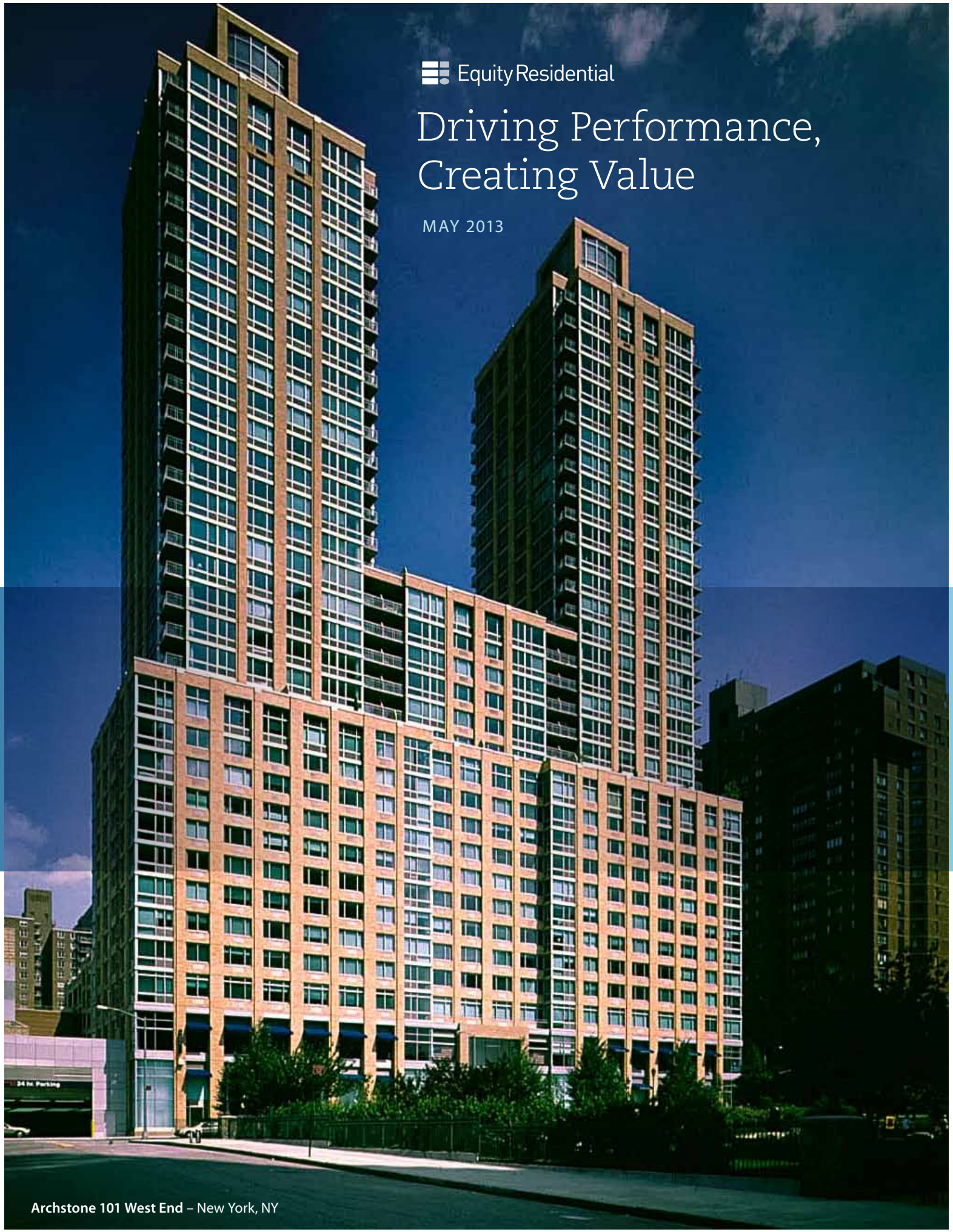

Equity Residential
Driving Performance, Creating Value
MAY 2013
Archstone 101 West End – New York, NY

Why Equity Residential

Equity Residential owns and operates the highest quality, best located portfolio of apartment assets in the public apartment space. We have focused our portfolio on Boston, New York, Washington, DC, Southern California, San Francisco and Seattle as well as South Florida and Denver.

This handful of gateway cities offer a high quality of life and are where our country's knowledge-based economy will continue to grow and continue to create well-paying jobs attracting large segments of the population opting for high-quality, well-located rental housing. These are also markets that traditionally feature high barriers to entry for the construction of new apartment supply as well as a high cost of single family home ownership.



- Portfolio concentrated in high-barrier, high-growth markets
- Superior utilization of state-of-the-art operating platform
- Best-in-class operating performance
- Proven track record of capital allocation in opportunistic acquisitions and focused development
- Excellent growth in asset value
- Conservative balance sheet and superior liquidity through access to multiple sources of financing
- Excellent risk-adjusted total returns from growth in dividend income and stock price appreciation



The Brooklyner – Brooklyn, NY



Favorable Demographics Will Continue to Create Ample Demand

West End Apartments– Boston, MA

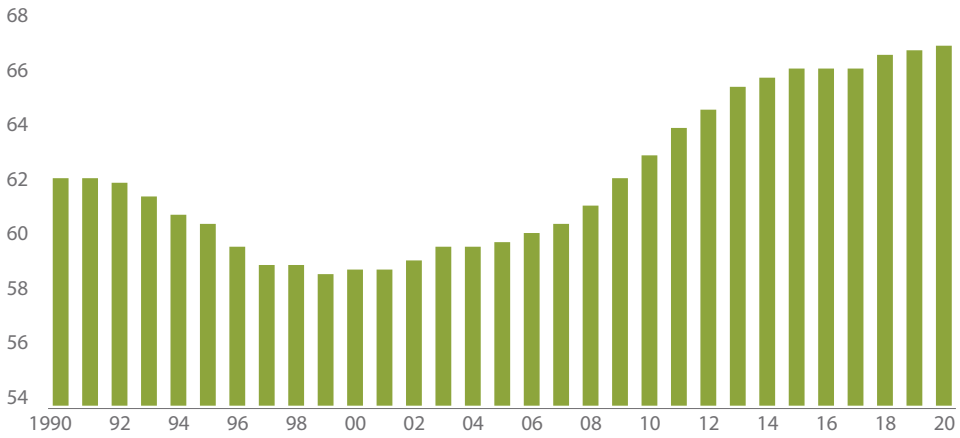
We focus on core markets where our country's knowledge-based economy will continue to create jobs in technology, health-care and service-related industries. These markets are where the next generation of workers – the 80 million strong "Echo Boomers" – wants to live, work and play.

More than 1 million households are formed, on average, each year in the United States.

Nearly four million people are turning 20 each year.

People aged 20 to 34 are the prime cohort to form new households and have a **60%** to **70%** propensity to rent.

Population Aged 20-34 (in millions)

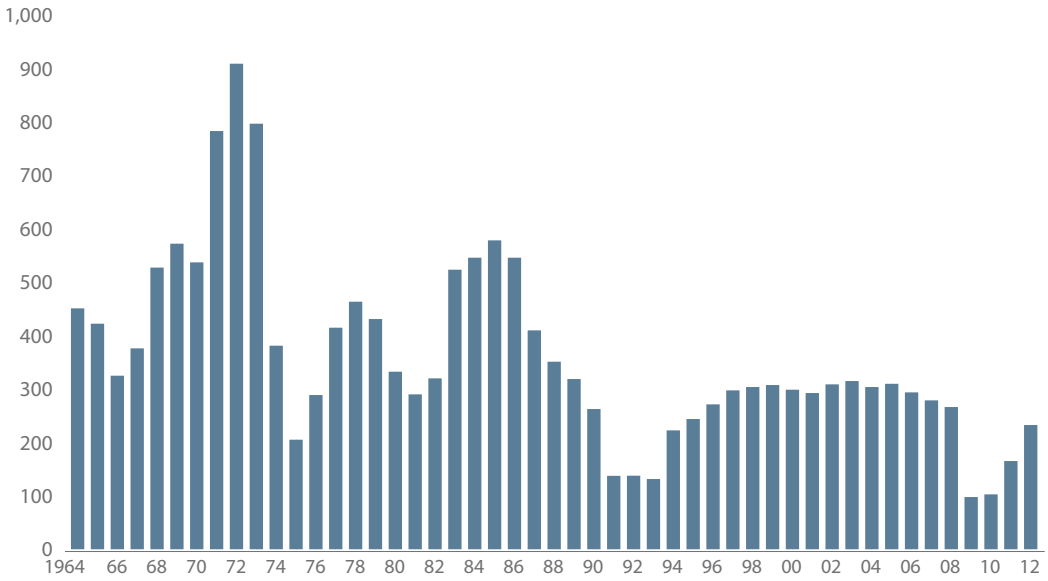


Source: Green Street Advisors

Favorable demographics will continue to create ample demand to absorb the new supply of apartment rental units in Equity Residential's core markets. After several years of undersupply in these markets, the construction of new apartments has begun to increase, but the number of new units being completed is still well below historical levels. With apartment rentals capturing 20% to 30% of new household formations in our markets, vacancy rates will continue to stay very low.

Total Multifamily Starts (in thousands)

Although on the rise nationally, multifamily starts are still well below historical levels.



Source: U.S. Census Bureau

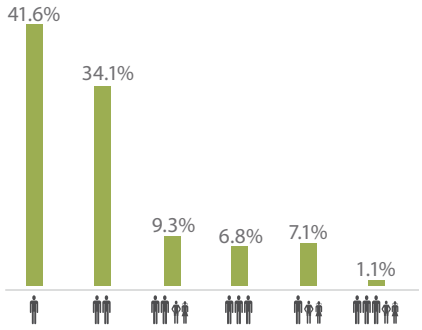
New Supply vs. New Apartment Rental Demand in EQR Core Markets
(units in thousands)

While multifamily construction starts are increasing, demand still outpaces new multifamily supply in our markets.



Source: MPF Research, REIS Research, EQR Data

EQR National Resident Profile



We have focused our portfolio in markets that feature highly educated workforces, diversified economies, a high quality of life and high cost of home ownership. We have invested in high-density assets near public transportation, job centers and entertainment venues in our core markets. Our residents choose to live with us to take advantage of those features, as well as to live in proximity to other people who share their appreciation for that lifestyle.

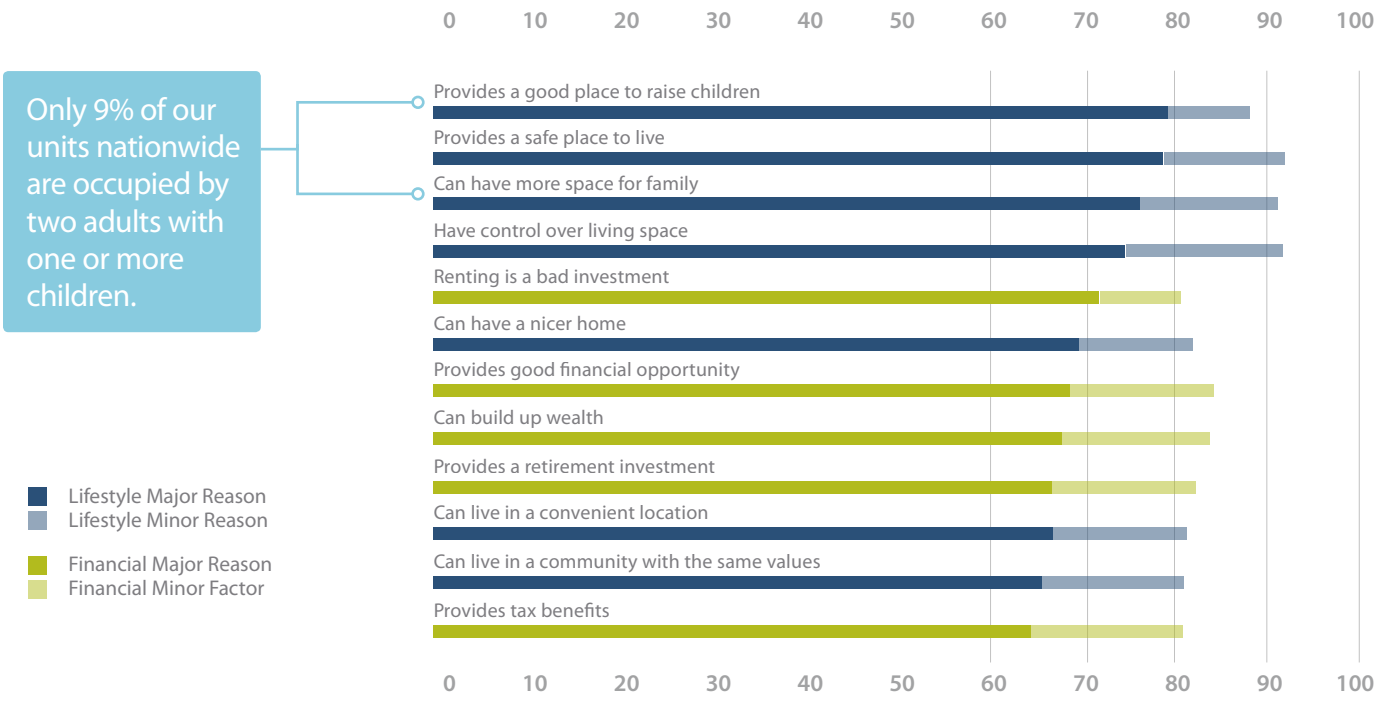
When people purchase homes they do so for other reasons. In a recently published study from the Joint Center for Housing Studies at Harvard University, lifestyle issues topped the reasons for buying a home.

And while there is undeniably some pent-up demand to purchase homes, it is a relatively small percentage of our residents. Those with small children are the most likely purchasers of single family homes. At Equity Residential, nearly 42% of our apartment units nationwide are occupied by a single occupant. Statistically this a group that is less likely to be buying a home.

Our resident demographic chooses to rent in our locations for lifestyle reasons

Buying a Home is a Lifestyle Choice

Lifestyle Issues Top Reasons for Buying a Home (share of respondents by percent)



Only 9% of our units nationwide are occupied by two adults with one or more children.

Source: Joint Center for Housing Studies at Harvard University

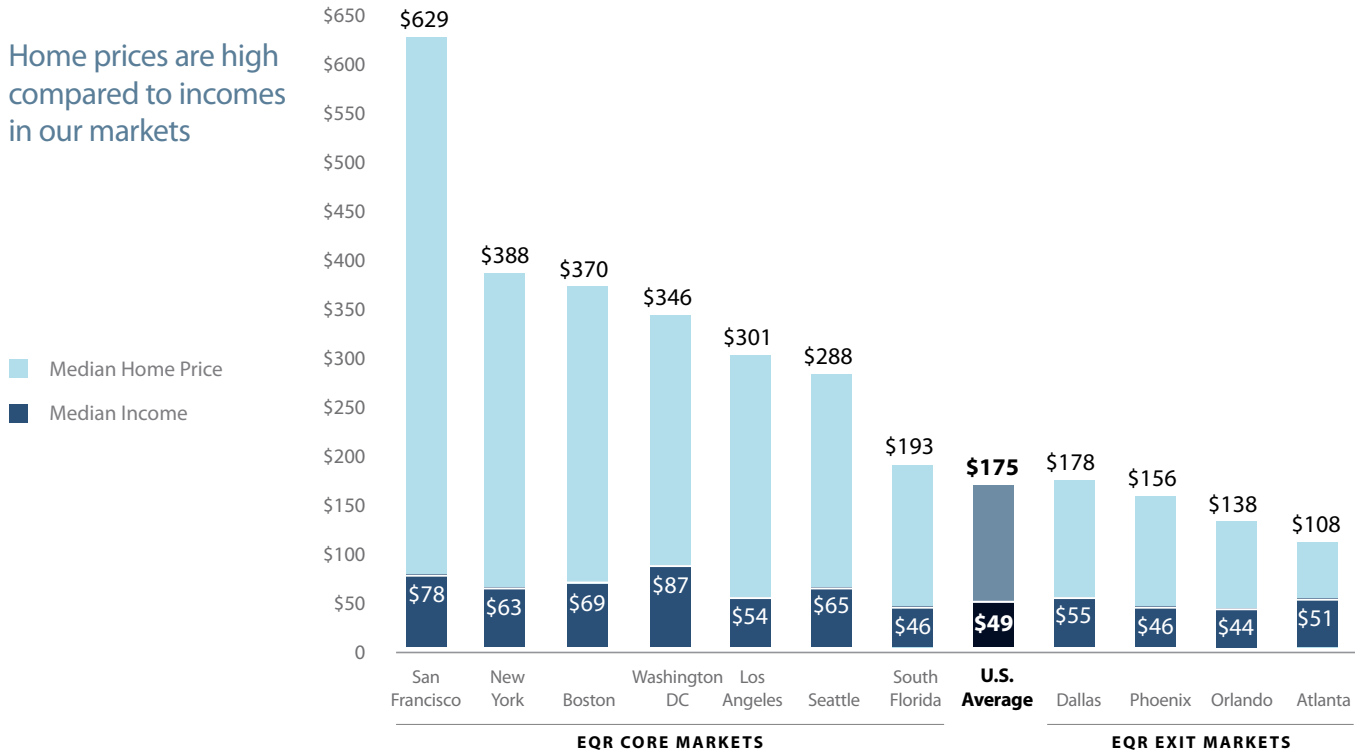
Less than 8% of our residents move out to buy a home each year.

Our portfolio is focused on high-barrier to entry, coastal markets, which have always featured expensive home prices compared to the national average. Also, when comparing the cost to own versus the cost to rent in these markets, the focus is too often on monthly rents versus monthly principal and interest payments on a mortgage. Little attention has been paid to fundamental issues like the ability to come up with a down payment and home repair and maintenance costs and recurring property taxes. In our markets, down payments range from tens to hundreds of thousands of dollars, making home buying unrealistic for many. Through our portfolio transformation we have exited markets with relatively low costs of home ownership.

. . . And It is Very Costly to Own a Home in Our Core Markets

Home prices are high compared to incomes in our markets

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



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

Equity Residential's investment strategy is to purchase, develop and operate a portfolio of high-quality apartment properties focused primarily in the six core coastal markets of Boston, New York, Washington, DC, Southern California, San Francisco and Seattle. We have invested more than $20 billion in our markets since 2005 because along with incredibly attractive lifestyles for their residents, they feature the highest average resident incomes and rents, a very favorable renter profile and a high cost of home ownership. These factors combine to make these markets the best place to generate long-term growth and a higher return to our shareholders.

We are Focused on the Best High-Quality Apartment Rental Markets



ARTech Building – Berkeley, CA

Highest Median Resident Incomes

All U.S. Markets	$49,297
EQR Core Markets	$64,000
EQR Residents in Our Core Markets	$85,200

Highest Average Monthly Rents

All U.S. Markets	$1,100
EQR Core Markets	$1,500
EQR Residents in Our Core Markets	$2,126

Best Demographics for Renting Apartments
EQR Core Markets Resident Profile

Singles	42%
20- to 34-Year-Olds	53%
Couples Without Children	34%
55+ Year-Olds	15%

Highest Median Homeownership Cost

All U.S. Markets	$180,000
EQR Core Markets	$385,000

Source: MPF Research, EQR Data

Market Statistics

	2011	2012	Projected 2013
Average Monthly Rent			
EQR Core Markets	$1,413	$1,476	$1,539
All U.S. Markets	$1,076	$1,083	$1,118
EQR Portfolio in Our Core Markets	$1,173	$1,939	$2,225
Effective Rent Growth			
EQR Core Markets	6.6%	4.2%	4.1%
All U.S. Markets	4.7%	3.0%	3.2%
EQR Portfolio in Our Core Markets	4.4%	5.3%	–
Vacancy Rate			
EQR Core Markets	4.0%	3.9%	3.9%
All U.S. Markets	5.4%	5.1%	4.9%
EQR Portfolio in Our Core Markets	4.8%	4.7%	4.7%
Population Growth			
EQR Core Markets	1.2%	1.1%	1.1%
All U.S. Markets	0.7%	1.0%	1.0%
Household Formations			
EQR Core Markets	1.0%	0.9%	1.1%
All U.S. Markets	1.0%	1.0%	1.1%
Job Growth			
EQR Core Markets	1.4%	1.6%	1.4 %
All U.S. Markets	1.4%	1.4%	1.4%
Median Household Income			
EQR Core Markets	$68,142	$67,714	$63,728
All U.S. Markets	$50,054	$53,000	$49,297
Median Home Prices			
EQR Core Markets	$365,000	$379,000	$385,000
All U.S. Markets	$165,000	$175,000	$180,000

Source: MPF Research, EQR Data



Archstone Santa Clara– Santa Clara, CA



Archstone Murray Hill – New York, NY

The Archstone Acquisition

On February 27, 2013, Equity Residential closed on its purchase of 60% of the assets and liabilities of Archstone. This transaction was transformative for Equity Residential as it allowed us to purchase more than nearly 22,000 high-quality apartment units in our core markets and pay for a substantial portion of the transaction with the sale proceeds from dispositions of many non-core assets in inexpensive, low-barrier "commodity" housing markets like Orlando, Jacksonville, Atlanta and Phoenix. Completing our exit from these markets will make our operations more concentrated and efficient.

Market	Properties	Units	Avg. Monthly Rate Per Unit
Washington, DC	25	7,922	$2,423
San Francisco	13	4,384	2,508
Southern California	13	3,153	2,518
New York	10	2,638	4,187
Boston	8	1,984	3,312
Seattle	4	904	1,702
South Florida	1	196	1,402
All Other Markets	2	600	1,189
Total	**76**	**21,781**	**$2,681**

Portfolio Transformation

Adding 21,781 Archstone units and selling 27,750 non-core units

	Portfolio Summary as of 12/31/2012				Projected Portfolio Summary as of 12/31/2013			
Core Markets	**Total Properties**	**Total Units**	**% of Stabilized NOI**	**Avg. Monthly Rate Per Unit**	**Total Properties**	**Total Units**	**% of Stabilized NOI**	**Avg. Monthly Rate Per Unit**
Washington DC Metro Area	43	14,425	15.9%	$1,992	56	18,274	19.6%	$2,290
New York Metro Area	30	8,047	13.9%	3,433	38	10,330	17.0%	3,816
San Francisco Bay Area	40	9,094	8.6%	1,902	51	13,221	12.0%	2,201
Los Angeles	48	9,815	9.9%	1,879	58	12,240	11.7%	2,137
Boston	26	5,832	8.2%	2,560	34	7,816	10.3%	2,844
South Florida	36	12,253	9.0%	1,463	33	10,894	7.0%	1,593
Seattle	38	7,563	6.4%	1,627	38	7,734	5.9%	1,720
San Diego	14	4,963	5.0%	1,851	15	4,915	4.4%	1,927
Denver	24	8,144	5.5%	1,226	19	6,933	4.2%	1,294
Orange County	11	3,490	3.3%	1,660	11	3,490	2.9%	1,766
Subtotal	**310**	**83,626**	**85.7%**	**$1,941**	**353**	**95,837**	**95.0%**	**$2,234**
Non-Core Markets								
Inland Empire	10	3,081	2.4%	1,491	10	3,081	2.0%	1,530
Orlando	21	6,413	3.5%	1,086	10	3,383	1.7%	1,142
New England (exc Boston)	14	2,611	1.3%	1,174	11	1,965	0.9%	1,250
Phoenix	25	7,400	3.4%	946	4	1,260	0.4%	965
Atlanta	12	3,616	2.0%	$1,157	1	336	0.0%	$1,301
Jacksonville	6	2,117	1.1%	1,005	0	0	0.0%	n/a
Tacoma	3	1,467	0.6%	951	0	0	0.0%	n/a
Subtotal	**91**	**26,705**	**14.3%**	**$1,099**	**36**	**10,025**	**5.0%**	**$1,266**
Total	**401**	**110,331**	**100.0%**	**$1,737**	**389**	**105,862**	**100.0%**	**$2,142**
Military Housing	2	5,039	0.0%	n/a	2	5,039	0.0%	n/a
Grand Total	**403**	**115,370**	**100.0%**	**$1,737**	**391**	**110,955**	**100.0%**	**$2,142**

The average rent per unit increases 23%. The NOI from core markets increases to 95% and the average rent per unit in our core markets increases 15%.

Archstone Acquisition


Archstone Hacienda – Pleasanton, CA


Archstone Watertown Square – Watertown, MA


Archstone East 39th – New York, NY


Archstone Redwood Shores – Redwood City, CA


Archstone 101 West End – New York, NY

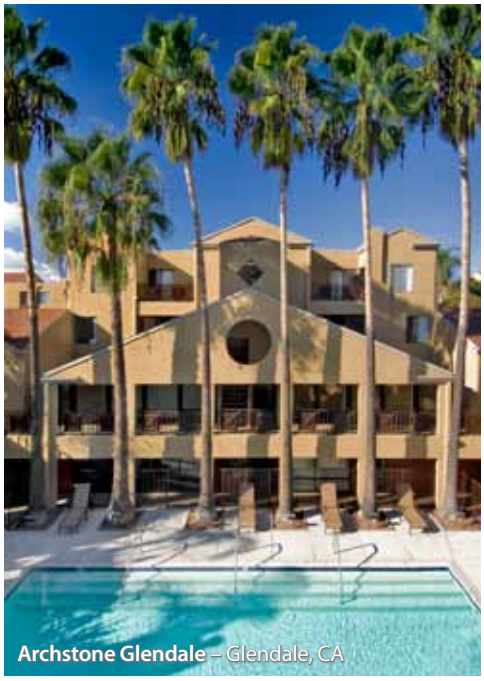

Archstone Wisconsin Place – Chevy Chase, MD



Archstone Camargue– New York, NY



Archstone Breakwater at Marina del Ray – Marina del Ray, CA



Archstone Glendale – Glendale, CA



Archstone South San Francisco – S. San Francisco, CA



Archstone Lofts 590 – Arlington, VA



Archstone Columbia Crossing – Arlington, VA


Archstone Boston Common – Boston, MA


Alban Towers – Washington, DC


Archstone Pentagon City – Arlington, VA


Archstone Chelsea – New York, NY


Archstone Emeryvill


Archstone 2201 Wilso


Westchester at the Pavilions – Waldorf, MD


Archstone Virginia Square – Arlington, VA


Park Connecticut – W


Archstone Playa del Rey – Playa del Rey, CA


Archstone Cronin's La


Archstone Fairchase – Fairfax, VA


Archstone Ventura – V


e – Emeryville, CA


on – Arlington, VA


Archstone Avenir – Boston, MA


Archstone West 96th – New York, NY


ashington, DC


Archstone Rosslyn – Arlington, VA


Archstone CambridgePark – Cambridge, MA


nding – Waltham, MA


The Flats at Dupont Circle – Washington, DC


Archstone West 54th – New York, NY

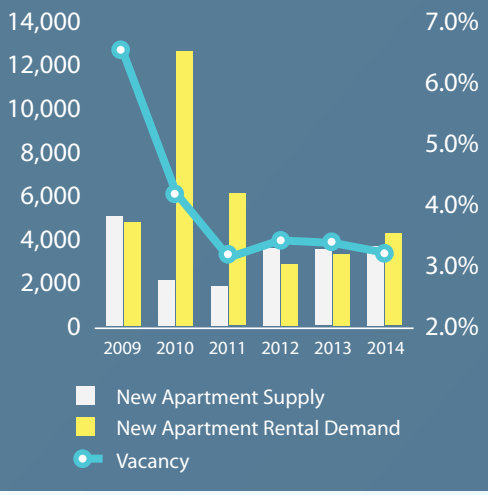

Ventura, CA


2501 Porter – Washington, DC


Archstone Santa Monica – Santa Monica, CA

Boston

New Supply/Demand† (units)



Market Data

	U.S.	Boston
Median Household Income	$49,297	$69,240
Median Home Price	$175,000	$370,000
Ratio	3.6 x	5.7 x

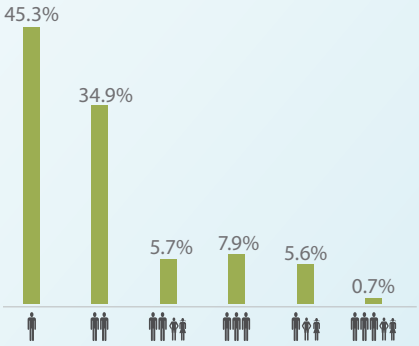
† Source: MPF Research, EQR Data *2013/2014 data projected*

EQR – Boston

Market Data (as of 3/31/13)

Properties	34
Units	7,816
Percent of NOI	10.0%
Occupancy	94.3%
Median Household Income	$119,549
Median Monthly Rent	$2,150
Rent as a Percent of Income	21.6%

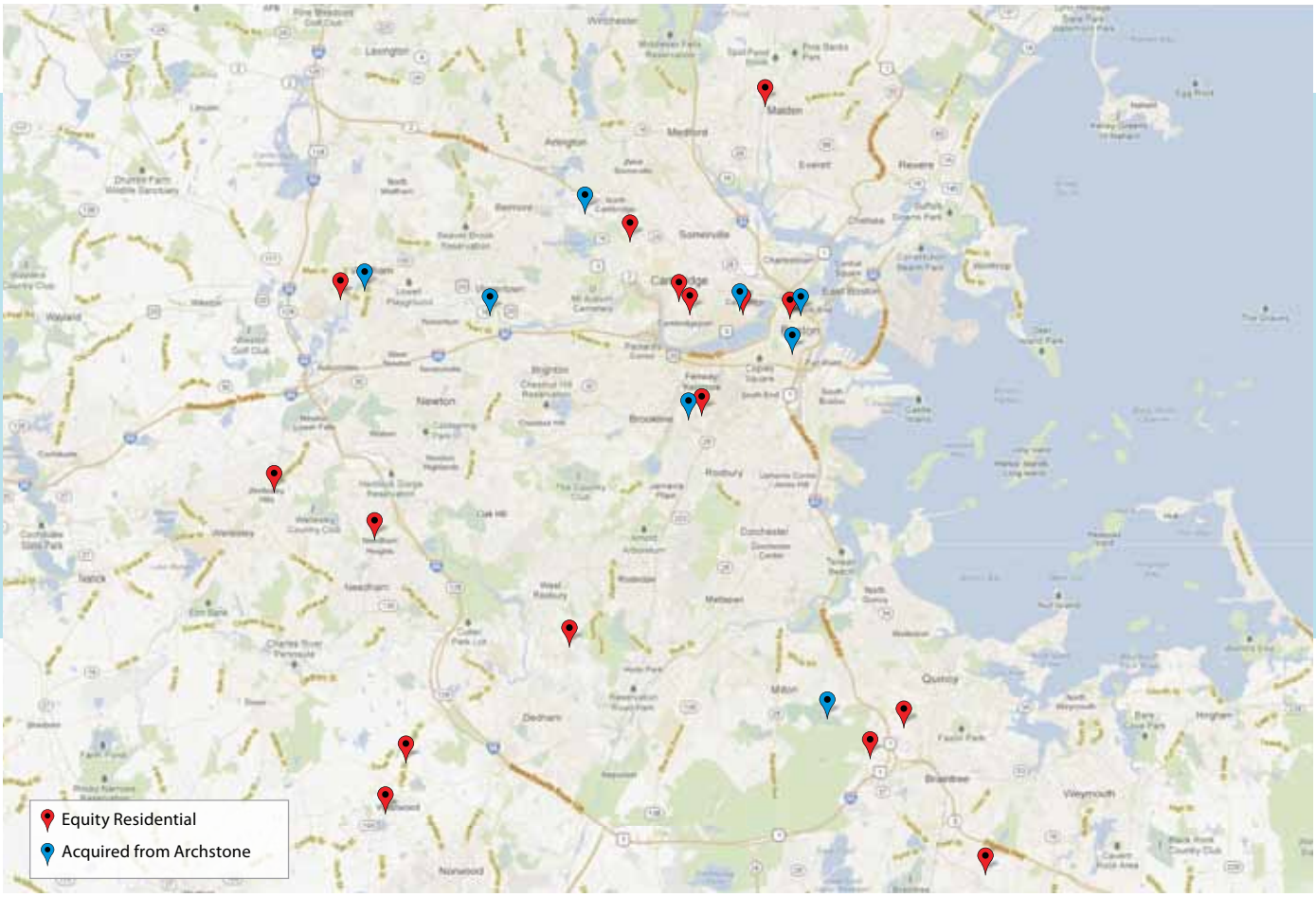
Resident Profile





Asteria – Boston, MA

Equity Residential Portfolio After Archstone Acquisition





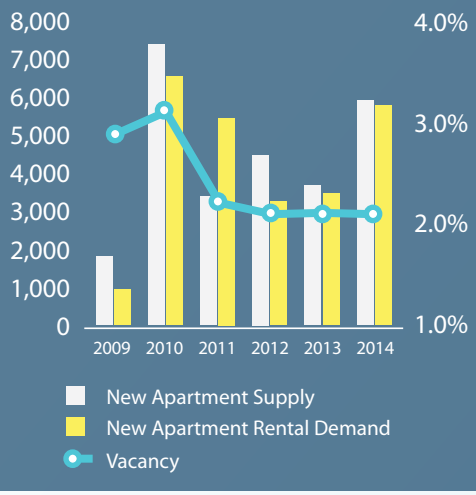
Longview Place – Waltham, MA



Third Square – Cambridge, MA

New York

New Supply/Demand† (units)



Market Data

	U.S.	New York
Median Household Income	$49,297	$63,640
Median Home Price	$175,000	$388,000
Ratio	3.6 x	6.1 x

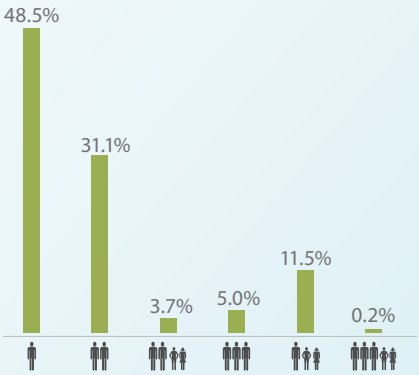
† Source: MPF Research, EQR Data *2013/2014 data projected*

EQR – New York

Market Data (as of 3/31/13)

Properties	38
Units	10,330
Percent of NOI	16.5%
Occupancy	95.3%
Median Household Income	$172,000
Median Monthly Rent	$3,000
Rent as a Percent of Income	20.8%

Resident Profile





Ten23 – New York, NY

Equity Residential Portfolio After Archstone Acquisition





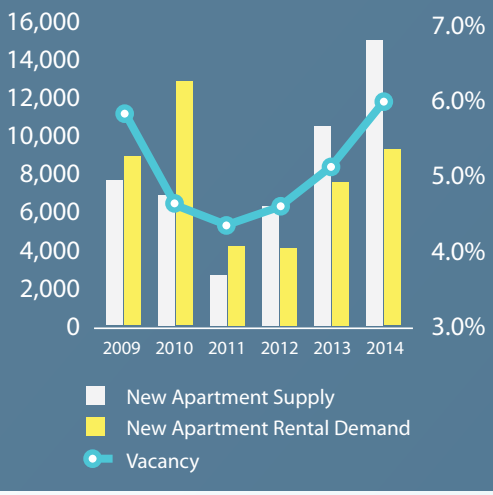
Longacre House – New York, NY



Beatrice – New York, NY

Washington, DC Metro Area

New Supply/Demand† (units)



Market Data

	U.S.	Washington, DC Metro
Median Household Income	$49,297	$87,308
Median Home Price	$175,000	$346,000
Ratio	3.6 x	3.9 x

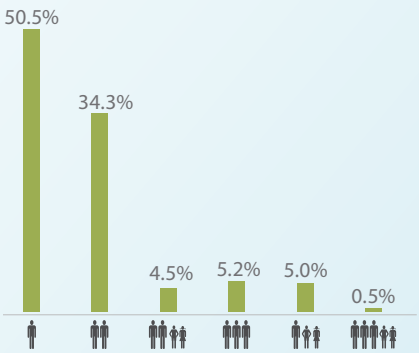
† Source: MPF Research, EQR Data *2013/2014 data projected*

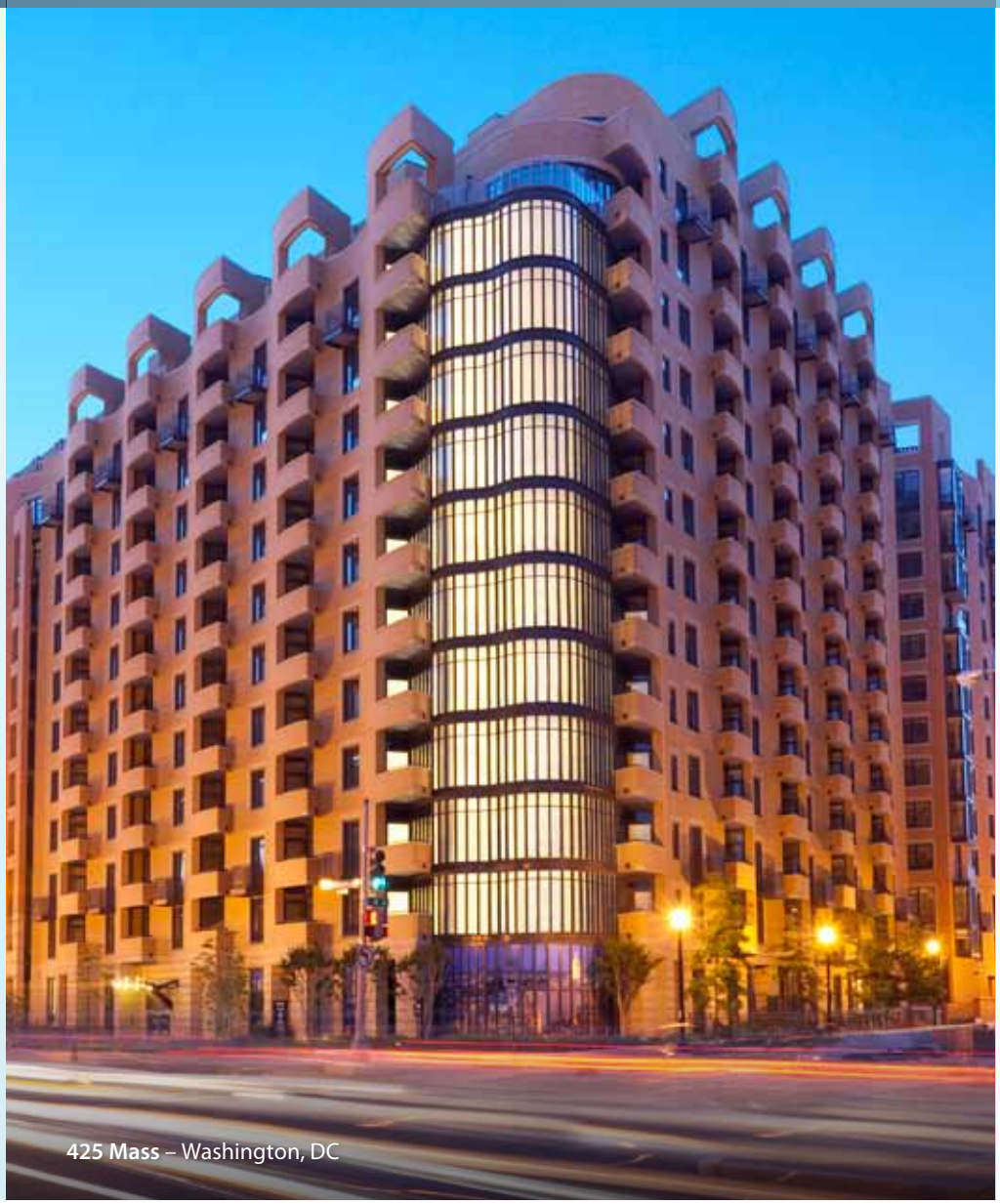
EQR – Washington, DC

Market Data (as of 3/31/13)

Properties	58
Units	18,894
Percent of NOI	19.3%
Occupancy	94.5%
Median Household Income	$94,368
Median Monthly Rent	$1,725
Rent as a Percent of Income	21.9%

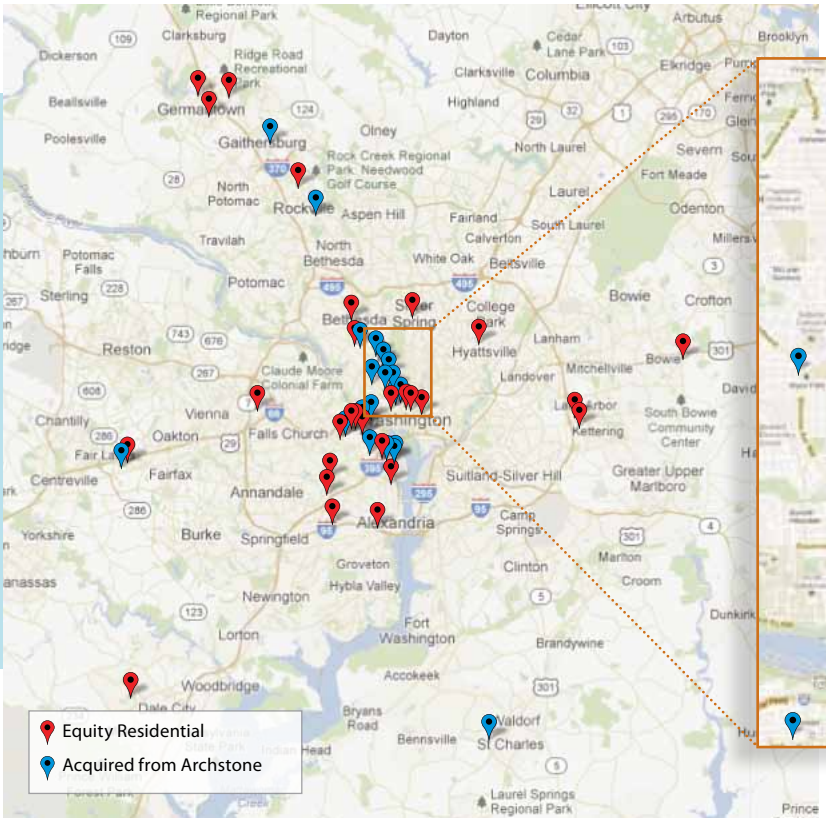
Resident Profile



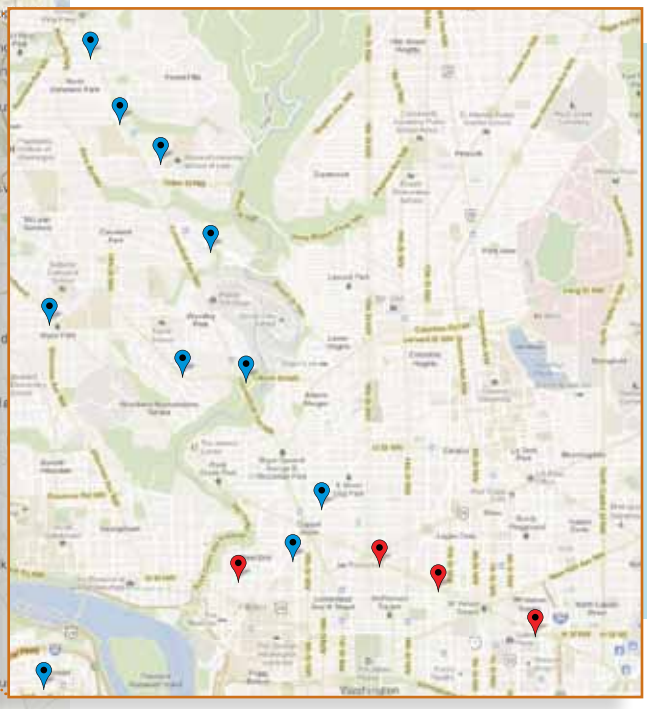


425 Mass – Washington, DC

Equity Residential Portfolio After Archstone Acquisition



The District





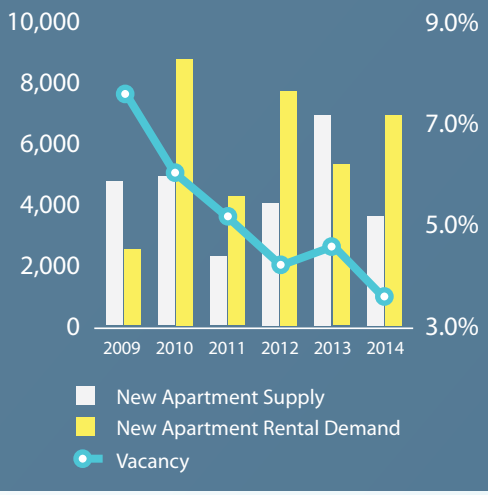
Town Square at Mark Center – Alexandria, VA



Mosaic at Metro – Hyattsville, MD

Seattle

New Supply/Demand† (units)



Market Data

	U.S.	Seattle
Median Household Income	$49,297	$64,974
Median Home Price	$175,000	$288,000
Ratio	3.6 x	4.4 x

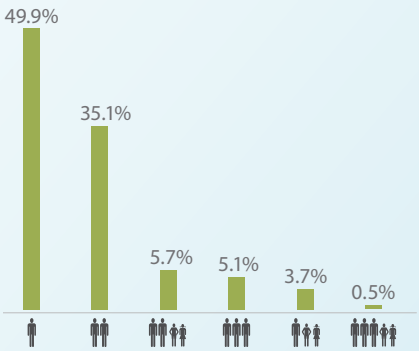
† Source: MPF Research, EQR Data *2013/2014 data projected*

EQR – Seattle

Market Data (as of 3/31/13)

Properties	41
Units	8,227
Percent of NOI	6.0%
Occupancy	94.9%
Median Household Income	$84,000
Median Monthly Rent	$1,330
Rent as a Percent of Income	19.0%

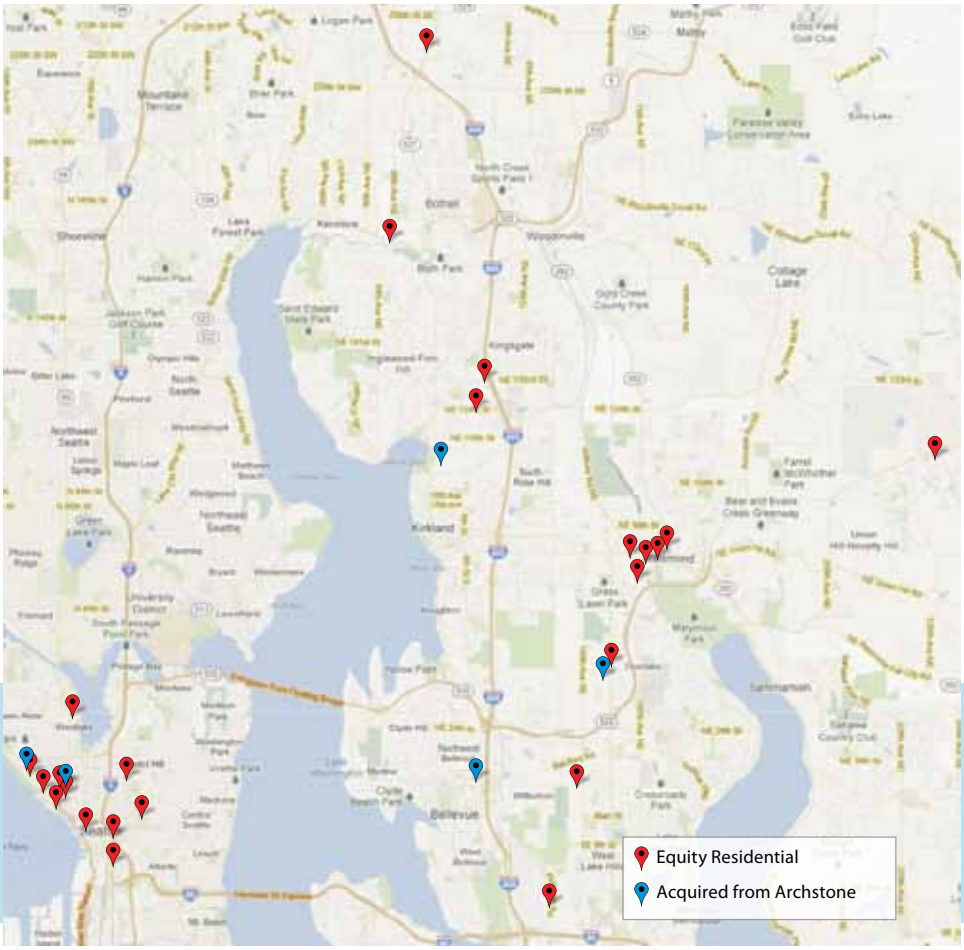
Resident Profile





Olympus – Seattle, WA

Equity Residential Portfolio After Archstone Acquisition



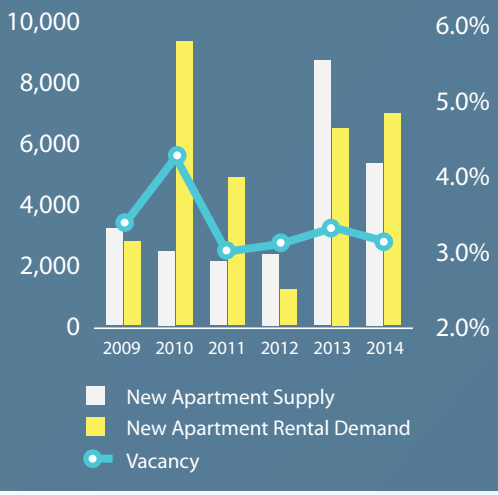

Moda– Seattle, WA



Riverpark– Redmond, WA

San Francisco

New Supply/Demand† (units)



Market Data

	U.S.	San Francisco
Median Household Income	$49,297	$77,628
Median Home Price	$175,000	$629,000
Ratio	3.6 x	8.1 x

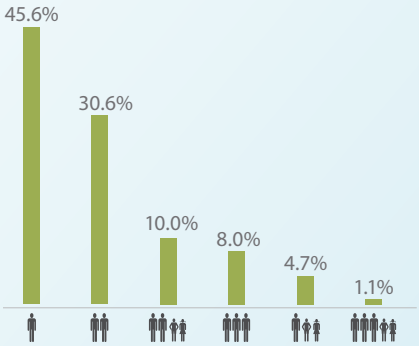
† Source: MPF Research, EQR Data *2013/2014 data projected*

EQR – San Francisco

Market Data (as of 3/31/13)

Properties	50
Units	12,767
Percent of NOI	11.4%
Occupancy	94.7%
Median Household Income	$96,000
Median Monthly Rent	$1,831
Rent as a Percent of Income	22.9%

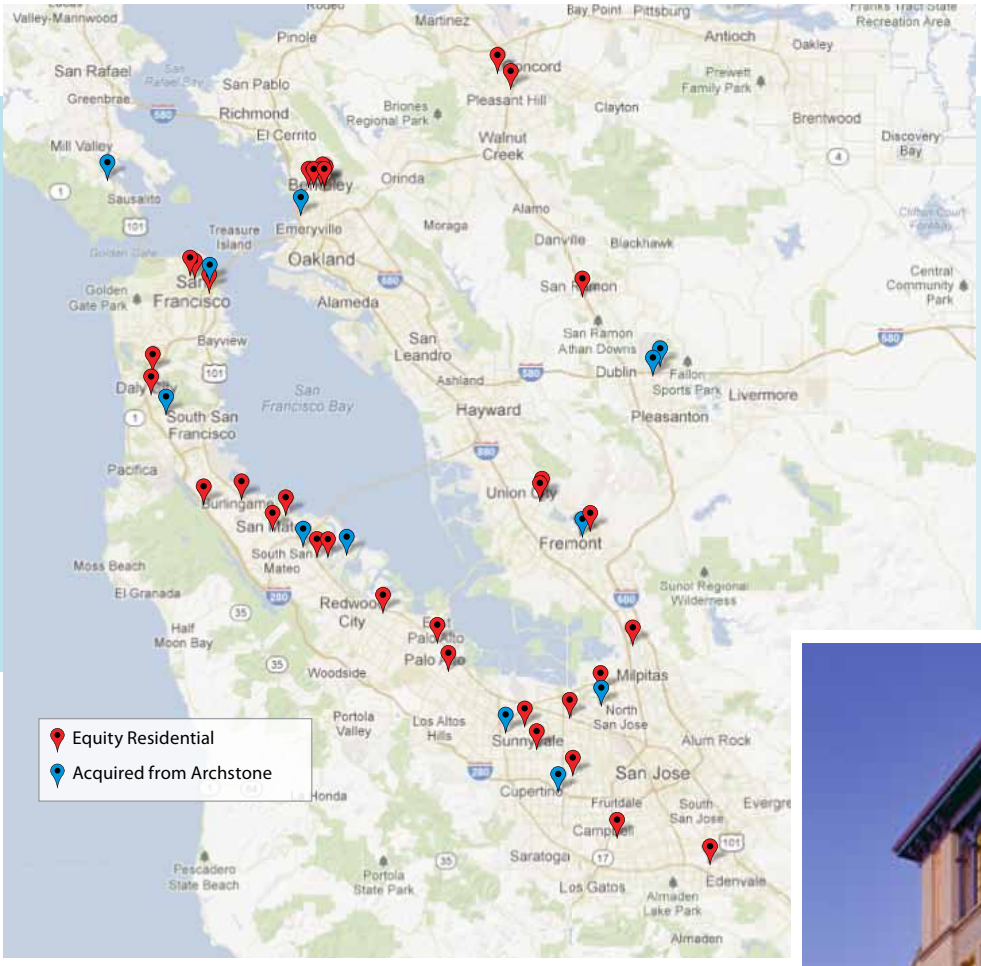
Resident Profile





Skyline Terrace – Burlingame, CA

Equity Residential Portfolio After Archstone Acquisition





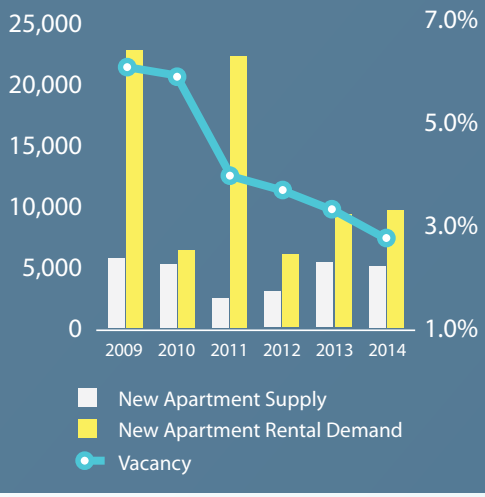
La Terraza – Colma, CA



Bachenheimer – Berkeley, CA

Los Angeles

New Supply/Demand† (units)



Market Data

	U.S.	Los Angeles
Median Household Income	$49,297	$53,880
Median Home Price	$175,000	$301,000
Ratio	3.6 x	5.6 x

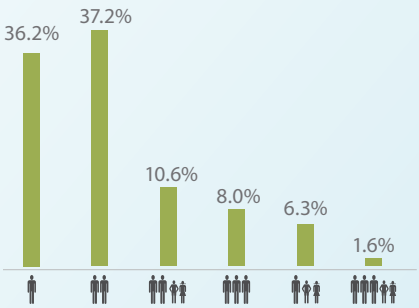
† Source: MPF Research, EQR Data *2013/2014 data projected*

EQR – Los Angeles

Market Data (as of 3/31/13)

Properties	57
Units	11,960
Percent of NOI	11.0%
Occupancy	95.7%
Median Household Income	$89,566
Median Monthly Rent	$1,705
Rent as a Percent of Income	22.8%

Resident Profile



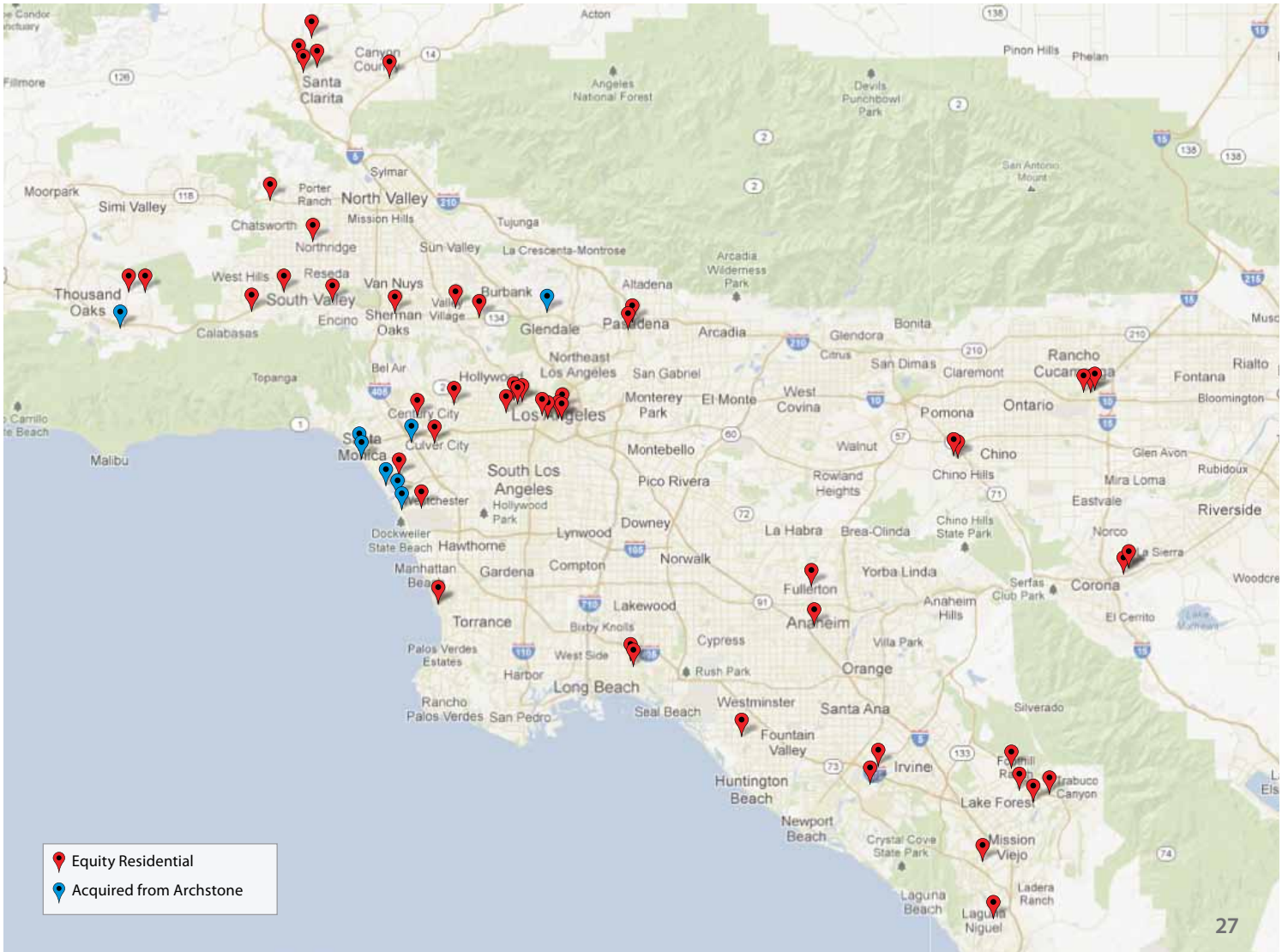


Victor on Venice – Los Angeles, CA



Pegasus – Los Angeles, CA

Equity Residential Portfolio After Archstone Acquisition





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

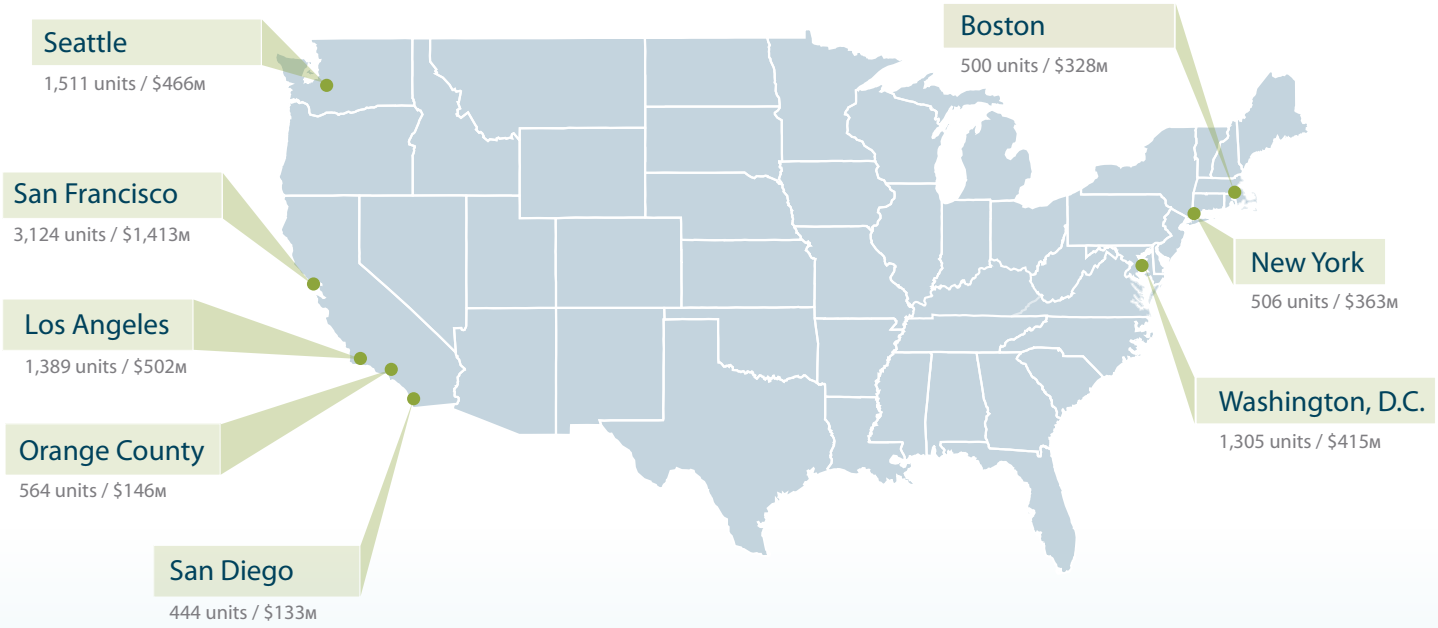
Since 2000, our development program has produced 46 properties, consisting of more than 12,500 apartments, at a total cost of $3.5 billion. We will continue to be active developers in high-barrier markets across the country. We actively look for new opportunities to develop properties where development returns provide an appropriate premium over acquiring existing assets in order to allocate capital on the highest risk-adjusted basis possible.

We currently have more than 4,000 apartment units under construction for more than $1.4 billion and a pipeline of 6,200 units to be developed at a total cost of $2.5 billion.

In addition, the Archstone acquisition brings us additional opportunities to expand our portfolio and we will pursue the ones that will create the best long-term value.

 2201 Pershing – Arlington, VA

Core Development Markets



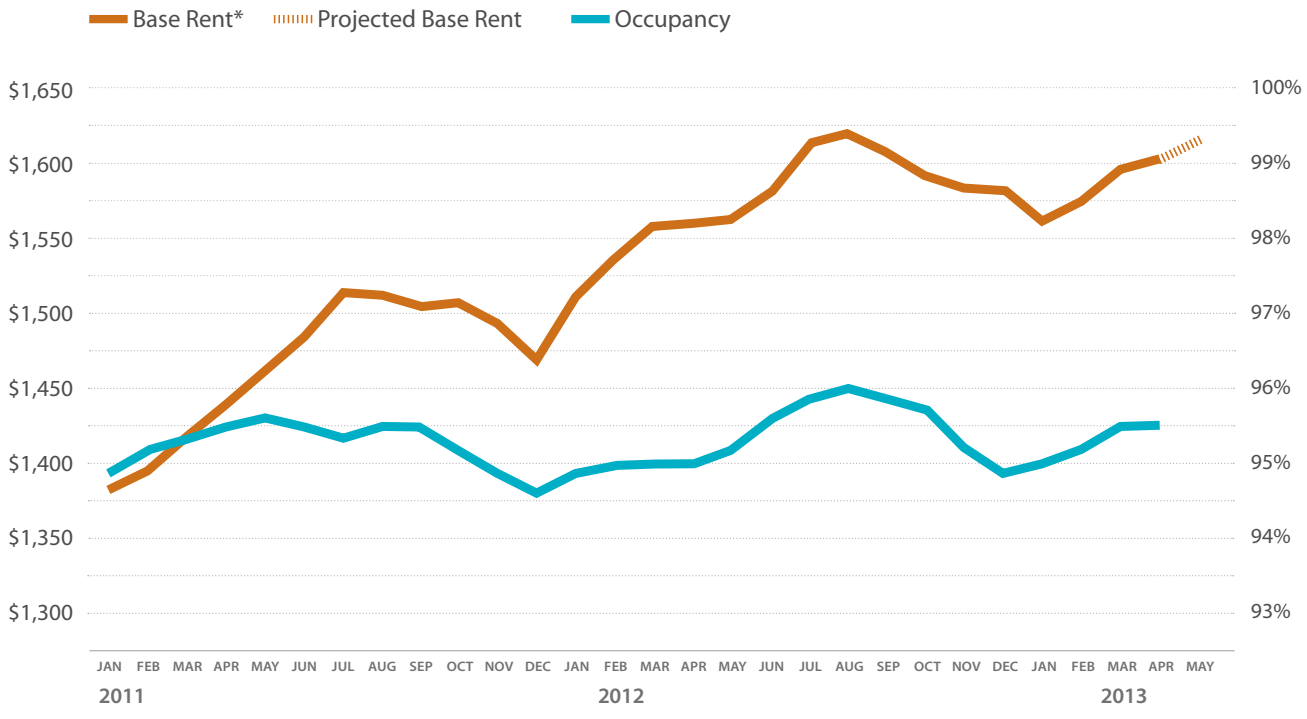


Urbana– Ballard, WA

Equity Residential's superior utilization of its state-of-the-art operating platform gives us great visibility into our markets. It allows us to react quickly to changing market conditions and optimize rental revenues.

We are Focused on Operations

Maximizing Revenue by Managing Rent Growth and Occupancy



* Base Rents are rents prior to adding any premiums for specific amenities such as views, balconies or other unit-specific features.

Second consecutive year of 5%+ revenue growth

Full Year 2012 Operating Metrics

	Year-Over-Year Change 2012 Over 2011
Same Store Revenues	5.5%
Same Store Expenses	1.8%
Same Store NOI	7.6%
Base Rent	4.1%
Renewal Rent	6.3%
Occupancy **95.4%**	0.2%

Performance of 2010 and 2011 Acquisitions for Full Year 2012

	Units	Revenue Growth
2010	5,278	6.9%
2011	8,933	6.3%

Full Year 2012 Same Store Performance

Market	Units	2012 % of Actual NOI	2012 Avg. Rental Rate[1]	Change in Revenues
New York Metro Area	7,063	13.3%	$ 3,322	6.1%
DC/Northern Virginia	7,974	10.8%	2,068	4.6%
South Florida	11,377	9.3%	1,404	4.4%
Los Angeles	7,832	8.9%	1,794	4.1%
Boston	5,175	8.4%	2,552	6.2%
San Francisco Bay Area	6,194	7.9%	1,986	11.0%
Seattle/Tacoma	8,209	7.2%	1,476	5.8%
Denver	7,976	6.2%	1,188	8.9%
San Diego	4,284	4.8%	1,740	2.4%
Phoenix	7,400	4.2%	941	3.8%
Orlando	6,413	4.0%	1,072	4.7%
Orange County, CA	3,490	3.7%	1,636	5.3%
Suburban Maryland	3,765	3.4%	1,441	2.9%
Inland Empire, CA	3,081	2.8%	1,466	3.3%
Atlanta	3,616	2.3%	1,134	6.2%
All Other Markets	4,728	2.8%	1,102	4.1%
Total	**98,577**	**100.0%**	**$ 1,658**	**5.5%**

[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



 Red160 – Redmond, WA



The Veridian – Silver Spring, MD



Midtown 24 – Plantation, FL

- We maintain a conservative balance sheet with access to many sources of capital and ample liquidity. This gives us the firepower needed when opportunities arise.
- We maintain 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 and BBB+ by S&P.
- In April 2013, we closed on a $500 million unsecured note offering maturing April 2023 with a coupon of 3.0% and an all-in effective rate of approximately 4.0%.
- We expect to have a net debt to EBITDA ratio of approximately 7.0x and a fixed charge coverage of 2.6x at year end.

Equity Residential is Creating Value

We have a portfolio of high-quality assets in the best high-growth apartment rental 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 creating value.



The Pier – Jersey City, NJ



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 416 properties consisting of 118,778 apartment units.

Equity Residential

Two North Riverside Plaza
Chicago, Illinois 60606
312.474.1300

EquityResidential.com







FROM LEFT TO RIGHT: **Red Road Commons** – South Miami, FL; **Metro on First** – Seattle, WA; **Vantage Pointe** – San Diego, 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 2012 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 2013 budgets and proforma expectations on recent acquisitions.

May 2013