

 Equity Residential

# Focused Performance, Creating Value

NOVEMBER 2015

Equity Residential named 2015  
Global Residential Sector Leader  
in Sustainability by the GRESB

170 Amsterdam – 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.

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.

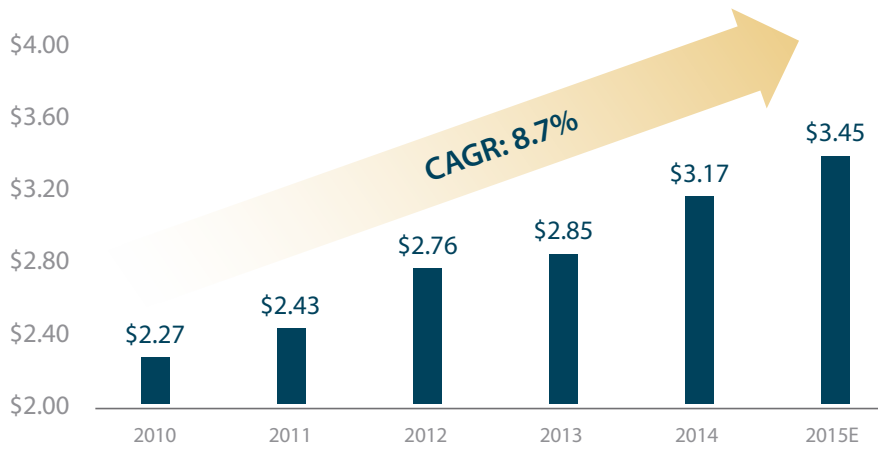
On October 26, 2015, the company announced an agreement to sell 23,262 apartment units to Starwood Capital Group for \$5.365 billion. This sale will facilitate the company's exit from the South Florida and Denver markets and generate an unlevered internal rate of return of 11.1%.

- Portfolio concentrated in high-barrier, high-growth markets
- Superior utilization of state-of-the-art operating platform
- Named as the 2015 Global Residential 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 timely asset dispositions 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

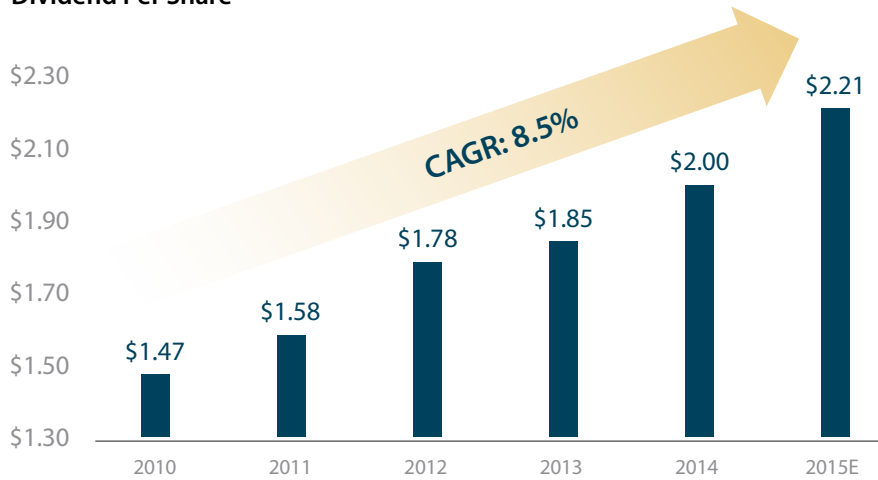


# The company continues to provide strong Normalized FFO and dividend growth

## Normalized FFO Per Share

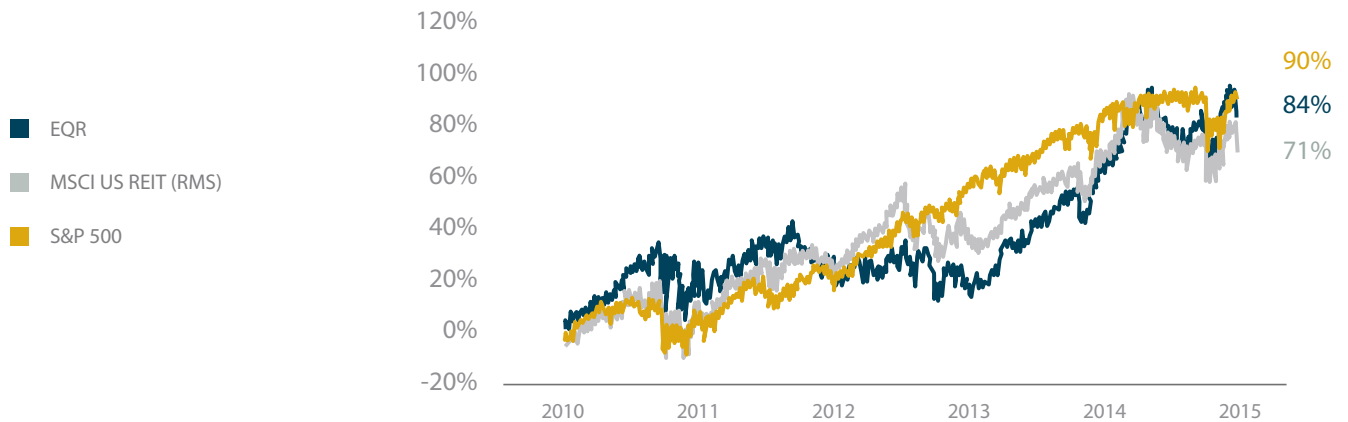


## Dividend Per Share



## Total Return

As of 11/9/15





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



## Demographics will continue to drive demand

Demand for rental apartments continues to be strong, driven by the Millennial generation. And this strength will continue with the Post Millennials.

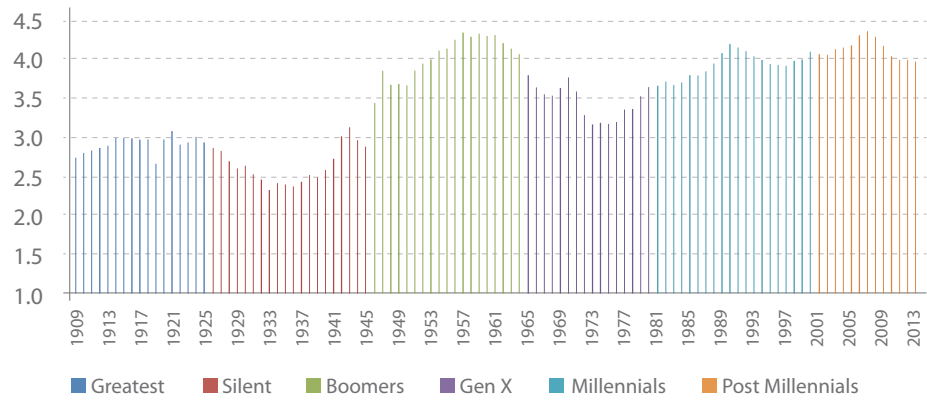
More than 1 million households are formed, on average, each year in the United States.

Nearly four million people are turning 25 each year.

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

Source: CDC, Evercore ISI

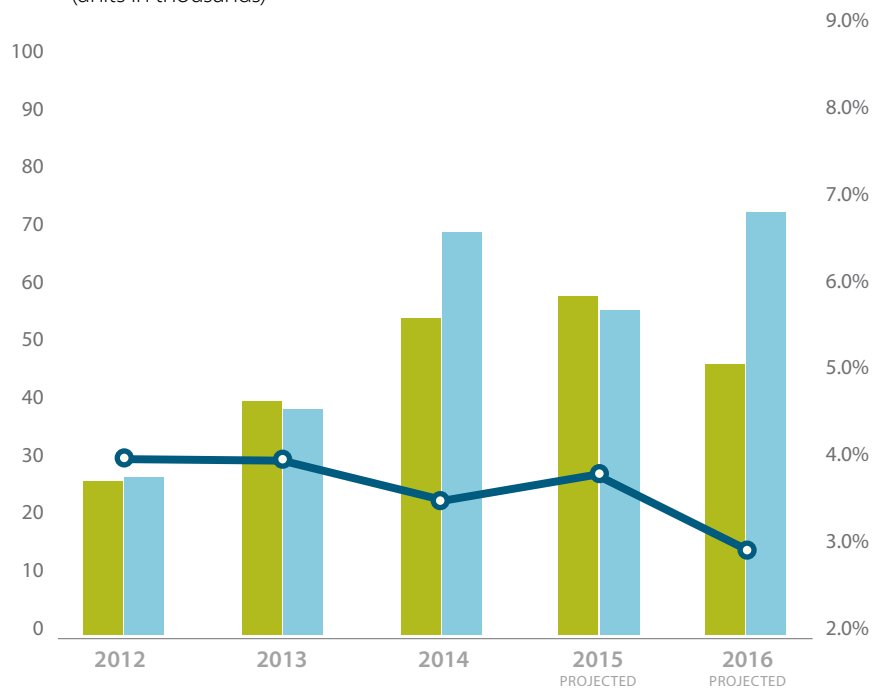
**Births by Generation** (in millions)



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.

**New Supply vs. New Apartment Rental Demand in EQR Core Markets**

(units in thousands)



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

Source: MPF Research, F&B Research, EQR Data

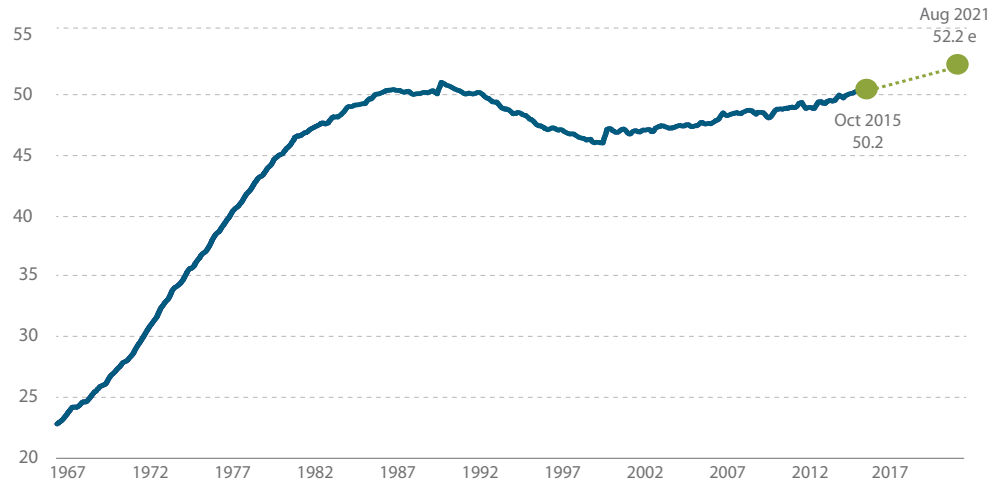
- Apartment Completions
- New Apartment Rental Demand
- Vacancy

EQR Core Markets: Boston, New York, Washington DC, 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.

**U.S. Labor Force (3 Mo. Avg.) 20-34 year olds**  
(in millions)

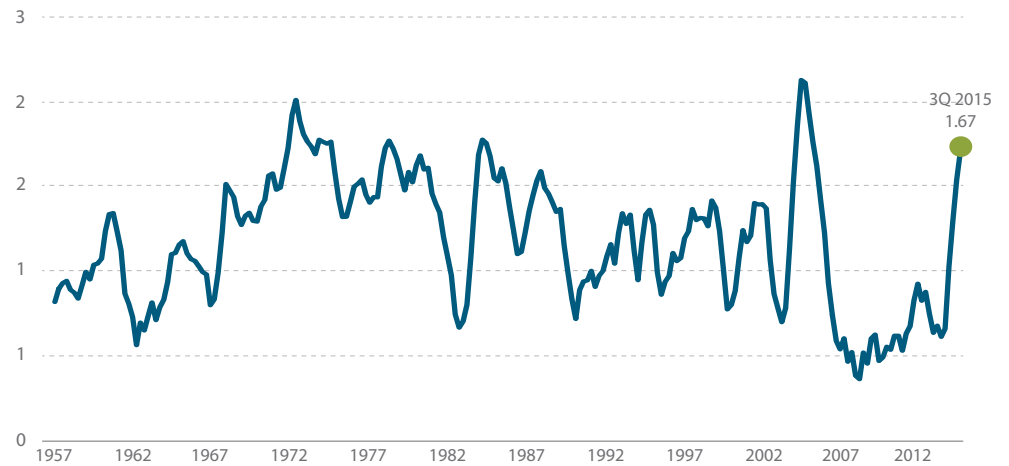
Good job growth for our target demographic.



Source: Evercore ISI

**U.S. Household Formation (4 Qtr. Avg.)**  
(in millions)

Household formation will drive demand.



Source: Evercore ISI

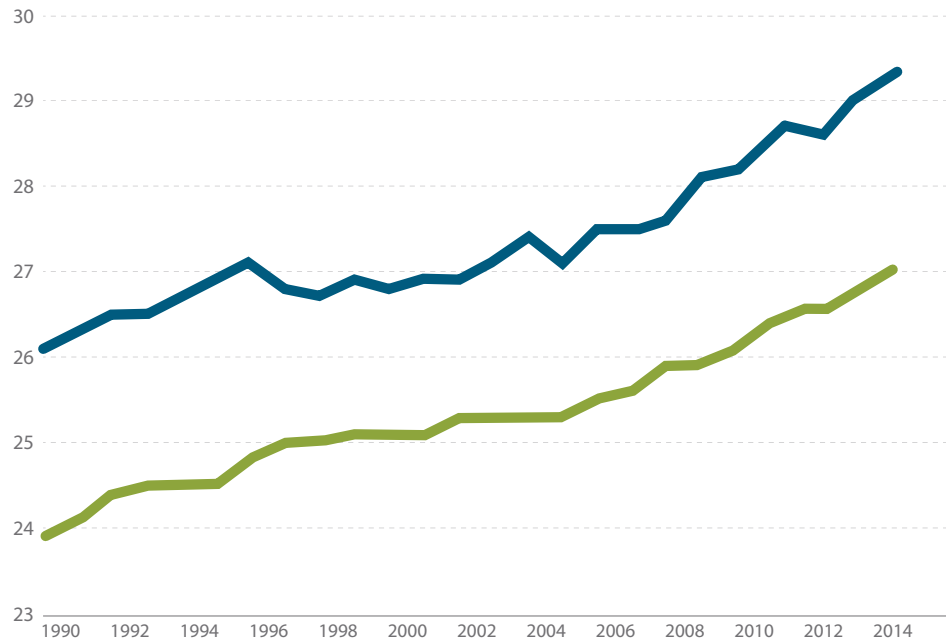
## Lifestyle choices are driving demand

Lifestyle choices will keep people renting longer.

People are marrying and having children later.

Male  
Female

**Median Age at First Marriage (years)**



Source: Census, Rosen Consulting

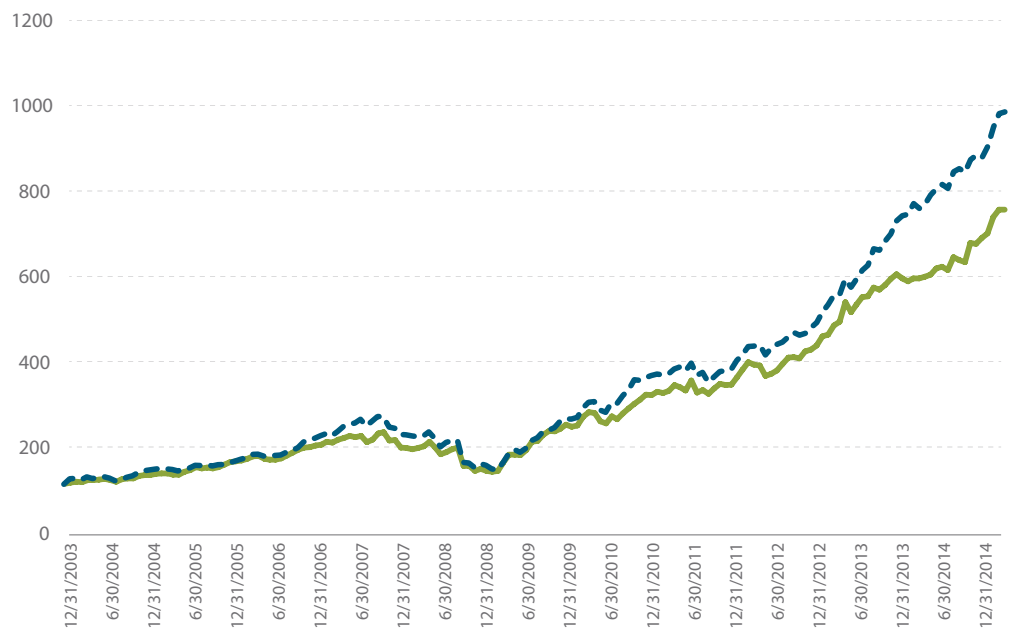
**Experience Stocks vs. Things Stocks**

Indexed Share Return since 2003

Millennials value experiences over things.

For many, one of those experiences is living in and enjoying the lifestyle of the city.

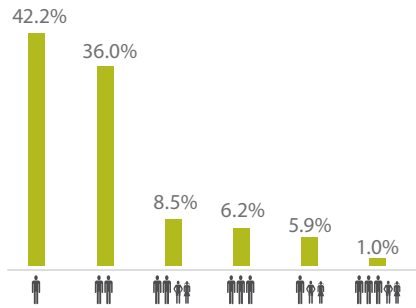
Experiences  
Things



Source: Fact Set Evercore ISI

Experiences = 138 companies across sectors such as travel, restaurants, media and entertainment, gaming and lodging, beverages, social media  
Things = 170 companies across sectors such as apparel and accessories, personal consumer goods, general retail, durable goods, autos

## 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 a 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.

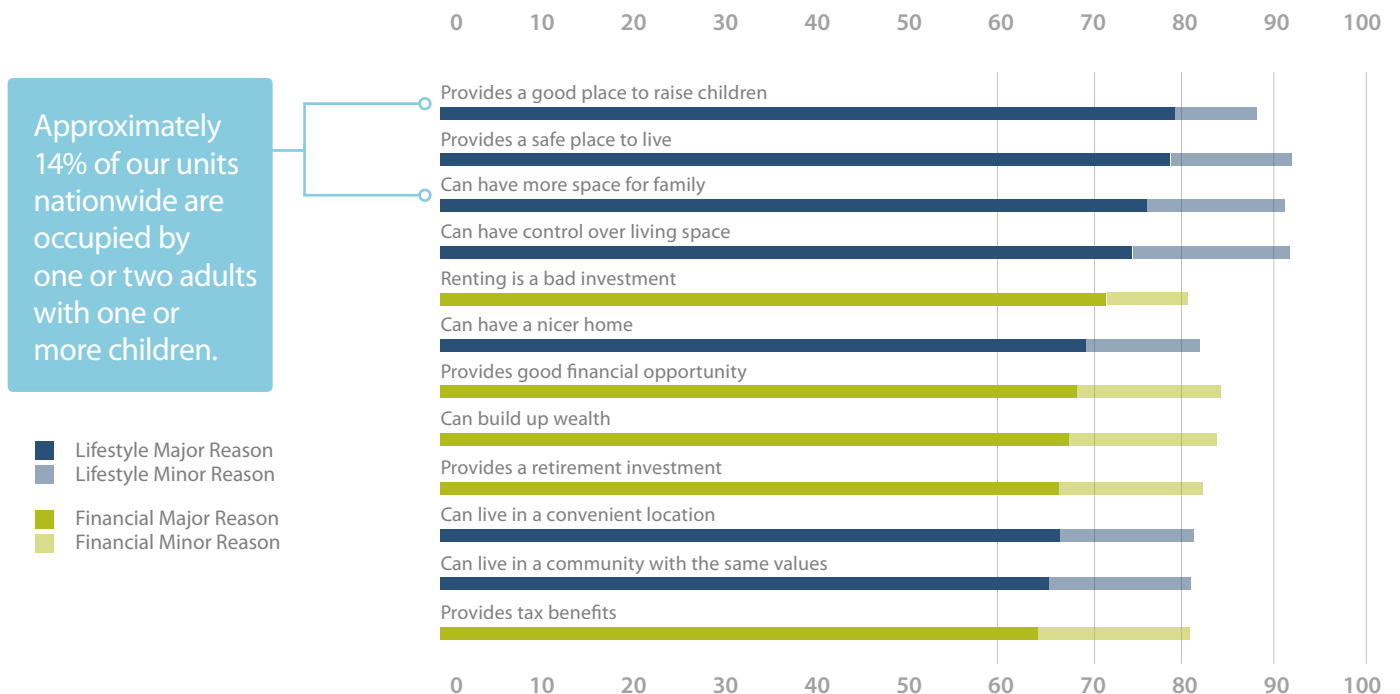
When people purchase homes they do so for mostly non-economic reasons. In a published study from the Joint Center for Housing Studies at Harvard University, lifestyle issues topped the reasons for buying a home.

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)



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

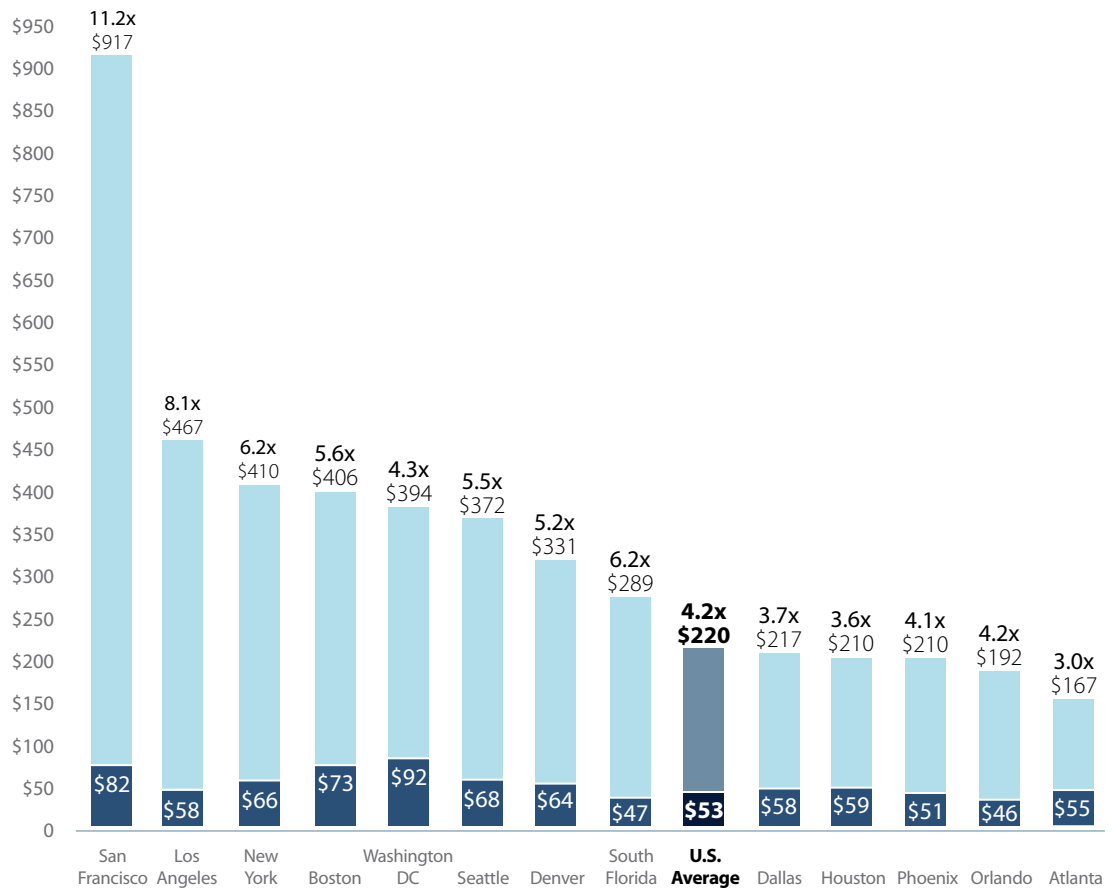
Our portfolio is focused on high-barrier to entry, coastal markets, which have always featured expensive home prices compared to the national average. Also, when comparing the cost to own versus the cost to rent in these markets, the focus is too often on monthly rents versus monthly principal and interest 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

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

Home prices are high compared to incomes in our markets

■ Median Home Price  
■ Median Income



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



## Highest Median Resident Incomes

All U.S. Markets	\$53,706
EQR Core Markets	\$69,215
EQR Residents in Our Core Markets	\$108,900

## Highest Average Monthly Rents

All U.S. Markets	\$1,226
EQR Core Markets	\$2,083
EQR Residents in Our Core Markets	\$2,613

## Best Demographics for Renting Apartments EQR Core Markets Resident Profile

Singles	43.1%
20- to 34-Year-Olds	51.5%
Couples Without Children	36.7%
55+ Year-Olds	15.6%

## Highest Median Home Cost

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

Source: MPF Research, EQR Data

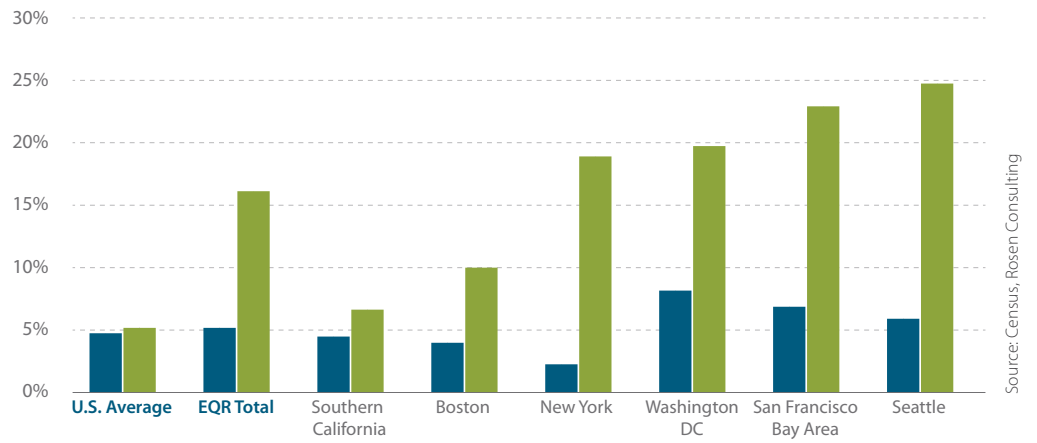
## Market Statistics

	2013	2014	Projected 2015
<b>Average Monthly Rent</b>			
EQR Core Markets	\$1,874	\$1,986	\$2,083
All U.S. Markets	\$1,121	\$1,179	\$1,226
<b>Effective Rent Growth</b>			
EQR Core Markets	4.0%	6.2%	4.9%
All U.S. Markets	2.9%	4.6%	4.0%
<b>Vacancy Rate</b>			
EQR Core Markets	3.9%	3.9%	3.9%
All U.S. Markets	5.0%	4.7%	4.0%
<b>Population Growth</b>			
EQR Core Markets	0.8%	0.9%	0.9%
All U.S. Markets	1.1%	0.7%	0.8%
<b>Household Formations</b>			
EQR Core Markets	1.1%	0.7%	1.0%
All U.S. Markets	1.2%	0.6%	0.8%
<b>Job Growth</b>			
EQR Core Markets	1.3%	2.4%	2.6%
All U.S. Markets	1.3%	2.0%	2.4%
<b>Median Home Prices</b>			
EQR Core Markets	\$385,000	\$449,000	\$514,000
All U.S. Markets	\$180,000	\$220,000	\$220,000

## Growth in Household Formation (2009 – 2014)

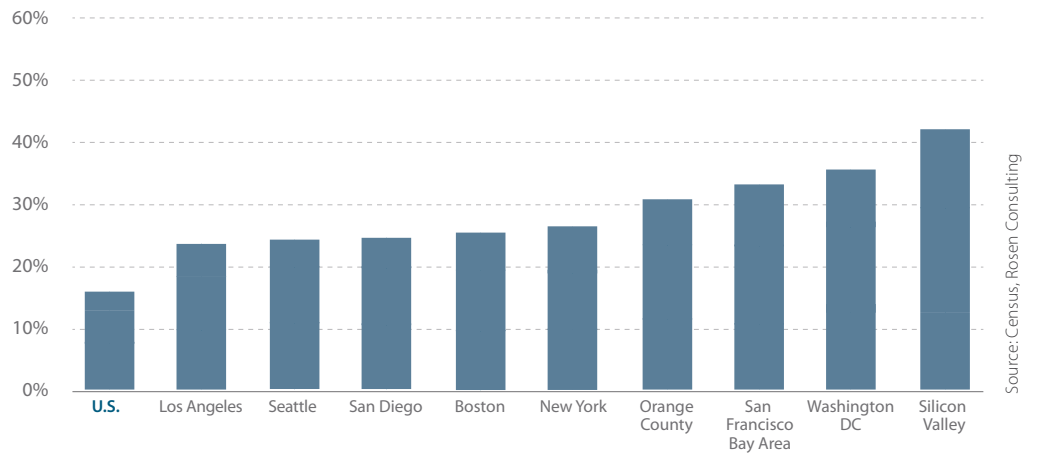
Strong household formations by our key demographic in our core markets

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



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

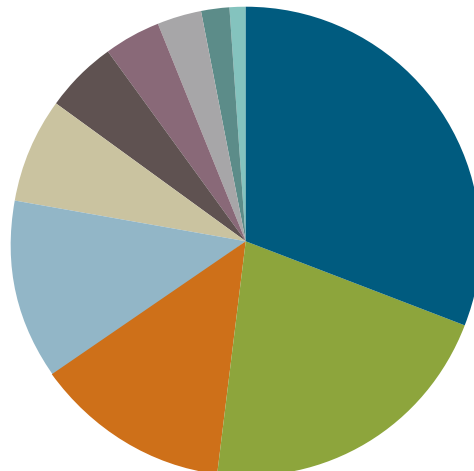
Broad pool of potential renters in EQR core markets





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

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



- Education and Health Services – 32%
- Prof. and Business Services – 22%
- Leisure and Hospitality – 12%
- Trade – 12%
- Government – 7%
- Financial Activities – 5%
- Construction – 4%
- Other Services – 3%
- Trans. and Utilities – 2%
- Information Services – 1%

Source: Census, Rosen Consulting



Red160 – Redmond, WA



1800 Oak – Arlington, VA



Alban Towers – Washington, DC



East 39th – New York, NY



Tallman – Seattle, WA

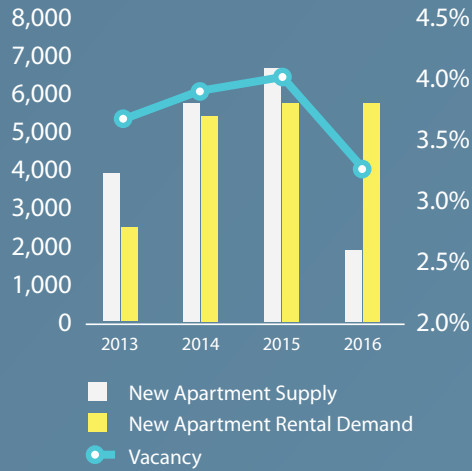
# Portfolio

Portfolio Summary as of 9/30/2015

Core Markets	Total Properties	Total Units	% of Stabilized NOI	Avg. Monthly Rate Per Unit
New York Metro Area	40	10,835	17.5%	\$4,119
Washington DC Metro Area	57	18,654	17.1%	2,220
San Francisco Bay Area	53	13,654	15.0%	2,707
Los Angeles	61	13,313	12.4%	2,359
Boston	35	8,018	9.8%	2,860
Seattle	43	8,677	7.4%	2,047
San Diego	13	3,505	3.1%	2,099
Orange County	11	3,490	2.9%	1,899
<b>Subtotal</b>	<b>313</b>	<b>80,146</b>	<b>85.2%</b>	<b>\$2,613</b>
<b>Non-Core Markets</b>				
South Florida	35	11,435	7.3%	1,700
Denver	19	6,935	4.6%	1,544
Inland Empire	9	2,751	1.9%	1,635
All Other Markets	14	2,969	1.0%	1,210
<b>Subtotal</b>	<b>77</b>	<b>24,090</b>	<b>14.8%</b>	<b>\$1,587</b>
<b>Total</b>	<b>390</b>	<b>104,236</b>	<b>100.0%</b>	<b>\$2,374</b>
Military Housing	2	5,111	-	-
<b>Grand Total</b>	<b>392</b>	<b>109,347</b>	<b>100.0%</b>	<b>\$2,374</b>

# Boston

## New Supply/Demand<sup>†</sup> (units)



## Market Data

	U.S.	Boston
Median Household Income	\$53,706	\$73,624
Median Home Price	\$220,000	\$406,000
Ratio	4.1 x	5.6 x

<sup>†</sup> Source: Moody's Analytics, Nielsen, EQR Data. 2015/2016 data projected, Rosen Consulting

### WALK SCORE

EQR	REIT Competitor Avg.
69.5	48.2

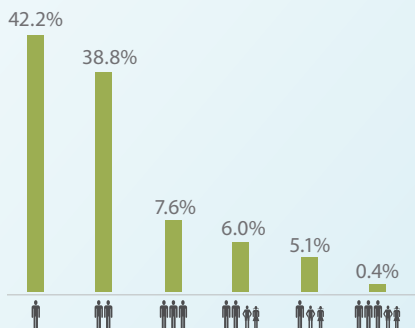
30% of renters in Boston commute by walking or public transportation.

## EQR – Boston

### Market Data (as of 9/30/15)

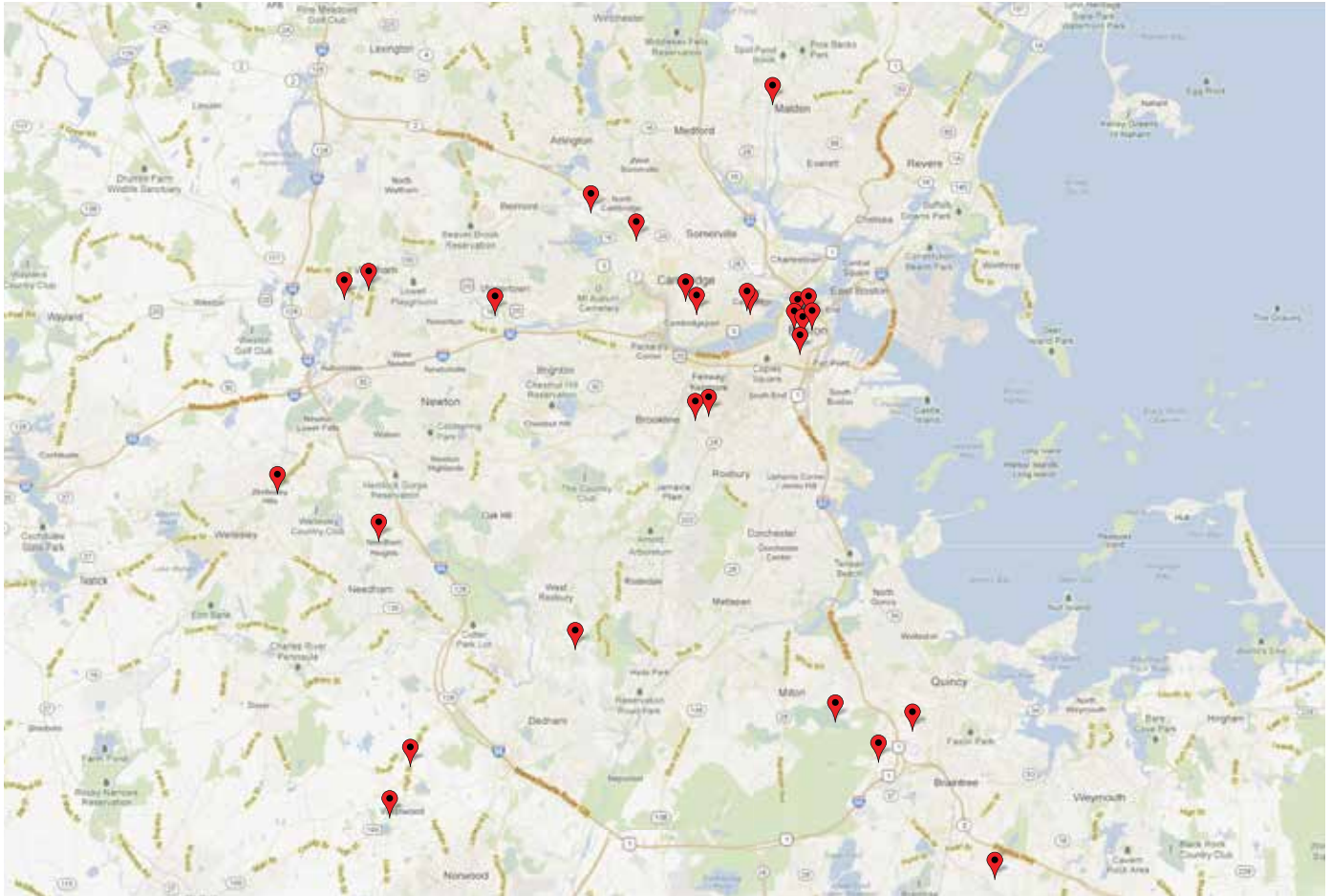
Properties	35
Units	8,018
Percent of NOI	9.8%
Occupancy	96.8%
Median Household Income	\$128,198
Median Monthly Rent	\$2,507
Rent as a Percent of Income	22.6%

### Resident Profile



Avenir – Boston, MA

# Equity Residential Portfolio



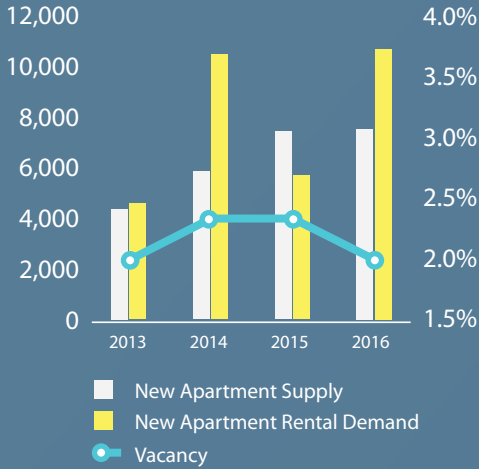
Longview Place – Waltham, MA



Third Square – Cambridge, MA

# New York Metro Area

## New Supply/Demand<sup>†</sup> (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	6.2 x

<sup>†</sup> Source: Moody's Analytics, Nielsen, EQR Data. 2015/2016 data projected, Rosen Consulting

### WALK SCORE

EQR	REIT Competitor Avg.
93.0	77.6

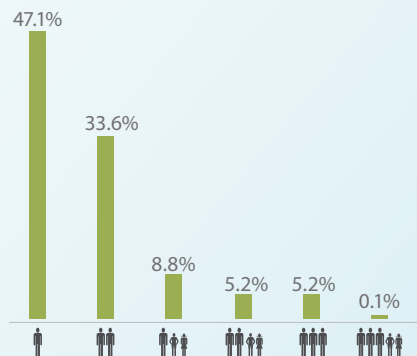
More than 50% of renters in New York commute by walking or public transportation.

## EQR – New York Metro Area

### Market Data (as of 9/30/15)

Properties	40
Units	10,835
Percent of NOI	17.5%
Occupancy	95.5%
Median Household Income	\$182,301
Median Monthly Rent	\$3,609
Rent as a Percent of Income	21.6%

### Resident Profile



# Equity Residential Portfolio



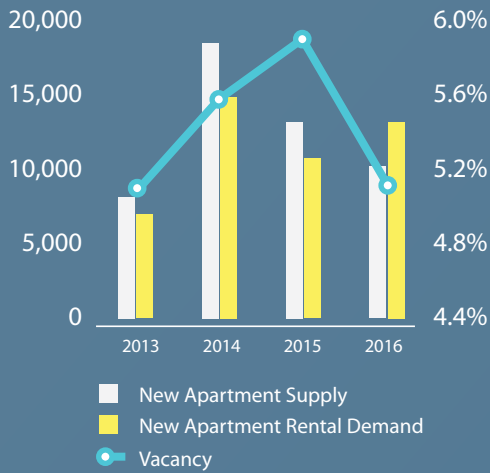
170 Amsterdam – New York, NY



Beatrice – New York, NY

# Washington, DC Metro Area

## New Supply/Demand<sup>†</sup> (units)



## 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	4.3x

<sup>†</sup> Source: Moody's Analytics, Nielsen, EQR Data. 2015/2016 data projected, Rosen Consulting

### WALK SCORE

EQR	REIT Competitor Avg.
77.5	56.3

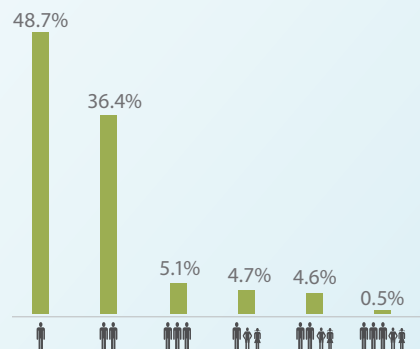
Nearly 30% of renters in DC market commute by walking or public transportation.

## EQR – Washington, DC

### Market Data (as of 9/30/15)

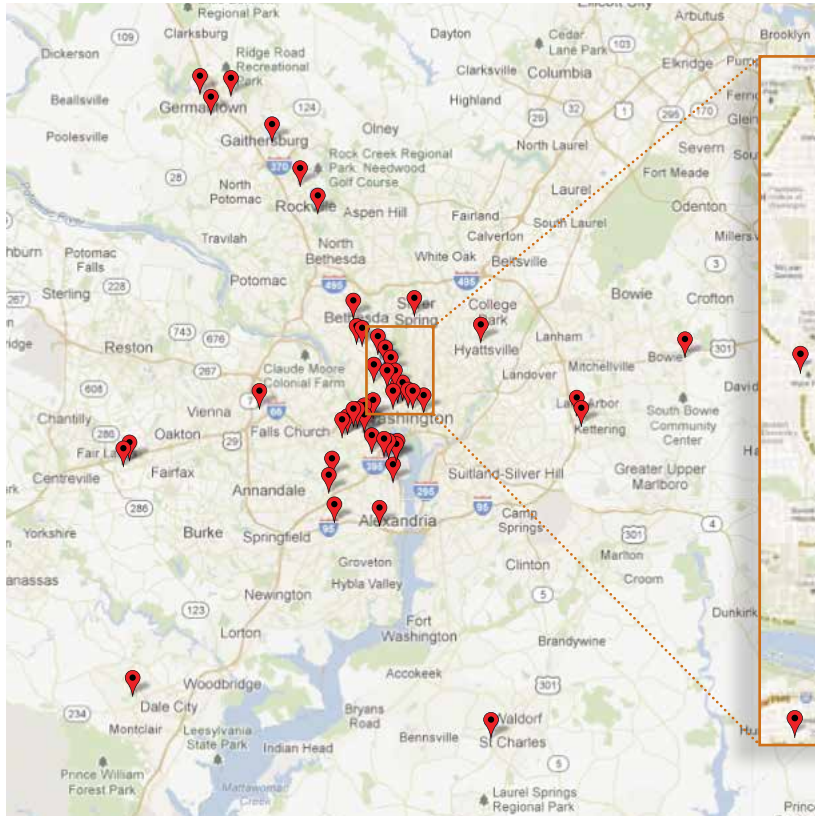
Properties	57
Units	18,654
Percent of NOI	17.1%
Occupancy	95.9%
Median Household Income	\$98,400
Median Monthly Rent	\$2,002
Rent as a Percent of Income	23.1%

### Resident Profile

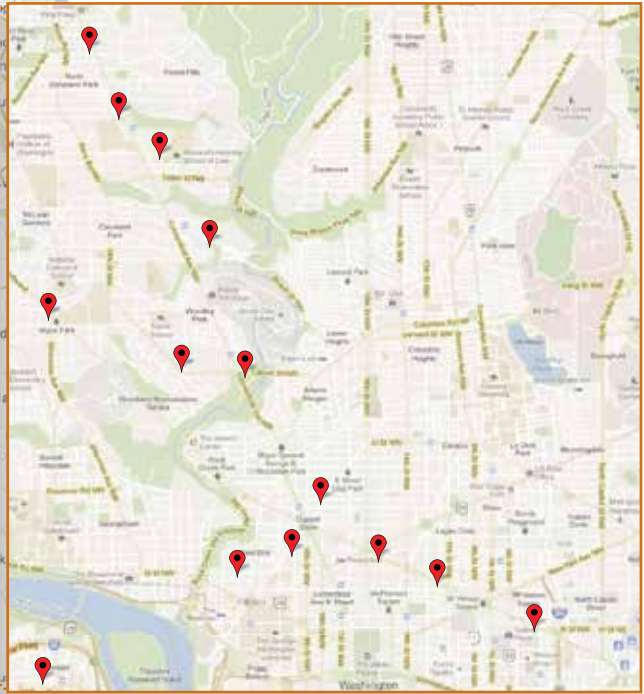


Park Connecticut – Washington, DC

# Equity Residential Portfolio



The District



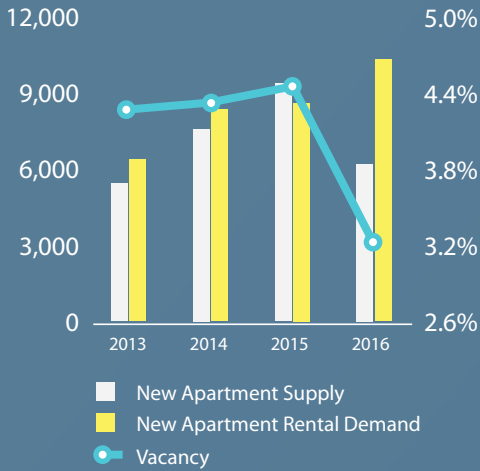
Wisconsin Place – Chevy Chase, MD



1401 Joyce – Arlington, VA

# Seattle

## New Supply/Demand<sup>†</sup> (units)



## Market Data

	U.S.	Seattle
Median Household Income	\$53,706	\$68,280
Median Home Price	\$220,000	\$372,000
Ratio	4.1 x	5.5x

<sup>†</sup> Source: Moody's Analytics, Nielsen, EQR Data. 2015/2016 data projected, Rosen Consulting

### WALK SCORE

EQR	REIT Competitor Avg.
73.3	66.6

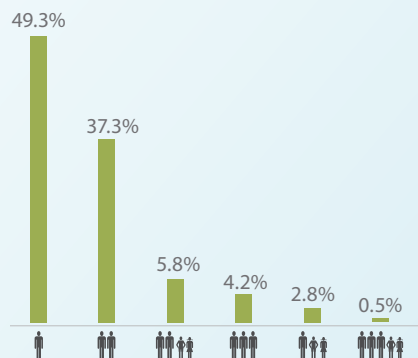
20% of renters in Seattle commute by walking or public transportation.

## EQR – Seattle

### Market Data (as of 9/30/15)

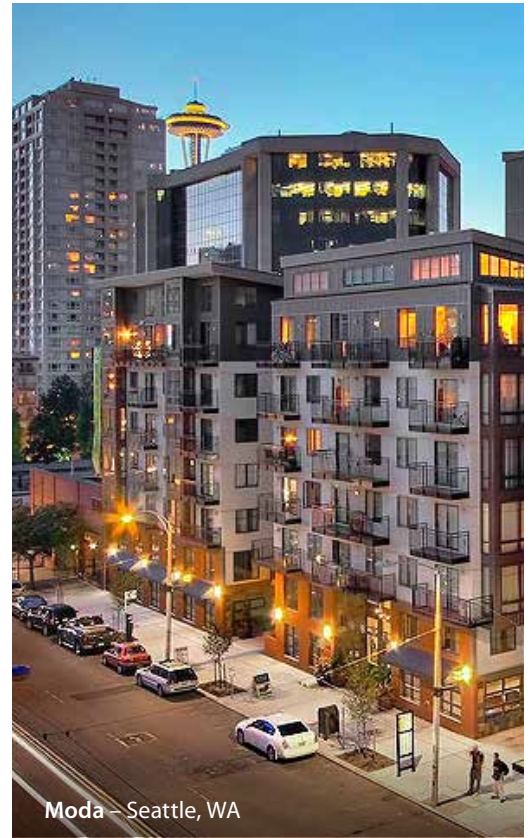
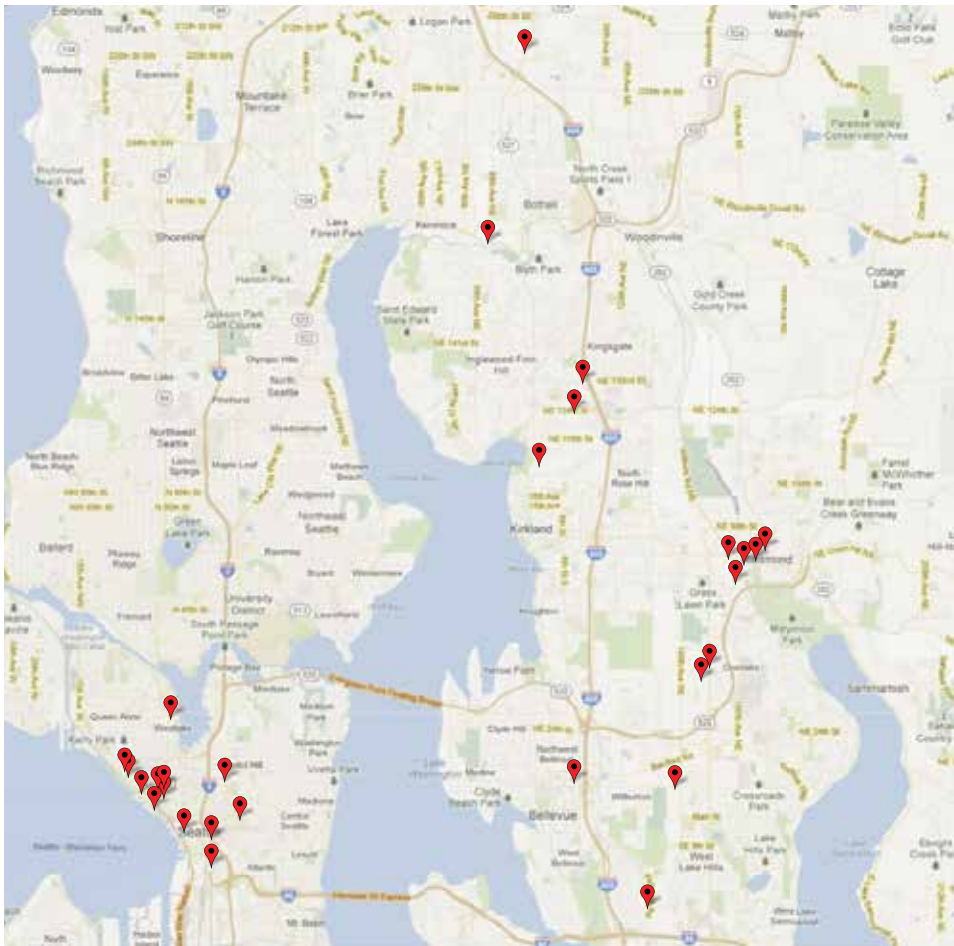
Properties	43
Units	8,677
Percent of NOI	7.4%
Occupancy	96.0%
Median Household Income	\$90,000
Median Monthly Rent	\$1,725
Rent as a Percent of Income	20.0%

### Resident Profile



2nd and Pine – Seattle, WA

# Equity Residential Portfolio



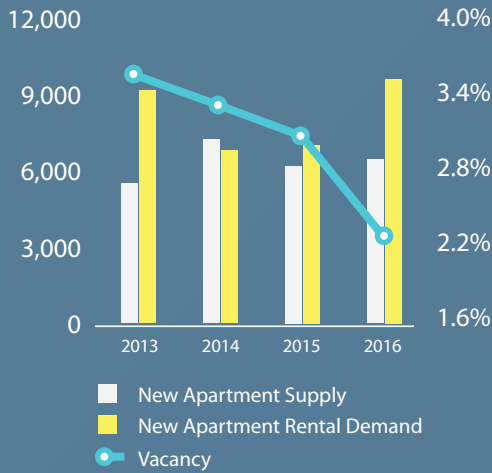
Moda – Seattle, WA



Riverpark – Redmond, WA

# San Francisco

## New Supply/Demand<sup>†</sup> (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	11.2 x

<sup>†</sup> Source: Moody's Analytics, Nielsen, EQR Data. 2015/2016 data projected, Rosen Consulting

### WALK SCORE

EQR	REIT Competitor Avg.
70.2	63.5

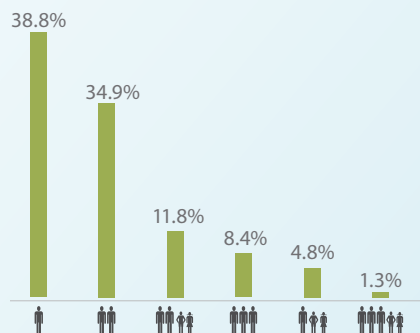
30% of renters in San Francisco commute by walking or public transportation.

## EQR – San Francisco

### Market Data (as of 9/30/15)

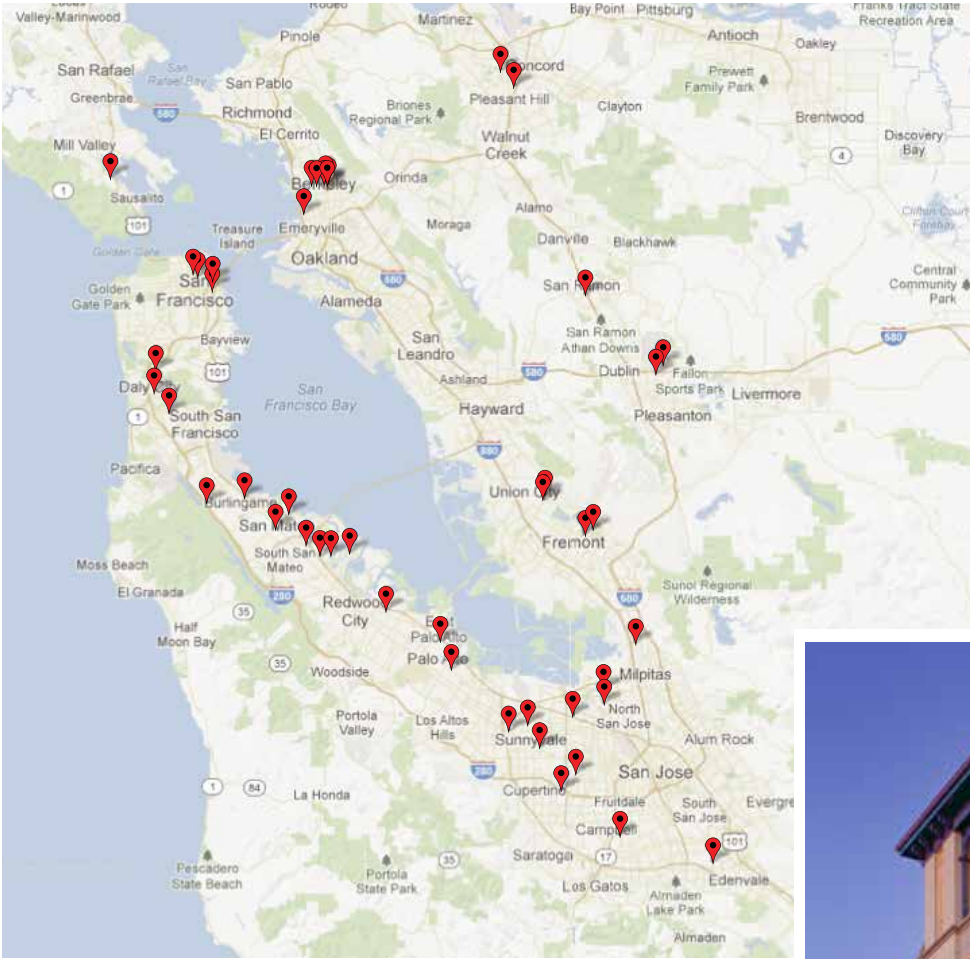
Properties	53
Units	13,654
Percent of NOI	15.0%
Occupancy	96.4%
Median Household Income	\$115,039
Median Monthly Rent	\$2,474
Rent as a Percent of Income	26.0%

### Resident Profile



340 Fremont – San Francisco, CA

# Equity Residential Portfolio



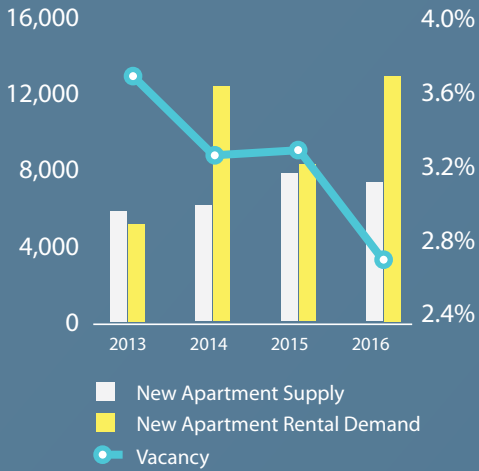
Artistry Emeryville – Emeryville, CA



Bachenheimer – Berkeley, CA

# Los Angeles

## New Supply/Demand† (units)



## Market Data

	U.S.	Los Angeles
Median Household Income	\$53,706	\$58,860
Median Home Price	\$220,000	\$467,800
Ratio	4.1x	8.1x

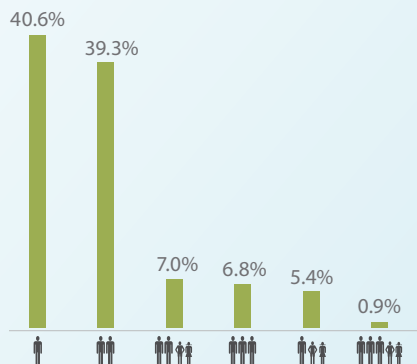
† Source: Moody's Analytics, Nielsen, EQR Data. 2015/2016 data projected, Rosen Consulting

## EQR – Los Angeles

### Market Data (as of 9/30/15)

Properties	61
Units	13,313
Percent of NOI	12.4%
Occupancy	96.1%
Median Household Income	\$102,000
Median Monthly Rent	\$2,192
Rent as a Percent of Income	24.5%

### Resident Profile

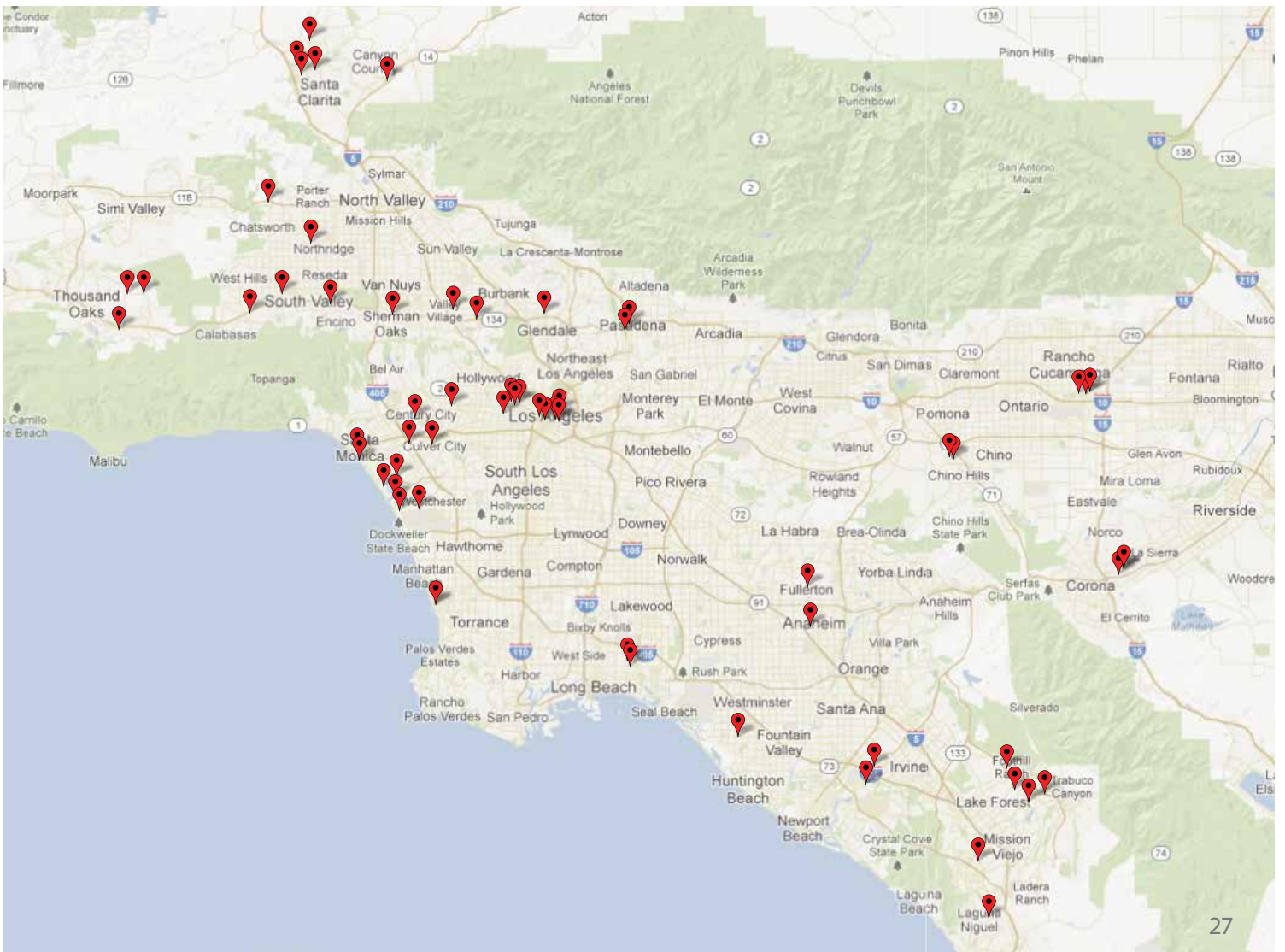


Marina 41 – Marina del Rey, CA



Jia – Los Angeles, CA

## Equity Residential Portfolio





Altitude – Los Angeles, CA



340 Fremont – San Francisco, CA

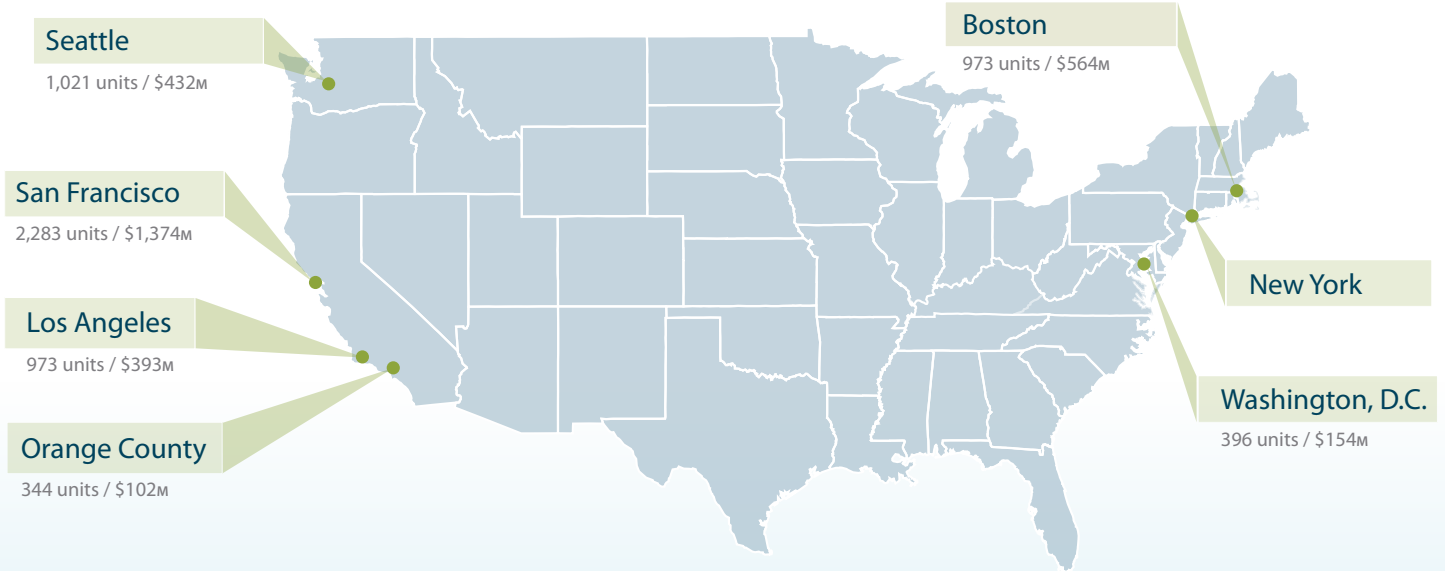
## Our Development Capability is a Source of Attractively Priced Assets in High-Growth Markets

Since 2000, our development program has produced 70 properties, consisting of more than 20,000 apartments, at a total cost of approximately \$5.0 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 15 properties containing 3,944 apartment units for a total cost of \$1.109 billion. Today those assets are worth more than \$1.545 billion, or an increase of \$436.0 million.

We currently have 3,989 apartment units under construction for more than \$2.0 billion and a pipeline of 2,001 units to be developed at a total cost of \$1.0 billion. We plan to self-fund this activity in a balance sheet neutral manner.

## Core Development Markets



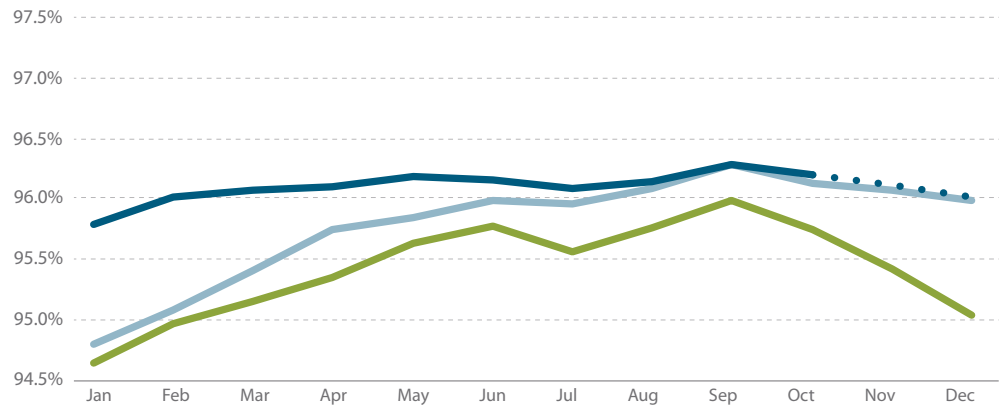
Urbana – Seattle, WA

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

- 2014
- 2015 (actual)
- 2015 (projected)
- 2013

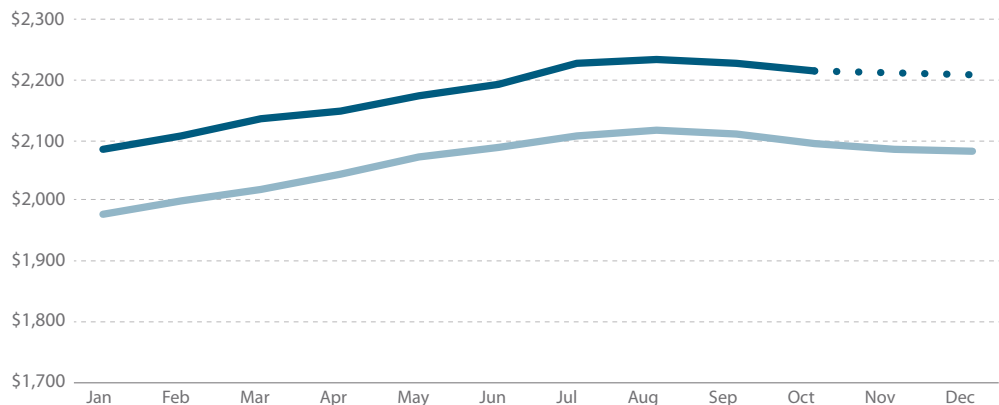
**Same-Store Occupancy**



Source: Earnings Release

- 2014
- 2015 (actual)
- 2015 (projected)

**Base Rent Per Unit**



Source: LRO Base Rents plus Average Amenity

Fifth consecutive year of  
5% or higher NOI growth

### Full Year 2015 Operating Metrics\*

	Year-Over-Year Change 2015 Over 2014
Same Store Revenues	5.2%
Same Store Expenses	3.1%
Same Store NOI	6.2%
Occupancy <b>96.0%</b>	0.2%

\* Guidance as of 10/26/15

### First Nine Months 2015 Same Store Performance

Market	Units	September YTD % of Actual NOI	September YTD Average Rental Rate <sup>1</sup>	Change in Revenues
DC/Northern Virginia	17,743	17.8%	2,232	0.7%
New York Metro Area	10,330	17.3%	3,958	4.2%
San Francisco Bay Area	12,764	15.4%	2,512	10.6%
Los Angeles	10,641	10.7%	2,225	5.9%
South Florida	10,538	7.5%	1,664	5.7%
Boston	7,722	9.8%	2,814	3.3%
Seattle	7,380	6.7%	1,963	7.1%
Denver	6,935	5.1%	1,502	8.9%
San Diego	3,505	3.4%	2,052	5.4%
Orange County, CA	3,490	3.1%	1,856	5.2%
Inland Empire, CA	2,751	2.1%	1,604	4.3%
All Other Markets	2,633	1.1%	1,162	3.9%
<b>Total</b>	<b>96,432</b>	<b>100.0%</b>	<b>\$ 2,299</b>	<b>5.1%</b>

<sup>1</sup> 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





140, 160, and 180 Riverside – New York, NY



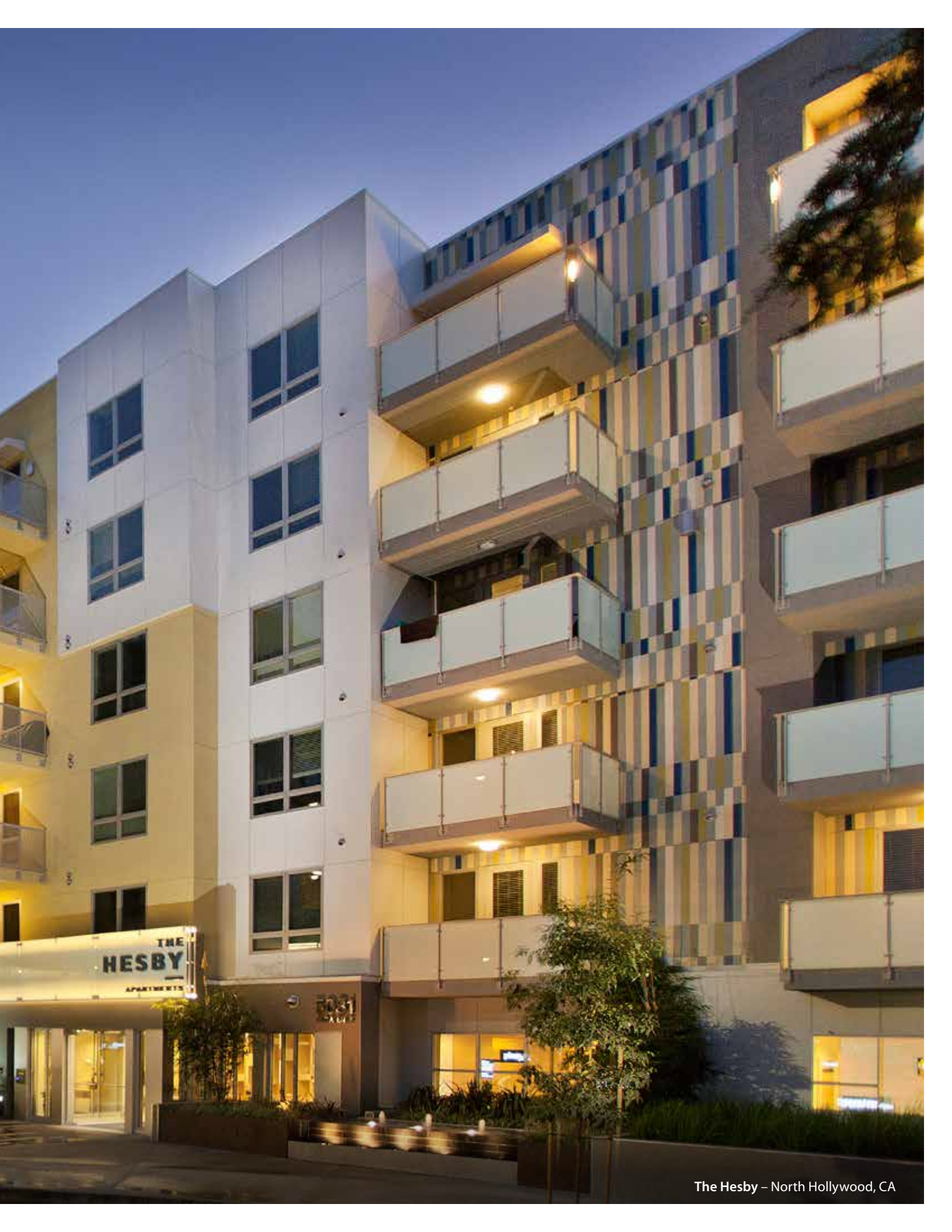
Courthouse Plaza – Arlington, VA

- 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 A- by S&P and Fitch and Baa1 (positive) outlook by Moody's.
- 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%.
- We expect to have a net debt to EBITDA ratio of approximately 6.2x and a fixed charge coverage of 3.4x at year end.\*
- In early 2015, we introduced a \$500 million Commercial Paper program which allows 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**  
APARTMENTS

3031  
W. HOLLYWOOD BL.

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 392 properties consisting of 109,347 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.