Equity Residential

Driving Performance, Creating Value

MARCH 2015

Equity Residential named 2014 Sector Leader in Sustainability by the GRESB



Village at Howard Hughes– Los Angeles, CA

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.

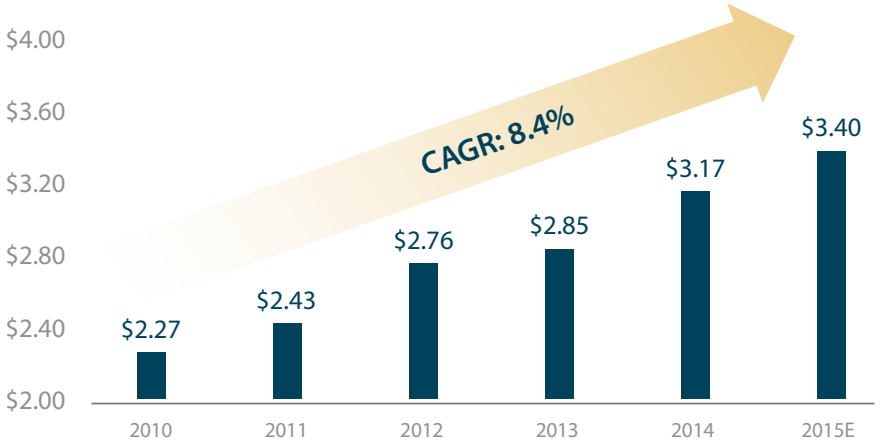
- Portfolio concentrated in high-barrier, high-growth markets
- Superior utilization of state-of-the-art operating platform
- Named as the 2014 North American Residential - Large Cap Sector Leader by the Global Real Estate Sustainability Benchmark (GRESB) survey, a globally-recognized analysis of the sustainability performance of approximately 650 real estate portfolios worldwide.
- 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



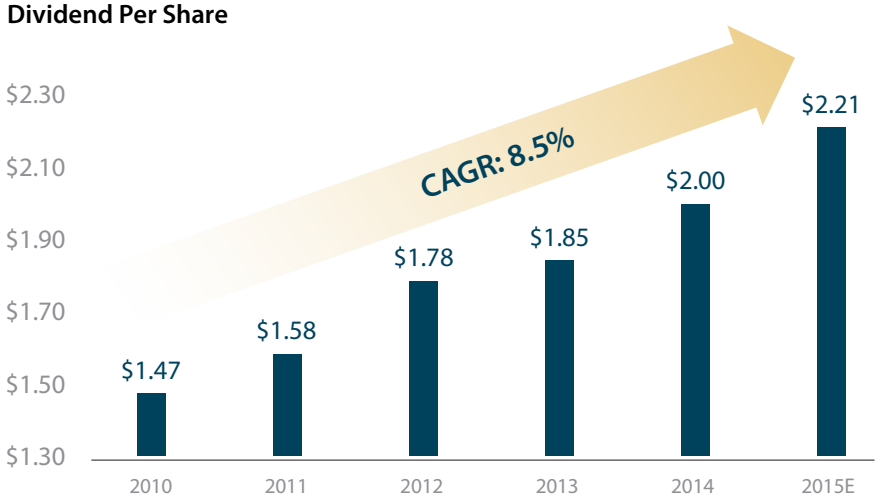
Domain – San Jose, CA

The company continues to provide strong Normalized FFO and dividend growth

Normalized FFO Per Share

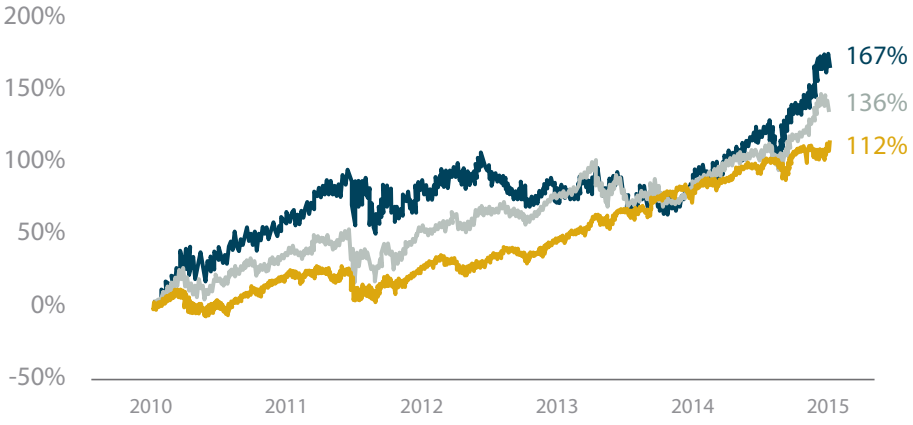


Dividend Per Share



Total Return
As of 2/17/2015

42.9% Total Shareholder Return in 2014



Source: SNL Financial



Favorable Demographics and Trends Will Continue to Create Ample Demand in our Core Markets

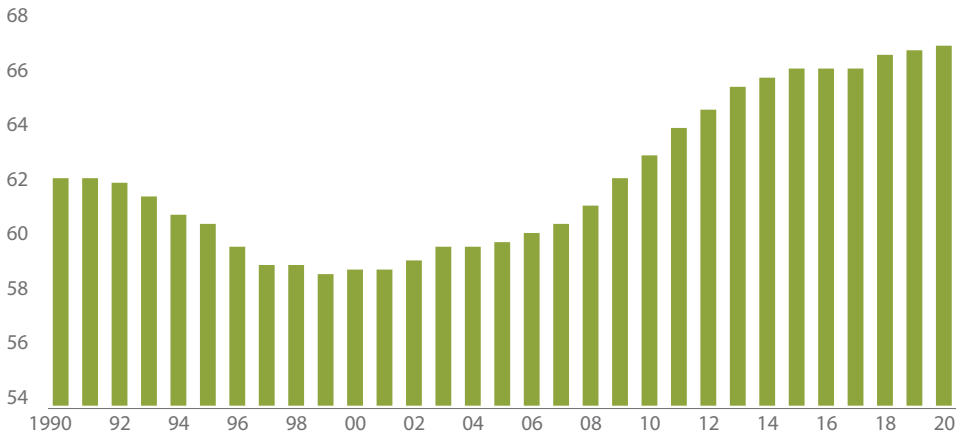
More than 1 million households are formed, on average, each year in the United States.

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.

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.

Population Aged 20-34 (in millions)

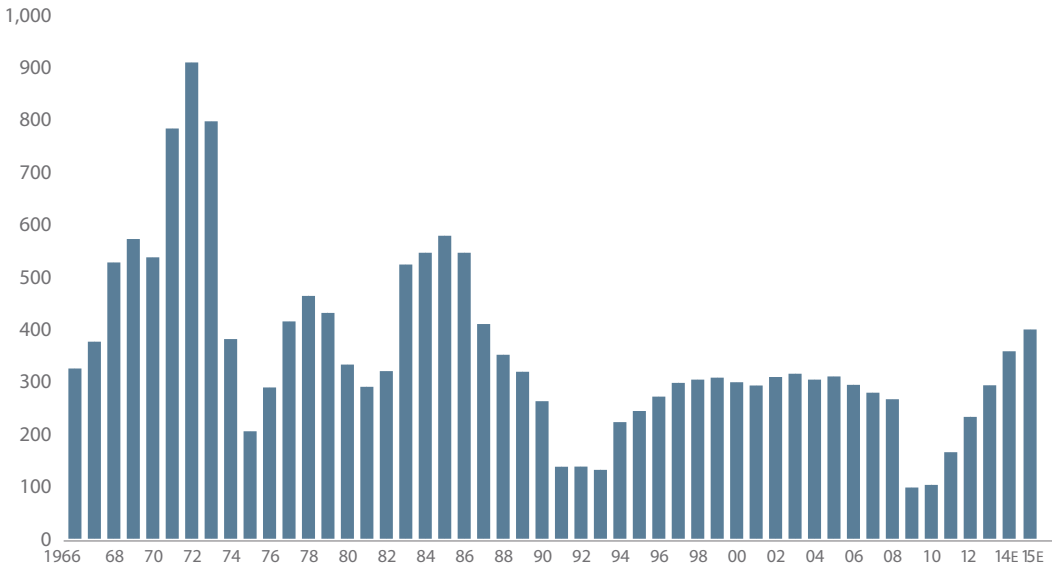


Source: Green Street Advisors

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, the construction of new apartments has increased, 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)

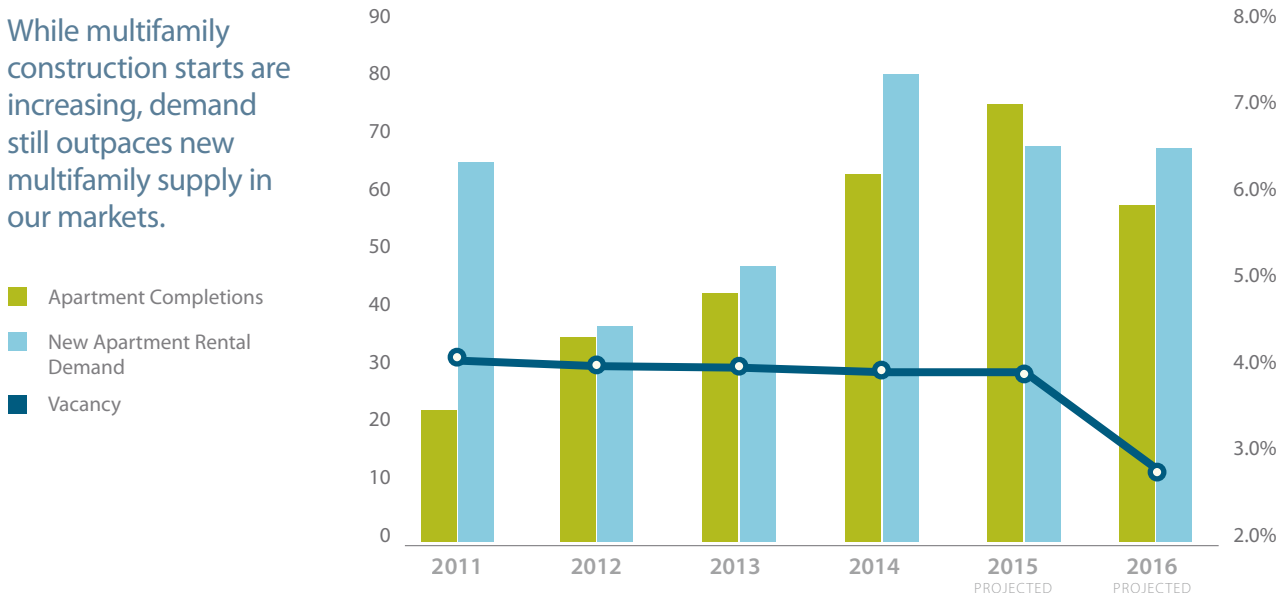
Although on the rise nationally, multifamily starts are still below the level needed to supply the echo boomers.



Source: U.S. Census Bureau, Moody's Analytics

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

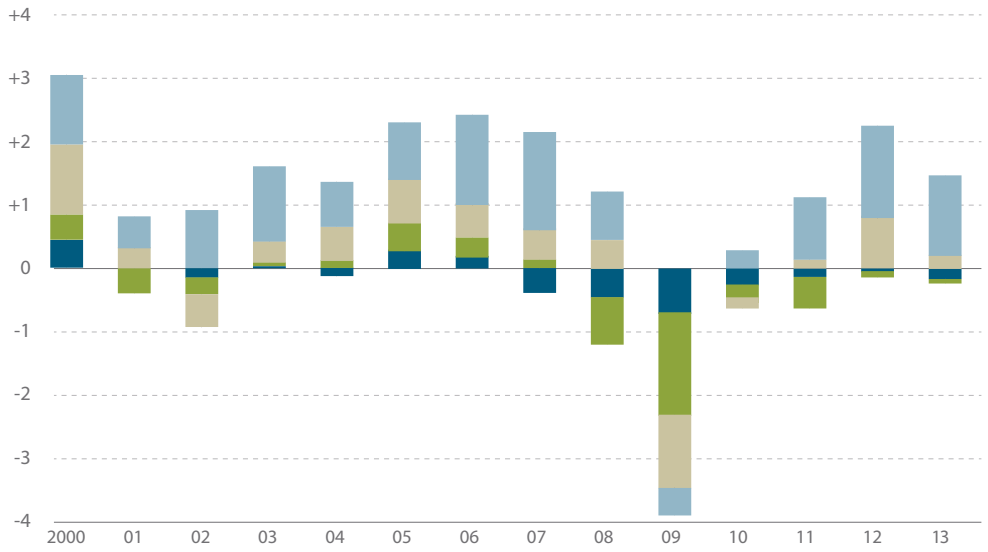
EQR Core Markets: Boston, New York, Washington DC, South Florida, Denver, Seattle, San Francisco, Southern California

College educated, young people make up one of our key customer demographics. The recession has been over for this group for a while – they are highly employable and forming renter households at a high rate.

Good job growth for our target demographic.

- Bachelor Degree and Higher
- Some College
- High School Diploma
- Less than High School Diploma

Job Creation by Educational Attainment (Jobs in Millions)

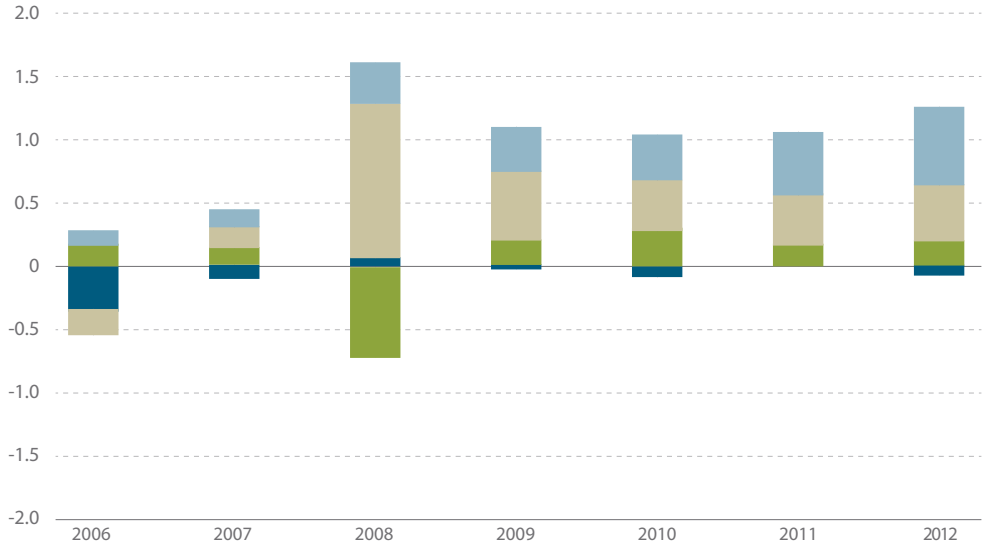


Source: Census, Rosen Consulting

Household formation will drive demand.

- Bachelor Degree and Higher
- Some College
- High School Diploma
- Less than High School Diploma

Renter Household Formation by Educational Attainment (Households in Millions)

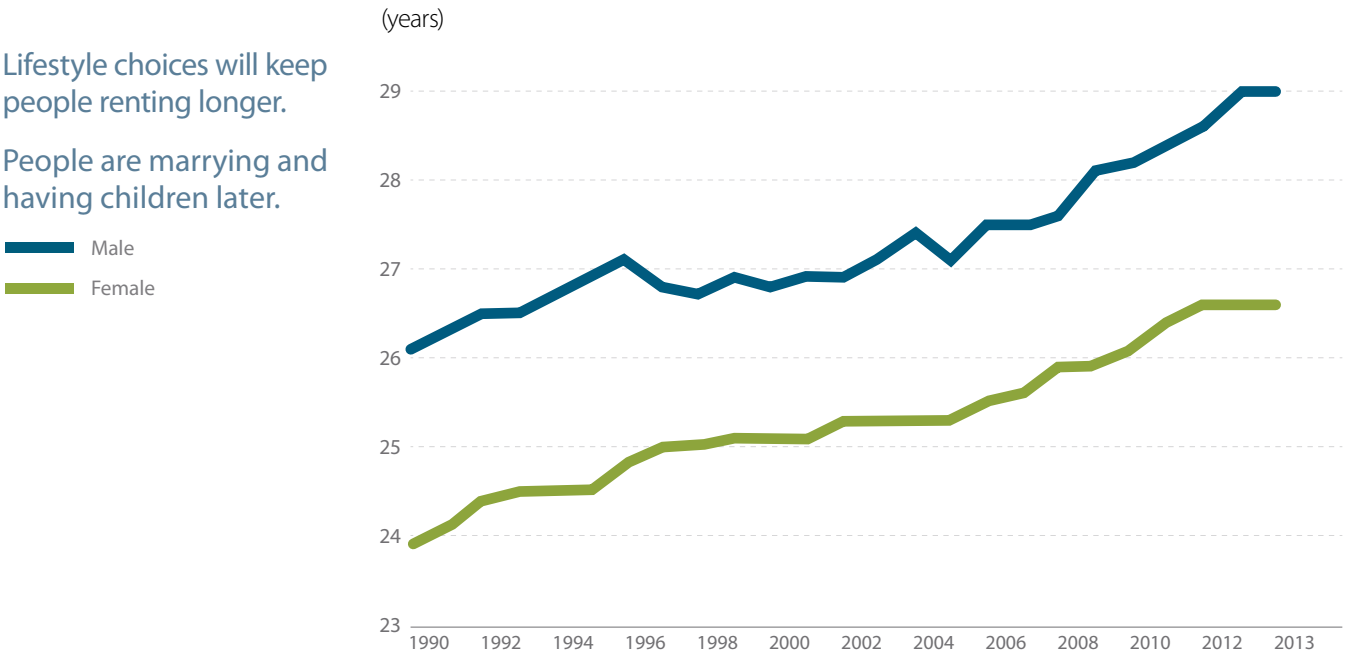


Source: Census, Rosen Consulting

Median Age at First Marriage

Lifestyle choices will keep people renting longer.

People are marrying and having children later.

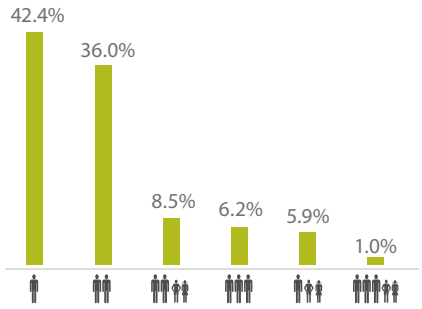


Source: Census, Rosen Consulting



Park at Pentagon Row– Arlington, VA

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.

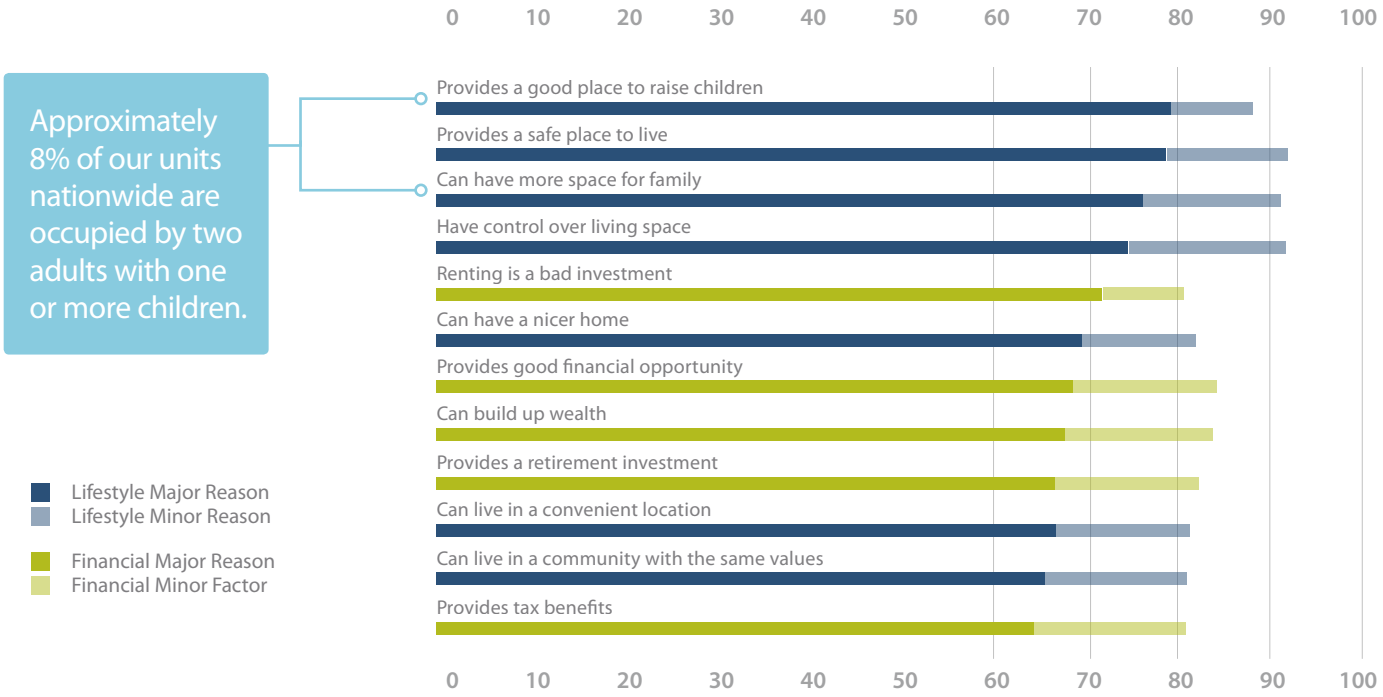
When people purchase homes they do so for mostly non-economic reasons. In a recently published study from the Joint Center for Housing Studies at Harvard University, lifestyle issues topped the reasons for buying a home.

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, more than 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)



Approximately 8% of our units nationwide are occupied by two adults with one or more children.

Source: Joint Center for Housing Studies at Harvard University

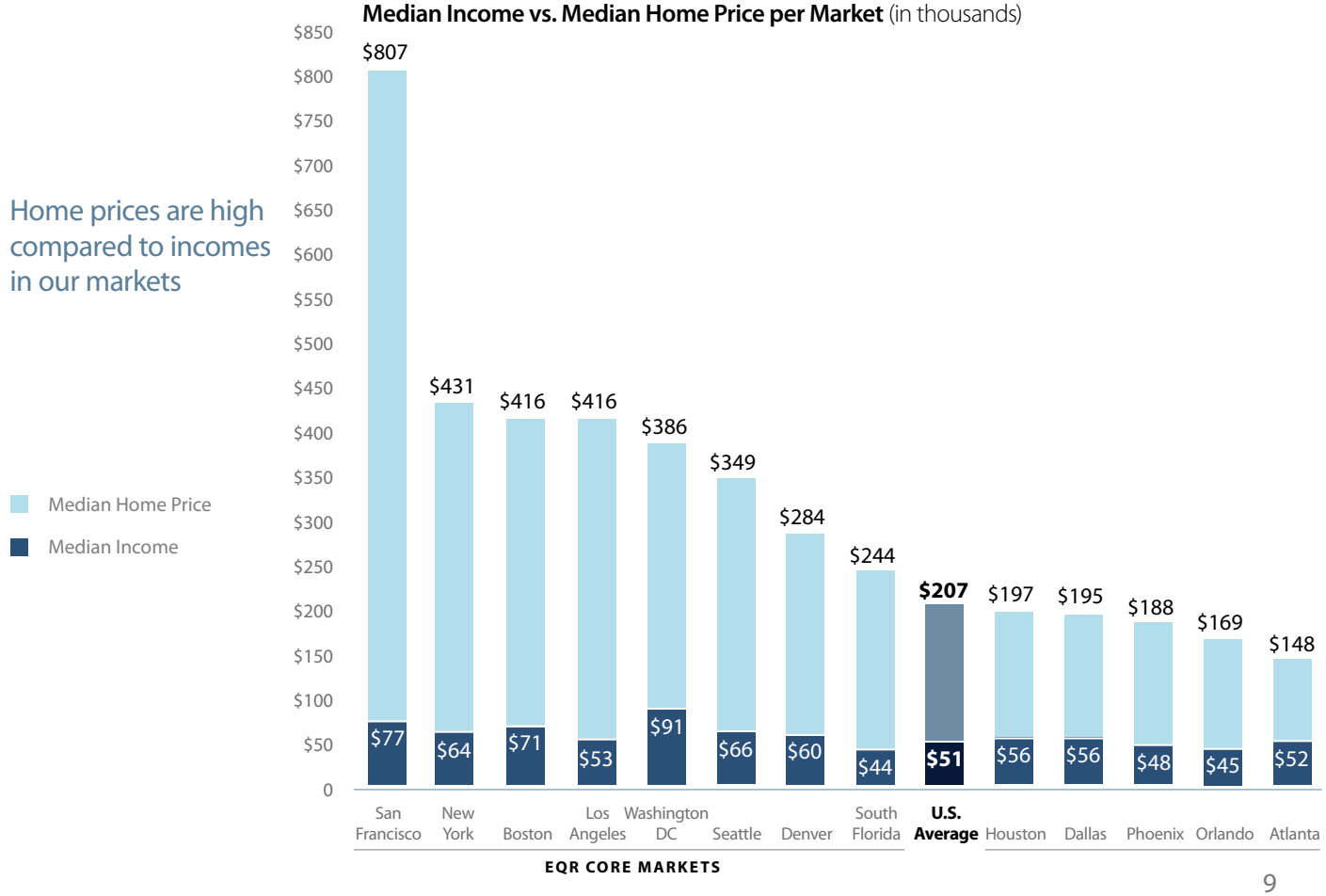
Less than 6% of our residents move out to buy a home each year.

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 as of September 2014

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



777 Sixth Avenue – New York, NY

Highest Median Resident Incomes

All U.S. Markets	$51,579
EQR Core Markets	$66,217
EQR Residents in Our Core Markets	$96,000

Highest Average Monthly Rents

All U.S. Markets	$1,179
EQR Core Markets	$1,986
EQR Residents in Our Core Markets	$2,291

Best Demographics for Renting Apartments EQR Core Markets Resident Profile

Singles	42.4%
20- to 34-Year-Olds	50.8%
Couples Without Children	36.0%
55+ Year-Olds	15.2%

Highest Median Home Cost

All U.S. Markets	$207,000
EQR Core Markets	$489,000

Source: MPF Research, EQR Data

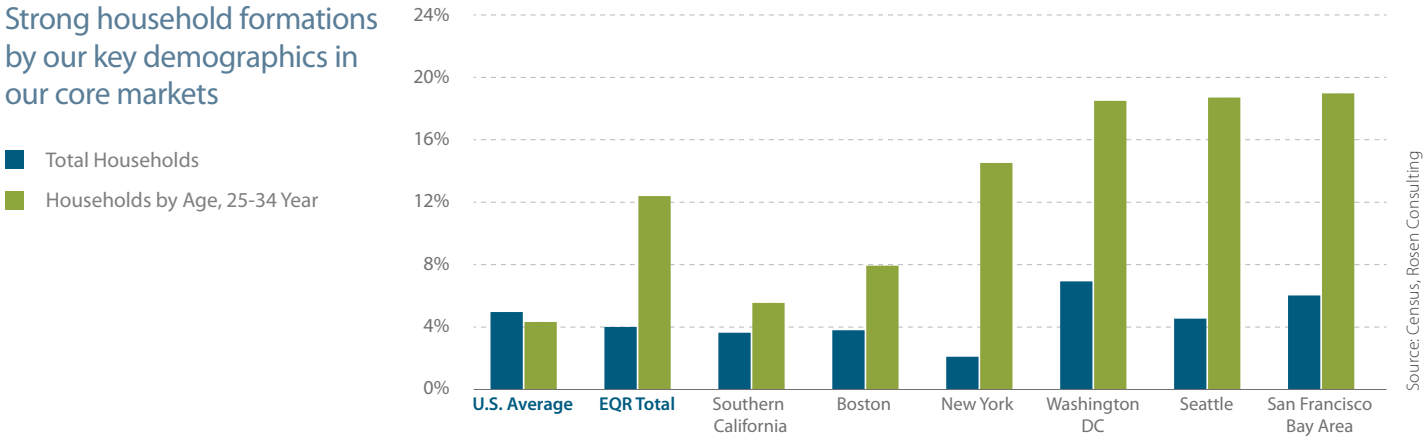
Market Statistics

	2013	2014	Projected 2015
Average Monthly Rent			
EQR Core Markets	$1,874	$1,986	$2,083
All U.S. Markets	$1,121	$1,179	$1,226
Effective Rent Growth			
EQR Core Markets	4.0%	6.2%	4.9%
All U.S. Markets	2.9%	4.6%	4.0%
Vacancy Rate			
EQR Core Markets	3.9%	3.9%	3.9%
All U.S. Markets	5.0%	4.7%	4.0%
Population Growth			
EQR Core Markets	0.8%	0.9%	0.9%
All U.S. Markets	1.1%	0.7%	0.8%
Household Formations			
EQR Core Markets	1.1%	0.7%	1.0%
All U.S. Markets	1.2%	0.6%	0.8%
Job Growth			
EQR Core Markets	1.3%	2.4 %	2.6 %
All U.S. Markets	1.3%	2.0%	2.4%
Median Home Prices			
EQR Core Markets	$385,000	$489,000	$514,000
All U.S. Markets	$180,000	$207,000	$220,000

Source: MPF Research, EQR Data

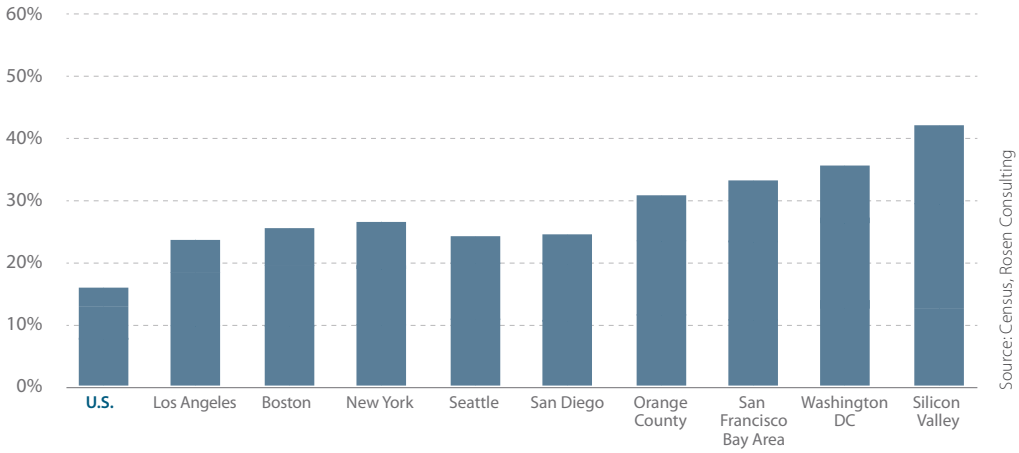
Growth in Household Formation
(2009 – 2013)

Strong household formations by our key demographics in our core markets



% of Renter Households with Incomes Over $75,000 in Our Markets

Broad pool of potential renters in EQR core markets

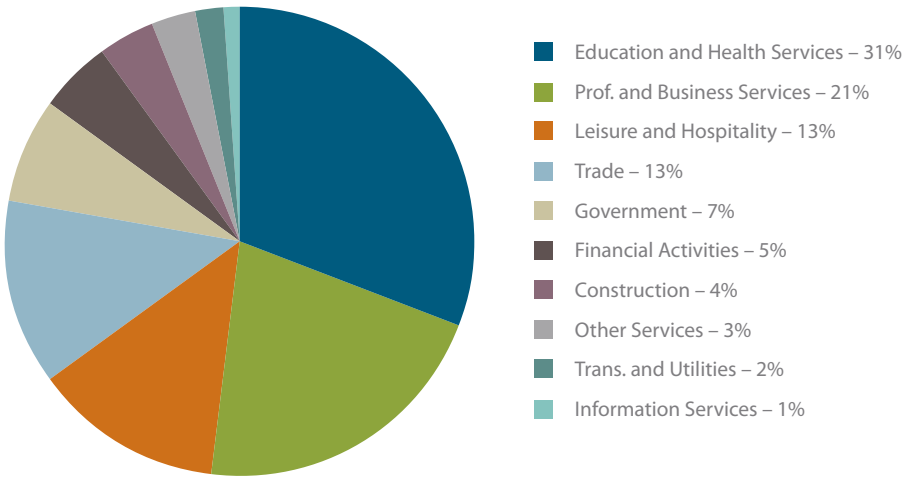




2201 Wilson– Arlington, VA

Sources of Employment Growth in EQR Core Markets – 2014f - 2018f

Good job growth forecasted across industry sectors in our core markets will drive demand



Source: Census, Rosen Consulting



Red160– Redmond, WA



1800 Oak – Arlington, VA



Alban Towers – Washington, DC



East 39th – New York, NY



Tallman – Seattle, WA

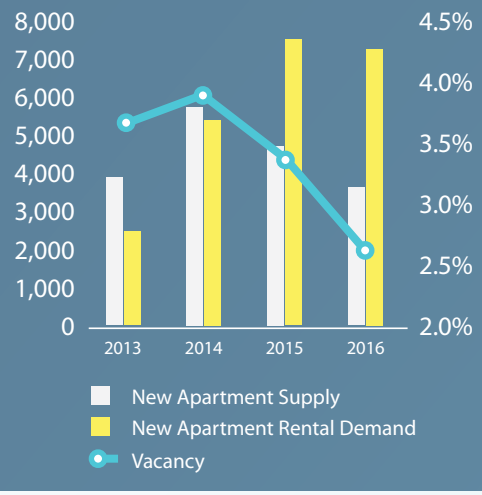
Portfolio

Portfolio Summary as of 12/31/2014

Core Markets	Total Properties	Total Units	% of Stabilized NOI	Avg. Monthly Rate Per Unit
Washington DC Metro Area	57	18,652	17.5%	$2,196
New York Metro Area	38	10,330	16.3%	3,863
San Francisco Bay Area	51	13,208	14.3%	2,403
Los Angeles	61	13,403	13.0%	2,208
Boston	34	7,816	10.1%	2,889
South Florida	35	11,434	7.4%	1,629
Seattle	43	8,542	7.2%	1,896
Denver	19	6,935	4.7%	1,438
San Diego	13	3,505	3.1%	1,982
Orange County	11	3,490	2.9%	1,790
Subtotal	362	97,315	96.5%	$2,291
Non-Core Markets				
Inland Empire	10	3,081	2.1%	1,570
Orlando	3	827	0.4%	1,218
All Other Markets	14	2,969	1.0%	1,178
Subtotal	27	6,877	3.5%	$1,357
Total	389	104,192	100.0%	$2,229
Military Housing	2	5,033	-	-
Grand Total	**391**	**109, 225**	**100.0%**	**$2,229**

Boston

New Supply/Demand† (units)



Market Data

	U.S.	Boston
Median Household Income	$51,579	$71,190
Median Home Price	$207,000	$416,000
Ratio	3.9 x	5.8 x

† Source: MPF Research, EQR Data *2014/2015 data projected*, Rosen Consulting

WALK SCORE

EQR	REIT Competitor Avg.
69.5	48.2

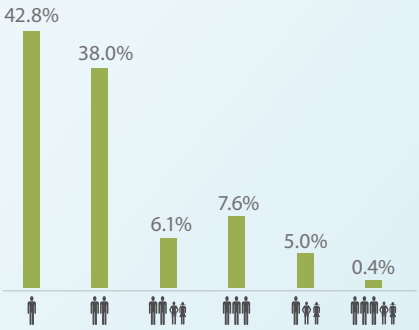
30% of renters in Boston commute by walking or public transportation.

EQR – Boston

Market Data (as of 12/31/14)

Properties	34
Units	7,816
Percent of NOI	10.1%
Occupancy	95.7%
Median Household Income	$125,605
Median Monthly Rent	$2,412
Rent as a Percent of Income	22.8%

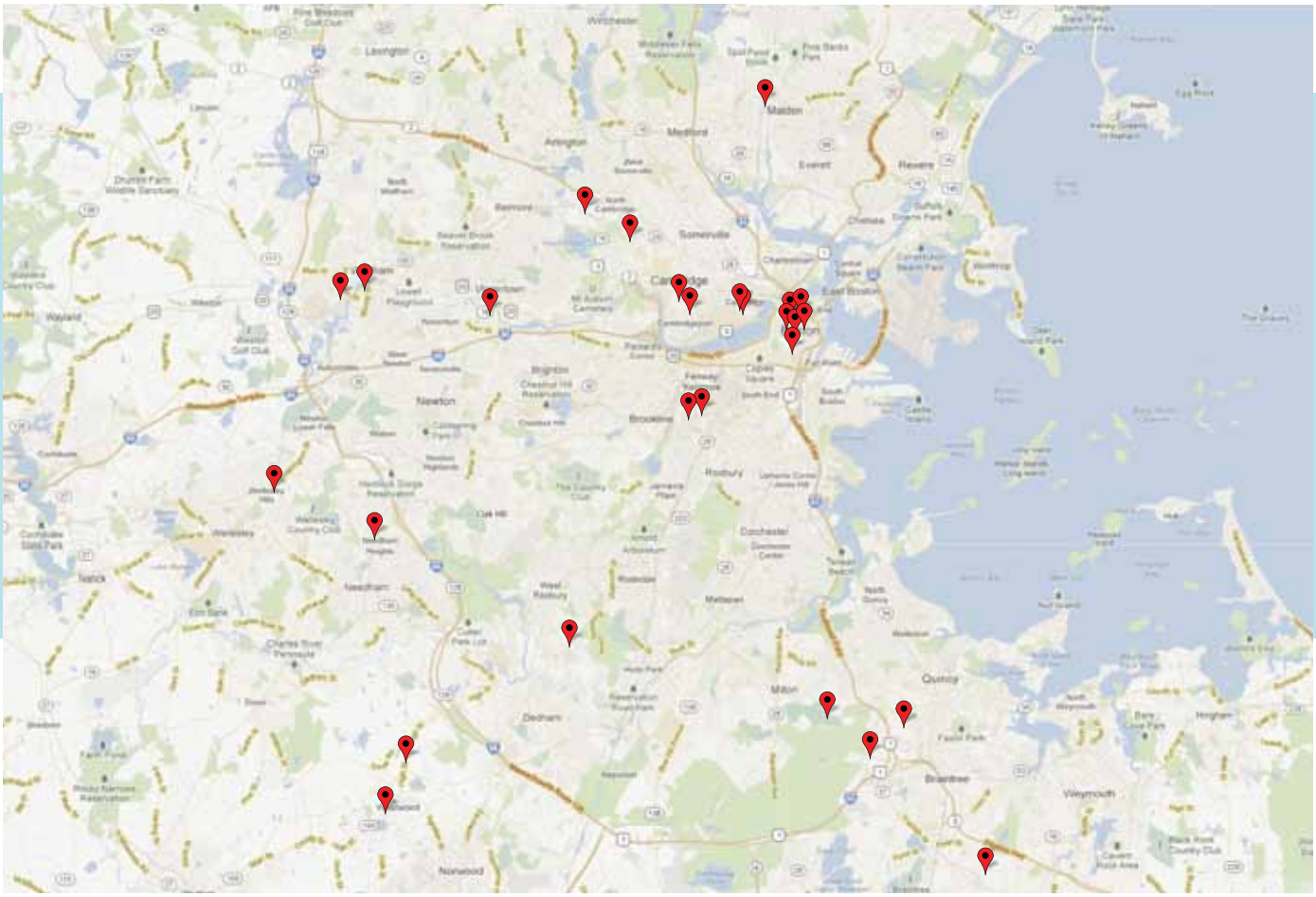
Resident Profile





Avenir – Boston, MA

Equity Residential Portfolio





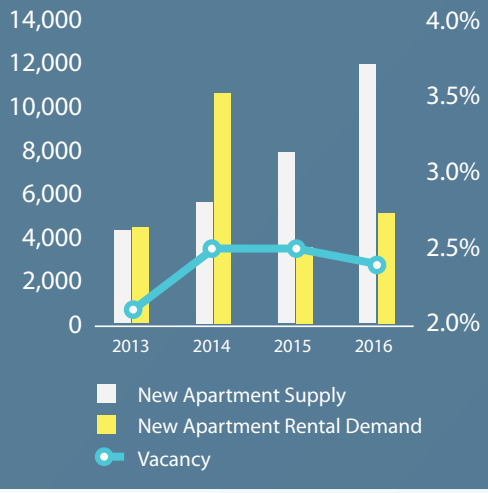
Longview Place – Waltham, MA



Third Square – Cambridge, MA

New York Metro Area

New Supply/Demand† (units)
(Manhattan)



Market Data

	U.S.	New York
Median Household Income	$51,579	$64,538
Median Home Price	$207,000	$431,000
Ratio	3.9 x	6.6 x

† Source: MPF Research, EQR Data *2014/2015 data projected*, Rosen Consulting

WALK SCORE

EQR	REIT Competitor Avg.
93.0	77.6

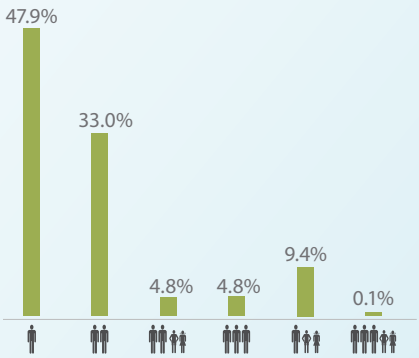
More than 50% of renters in New York commute by walking or public transportation.

EQR – New York Metro Area

Market Data (as of 12/31/14)

Properties	38
Units	10,330
Percent of NOI	16.3%
Occupancy	96.5%
Median Household Income	$180,000
Median Monthly Rent	$3,460
Rent as a Percent of Income	21.7%

Resident Profile





Ten23 – Manhattan, NY

Equity Residential Portfolio





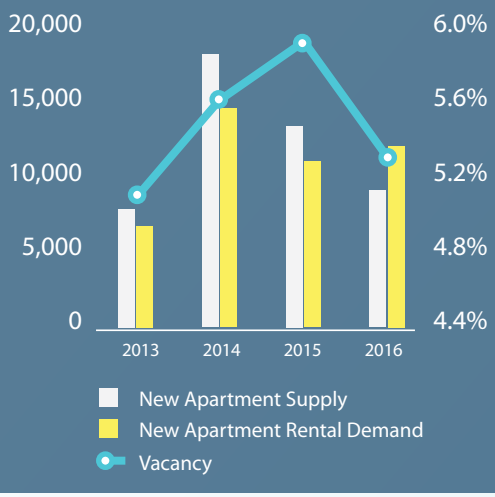
170 Amsterdam – New York, NY



Beatrice – New York, NY

Washington, DC Metro Area

New Supply/Demand† (units)



Market Data

	U.S.	Washington, DC Metro
Median Household Income	$51,579	$91,843
Median Home Price	$207,000	$386,000
Ratio	3.9 x	4.2x

† Source: MPF Research, EQR Data *2014/2015 data projected*, Rosen Consulting

WALK SCORE

EQR	REIT Competitor Avg.
77.5	56.3

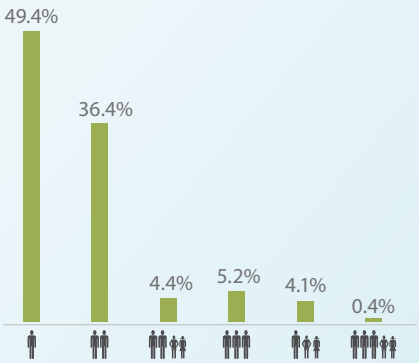
Nearly 30% of renters in DC market commute by walking or public transportation.

EQR – Washington, DC

Market Data (as of 12/31/14)

Properties	57
Units	18,652
Percent of NOI	17.5%
Occupancy	95.8%
Median Household Income	$98,466
Median Monthly Rent	$1,991
Rent as a Percent of Income	23.0%

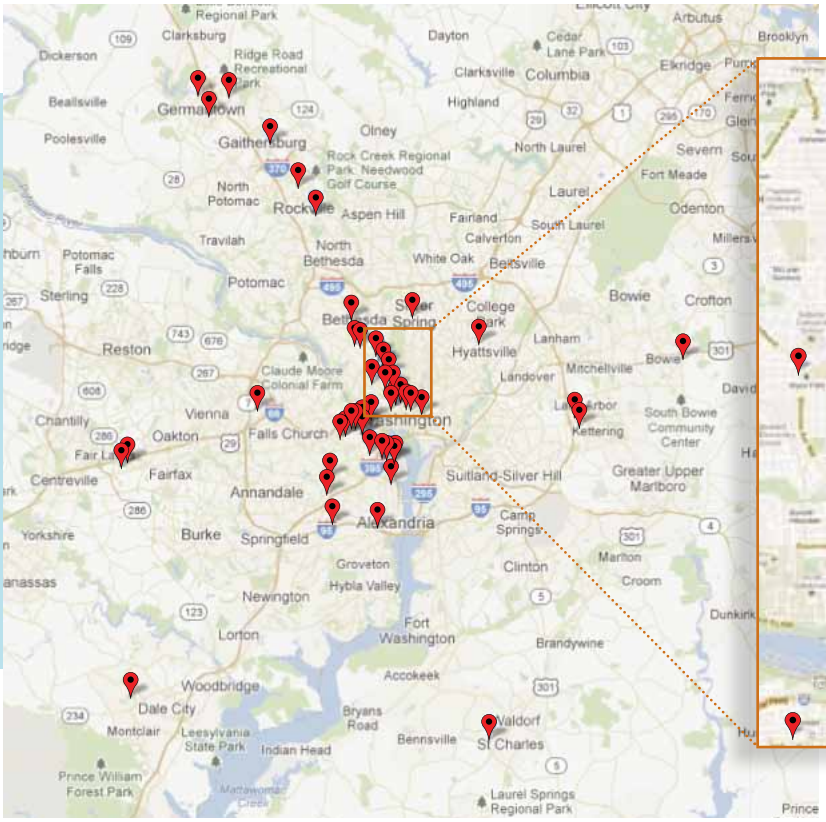
Resident Profile



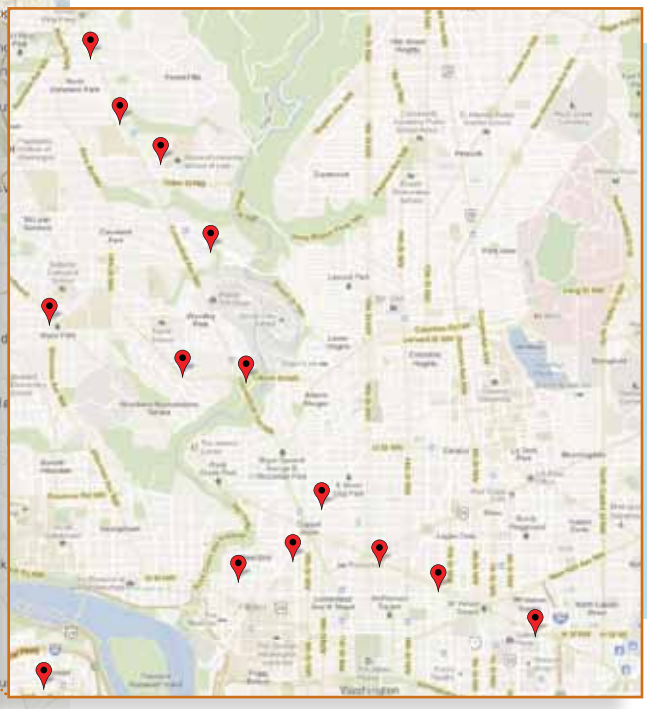


Park Connecticut – Washington, DC

Equity Residential Portfolio



The District





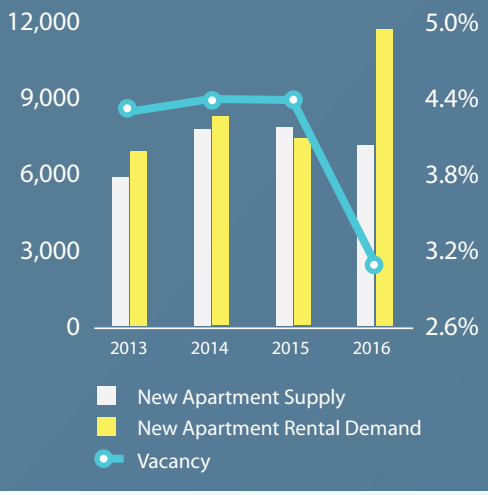
Wisconsin Place – Chevy Chase, MD



1401 Joyce – Arlington, VA

Seattle

New Supply/Demand† (units)



Market Data

	U.S.	Seattle
Median Household Income	$51,579	$66,130
Median Home Price	$207,000	$349,000
Ratio	3.9 x	5.2 x

† Source: MPF Research, EQR Data *2014/2015 data projected*, Rosen Consulting

WALK SCORE

EQR	REIT Competitor Avg.
73.3	66.6

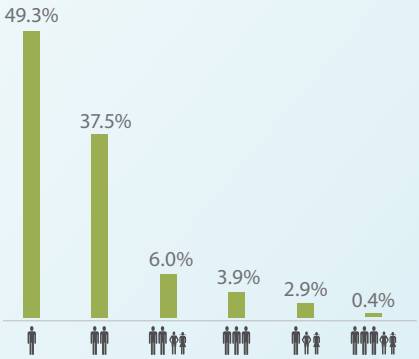
20% of renters in Seattle commute by walking or public transportation.

EQR – Seattle

Market Data (as of 12/31/14)

Properties	43
Units	8,542
Percent of NOI	7.2%
Occupancy	95.7%
Median Household Income	$90,000
Median Monthly Rent	$1,658
Rent as a Percent of Income	20.2%

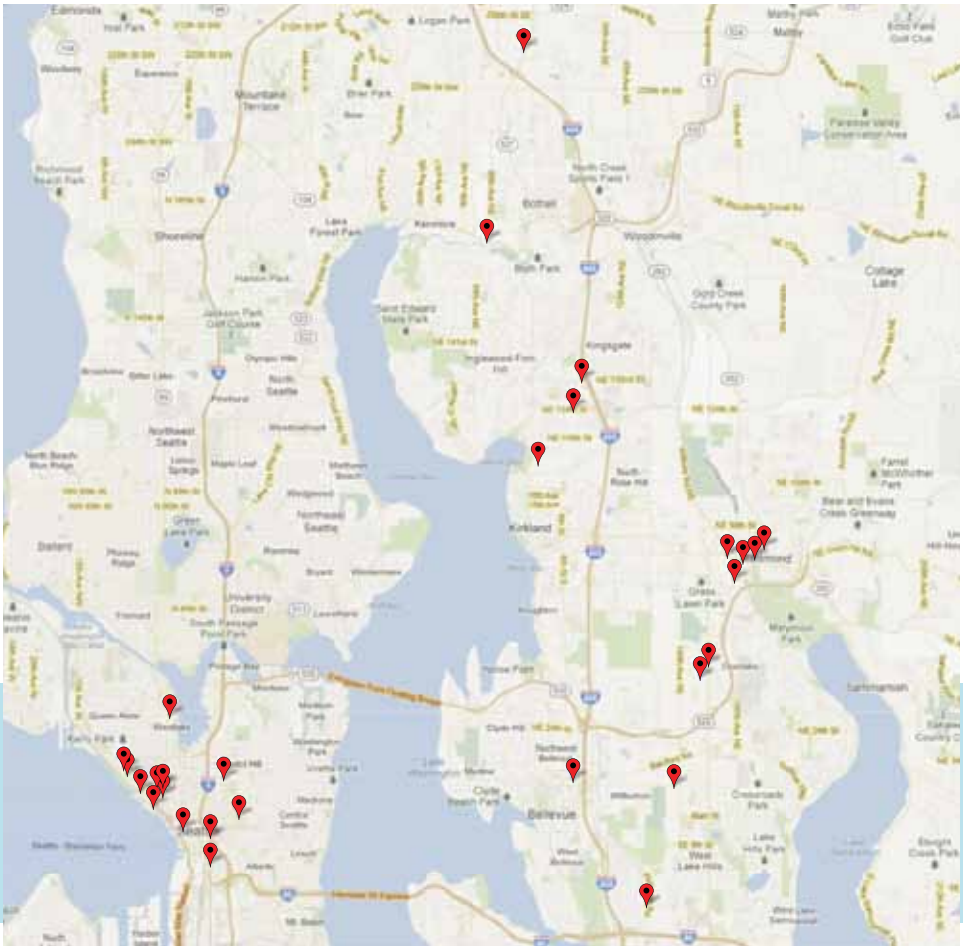
Resident Profile





2nd and Pine – Seattle, WA

Equity Residential Portfolio





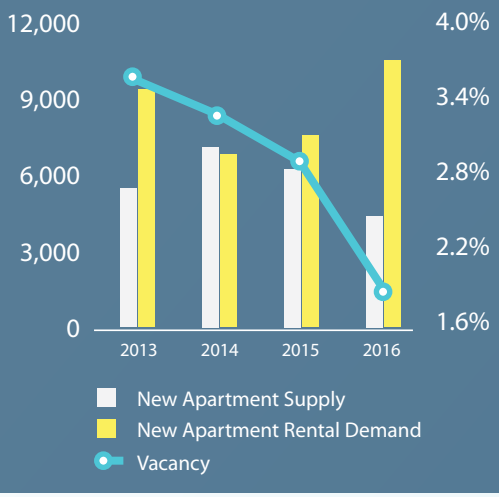
Moda– Seattle, WA



Riverpark– Redmond, WA

San Francisco

New Supply/Demand† (units)



Market Data

	U.S.	San Francisco
Median Household Income	$51,579	$77,509
Median Home Price	$207,000	$807,000
Ratio	3.9 x	10.4 x

† Source: MPF Research, EQR Data *2014/2015 data projected*, Rosen Consulting

WALK SCORE

EQR	REIT Competitor Avg.
70.2	63.5

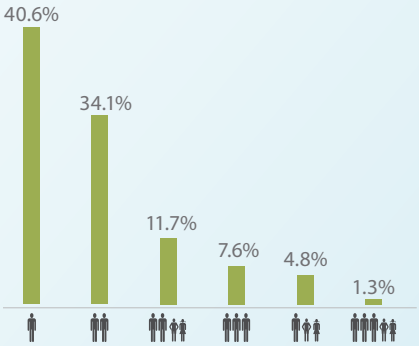
30% of renters in San Francisco commute by walking or public transportation.

EQR – San Francisco

Market Data (as of 12/31/14)

Properties	51
Units	13,208
Percent of NOI	14.3%
Occupancy	97.0%
Median Household Income	$112,012
Median Monthly Rent	$2,237
Rent as a Percent of Income	25.1%

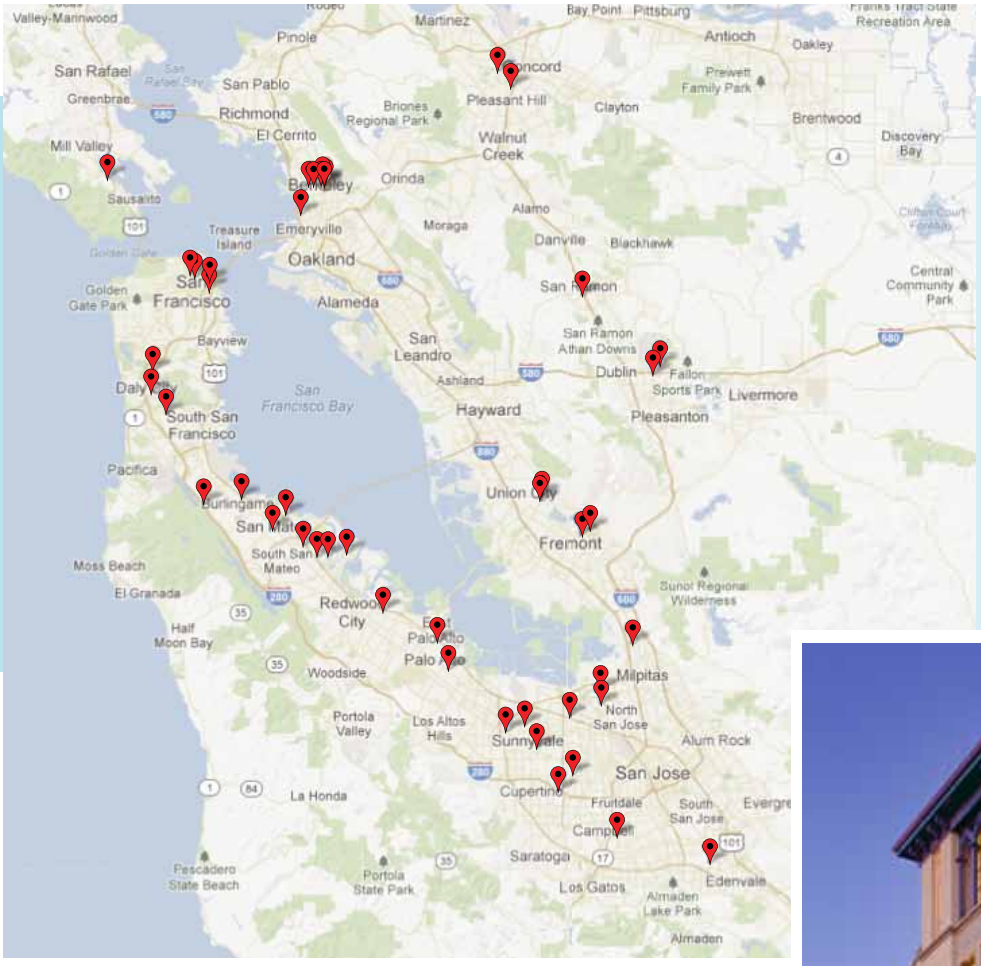
Resident Profile

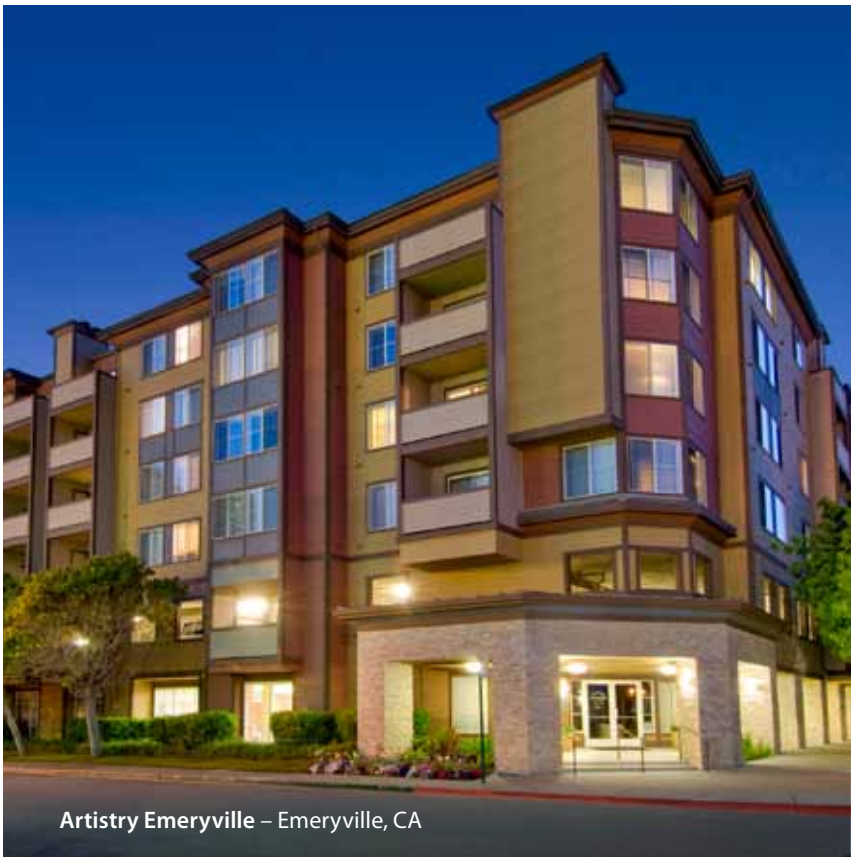




340 Fremont – San Francisco, CA

Equity Residential Portfolio





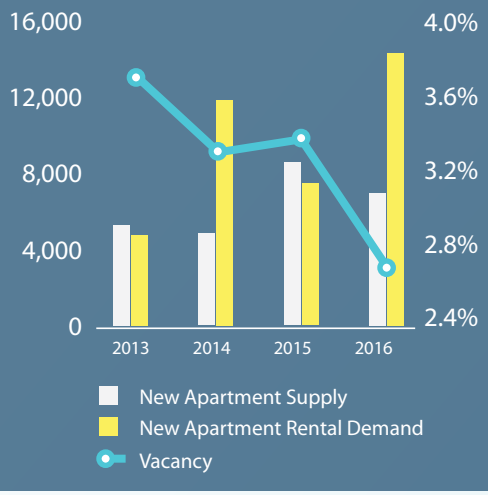
Artistry Emeryville – Emeryville, CA



Bachenheimer – Berkeley, CA

Los Angeles

New Supply/Demand† (units)



Market Data

	U.S.	Los Angeles
Median Household Income	$51,579	$53,125
Median Home Price	$207,000	$416,000
Ratio	3.9 x	7.8 x

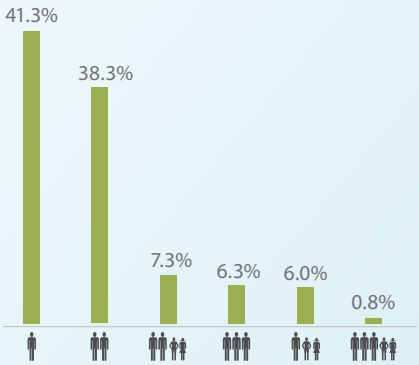
† Source: MPF Research, EQR Data *2014/2015 data projected*, Rosen Consulting

EQR – Los Angeles

Market Data (as of 12/31/14)

Properties	61
Units	13,403
Percent of NOI	13.0%
Occupancy	96.0%
Median Household Income	$100,000
Median Monthly Rent	$2,066
Rent as a Percent of Income	23.8%

Resident Profile





Marina 41 – Marina del Rey, CA



Jia – Los Angeles, CA

Equity Residential Portfolio



4th and Hill – Los Angeles, CA



Millikan and Alton – Irvine, CA

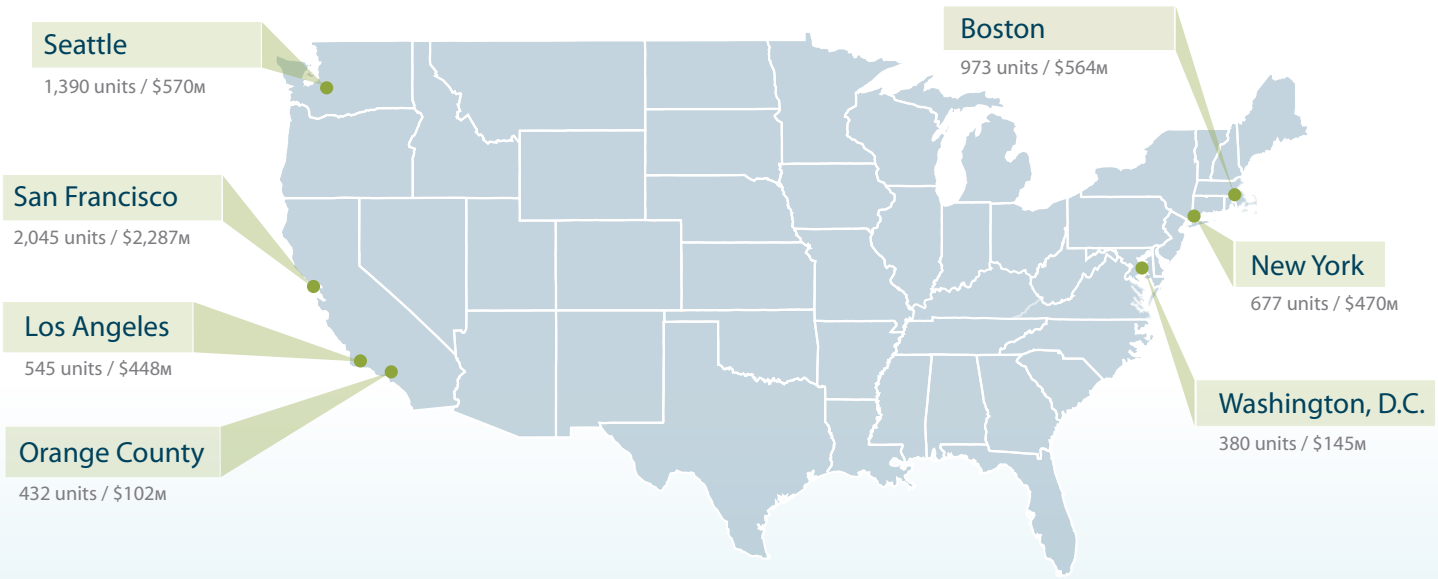
Our Development Capability is a Source of Attractively Priced Assets in High-Growth Markets

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 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.

From 2011 to 2014, we delivered 11 properties containing 2,936 apartment units for a total cost of $883 million. Today those assets are worth more than $1.275 billion, or an increase of $391.2 million.

We currently have 4,917 apartment units under construction for more than $2.4 billion and a pipeline of 2,900 units to be developed at a total cost of $1.4 billion. We plan to self-fund this activity.

Core Development Markets



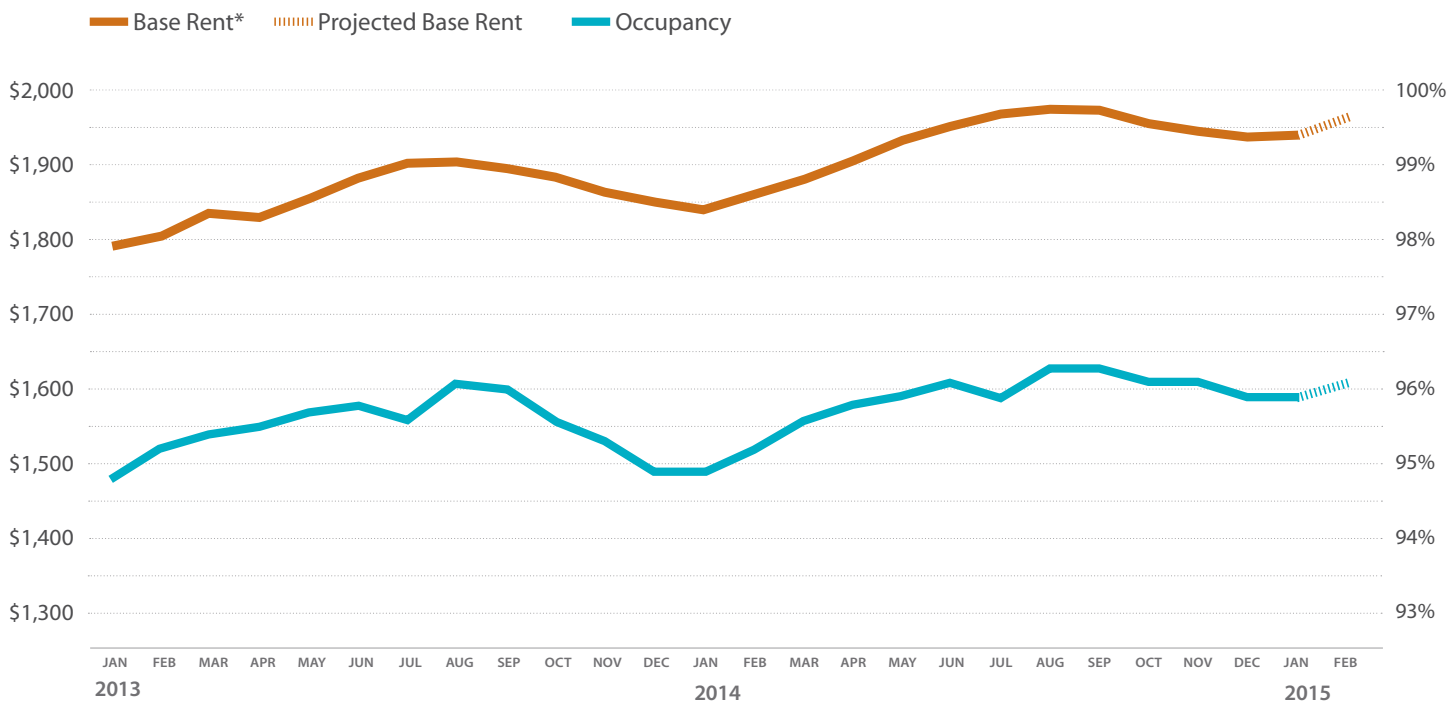


Urbana– Seattle, WA

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.
** Archstone data included effective January 2013.

Fourth consecutive year of 5% or higher NOI growth

Full Year 2014 Operating Metrics

	Year-Over-Year Change 2014 Over 2013
Same Store Revenues	4.3%
Same Store Expenses	1.8%
Same Store NOI	5.6%
Base Rent	4.1%
Renewal Rent	5.6%
Occupancy **95.8%**	0.4%

Full Year 2014 Same Store Performance

Market	Units	2014 % of Actual NOI	2014 Avg. Rental Rate[1]	Change in Revenues
New York Metro Area	10,330	17.3%	$ 3,826	3.9%
DC/Northern Virginia	17,553	18.4%	2,225	(0.5%)
South Florida	10,537	7.4%	1,587	5.0%
Los Angeles	11,104	10.7%	2,117	4.8%
Boston	7,722	10.5%	2,847	3.5%
San Francisco Bay Area	12,764	14.2%	2,315	8.9%
Seattle	7,430	6.4%	1,839	7.3%
Denver	6,935	4.9%	1,395	7.8%
San Diego	3,505	3.3%	1,963	4.4%
Orlando	827	0.4%	1,223	1.8%
Orange County, CA	3,490	3.1%	1,777	5.0%
Inland Empire, CA	3,081	2.3%	1,558	3.7%
All Other Markets	2,633	1.1%	1,124	3.5%
Total	**97,911**	**100.0%**	**$ 2,202**	**4.3%**

[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



 Vantage Pointe – San Diego, CA



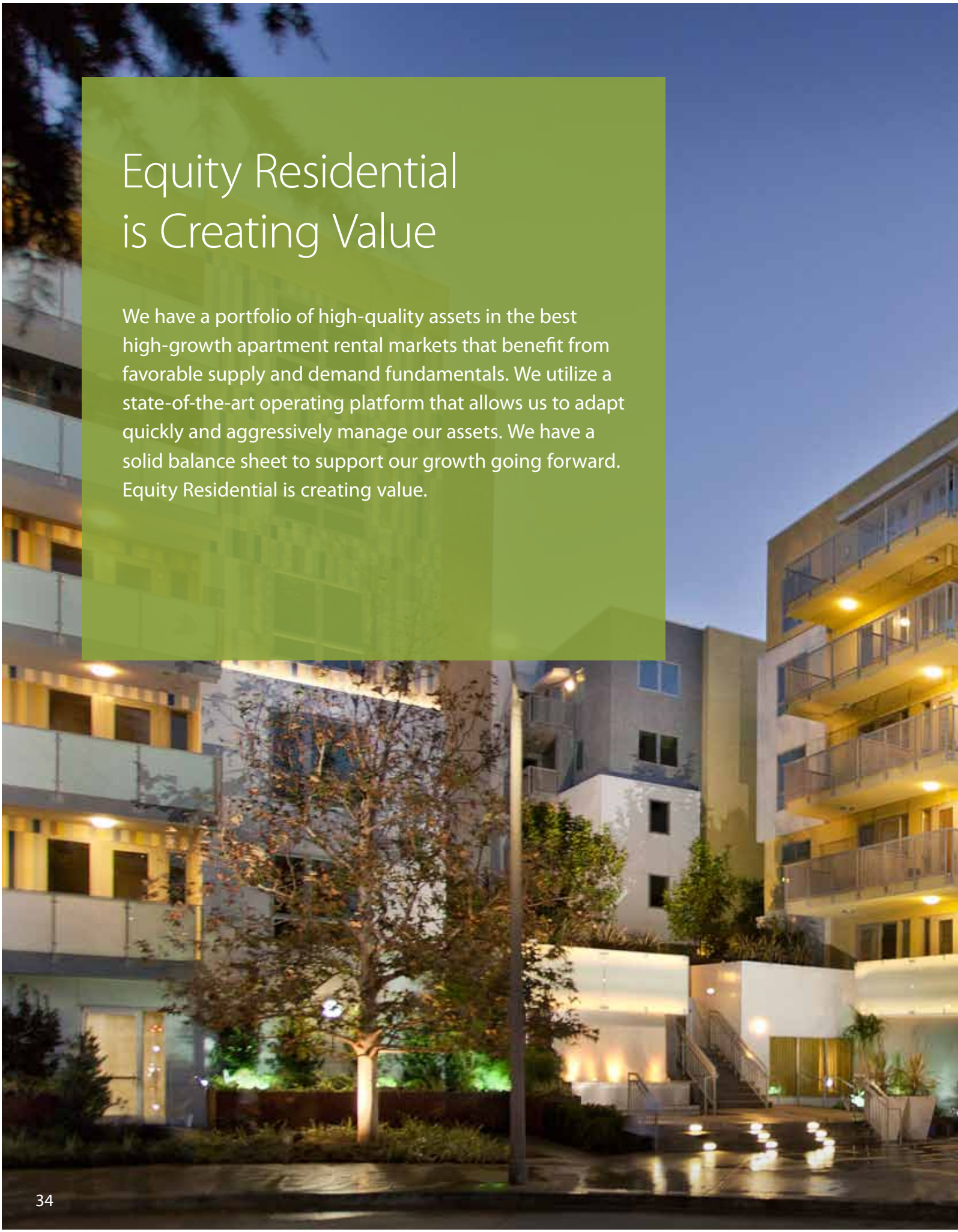
Trump Place – New York, NY



Courthouse Plaza – Arlington, VA

- 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 and has been placed on Positive Outlook by both agencies.
- In June 2014 we closed on two unsecured note offerings: a $750 million, 30-year at an all-in effective rate of 4.57% and a $450 million 5-year at an all-in effective rate of 2.52%.
- We expect to have a net debt to EBITDA ratio of approximately 6.4x and a fixed charge coverage of 3.4x at year end.*
- In early 2015, we introduced a $500 million Commercial Paper program which will allow the company to borrow daily, weekly and monthly at extremely low floating rates of interest.

* Fixed charge coverage ratio is defined as EBITDA / interest incurred (including capitalized interest) + regularly scheduled debt principal amortization + Non-cash mark-to-market amortization + preferred dividends.



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 Hesby – North Hollywood, CA

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 391 properties consisting of 109,225 apartment units.

Equity Residential

Two North Riverside Plaza
Chicago, Illinois 60606
312.474.1300

EquityResidential.com







FROM LEFT TO RIGHT: **Fremont Center** – Fremont, CA; **Metro on First** – Seattle, WA; **Longacre House** – New York, NY

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 2014 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 2015 budgets and proforma expectations on recent acquisitions.

March 2015