Equity Residential

Focused Performance, Creating Value

MARCH 2016



340 Fremont - San Francisco, CA

Construction Start: Q1 2014
Expected Completion: Q3 2016

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 primarily on the urban centers of 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.

In January 2016, the company completed the sale of 23,262 apartment units to Starwood Capital Group for $5.365 billion. This sale facilitated the company's exit from the South Florida and Denver markets and generated an unlevered internal rate of return of 10.9%. On March 10, 2016, the company paid a special dividend of $8 per share from these sales proceeds.

- Portfolio concentrated in high-barrier, high-growth markets
- Superior utilization of state-of-the-art operating platform resulting in a best-in-class operating performance
- Named one of America's Most Admired Company's in Fortune Magazine's most recent survey
- 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
- 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



View from 340 Fremont – San Francisco, CA

Sale to Starwood

72 properties | 23,262 units

CLOSED: JANUARY 26, 2016

SALE PRICE	PRICE PER UNIT:	IRR:
$5.365 Billion	$230,000	10.9%

Special Dividends to be paid in 2016 of $10-$12 per share

Debt Pre-Payments of $2 Billion







Strategic Capital Allocation





Woodland Park – East Palo Alto, CA

1,811 units

CLOSED: FEBRUARY 18, 2016

SALE PRICE:	PRICE PER UNIT:	IRR:
$412.5 Million	$228,000	37.0%

RiverTower – New York, NY

320 units

CLOSED: JANUARY 20, 2016

SALE PRICE:	PRICE PER UNIT:	IRR:
$390.0 Million	$1.2 Million	14.0%



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



315 on A – Boston, MA

Strong Drivers of Demand

Demand for rental apartments continues to be strong, driven by the Millennial generation, who are currently under represented in the rental pool as a higher percentage than usual are still living with their parents and will form their own households. And strong demand will continue with the Post Millennials.

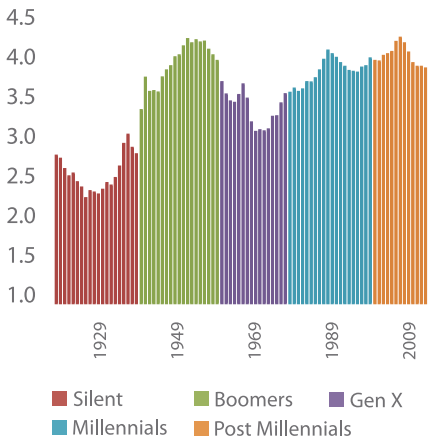
More than 1 million households are formed, on average, each year in the United States.

Nearly four million people are turning 25 each year.

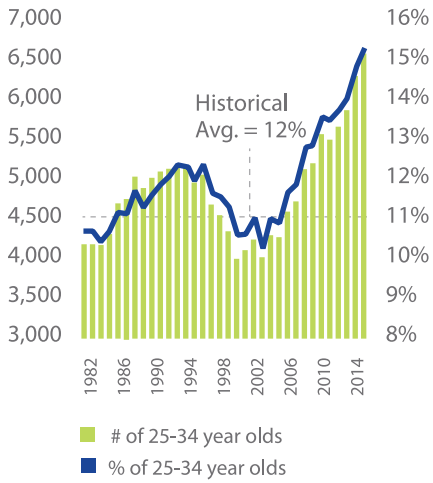
People aged 20 to 34 are the prime cohort to form new households and have a 60% to 70% propensity to rent.

Source: CDC, Evercore ISI, Green Street Advisors

Births by Generation (in millions)



Young Adults Living with Parents

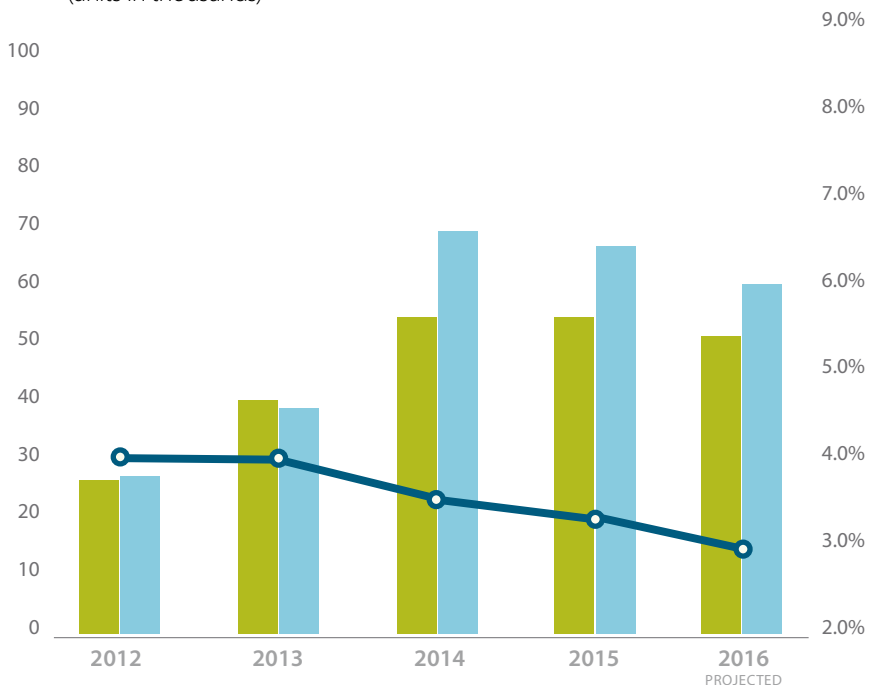


Favorable demographics will continue to create ample demand to absorb the new supply of apartment rental units in Equity Residential's core markets. After several years of undersupply, the construction of new apartments has increased, but with apartment rentals capturing 20% to 30% of new household formations 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)

Demand remains strong in our markets and more than offsets new supply.



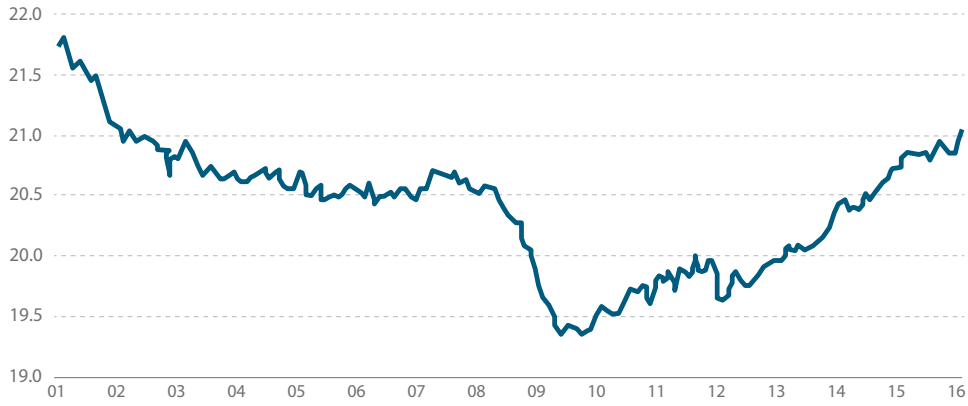
Source: MPF Research, REIS Research, EQR Data

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

Millennials have recovered completely from the financial crisis:
Employment rate for people age 25-34 above pre-crisis average

Percent employed between 25 to 34 years as share of total labor force
(in millions)

38.6% of our residents are between the ages of 25-34 and their employment prospects are excellent

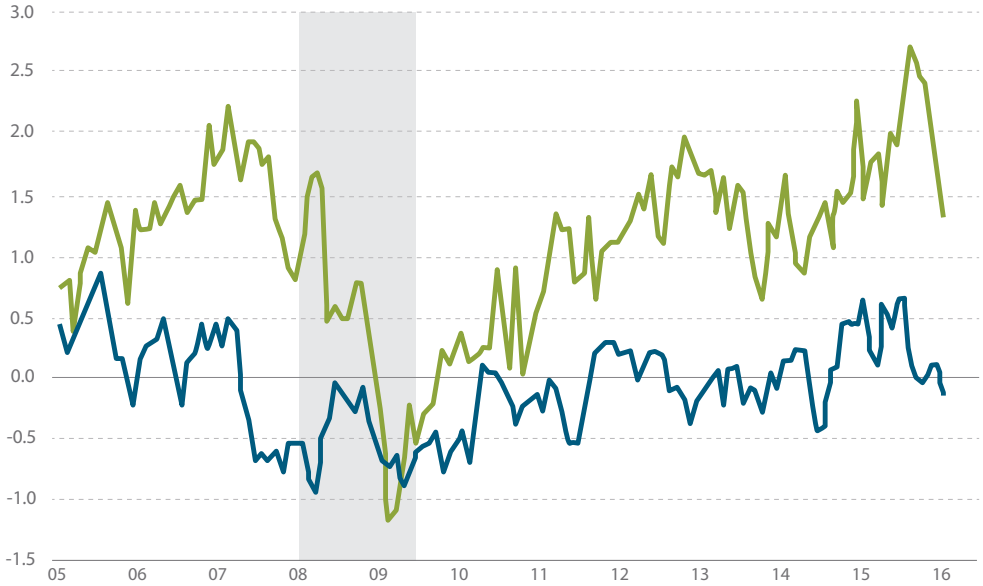


Source: BLS, Haver Analytics, Deutsche Bank Global Markets Research

Throughout this recovery we have seen stronger growth in high-wage jobs than low wage jobs

Year-over-year growth in employment
(in millions)

Especially if they are college graduates



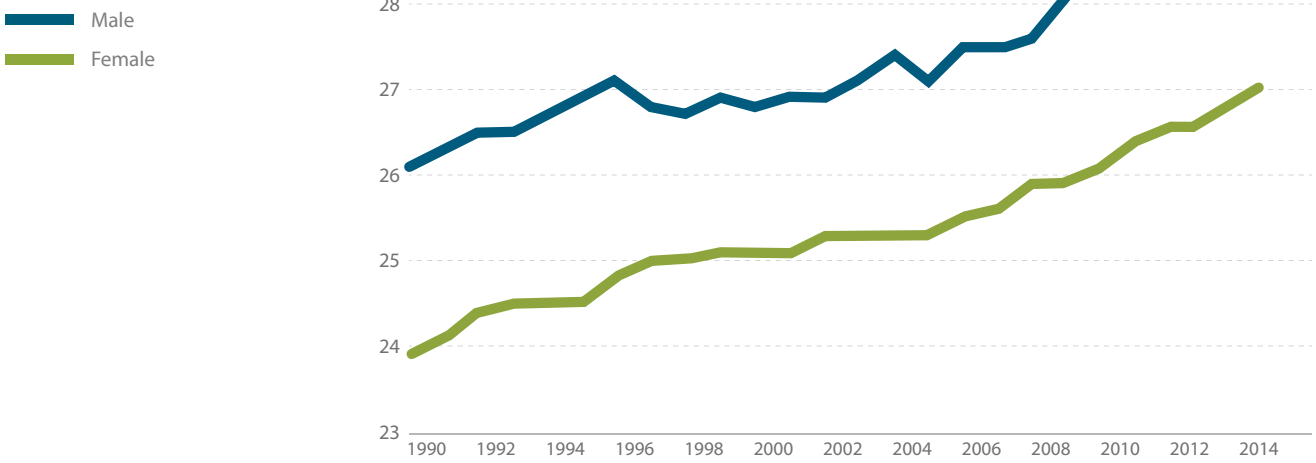
Source: BLS, Haver Analytics, Deutsche Bank Global Markets Research

Lifestyle choices are driving demand

Median Age at First Marriage (years)

Lifestyle choices will keep people renting longer.

People are marrying and having children later.



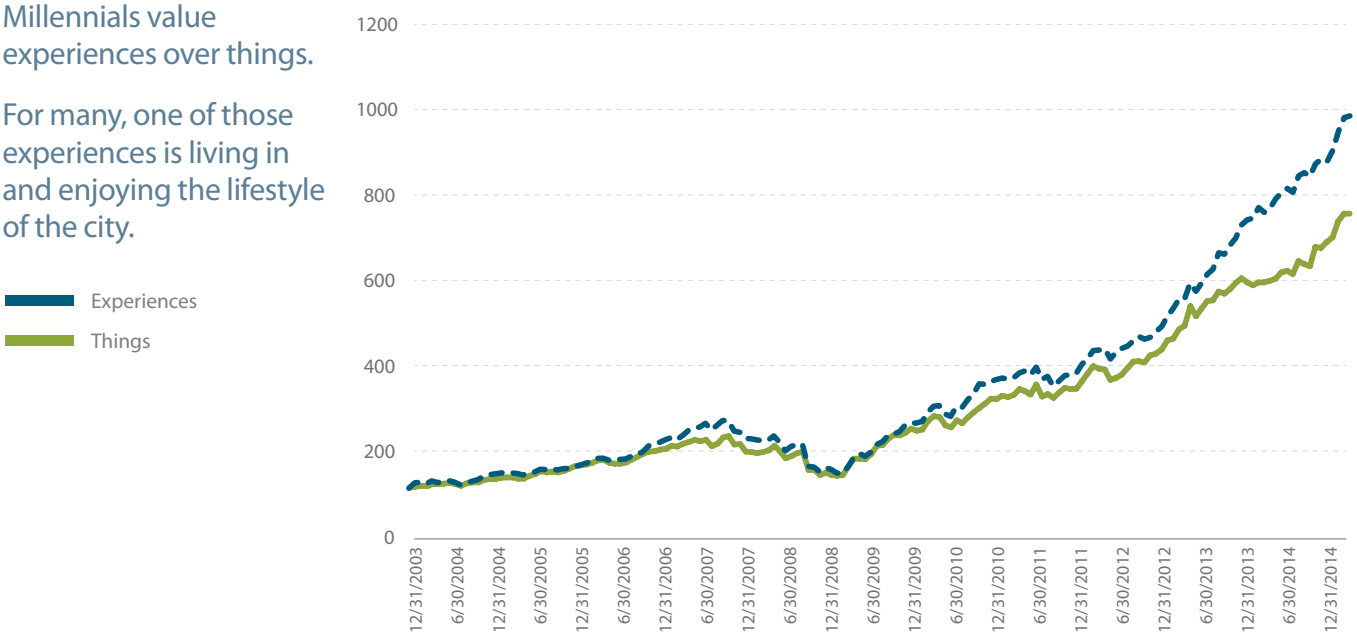
Source: Census, Rosen Consulting

Experience Stocks vs. Things Stocks

Indexed Share Return since 2003

Millennials value experiences over things.

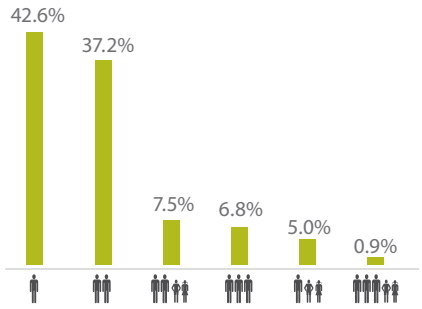
For many, one of those experiences is living in and enjoying the lifestyle of the city.



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.

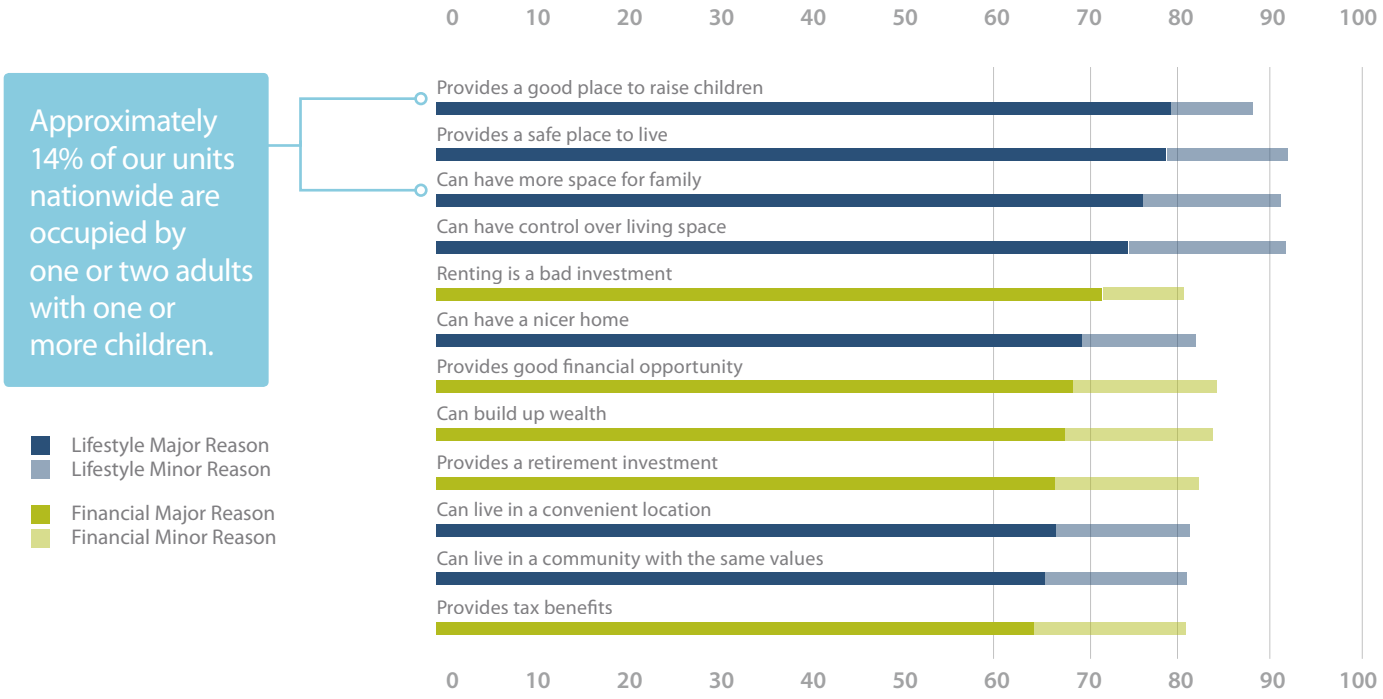
When people purchase homes they do so for mostly non-economic reasons. In a published study from the Joint Center for Housing Studies at Harvard University, lifestyle issues topped the reasons for buying a home.

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)



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

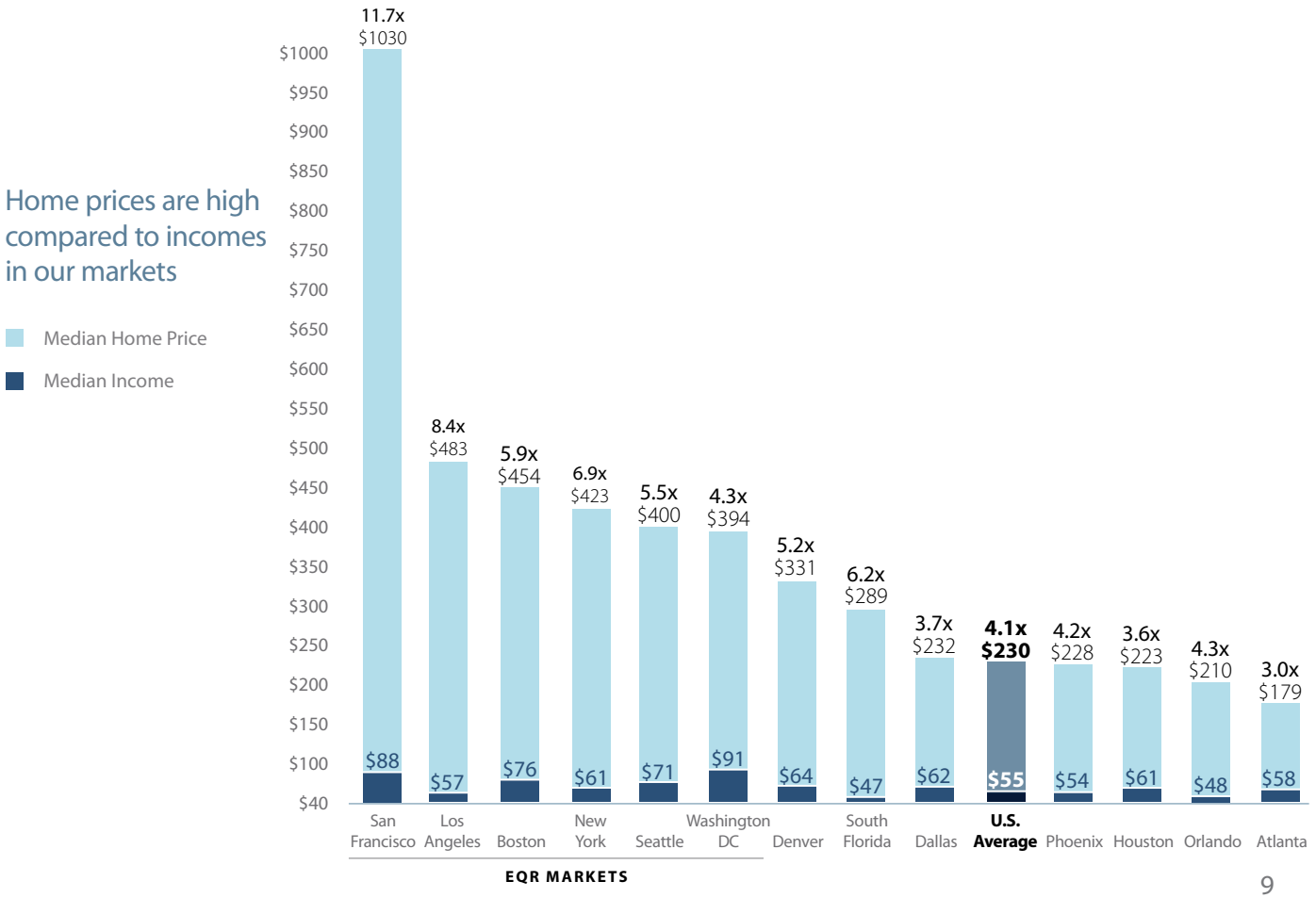
Less than 6% of our residents move out to buy a home each year.

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

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

Home prices are high compared to incomes in our markets



Source: Moody's Analytics, Nielsen and Company Data as of January 2016

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	$55,551
EQR Core Markets	$73,586
EQR Residents in Our Core Markets	$108,996

Highest Average Monthly Rents

All U.S. Markets	$1,243
EQR Core Markets	$2,098
EQR Residents in Our Core Markets	$2,541

Best Demographics for Renting Apartments
EQR Core Markets Resident Profile

Singles	42.6%
20- to 34-Year-Olds	51.8%
Couples Without Children	37.2%
55+ Year-Olds	15.5%

Highest Median Home Cost

All U.S. Markets	$230,000
EQR Core Markets	$655,000

Source: MPF Research, EQR Data

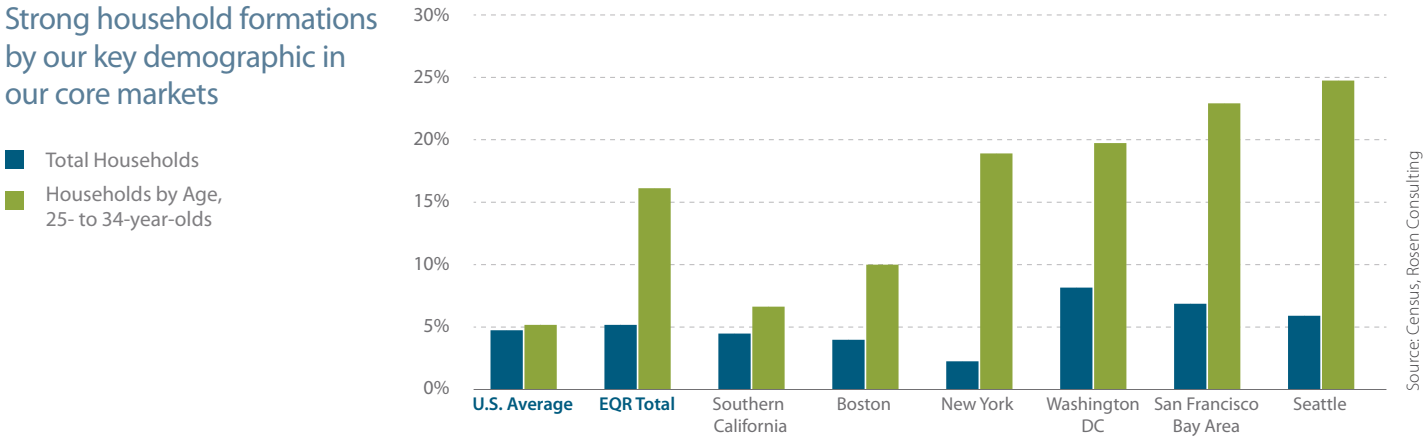
Market Statistics

	2014	2015	Projected 2016
Average Monthly Rent			
EQR Core Markets	$1,986	$2,098	$2,203
All U.S. Markets	$1,179	$1,243	$1,293
Effective Rent Growth			
EQR Core Markets	6.2%	5.9%	5.0%
All U.S. Markets	4.6%	4.8%	4.0%
Vacancy Rate			
EQR Core Markets	3.6%	3.2%	2.9%
All U.S. Markets	4.7%	4.1%	4.6%
Population Growth			
EQR Core Markets	1.1%	1.0%	1.0%
All U.S. Markets	0.7%	0.8%	0.8%
Household Formations			
EQR Core Markets	0.9%	1.0%	1.6%
All U.S. Markets	0.6%	0.8%	1.6%
Job Growth			
EQR Core Markets	3.0%	2.7 %	2.1 %
All U.S. Markets	2.1%	1.9%	1.9%
Median Home Prices			
EQR Core Markets	$579,000	$622,000	$655,000
All U.S. Markets	$207,000	$221,000	$230,000

Source: MPF Research, EQR Data

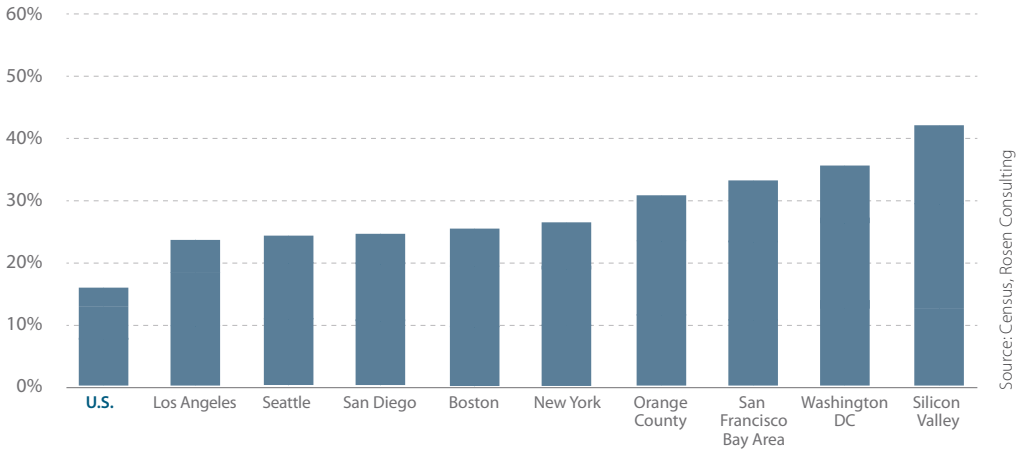
Growth in Household Formation
(2009 – 2014)

Strong household formations by our key demographic in our core markets



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

Broad pool of potential renters in EQR core markets

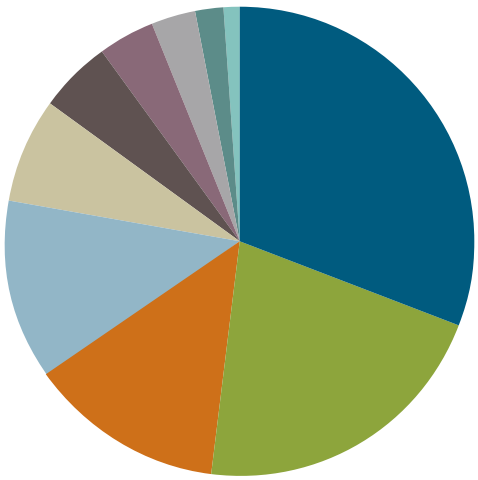




Belle Pre– Alexandria, VA

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

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



- 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



Market Street Village – San Diego, CA


1800 Oak – Arlington, VA


Alban Towers – Washington, DC


East 39th – New York, NY


Odin – Seattle, WA

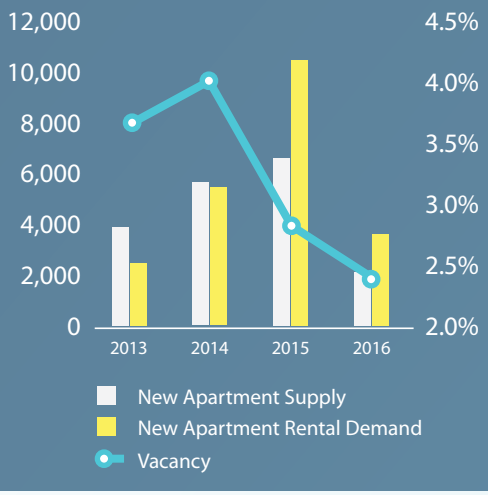
Portfolio

Portfolio Summary as of 3/31/16

Core Markets	Total Properties	Total Units	% of Stabilized NOI	Avg. Monthly Rate Per Unit
New York Metro Area	39	10,512	19.6%	$3,742
San Francisco Bay Area	51	11,401	17.9%	2,912
Washington DC Metro Area	47	15,637	17.6%	2,306
Los Angeles	61	13,313	15.7%	2,350
Boston	31	7,744	11.3%	2,650
Seattle	37	7,096	7.8%	2,094
Orange County	12	3,684	3.8%	1,925
San Diego	13	3,505	3.7%	2,128
Inland Empire	6	1,607	1.4%	1,738
Other Markets	13	2,633	1.1%	1,205
Subtotal	310	77,132	100.0%	$2,541
Military Housing	2	5,139	-	-
Grand Total	**312**	**82,271**	**100.0%**	**$2,541**

Boston

New Supply/Demand† (units)



Market Data

	U.S.	Boston
Median Household Income	$55,551	$76,046
Median Home Price	$230,000	$454,000
Ratio	4.1 x	5.9 x

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

WALK SCORE

EQR	REIT Competitor Avg.
69.5	48.2

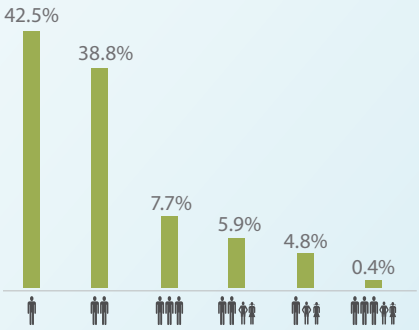
30% of renters in Boston commute by walking or public transportation.

EQR – Boston

Market Data (as of 12/31/15)

Properties	35
Units	8,018
Percent of NOI	9.5%
Occupancy	95.0%
Median Household Income	$132,000
Median Monthly Rent	$2,505
Rent as a Percent of Income	23.0%

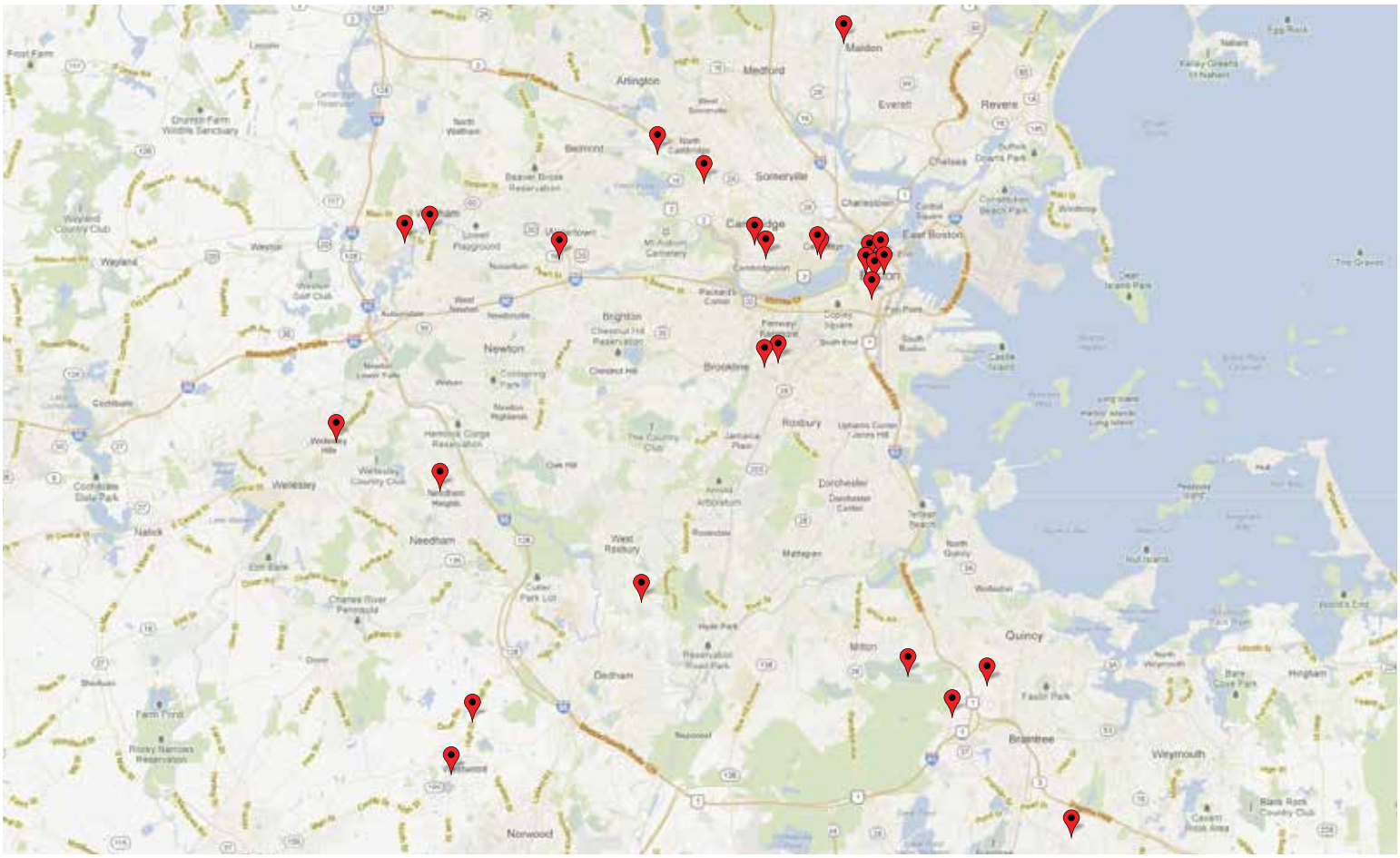
Resident Profile





Avenir – Boston, MA

Equity Residential Portfolio





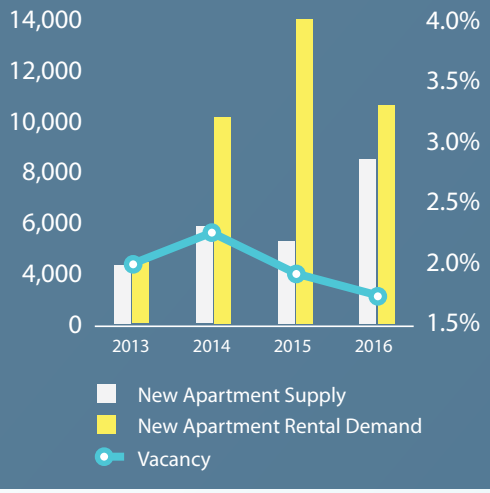
Longview Place – Waltham, MA



Third Square – Cambridge, MA

New York Metro Area

New Supply/Demand† (units)
(Manhattan)



Market Data

	U.S.	New York
Median Household Income	$55,551	$61,968
Median Home Price	$230,000	$423,000
Ratio	4.1 x	6.8 x

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

WALK SCORE

EQR	REIT Competitor Avg.
93.0	77.6

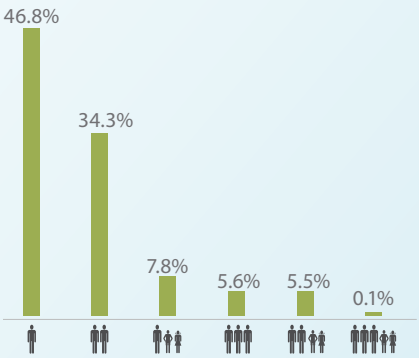
More than 50% of renters in New York commute by walking or public transportation.

EQR – New York Metro Area

Market Data (as of 12/31/15)

Properties	40
Units	10,835
Percent of NOI	17.6%
Occupancy	95.9%
Median Household Income	$186,000
Median Monthly Rent	$3,567
Rent as a Percent of Income	22.0%

Resident Profile





101 West End – New York, NY

Equity Residential Portfolio





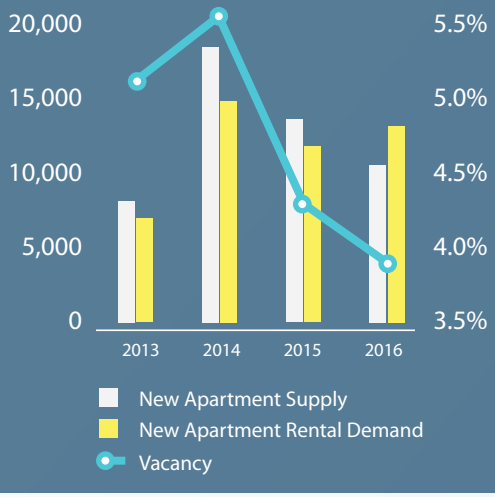
170 Amsterdam – New York, NY



Beatrice – New York, NY

Washington, DC Metro Area

New Supply/Demand† (units)



Market Data

	U.S.	Washington, DC Metro
Median Household Income	$55,551	$91,346
Median Home Price	$230,000	$394,500
Ratio	4.1 x	4.3x

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

WALK SCORE

EQR	REIT Competitor Avg.
77.5	56.3

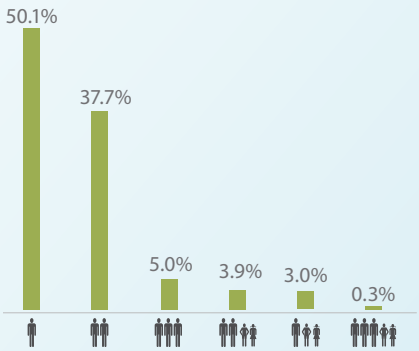
Nearly 30% of renters in DC market commute by walking or public transportation.

EQR – Washington, DC

Market Data (as of 12/31/15)

Properties	57
Units	18,656
Percent of NOI	17.0%
Occupancy	95.4%
Median Household Income	$97,800
Median Monthly Rent	$2,103
Rent as a Percent of Income	23.4%

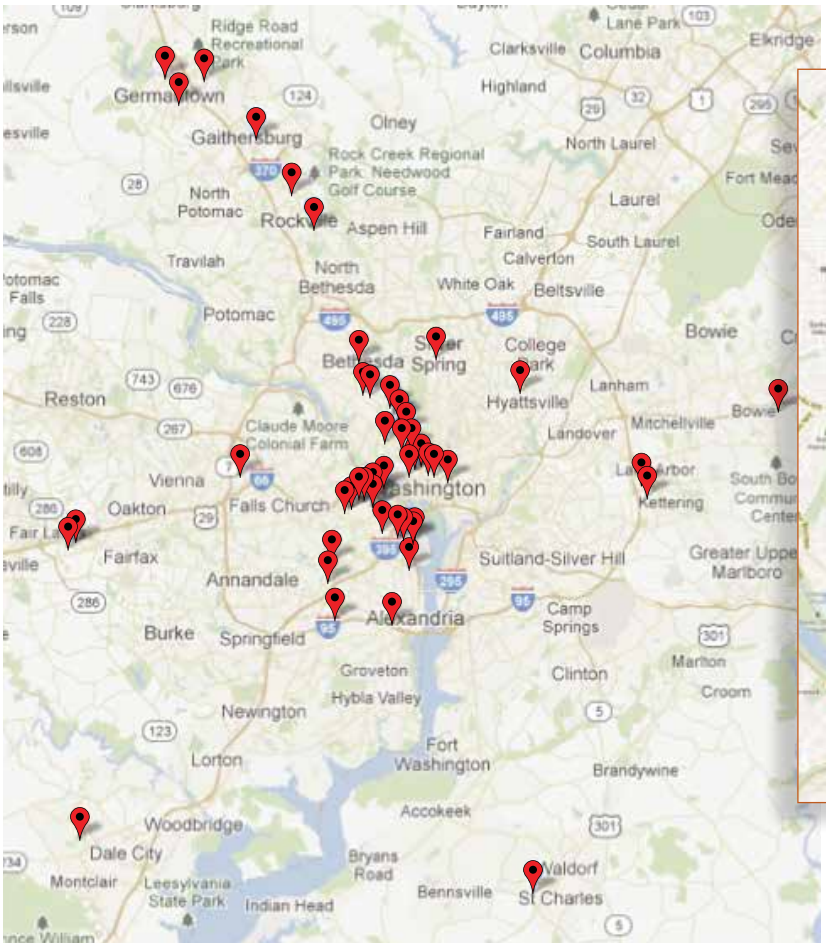
Resident Profile



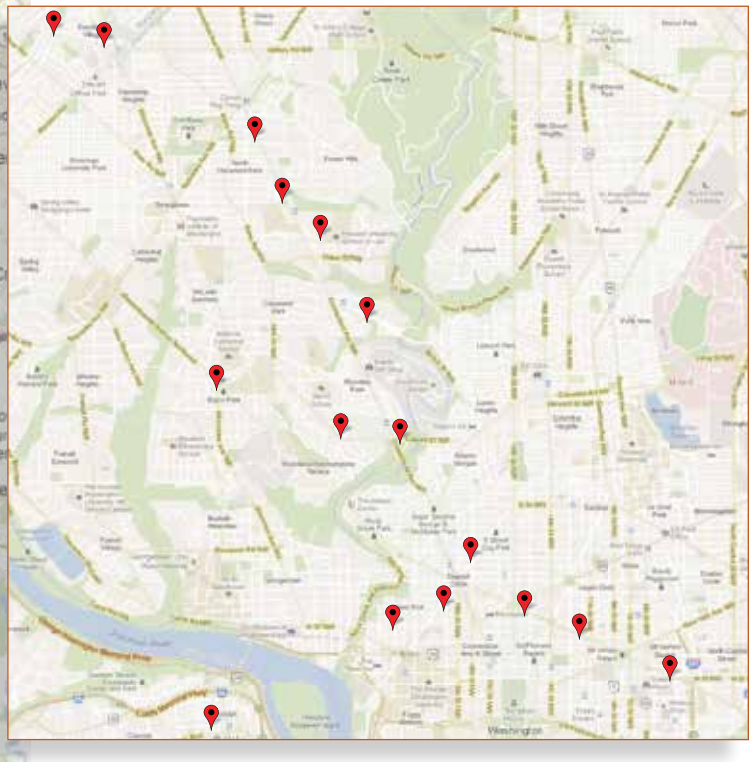


Park Connecticut – Washington, DC

Equity Residential Portfolio



The District





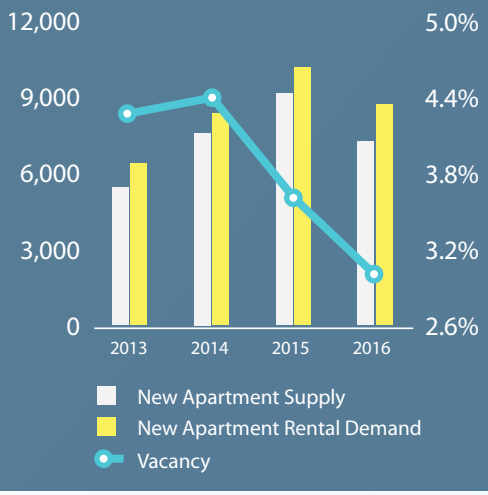
Wisconsin Place – Chevy Chase, MD



1401 Joyce – Arlington, VA

Seattle

New Supply/Demand† (units)



Market Data

	U.S.	Seattle
Median Household Income	$55,551	$71,126
Median Home Price	$230,000	$400,000
Ratio	4.1 x	5.6x

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

WALK SCORE

EQR	REIT Competitor Avg.
73.3	66.6

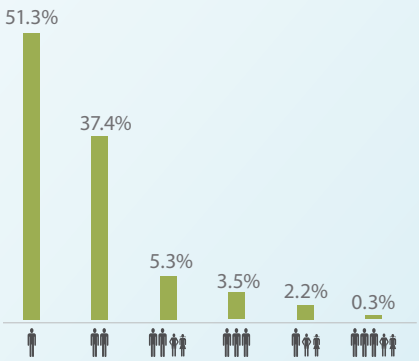
20% of renters in Seattle commute by walking or public transportation.

EQR – Seattle

Market Data (as of 12/31/15)

Properties	44
Units	8,756
Percent of NOI	7.6%
Occupancy	95.3%
Median Household Income	$96,000
Median Monthly Rent	$1,804
Rent as a Percent of Income	20.4%

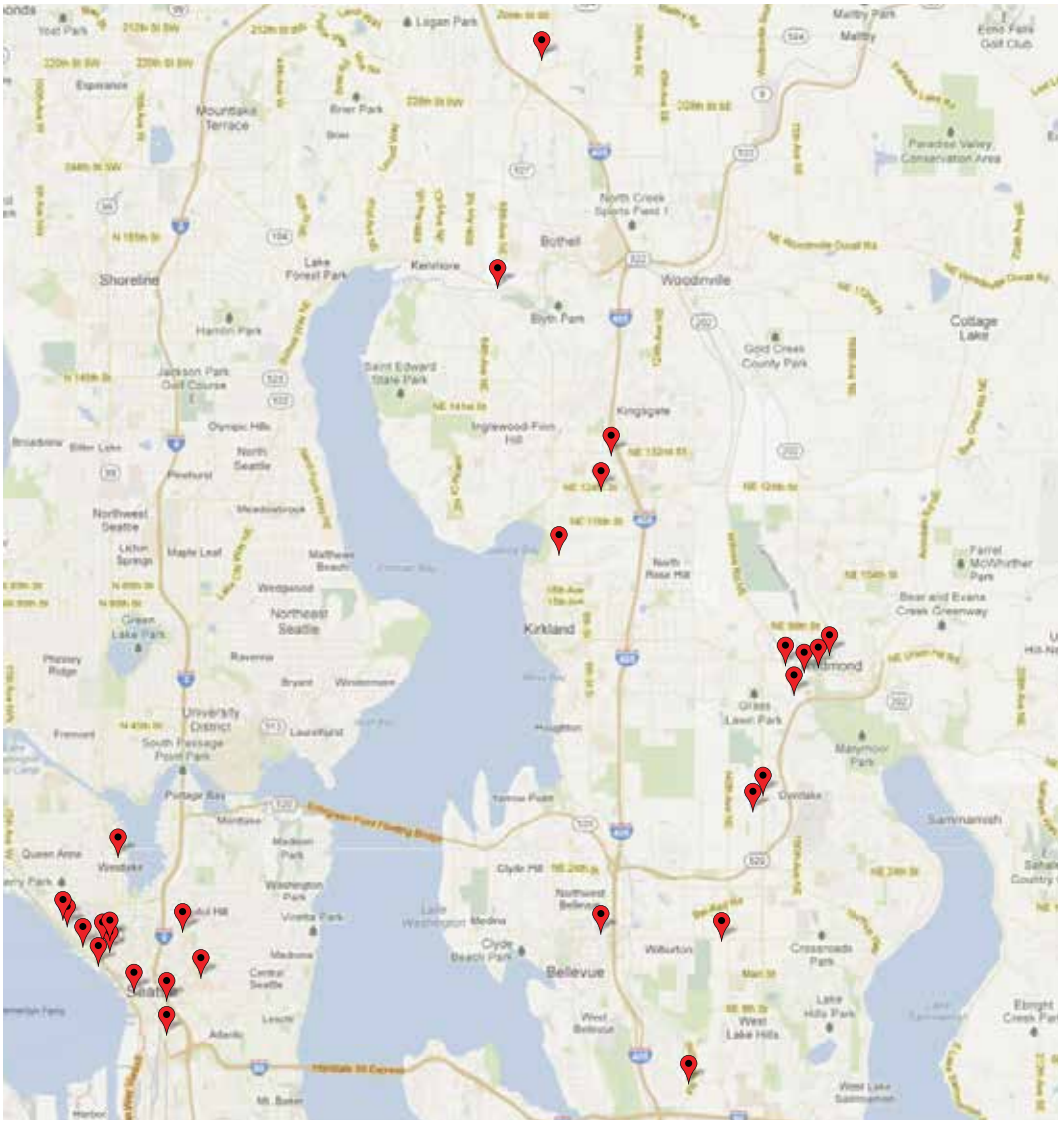
Resident Profile





2nd and Pine – Seattle, WA

Equity Residential Portfolio

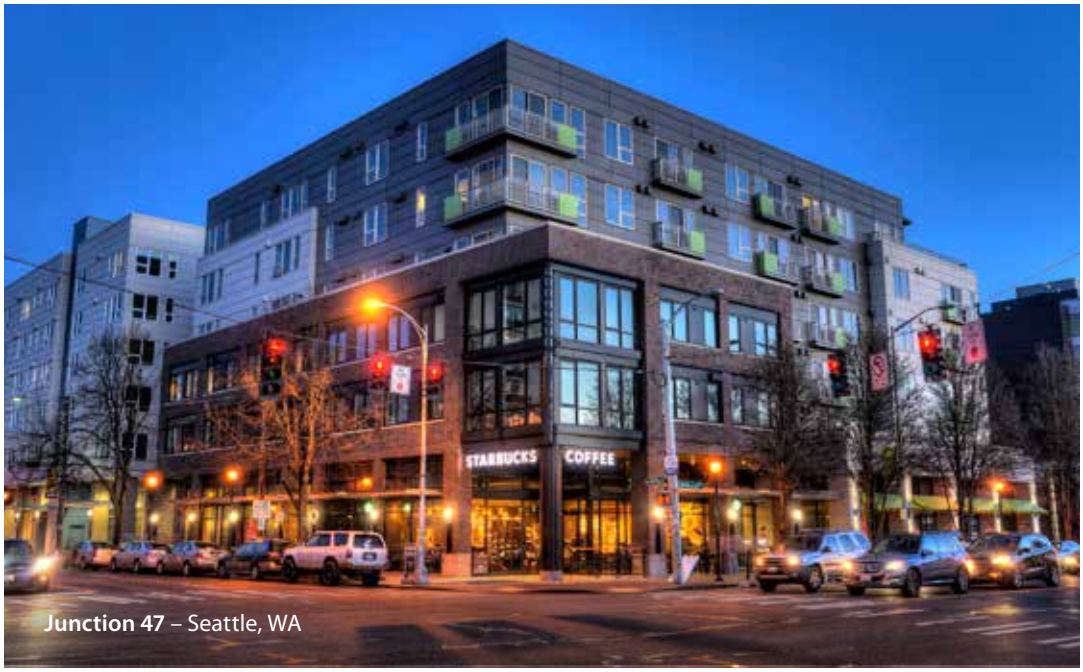




Veloce – Redmond, WA



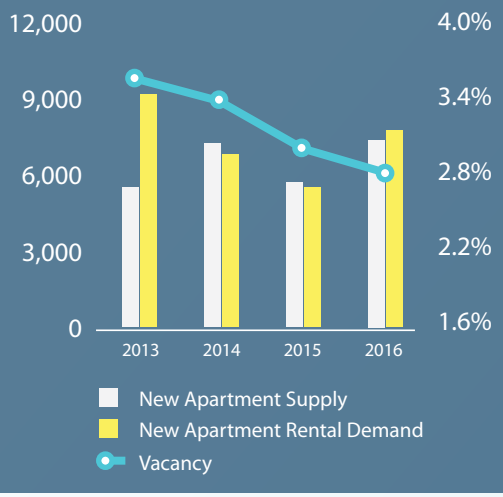
Moda – Seattle, WA



Junction 47 – Seattle, WA

San Francisco

New Supply/Demand† (units)



Market Data

	U.S.	San Francisco
Median Household Income	$55,551	$88,018
Median Home Price	$230,000	$1,030,000
Ratio	4.1 x	11.7 x

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

WALK SCORE

EQR	REIT Competitor Avg.
70.2	63.5

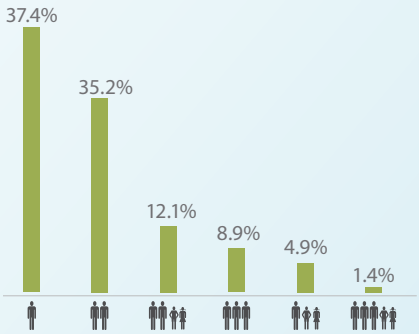
30% of renters in San Francisco commute by walking or public transportation.

EQR – San Francisco

Market Data (as of 12/31/15)

Properties	53
Units	13,656
Percent of NOI	15.1%
Occupancy	96.2%
Median Household Income	$119,400
Median Monthly Rent	$2,560
Rent as a Percent of Income	26.1%

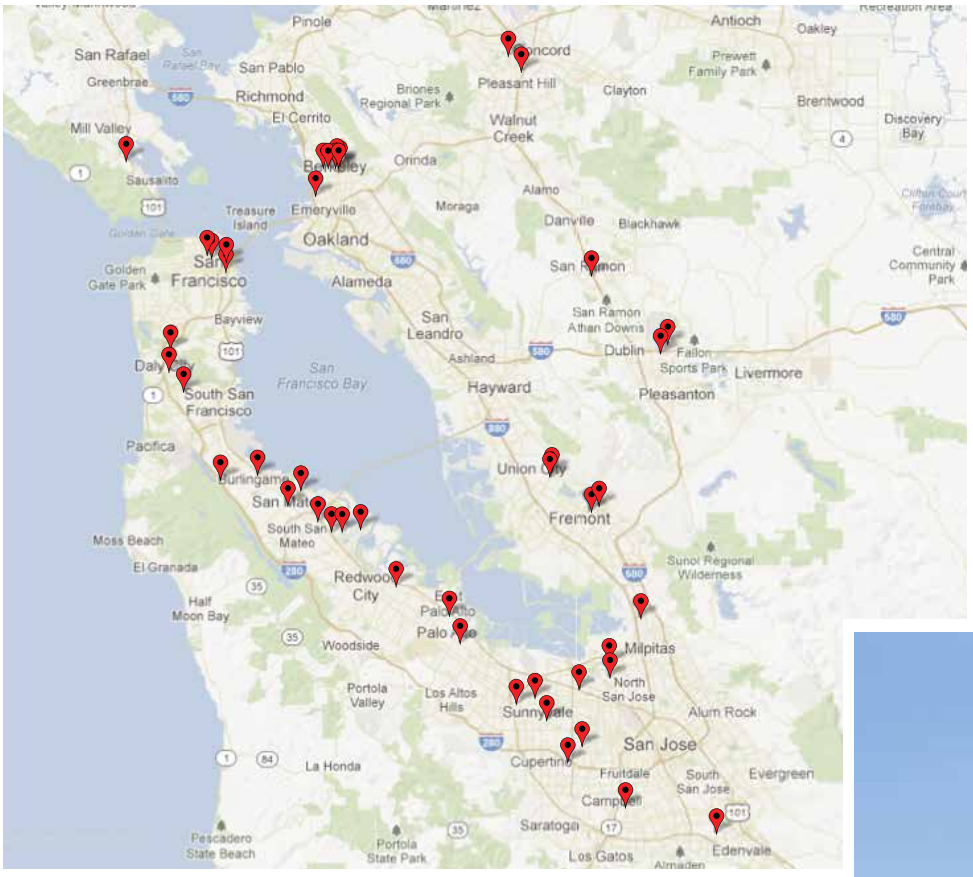
Resident Profile





340 Fremont – San Francisco, CA

Equity Residential Portfolio





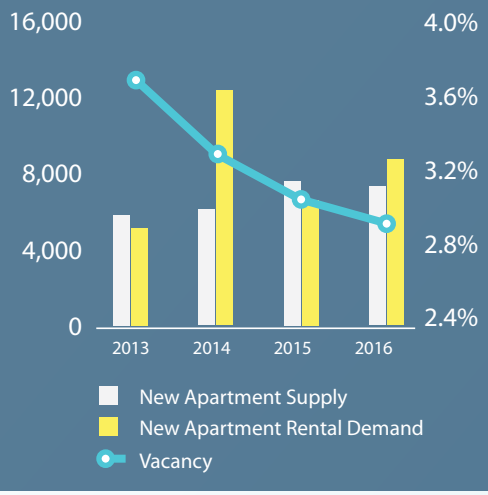
Vista 99– San Jose, CA



Azure – San Francisco, CA

Los Angeles

New Supply/Demand† (units)



Market Data

	U.S.	Los Angeles
Median Household Income	$55,551	$57,864
Median Home Price	$230,000	$483,000
Ratio	4.1x	8.3x

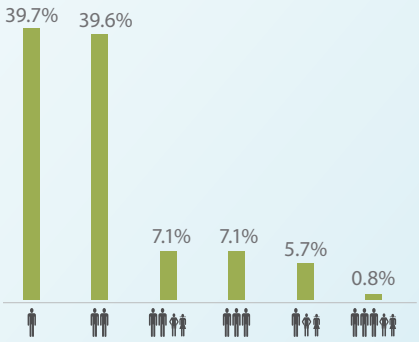
† Source: Moody's Analytics, Nielsen, EQR Data *2015/2016 data projected*, Rosen Consulting

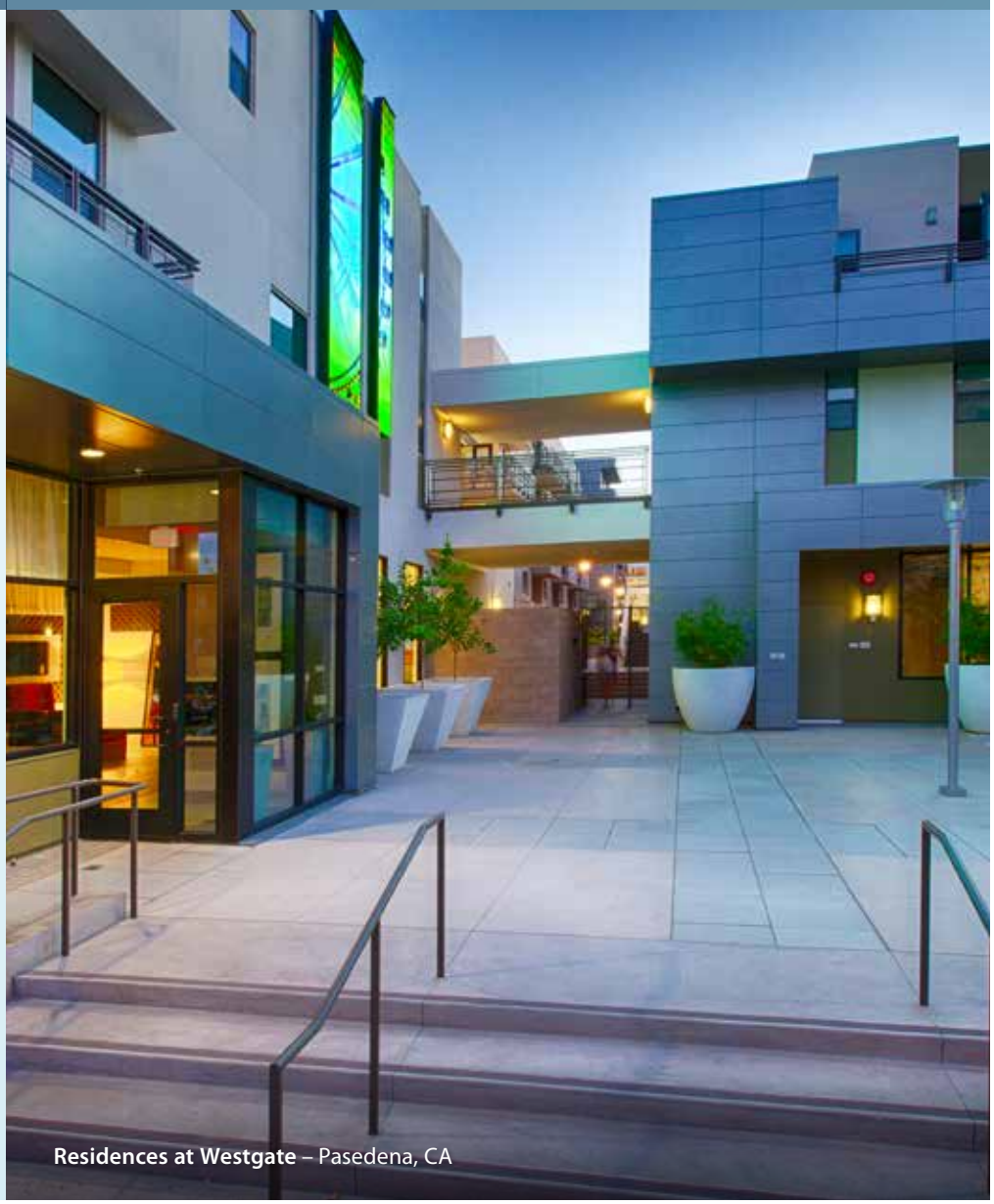
EQR – Los Angeles

Market Data (as of 12/31/15)

Properties	61
Units	13,313
Percent of NOI	12.3%
Occupancy	96.0%
Median Household Income	$103,800
Median Monthly Rent	$2,197
Rent as a Percent of Income	24.5%

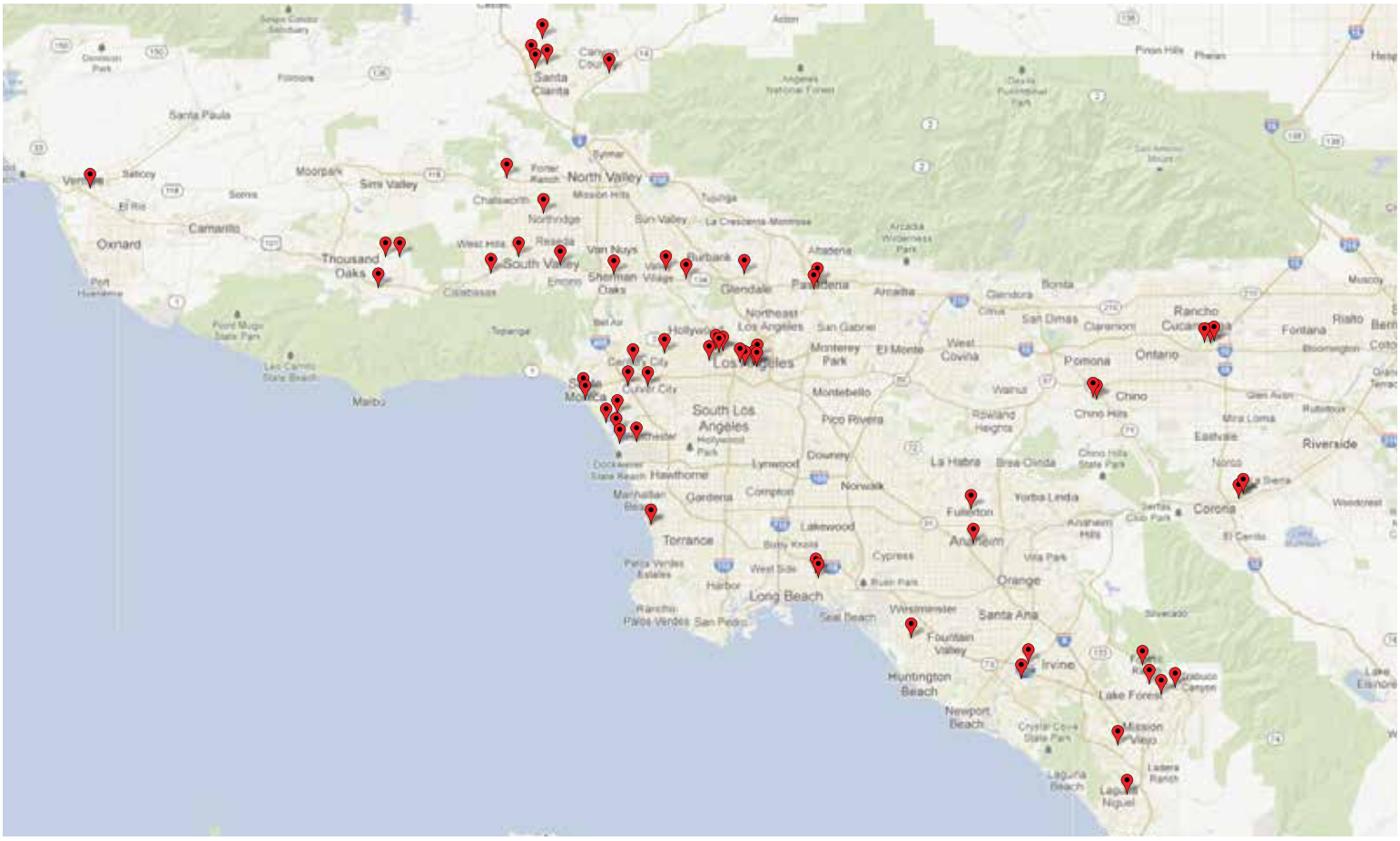
Resident Profile

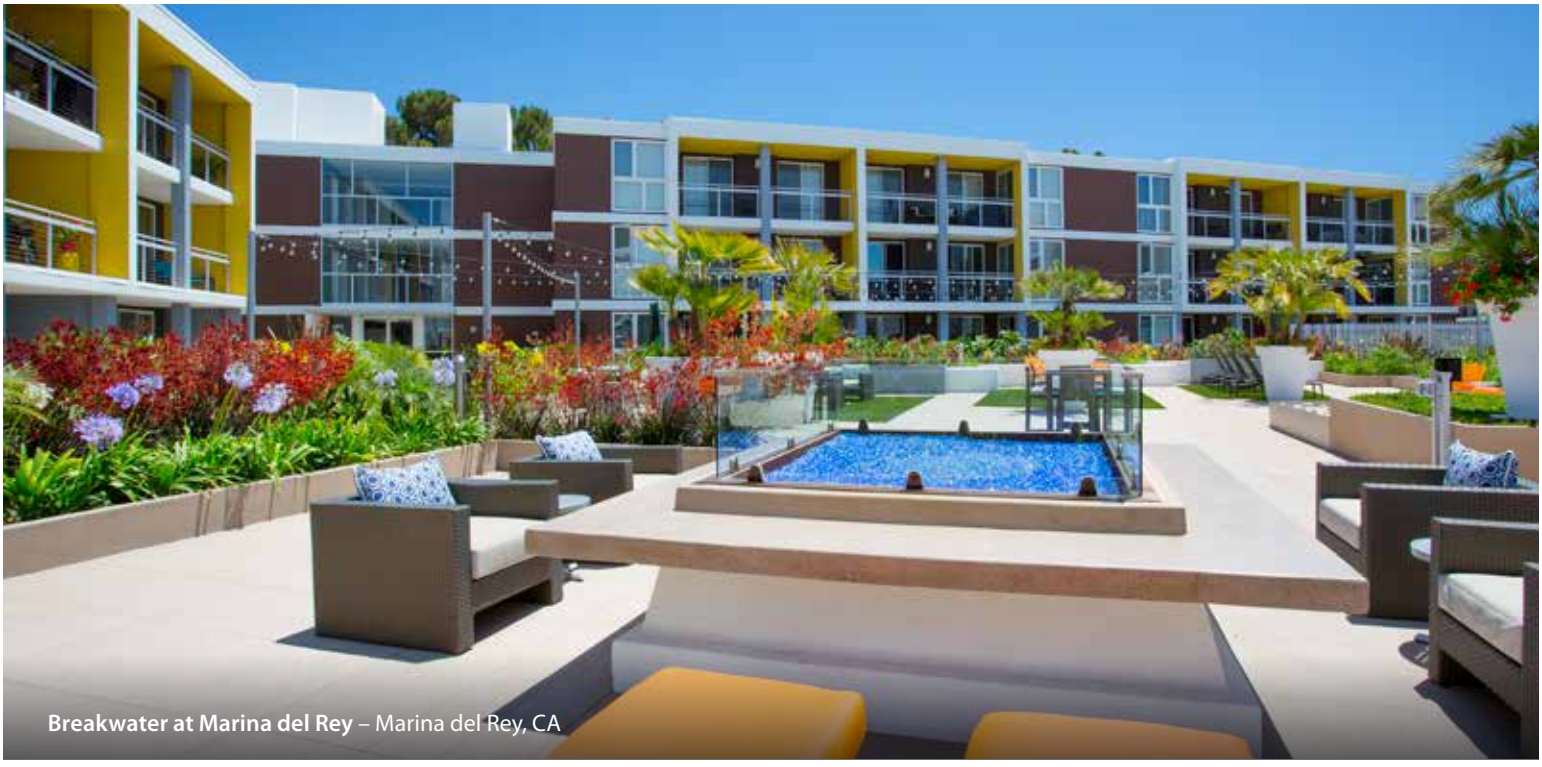




Residences at Westgate – Pasedena, CA

Equity Residential Portfolio





Breakwater at Marina del Rey – Marina del Rey, CA



Altitude – Los Angeles, CA



455 Eye Street – Washington, DC

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

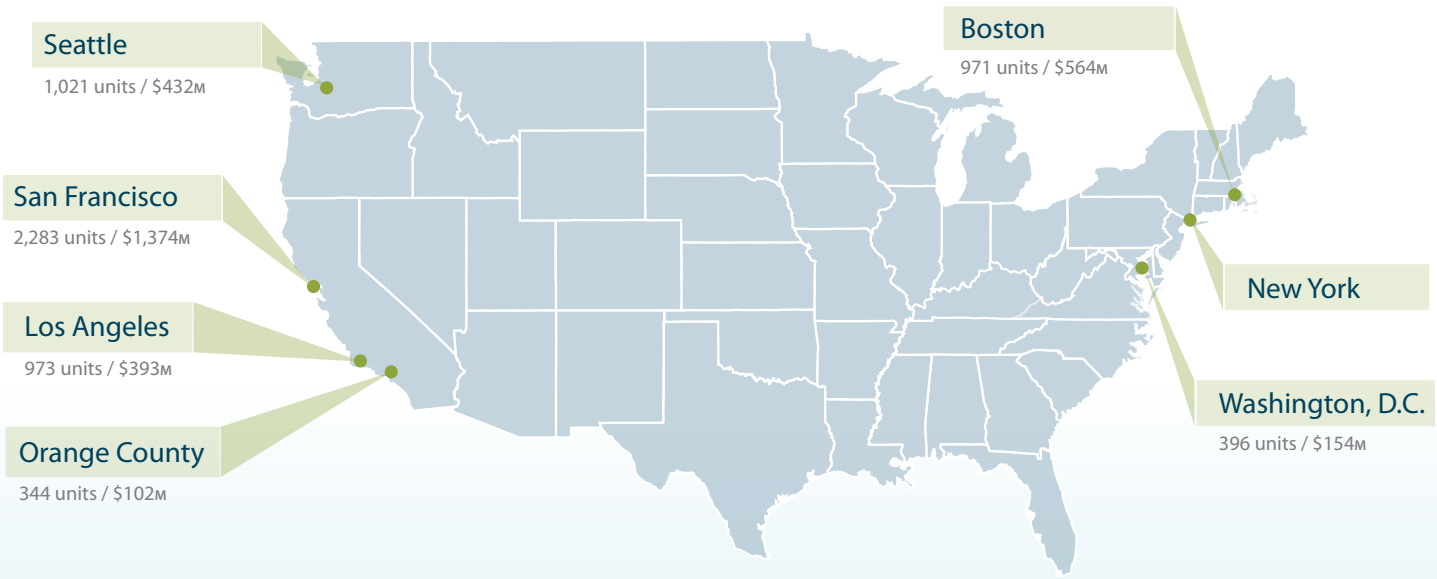
Since 2000, our development program has produced 70 properties, consisting of more than 20,000 apartments, at a total cost of approximately $5.0 billion. We will continue to be active developers in high-barrier markets across the country. We look for new opportunities to develop properties where development returns provide an appropriate premium over acquiring existing assets in order to allocate capital on the highest risk-adjusted basis possible.

From 2011 to 2015, 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 $2.0 billion and a pipeline of 1,999 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

Development in Progress and Land Bank



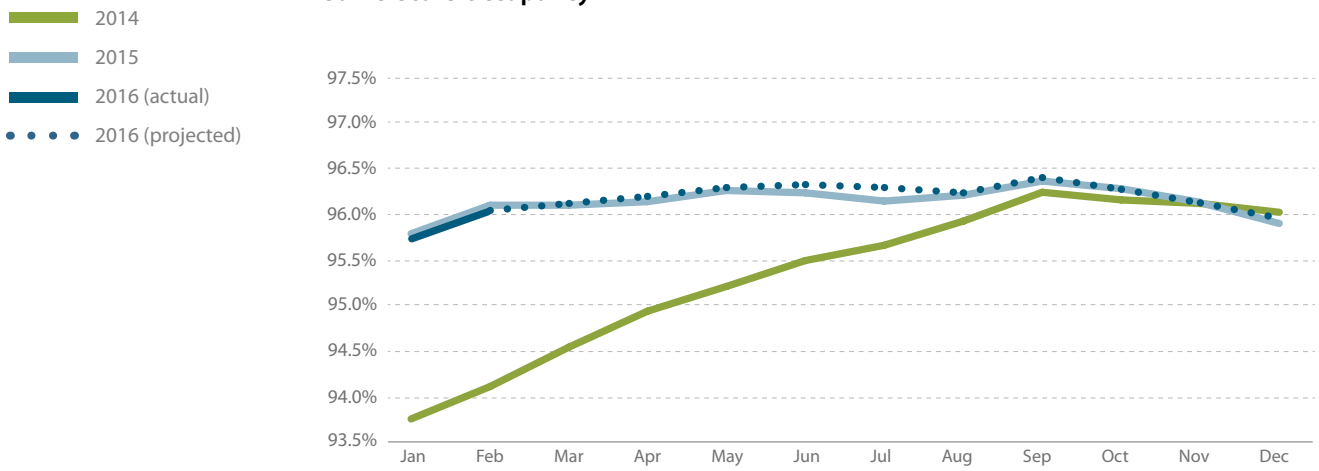


Urbana – Seattle, WA

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.

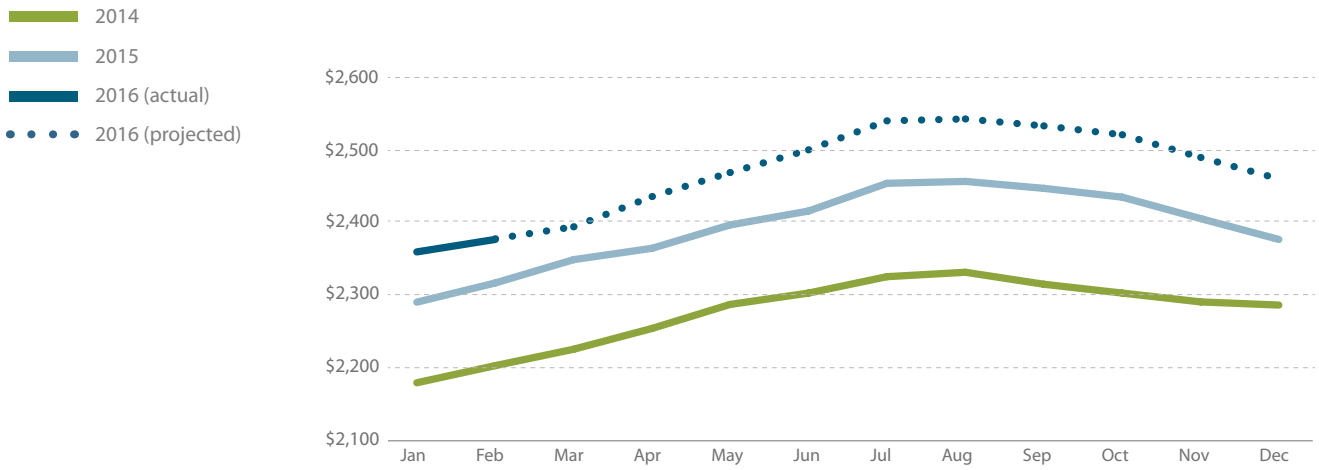
We are Focused on Operations

Same-Store Occupancy



Source: Consolidated 2016 Same Store used for all years.

Base Rent Per Unit



Source: LRO Base Rents plus Average Amenity. Consolidated 2016 Same Store used for all years.

Fifth consecutive year of 5% or higher NOI growth

Full Year 2015 Operating Metrics

	Year-Over-Year Change 2015 Over 2014
Same Store Revenues	5.1%
Same Store Expenses	2.5%
Same Store NOI	6.5%
Occupancy **96.1%**	0.3%

Full Year 2015 Same Store Performance

Market	Units	2015 % of Actual NOI	2015 Average Rental Rate[1]	Change in Revenues
DC/Northern Virginia	17,745	17.7%	2,232	0.7%
New York Metro Area	10,330	17.3%	3,975	4.2%
San Francisco Bay Area	12,766	15.5%	2,544	10.5%
Los Angeles	10,641	10.7%	2,241	5.9%
South Florida	10,538	7.5%	1,674	5.7%
Boston	7,722	9.9%	2,834	3.3%
Seattle	7,230	6.6%	1,980	7.3%
Denver	6,935	5.2%	1,519	8.8%
San Diego	3,505	3.4%	2,067	5.1%
Orange County, CA	3,490	3.1%	1,867	5.2%
Inland Empire, CA	2,751	2.0%	1,616	4.8%
All Other Markets	2,633	1.1%	1,168	3.9%
Total	**96,286**	**100.0%**	**$ 2,314**	**5.1%**

[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



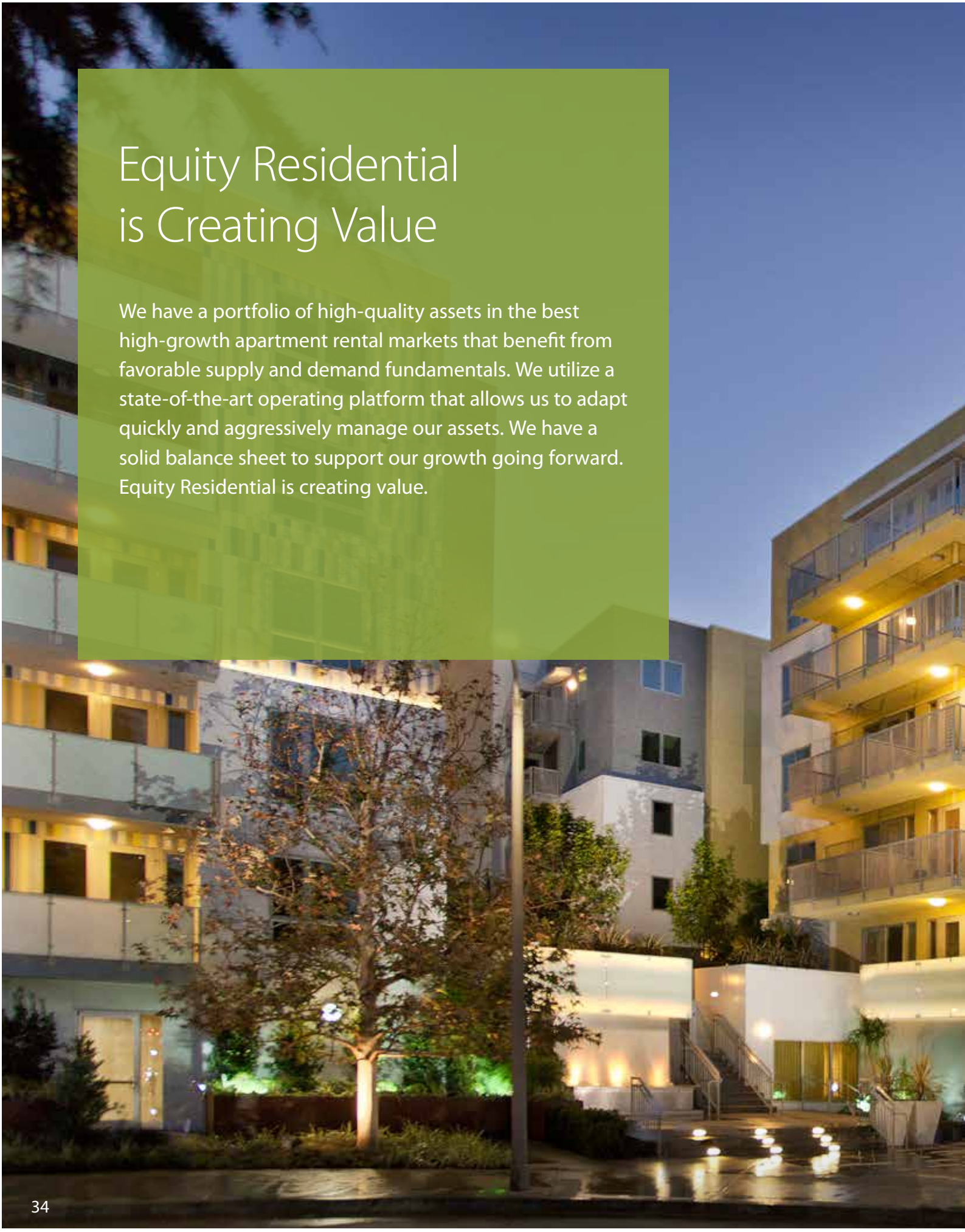
140, 160, and 180 Riverside – New York, NY



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 January 2016, we retired $1.7 billion of unsecured and secured debt using disposition proceeds. These repayments along with an additional $300 million expected in 2016 will maintain and enhance our already strong balance sheet.
- We expect to have a net debt to EBITDA ratio of approximately 5.8x and a fixed charge coverage of 3.6x at year end.*

* 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. As of February 29, 2016, Equity Residential owns or has investments in 315 properties consisting of 83,551 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 2015 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 2016 budgets and proforma expectations on recent acquisitions.

March 2016