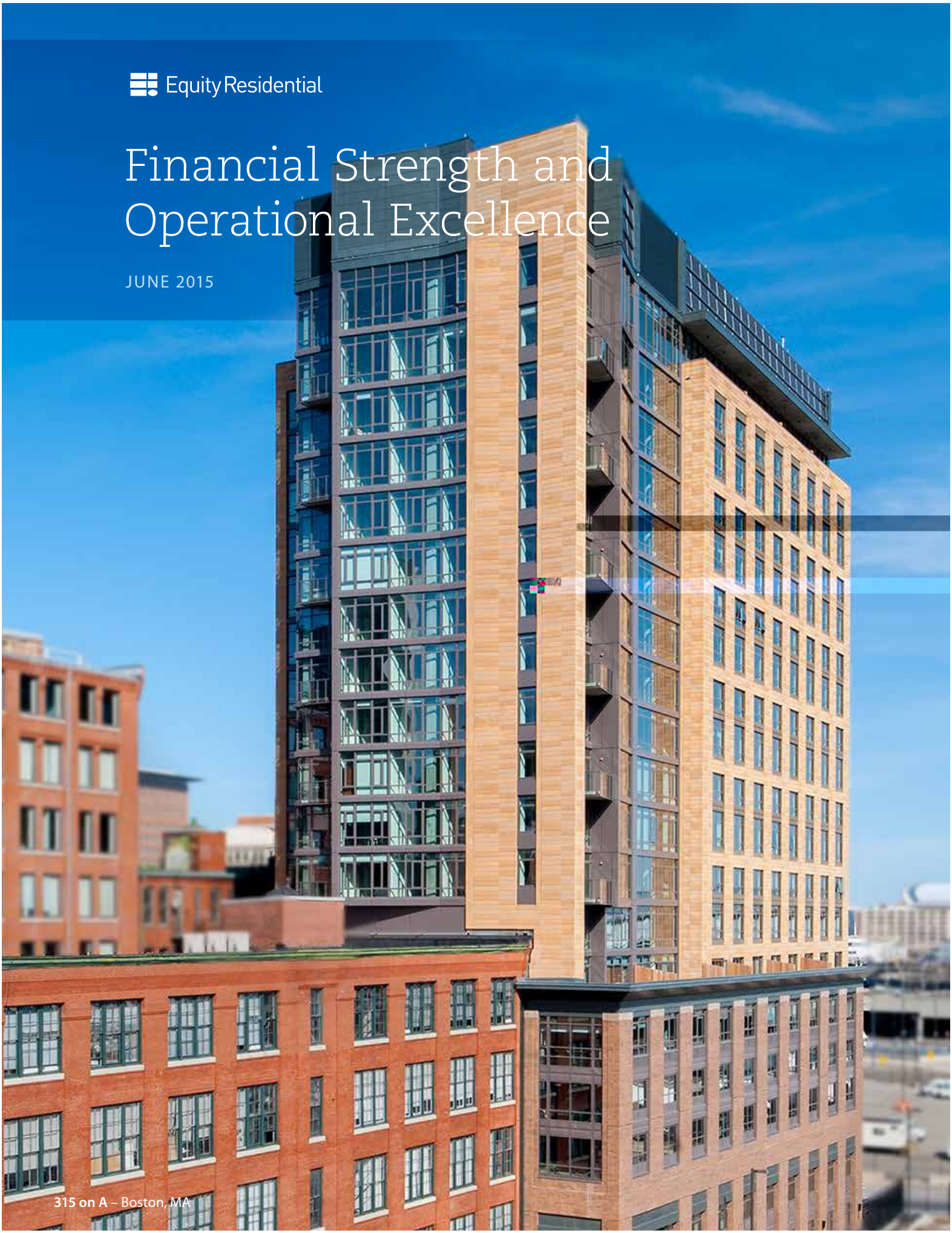
Equity Residential

Financial Strength and Operational Excellence

JUNE 2015



315 on A – Boston, MA

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.



Westchester at the Pavilions – Waldorf, MD

- 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
- Over $4 billion of dispositions in 2013 generating an economic gain of more than $900 million and an unleveraged IRR of 10%
- 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



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



Fremont Center – Fremont, CA

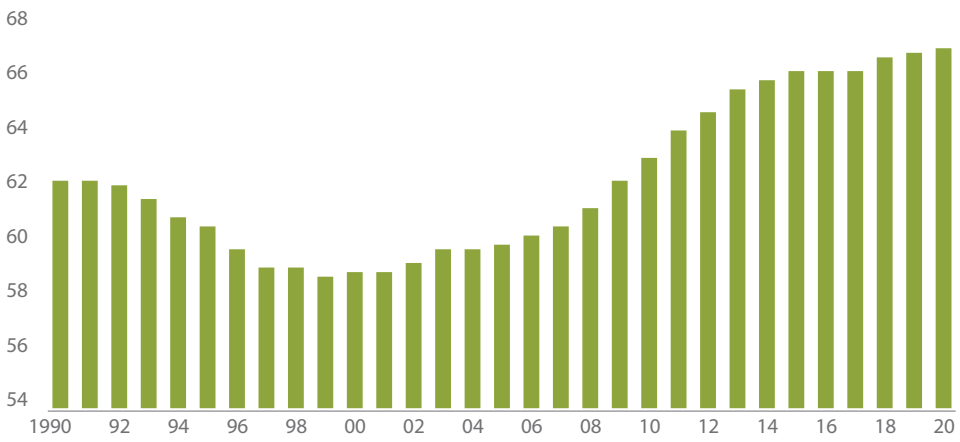
We focus on core markets where our country's knowledge-based economy will continue to create jobs in technology, health-care and service-related industries. These markets are where the next generation of workers – the 80 million strong "Echo Boomers" – wants to live, work and play.

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)

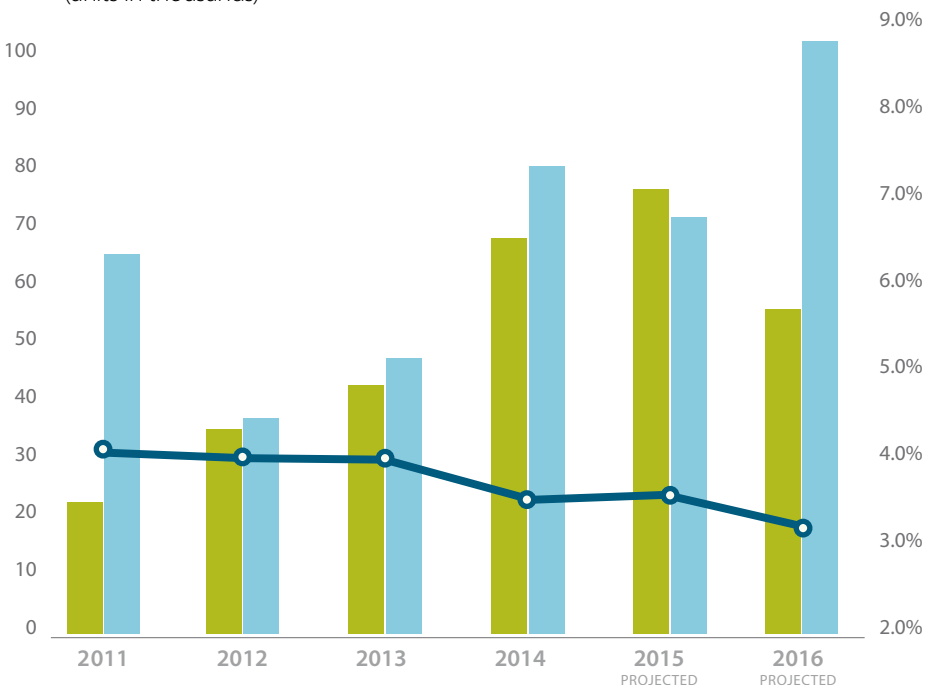


Source: Green Street Advisors

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, the construction of new apartments has increased, but with apartment rentals capturing 20% to 30% of new household formations in our markets, vacancy rates will continue to stay very low.

Multifamily construction starts have increased, but will decline. Demand remains strong in our markets.

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



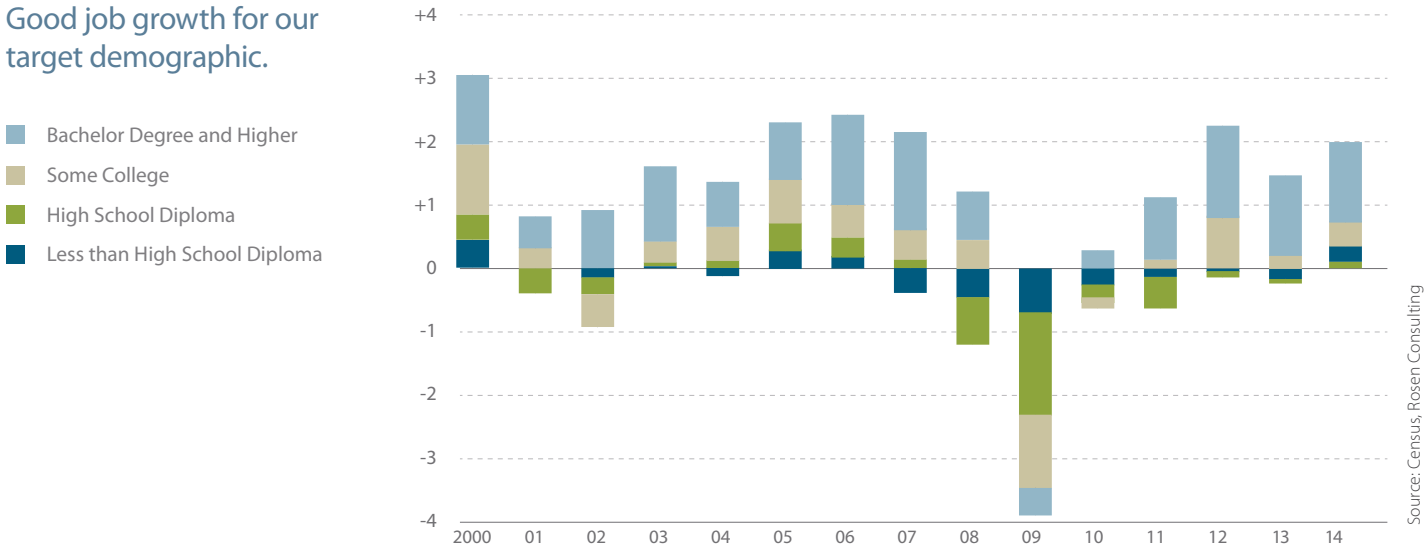
Source: MPF Research, REIS Research, EQR Data

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.

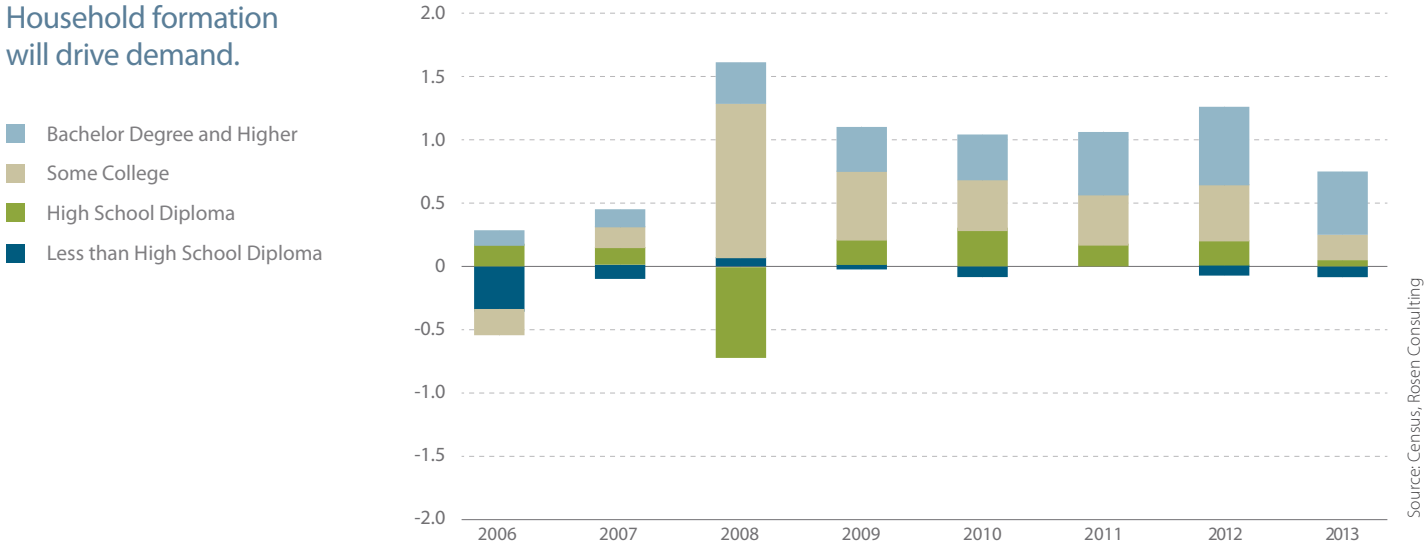
Job Creation by Educational Attainment (jobs in millions)



Source: Census, Rosen Consulting

Household formation will drive demand.

Renter Household Formation by Educational Attainment (households in millions)

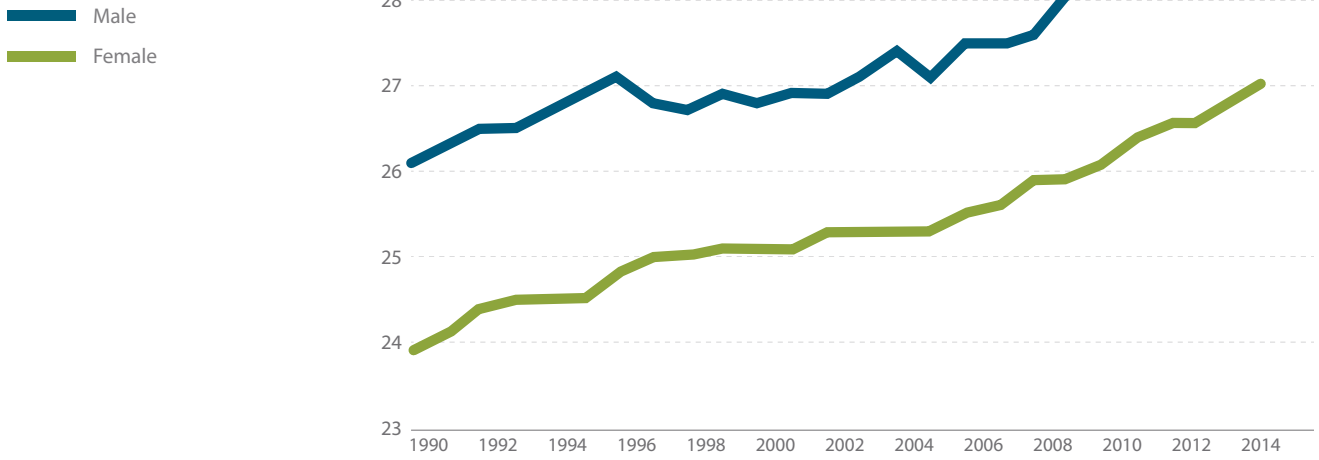


Source: Census, Rosen Consulting

Median Age at First Marriage (years)

Lifestyle choices will keep people renting longer.

People are marrying and having children later.

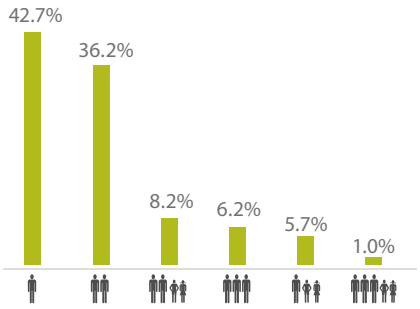


Source: Census, Rosen Consulting



The West End Apartments– Boston, MA

Equity Residential's 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.

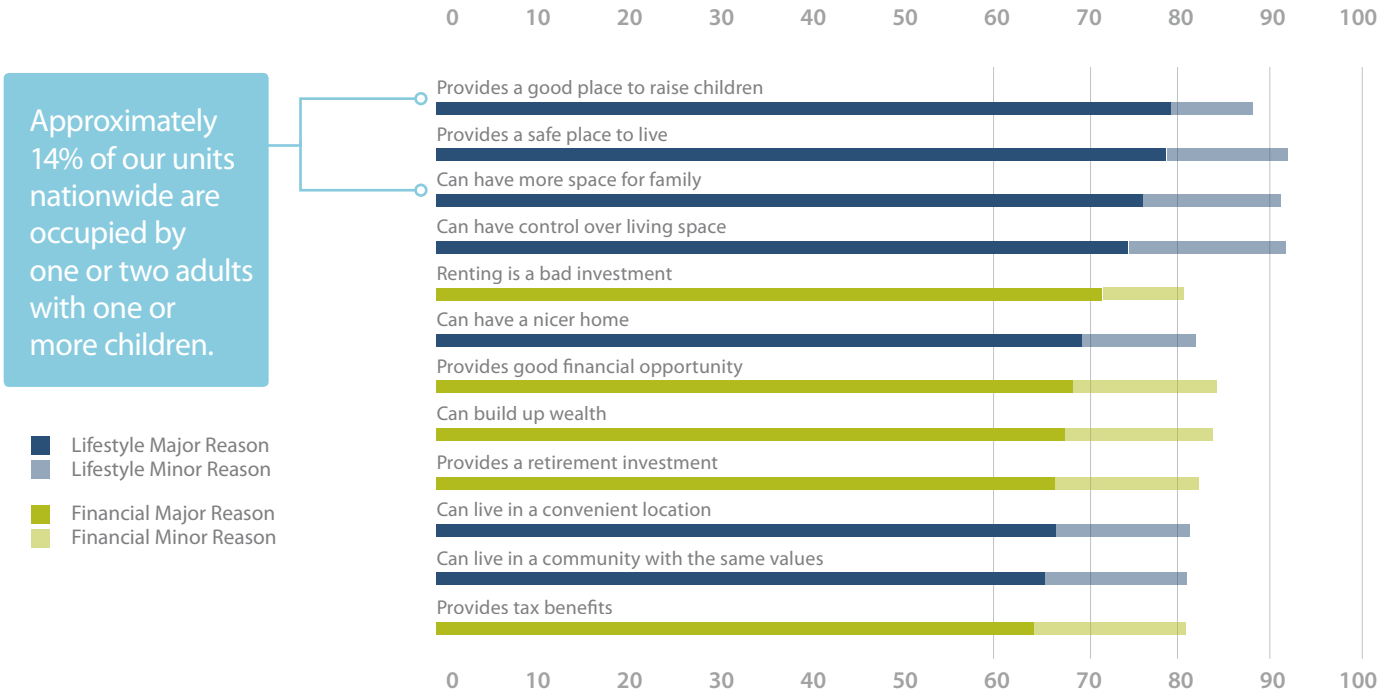
When people purchase homes they do so for mostly non-economic reasons. In a recently published study from the Joint Center for Housing Studies at Harvard University, lifestyle issues topped the reasons for buying a home.

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 is 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 14% of our units nationwide are occupied by one or two adults with one or more children.

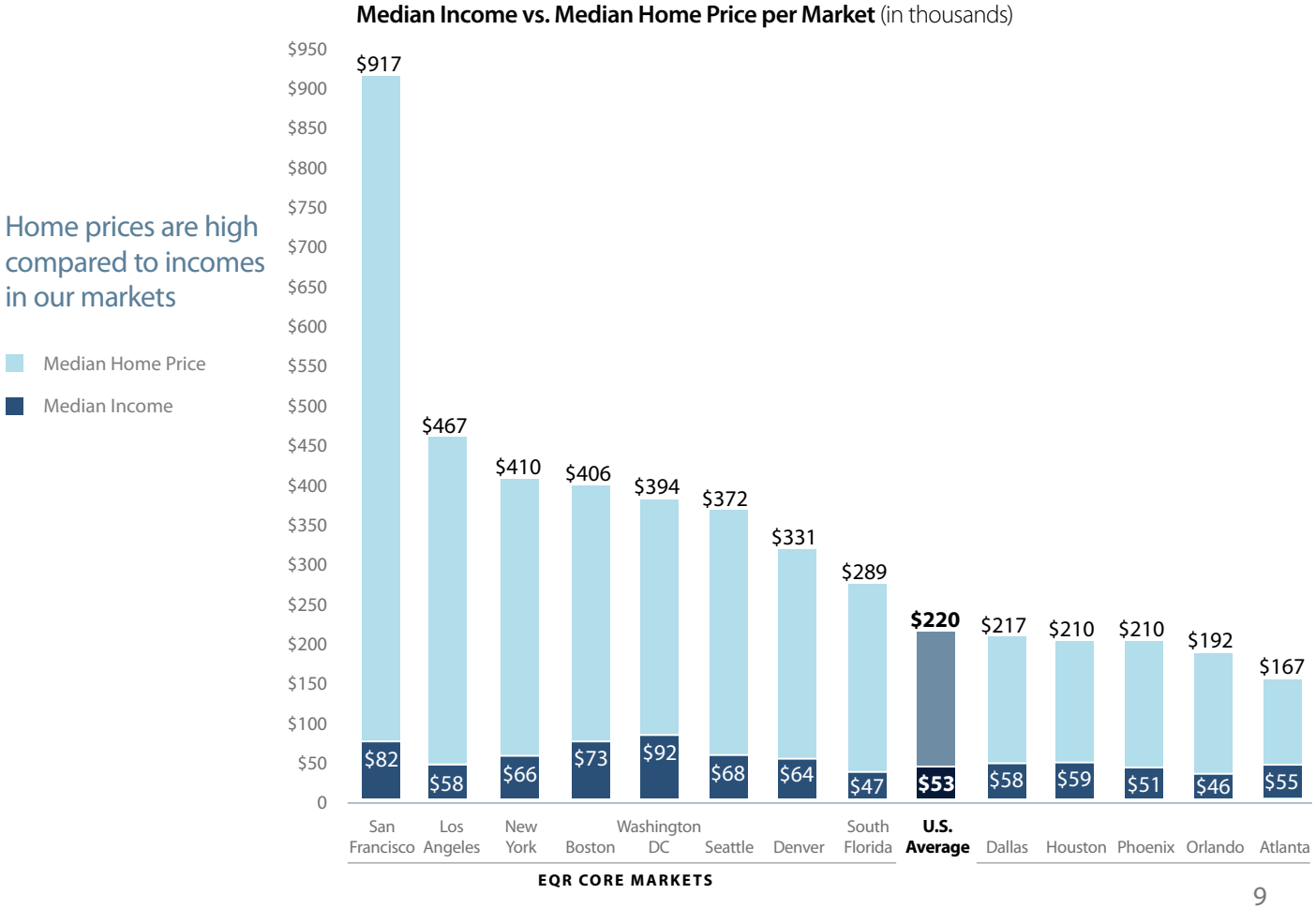
Source: Joint Center for Housing Studies at Harvard University

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



Source: Moody's Analytics, Nielsen and Company Data as of March 2015

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 6th Avenue – New York, NY

Highest Median Resident Incomes

All U.S. Markets	$53,706
EQR Core Markets	$69,215
EQR Residents in Our Core Markets	$97,560

Highest Average Monthly Rents

All U.S. Markets	$1,226
EQR Core Markets	$2,083
EQR Residents in Our Core Markets	$2,319

Best Demographics for Renting Apartments EQR Core Markets Resident Profile

Singles	42.7%
20- to 34-Year-Olds	50.7%
Couples Without Children	36.2%
55+ Year-Olds	15.3%

Highest Median Home Cost

All U.S. Markets	$220,000
EQR Core Markets	$449,000

Source: MPF Research, EQR Data

Market Statistics

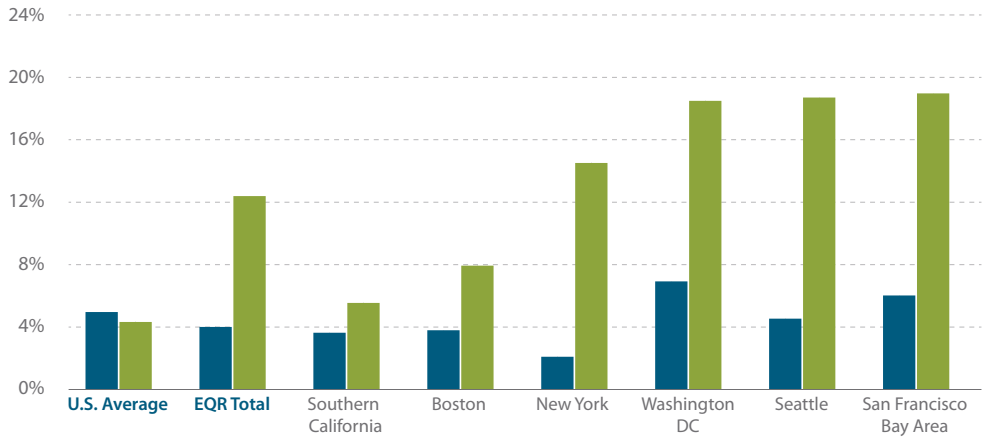
	2013	2014	Projected 2015
Average Monthly Rent			
EQR Core Markets	$1,874	$1,986	$2,083
All U.S. Markets	$1,121	$1,179	$1,226
Effective Rent Growth			
EQR Core Markets	4.0%	6.2%	4.9%
All U.S. Markets	2.9%	4.6%	4.0%
Vacancy Rate			
EQR Core Markets	3.9%	3.9%	3.9%
All U.S. Markets	5.0%	4.7%	4.0%
Population 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	$449,000	$514,000
All U.S. Markets	$180,000	$220,000	$220,000

Source: MPF Research, EQR Data

Growth in Household Formation
(2009 – 2013)

Strong household formations by our key demographic in our core markets

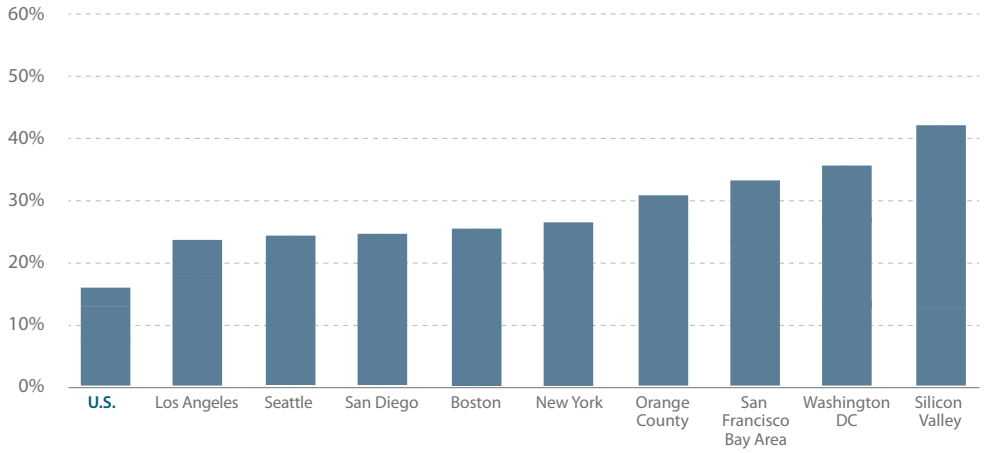
- Total Households
- Households by Age, 25- to 34-year-olds



Source: Census, Rosen Consulting

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

Broad pool of potential renters in EQR core markets



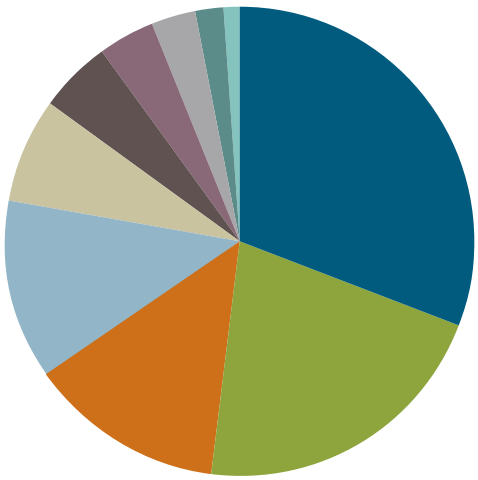
Source: Census, Rosen Consulting



2201 Wilson – Arlington, VA

Sources of Employment Growth in EQR Core Markets – 2015f - 2019f

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



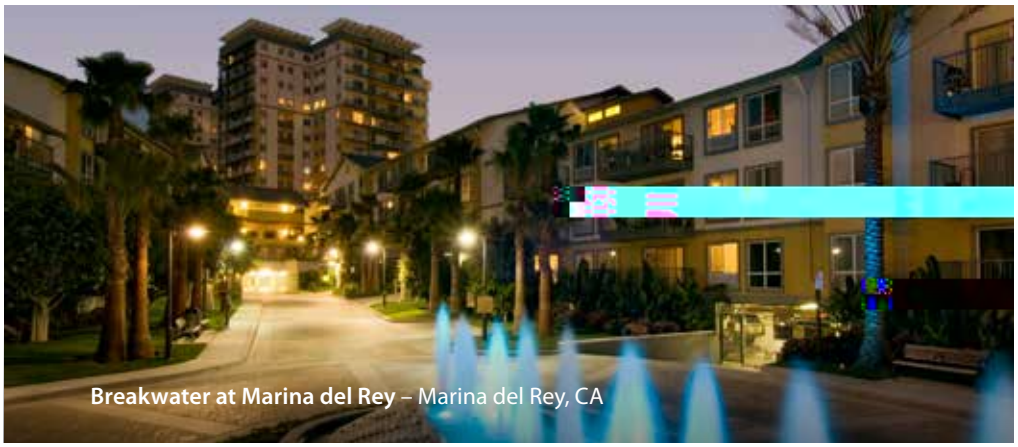
Source: Census, Rosen Consulting



Cambridge Park – Cambridge, MA



1800 Oak – Arlington, VA



Breakwater at Marina del Rey – Marina del Rey, CA



Alban Towers – Washington, DC



Geary Courtyard – San Francisco, CA

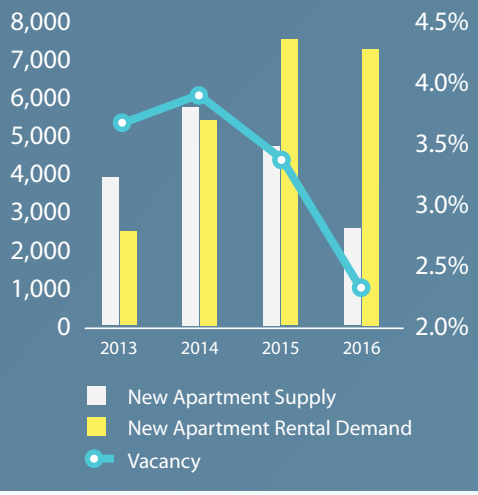
Portfolio

Portfolio Summary as of 3/31/2015

Core Markets	Total Properties	Total Units	% of Stabilized NOI	Avg. Monthly Rate Per Unit
Washington DC Metro Area	57	18,652	17.6%	$2,202
New York Metro Area	38	10,330	16.5%	3,879
San Francisco Bay Area	51	13,208	14.3%	2,453
Los Angeles	61	13,313	12.7%	2,248
Boston	34	7,816	10.0%	2,915
South Florida	35	11,434	7.5%	1,647
Seattle	41	8,170	7.0%	1,940
Denver	19	6,935	4.7%	1,466
San Diego	13	3,505	3.1%	2,008
Orange County	11	3,490	3.0%	1,821
Subtotal	360	96,853	96.4%	$2,319
Non-Core Markets				
Inland Empire	10	3,081	2.2%	1,587
Orlando	3	827	0.4%	1,255
All Other Markets	14	2,969	1.0%	1,188
Subtotal	27	6,877	3.6%	$1,374
Total	387	103,730	100.0%	$2,256
Military Housing	2	5,063	-	-
Grand Total	**389**	**108, 793**	**100.0%**	**$2,256**

Boston

New Supply/Demand† (units)



Market Data

	U.S.	Boston
Median Household Income	$53,706	$73,624
Median Home Price	$220,000	$406,000
Ratio	4.1 x	5.5 x

† Source: Moody's Analytics, Nielsen, EQR Data *2015/2016 data projected*, Rosen Consulting

WALK SCORE

EQR	REIT Competitor Avg.
69.5	48.2

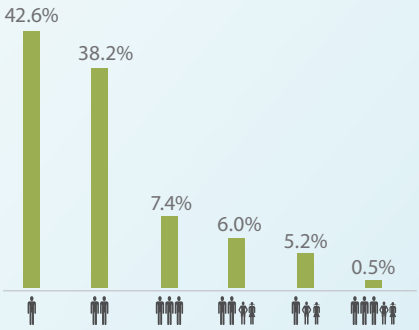
30% of renters in Boston commute by walking or public transportation.

EQR – Boston

Market Data (as of 3/31/15)

Properties	34
Units	7,816
Percent of NOI	10.0%
Occupancy	96.9%
Median Household Income	$128,198
Median Monthly Rent	$2,412
Rent as a Percent of Income	22.3%

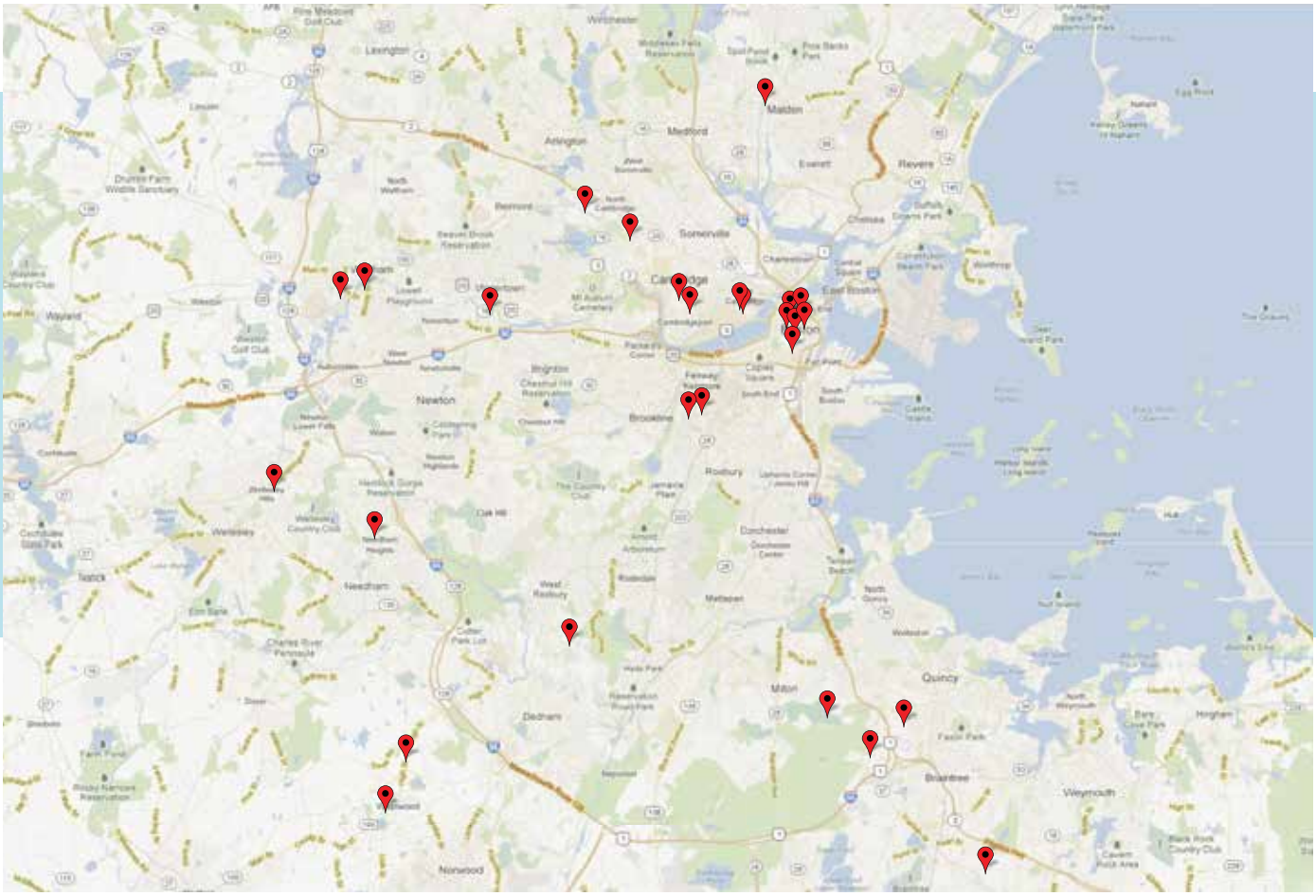
Resident Profile





Avenir – Boston, MA

Equity Residential Portfolio





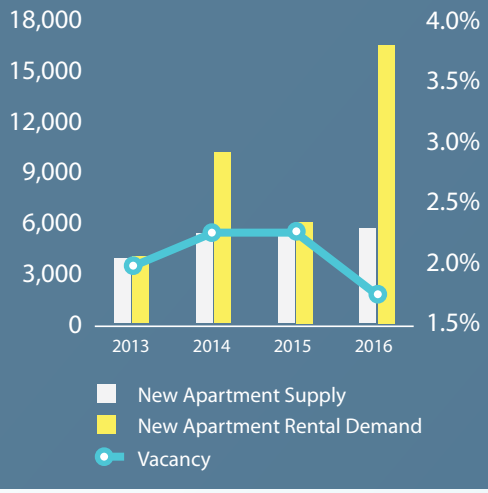
Lofts at Kendall Square – Cambridge, MA



Asteria – Boston, MA

New York Metro Area

New Supply/Demand† (units)
(Manhattan)



Market Data

	U.S.	New York
Median Household Income	$53,706	$66,610
Median Home Price	$220,000	$410,600
Ratio	4.1 x	6.1 x

† Source: Moody's Analytics, Nielsen, EQR Data *2015/2016 data projected*, Rosen Consulting

WALK SCORE

EQR	REIT Competitor Avg.
93.0	77.6

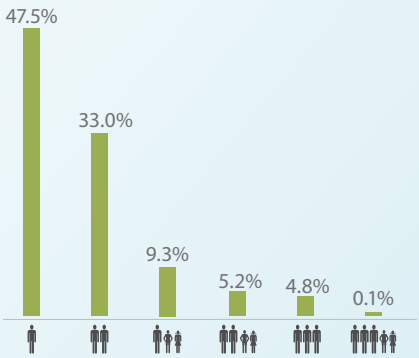
More than 50% of renters in New York commute by walking or public transportation.

EQR – New York Metro Area

Market Data (as of 3/31/15)

Properties	38
Units	10,330
Percent of NOI	16.5%
Occupancy	96.8%
Median Household Income	$182,301
Median Monthly Rent	$3,496
Rent as a Percent of Income	21.6%

Resident Profile





Ten23 – New York, NY

Equity Residential Portfolio




600 Washington – New York, NY


Trump Place – New York, NY


70 Greene – Jersey City, NJ

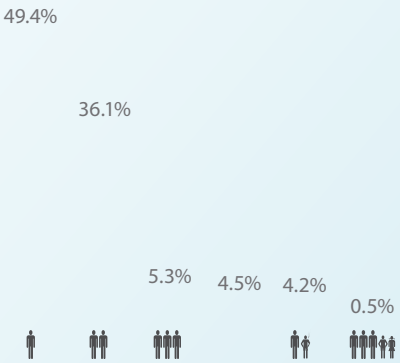
Washington, DC Metro Area

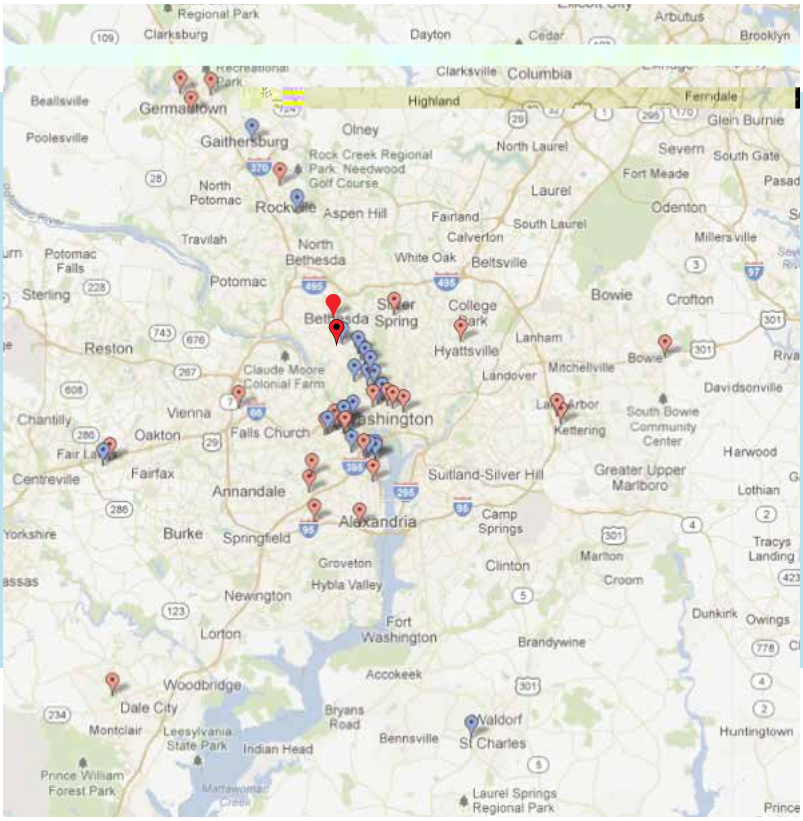
Market Data

	U.S.	Washington, DC Metro
Median Household Income	$53,706	$92,441
Median Home Price	$220,000	$394,500
Ratio	4.1 x	4.2x

EQR – Washington, DC

Resident Profile




Regional Park
Clarksburg
Dayton
Cedar
Arbutus
Brooklyn
Clarksville
Columbia
Ferndale
Highland
Germantown
Beallsville
Poolesville
Gaithersburg
Olney
Glen Burnie
North Laurel
Severn
South Gate
Rock Creek Regional Park
Needwood Golf Course
Fort Meade
Pasad
North Potomac
Rockville
Aspen Hill
Laurel
Odenton
Fairland
South Laurel
Travilah
Calverton
Millersville
Potomac Falls
North Bethesda
White Oak
Beltsville
Potomac
Sterling
Bowie
Crofton
Silver Spring
College Park
Bethesda
Reston
Hyattsville
Lanham
Claude Moore Colonial Farm
Landover
Mitchellville
Davidsonville
Vienna
Chantilly
Oakton
Falls Church
Washington
Kettering
South Bowie Community Center
Fairfax
Harwood
Centreville
Suitland-Silver Hill
Greater Upper Marlboro
Annandale
Lothian
Alexandria
Camp Springs
Yorkshire
Burke
Springfield
Tracys Landing
Marlton
Groveton
Clinton
Croom
Hybla Valley
Newington
Dunkirk
Owings
Lorton
Fort Washington
Brandywine
Accokeek
Woodbridge
Dale City
Bryans Road
Valdorf
Montclair
Leesylvania State Park
Bennsville
St Charles
Huntingtown
Indian Head
Prince William Forest Park
Laurel Springs Regional Park




CANADA DRY

Seattle

Market Data

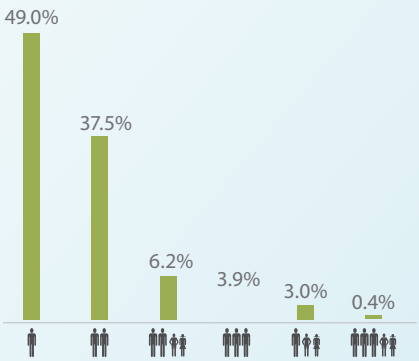
	U.S.	Seattle
Median Household Income	$53,706	$68,280
Median Home Price	$220,000	$372,000
Ratio	4.1 x	5.4 x

EQR – Seattle

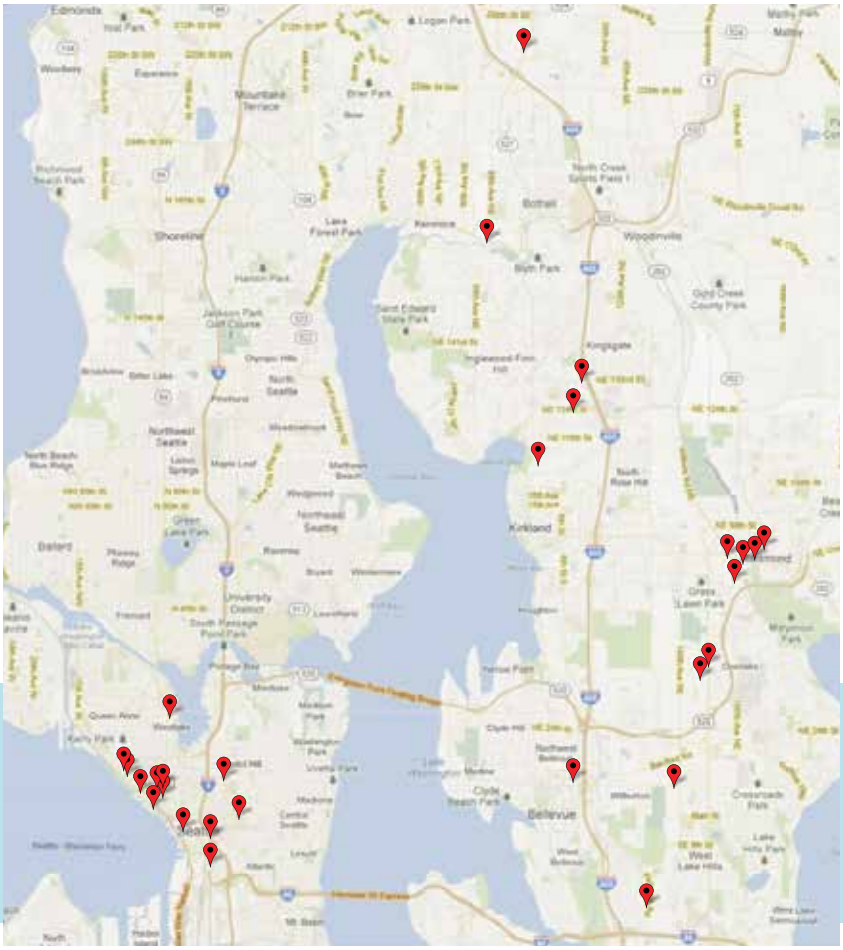
Market Data (as of 3/31/15)

Properties	41
Units	8,170
Percent of NOI	7.0%
Occupancy	

Resident Profile



Equity Residential Portfolio





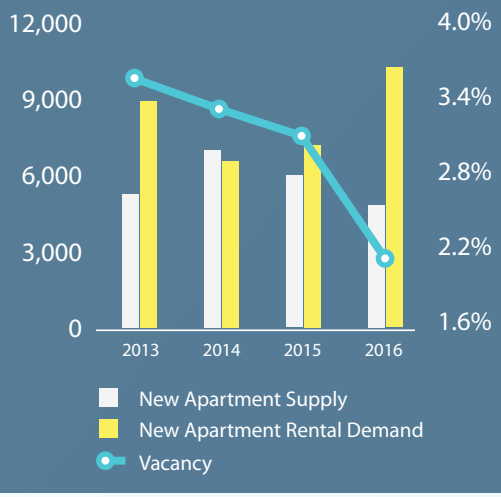
Urbana – Ballard, WA



Riverpark – Redmond, WA

San Francisco

New Supply/Demand† (units)



Market Data

	U.S.	San Francisco
Median Household Income	$53,706	$82,041
Median Home Price	$220,000	$917,300
Ratio	4.1 x	11.1 x

† Source: Moody's Analytics, Nielsen, EQR Data *2015/2016 data projected*, Rosen Consulting

WALK SCORE

EQR	REIT Competitor Avg.
70.2	63.5

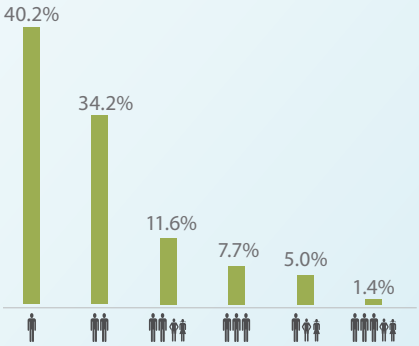
30% of renters in San Francisco commute by walking or public transportation.

EQR – San Francisco

Market Data (as of 3/31/15)

Properties	51
Units	13,208
Percent of NOI	14.3%
Occupancy	96.4%
Median Household Income	$115,039
Median Monthly Rent	$2,285
Rent as a Percent of Income	24.9%

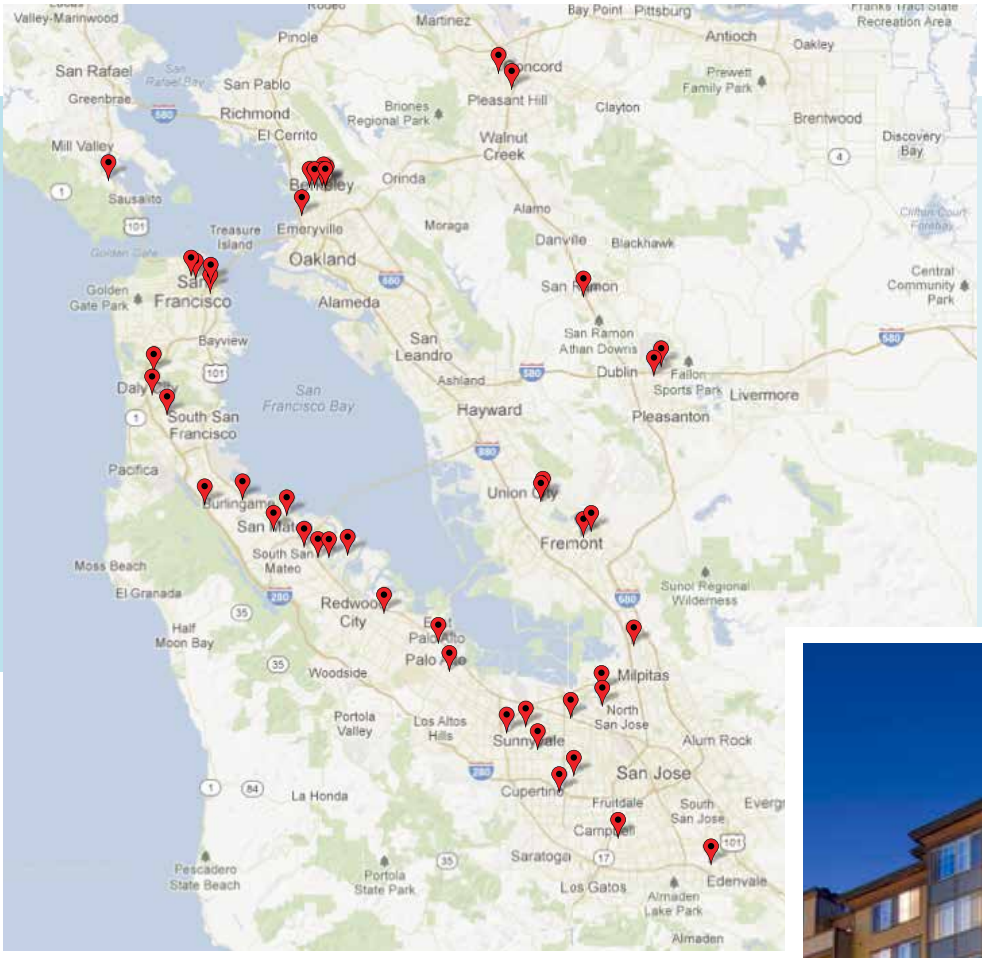
Resident Profile





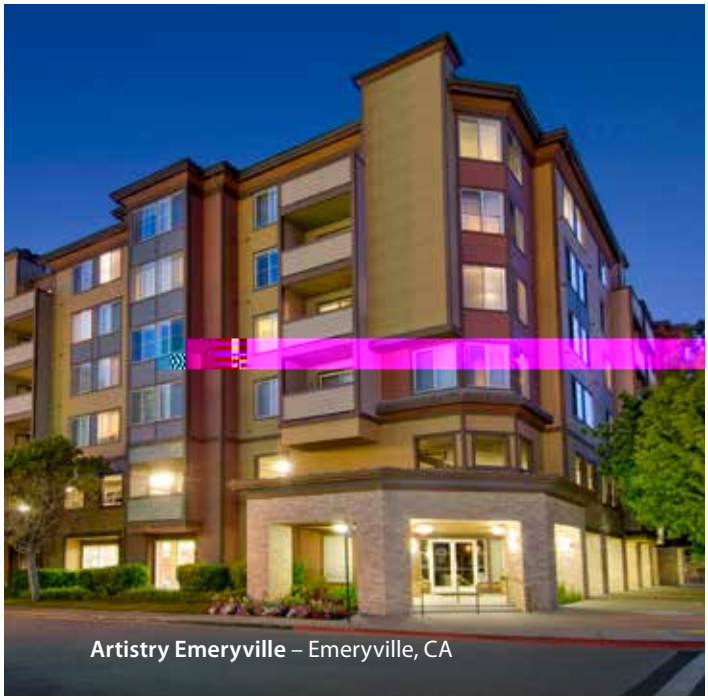
South City Station – S. San Francisco, CA

Equity Residential Portfolio





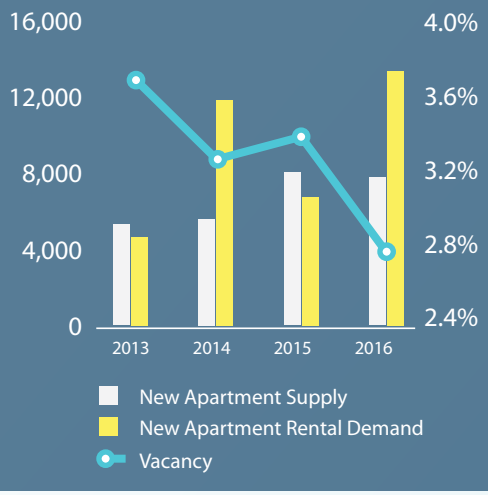
77 Bluxome – San Francisco, CA



Artistry Emeryville – Emeryville, CA

Los Angeles

New Supply/Demand† (units)



Market Data

	U.S.	Los Angeles
Median Household Income	$53,706	$58,860
Median Home Price	$220,000	$467,800
Ratio	4.1x	7.9x

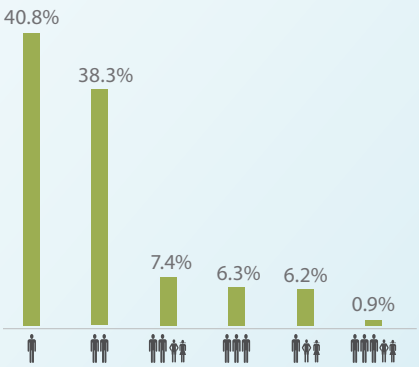
† Source: Moody's Analytics, Nielsen, EQR Data *2015/2016 data projected*, Rosen Consulting

EQR – Los Angeles

Market Data (as of 3/31/15)

Properties	61
Units	13,313
Percent of NOI	12.7%
Occupancy	96.4%
Median Household Income	$102,000
Median Monthly Rent	$2,094
Rent as a Percent of Income	23.8%

Resident Profile





Sakura Crossing – Los Angeles, CA



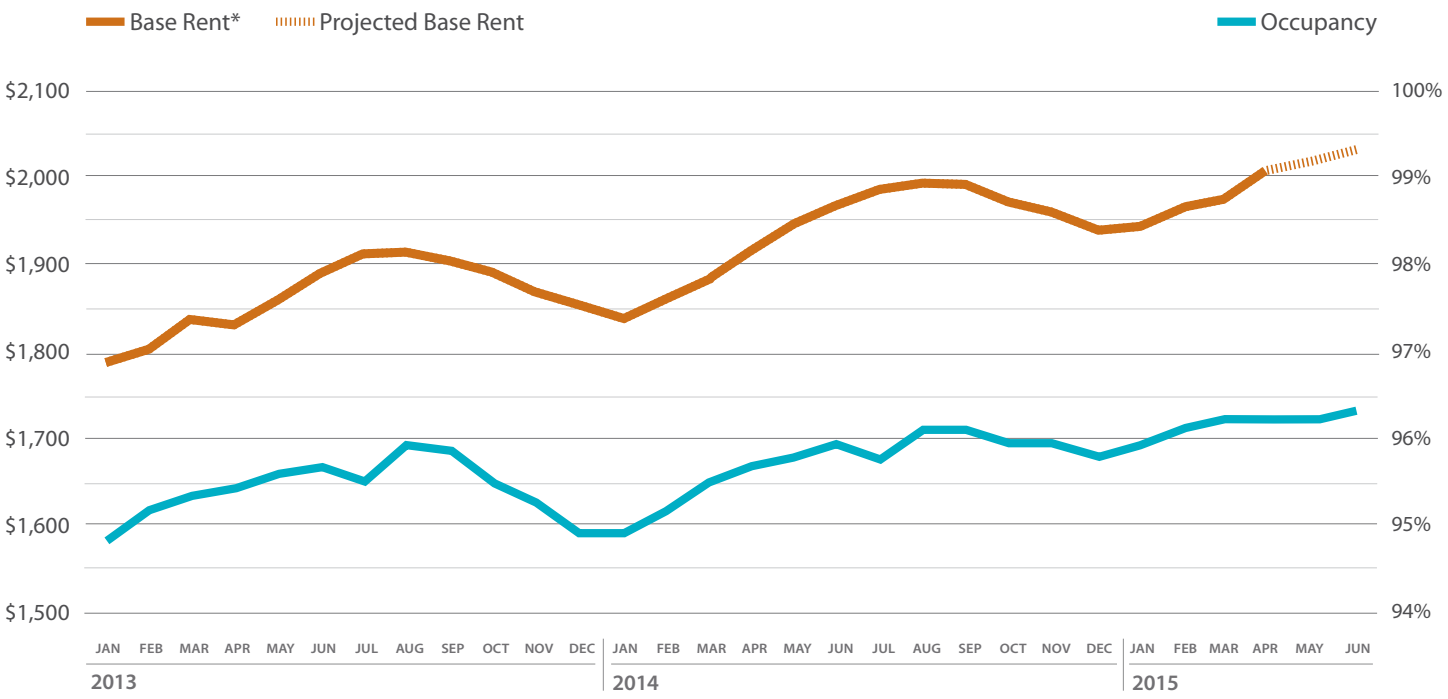
Jia – Los Angeles, CA

Equity Residential Portfolio

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%

First Three Months 2015 Same Store Performance

Market	Units	March YTD % of Actual NOI	March YTD Average Rental Rate[1]	Change in Revenues
DC/Northern Virginia	17,741	17.8%	2,213	0.7%
New York Metro Area	10,330	16.8%	$ 3,895	4.4%
San Francisco Bay Area	12,764	15.1%	2,428	10.6%
Los Angeles	10,641	10.6%	2,117	5.5%
South Florida	10,537	7.5%	1,627	5.1%
Boston	7,722	10.0%	2,892	3.4%
Seattle	7,380	6.7%	1,910	7.4%
Denver	6,935	5.2%	1,455	9.0%
San Diego	3,505	3.4%	2,008	5.2%
Orange County, CA	3,490	3.2%	1,820	5.5%
Inland Empire, CA	3,081	2.3%	1,591	3.1%
All Other Markets	2,633	1.0%	1,142	3.5%
Orlando	827	0.4%	1,244	4.4%
Total	**97,586**	**100.0%**	**$ 2,252**	**5.0%**

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

Equity Residential has a strong and flexible balance sheet. We have an enormous and geographically diverse pool of high-quality unencumbered assets, and access to a variety of capital sources. We are one of the few real estate investment trusts to have an A rating from two nationally recognized rating agency firms.

Equity Residential is Focused on Maintaining the Strength of its Balance Sheet



30 **Red160** – Redmond, WA



175 Kent – Brooklyn, NY



2201 Pershing – Arlington, VA

- Equity Residential is rated Baa1 (positive outlook) by Moody's and was recently upgraded to A- by S&P and Fitch.
- 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 have demonstrated our commitment to a strong balance sheet even during transformational transactions such as Archstone.

Balance Sheet Strength and Flexibility

Equity Residential's credit metrics continue to be strong. The company has an unencumbered debt yield of 21%. Our net debt to normalized EBITDA is approximately 6.3x, consistent with our overall credit metric targets.

Unsecured Debt Covenants*

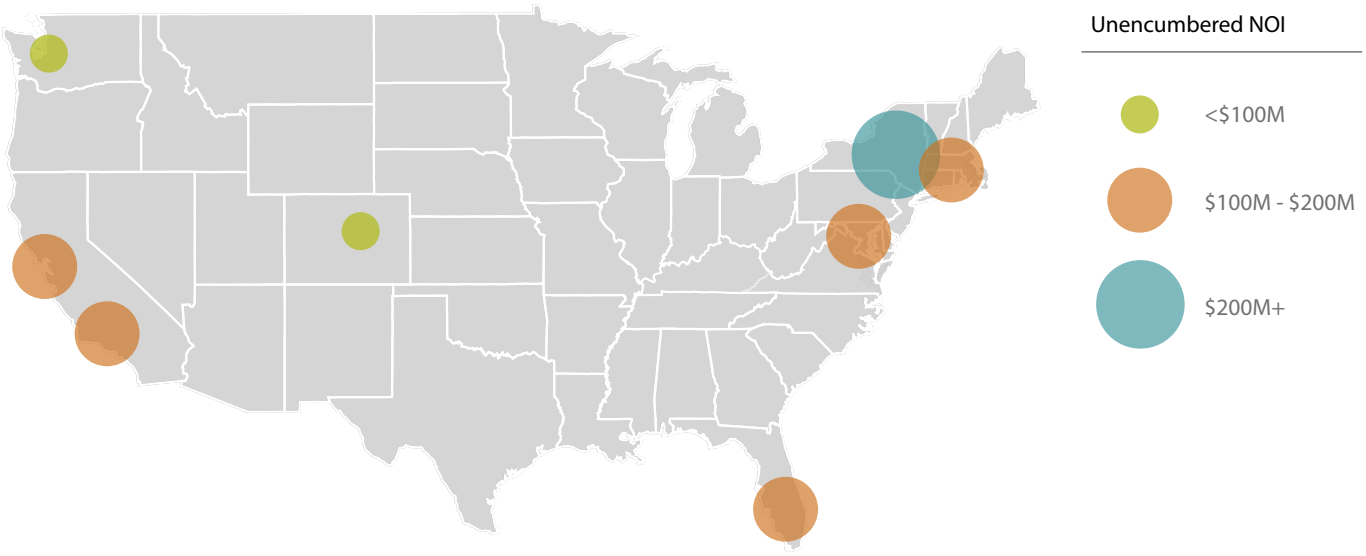
	March 31, 2015	December 31, 2014
Total Debt to Adjusted Total Assets (not to exceed 60%)	38.9%	39.2%
Secured Debt to Adjusted Total Assets (not to exceed 40%)	17.8%	18.4%
Consolidated Income Available for Debt Service to Maximum Annual Service Charges (must be at least 1.5 to 1.0)	3.48	3.38
Total Unsecured Assets to Unsecured Debt (must be at least 150%)	337.7%	336.5%

* As computed per 1994 Base Indenture

High-Quality and Diverse Unencumbered Assets

Our unencumbered portfolio is geographically diverse with no single market providing in excess of 20% of total unencumbered NOI[1]. This portfolio has $1.2B of unencumbered NOI, a gross book value of $19.4B and an unencumbered debt yield of 21%. The asset quality is reflective of the overall Equity Residential portfolio; a mix of high-rise, mid-rise and garden-style in long-term growth markets.

Equity Residential Unencumbered Portfolio



(1) Unencumbered NOI reflects trailing 12-month NOI as of 3/31/15

Selected Unencumbered Assets



Pegasus

612 S. Flower Street
Los Angeles, CA 90017

Total Units: 322
Completion Date: 1949
Average Unit Size: 778 sq. ft.
Average Monthly Rent/Unit: $2,614
Average Rent/sq. ft.: $3.36
Occupancy: 96.0%



Centennial Town & Court

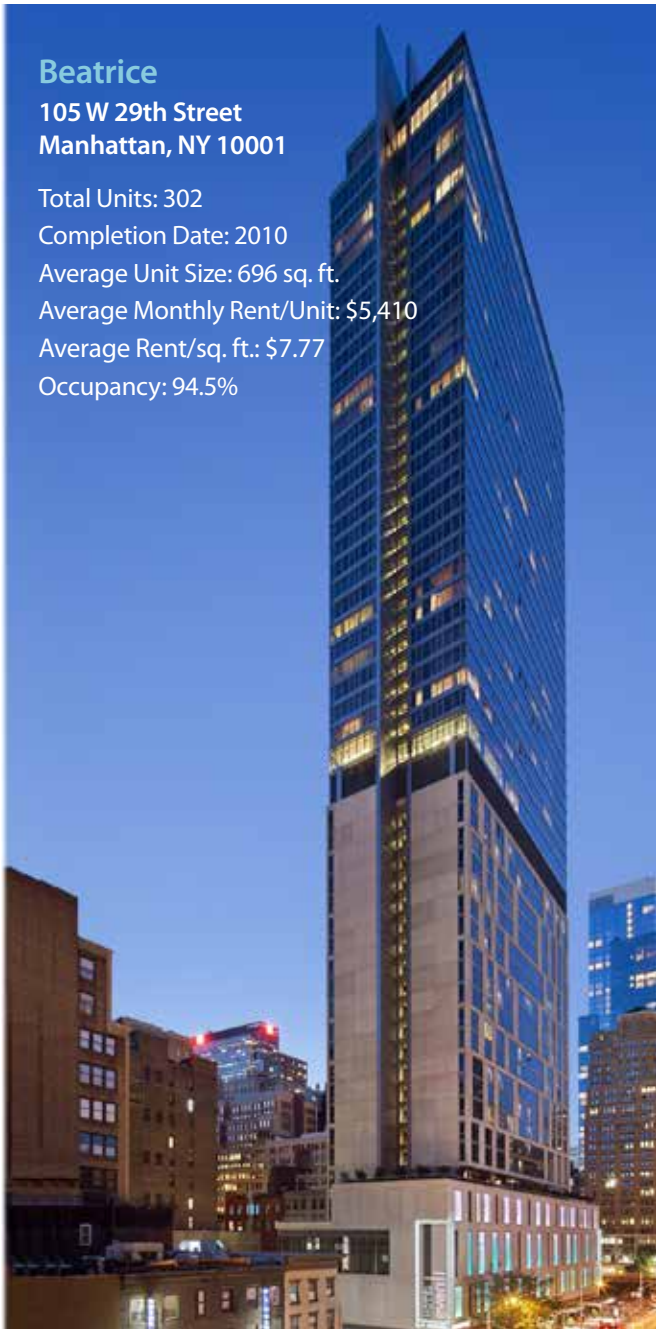
2515 4th Avenue
Seattle, WA 98121

Total Units: 408
Completion Date: 2001
Average Unit Size: 699 sq. ft.
Average Monthly Rent/Unit: $2,181
Average Rent/sq. ft.: $3.12
Occupancy: 95.5%

Beatrice

105 W 29th Street
Manhattan, NY 10001

Total Units: 302
Completion Date: 2010
Average Unit Size: 696 sq. ft.
Average Monthly Rent/Unit: $5,410
Average Rent/sq. ft.: $7.77
Occupancy: 94.5%



Third Square

285 Third Street
Cambridge, MA 02142

Total Units: 292
Completion Date: 2009
Average Unit Size: 900 sq. ft.
Average Monthly Rent/Unit: $3,382
Average Rent/sq. ft.: $3.76
Occupancy: 97.9%

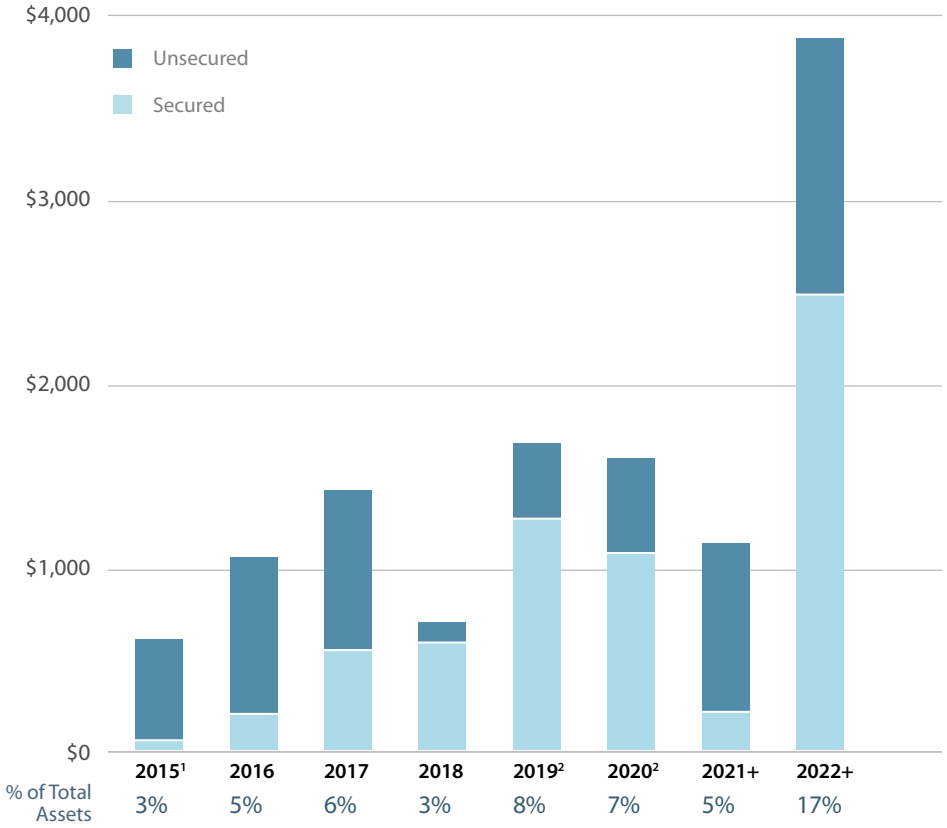
Financing Obligations

Our funding requirements are manageable and we maintain excellent access to various sources of capital.

In May 2015, we closed on a two-tranche unsecured offering: a $450 million 10-year with an effective yield of 3.44%, and a $300 million 30-year with an effective yield of 4.52%.

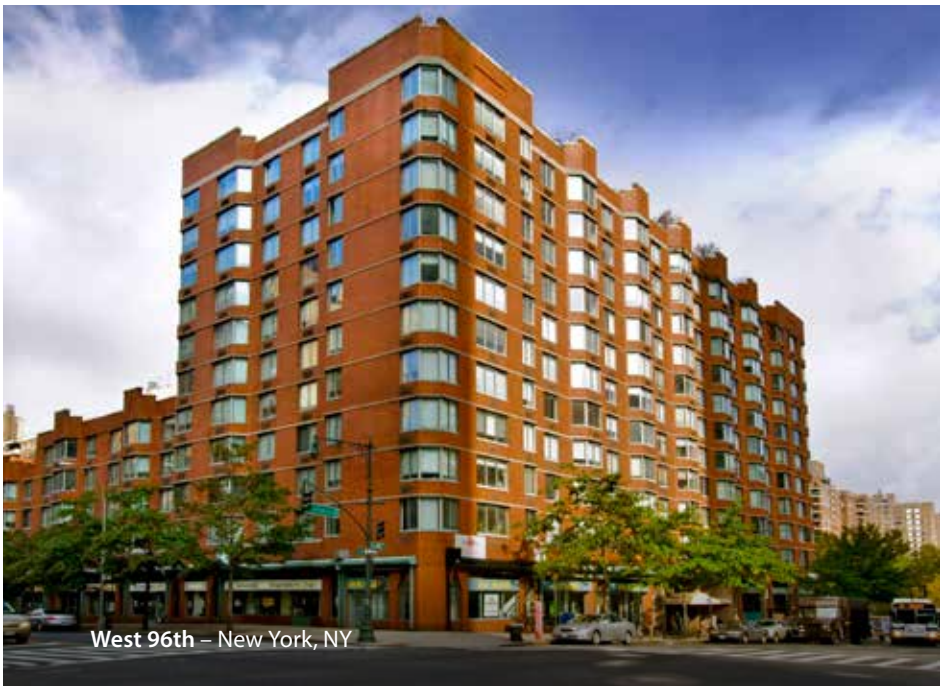
- The weighted average maturity of our debt portfolio (as adjusted for our most recent debt offering) is one of the longest of real estate investment trusts at approximately 8 years.
- In early 2015, we introduced a $500 million Commercial Paper program which will allow the company to borrow daily, weekly and monthly at extremely low floating rates of interest. The program is fully backstopped by and an alternative to debt that would otherwise be outstanding on our line of credit, and is modest relative to our overall capital structure.
- We maintain strong liquidity with approximately $2.3B available on our unsecured line of credit maturing in 2018. Besides access to the unsecured bond market, we have access to Fannie Mae and Freddie Mac (the GSEs), life insurance companies, equity-linked, bank and preferred debt markets.

Debt Maturity Schedule (in millions) as of 3/31/15



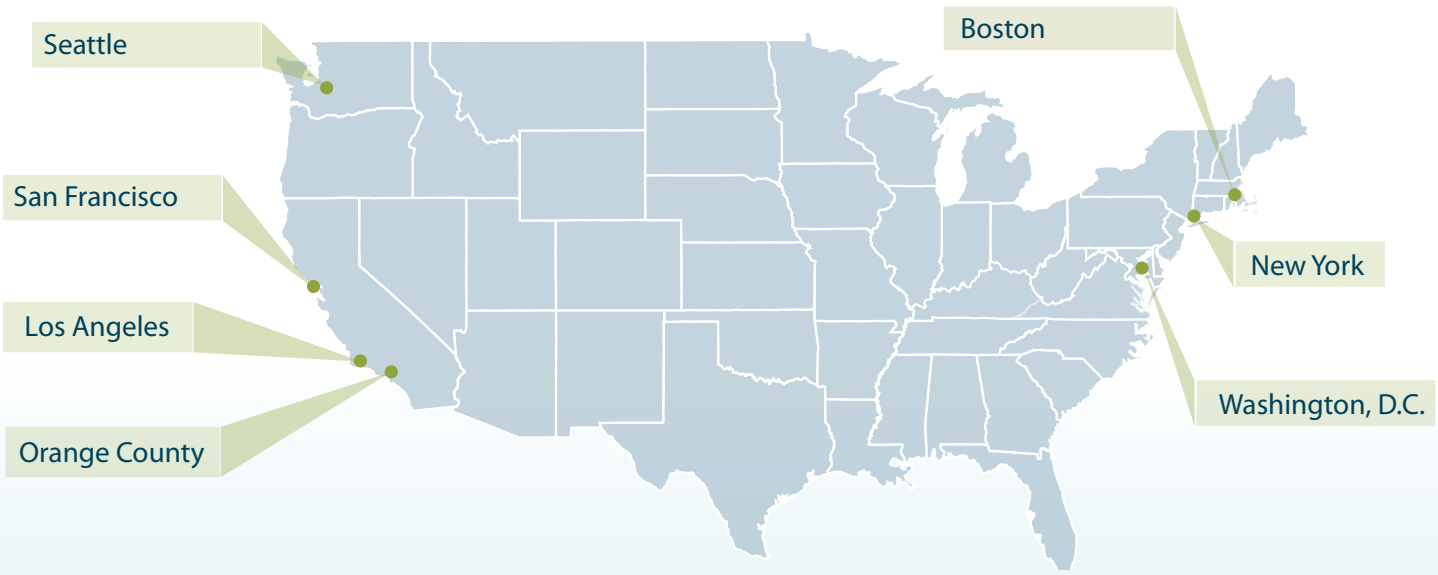
* (1) On April 13, 2015, the Company repaid $300 million of 6.584% unsecured notes at maturity. Includes $341 million of principal outstanding on the Company's unsecured commercial paper program.

(2) Includes GSE secured debt with flexible prepayment options allowing it to be shifted to 2018 and 2019.



West 96th – New York, NY

Core Development Markets



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



340 Fremont – San Francisco, CA
(development)

Since 2000, our development program has produced 70 properties, consisting of more than 20,000 apartments, at a total cost of $5.0 billion. We will continue to be active developers in high-barrier markets across the country. We look for new opportunities in our core urban markets 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 5,273 apartment units under construction for more than $2.6B and a pipeline of 2,175 units to be developed at a total cost of $1.1 billion.

Our development pipeline continues to be an important, but modest component of the balance sheet. Approximately 9% of our gross asset value consists of projects under development and land. We expect to fund these projects in a balance sheet neutral manner and maintain our target development exposure of between 5% to 10% of gross asset value.

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 389 properties consisting of 108,793 apartment units.

Equity Residential

Two North Riverside Plaza
Chicago, Illinois 60606
312.474.1300

EquityResidential.com







LEFT TO RIGHT: **Via Ventura** – Ventura, CA; **The Prime at Arlington Courthouse** – Arlington, VA; **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 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.

June 2015