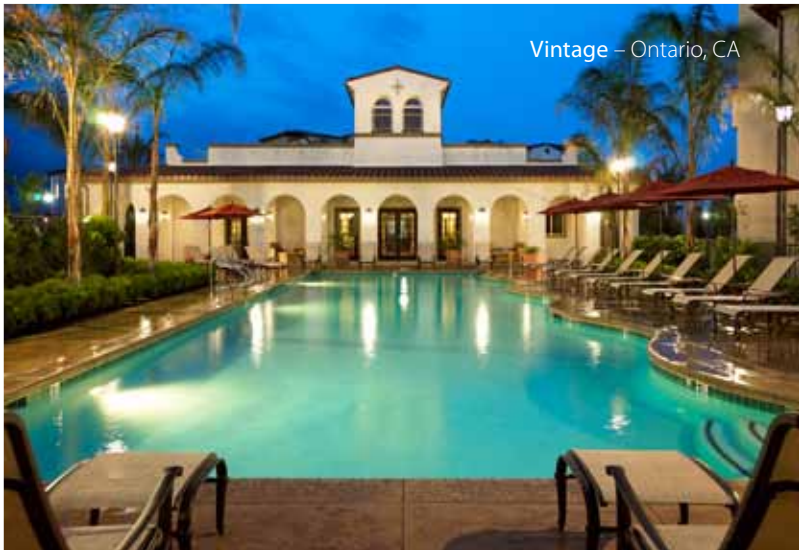


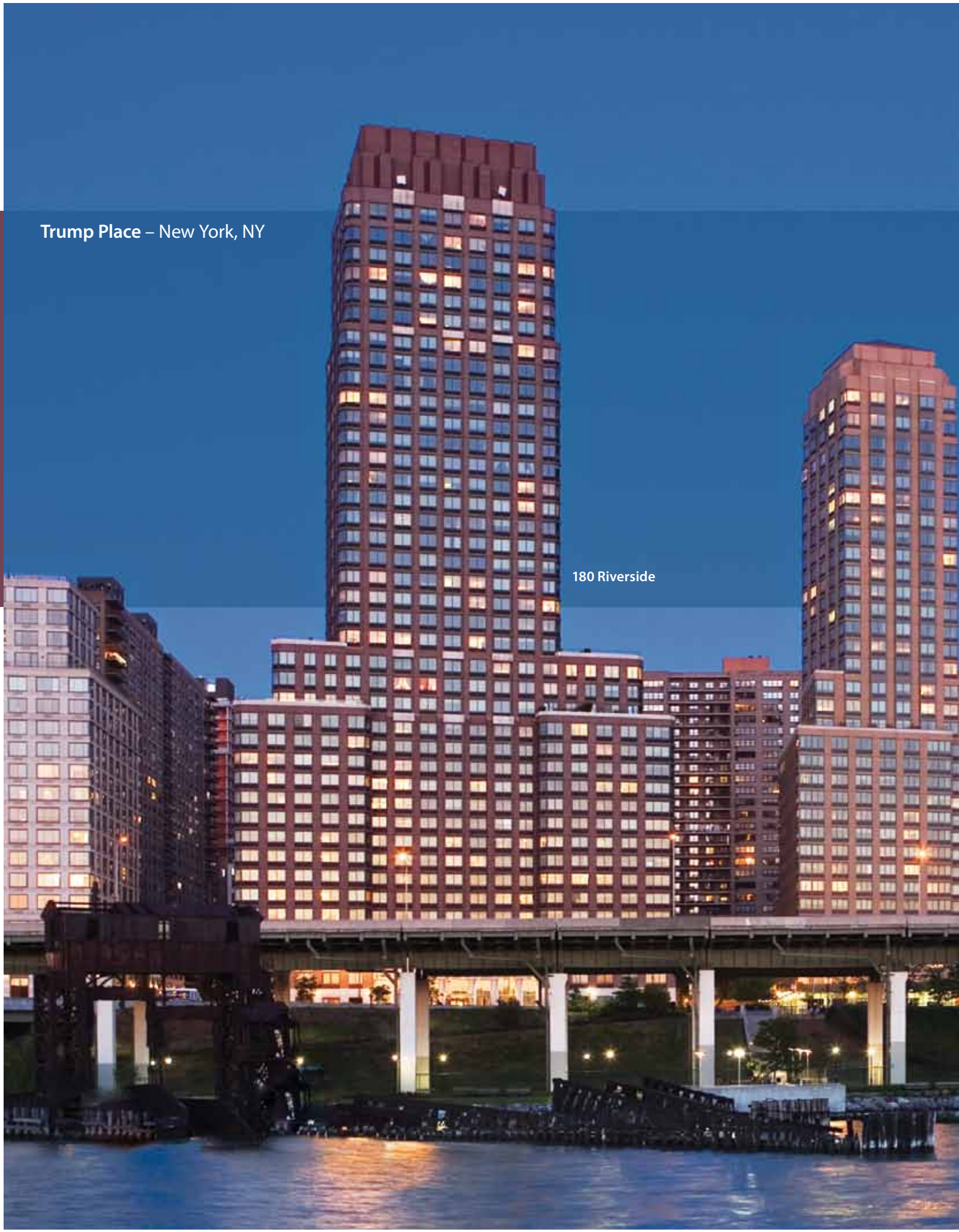




Positioned for Performance

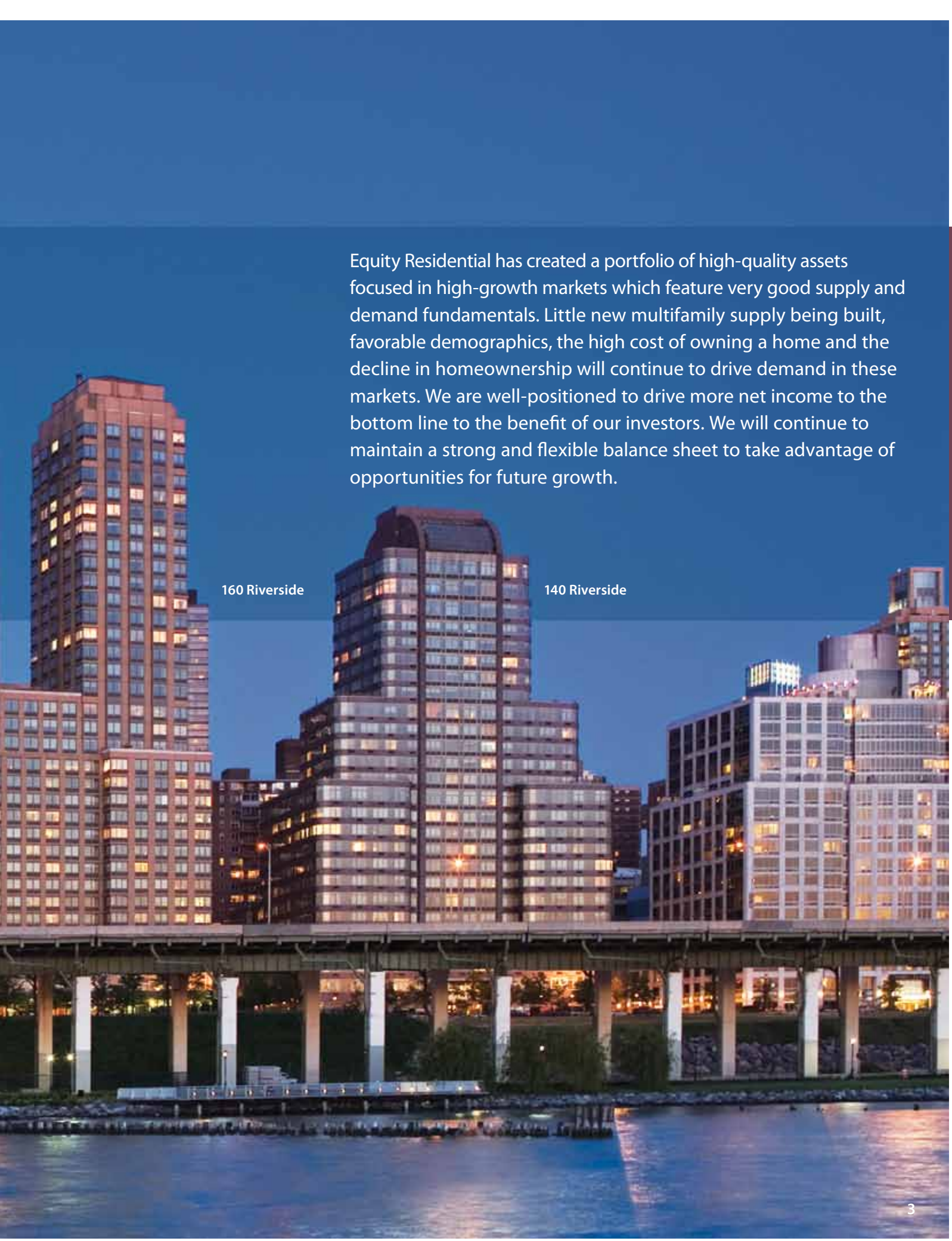
Equity Residential

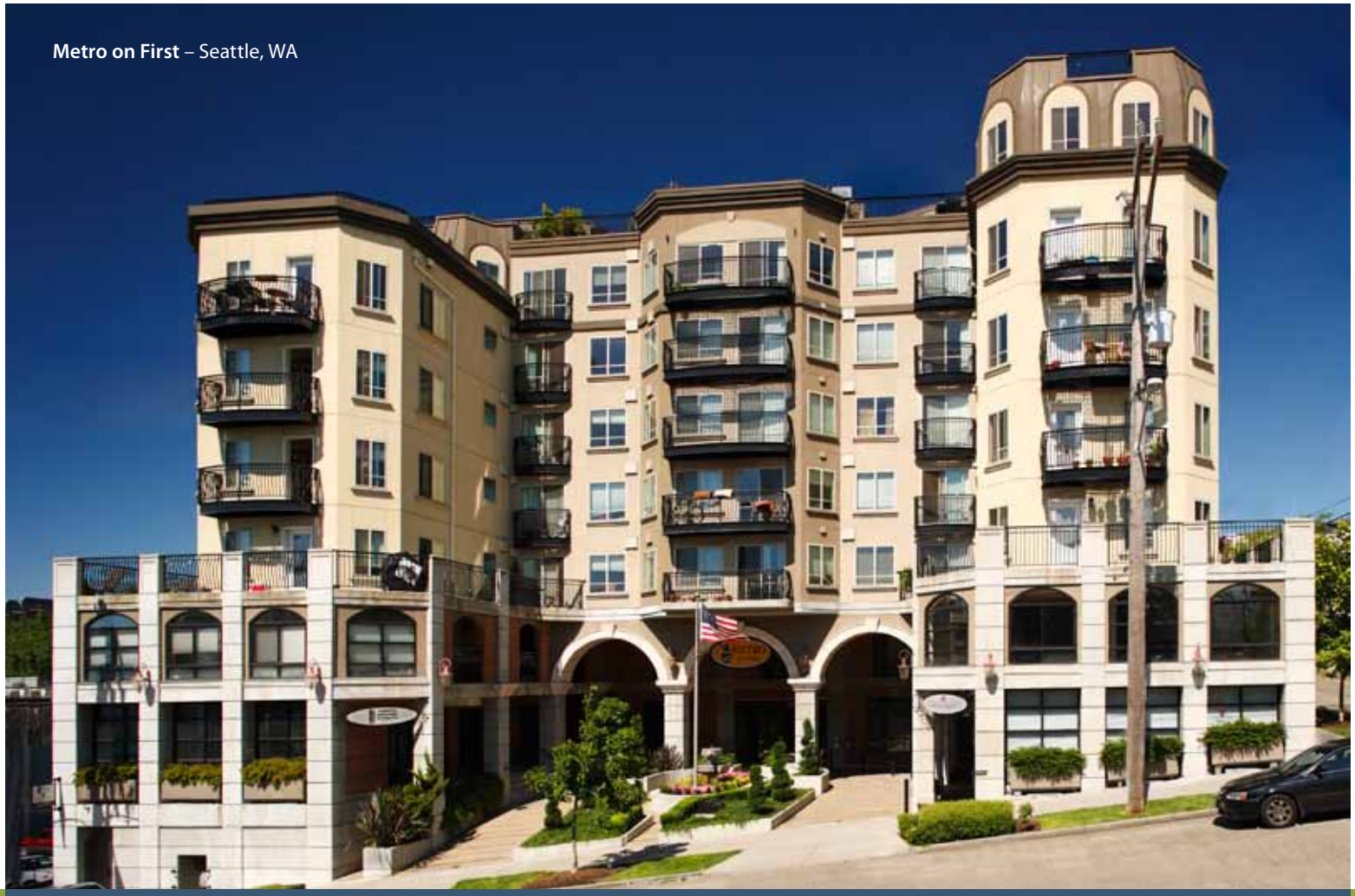
JUNE 2011



Trump Place – New York, NY

Equity Residential has created a portfolio of high-quality assets focused in high-growth markets which feature very good supply and demand fundamentals. Little new multifamily supply being built, favorable demographics, the high cost of owning a home and the decline in homeownership will continue to drive demand in these markets. We are well-positioned to drive more net income to the bottom line to the benefit of our investors. We will continue to maintain a strong and flexible balance sheet to take advantage of opportunities for future growth.





Metro on First – Seattle, WA

Strong long-term demand for rental apartments

Favorable demographics and household formations and a declining homeownership rate mean positive fundamental demand for apartments. Demand will be driven by the 80 million members of the "Echo Boomer" generation and their desire to live, work and play in our core markets.

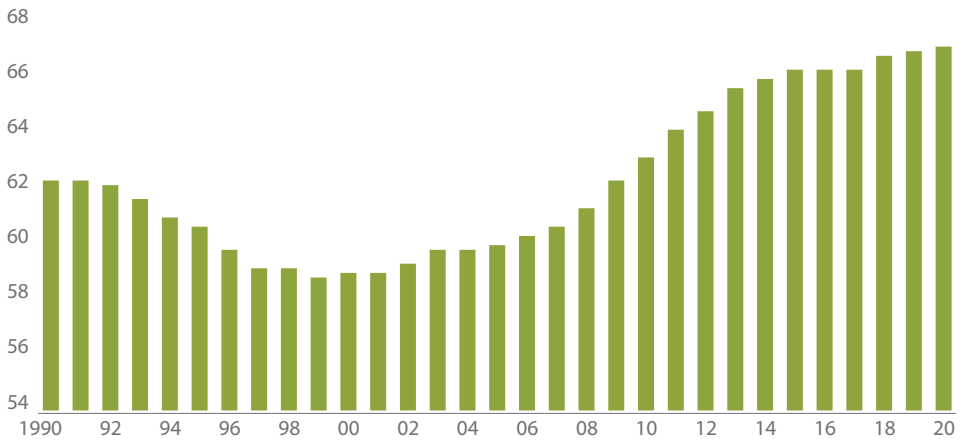
Echo Boomers are a Key Demand Driver for Apartment Rentals

Fundamentals for the United States apartment business are highly favorable, characterized by strong demand and limited supply. More than 1 million households are formed on average each year in the United States. Part of this household formation is the 20-34 year-old age group which is growing rapidly. This age group has a very high propensity to rent apartments.

People aged 20 to 34 have a **60%** to **70%** propensity to rent.

Nearly four million people are turning 18 each year.

Population Aged 20-34 (in millions)



Source: Green Street Advisors

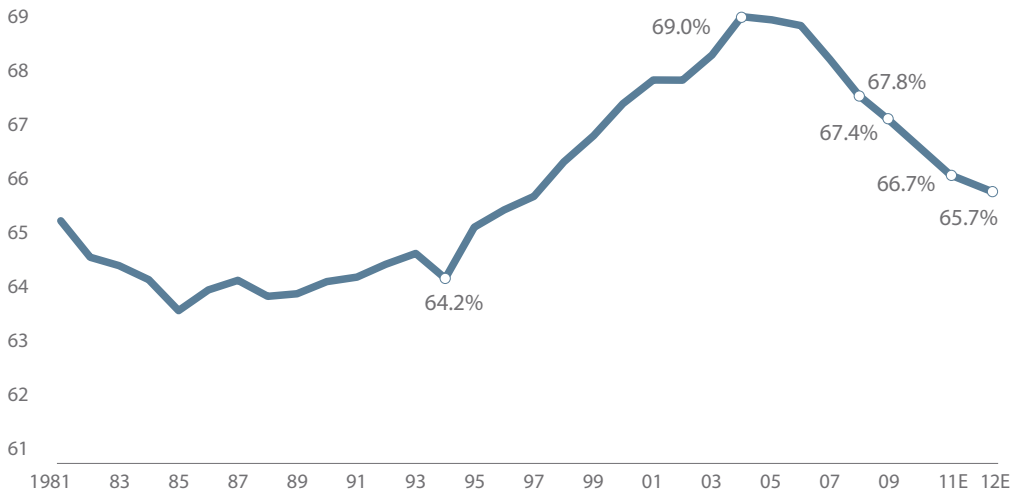


The Pier – Jersey City, NJ

Declining Homeownership is Creating Renter Households

There are over 4.5 million more renter households today than there were in 2004 when homeownership peaked at 69%.

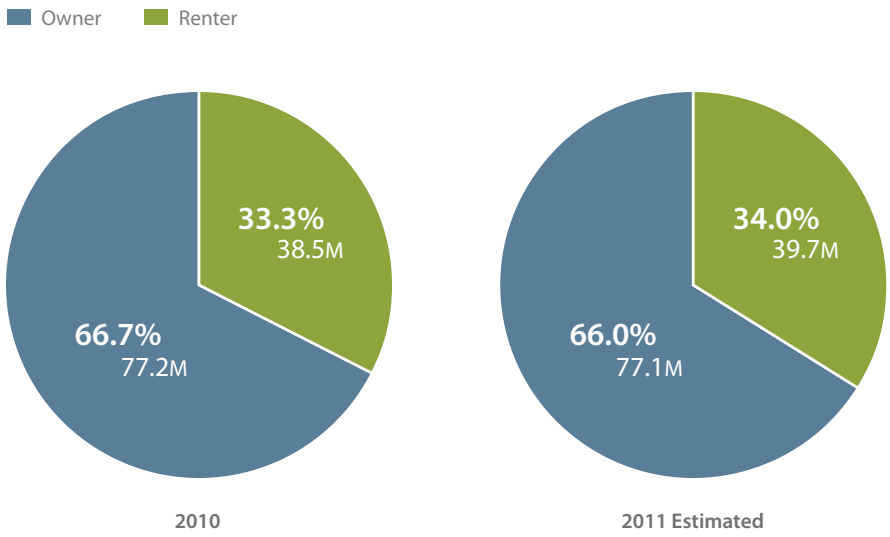
Homeownership Rate (% of households)



Source: U.S. Census Bureau
2011 and 2012 data is Moody's Economy.com estimate.

More than 1.2 million renter households will be created in 2011.

Total Households



Source: Moody's Economy.com



Carlyle Mill – Alexandria, VA



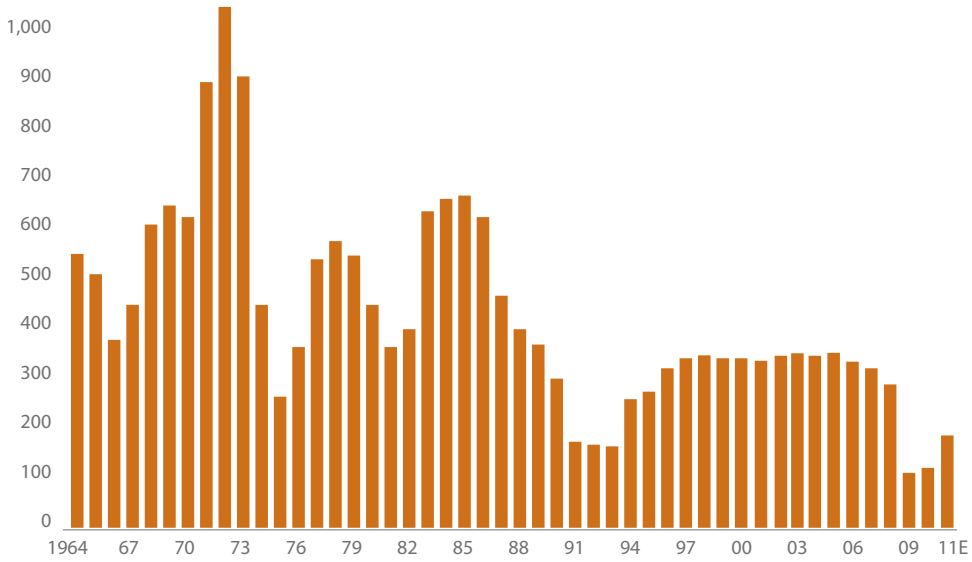
Limited New Apartment Supply

We are benefitting from a very favorable supply picture with little new apartment supply currently being built and new construction starts that will be significantly less than historical levels for several years.

Multifamily Construction Being Held in Check

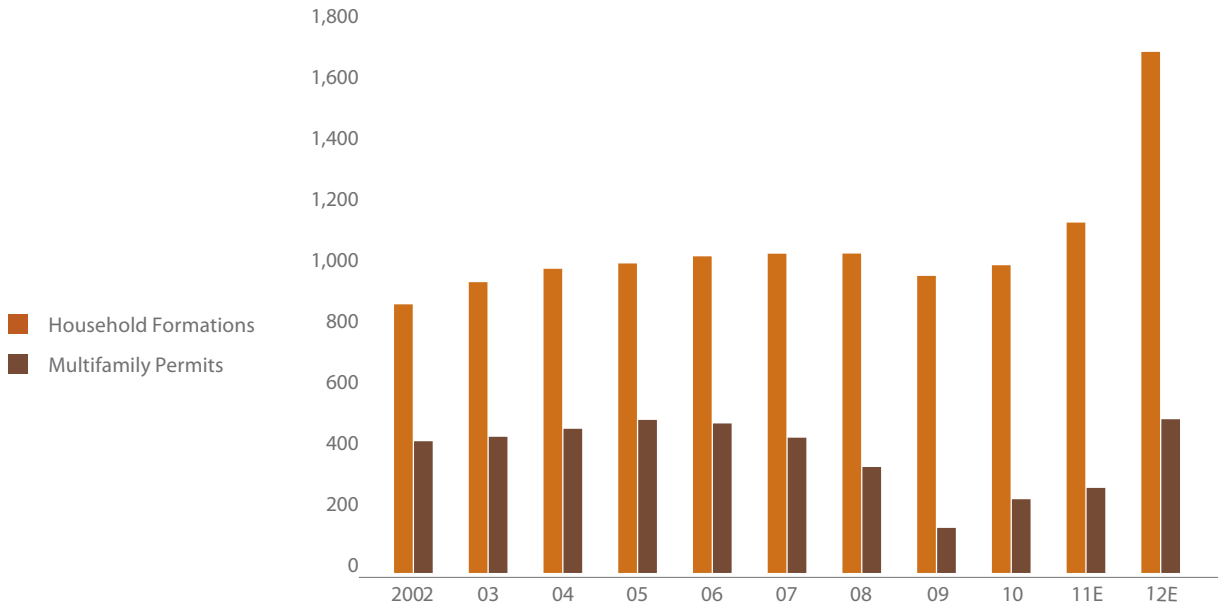
Because of the crisis in the United States banking system, few loans have been made to builders of new apartment buildings.

Total Multifamily Starts (units in thousands)



Source: U.S. Census Bureau, NMHC and company reports

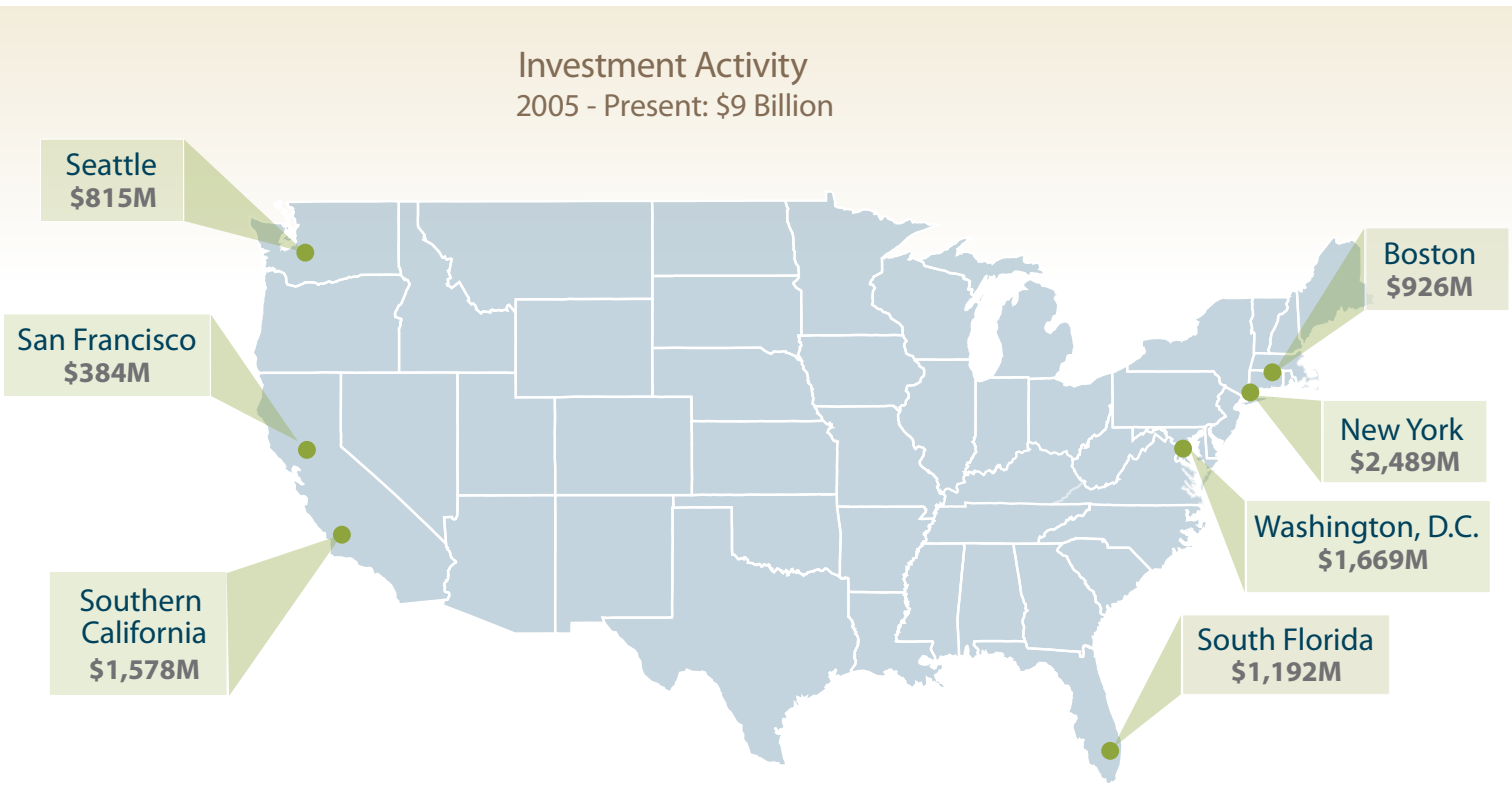
Household Formations vs. Multifamily Permits (units in thousands)



Source: Moody's Economy.com

Since 2005, Equity Residential has invested more than $9 billion in high-quality properties in major markets through both acquisitions and development. We are opportunistic investors skilled at creating value. We have purchased properties on advantageous terms in complex sales from distressed sellers as well as purchased all or partially unoccupied properties and quickly leased them up. We are also repositioning newly acquired properties to improve their customer appeal, increase rents and maximize our returns. Developing in these markets allows us to complement our portfolio with brand new high-quality assets in fantastic locations. Going forward, we intend to continue to take advantage of opportunistic investments in our core markets and sell assets in our non-core markets.

Building Value with High-Quality Properties in Major Markets





Westgate– Pasadena, CA



777 Sixth Avenue – New York, NY



Town Square at Mark Center – Alexandria, VA



Promenade at Aventura – Aventura, FL



425 Mass – Washington, D.C.



City Pointe – Los Angeles, CA



Harbor Steps – Seattle, WA

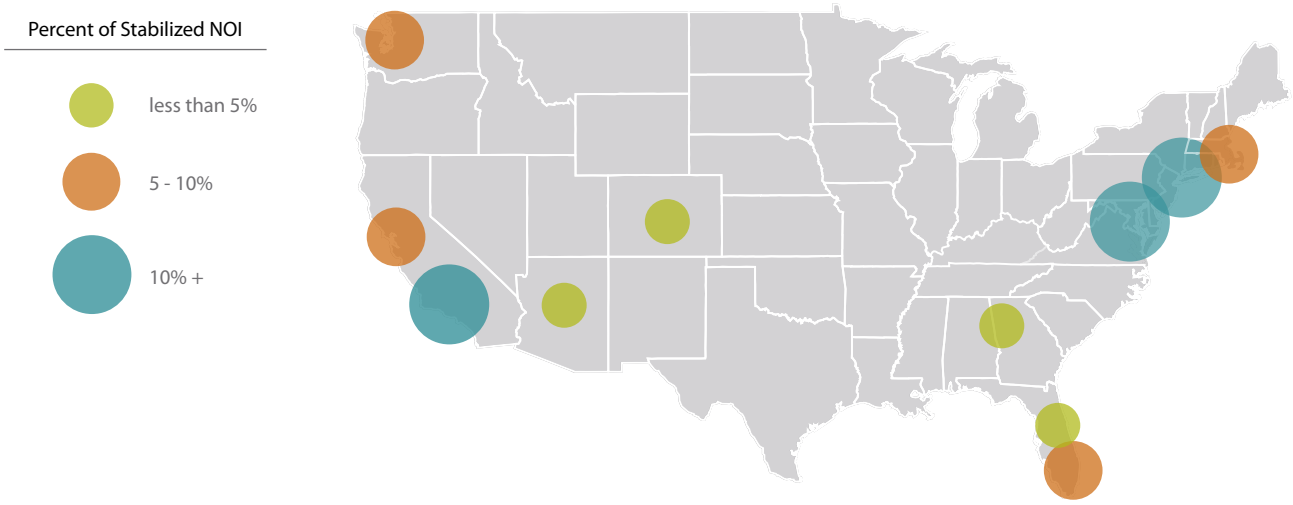
We have focused our portfolio in markets that have long-term rates of household formation that outpace expectations for the national average, and are the places that will attract the "Echo Boomer" generation as they finish school and head into the workplace. They are also markets in which the high cost of housing makes renting a very attractive option. As a result, these markets will produce better long-term returns.

Equity Residential is Focused on Higher Growth Markets

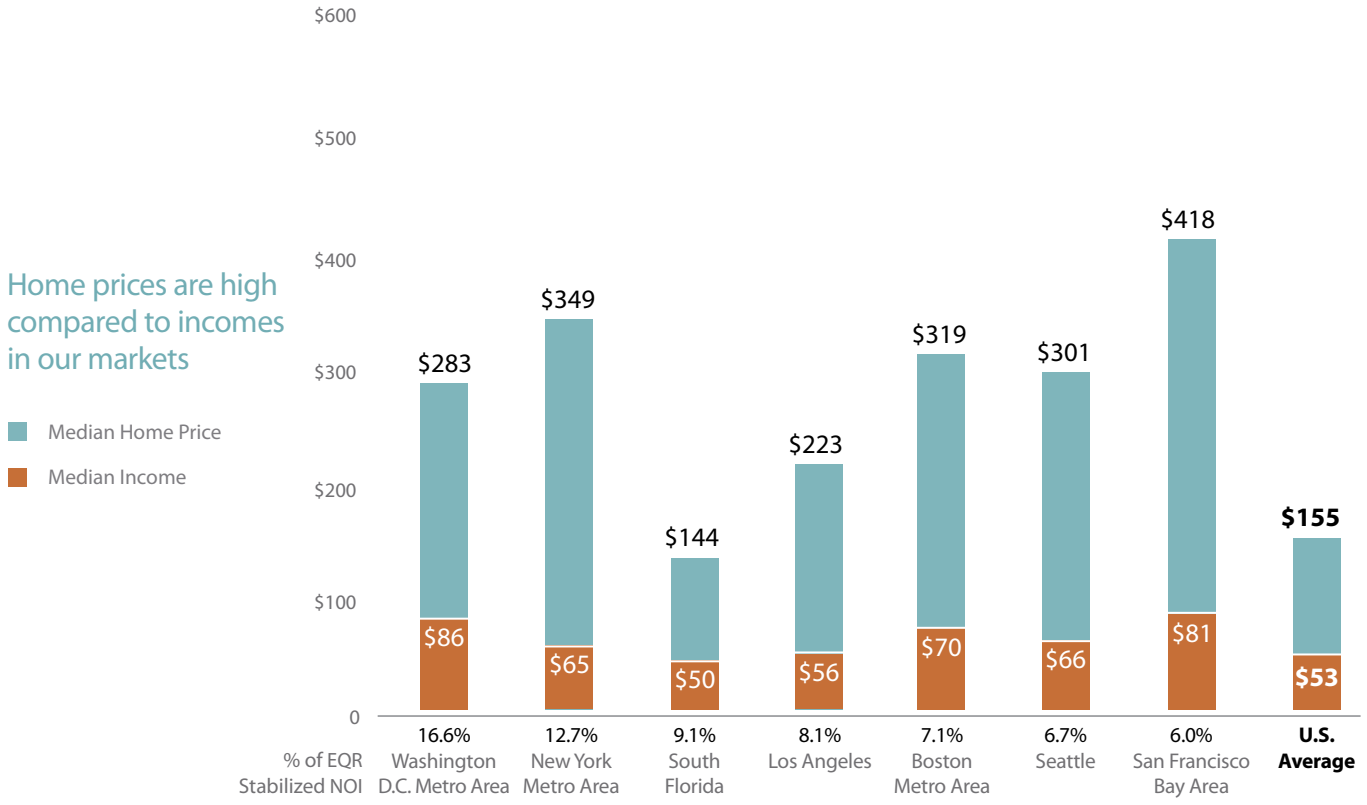


The Reserve at Potomac Yard – Alexandria, VA

Equity Residential Portfolio



Median Income vs. Median Home Price Per Market (in thousands)

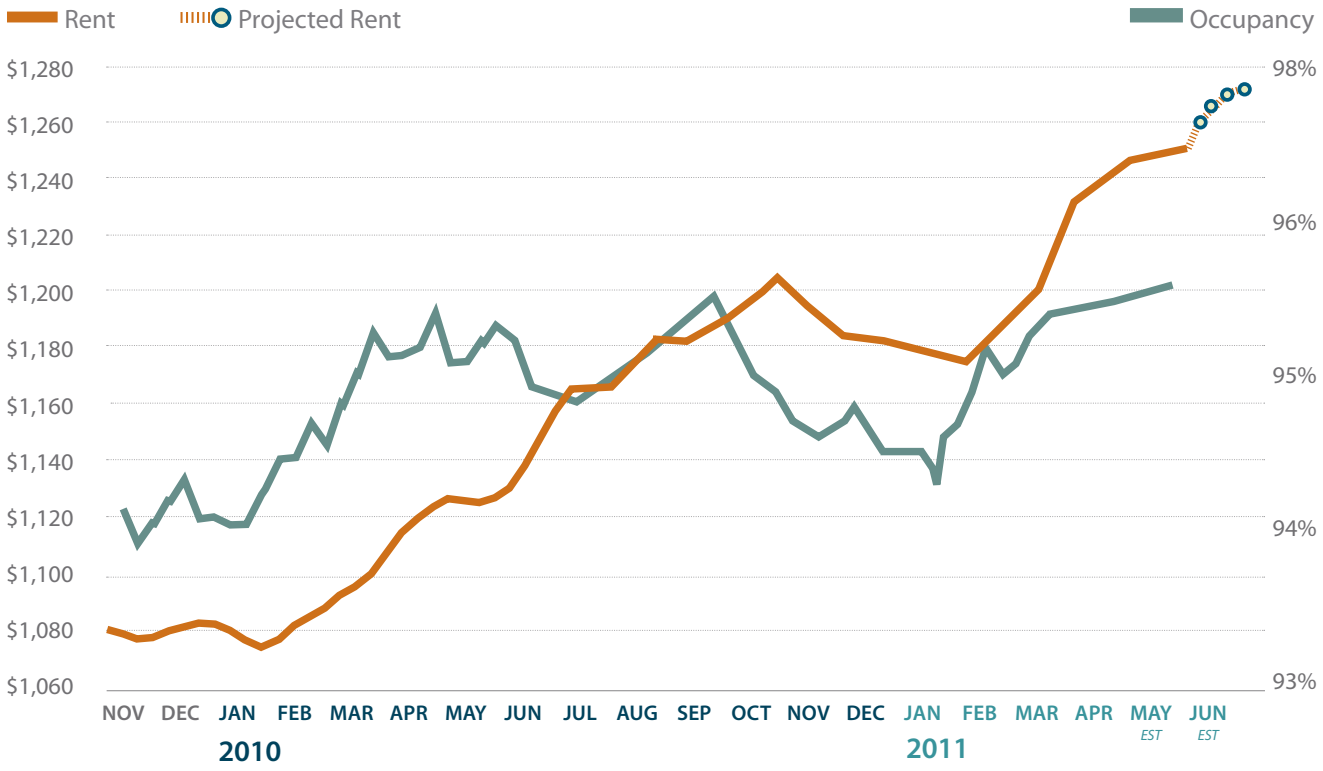


Source: Claritas, Moody's Economy.com and Company Data

Equity Residential's superior, high-tech operating platform gives us great visibility into our markets. It allows us to react quickly to improving market conditions and to drive occupancy and rents.

Equity Residential is Focused on Operations

Supply/Demand Fundamentals and Equity Residential Systems Drive Our Operating Performance

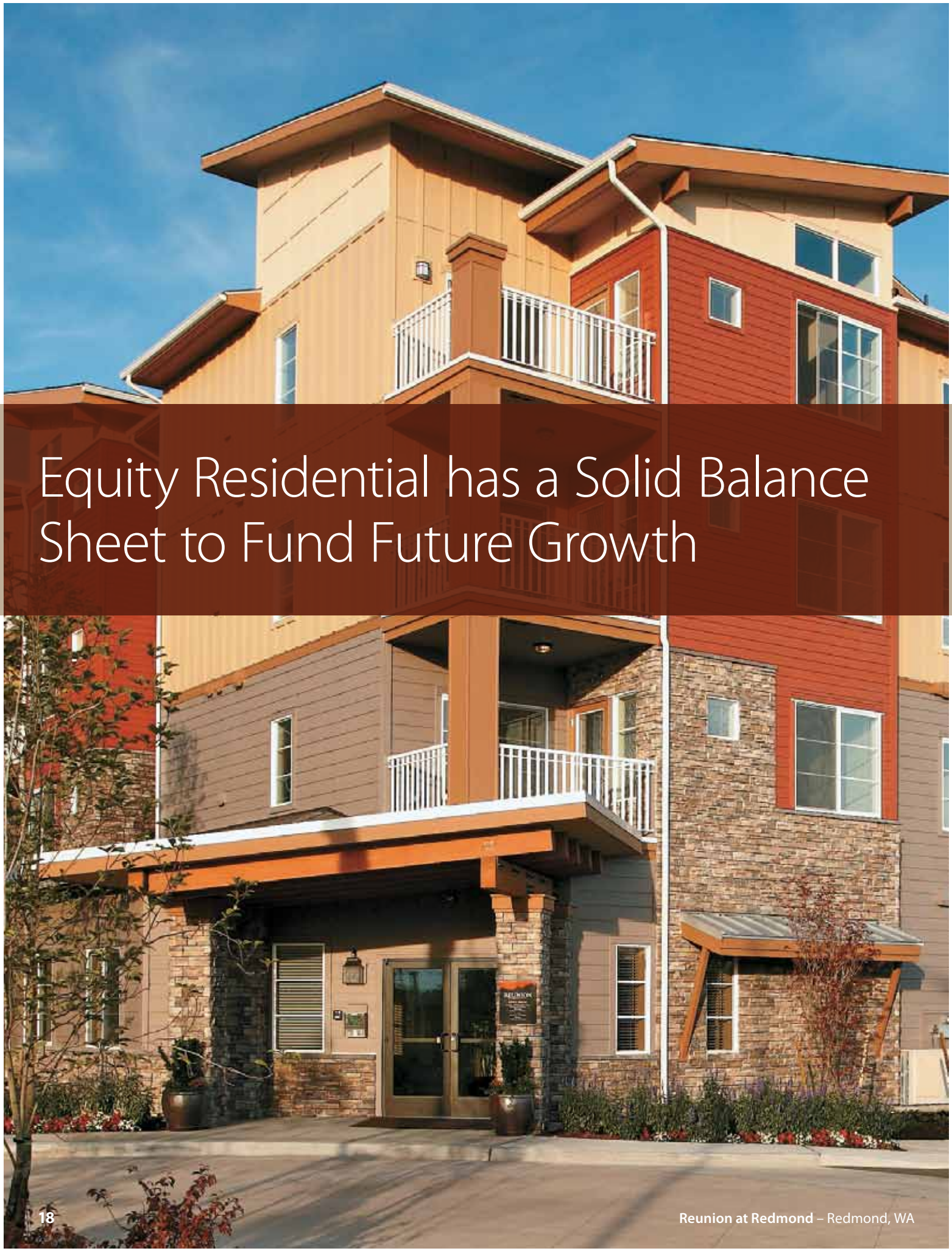


First Quarter 2011 Same-Store Performance

Market	Units	1Q 2011 % of Actual NOI	1Q 2011 Avg. Rental Rate[1]	Change in Revenues
D.C./ Northern Virginia	9,107	10.9%	$1,749	6.4%
South Florida	12,465	10.1%	1,318	4.0%
New York Metro Area	5,887	9.2%	2,674	4.8%
Los Angeles	7,463	8.5%	1,697	1.5%
Boston	5,521	7.6%	2,188	4.8%
Seattle/Tacoma	8,385	6.8%	1,328	4.6%
San Francisco Bay Area	5,512	6.2%	1,717	4.1%
Denver	7,759	5.6%	1,055	5.1%
Phoenix	10,405	5.6%	861	4.5%
Orlando	8,042	4.9%	989	3.4%
San Diego	4,103	4.6%	1,666	1.6%
Suburban Maryland	4,203	3.8%	1,363	4.4%
Orange County, CA	3,307	3.5%	1,521	2.1%
Inland Empire, CA	3,639	3.4%	1,371	3.1%
Atlanta	5,509	3.1%	971	1.7%
All Other Markets	11,056	6.2%	980	4.1%
Total	**112,363**	**100.0%**	**$1,400**	**4.0%**

[1] Average rental rate is defined as total rental revenues divided by the weighted average occupied units for the period.

Equity Residential has a Solid Balance Sheet to Fund Future Growth



Reunion at Redmond – Redmond, WA



Portside Towers – Jersey City, NJ



ARTech Building – Berkeley, CA

- Our approach is to maintain a conservative balance sheet with access to many sources of capital. This gives us the firepower needed when opportunities arise.
- We maintain strong liquidity with access to multiple sources of capital including equity (common and preferred), unsecured debt, secured debt (both through Fannie Mae and Freddie Mac and through the life companies), equity-linked debt and bank debt.
- Equity Residential is rated Baa1 by Moody's, BBB+ by S&P, and BBB+ by Fitch. EQR covers its fixed charges more than 2.56x and has a 47.3% debt to undepreciated book leverage ratio.
- We have an $11 billion unencumbered pool of assets giving us ample borrowing capacity.
- We maintain substantial liquidity. We had cash on hand (including 1031 deposits) at 3/31/2011 of $519M as well as having an undrawn, unsecured line of credit with over $1.3 billion in capacity.



500 West 23rd Street – Manhattan, NY

Our Development Capability is a Source of Attractively Priced Assets in High-Growth Markets

500 West 23rd Street

10TH AVENUE AND 23RD STREET, MANHATTAN, NY 10011

Equity Residential is developing a 13-story tower featuring 111 market-rate apartment units and approximately 9,400 square feet of retail space in the trendy Chelsea neighborhood of Manhattan. The property is adjacent to the High Line Rail Park, a mile-and-a-half-long elevated park.

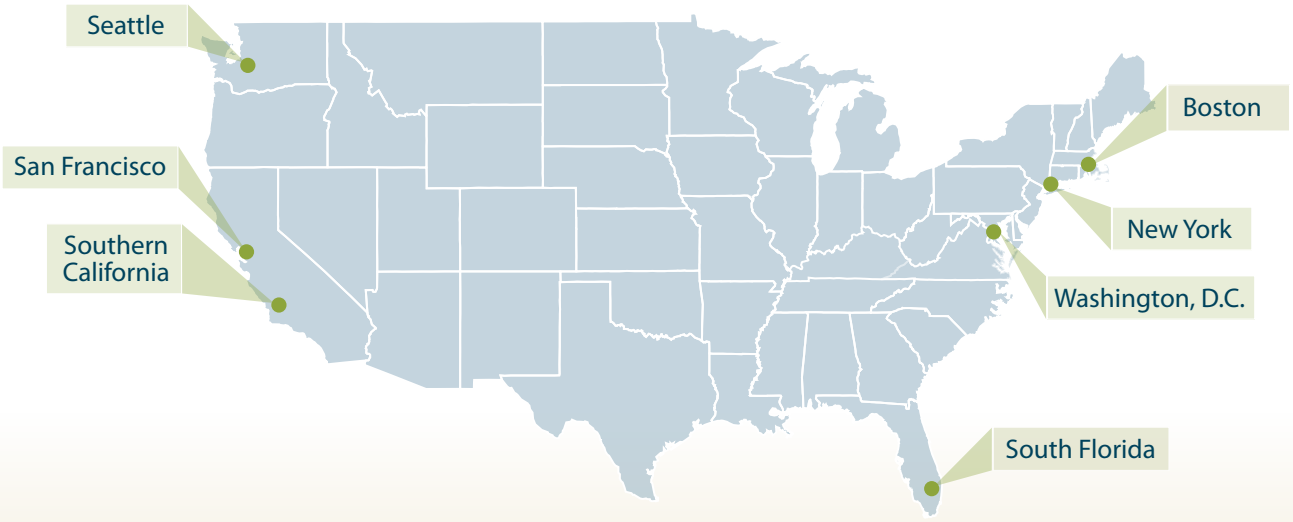
Equity Residential is a proven developer of high-quality multifamily properties across the country. Since 2000, our in-house and joint venture development program has produced 46 properties, consisting of more than 12,500 apartments, at a total cost of $3.5 billion. We will continue to be active developers in high-barrier markets across the country.

Our Development Capability is a Source of Attractively Priced Assets in High-Growth Markets

We currently have approximately $237 million of projects under development: $56 million to be completed in 2011, $88 million to be completed in 2012 and $93 million in 2013.

We expect to start approximately $400 million to $500 million in 2011 and will continue to actively look for new opportunities to develop properties where development returns provide an appropriate premium over acquiring existing assets in order to allocate capital on the highest risk-adjusted basis possible.

Development Markets





Chinatown Gateway – Los Angeles, CA

Chinatown Gateway

NE CORNER OF BROADWAY AND CESAR CHAVEZ, LOS ANGELES, CA 90012

Equity Residential is developing Chinatown Gateway, a property featuring 280 apartments and 17,000 square feet of retail space in Los Angeles's Chinatown. The property site is located along Cesar Chavez Blvd. at the intersection of North Broadway. This corner is known as the entrance to Chinatown and offers convenient access to downtown jobs and entertainment.

Equity Residential is Positioned to Create Shareholder Value



We have a well-located portfolio of high-quality assets in high-growth markets that benefit from favorable supply and demand fundamentals. We utilize a state-of-the-art operating platform that allows us to adapt quickly and aggressively manage our assets. We have a solid balance sheet to support our growth going forward. Equity Residential is positioned to create value for its shareholders.



View from Harbor Steps – Seattle, WA

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. Equity Residential owns or has investments in 440 properties consisting of 127,711 apartment units.

Equity Residential

Two North Riverside Plaza
Chicago, Illinois 60606
312.474.1300

EquityResidential.com



FROM LEFT TO RIGHT: **The Pier** – Jersey City, NJ; **600 Washington** – New York City, NY; **Sabal Palm at Boot Ranch** – Palm Harbor, FL; **Olympus** – Seattle, WA; **Legacy Park** – Concord, CA

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: The forward-looking statements contained in this document are subject to certain economic risks and uncertainties described under the heading "Risk Factors" in the company's 2010 Annual Report on Form 10-K. The company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events. All projections are based on 2011 budgets and proforma expectations on recent acquisitions.

June 2011