Equity Residential

Investor Update

June 2017

Equity Residential Named 2016 Global Residential Listed Sector Leader in Sustainability and received NAREIT's 2016 Residential Leader in the Light award



Moda – Seattle, WA

Executive Summary

Equity Residential

- We are well positioned as we begin the primary leasing season:
  - » We have renewed a greater percentage of residents in each month of 2017 as compared to the same month of 2016.
  - » Achieved renewal rent increases of 4.7% for April and 5.0% for May, both ahead of plan. Projected increases between 4.5% to 5.0% for June and July, which is also ahead of plan.
  - » Current occupancy of 95.8%, as expected.
  - » 2QTD new lease rents have increased 1.5%, as expected.
- Seattle, San Francisco, New York and Southern California are performing slightly ahead of expectations while Boston is meeting expectations and Washington, DC is slightly underperforming.

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Who We Are and How We Create Long-Term Value



Urbana – Seattle, WA

Equity Residential

Equity Residential

302
Properties
77,498
Apartment Units

8.0%
10-Year Total Shareholder Return CAGR

Founded and Chaired by Sam Zell

$1.6 Billion in Annual Normalized EBITDA

Premier Owner and Operator of Rental Apartments in Urban and High Density Suburban Locations in Coastal Gateway Cities

Highest Walk Scores in the Sector

Named one of America's Most Admired Companies

S&P 500 Company

Named Leader in Sustainability by **Both GRESB and NAREIT**

Over $2.4 Billion in Annual Revenue

Recognized as an Industry Leader for Both **Executive Management and Investor Relations** by Investors in the Recent Institutional Investor Survey

3.96% 10-Year Same Store NOI CAGR

3.23% 10-Year Same Store Revenue CAGR

1.84% 10-Year Same Store Expense CAGR

3.7% Average 10-Year Dividend Yield

$33.5 Billion Total Market Capitalization

One of the Strongest Balance Sheets in the REIT Sector

Managing our Business in the Current Environment

Equity Residential

Investment Strategy

- Aggressively manage portfolio to maximize total returns by recycling capital from lower growth assets into higher, long-term growth assets.
- In 2016, sold $6.9B of non-core assets at historically high prices.
- Reduce development starts as yields decline due to slowing revenue growth and rising costs.
- Continue to invest $50M per year in kitchen and bath rehabs which on average yield a return of 12-15%. Also investing about $17M in 2017 in customer facing projects like leasing offices and amenity spaces to better compete with new supply.

Operations Strategy

- Manage our 71,168 unit same store portfolio to balance our current high occupancy of 95.9% and rate. Expect same store NOI to increase approximately $20M or 1.0% in 2017 on top of an approximately $53M increase in 2016.
- Focus on resident retention in a challenging market due to new supply in lease-up.
- Lease and stabilize the $2B of assets currently under development at yields very favorable to market cap rates. Expect lease-up NOI of approximately $92M in 2017.

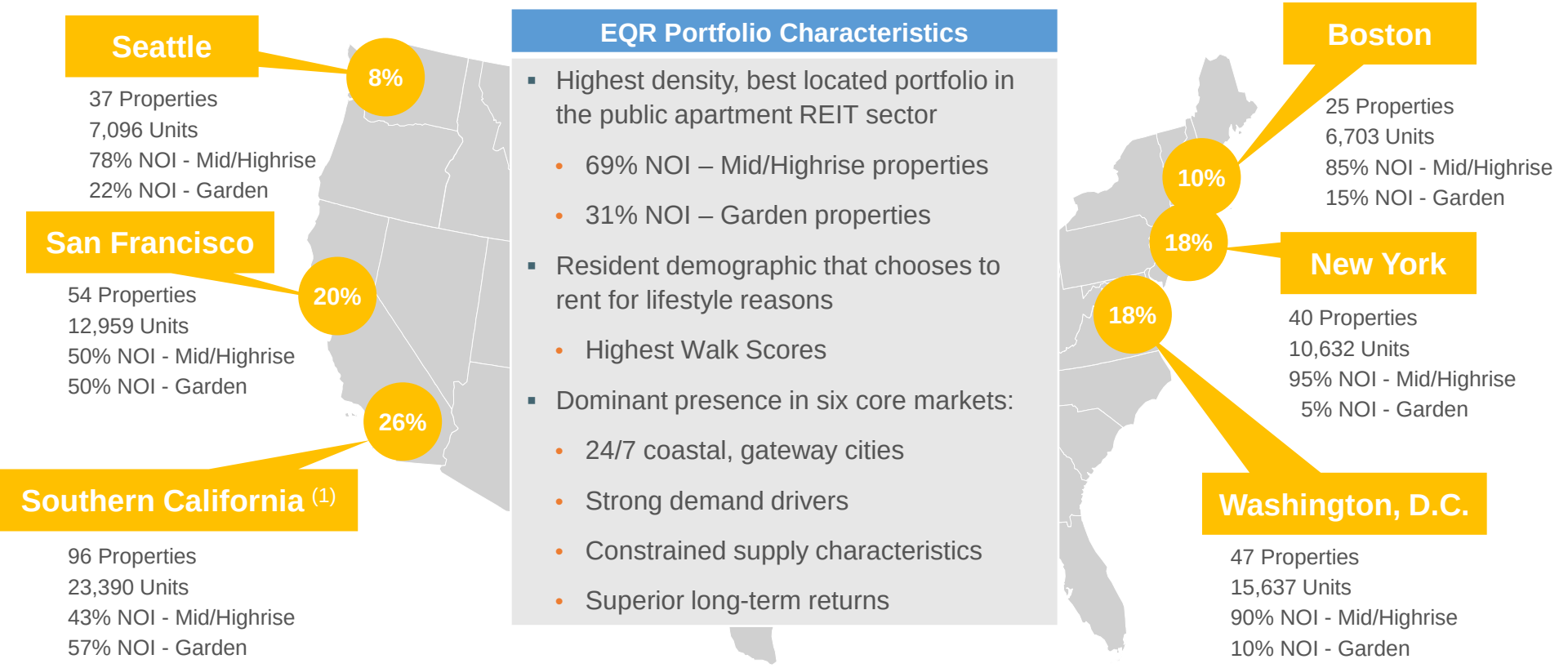
Balance Sheet Strategy

- Maintain strong and flexible balance sheet characterized by low leverage – 5.6x Net Debt to EBITDA and excellent liquidity including a revolving line of credit with $2.0B of capacity inclusive of a $500M Commercial Paper program.
- Take advantage of historically low interest rates to extend weighted average maturity from 6 years in 2013 to 7.8 years now.
- Maintain large, diversified unencumbered asset base.

Equity Residential Portfolio 2017

Equity Residential

EQR's portfolio is focused in the six core, coastal markets



Note: As of 03/31/17

(1) Includes Los Angeles, San Diego and Orange County

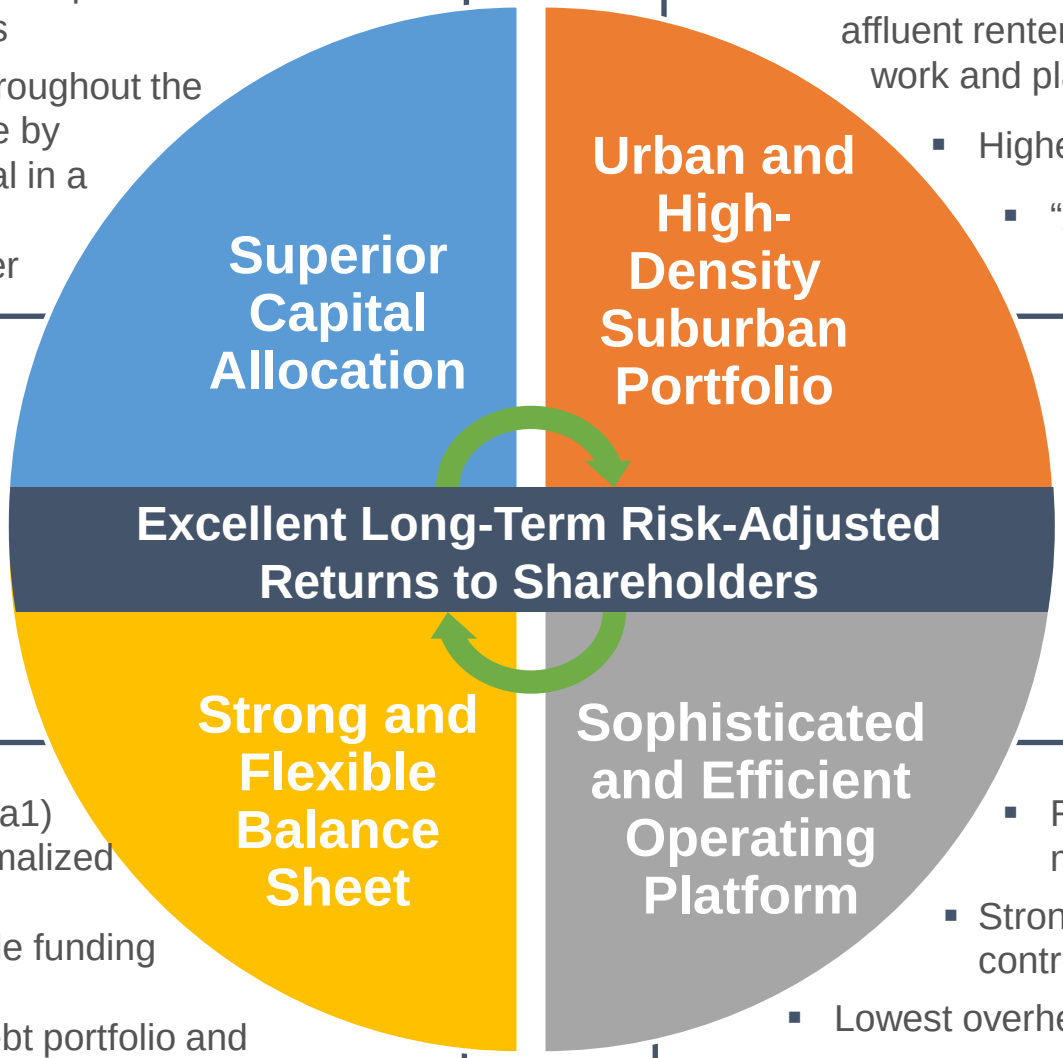
Represents percentage of Stabilized NOI

The Equity Difference: Long-Term Outperformance

Equity Residential

- Buy, build and sell apartments at opportune times
- Create value throughout the real estate cycle by allocating capital in a superior risk-adjusted manner

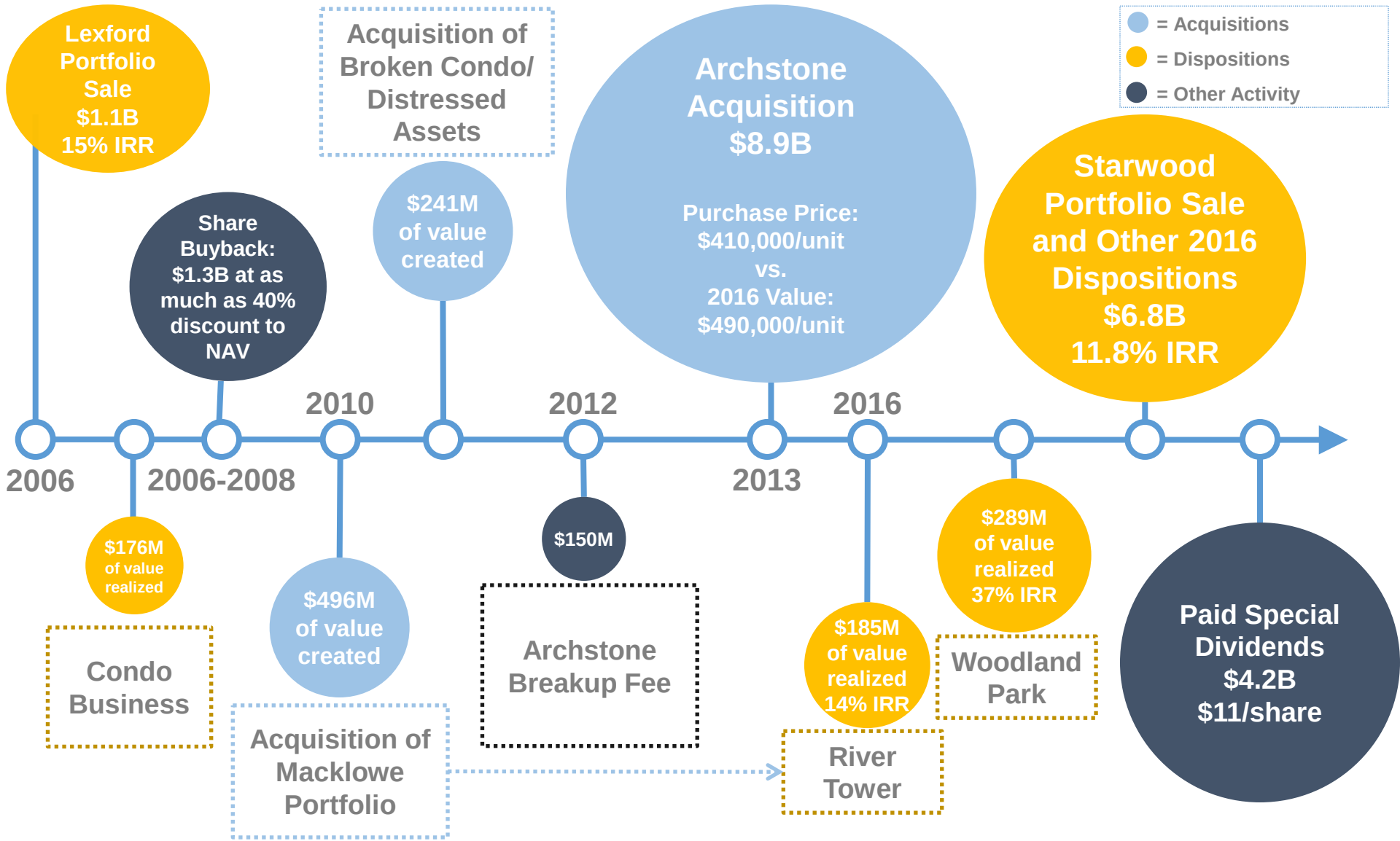
- Coastal markets where today's affluent renter wants to live, work and play
  - Highest Walk Scores
  - "A" and "B" quality assets



- Strong credit ratings (A-/A-/Baa1)
- Low debt to Normalized EBITDA of 5.66x
- Access to multiple funding sources
- Long duration debt portfolio and staggered maturity schedule

- Revenue maximization
- Strong expense controls
- Lowest overhead

Equity Residential Creates Value Throughout the Real Estate Cycle by Allocating Capital in a Superior Risk Adjusted Manner



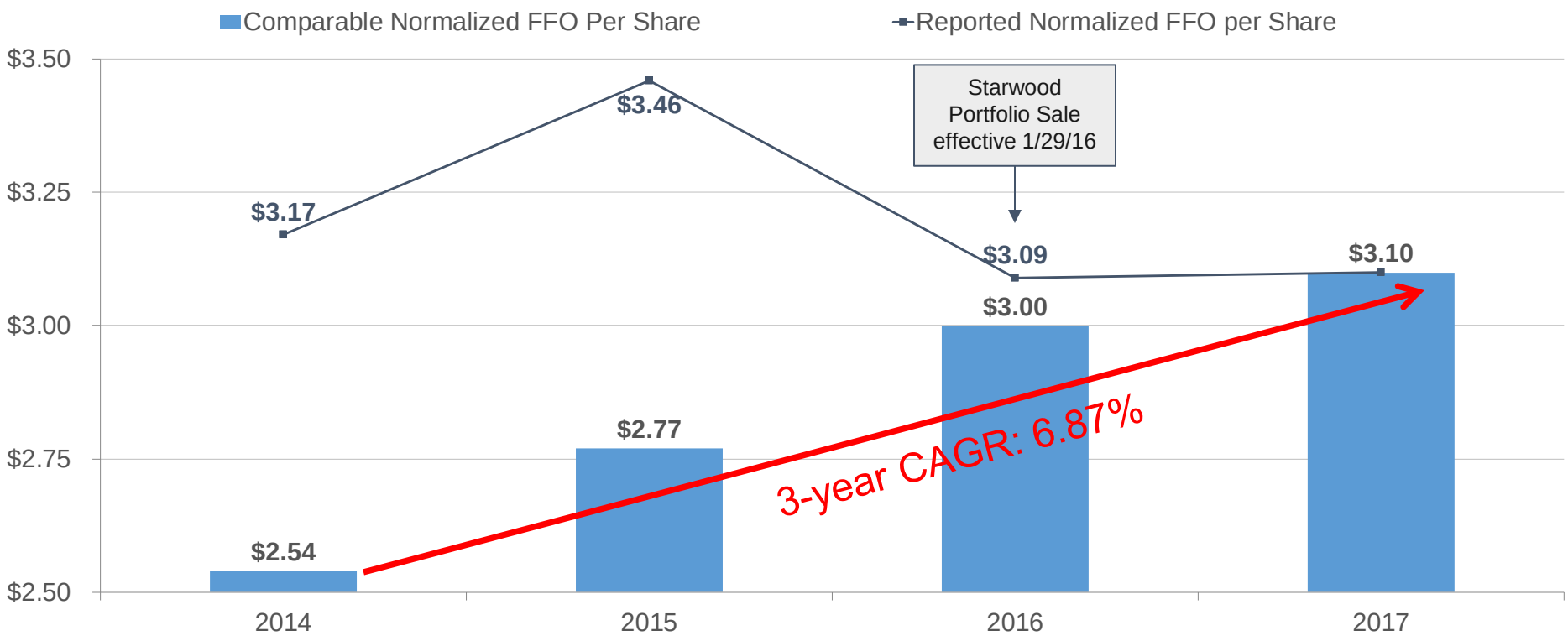
Note: All IRRs calculated on an unleveraged basis
See additional notes to presentation

2014-2017 Comparable Normalized FFO Per Share

Equity Residential

EQR's core business is expected to grow at a 6.87% CAGR between 2014-2017. This is not reflected in EQR's reported Normalized FFO due to the "reset" associated with the Company's 2016 asset sale program.

2014-2017 Comparable Normalized FFO Per Share (1)(2)(3)

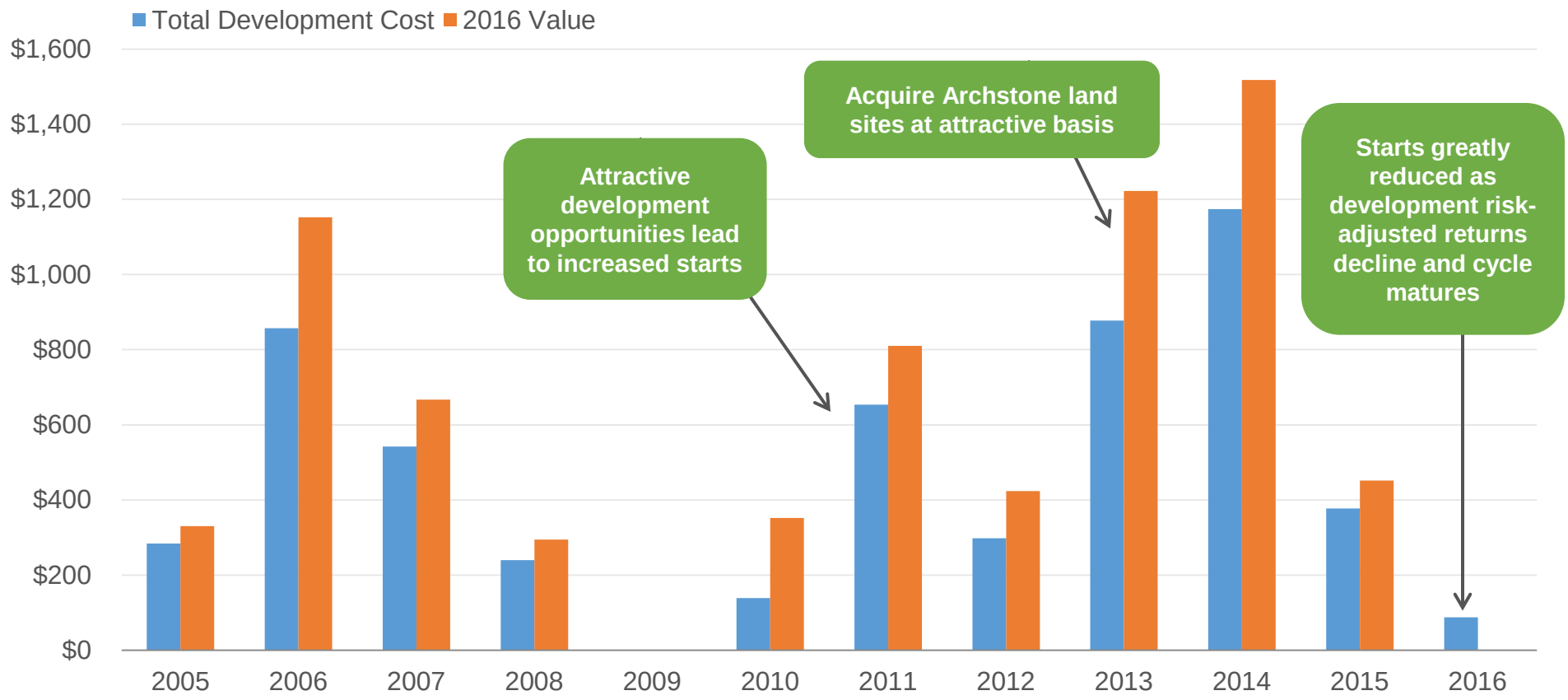


(1) 2014, 2015 & 2016 Comparable Normalized FFO per share reflects 2016 transaction activity and debt payoffs as if they occurred on 12/31/13.
(2) 2017 Normalized FFO per Share represents the midpoint of the Company's 2017 Normalized FFO guidance range.
(3) See pages 65 and 66 for definitions and reconciliations.

Equity Residential Creates Value Throughout the Real Estate Cycle by Allocating Capital in a Superior Risk Adjusted Manner

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Development Starts: Total Development Cost vs. 2016 Value ($M)

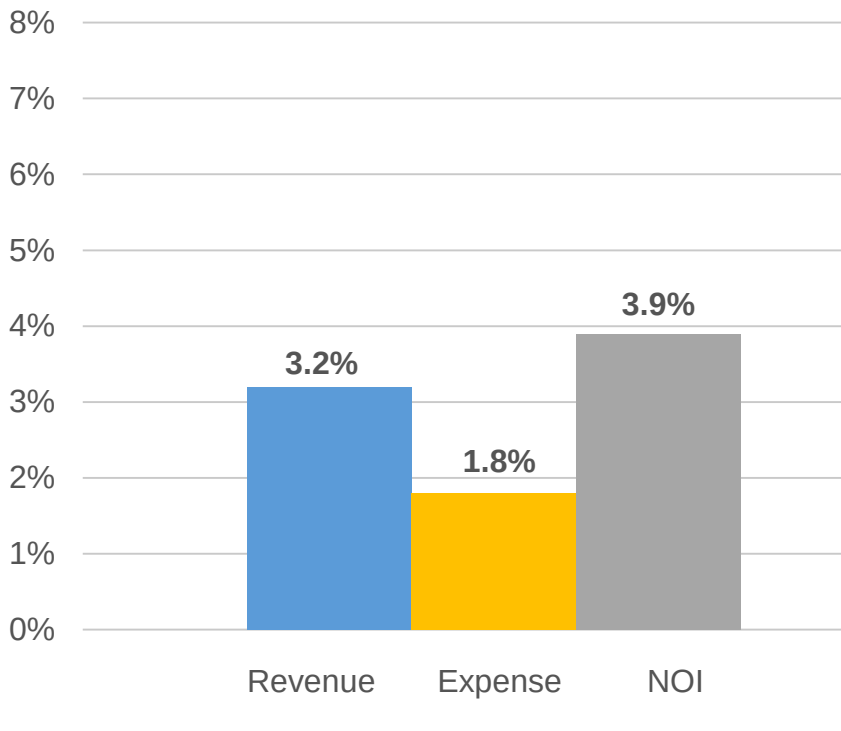


EQR development projects have created $1.8B of value during 2005-2015 for a 33% return on cost

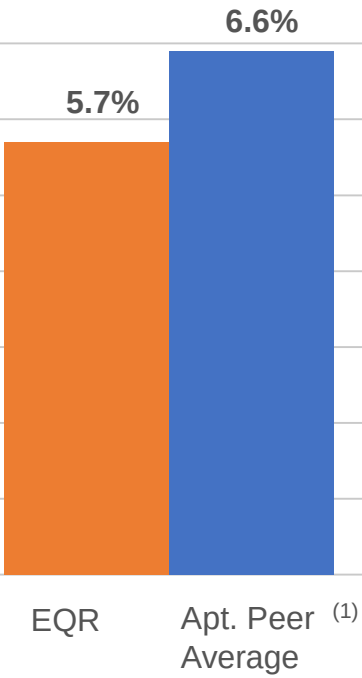
EQR Has Strong Operating Results Over Time and Excellent Cost Control

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EQR Same-Store Revenue, Expense and NOI CAGR (2006-2016)



Overhead as % of Total Revenue (2016)



(1) Apartment Peer Average includes AIV, AVB, CPT, ESS, MAA and UDR.
Source: SNL Financial and Company filings.

Why We Invest in the 24/7 Gateway Coastal Markets

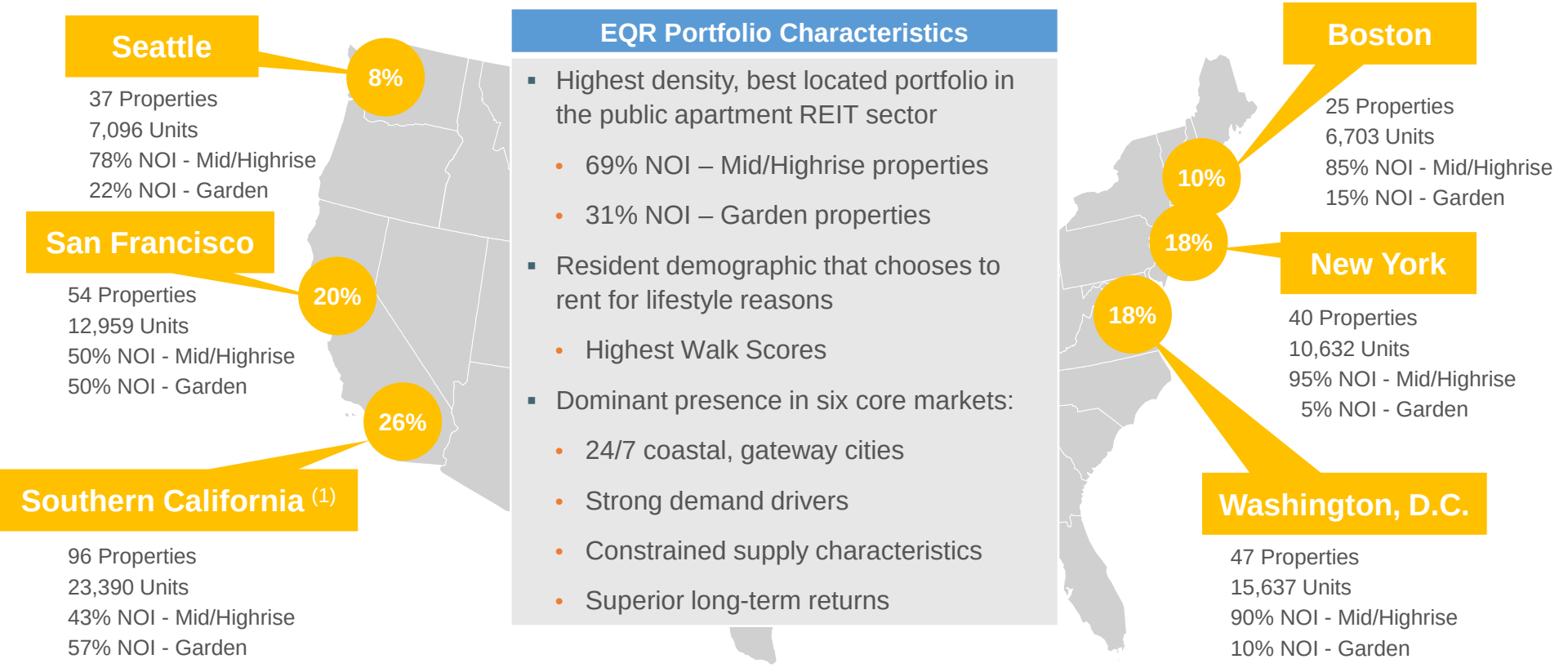


Ten23 – New York, NY

Equity Residential Portfolio 2017

Equity Residential

EQR's portfolio is focused in the six core, coastal markets

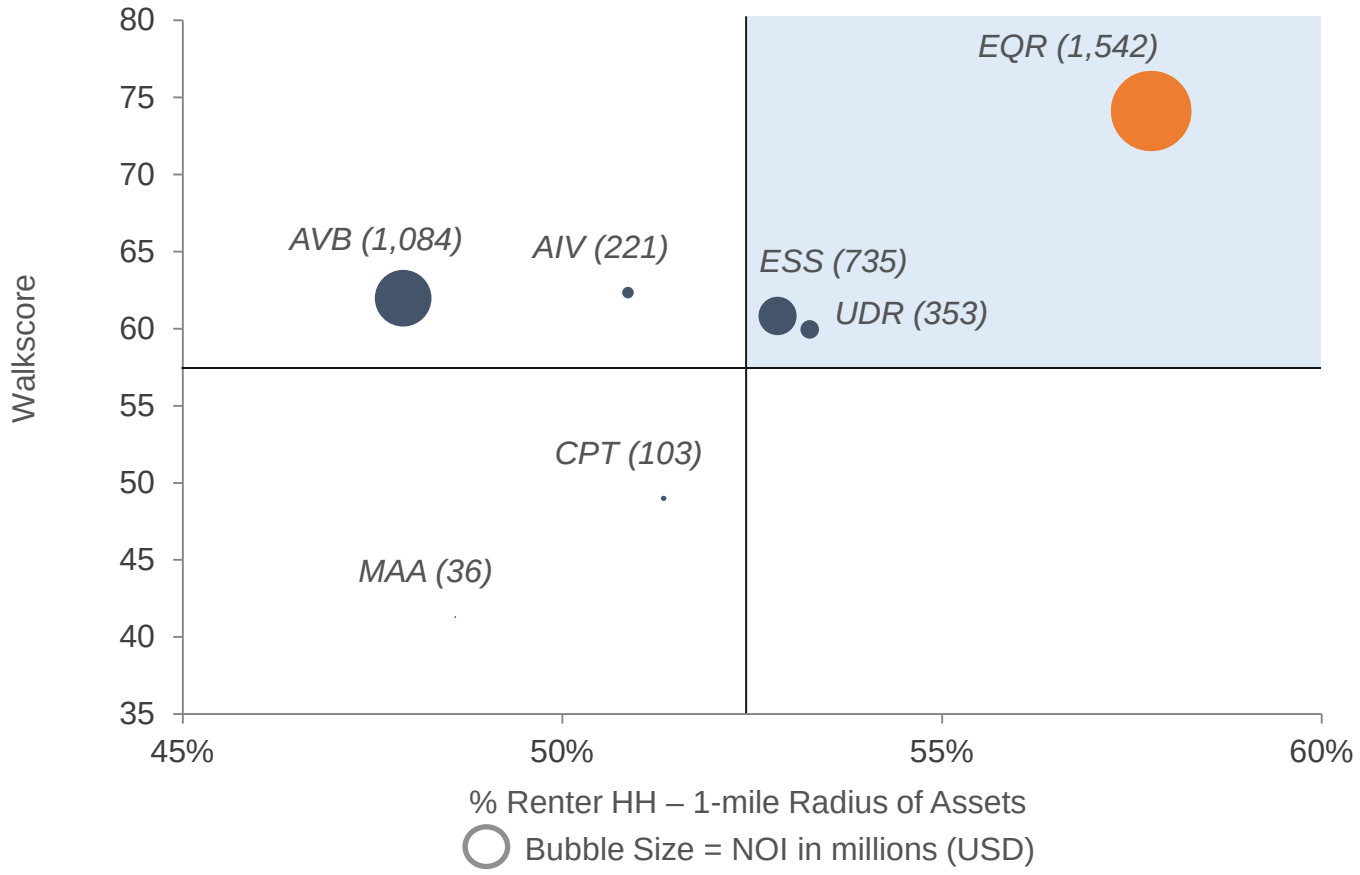


Note: As of 03/31/17

(1) Includes Los Angeles, San Diego and Orange County

Represents percentage of Stabilized NOI

EQR Has the Most Attractive Locations, Amid Deep and Affluent Renter Populations



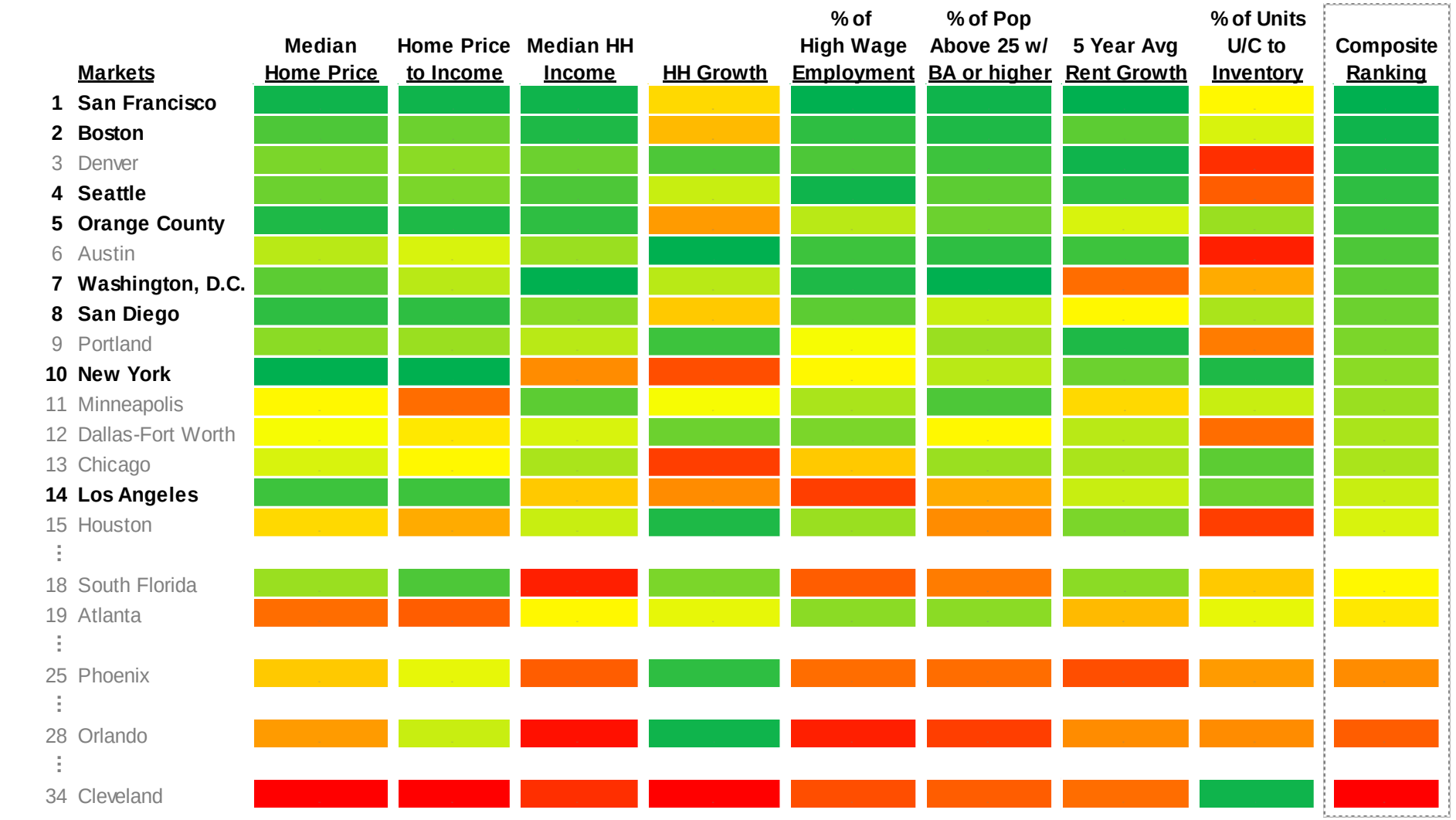
Note: As of: Q117

Source: Census (American Community Survey); Walkscore.com

EQR Market Selection Framework

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Largest 34 U.S. Apartment Markets (EQR Markets in Bold)

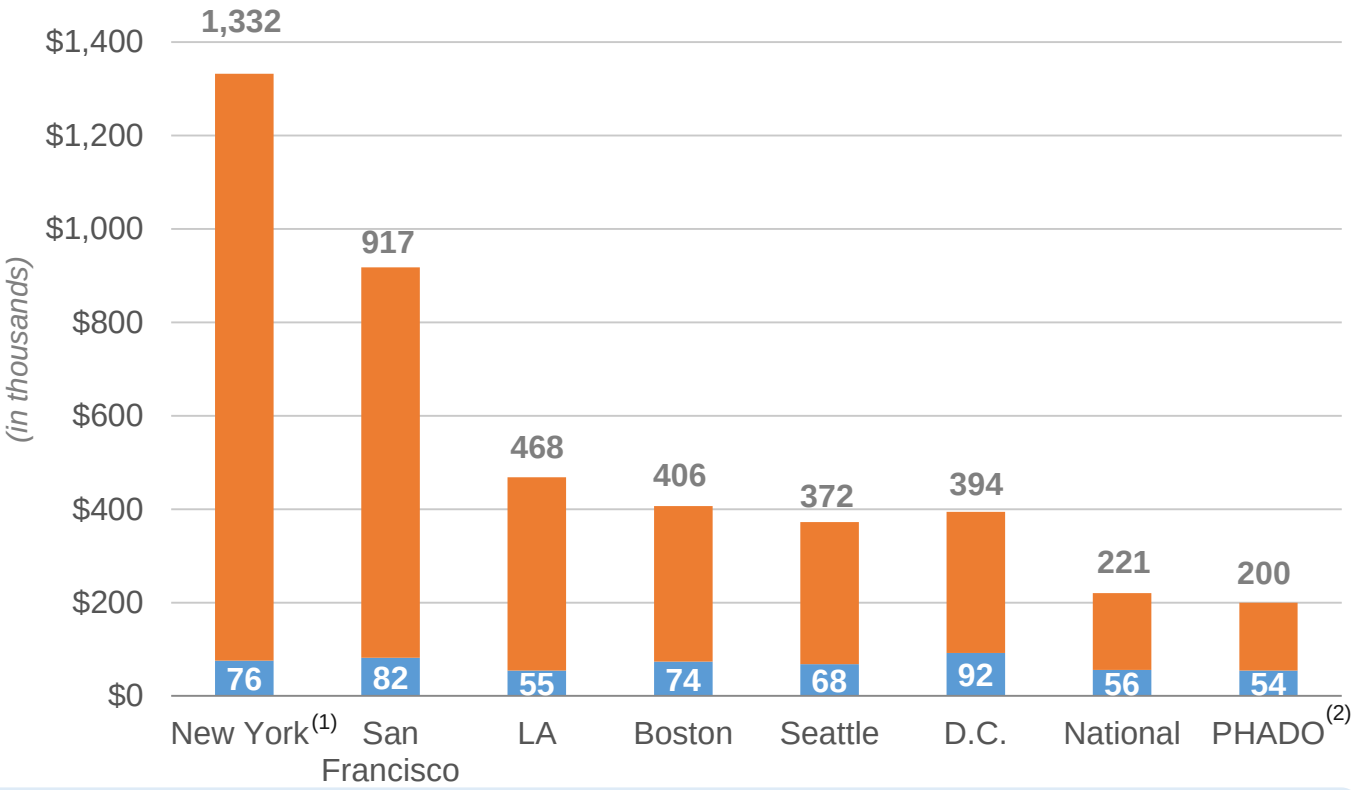


Source: Moody's Analytics, Neilsen, US Census & MPF Research as of 2015.

EQR is Strategically Located in Markets With High Cost of Single Family Housing

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Median Income vs. Median Home Price



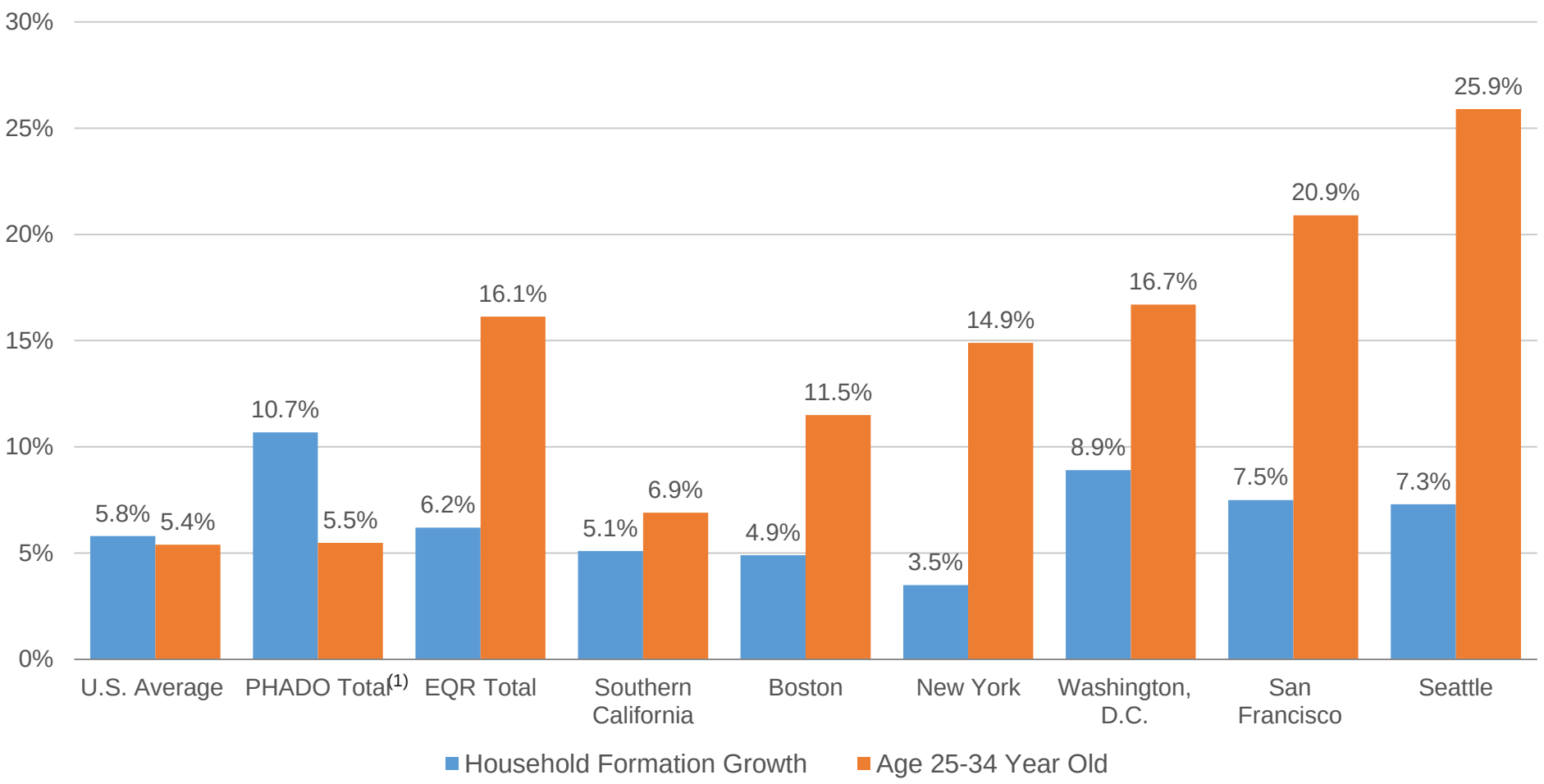
	New York(1)	San Francisco	LA	Boston	Seattle	D.C.	National	PHADO(2)
Median Home Price/ Median Income	**17.5x**	**11.2x**	**8.5x**	**5.5x**	**5.5x**	**4.3x**	**3.9x**	**3.7x**

(1) All data reflects MSAs except for New York, which includes Manhattan only.
(2) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
Source: Moody's Analytics; American Community Survey; U.S. Decennial Census.

Strong Growth in Household Formations – Especially by Prime Renter Cohort

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Growth in Household Formation (2009-2015)



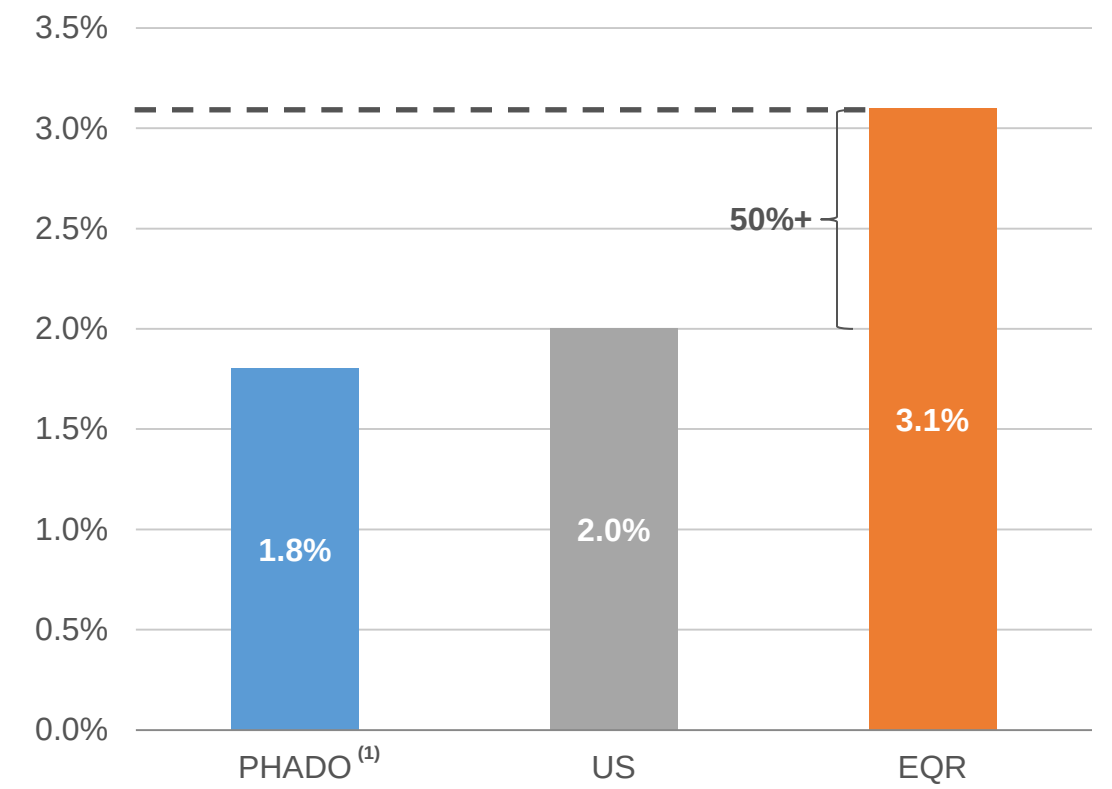
(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.

Source: Census, Rosen Consulting Group.

EQR Market Households Experience Significantly Higher Income Growth

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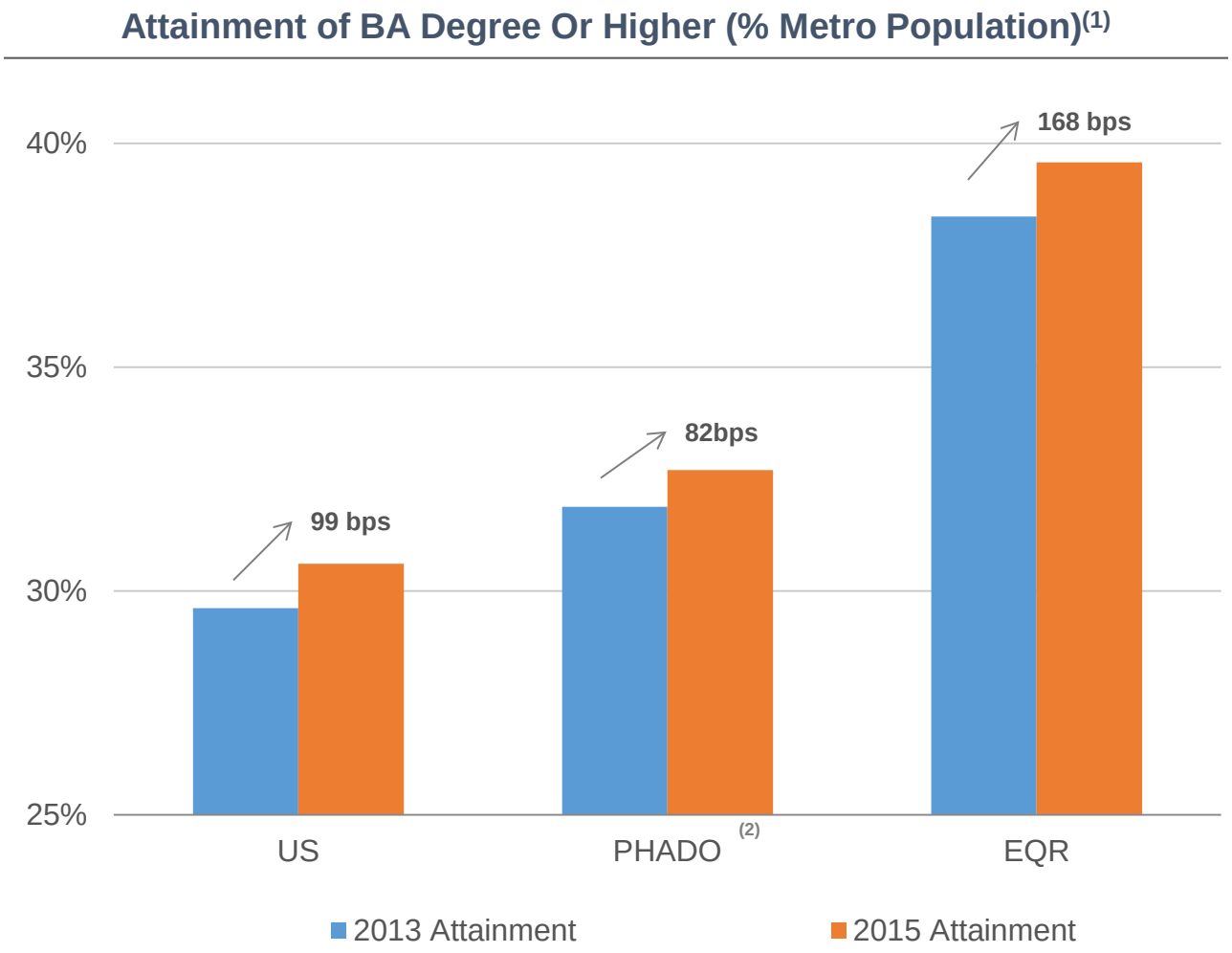
Annual Median Household Real Income Growth (2003-2015)



Note: Due to MSA geographic definition changes in 2010, EQR and PHADO MSA income growth estimates are based on growth rates of each respective MSA's most populous county
(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
Source: Moody's Analytics; American Community Survey; U.S. Decennial Census.

Degreed Population is Higher in EQR Markets, and Growing Faster

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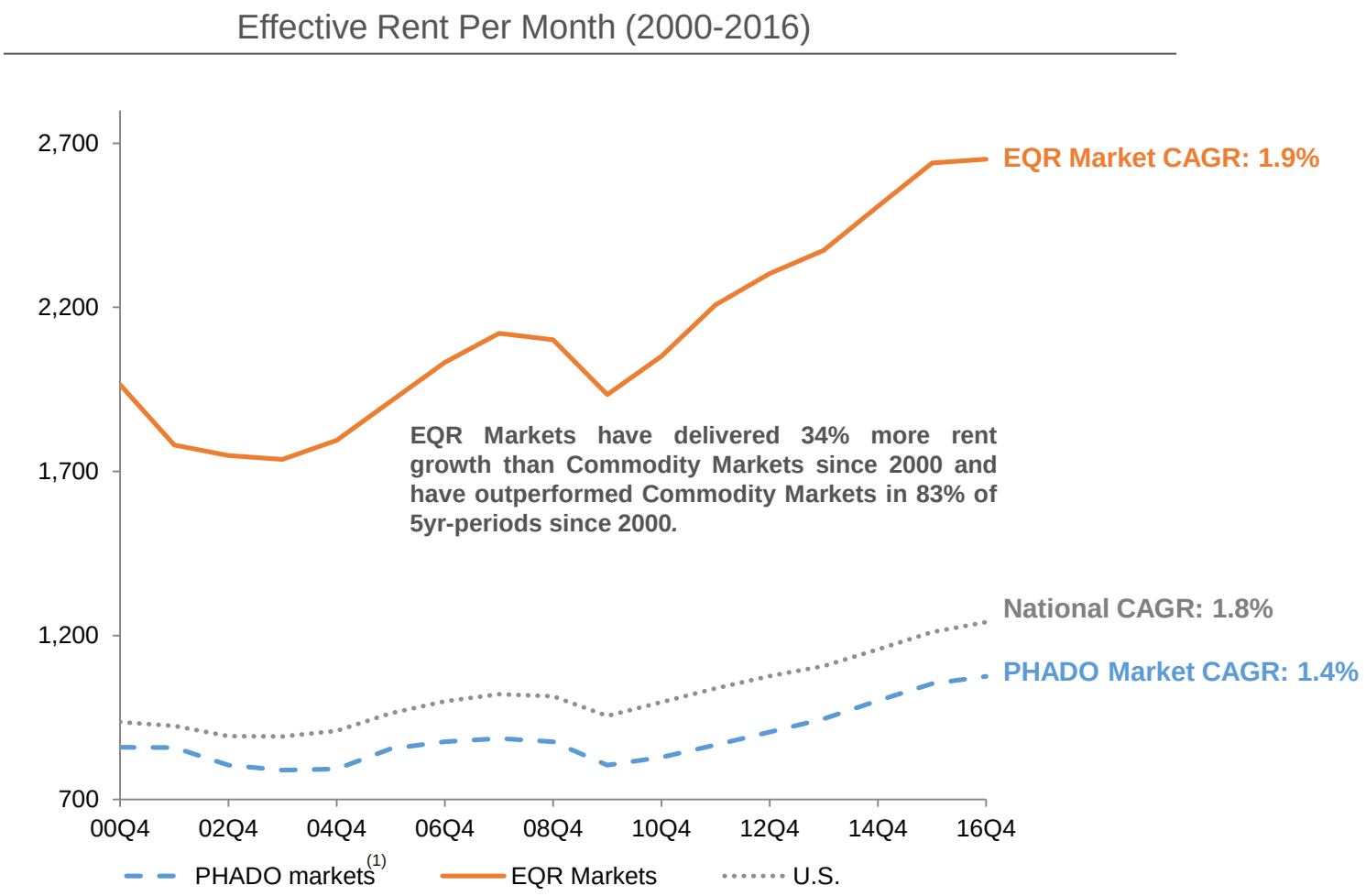


(1) Metro Population includes all persons over the age of 25
(2) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets

Source: American Community Survey

EQR Portfolio Is Constructed of Superior Rent Growth Markets

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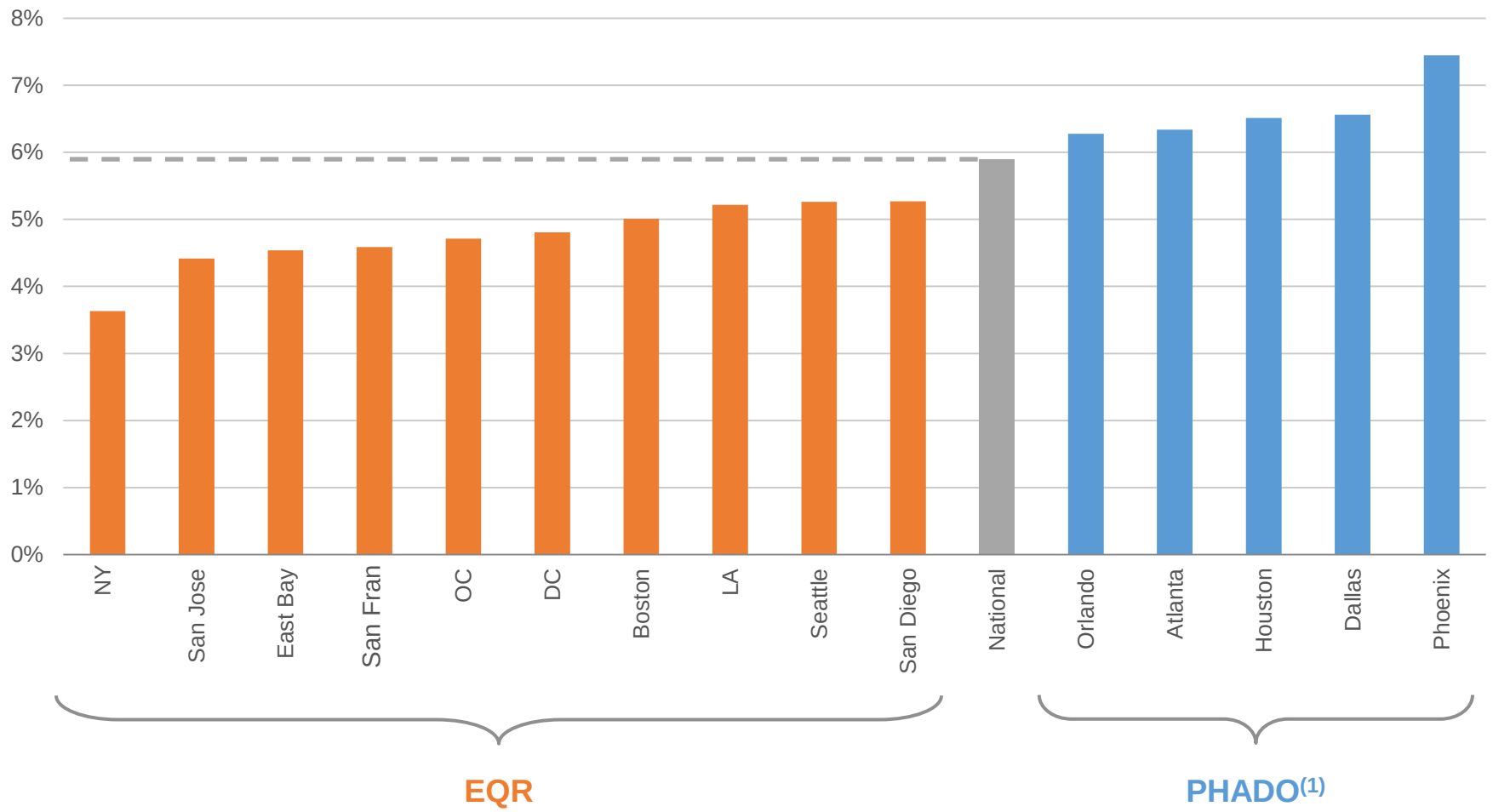
(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets

Source: Axiometrics as of Q2 2017

…Which Have The Lowest Long-Term Vacancy

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Average Vacancy (2000-2016)



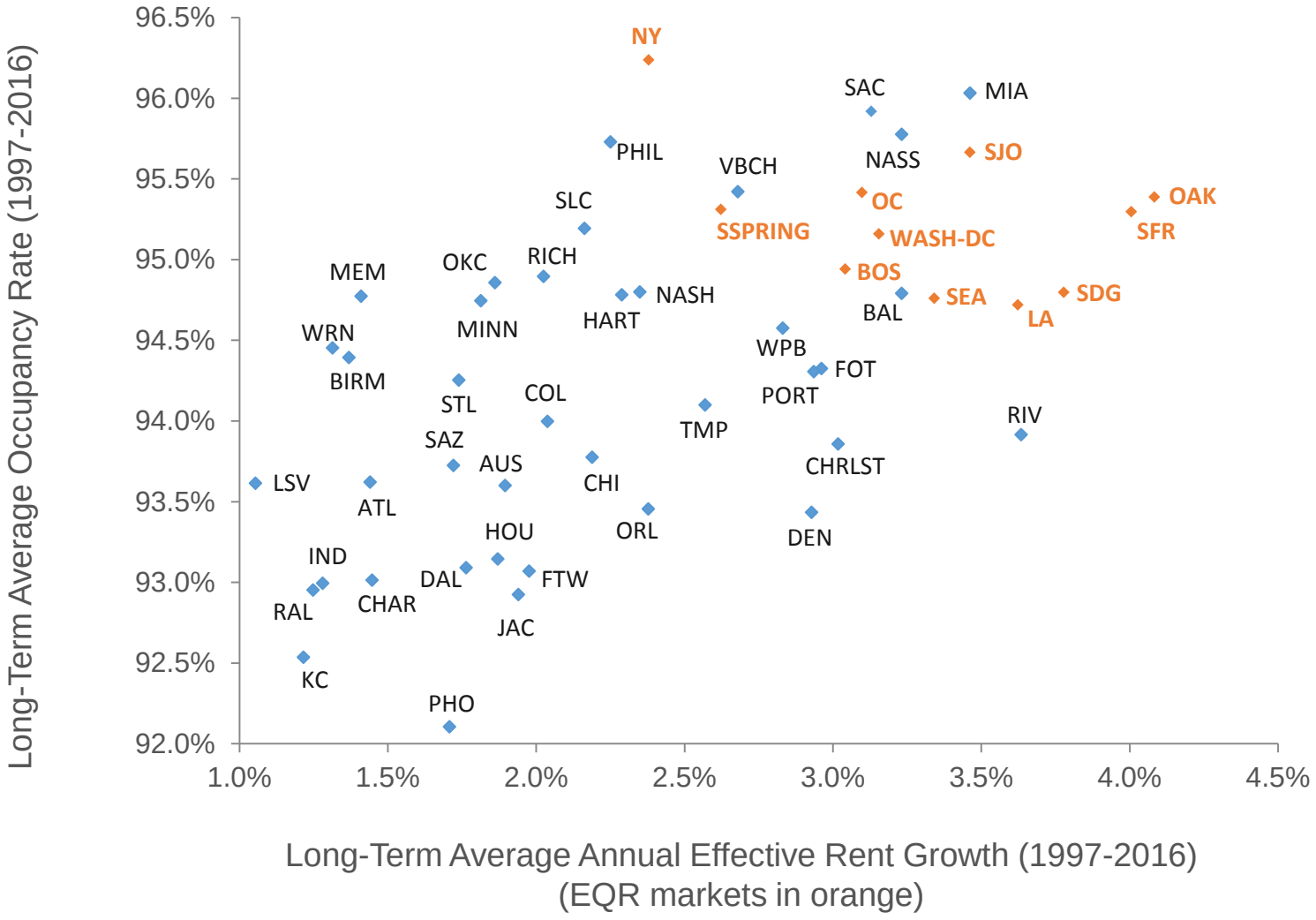
(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.

Source: Axiometrics as of Q2 2017.

EQR Markets Have the Best Long-Term Average Rent Growth & Occupancy

1997-2016

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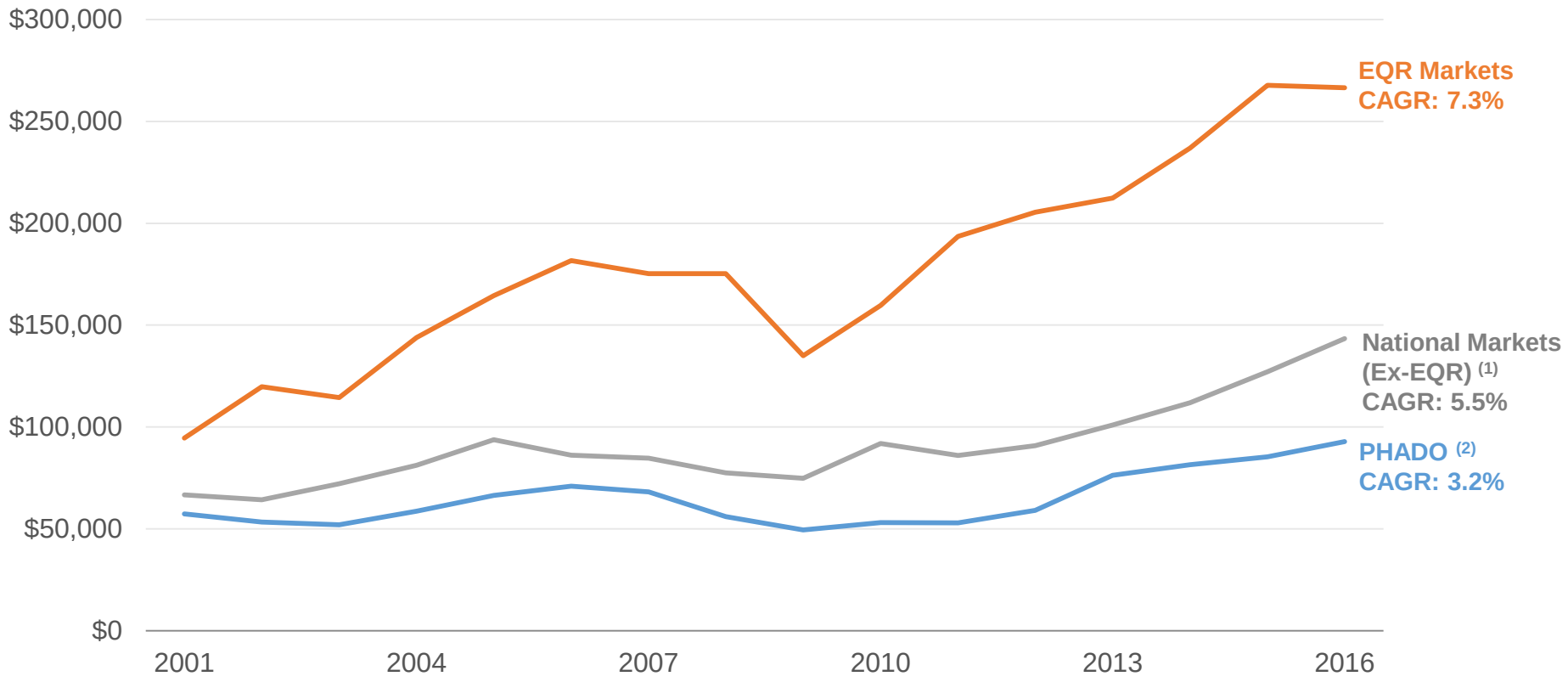


Note – Coverage starts in 1998-2000 for SANA, NY, SSPING, WRN
Source: Axiometrics

EQR Markets Have Consistently Outperformed Other Markets in Capital Appreciation

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Apartment Sales Price Per Unit



EQR Markets have outperformed National Markets (Ex-EQR) by 180bps and PHADO(2) by 410bps per annum

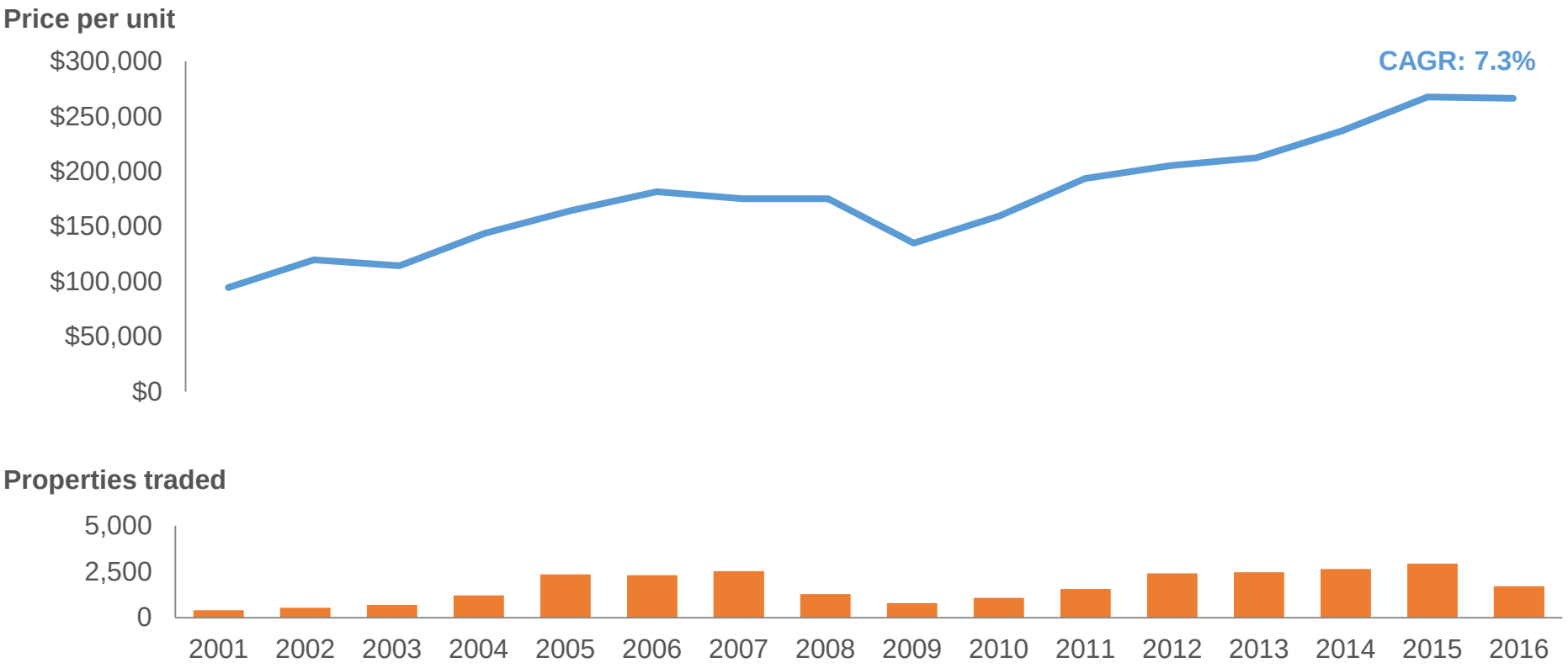
(1) National Markets (Ex-EQR) include all markets for which Real Capital Analytics provides a full time series (> 3 transactions per year).
(2) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets. PHADO data set does not include Mid/Highrise assets due to lack of transaction volume for equivalent time period. PHADO Mid/Highrises were outperformed by EQR Markets for time periods available.

Source: Real Capital Analytics as of Q2 2017.

Only Highly Distressed Assets Traded During the Downturn in EQR Markets

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Apartment Sales Price Per Unit



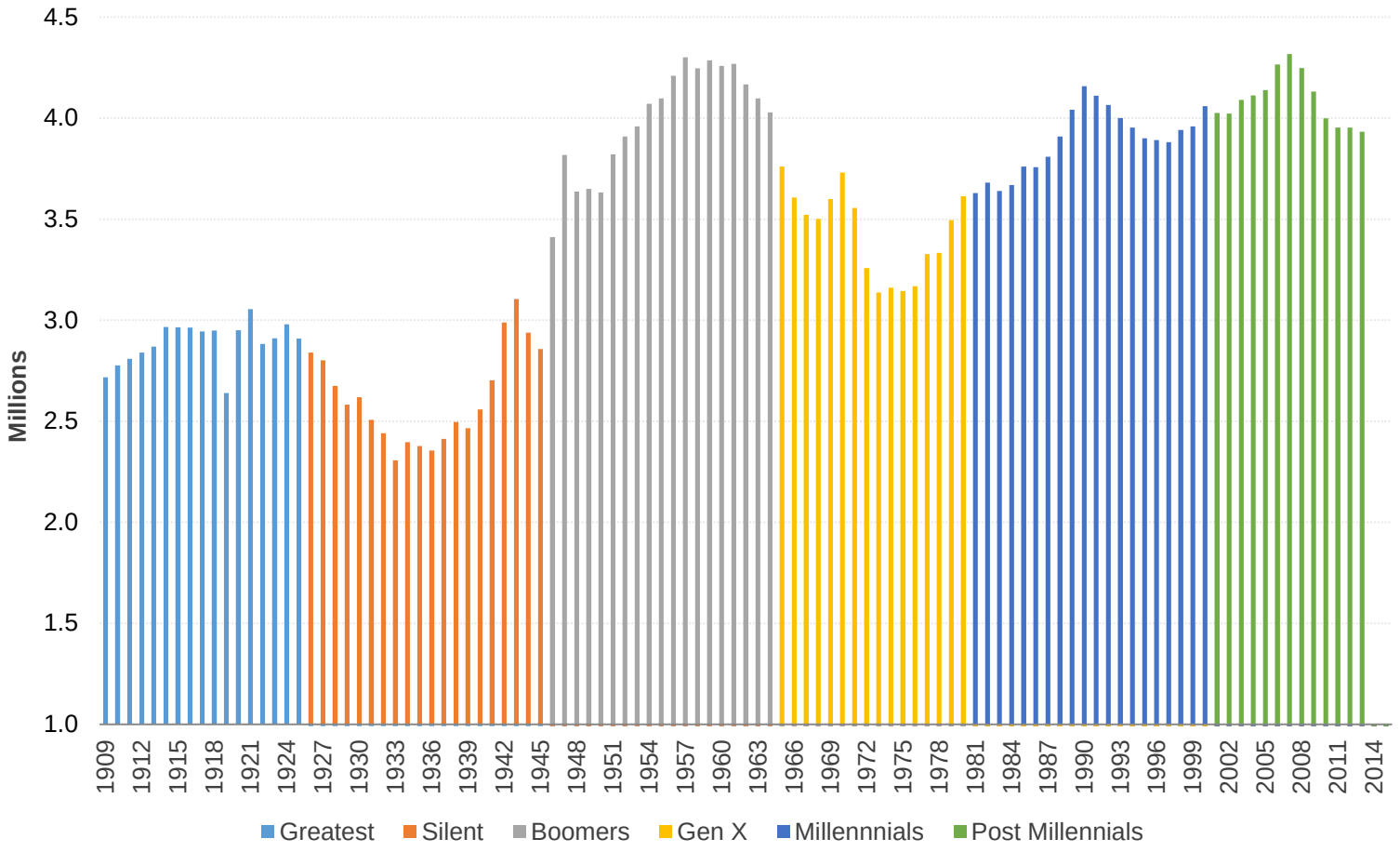
Note: As of Q2 2017.

Source: Real Capital Analytics.

Demographics and Lifestyle Choices Will Continue to Create Renter Households

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Births By Generation

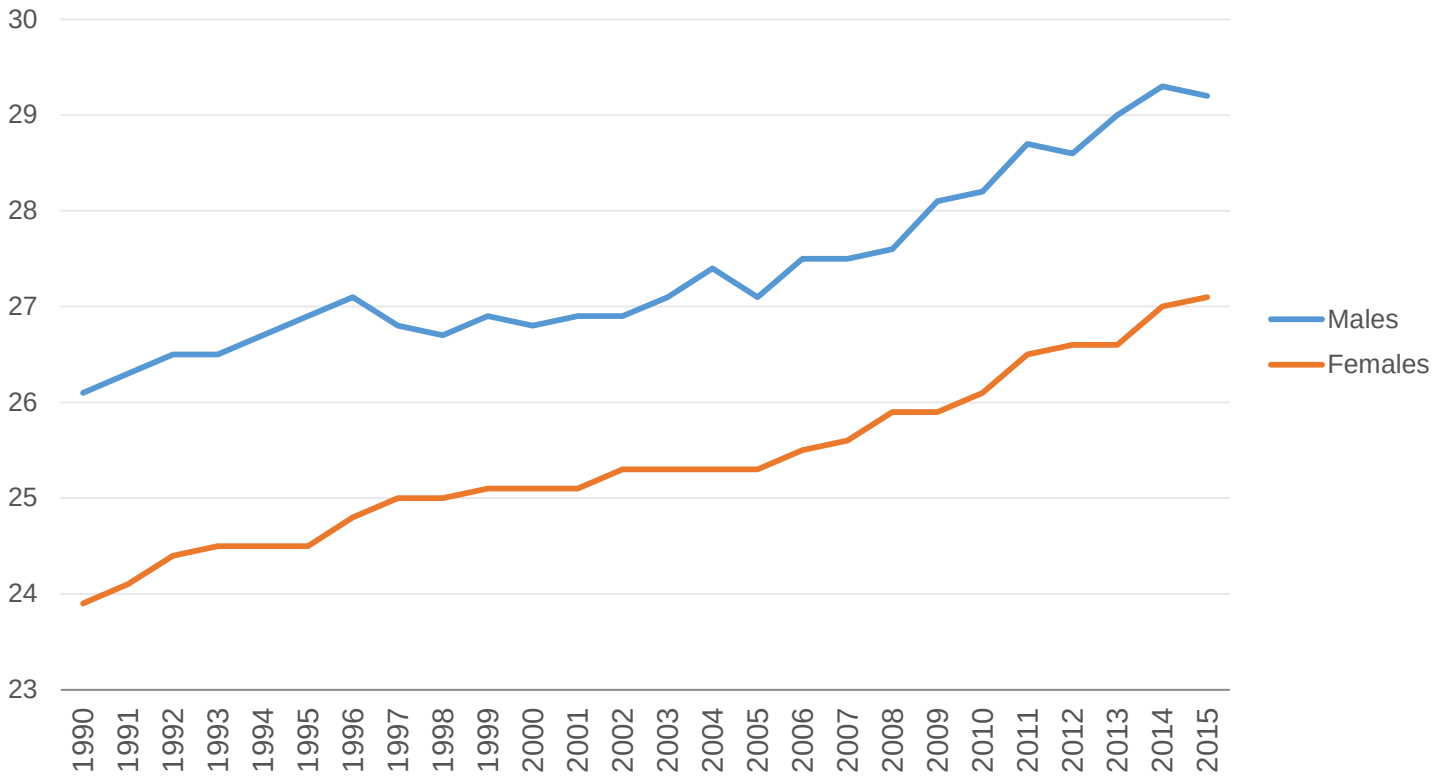


Source: U.S. Census Bureau, Rosen Consulting.

Lifestyle Choices are Keeping People Renting Longer

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Median Age at First Marriage



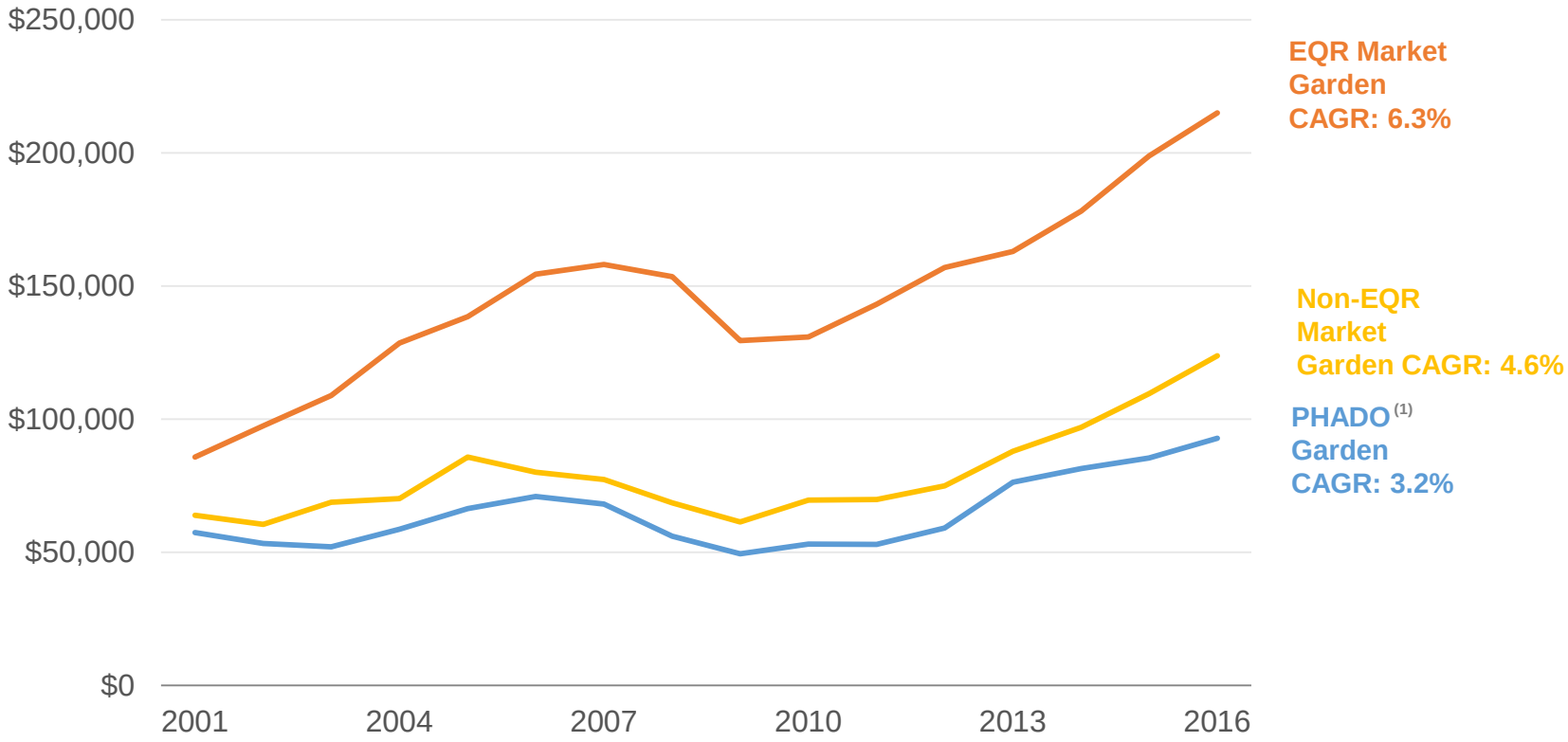
Approximately 50% of American Adults are Single

Source: U.S. Census Bureau, Rosen Consulting.

Garden Product Also Creates More Value in EQR Markets

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Apartment Sales Price Per Unit



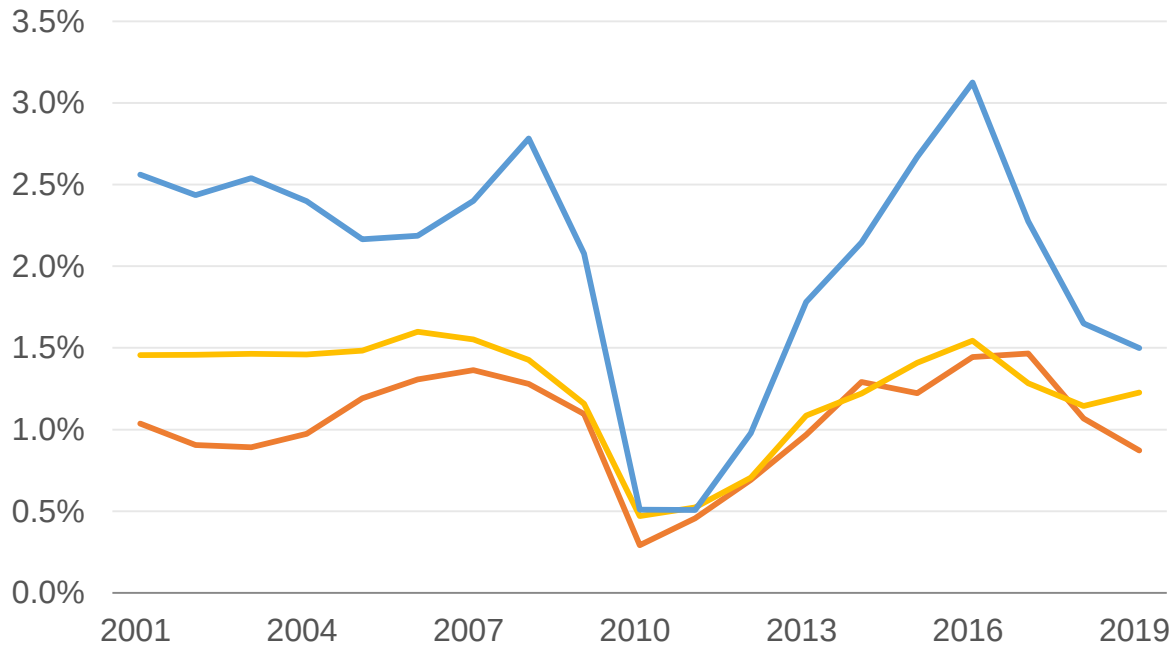
32% of EQR's Stabilized NOI derived from Garden properties

Note: All US markets included for which Real Capital Analytics provides a full time series (>3 transactions per year)
(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
Source: Real Capital Analytics as of Q2 2017.

Less New Supply in EQR's High Density Markets

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Supply Growth



Historical CAGR

PHADO (1)	2.1%
National	1.2%
EQR	0.9%

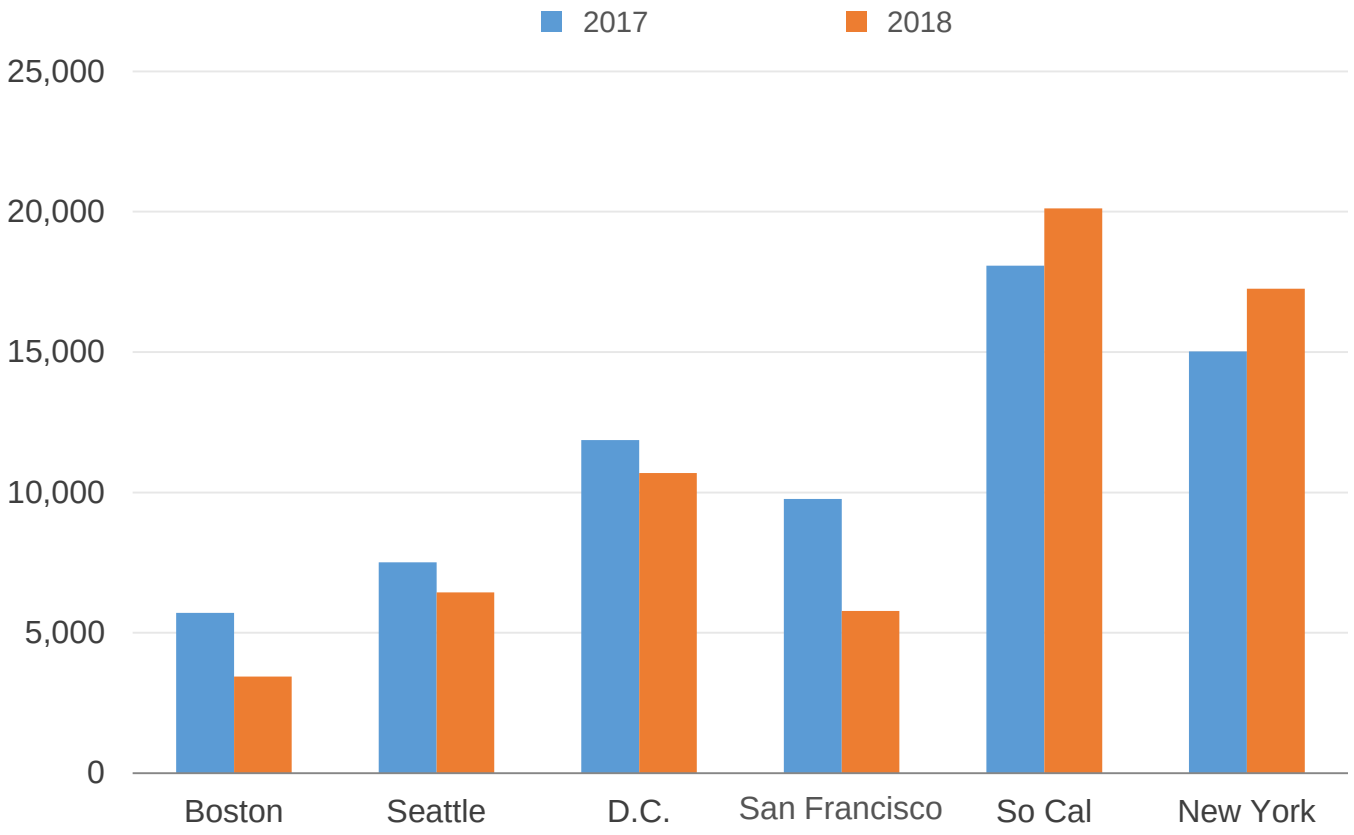
National new supply growth 24% higher than EQR markets, PHADO(1) more than double

(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
Source: Axiometrics as of Q2 2017.

EQR Expects Construction Deliveries to Peak in 2017 in Most Markets

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New Supply (Units)



Source: EQR Data

Operating Update and Current Market Statistics



Jia – Los Angeles, CA

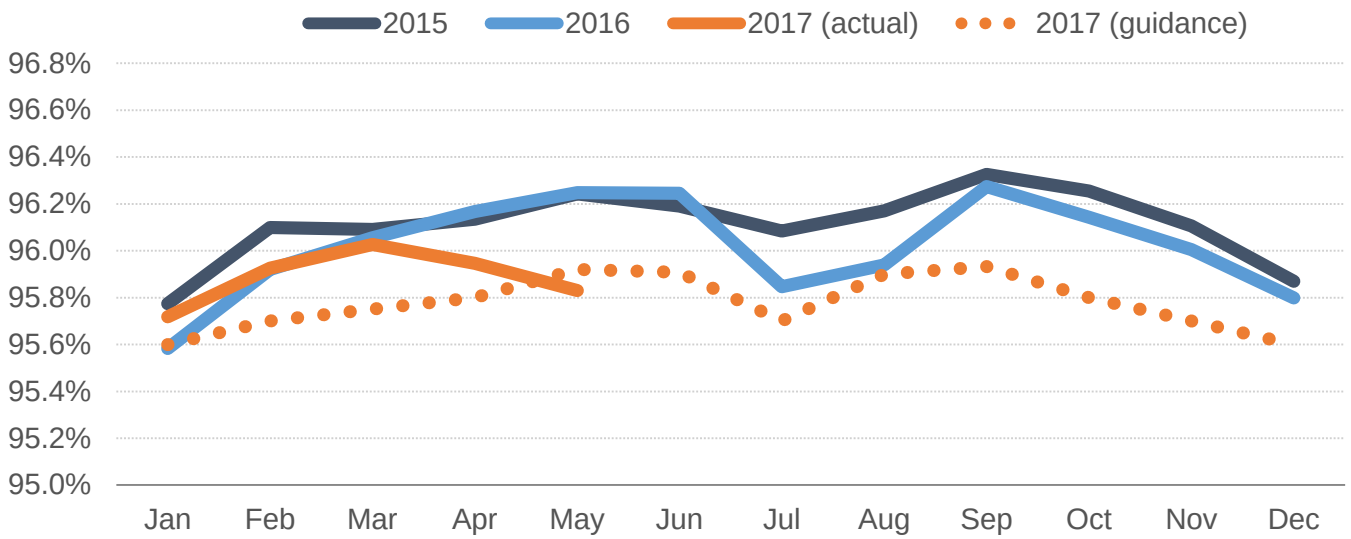
2017 Operations Update

May YTD operations on track. Well positioned as we enter peak leasing season.

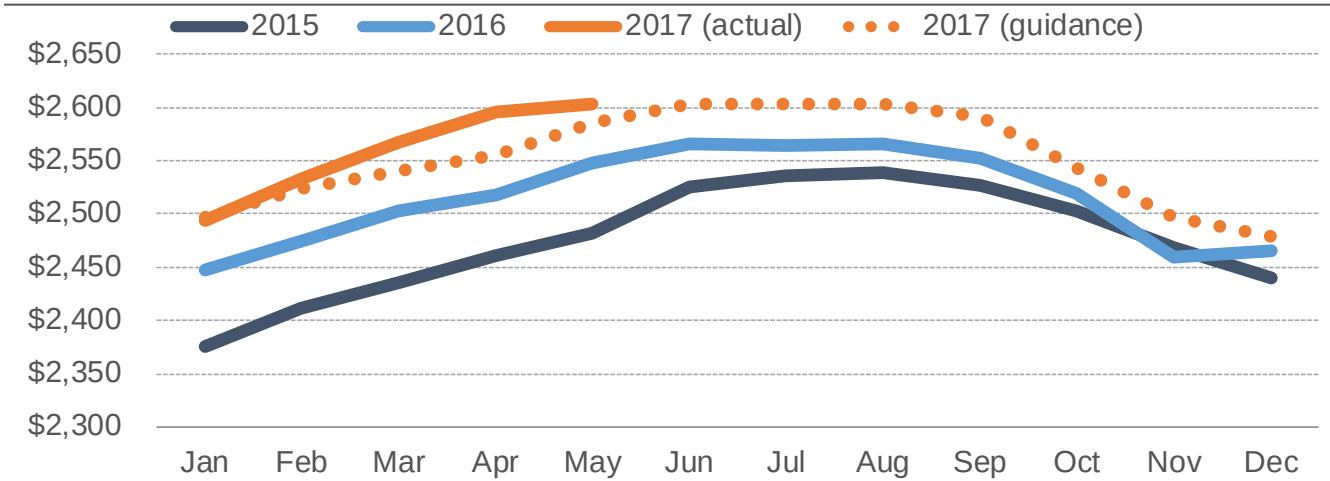
Commentary

- 2017 occupancy projection of 95.7% assumes 30 bps decline due to peak levels of new supply.
- YTD occupancy is trending slightly above expectations. (Q1 was 95.9% vs 95.7% expected). April and May are trending closer to original projection.
- May YTD rents are trending slightly above expectations. Good momentum heading into the peak leasing season.

Same Store Occupancy



Base Rent



Note: 2017 LRO SS used for all years. Base rent included LRO unit price plus average amenity value. April YTD is actual – May is preliminary as of May 22nd.

2017 Operations Update

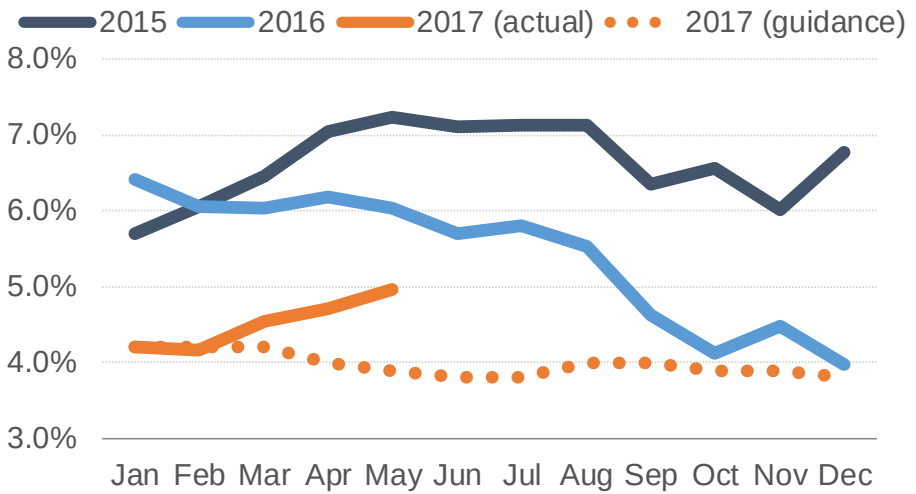
Renewals

Renewal performance is trending ahead of expectations.

Commentary

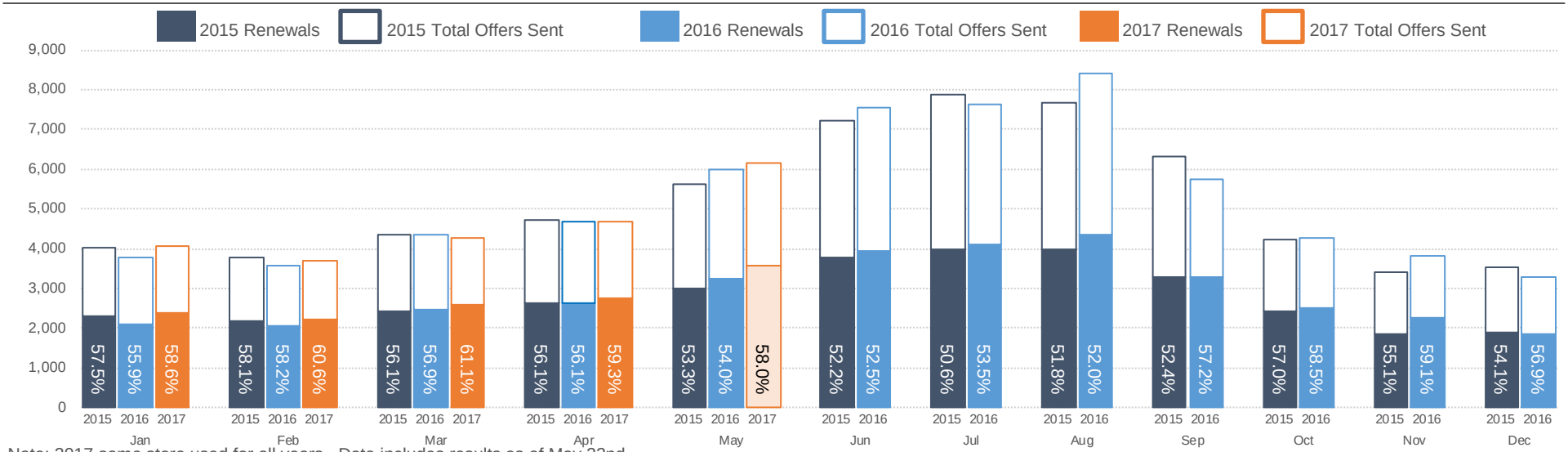
- 2017 guidance is based on achieved renewal rate increases of 4.0% for the full year vs the 5.4% achieved in 2016.
- Renewal rates achieved are now trending ahead of expectations. Achieved 4.3% in Q1 vs the 4.2% expected, and gaining momentum with April and May results. Projected increase between 4.5% - 5.0% for both June and July, which is slightly ahead of plan.
- Guidance assumes a similar percentage of residents renewing in 2017 as in 2016. However, YTD 2017 results are trending above 2016 levels.

Renewal Rate Achieved



Note: 2017 same store used for all years. Data includes results as of May 22nd.

of Residents Renewing



Note: 2017 same store used for all years. Data includes results as of May 22nd.

Boston – Operations

6,609 Units / 11.0% of NOI

May YTD operations on track.

Guidance Assumptions

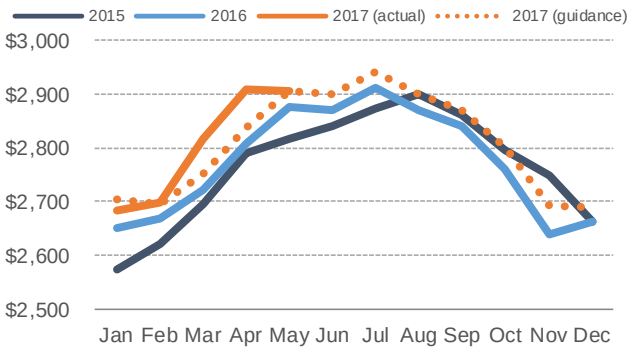
95.5% Occupancy	**3.9% Renewals**
-0.7% New Leases	**1.5% SS Revenue Growth**

Comments

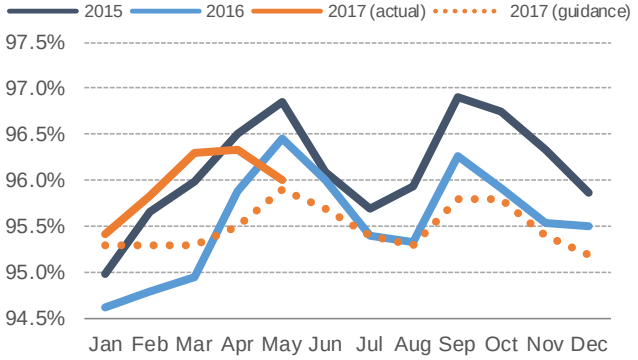
- Supply impact will continue to be at high end rent levels in the urban core during 2017 (50% of 2017 deliveries). New product being absorbed. Positive job growth expected to continue in 2017. Monitoring potential softness in applications from international students.
- YTD revenue growth is as expected. No change in full year outlook.

Indicators relative to guidance: trending above | on track | trending below

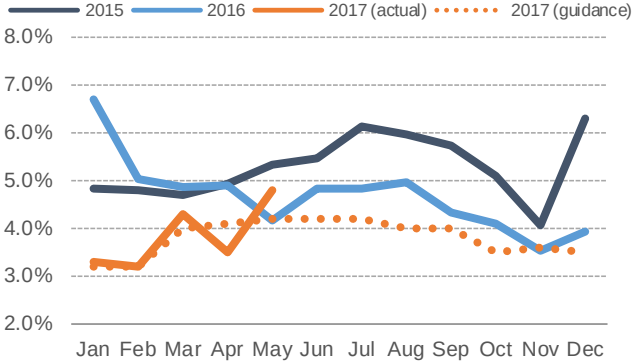
Base Rent



Same Store Occupancy



Renewal Rate Achieved



Note: 2017 same store used for all years. Data includes results as of May 22nd.

Market Fundamentals (1)

32,699 / 1.3% 2017 Jobs (2)	**2017: 5,715 2018: 3,528 Deliveries**

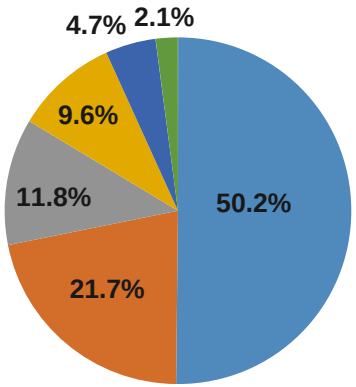
(1) Source: Moody's Economy.com, Axiometrics and EQR.

(2) Reflects number of jobs and percentage of increase.

Boston

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EQR in Boston

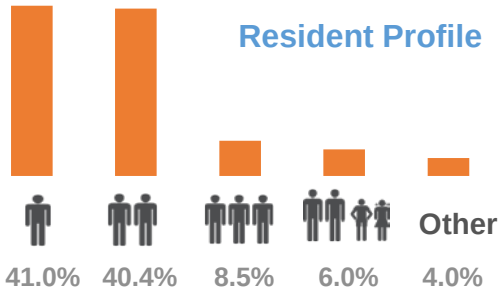


NOI by Submarket

- City of Boston
- MA-Cambridge
- 128 South
- 128 West
- 128 North
- 495 Outer Boston

EQR Resident Data (as of 3/31/17)	
Average Household Income*	$178,589
Average Monthly Rent*	$2,707
Rent as a Percent of Income*	18.2%

Resident Profile



*Data for residents who have signed leases in the last 12 months

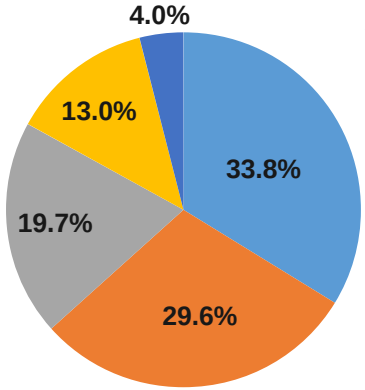
Market Data

	U.S.	Boston
Median Household Income	$56,000	$74,000
Median Home Price	$221,000	$406,000
Ratio	3.9x	5.5x

Walk Score

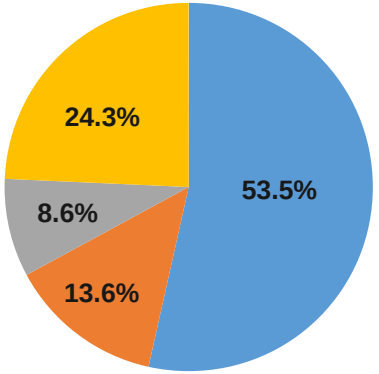
EQR	REIT Competitor Avg
69.5	**48.2**

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



Supply by Submarket

- City of Boston
- 128 North
- 128 West
- 128 South
- Cambridge



2017
5,715 units

2018
3,528 units

Boston

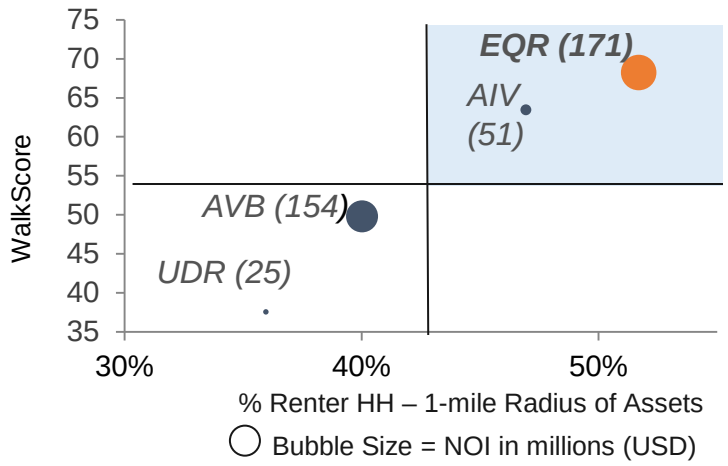
Market Profile

Equity Residential

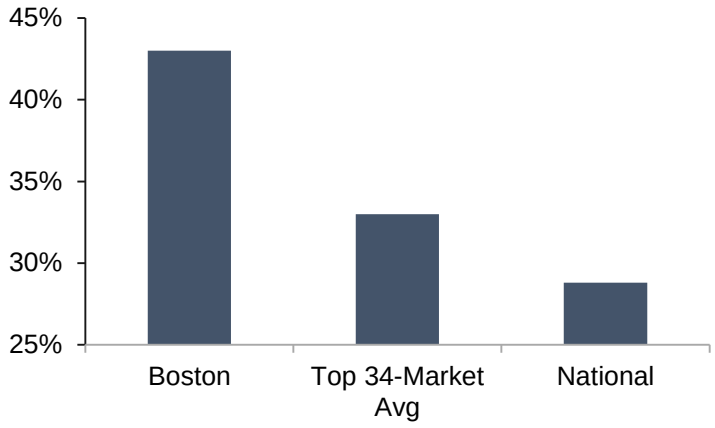
Long-Term Economic Drivers

- Boston lies at the heart of the knowledge economy, ranking highest in U.S. per-capita university enrollment, and near-highest in workforce possession of BA degrees.
- High-quality human capital powers the world's largest biotech/drug discovery cluster in Kendall Square, and a resilient financial hub downtown.
- Incomes and home prices are among the country's highest, lower only than those in NYC and the Bay Area.
- EQR has well-located assets, amid deep and affluent renter populations.

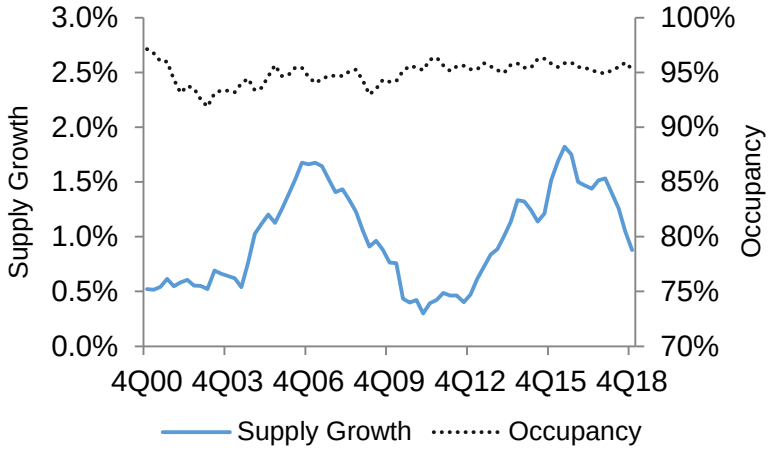
Well-Located Assets, Amid Affluent Renters



Concentrated Possession of BA Degrees



Occupancy Still Strong, Despite More Deliveries



*Bubble Size = NOI in millions (USD)

Source: U.S. Census; Walkscore; Axiometrics; Moody's Analytics

New York – Operations

10,007 Units / 18.1% of NOI

May YTD operations are trending slightly ahead of expectations.

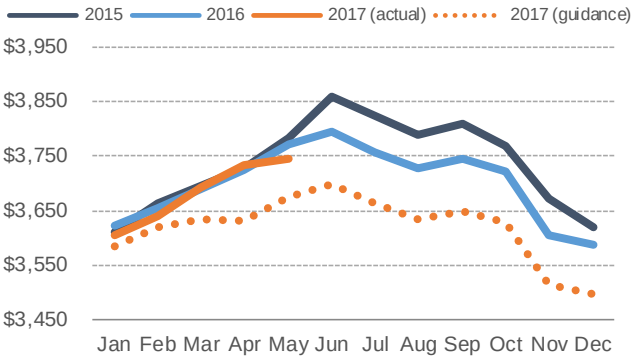
Guidance Assumptions

- **95.5% Occupancy**
- **2.1% Renewals**
- **-3.5% New Leases**
- **-1.5% SS Revenue Growth**

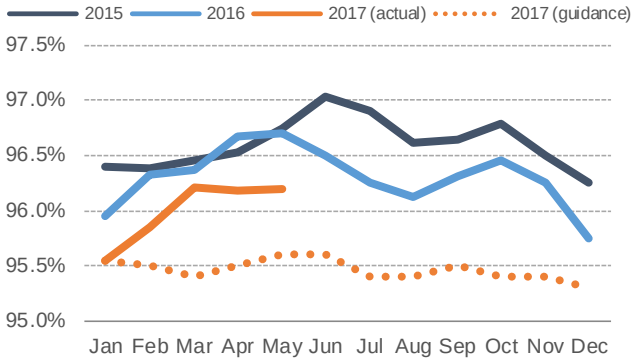
Comments

- YTD occupancy and base rents are trending ahead of expectations, but being offset by greater than expected declines in new leases (change in former resident rent vs new resident rent for the identical unit). No change to full year outlook.
- Use of concessions remain limited to certain locations being directly impacted by the pace of new deliveries. YTD concessions remain slightly below expectations. Traditionally, landlords in this market tend to utilize concessions more frequently as a marketing tool.

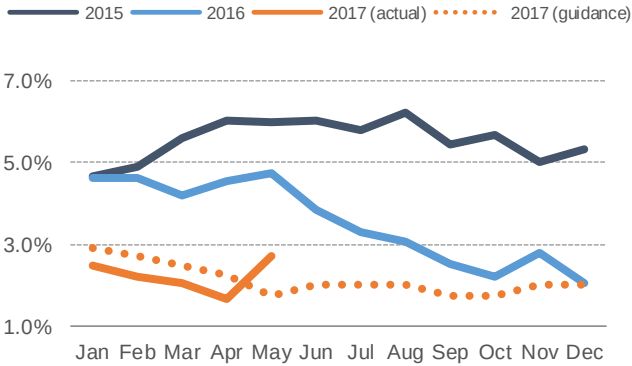
Base Rent



Same Store Occupancy



Renewal Rate Achieved



Note: 2017 same store used for all years. Data includes results as of May 22nd.

Indicators relative to guidance: trending above | on track | trending below

Market Fundamentals (1)

- **65,210 / 0.9% 2017 Jobs (2)**
- **2017: 15,022 2018: 17,308 Deliveries**

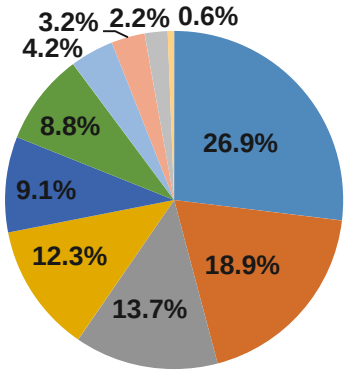
(1) Source: Moody's Economy.com, Axiometrics and EQR.

(2) Reflects number of jobs and percentage of increase.

New York

Equity Residential

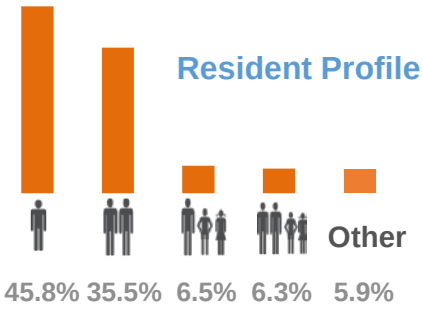
EQR in New York



NOI by Submarket

- Manhattan-Upper West Side
- Hudson Waterfront
- Manhattan-Chelsea
- Manhattan-Gramercy
- Brooklyn
- Manhattan-Midtown/West
- NY-Suburbs
- Manhattan-Upper East Side
- Manhattan-Financial
- NY-Outside Suburbs

EQR Resident Data (as of 3/31/17)	
Average Household Income*	$235,166
Average Monthly Rent*	$3,510
Rent as a Percent of Income*	17.9%



*Data for residents who have signed leases in the last 12 months

(1) MSA data includes Manhattan only

Market Data

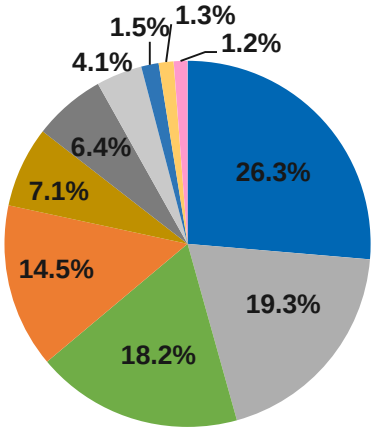
	U.S.	New York (1)
Median Household Income	$56,000	$76,000
Median Home Price	$221,000	$1,332,000
Ratio	3.9x	17.5x

Walk Score

EQR	REIT Competitor Avg
93.0	**77.6**

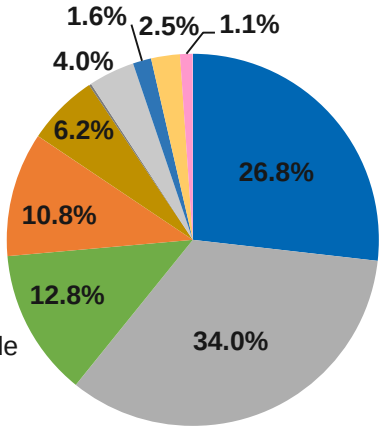
More than 50% of renters in New York commute by walking or public transportation

Supply by Submarket



2017
15,022 units

- Brooklyn
- Queens - Long Island City
- Manhattan - Midtown/West
- Hudson Waterfront
- Manhattan - Gramercy
- Manhattan - Chelsea
- Manhattan - Financial
- Manhattan - Upper West Side
- Manhattan - Midtown East
- Manhattan - Upper East Side



2018
17,308 units

New York City

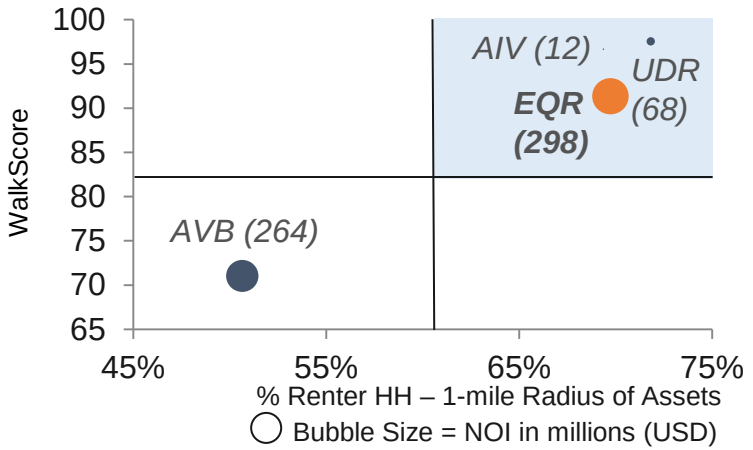
Market Profile

Equity Residential

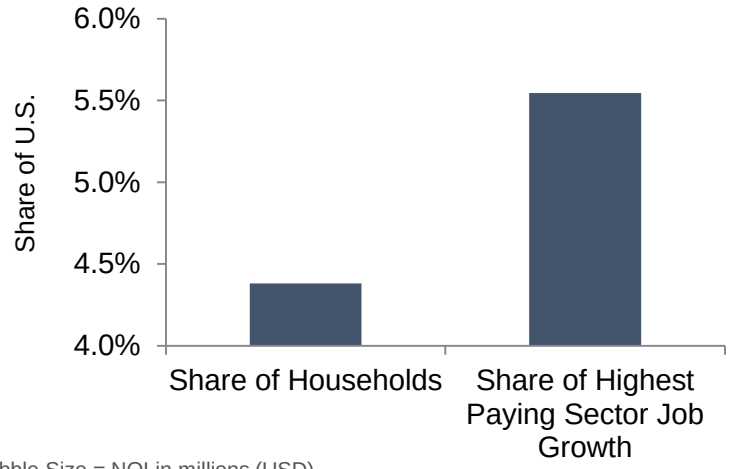
Long-Term Economic Drivers

- A dynamic economy, combined with the nation's highest barriers to homeownership, has turned the NYC rental market into the largest in the country.
- As the center of the world's financial markets, NYC is ideally suited to capitalize on emerging financial sector technology.
-
- Despite recent construction, vacancies are still among the tightest in the country.
- EQR has well-located assets, amid deep and affluent renter populations.

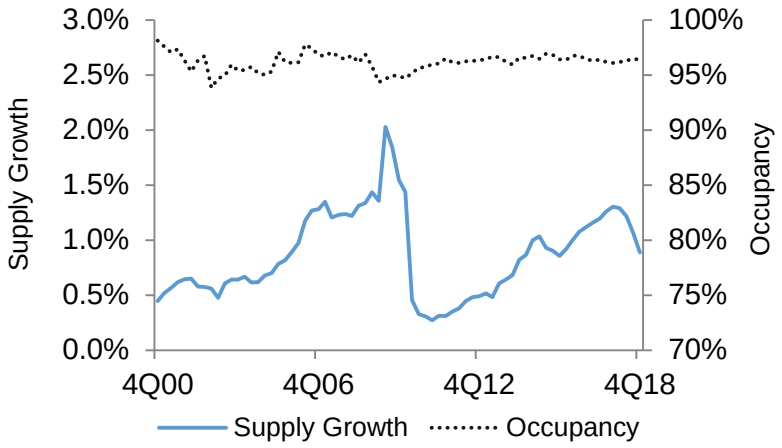
Well-Located Assets, Amid Affluent Renters



Attracting > Fair Share of Highest Paying Jobs



Occupancy Still Strong, Despite More Deliveries



*Bubble Size = NOI in millions (USD)

Source: U.S. Census; Walkscore; Axiometrics; Moody's Analytics

Washington DC – Operations

15,475 Units / 18.9% of NOI

Q1 results were slightly ahead of expectations, but market softness has occurred in April and May.

Guidance Assumptions

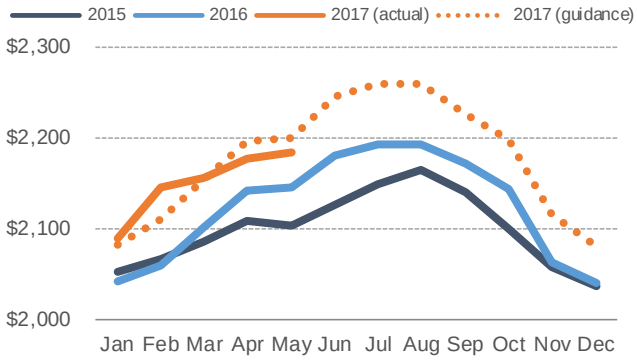
- **95.9% Occupancy**
- **4.4% Renewals**
- **0.8% New Leases**
- **1.8% SS Revenue Growth**

Comments

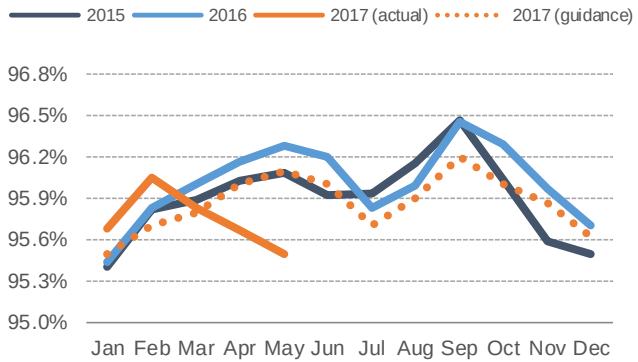
- Q1 occupancy of 95.9% was slightly ahead of expectations driven by gains in January and February. Gains from increased retention is offsetting declines in Q2 occupancy. No change to full year outlook at this time.
- Job growth has softened in Q2. Impact from potential government workforce reductions and other administration initiatives remains unclear. Healthy apartment demand supporting good absorption. 2017 supply will put pressure on Rosslyn-Ballston Corridor which is 20% of SS revenue.

Indicators relative to guidance: trending above | on track | trending below

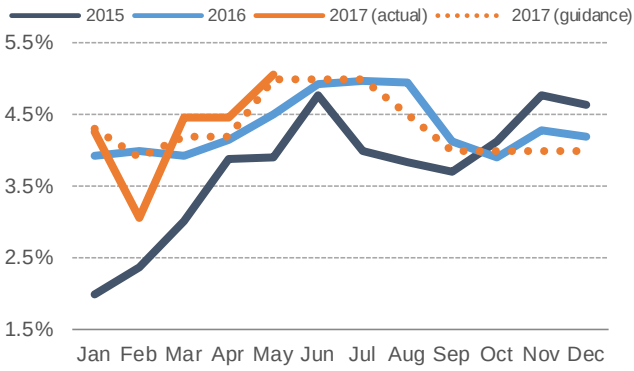
Base Rent



Same Store Occupancy



Renewal Rate Achieved



Note: 2017 same store used for all years. Data includes results as of May 22nd.

Market Fundamentals (1)

- **47,296/ 1.5% 2017 Jobs (2)**
- **2017: 11,868 2018: 10,689 Deliveries**

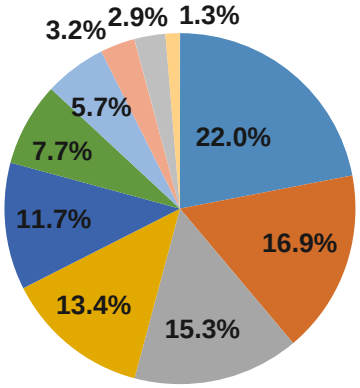
(1) Source: Moody's Economy.com, Axiometrics and EQR.

(2) Reflects number of jobs and percentage of increase.

Washington, DC

Equity Residential

EQR in Washington, DC

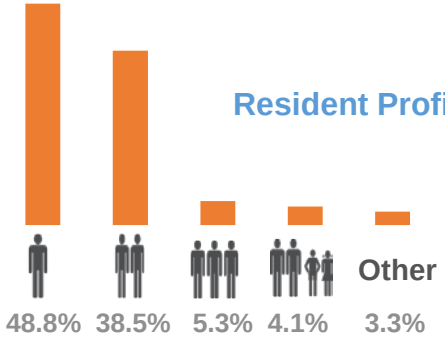


NOI by Submarket

- VA-Arlington-RB Corridor
- VA-Alexandria
- DC-Central
- DC-Upper NW
- VA-South Arlington
- MD-Bethesda/Chevy Chase
- VA-Fairfax
- MD-Silver Spring
- MD-Rockville/Gaithersburg
- MD-Prince George

EQR Resident Data (as of 3/31/17)	
Average Household Income*	$143,338
Average Monthly Rent*	$2,346
Rent as a Percent of Income*	19.6%

Resident Profile



*Data for residents who have signed leases in the last 12 months

Market Data

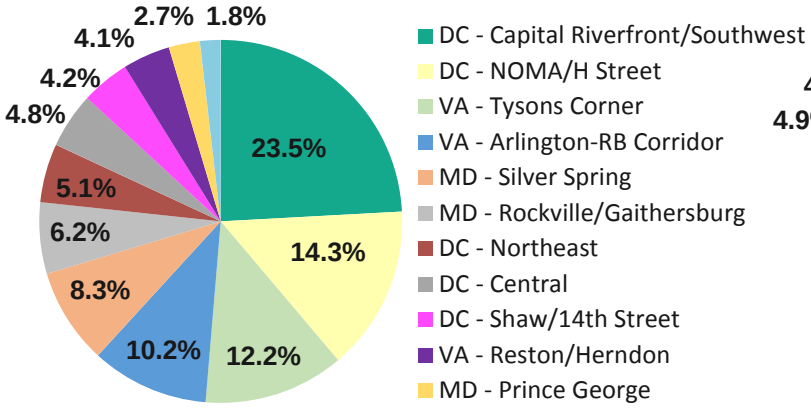
	U.S.	Washington, DC
Median Household Income	$56,000	$92,000
Median Home Price	$221,000	$394,000
Ratio	3.9x	4.3x

Walk Score

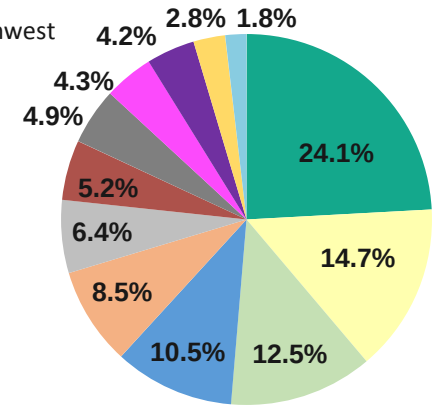
EQR	REIT Competitor Avg
77.5	**56.3**

Nearly 30% of renters in Washington, DC commute by walking or public transportation

Supply by Submarket



2017
11,868 units



2018
10,689 units

Washington, D.C.

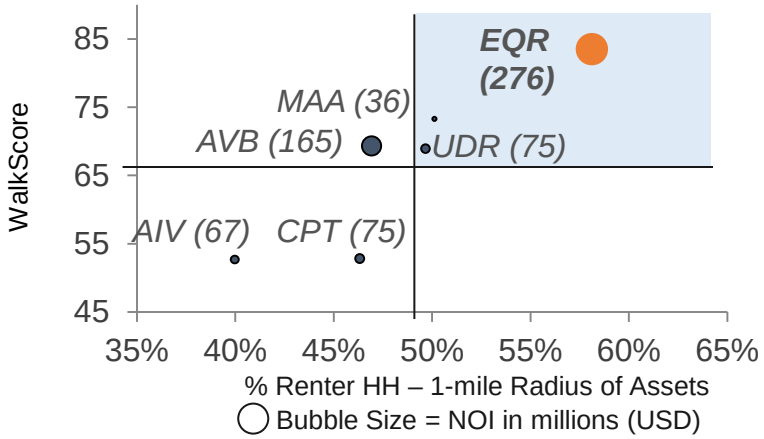
Market Profile

Equity Residential

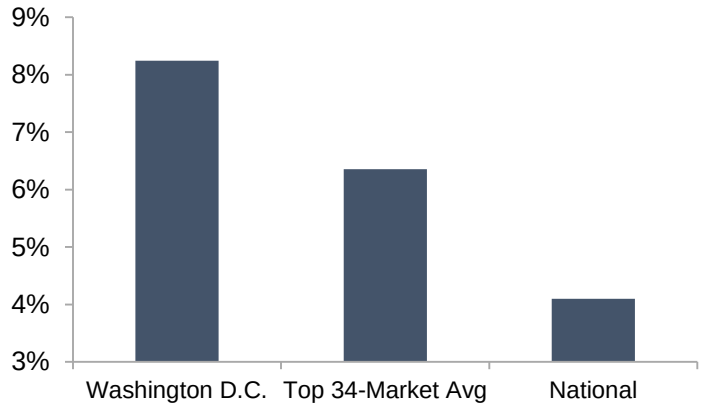
Long-Term Economic Drivers

- Federal spending, particularly defense spending, powers the DC economy. Spending has been on an upswing since the expiry of the Obama-era sequestration law in 2015.
- DC has managed to maintain strong household growth, despite imposing a high cost of living.
- Even while enduring record construction, DC vacancies have remained below the national benchmark.
- EQR has well-located assets, amid deep and affluent renter populations.

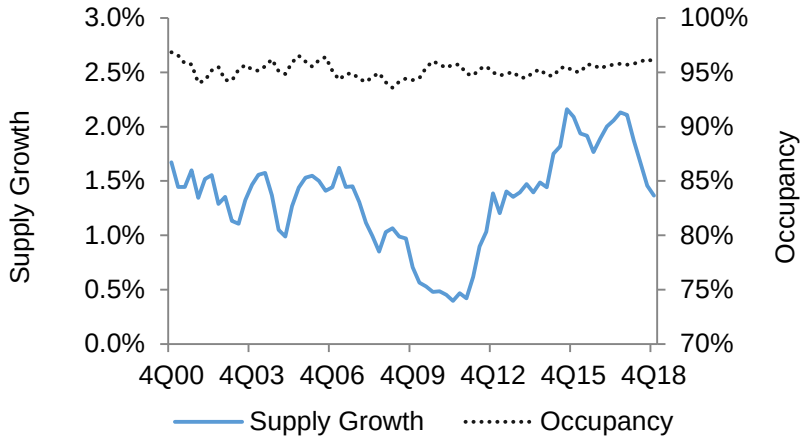
Well-Located Assets, Amid Affluent Renters



Strong HH Growth Defying High Living Costs



Occupancy Still Strong, Despite More Deliveries



*Bubble Size = NOI in millions (USD)

Source: U.S. Census; Walkscore; Axiometrics; Moody's Analytics

Seattle – Operations

6,527 Units / 8.0% of NOI

May YTD revenue growth is ahead of expectations, driven by gains in occupancy and achieved renewal rates.

Guidance Assumptions

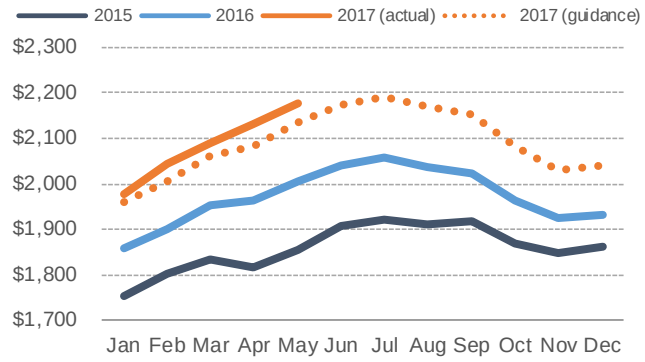
- **95.5% Occupancy**
- **6.2% Renewals**
- **3.0% New Leases**
- **4.3% SS Revenue Growth**

Comments

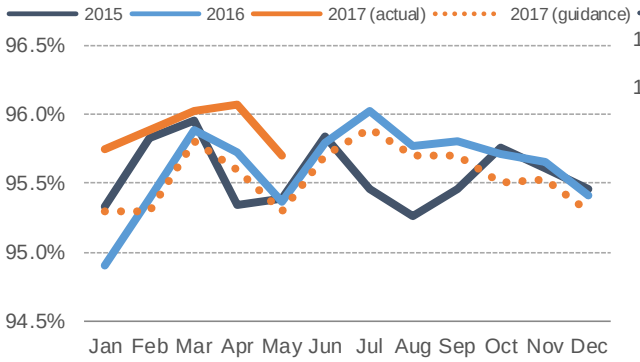
- Q1 Revenue growth at 6.4% was ahead of plan. Off to good start in Q2 with both occupancy and renewal rates achieved trending ahead of May YTD expectations.
- Rent growth continues with strong absorption. Expecting 2017 supply mix to be similar to 2016 and concentrated in urban core near many of our assets. Strong job growth continues to offset supply pressures.

Indicators relative to guidance: trending above | on track | trending below

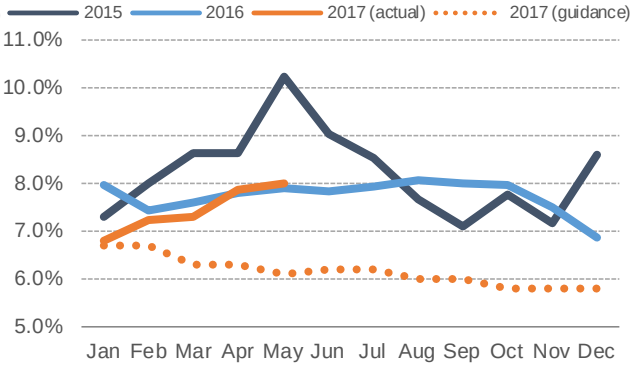
Base Rent



Same Store Occupancy



Renewal Rate Achieved



Note: 2017 same store used for all years. Data includes results as of May 22nd.

Market Fundamentals (1)

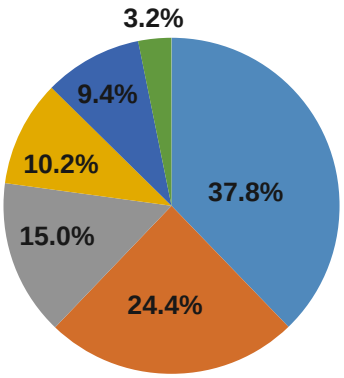
- **46,699 / 2.4% 2017 Jobs (2)**
- **2017: 7,511 2018: 6,434 Deliveries**

(1) Source: Moody's Economy.com, Axiometrics and EQR.
(2) Reflects number of jobs and percentage of increase.

Seattle

Equity Residential

EQR in Seattle



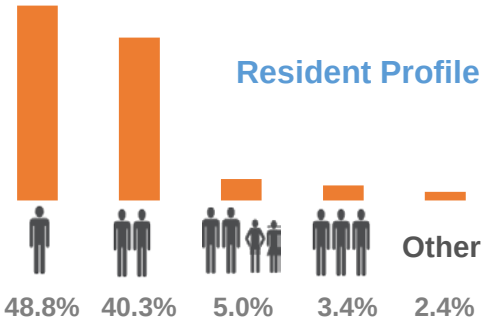
NOI by Submarket

- Belltown/CBD
- Bellevue/Redmond
- Bothell/Mill Creek Corridor
- North Seattle
- Capital Hill/First Hill
- West Seattle

EQR Resident Data (as of 3/31/17)

Average Household Income*	$128,580
Average Monthly Rent*	$1,921
Rent as a Percent of Income*	17.9%

Resident Profile



*Data for residents who have signed leases in the last 12 months

Market Data

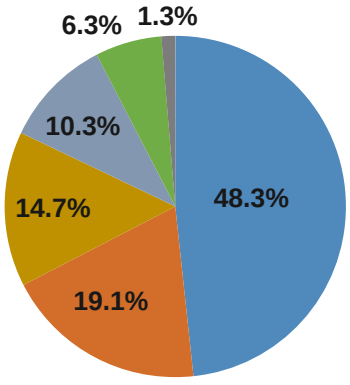
	U.S.	Seattle
Median Household Income	$56,000	$68,000
Median Home Price	$221,000	$372,000
Ratio	3.9x	5.5x

Walk Score

EQR	REIT Competitor Avg
73.3	**66.6**

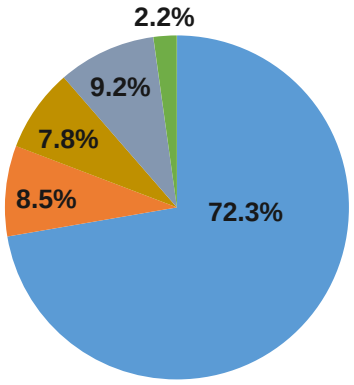
20% of renters in Seattle commute by walking or public transportation

Supply by Submarket



2017
7,511 units

- Belltown/CBD
- Bellevue/Redmond
- North Seattle
- Capital Hill/First Hill
- West Seattle
- Bothell/Mill Creek Corridor



2018
6,434 units

Seattle

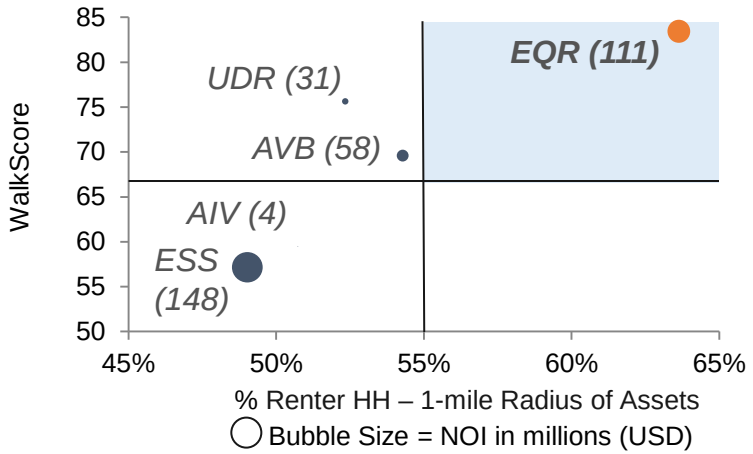
Market Profile

Equity Residential

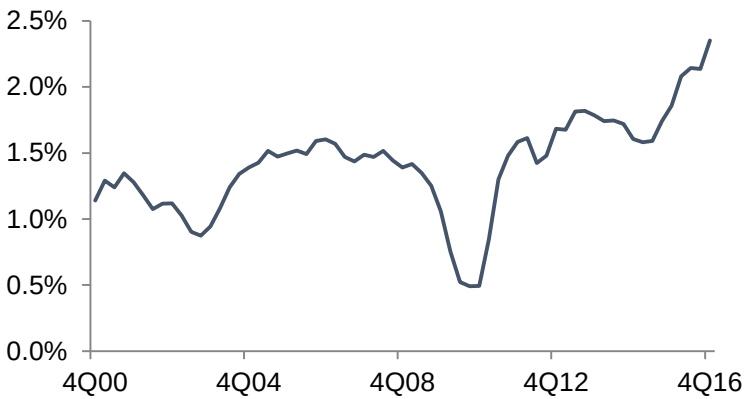
Long-Term Economic Drivers

- Seattle, powered by aerospace and information technology firms such as Boeing, Microsoft and Amazon, supports a high-wage structure economy
- Low for-sale inventory, along with traffic-congested commutes to the suburbs have created barriers to homeownership and put pressure on rent growth.
- A fast expanding job base, combined with a relatively low cost-of-living, is leading to surging household growth.
- EQR has well-located assets, amid deep and affluent renter populations.

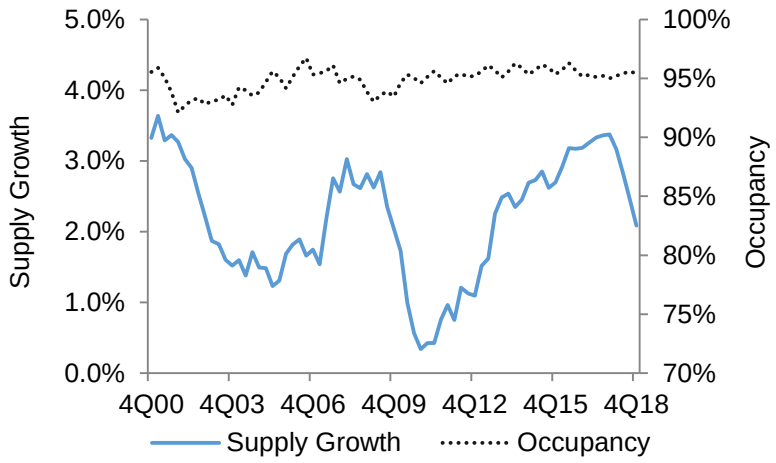
Well-Located Assets, Amid Affluent Renters



Household Growth is Skyrocketing



Occupancy Still Strong, Despite More Deliveries



*Bubble Size = NOI Allocation in millions (USD)

Source: U.S. Census; Walkscore; Axiometrics; Moody's Analytics

San Francisco – Operations

11,019 Units / 18.1% of NOI

May YTD operations are ahead of expectations. Well positioned as we enter peak leasing season.

Guidance Assumptions

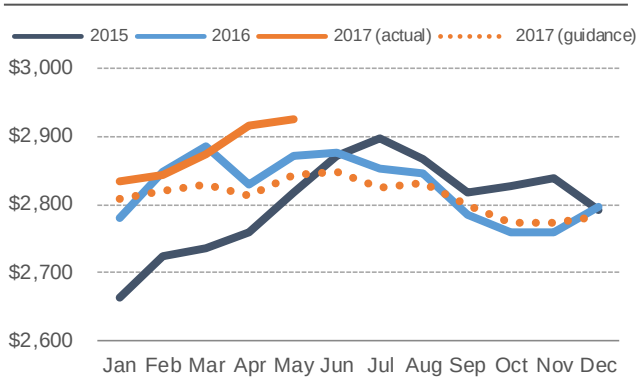
- **95.8% Occupancy**
- **2.9% Renewals**
- **-1.5% New Leases**
- **1.0% SS Revenue Growth**

Comments

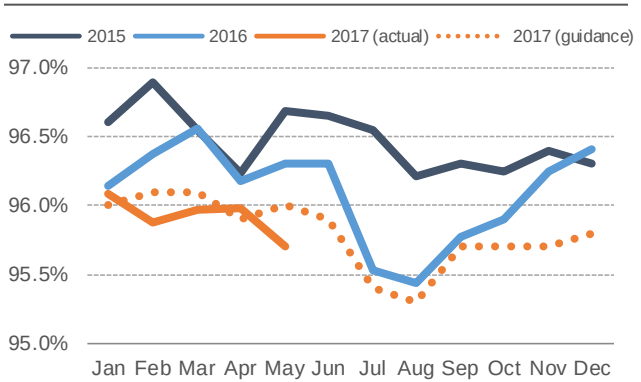
- Q1 revenue growth of 2.9% was ahead of guidance. Base rents and renewals continue to track ahead of expectations.
- Rate of job growth has slowed, but remains above national average.

Indicators relative to guidance: trending above | on track | trending below

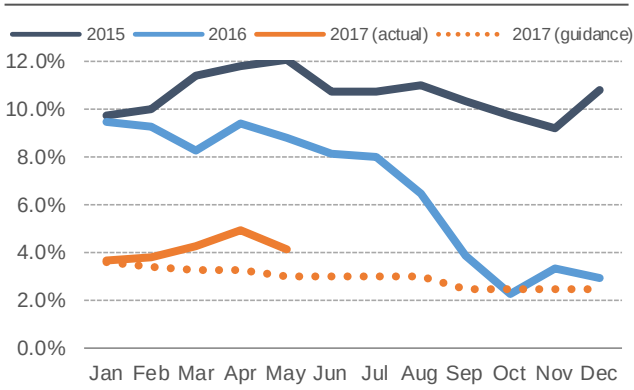
Base Rent



Same Store Occupancy



Renewal Rate Achieved



Note: 2017 same store used for all years. Data includes results as of May 22nd.

Market Fundamentals (1)

- **55,285 / 1.7% 2017 Jobs (2)**
- **2017: 9,764 2018: 5,950 Deliveries**

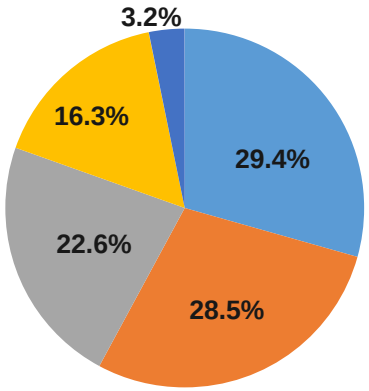
(1) Source: Moody's Economy.com, Axiometrics and EQR.

(2) Reflects number of jobs and percentage of increase.

San Francisco

Equity Residential

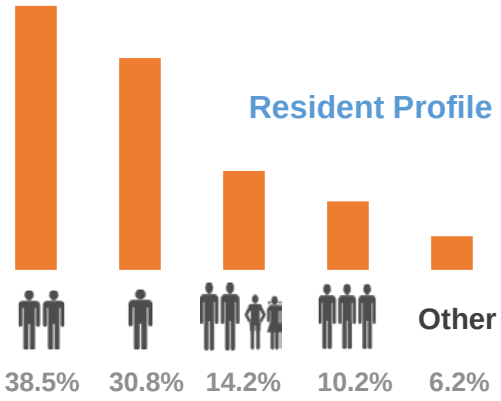
EQR in San Francisco



NOI by Submarket

- SF-South Bay
- SF-Peninsula
- San Francisco
- SF-East Bay
- Berkeley

EQR Resident Data (as of 3/31/17)	
Average Household Income*	$152,064
Average Monthly Rent*	$2,741
Rent as a Percent of Income*	21.6%



Resident Profile

*Data for residents who have signed leases in the last 12 months

Market Data

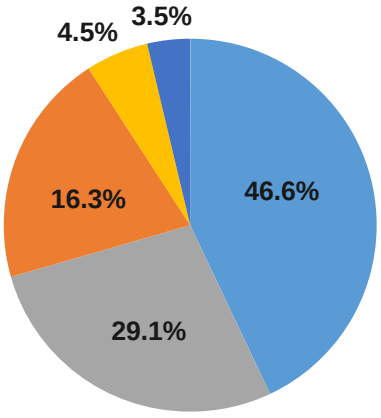
	U.S.	San Francisco
Median Household Income	$56,000	$82,000
Median Home Price	$221,000	$917,000
Ratio	3.9x	11.2x

Walk Score

EQR	REIT Competitor Avg
70.2	**63.5**

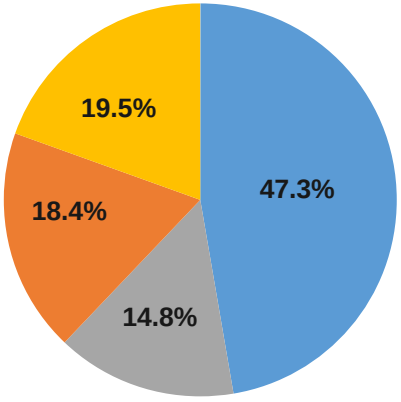
30% of renters in San Francisco commute by walking or public transportation

Supply by Submarket



2017
9,764 units

- SF - South Bay
- San Francisco
- SF - Peninsula
- SF - East Bay
- Berkeley



2018
5,950 units

San Francisco

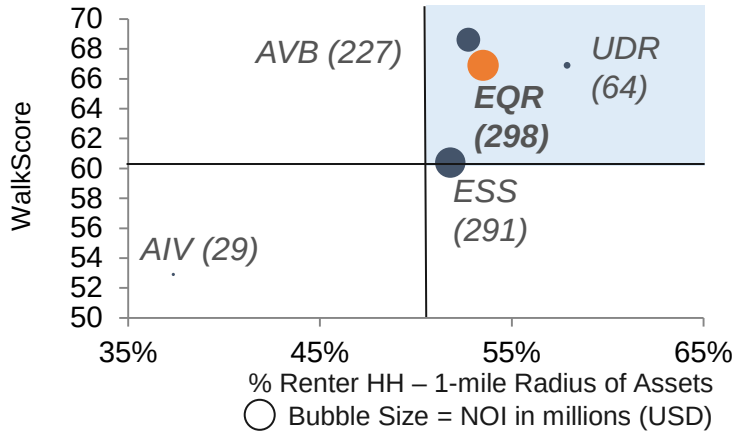
Market Profile

Equity Residential

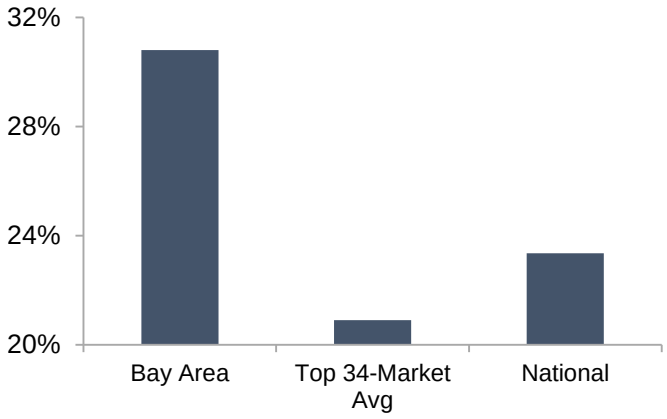
Long-Term Economic Drivers

- The Bay Area economy supports the highest % of high-wage workers in the country, and continues to attract, create and finance the world's most valuable technology firms.
- Fierce opposition to development, combined with challenging geography and expensive land, has produced little new construction for decades.
- Both the for-sale and rental markets in the Bay Area are among the country's most expensive.
- EQR has well-located assets, amid deep and affluent renter populations.

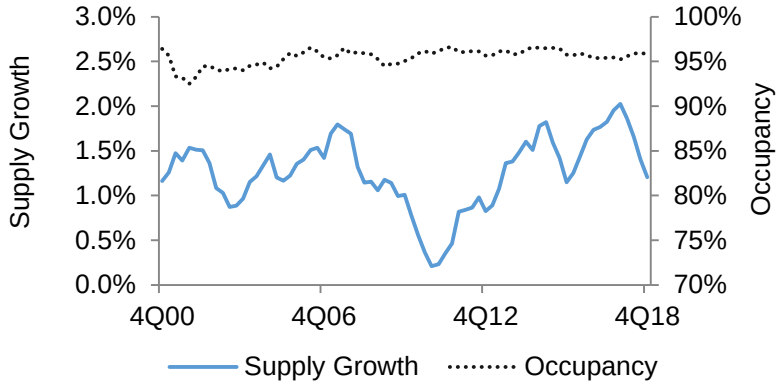
Well-Located Assets, Amid Affluent Renters



Labor Concentrated in High-Paying Sectors



Occupancy Still Strong, Despite More Deliveries



*Bubble Size = NOI Allocation in millions (USD)

Source: U.S. Census; Walkscore; Axiometrics; Moody's Analytics

Southern California – Operations

21,227 Units / 25.8% of NOI

May YTD operations trending slightly ahead of expectations due to strong renewal performance.

Guidance Assumptions

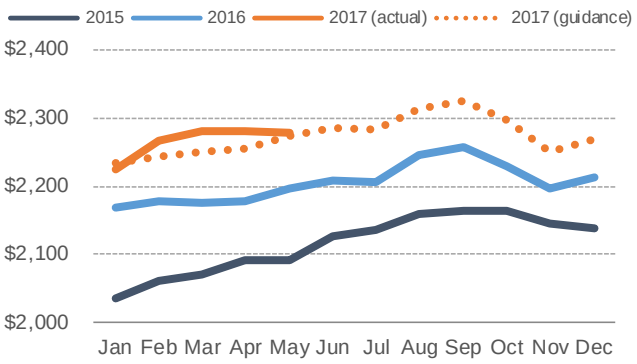
- **95.8% Occupancy**
- **5.4% Renewals**
- **1.9% New Leases**
- **3.7% SS Revenue Growth**

Comments

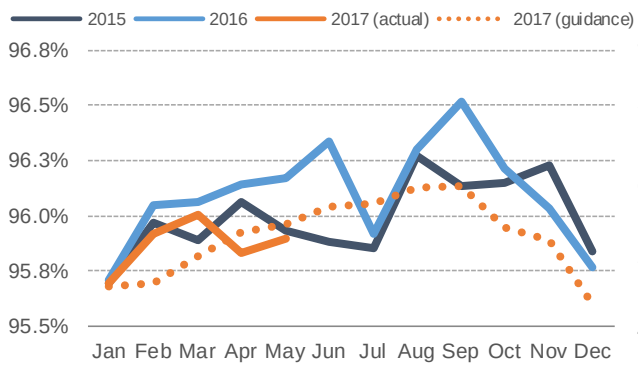
- LA: Steady growth with new supply concentrated in the urban core and select urban submarkets. West LA performance is key for 2017. Approximately 40% of EQR's revenue is exposed to this new supply. Very little new supply in suburban locations.
- Orange County: Continues to gain strength on diversified job growth. Deliveries focused in Irvine. Approximately 30% of EQR's revenue is exposed to this new supply. Home prices rising and out of reach for most.
- San Diego: Consistent performance with moderate growth and limited supply impact.
- YTD renewals are trending ahead of expectations in Southern California.

Indicators relative to guidance: trending above | on track | trending below

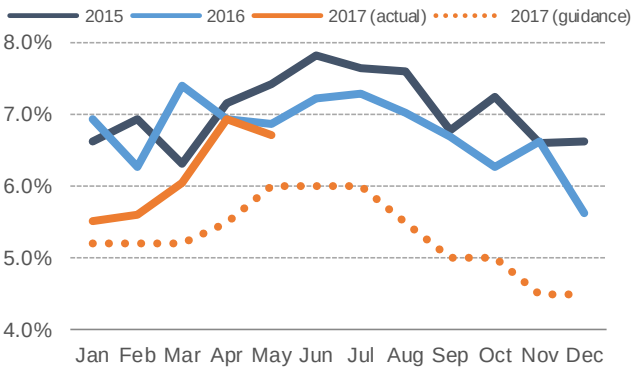
Base Rent



Same Store Occupancy



Renewal Rate Achieved



Note: 2017 same store used for all years. Data includes results as of May 22nd.

Market Fundamentals (1)

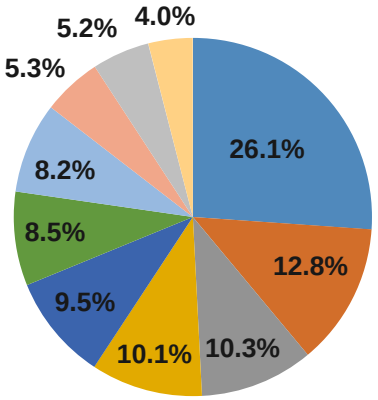
	2017 Jobs (2)	Deliveries
LA	65,918 / 1.5%	2017: 10,032 2018: 12,647
Orange	26,955 / 1.7%	2017: 5,498 2018: 4,698
San Diego	23,396 / 1.6%	2017: 2,545 2018: 2,850

(1) Source: Moody's Economy.com, Axiometrics and EQR. (2) Reflects number of jobs and percentage of increase.

Los Angeles

Equity Residential

EQR in Los Angeles



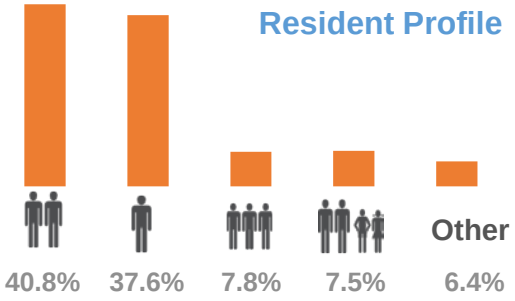
NOI by Submarket

- West Los Angeles
- Downtown LA
- Santa Clarita Valley
- Glendale/Pasadena
- South Bay
- San Fernando Valley West
- Inland Empire
- San Fernando Valley East
- Ventura County
- Koreatown

EQR Resident Data (as of 3/31/17)

Average Household Income*	$133,952
Average Monthly Rent*	$2,275
Rent as a Percent of Income*	20.4%

Resident Profile

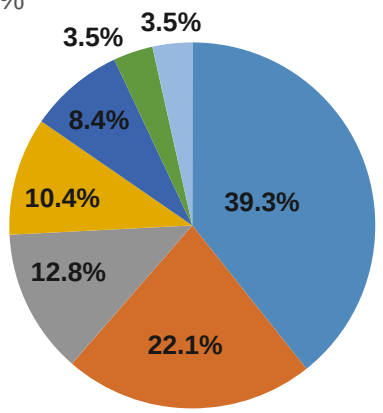


*Data for residents who have signed leases in the last 12 months

Market Data

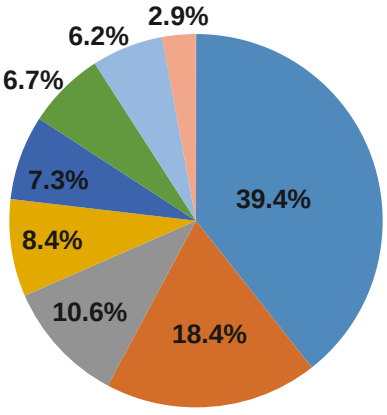
	U.S.	Los Angeles
Median Household Income	$56,000	$55,000
Median Home Price	$221,000	$468,000
Ratio	3.9x	8.5x

Supply by Submarket



- Downtown LA
- Glendale/Pasadena
- Mid-Wilshire/Koreatown
- Hollywood
- West Los Angeles
- San Fernando Valley West
- San Fernando Valley East

2017
10,032 units



2018
12,647 units

Los Angeles

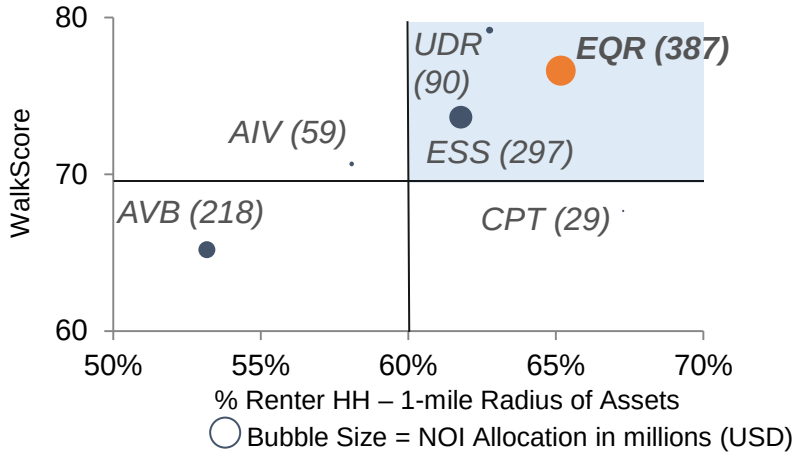
Market Profile

Equity Residential

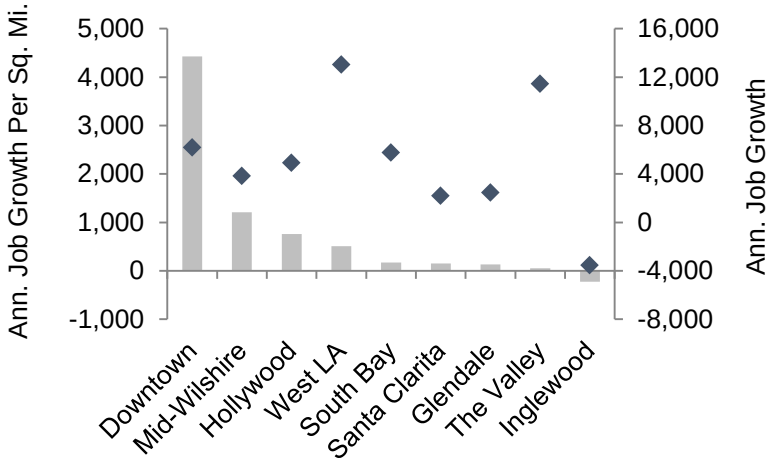
Long-Term Economic Drivers

- LA has emerged as an attractive tech hub for defense, entertainment and large technology companies. West LA, now dubbed "Silicon Beach," now hosts firms such as Google and Facebook.
- Downtown LA is evolving into a "24/7" downtown. More than 10k units will deliver downtown this cycle.
- The for-sale market is among the country's most expensive.
- EQR has well-located assets, amid deep and affluent renter populations.

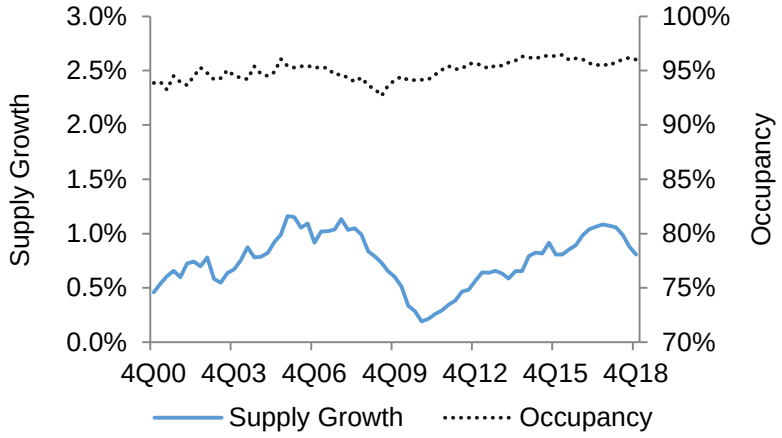
Well-Located Assets, Amid Affluent Renters



Downtown and West LA are Job Engines



Occupancy Still Strong, Despite More Deliveries



*Bubble Size = NOI Allocation in millions (USD)
Source: U.S. Census; Walkscore; Axiometrics; Moody's Analytics

Our Balance Sheet



Avenir – Boston, MA

Stable and Conservative Leverage Profile

One of the Strongest Balance Sheets in the REIT Sector

Equity Residential

- Prudent capital management through operating cycles and transformative events facilitates financial flexibility, better access to capital and reduced interest rate risk
- Dominant scale and geographic diversity in top multifamily markets provides durable and growing cash flow
- Positive near-term arbitrage opportunities to lower weighted average cost of debt
- Substantial liquidity provided by $2 billion revolving line of credit (inclusive of $500 million commercial paper program)
- Well-staggered debt maturity schedule and limited development funding requirements
- Modest floating rate exposure (03/31/17: 16%)

A- / Baa1
Investment Grade Ratings(1)

5.7x
Net Debt to Normalized EBITDA

3.9x
Fixed Charge Coverage(2)

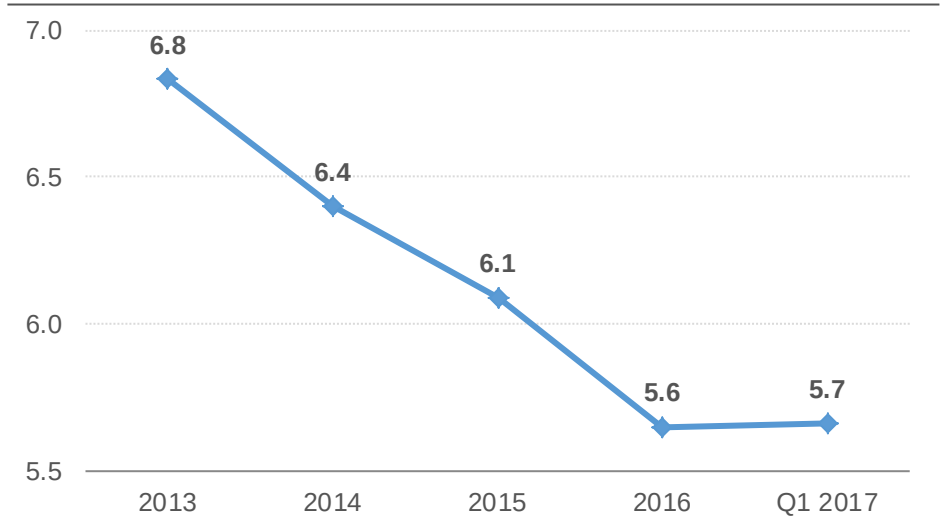
73%
Unencumbered NOI % of Total

$1.6B
Liquidity

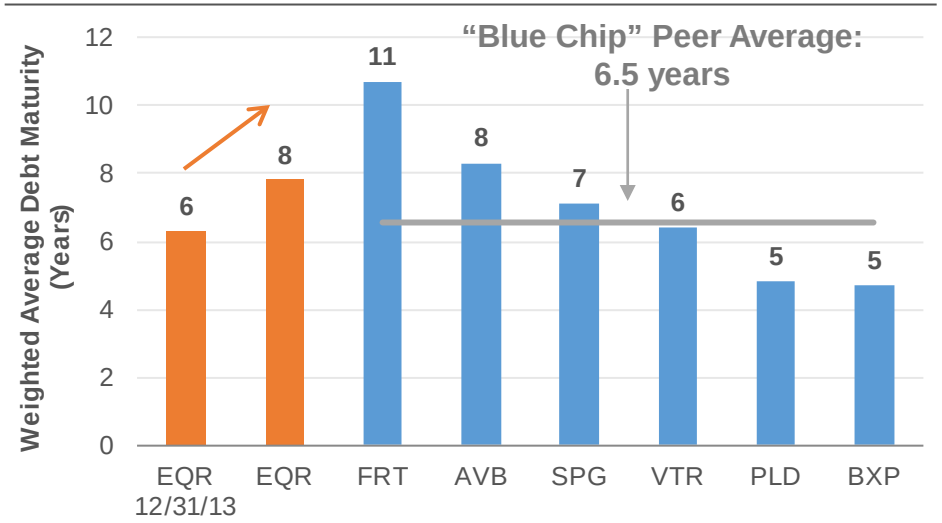
35%
Debt to Adjusted Total Assets(3)

Note: Data as of 03/31/17.
(1) "A-" credit ratings from S&P and Fitch; "Baa1" (positive outlook) from Moody's.
(2) Fully loaded (Normalized int. exp. + Cap int. + Principal Amort. + MTM Amort. + Pref. Dividend)
(3) Calculated consistent with the Company's unsecured bond covenants.

Improved Net Debt to Normalized EBITDA



Extended Duration Limits Refinancing Risk (4)



EQR is Focused on Maintaining the Strength of its Credit Metrics and Balance Sheet

(4) "Blue Chip" REIT Peers includes AVB, SPG, PLD, FRT, VTR and BXP.
Source: Company filings, SNL Financial as of 03/31/17.

History of Successful Strategic Capital Allocation – Case Studies



4701 Willard - Chevy Chase, MD

Strategic Deployment of Cap-Ex Delivering Strong Results

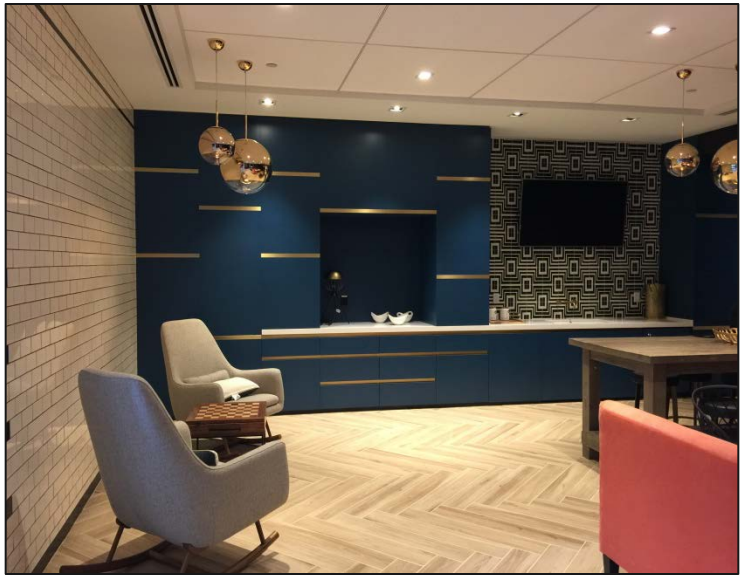
Equity Residential

Approximately $50M of capital allocated to kitchen and bath program in 2017 targeting 12% to 15% yields

$17M in additional “customer facing” capital projects will keep well-located assets competitive with new supply



160 Riverside Boulevard – New York, NY



2201 Wilson – Arlington, VA

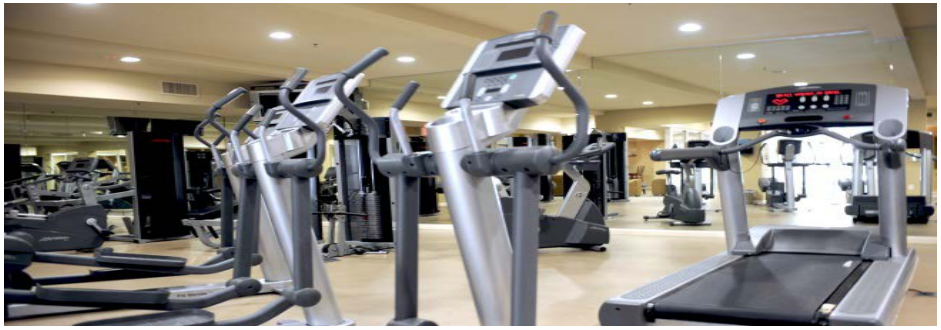
Case Study – Major Capital Improvement Program

Northpark, Burlingame, CA









Asset and Location:
1972 Burlingame asset acquired in 2010 adjacent to Old Burlingame downtown, commuter rail station, and 101 freeway.

Capital Plan:
Invested $12M of capital into unit renovations, washer/dryer installation, amenities and energy projects including solar PV.

Investment Performance:

- Purchase price: $116
- Additional capital: $12M
- Current estimated value $255M at 4.40% cap rate
- In place rents have moved from $1,333 to $2,647
- 10% current yield on invested capital

Case Study – Major Capital Improvement Program

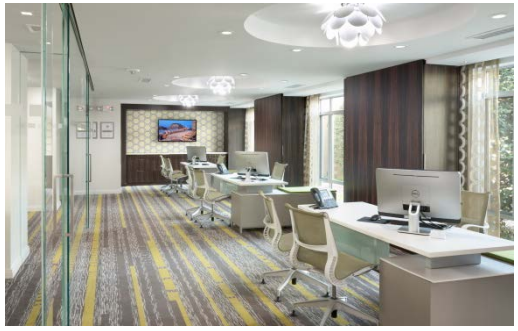
1500 Mass, Washington, D.C.











Asset and Location:
1951 DC Central Business District asset with 98 Walk Score acquired in 2011.

Capital Plan:
Invested capital into unit renovations, amenities and energy projects including new windows.

Investment Performance:

- Purchase Price: $95M
- Additional Capital: $14.3M
- Current estimated value $177M at 4.30% cap rate
- In place rents have moved from $1,163 to $1,638
- 7.2 % current yield on invested capital

$2.0B Development Pipeline Creating Long-Term Value

- We are focused on completing, leasing up and stabilizing our $2.0B of assets currently under development which will stabilize at yields on average in the mid 5s and create $1.8B total value.
- These assets will contribute approximately $93 million in NOI to our portfolio in 2018.
- Development starts greatly reduced as returns decline, costs increase as the cycle matures.



Odin – Seattle, WA
Completed Q4 2015



Prism at Park Avenue South – New York, NY
Completed Q3 2015

Case Study - Development

Helios (f.k.a. Second & Pine) Seattle, WA

Equity Residential



Asset and Location:

- Downtown Seattle asset with 98 Walk Score three blocks from Pike Place Market

Project Features:

- 40 story highrise
- Full penthouse indoor/outdoor amenity space, state of the art fitness center and outdoor dog run.
- USGBC LEED Certified

Investment Performance:

- Developed for $215.7M
- Expected rents $3.62/SF
- 5.58% expected stabilized yield
- Estimated value at stabilization $245M at 4.00% cap rate

Case Study - Development

455 Eye Street, Washington, D.C.

Equity Residential



Asset and Location:

- Downtown DC asset with 97 Walk Score in Mount Vernon Triangle

Project Features:

- Adaptive reuse includes rehabilitation of historic building and two town homes.
- Amenities include private courtyard, rooftop terrace and pool, state of the art fitness center and clubrooms.
- NAHB NGBS certified

Investment Performance:

- Developed for $73.2m
- Expected rents $3.59/SF
- 5.81% expected stabilized yield
- Estimated value at stabilization $90m at 4.30% cap rate

Our Commitment to Sustainability



Azure - San Francisco, CA

Sustainability Highlights

Equity Residential



Reduced portfolio energy use by 10.2% from 2010 to 2015



Reduced portfolio water use by 10.7% from 2010 to 2015



Reduced portfolio GHG emissions by 6.3% from 2012 to 2015



Our investments in clean and renewable on-site generation adds 3.25 MW of solar PV and CHP capacity.



We've completed over 350 LED lighting projects in the past 5 years, reducing annual kWh by 35,000,000



Established Internal Sustainability Property Certification Program in 2016

Sustainability Recognition and Certification

Equity Residential

Global Real Estate Sustainability Benchmark

GRESB Sector Leader 2016

- Named 2016 Global Residential Listed Sector Leader
- Named 2015 Global Residential Sector Leader
- Named 2014 Top 3 Global Residential Portfolio

NAREIT Leader in the Light

NAREIT Leader In The Light
Recognizing Excellence in Sustainability and Energy Efficiency

- 2016 Leader In The Light Award Winner

USGBC LEED

U.S. Green Building Council LEED USGBC

- 6 of our new developments since 2011 have received LEED certification
- Targeting 8 of our new projects under construction for LEED certification

NAHB National Green Building Standard

NAHB NATIONAL GREEN BUILDING PROGRAM™

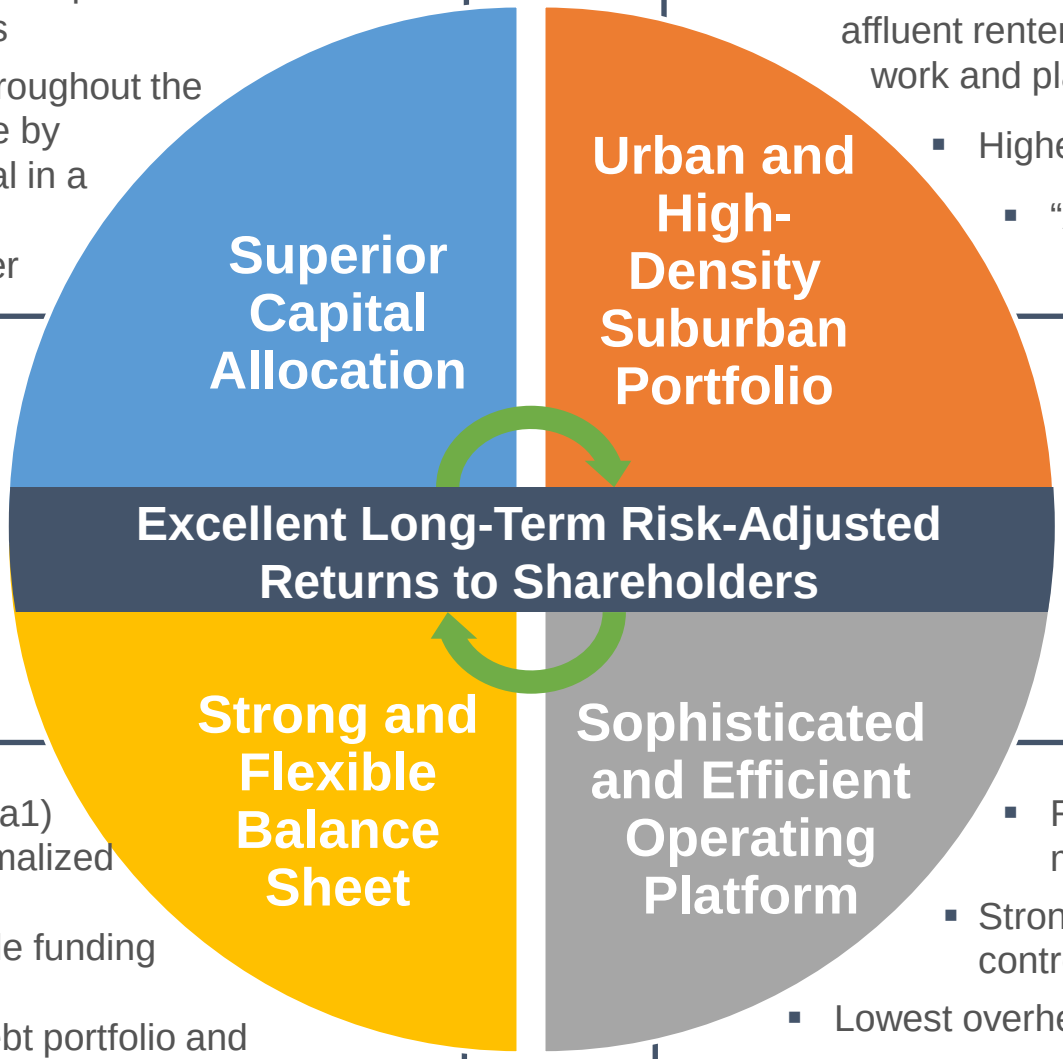
- 4 of our new developments since 2011 have received NAHB NGBS certification

The Equity Difference: Long-Term Outperformance

Equity Residential

- Buy, build and sell apartments at opportune times
- Create value throughout the real estate cycle by allocating capital in a superior risk-adjusted manner

- Coastal markets where today's affluent renter wants to live, work and play
  - Highest Walk Scores
  - "A" and "B" quality assets



- Strong credit ratings (A-/A-/Baa1)
- Low debt to Normalized EBITDA of 5.66x
- Access to multiple funding sources
- Long duration debt portfolio and staggered maturity schedule

- Revenue maximization
- Strong expense controls
- Lowest overhead

Additional Notes to Presentation

Forward-Looking Statements

In addition to historical information, this presentation contains forward-looking statements and information within the meaning of the federal securities laws. These statements are based on current expectations, estimates, projections and assumptions made by management. While Equity Residential's management believes the assumptions underlying its forward-looking statements are reasonable, such information is inherently subject to uncertainties and may involve certain risks, including, without limitation, changes in general market conditions, including the rate of job growth and cost of labor and construction material, the level of new multifamily construction and development, competition and local government regulation. Other risks and uncertainties are described under the heading "Risk Factors" in our Annual Report on Form 10-K and subsequent periodic reports filed with the Securities and Exchange Commission (SEC) and available on our website, www.equityapartments.com. Many of these uncertainties and risks are difficult to predict and beyond management's control. Forward-looking statements are not guarantees of future performance, results or events. Equity Residential assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Page	Note
Various	Note: Please reference the Company's "First Quarter 2017 Earnings Release and Supplemental Financial Information" from April 26, 2017, including "Additional Reconciliations and Definitions of Non-GAAP Financial Measures and Other Terms" for terms such as Earnings Per Share ("EPS"), Funds From Operations ("FFO"), Normalized Funds From Operations ("Normalized FFO") and Net Operating Income ("NOI").
8	**Condo Business** value creation of $176M reflects division FFO (gain on sale from condo unit conversions net of conversion costs, overhead, litigation and other expenses) for years of operation.
9	**Macklowe Portfolio** consists of River Tower, 777 Sixth Avenue Apartments and Longacre House Apartments (910 units) purchased in 2010 in New York City. Value creation of $496M is based on the Net Gain on Sale of Real Estate Property realized for River Tower and EQR's 2016 NAV less purchase price for 777 Sixth Avenue Apartments and Longacre House Apartments.
9	**Acquisition of Broken Condo/Distressed Assets** consists of two assets (1,238 units) purchased in 2010 in Washington, D.C. and San Diego. Value creation of $241M is based on EQR's 2016 NAV less the purchase price of the two assets.
9	**Archstone Acquisition** was completed in 2013 and included 76 properties (21,781). Per unit purchase price and 2016 value per unit based on units owned by the Company as of September 2016.
9	**River Tower**, a 323-unit property in New York City, was acquired as part of the Macklowe Portfolio for approximately $218M in 2010. The asset was sold for $390M in 2016 generating a Net Gain on Sale of Real Estate Property of $185M.
9	**Woodland Park**, a 1,811 unit property in East Palo Alto, California was acquired for $130M in 2011. The asset was sold for approximately $413M in 2016 generating a Net Gain on Sale of Real Estate Property of $289M.
9	**Starwood Portfolio Sale And Other 2016 Dispositions** reflect total sales year to date through December 31, 2016.
9	**Paid Special Dividends of $4.2B or $11/share** include approximately $3.1B ($8 per share/unit) paid on March 10, 2016 and approximately $1.1B ($3 per share/unit) paid on October 14, 2016.
11	**Development activity from 2005-2015** includes assets constructed by the Company during the period presented. Total Development Cost figures have not been reduced by impairments. Stabilized asset values based on the EQR's 2016 NAV. Value for projects that are not yet stabilized in 2016 computed as completed value less remaining construction costs.

Equity Residential
Non-GAAP Financial Measures - Reconciliations of Comparable Normalized Funds From Operations
(All per share data is diluted)
(Unaudited)

	Actual 2014 Per Share	Actual 2015 Per Share	Actual 2016 Per Share	Expected 2017 Per Share*
EPS - Diluted	$ 1.73	$ 2.36	$ 11.68	$ 1.97
Add: Depreciation expense	2.00	2.00	1.83	1.93
Less: Net gain on sales	(0.58)	(0.88)	(10.57)	(0.84)
FFO per share - Diluted	3.15	3.48	2.94	3.06
Asset impairment and valuation allowances	-	-	-	-
Property acquisition costs and write-off of pursuit costs	0.02	(0.03)	0.02	0.01
Debt extinguishment (gains) losses, including prepayment penalties, preferred share redemptions and non-cash convertible debt discounts	-	0.01	0.31	0.03
(Gains) losses on sales of non-operating assets, net of income and other tax expense (benefit)	-	(0.01)	(0.19)	-
Other miscellaneous items	-	0.01	0.01	-
Normalized FFO per share - Diluted	3.17	3.46	3.09	3.10
Starwood disposition NOI	(0.74)	(0.79)	(0.05)	-
All Other 2016 dispositions NOI	(0.17)	(0.18)	(0.07)	-
Joint Base Lewis McChord disposition - fee & asset management income	(0.02)	(0.02)	(0.01)	-
Interest expense	0.27	0.27	0.03	-
Amortization of deferred financing costs	-	-	-	-
Other	0.03	0.03	0.01	-
Comparable Normalized FFO per share - Diluted	$ 2.54	$ 2.77	$ 3.00	$ 3.10

Note: Please reference the Company's "Fourth Quarter 2016 Earnings Release and Supplemental Financial Information" from January 31, 2017, including "Additional Reconciliations and Definitions of Non-GAAP Financial Measures and Other Terms" for terms such as Earnings Per Share ("EPS"), Funds From Operations ("FFO"), Normalized Funds From Operations ("Normalized FFO") and Net Operating Income ("NOI").

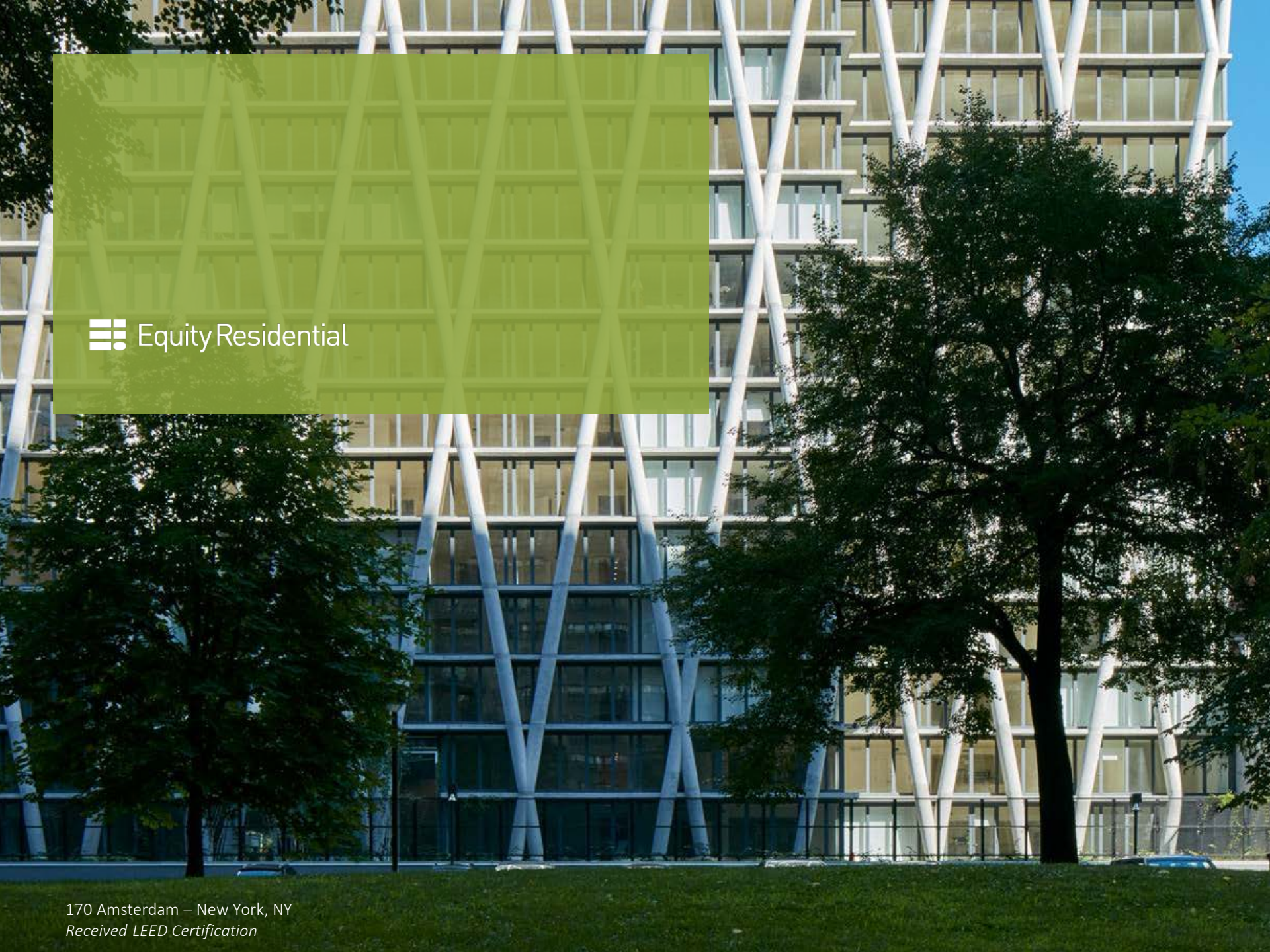
***** Expected 2017 per share results represent the midpoint of the Company's 2017 guidance ranges.

Comparable Normalized FFO - Comparable Normalized FFO begins with Normalized FFO and excludes the following for all periods presented (i.e. reflects the following as if the transactions all occurred on December 31, 2013):

- NOI from all properties sold in the Starwood transaction in January 2016 and NOI from all other operating properties sold during 2016;
- fee and asset management income related to Joint Base Lewis McChord, which the Company sold its entire interest in the management contracts and related rights, in April 2016;
- the impact of interest expense relating to proceeds used from the Starwood disposition to pay down debt and the impact of amortization of deferred financing costs related to those debt payoffs; and
- other miscellaneous items.

Expected Comparable Normalized FFO per share is calculated on a basis consistent with actual Comparable Normalized FFO per share and is considered an appropriate supplemental measure of expected operating performance when compared to expected EPS.

The Company believes that Comparable Normalized FFO is helpful to investors as a supplemental measure of the operating performance of the Company because it allows investors to compare the Company's operating performance to its performance in prior reporting periods and to the operating performance of the Company without the effect of the Company's 2016 asset sale program that by its nature is not comparable from period to period and tends to obscure the Company's actual operating results.



170 Amsterdam – New York, NY
Received LEED Certification