | Expense (2)                      | Avg. Per<br>Apartment<br>Unit | Payroll (3) | Avg. Per<br>Apartment<br>Unit | Total      | Avg. Per<br>Apartment<br>Unit | Replacements<br>(4)                 | Avg. Per<br>Apartment<br>Unit | Building<br>Improvements<br>(5) | Avg. Per<br>Apartment<br>Unit | Total      | Avg. Per<br>Apartment<br>Unit | Grand<br>Total     | Avg. Per<br>Apartment<br>Unit |
| Same Store Properties (6)     | 96,286                          | \$ 104,033                       | \$ 1,081                      | \$ 84,484   | \$ 877                        | \$ 188,517 | \$ 1,958                      | \$ 98,120                           | \$ 1,019                      | \$ 75,294                       | \$ 782                        | \$ 173,414 | \$ 1,801 (9)                  | \$ 361,931         | \$ 3,759                      |
| Non-Same Store Properties (7) | 6,946                           | 4,667                            | 836                           | 3,563       | 639                           | 8,230      | 1,475                         | 1,870                               | 335                           | 6,293                           | 1,127                         | 8,163      | 1,462                         | 16,393             | 2,937                         |
| Other (8)                     | —                               | 1,061                            |                               | 821         |                               | 1,882      |                               | 302                                 |                               | 234                             |                               | 536        |                               | 2,418              |                               |
| Total                         | 103,232                         | \$ 109,761                       |                               | \$ 88,868   |                               | \$ 198,629 |                               | \$ 100,292                          |                               | \$ 81,821                       |                               | \$ 182,113 |                               | \$ 380,742         |                               |

- (1) Total Apartment Units - Excludes 1,281 unconsolidated apartment units and 5,139 military housing apartment units for which repairs and maintenance expenses and capital expenditures to real estate are self-funded and do not consolidate into the Company's results.
- (2) Repairs and Maintenance Expenses - Includes general maintenance costs, apartment unit turnover costs including interior painting, routine landscaping, security, exterminating, fire protection, snow removal, elevator, roof and parking lot repairs and other miscellaneous building repair costs.
- (3) Maintenance Payroll - Includes payroll and related expenses for maintenance staff.
- (4) Replacements - Includes new expenditures inside the apartment units such as appliances, mechanical equipment, fixtures and flooring, including carpeting. Replacements for same store properties also include \$60.6 million spent in 2015 on apartment unit renovations/ rehabs (primarily kitchens and baths) on 6,499 same store apartment units (equating to approximately \$9,300 per apartment unit rehabbed) designed to reposition these assets for higher rental levels in their respective markets. In 2016, the Company expects to spend approximately \$40.0 million for all unit renovation/rehab costs (primarily on same store properties) at a weighted average cost of \$10,000 per apartment unit rehabbed.
- (5) Building Improvements - Includes roof replacement, paving, amenities and common areas, building mechanical equipment systems, exterior painting and siding, major landscaping, vehicles and office and maintenance equipment.
- (6) Same Store Properties - Primarily includes all properties acquired or completed and stabilized prior to January 1, 2014, less properties subsequently sold.
- (7) Non-Same Store Properties - Primarily includes all properties acquired during 2014 and 2015, plus any properties in lease-up and not stabilized as of January 1, 2014. Per apartment unit amounts are based on a weighted average of 5,582 apartment units.
- (8) Other - Primarily includes expenditures for properties sold and properties under development.
- (9) Based on the approximately 70,000 apartment units expected to be included in same store properties by December 31, 2016, the Company estimates that it will spend approximately \$2,200 per apartment unit of capital expenditures, inclusive of apartment unit renovation/ rehab costs, or \$1,600 per apartment unit excluding apartment unit renovation/rehab costs during 2016.

**Equity Residential**  
**Normalized EBITDA Reconciliations**

(Amounts in thousands)

**Normalized EBITDA Reconciliations for Page 18**

|                                                                                           | <b>Trailing Twelve Months</b> |                           | <b>2015</b>       |                   |                   |                   | <b>2014</b>       |
|-------------------------------------------------------------------------------------------|-------------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                           | <b>December 31, 2015</b>      | <b>September 30, 2015</b> | <b>Q4</b>         | <b>Q3</b>         | <b>Q2</b>         | <b>Q1</b>         | <b>Q4</b>         |
| Net income                                                                                | \$ 908,018                    | \$ 921,339                | \$ 213,720        | \$ 205,456        | \$ 298,618        | \$ 190,224        | \$ 227,041        |
| Interest expense incurred, net                                                            | 444,069                       | 443,589                   | 110,447           | 114,205           | 110,795           | 108,622           | 109,967           |
| Amortization of deferred financing costs                                                  | 10,801                        | 10,268                    | 3,067             | 2,607             | 2,538             | 2,589             | 2,534             |
| Depreciation                                                                              | 765,895                       | 777,951                   | 181,033           | 196,059           | 194,282           | 194,521           | 193,089           |
| Income and other tax expense (benefit) (includes discontinued operations)                 | 932                           | 956                       | 219               | 329               | 326               | 58                | 243               |
| Property acquisition costs (other expenses)                                               | 1,008                         | 281                       | 804               | 27                | 78                | 99                | 77                |
| Write-off of pursuit costs (other expenses)                                               | 3,208                         | 3,862                     | 886               | 671               | 1,158             | 493               | 1,540             |
| (Income) loss from investments in unconsolidated entities                                 | (15,025)                      | (16,637)                  | (637)             | 1,041             | (12,466)          | (2,963)           | (2,249)           |
| Net loss (gain) on sales of land parcels                                                  | 1                             | (3,430)                   | —                 | —                 | —                 | 1                 | (3,431)           |
| (Gain) on sale of investment securities and other investments (interest and other income) | (526)                         | (387)                     | (139)             | —                 | (387)             | —                 | —                 |
| Executive compensation program duplicative costs and retirement benefit obligations       | 11,976                        | 9,640                     | 2,336             | 4,967             | 2,336             | 2,337             | —                 |
| Forfeited deposits (interest and other income)                                            | —                             | (150)                     | —                 | —                 | —                 | —                 | (150)             |
| Insurance/litigation settlement or reserve income (interest and other income)             | (5,977)                       | (5,802)                   | (207)             | —                 | (5,770)           | —                 | (32)              |
| Insurance/litigation settlement or reserve expense (other expenses)                       | (2,796)                       | (867)                     | (1,929)           | 21                | 112               | (1,000)           | —                 |
| Other (interest and other income)                                                         | (302)                         | (1,052)                   | —                 | (108)             | (194)             | —                 | (750)             |
| Net loss on sales of discontinued operations                                              | —                             | 44                        | —                 | —                 | —                 | —                 | 44                |
| Net (gain) on sales of real estate properties                                             | (335,134)                     | (379,833)                 | (39,442)          | (66,939)          | (148,802)         | (79,951)          | (84,141)          |
| <b>Normalized EBITDA (1)</b>                                                              | <b>\$ 1,786,148</b>           | <b>\$ 1,759,772</b>       | <b>\$ 470,158</b> | <b>\$ 458,336</b> | <b>\$ 442,624</b> | <b>\$ 415,030</b> | <b>\$ 443,782</b> |
| <b>Balance Sheet Items:</b>                                                               | <b>December 31, 2015</b>      | <b>September 30, 2015</b> |                   |                   |                   |                   |                   |
| Total debt (1)                                                                            | \$ 10,968,498                 | \$ 10,803,319             |                   |                   |                   |                   |                   |
| Cash and cash equivalents                                                                 | (42,276)                      | (37,366)                  |                   |                   |                   |                   |                   |
| Mortgage principal reserves/sinking funds                                                 | (50,155)                      | (47,902)                  |                   |                   |                   |                   |                   |
| Net debt (1)                                                                              | <b>\$ 10,876,067</b>          | <b>\$ 10,718,051</b>      |                   |                   |                   |                   |                   |

(1) Normalized EBITDA, total debt to Normalized EBITDA and net debt to Normalized EBITDA are important metrics in evaluating the credit strength of the Company and its ability to service its debt obligations. The Company believes that Normalized EBITDA, total debt to Normalized EBITDA and net debt to Normalized EBITDA are useful to investors, creditors and rating agencies because they allow investors to compare the Company's credit strength to prior reporting periods and to other companies without the effect of items that by their nature are not comparable from period to period and tend to obscure the Company's actual credit quality.

**Equity Residential**  
**Normalized FFO Guidance Reconciliations and Non-Comparable Items**  
(Amounts in thousands except per share data)  
(All per share data is diluted)

**Normalized FFO Guidance Reconciliations**

|                                                   | Normalized<br>FFO Reconciliations<br>Guidance Q4 2015<br>to Actual Q4 2015 |           |
|---------------------------------------------------|----------------------------------------------------------------------------|-----------|
|                                                   | Amounts                                                                    | Per Share |
| Guidance Q4 2015 Normalized FFO - Diluted (2) (3) | \$ 348,808                                                                 | \$ 0.916  |
| Property NOI                                      | 5,173                                                                      | 0.013     |
| General and administrative expense                | (1,879)                                                                    | (0.005)   |
| Interest expense                                  | 727                                                                        | 0.002     |
| Other                                             | 224                                                                        | —         |
| Actual Q4 2015 Normalized FFO - Diluted (2) (3)   | \$ 353,053                                                                 | \$ 0.926  |

**Non-Comparable Items – Adjustments from FFO to Normalized FFO (2) (3)**

|                                                                                                                                         | Year Ended December 31, |          |             | Quarter Ended December 31, |            |          |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------|-------------|----------------------------|------------|----------|
|                                                                                                                                         | 2015                    | 2014     | Variance    | 2015                       | 2014       | Variance |
| Impairment                                                                                                                              | \$ —                    | \$ —     | \$ —        | \$ —                       | \$ —       | \$ —     |
| Asset impairment and valuation allowances                                                                                               | —                       | —        | —           | —                          | —          | —        |
| Archstone indirect costs ((income) loss from investments in unconsolidated entities) (A)                                                | (15,922)                | 4,287    | (20,209)    | 551                        | (2,083)    | 2,634    |
| Property acquisition costs (other expenses)                                                                                             | 1,008                   | 354      | 654         | 804                        | 77         | 727      |
| Write-off of pursuit costs (other expenses)                                                                                             | 3,208                   | 3,607    | (399)       | 886                        | 1,540      | (654)    |
| Property acquisition costs and write-off of pursuit costs                                                                               | (11,706)                | 8,248    | (19,954)    | 2,241                      | (466)      | 2,707    |
| Prepayment premiums/penalties (interest expense)                                                                                        | —                       | 250      | (250)       | —                          | 250        | (250)    |
| Write-off of unamortized deferred financing costs (interest expense)                                                                    | 594                     | 614      | (20)        | 506                        | 10         | 496      |
| Write-off of unamortized (premiums)/discounts/OCI (interest expense)                                                                    | (1,379)                 | (1,883)  | 504         | —                          | (1,883)    | 1,883    |
| Loss (gain) due to ineffectiveness of forward starting swaps (interest expense)                                                         | 3,003                   | (91)     | 3,094       | —                          | —          | —        |
| Premium on redemption of Preferred Shares                                                                                               | 3,486                   | —        | 3,486       | 697                        | —          | 697      |
| Debt extinguishment (gains) losses, including prepayment penalties, preferred share redemptions and non-cash convertible debt discounts | 5,704                   | (1,110)  | 6,814       | 1,203                      | (1,623)    | 2,826    |
| Net loss (gain) on sales of land parcels                                                                                                | 1                       | (5,277)  | 5,278       | —                          | (3,431)    | 3,431    |
| Net (gain) loss on sales of unconsolidated entities – non-operating assets                                                              | (2,358)                 | 3,468    | (5,826)     | (2,016)                    | 3,468      | (5,484)  |
| (Gain) on sale of investment securities and other investments (interest and other income)                                               | (526)                   | (57)     | (469)       | (139)                      | —          | (139)    |
| (Gains) losses on sales of non-operating assets, net of income and other tax expense (benefit)                                          | (2,883)                 | (1,866)  | (1,017)     | (2,155)                    | 37         | (2,192)  |
| Write-off of unamortized retail lease intangibles (rental income)                                                                       | —                       | (147)    | 147         | —                          | —          | —        |
| Executive compensation program duplicative costs and retirement benefit obligations (B)                                                 | 11,976                  | —        | 11,976      | 2,336                      | —          | 2,336    |
| Forfeited deposits (interest and other income)                                                                                          | —                       | (150)    | 150         | —                          | (150)      | 150      |
| Insurance/litigation settlement or reserve income (interest and other income)                                                           | (5,977)                 | (2,793)  | (3,184)     | (207)                      | (32)       | (175)    |
| Insurance/litigation settlement or reserve expense (other expenses)                                                                     | (2,796)                 | 4,099    | (6,895)     | (1,929)                    | —          | (1,929)  |
| Other (interest and other income)                                                                                                       | (302)                   | (750)    | 448         | —                          | (750)      | 750      |
| Other miscellaneous non-comparable items                                                                                                | 2,901                   | 259      | 2,642       | 200                        | (932)      | 1,132    |
| Non-comparable items – Adjustments from FFO to Normalized FFO (2) (3)                                                                   | \$ (5,984)              | \$ 5,531 | \$ (11,515) | \$ 1,489                   | \$ (2,984) | \$ 4,473 |

(A) Archstone indirect costs primarily includes the Company's 60% share of winddown costs for such items as office leases, litigation and German operations/sales that were incurred indirectly through the Company's interest in various unconsolidated joint ventures with AVB. During the year ended December 31, 2015, the amount also includes approximately \$18.6 million related to the favorable settlement of a lawsuit.

(B) Primarily represents the accounting cost associated with the Company's new performance based executive compensation program. The Company is required to expense in 2015 a portion of both the previous program's time based equity grants for service in 2014 and the performance based grants issued under the new program, creating a duplicative charge. Of this amount, \$1.3 million and \$8.0 million has been recorded to property management expense and general and administrative expense, respectively, for the year ended December 31, 2015 and \$0.3 million and \$2.0 million has been recorded to property management expense and general and administrative expense, respectively, for the quarter ended December 31, 2015. Also includes \$2.6 million recorded to general and administrative expense during the year ended December 31, 2015 as a result of certain adjustments for retirement benefit obligations.

Note: See page 27 for the definitions, the footnotes referenced above and the reconciliations of EPS to FFO and Normalized FFO.

|                                                                             |
|-----------------------------------------------------------------------------|
| <b>Equity Residential</b><br><b>Normalized FFO Guidance and Assumptions</b> |
|-----------------------------------------------------------------------------|

The guidance/projections provided below are based on current expectations and are forward-looking. All guidance is given on a Normalized FFO basis. Therefore, certain items excluded from Normalized FFO, such as debt extinguishment costs/prepayment penalties, property acquisition costs and the write-off of pursuit costs, are not included in the estimates provided on this page. All proposed dividends provided below remain subject to the discretion of the Company's Board of Trustees. The proposed special dividends provided below may vary materially due to, among other items, the amount and timing of 2016 dispositions. See page 27 for the definitions, the footnotes referenced below and the reconciliations of EPS to FFO and Normalized FFO.

**2016 Normalized FFO Guidance (per share diluted)**

|                                 | <b><u>Q1 2016</u></b> | <b><u>2016</u></b> |
|---------------------------------|-----------------------|--------------------|
| Expected Normalized FFO (2) (3) | \$0.73 to \$0.77      | \$3.00 to \$3.20   |

**2016 Same Store Assumptions (see Note below)**

|                    |                |
|--------------------|----------------|
| Physical occupancy | 96.0%          |
| Revenue change     | 4.50% to 5.25% |
| Expense change     | 2.50% to 3.50% |
| NOI change         | 5.00% to 6.50% |

Note: The same store guidance provided above is based on the approximately 70,000 apartment units expected to be included in same store properties by December 31, 2016. Approximately 25 basis point change in NOI percentage = \$0.01 per share change in EPS/FFO/Normalized FFO.

**2016 Transaction Assumptions**

|                                  |                 |
|----------------------------------|-----------------|
| Consolidated rental acquisitions | \$600.0 million |
| Consolidated rental dispositions | \$7.4 billion   |
| Capitalization rate spread       | 75 basis points |

**2016 Debt Assumptions (see Note below)**

|                                                                   |                                    |
|-------------------------------------------------------------------|------------------------------------|
| Weighted average debt outstanding                                 | \$8.8 billion to \$9.2 billion     |
| Weighted average interest rate (reduced for capitalized interest) | 4.03%                              |
| Interest expense, net (on a Normalized FFO basis)                 | \$354.6 million to \$370.8 million |
| Capitalized interest                                              | \$47.0 million to \$53.0 million   |

Note: All 2016 debt assumptions are shown on a Normalized FFO basis and therefore exclude the impact of the debt extinguishment costs/prepayment penalties described on page 3.

**2016 Other Guidance Assumptions**

|                                                                     |                                    |
|---------------------------------------------------------------------|------------------------------------|
| General and administrative expense (see Note below)                 | \$54.0 million to \$56.0 million   |
| Interest and other income                                           | \$2.5 million to \$3.5 million     |
| Income and other tax expense                                        | \$1.0 million to \$1.5 million     |
| Debt offerings                                                      | \$200.0 million to \$250.0 million |
| Equity ATM share offerings                                          | No amounts budgeted                |
| Preferred share offerings                                           | No amounts budgeted                |
| Special dividend paid in Q2 2016                                    | \$8.00 per share                   |
| Special dividend paid later in 2016                                 | \$2.00 to \$4.00 per share         |
| Regular annual dividend (paid in four equal quarterly installments) | \$2.015 per share                  |
| Weighted average Common Shares and Units - Diluted                  | 382.5 million                      |

Note: Normalized FFO guidance excludes a duplicative charge of approximately \$1.4 million, which will be recorded to general and administrative expense, related to the Company's revised executive compensation program.

## Equity Residential

### Additional Reconciliations, Definitions and Footnotes

(Amounts in thousands except per share data)  
(All per share data is diluted)

The guidance/projections provided below are based on current expectations and are forward-looking.

#### Reconciliations of EPS to FFO and Normalized FFO for Pages 7, 25 and 26

|                                                                                                                                         | Expected Q4 2015 |           | Expected<br>Q1 2016 | Expected<br>2016   |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------|---------------------|--------------------|
|                                                                                                                                         | Amounts          | Per Share | Per Share           | Per Share          |
| Expected Earnings - Diluted (5)                                                                                                         | \$ 188,338       | \$ 0.494  | \$10.05 to \$10.09  | \$12.66 to \$12.86 |
| Add: Expected depreciation expense                                                                                                      | 196,454          | 0.516     | 0.47                | 1.96               |
| Less: Expected net gain on sales (5)                                                                                                    | (39,483)         | (0.104)   | (9.92)              | (11.76)            |
| Expected FFO - Diluted (1) (3)                                                                                                          | 345,309          | 0.906     | 0.60 to 0.64        | 2.86 to 3.06       |
| Asset impairment and valuation allowances                                                                                               | —                | —         | —                   | —                  |
| Property acquisition costs and write-off of pursuit costs                                                                               | 1,789            | 0.005     | 0.01                | 0.02               |
| Debt extinguishment (gains) losses, including prepayment penalties, preferred share redemptions and non-cash convertible debt discounts | 40               | —         | 0.31                | 0.32               |
| (Gains) losses on sales of non-operating assets, net of income and other tax expense (benefit)                                          | (666)            | (0.002)   | (0.19)              | (0.20)             |
| Other miscellaneous non-comparable items                                                                                                | 2,336            | 0.007     | —                   | —                  |
| Expected Normalized FFO - Diluted (2) (3)                                                                                               | \$ 348,808       | \$ 0.916  | \$0.73 to \$0.77    | \$3.00 to \$3.20   |

#### Definitions and Footnotes for Pages 7, 25 and 26

- (1) The National Association of Real Estate Investment Trusts ("NAREIT") defines funds from operations ("FFO") (April 2002 White Paper) as net income (computed in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding gains (or losses) from sales and impairment write-downs of depreciable operating properties, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis. The April 2002 White Paper states that gain or loss on sales of property is excluded from FFO for previously depreciated operating properties only. Once the Company commences the conversion of apartment units to condominiums, it simultaneously discontinues depreciation of such property.
- (2) Normalized funds from operations ("Normalized FFO") begins with FFO and excludes:
- the impact of any expenses relating to non-operating asset impairment and valuation allowances;
  - property acquisition and other transaction costs related to mergers and acquisitions and pursuit cost write-offs;
  - gains and losses from early debt extinguishment, including prepayment penalties, preferred share redemptions and the cost related to the implied option value of non-cash convertible debt discounts;
  - gains and losses on the sales of non-operating assets, including gains and losses from land parcel and condominium sales, net of the effect of income tax benefits or expenses; and
  - other miscellaneous non-comparable items.
- (3) The Company believes that FFO and FFO available to Common Shares and Units are helpful to investors as supplemental measures of the operating performance of a real estate company, because they are recognized measures of performance by the real estate industry and by excluding gains or losses related to dispositions of depreciable property and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO and FFO available to Common Shares and Units can help compare the operating performance of a company's real estate between periods or as compared to different companies. The Company also believes that Normalized FFO and Normalized FFO available to Common Shares and Units are helpful to investors as supplemental measures of the operating performance of a real estate company because they allow investors to compare the Company's operating performance to its performance in prior reporting periods and to the operating performance of other real estate companies without the effect of items that by their nature are not comparable from period to period and tend to obscure the Company's actual operating results. FFO, FFO available to Common Shares and Units, Normalized FFO and Normalized FFO available to Common Shares and Units do not represent net income, net income available to Common Shares or net cash flows from operating activities in accordance with GAAP. Therefore, FFO, FFO available to Common Shares and Units, Normalized FFO and Normalized FFO available to Common Shares and Units should not be exclusively considered as alternatives to net income, net income available to Common Shares or net cash flows from operating activities as determined by GAAP or as a measure of liquidity. The Company's calculation of FFO, FFO available to Common Shares and Units, Normalized FFO and Normalized FFO available to Common Shares and Units may differ from other real estate companies due to, among other items, variations in cost capitalization policies for capital expenditures and, accordingly, may not be comparable to such other real estate companies.
- (4) FFO available to Common Shares and Units and Normalized FFO available to Common Shares and Units are calculated on a basis consistent with net income available to Common Shares and reflects adjustments to net income for preferred distributions and premiums on redemption of preferred shares in accordance with accounting principles generally accepted in the United States. The equity positions of various individuals and entities that contributed their properties to the Operating Partnership in exchange for OP Units are collectively referred to as the "Noncontrolling Interests - Operating Partnership". Subject to certain restrictions, the Noncontrolling Interests - Operating Partnership may exchange their OP Units for Common Shares on a one-for-one basis.
- (5) Earnings represents net income per share calculated in accordance with accounting principles generally accepted in the United States. Expected earnings is calculated on a basis consistent with actual earnings. Due to the uncertain timing and extent of property dispositions and the resulting gains/losses on sales, actual earnings could differ materially from expected earnings.

#### Same Store NOI Reconciliation for Page 11

The following tables present reconciliations of operating income per the consolidated statements of operations to NOI for the 2015 and the Fourth Quarter 2015 Same Store Properties:

|                                  | Year Ended December 31, |              | Quarter Ended December 31, |            |
|----------------------------------|-------------------------|--------------|----------------------------|------------|
|                                  | 2015                    | 2014         | 2015                       | 2014       |
| Operating income                 | \$ 1,008,820            | \$ 921,375   | \$ 286,964                 | \$ 250,532 |
| Adjustments:                     |                         |              |                            |            |
| Non-same store operating results | (107,606)               | (103,123)    | (22,869)                   | (23,188)   |
| Fee and asset management revenue | (8,387)                 | (9,437)      | (1,974)                    | (1,841)    |
| Fee and asset management expense | 5,021                   | 5,429        | 1,257                      | 1,136      |
| Depreciation                     | 765,895                 | 758,861      | 181,033                    | 193,089    |
| General and administrative       | 65,082                  | 50,948       | 14,140                     | 9,652      |
| Same store NOI                   | \$ 1,728,825            | \$ 1,624,053 | \$ 458,551                 | \$ 429,380 |