Equity Residential

Investor Update

March 2018

Equity Residential Named a Sector Leader in ESG by GRESB for Fourth Consecutive Year and Received NAREIT's 2017 Residential Leader in the Light Award



455 Eye Street – Washington, DC

Executive Summary

Equity Residential

- We continue to experience strong and consistent demand for apartment living across our urban and high density suburban portfolio. Our occupancy is currently 96%.
- In 2017, we delivered growth in same store revenue, net operating income and Normalized FFO at the upper end of our original expectations. This growth was driven by a relentless focus on our residents' experience resulting in an 11% increase in our Customer Loyalty Scores, the lowest resident turnover in our Company's history and a 4.6% increase in renewal rents.
- In 2018, the Company expects a continued moderation in revenue growth due to elevated levels of supply.
- We produce over $200 million in free cash flow annually. Our strong cash flow growth over the past several years is driving a planned annualized increase of 7.2% in our common share dividend.
- With high demand for our rental communities and an expected reduction in supply in 2019, we are well positioned for future growth.

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Who We Are and How We Create Long-Term Value



View from Helios – Seattle, WA

Equity Residential

Equity Residential

305
Properties
78,611
Apartment Units

10.7%
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 U.S. Coastal Gateway Cities

Highest Walk Scores in the Sector

S&P 500 Company

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

Approximately **$2.5 Billion** in Annual Revenue

Sold $7.7 Billion
of Apartment Properties Producing Unlevered IRR of 12% over the Last Three Years

3.0% 10-Year Same Store Revenue CAGR*

1.9% 10-Year Same Store Expense CAGR*

3.6% 10-Year Same Store NOI CAGR*

3.6% Average 10-Year Dividend Yield

$33.3 Billion
Total Market Capitalization

One of the Strongest Balance Sheets in the REIT Sector
A-/A3/A Rated

* As of 12/31/17

Managing our Business in the Current Environment

Equity Residential

Investment Strategy

- Manage portfolio to maximize long-term total returns by recycling capital from lower growth assets into assets providing higher growth.
- Since the beginning of 2015, sold more than 32,000 apartment units for approximately $7.7B generating an unlevered IRR of 12% and returned $4.2B to shareholders in special dividends.
- Currently have more than $500M under development and plan to start a $410M project in Boston this year.
- Continue to invest $60M per year in kitchen and bath renovations which yield a return of 10-15%. Also investing in customer facing projects like lobbies and amenity spaces to better compete with new supply.
- Invest approximately $20M in various sustainability initiatives including lighting retrofits, solar and water conservation at yields of more than 20%.

Operations Strategy

- Manage our 72,982 unit same store portfolio to maximize revenue by balancing occupancy and rental rate. We are currently 96.0% occupied and expect to produce same store revenue growth of approximately $40M, or 1.6%, in 2018.
- Continued focus on resident retention which led to strong renewal increases and the lowest turnover in our history in 2017, despite elevated new supply.
- Lease and stabilize the more than $1.6B of assets currently under development and in lease-up at yields very favorable to market cap rates. Expect lease-up NOI of approximately $71M in 2018. Lease-ups are absorbing units ahead of expectations at very good rental rates.

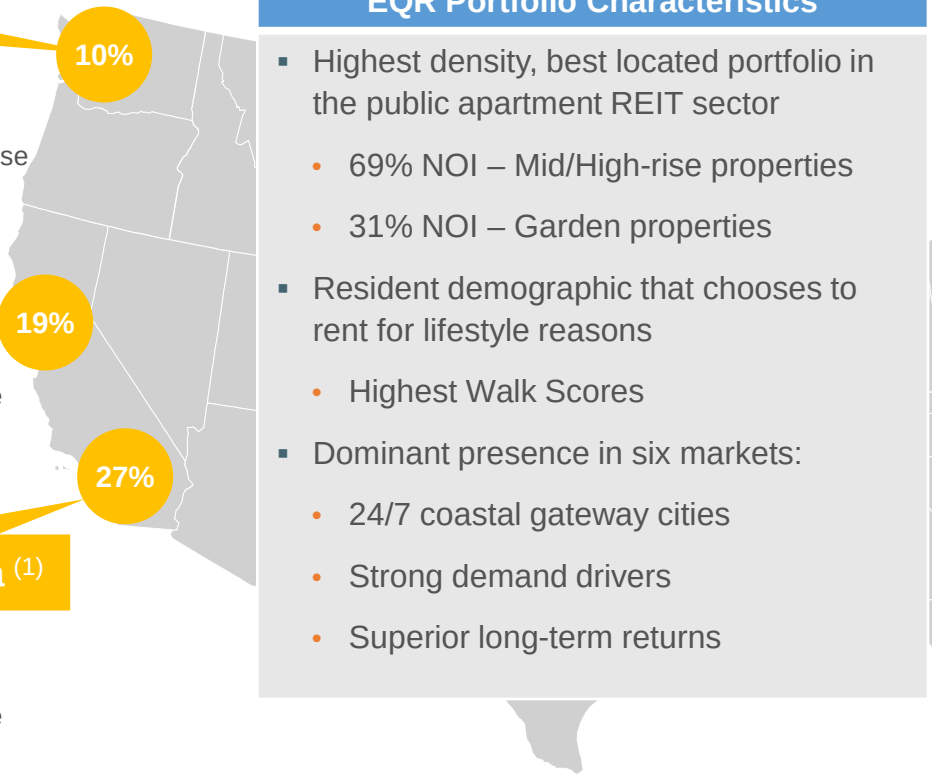
Balance Sheet Strategy

- Maintain strong and flexible balance sheet characterized by low leverage – currently 5.6x Net Debt to Normalized EBITDA - and excellent liquidity including current capacity under our revolving line of credit and commercial paper program of $1.7B.
- Recent upgrades by Moody's and Fitch brought our senior unsecured debt ratings to A- / A3 / A by S&P, Moody's and Fitch, respectively.
- Take advantage of positive near-term arbitrage opportunities by locking in historically low interest rates and extending weighted average maturity from 6 years in 2013 to over 9 years today.
- Prepaid $550M in 6.08% secured debt due in 2020 with proceeds from a new $500M 3.50% 10-year unsecured bond in February 2018. As a reflection of our strong credit, this issuance had the lowest credit spread for any REIT benchmark offering in history. Have additional opportunities to prepay approximately $1B of 5.50% debt prior to maturities in 2019 and 2020.
- Maintain large, diversified unencumbered asset base.

Equity Residential Portfolio 2018

Equity Residential

EQR's portfolio is focused in the coastal gateway markets



Seattle

10%

41 Properties
8,460 Units
82% NOI - Mid/High-rise
18% NOI - Garden

San Francisco

19%

54 Properties
12,961 Units
49% NOI - Mid/High-rise
51% NOI - Garden

Southern California (1)

27%

96 Properties
23,573 Units
43% NOI - Mid/High-rise
57% NOI - Garden

EQR Portfolio Characteristics

- Highest density, best located portfolio in the public apartment REIT sector
  - 69% NOI – Mid/High-rise properties
  - 31% NOI – Garden properties
- Resident demographic that chooses to rent for lifestyle reasons
  - Highest Walk Scores
- Dominant presence in six markets:
  - 24/7 coastal gateway cities
  - Strong demand drivers
  - Superior long-term returns

Boston

10%

24 Properties
6,263 Units
87% NOI - Mid/High-rise
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New York

17%

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Washington, D.C.

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Note: As of 12/31/17

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

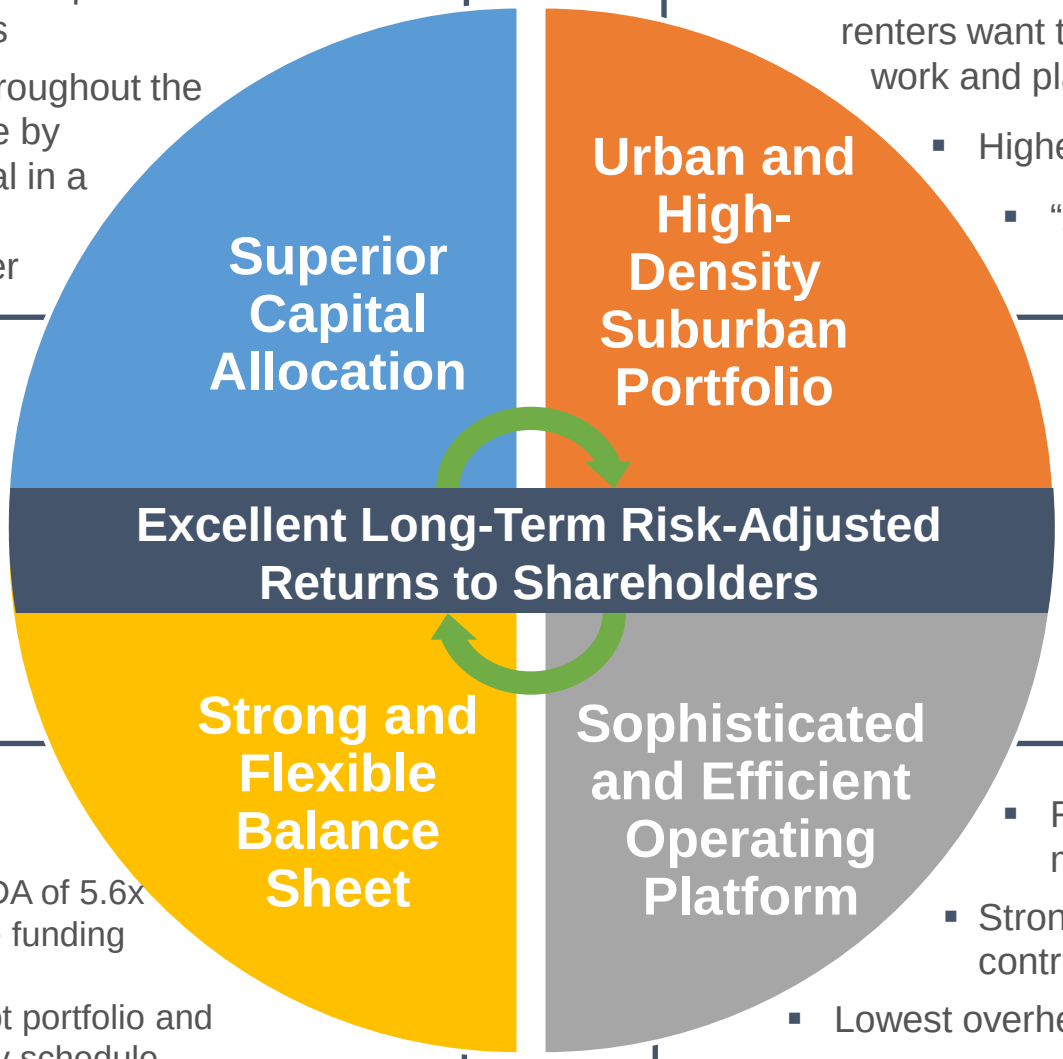
Represents percentage of Stabilized NOI

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 renters want to live, work and play
  - Highest Walk Scores
  - "A" and "B" quality assets

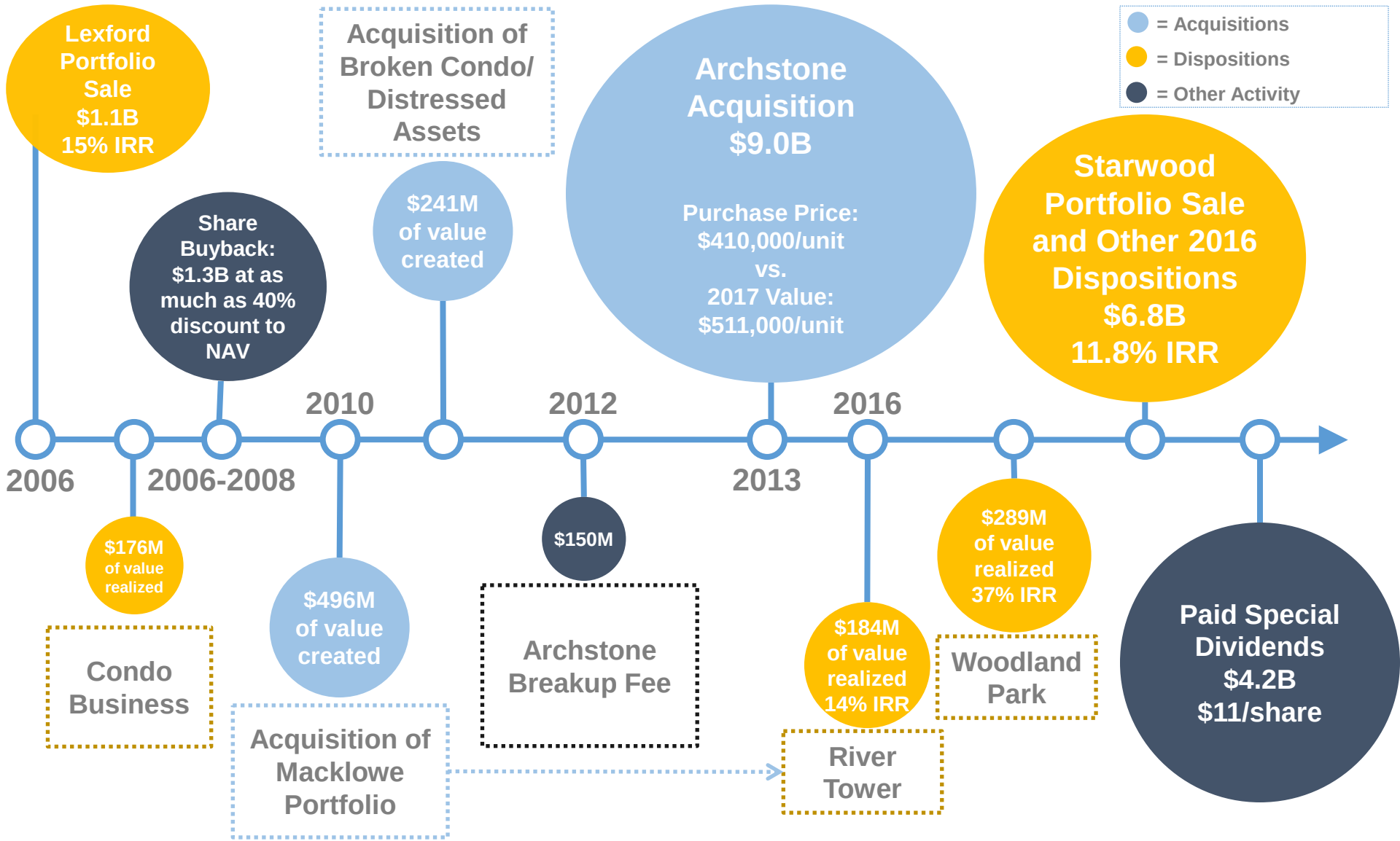


- Strong credit ratings (A-/A3/A)
- Low net debt to Normalized EBITDA of 5.6x
- Access to multiple funding sources
- Long duration debt portfolio and staggered maturity schedule

- 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

Equity Residential



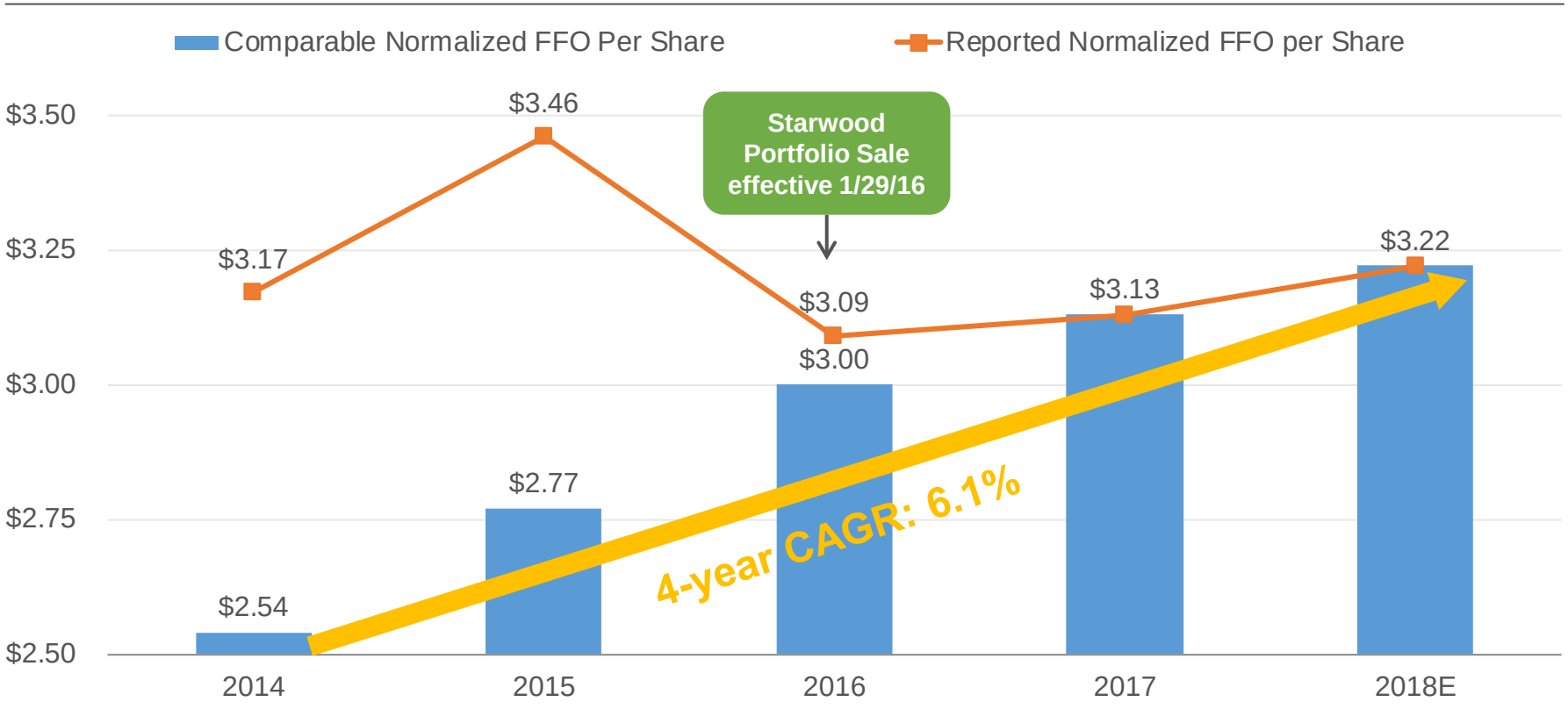
Note: All IRRs calculated on an unleveraged basis
See additional notes to presentation

2014-2018 Comparable Normalized FFO Per Share

Equity Residential

EQR's core business is expected to grow at a 6.1% CAGR between 2014-2018. This is not reflected in EQR's reported Normalized FFO due to the "reset" associated with the Company's 2016 asset sale program.

2014-2018 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) 2018E Normalized FFO per Share represents the midpoint of the Company's 2018 Normalized FFO guidance range.
(3) See pages 66 through 67 for definitions and reconciliations.

Trending Issues

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Supply in Our Markets

- Revenue growth in 2018 will be impacted by elevated supply in our markets.
- We expect new supply to decrease across most of our markets in 2019, most notably New York and Los Angeles.

Job and Household Income Growth in Our Markets

- Research from Rosen Consulting projects job growth above the national average across our markets over the next five years.
- Rosen Consulting research projects household income growth of 5% to 6% in our markets over the next five years.

Move Outs to Buy Homes

- Only 12% of our move outs gave “Bought Home” as a reason in 2017, which is flat to 2016 and much lower than the approximately 23% of our residents who used to leave us to buy homes when our portfolio was focused in markets like Phoenix, Houston, Atlanta, Dallas and Orlando.
- Cost of homeownership in our markets remains prohibitive for many.

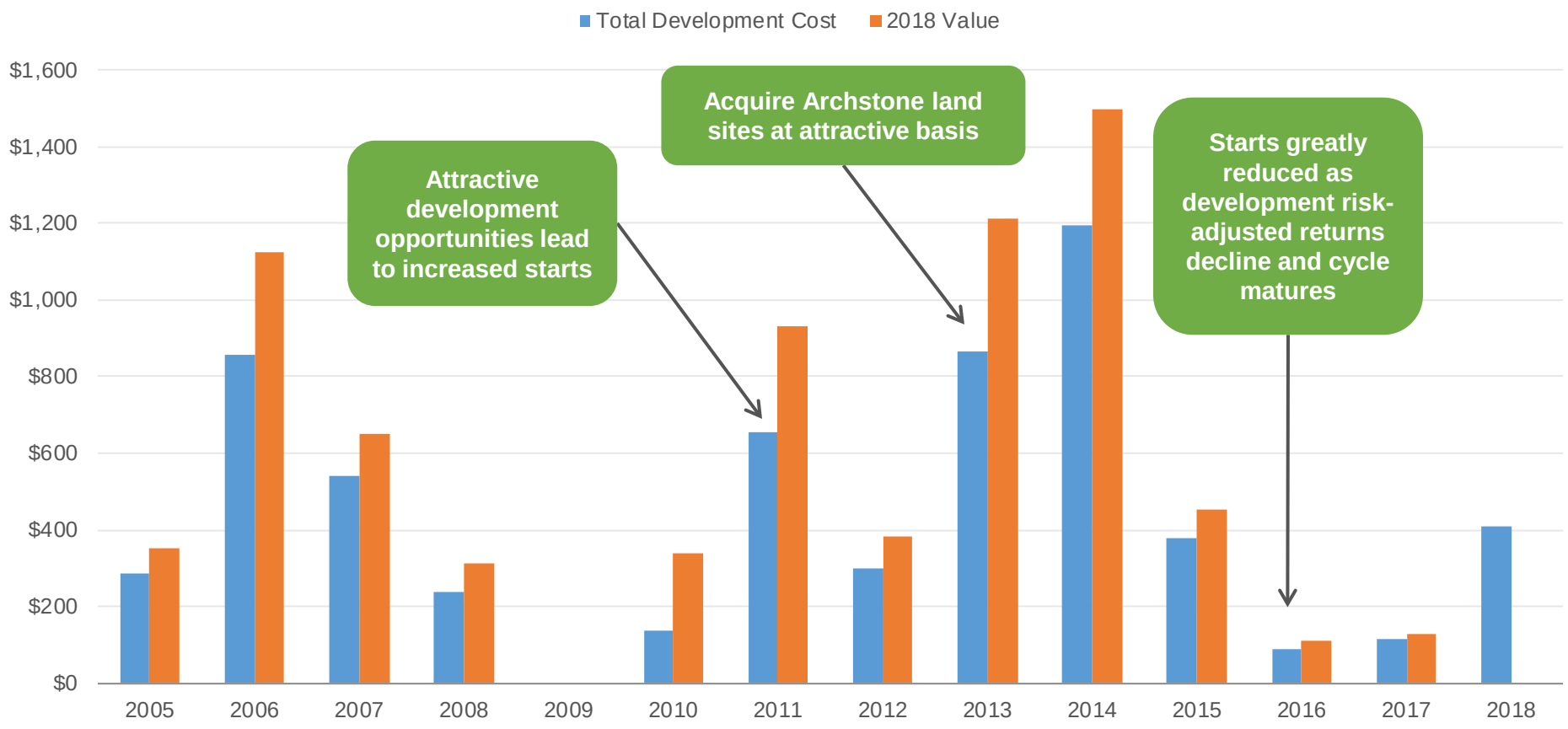
Income Tax Reform

- Our research indicates that the new tax law will be a net financial positive for our renters in New York and California and will also make home ownership marginally less attractive in those markets.
- Our average single resident will save about $2,000 in New York and California.
- Our average married resident will save about $3,500.

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

Equity Residential

Development Starts: Total Development Cost vs. 2018 Value ($M)

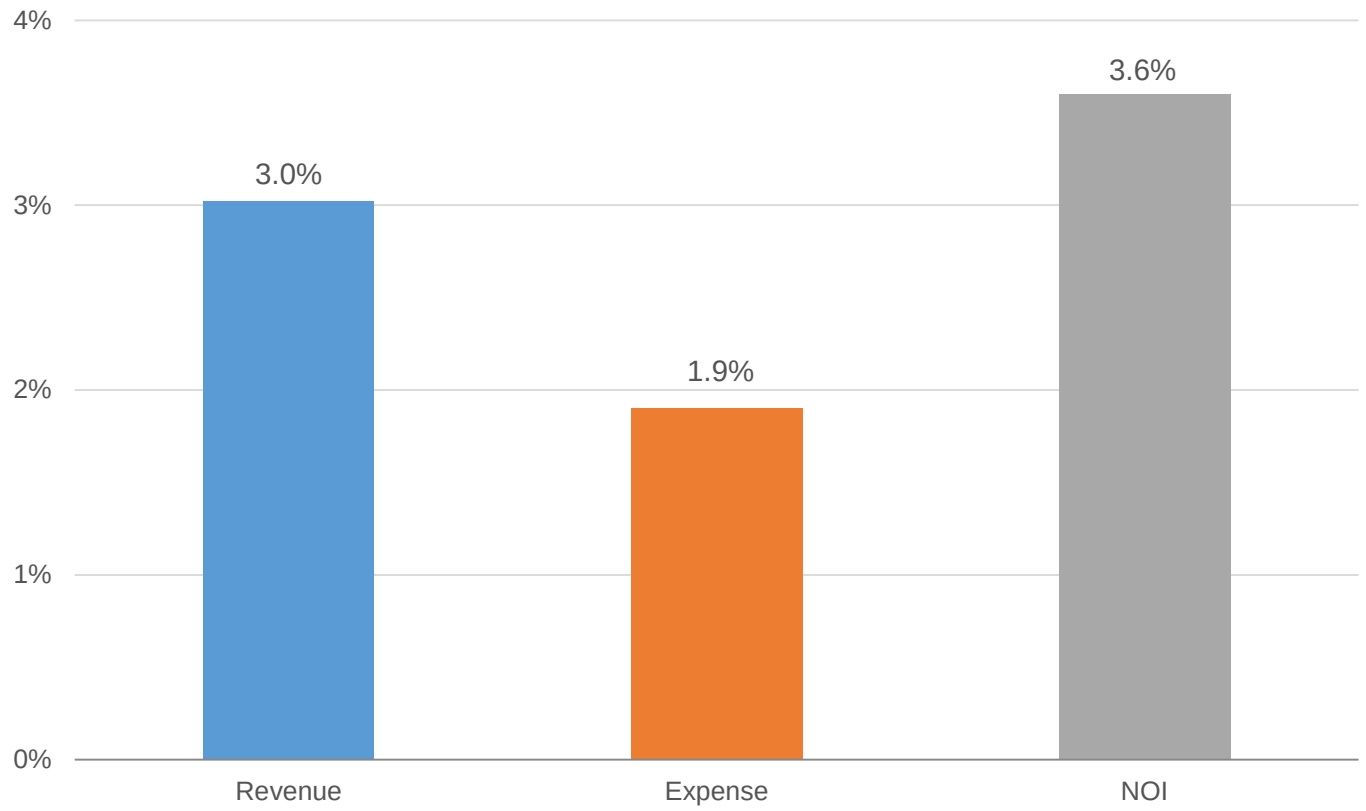


EQR development projects have created $1.9B of value during 2005-2017 for a 33% return on cost

EQR Has Strong Operating Results Over Time…

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EQR Same-Store Revenue, Expense and NOI CAGR (2007-2017)[(1)]

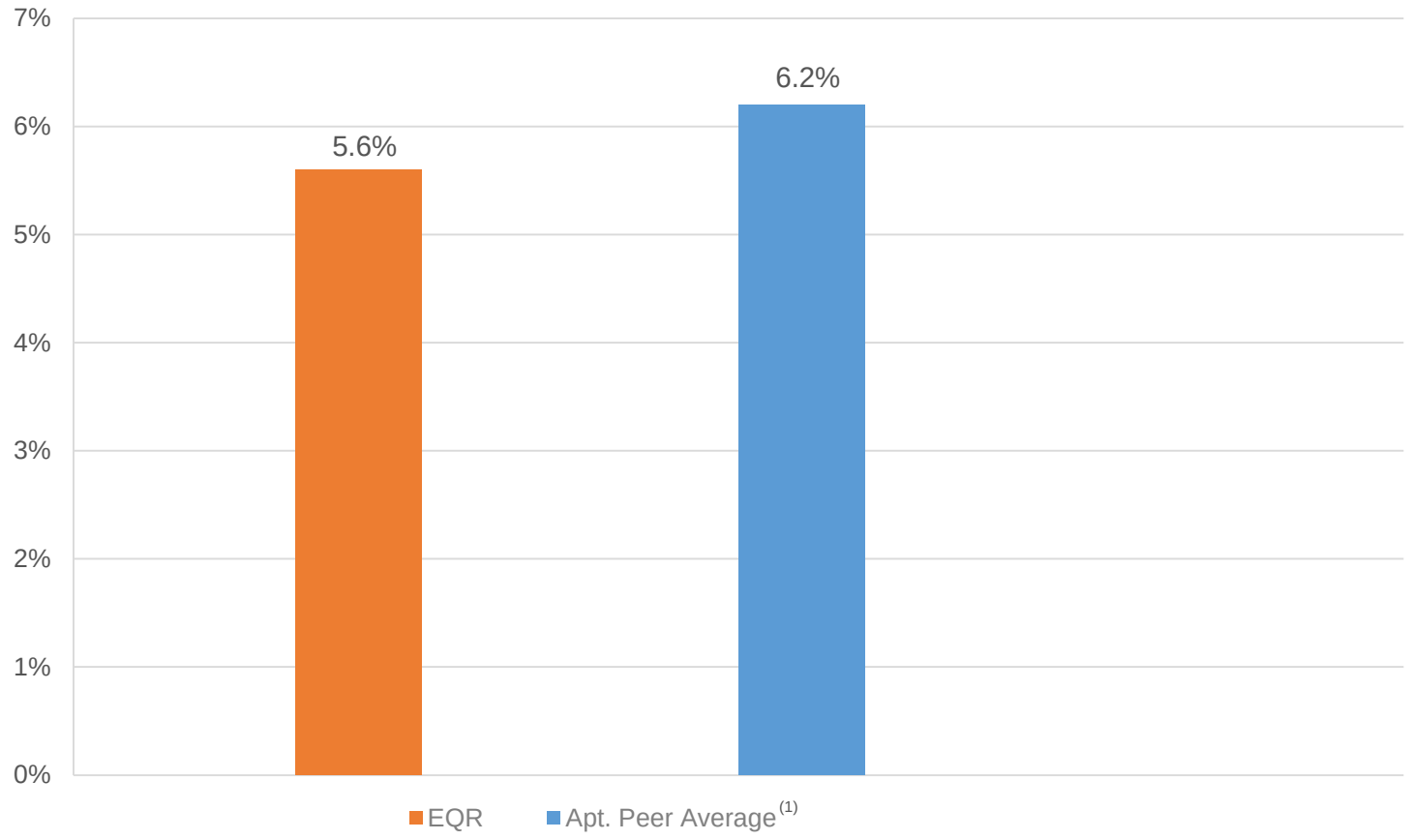


(1) Ten year period 1/1/08 to 12/31/17
Source: SNL Financial and Company filings.

...and Excellent Cost Controls

Equity Residential

Overhead as % of Total Revenue (2017)



(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

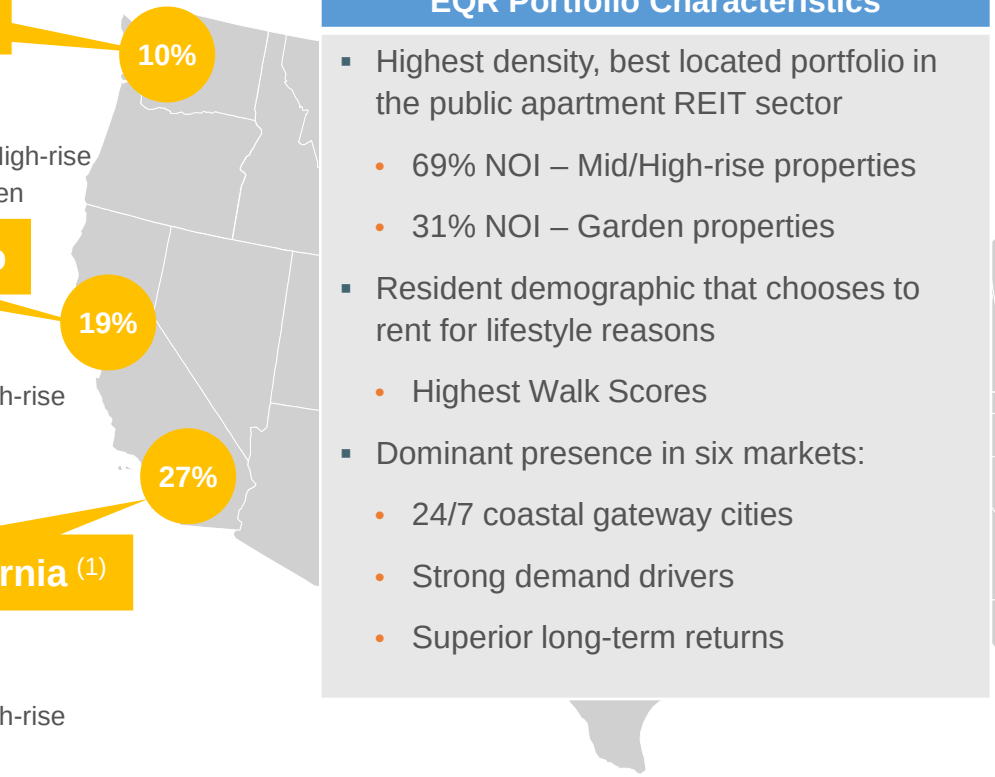


View from 70 Greene – Jersey City, NJ

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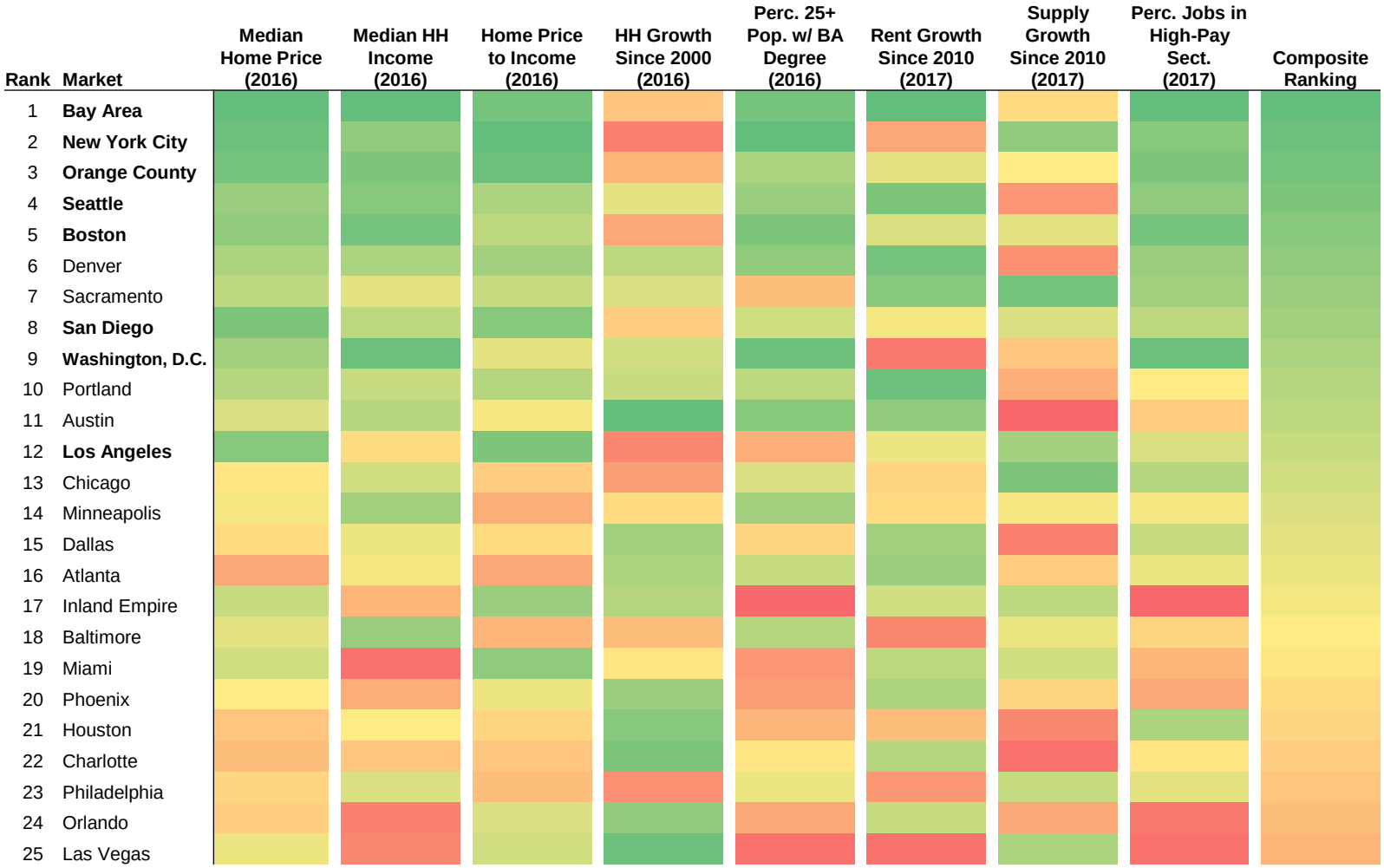
(1) Includes Los Angeles, San Diego and Orange County

Represents percentage of Stabilized NOI

EQR Market Selection Framework

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Largest 25 U.S. Markets by Population (EQR markets in bold)



Rank	Market	Median Home Price (2016)	Median HH Income (2016)	Home Price to Income (2016)	HH Growth Since 2000 (2016)	Perc. 25+ Pop. w/ BA Degree (2016)	Rent Growth Since 2010 (2017)	Supply Growth Since 2010 (2017)	Perc. Jobs in High-Pay Sect. (2017)	Composite Ranking
1	**Bay Area**									
2	**New York City**									
3	**Orange County**									
4	**Seattle**									
5	**Boston**									
6	Denver									
7	Sacramento									
8	**San Diego**									
9	**Washington, D.C.**									
10	Portland									
11	Austin									
12	**Los Angeles**									
13	Chicago									
14	Minneapolis									
15	Dallas									
16	Atlanta									
17	Inland Empire									
18	Baltimore									
19	Miami									
20	Phoenix									
21	Houston									
22	Charlotte									
23	Philadelphia									
24	Orlando									
25	Las Vegas									

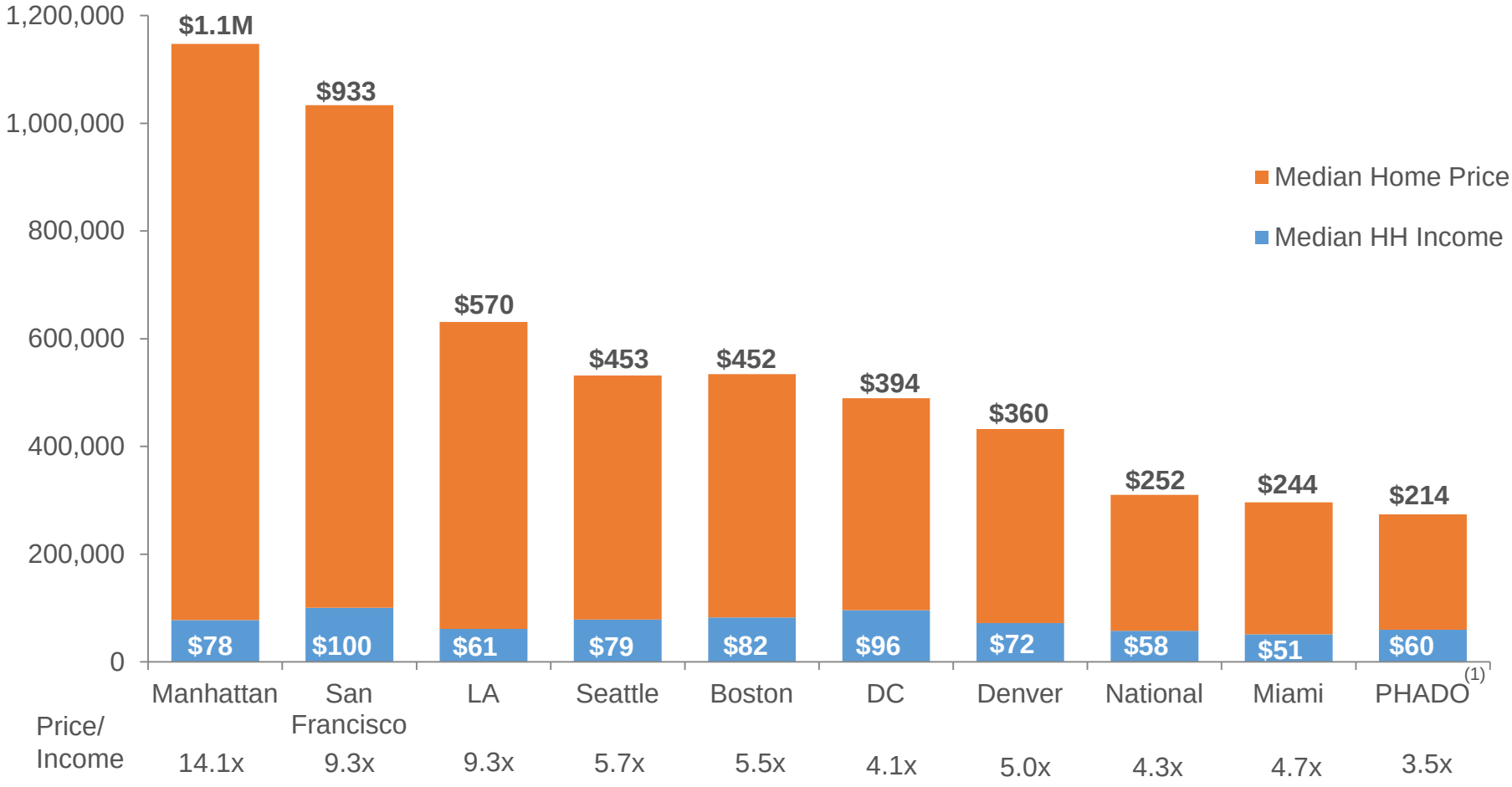
Source(s): U.S. Census, BLS, NAR, Moody's Analytics, Axiometrics
As of: Q1 2018

Note: EQR Markets in Bold. All markets are defined as MSAs, with the following exceptions. Los Angeles and Orange County are Metro Divisions. New York City uses Manhattan for Home Price, Median Income and Household Growth, and New York City for remaining metrics to most accurately represent EQR market. Bay Area Geographic Definition includes San Jose MSA and San Francisco MSA, the latter of which includes the East Bay Metro Division

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

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Median Household Income vs. Median Home Price

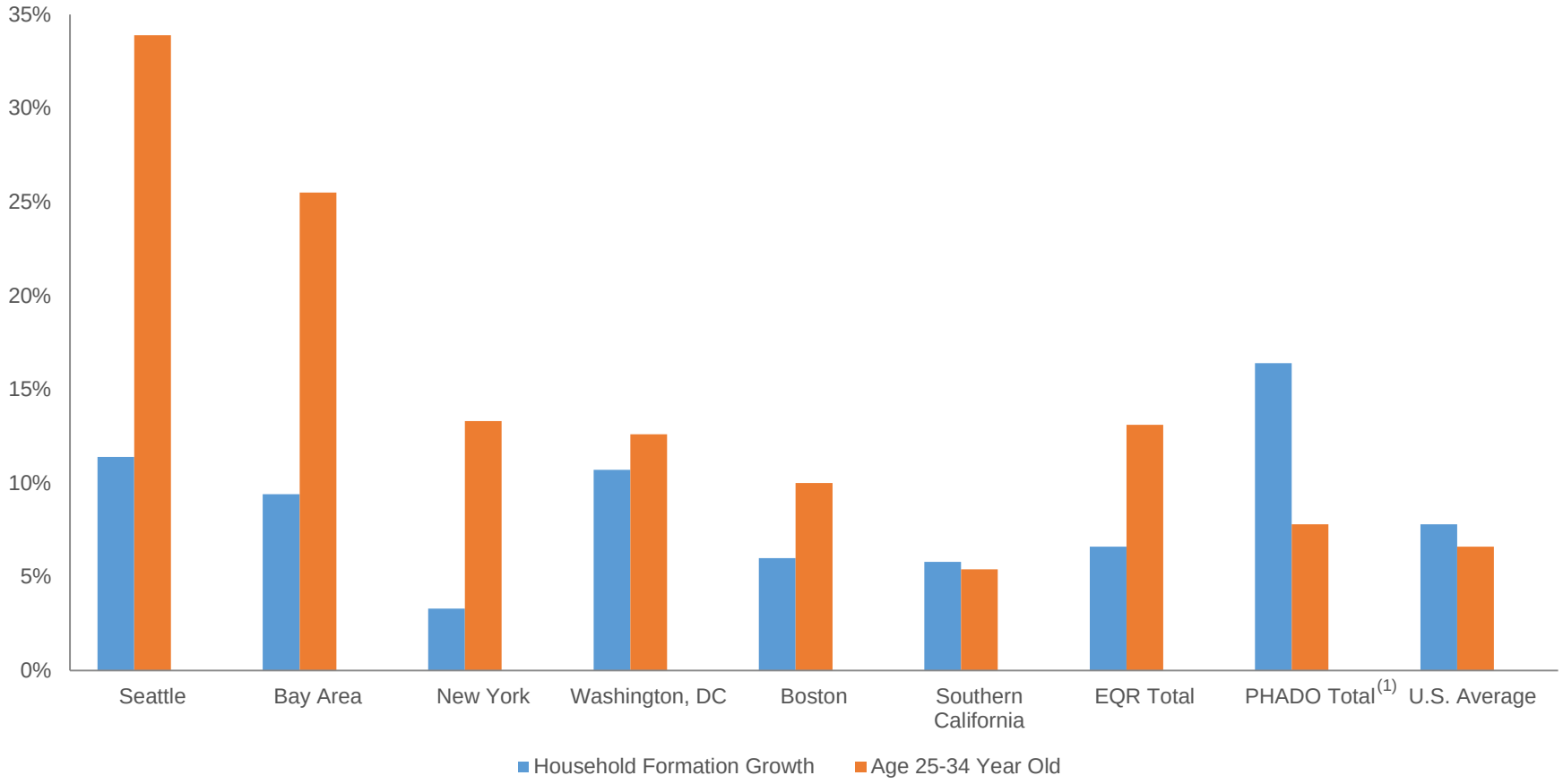


(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
Source: American Community Survey; CoreLogic; National Association of Realtors.
As of Q1 2018.

Strong Growth in Household Formations – Especially by Prime Renter Cohort

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Cumulative Growth in Household Formation (2009-2017)



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

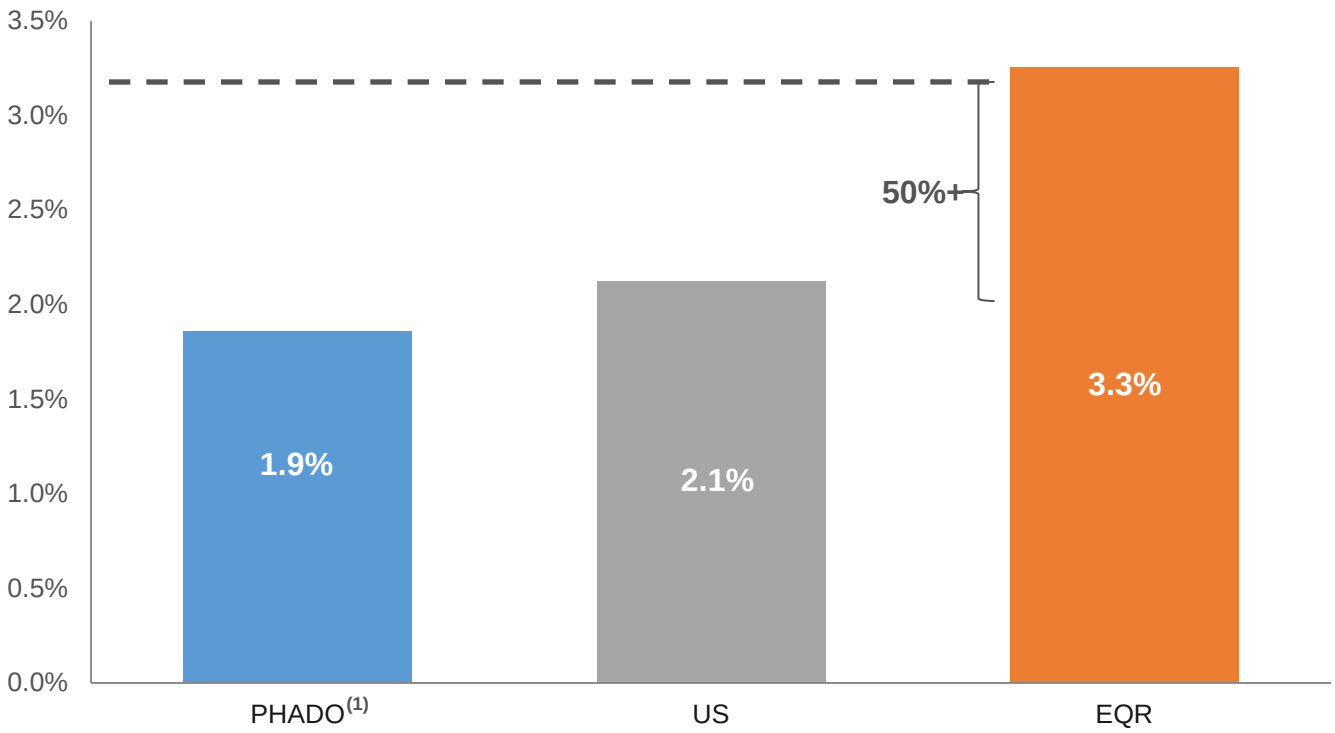
Note: U.S. average represents 75 major markets; 2017 data are RCG estimates

Source: Census, Rosen Consulting Group.

EQR Market Households Experience Significantly Higher Income Growth

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Annual Median Household Real Income Growth (2003-2016)

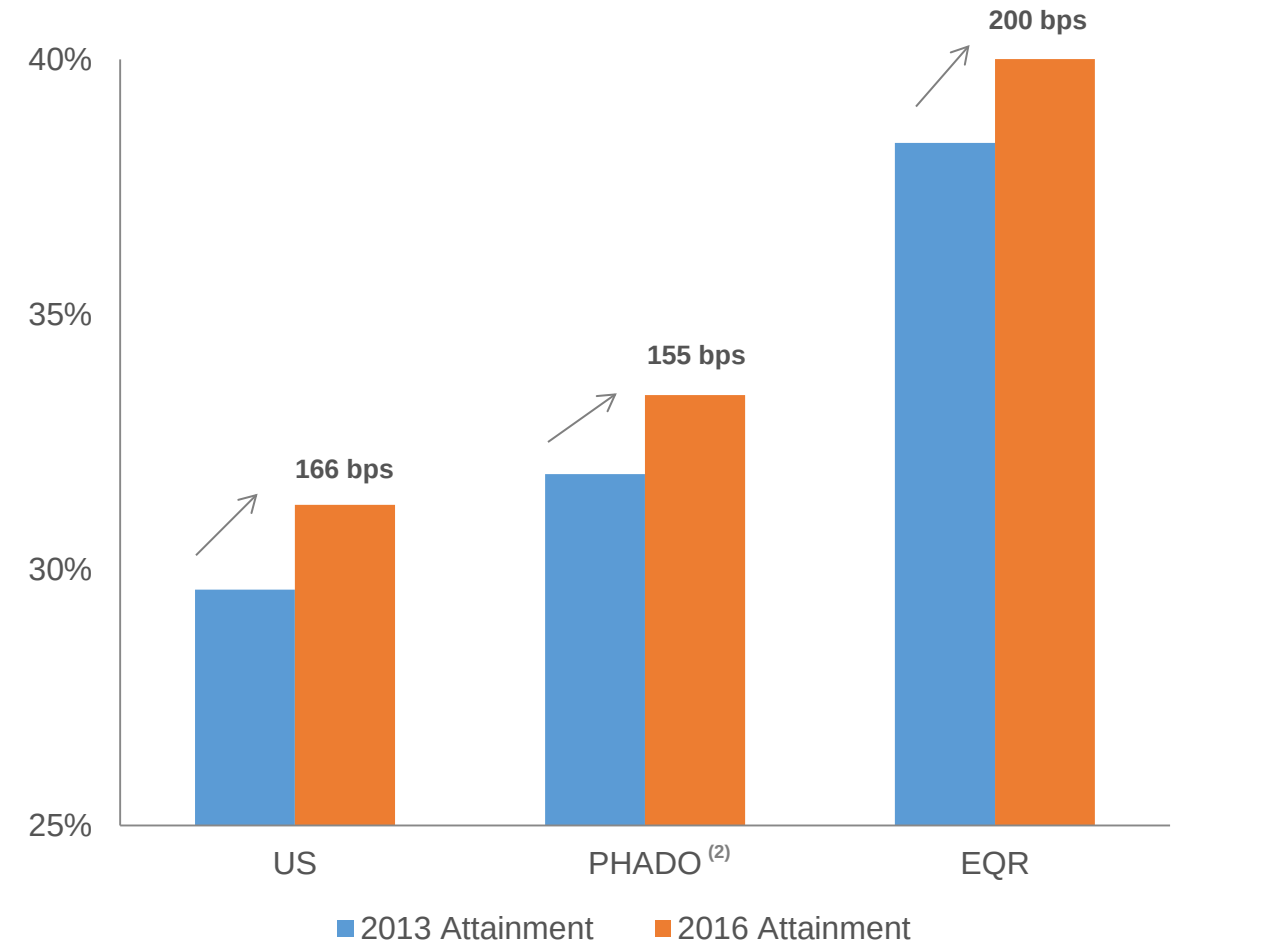


Note: Due to MSA geographic definition changes in 2010, EQR and PHADO MSA income growth estimates are based on growth rates of each respective MSA's most populous county
(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
Source: American Community Survey (2016)

Degreed Population is Higher in EQR Markets, and Growing Faster

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Attainment of BA Degree Or Higher (% Metro Population)(1)

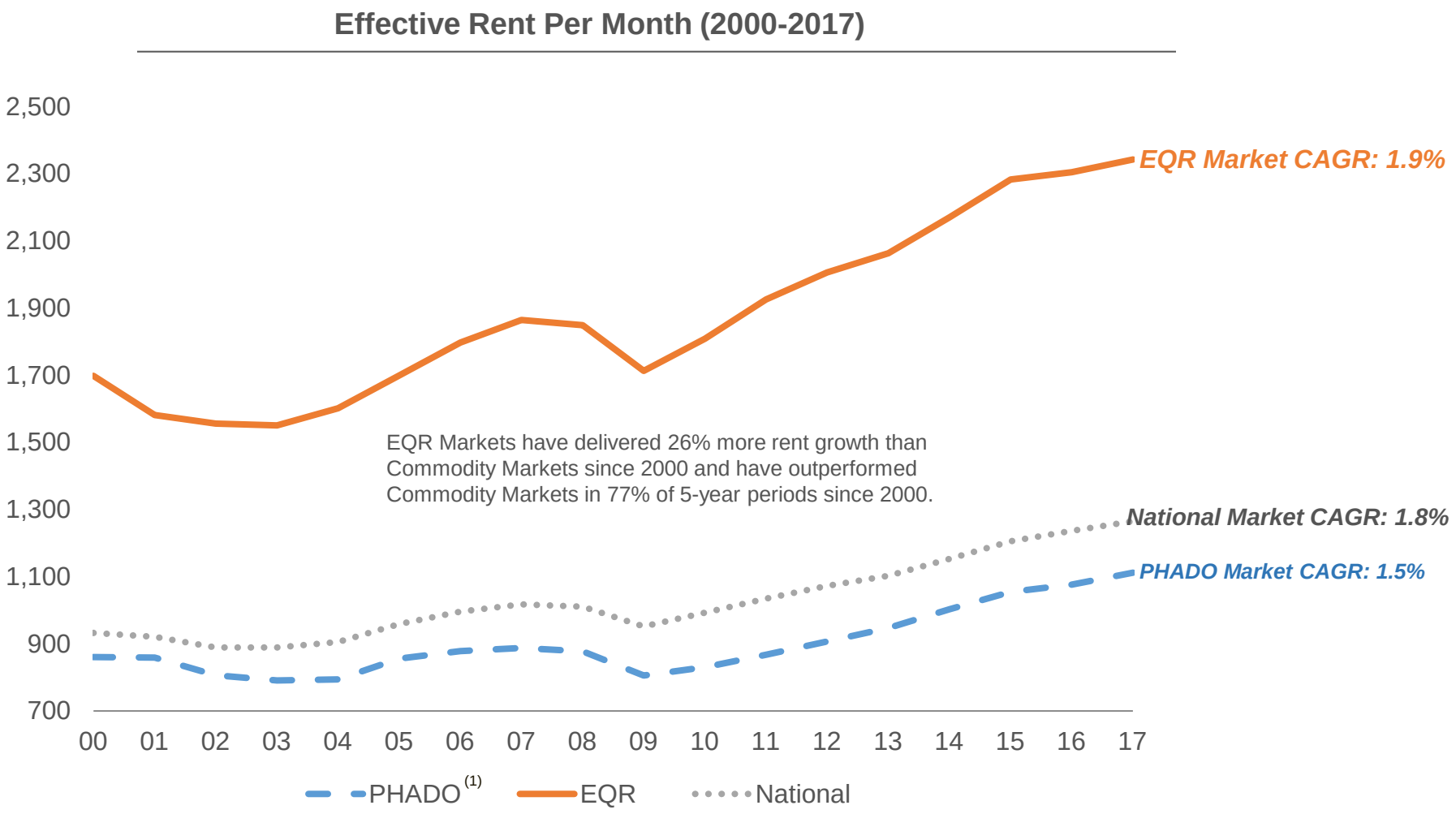


(1) Metro Population includes all persons over the age of 25
(2) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets

Source: American Community Survey (2016); Moody's Analytics (2017)

EQR Portfolio Is Consists of Markets With Strong Long-Term Rent Growth…

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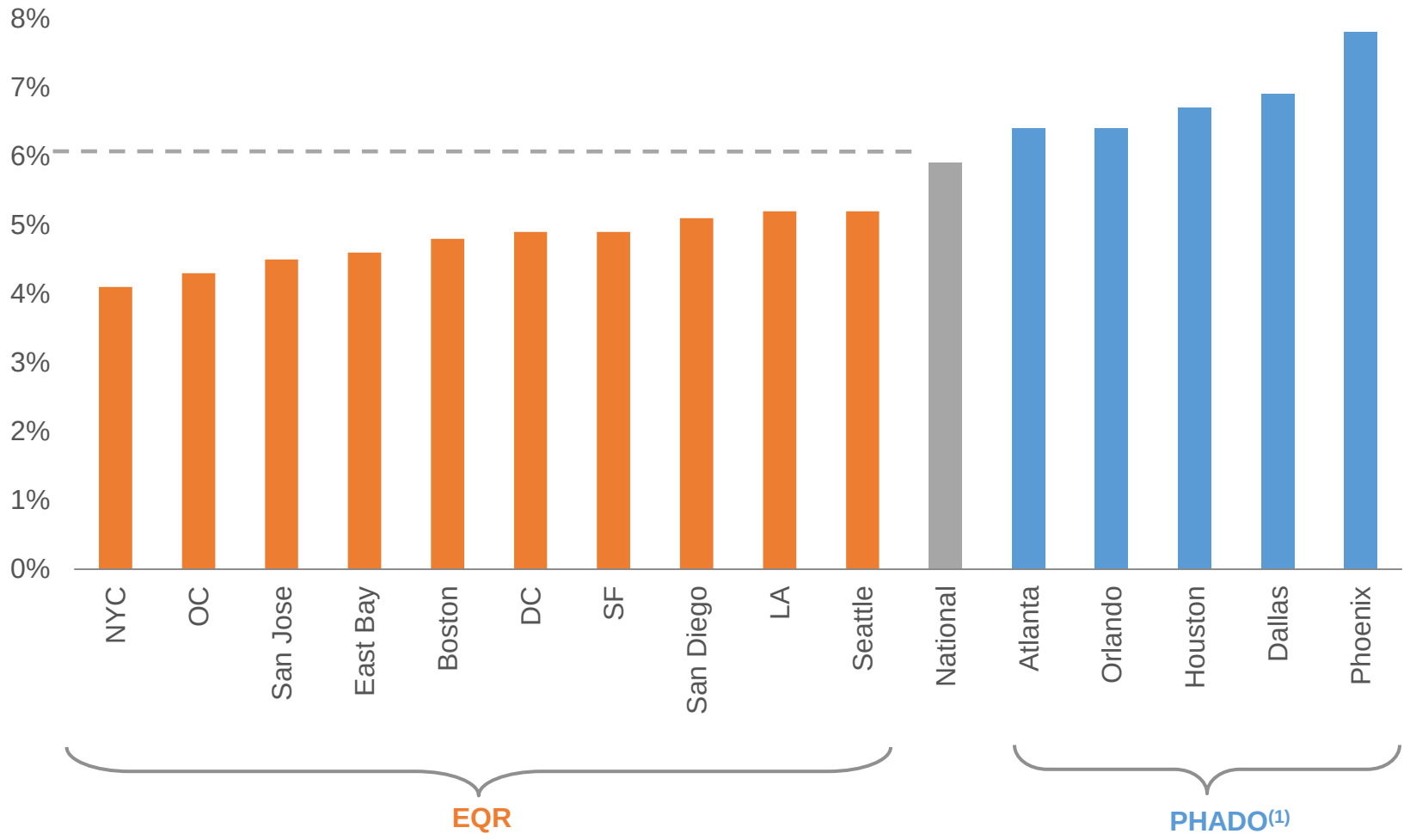
(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets

Source: Axiometrics

…Which Also Have The Lowest Long-Term Vacancy

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Average Vacancy (1998-2017)

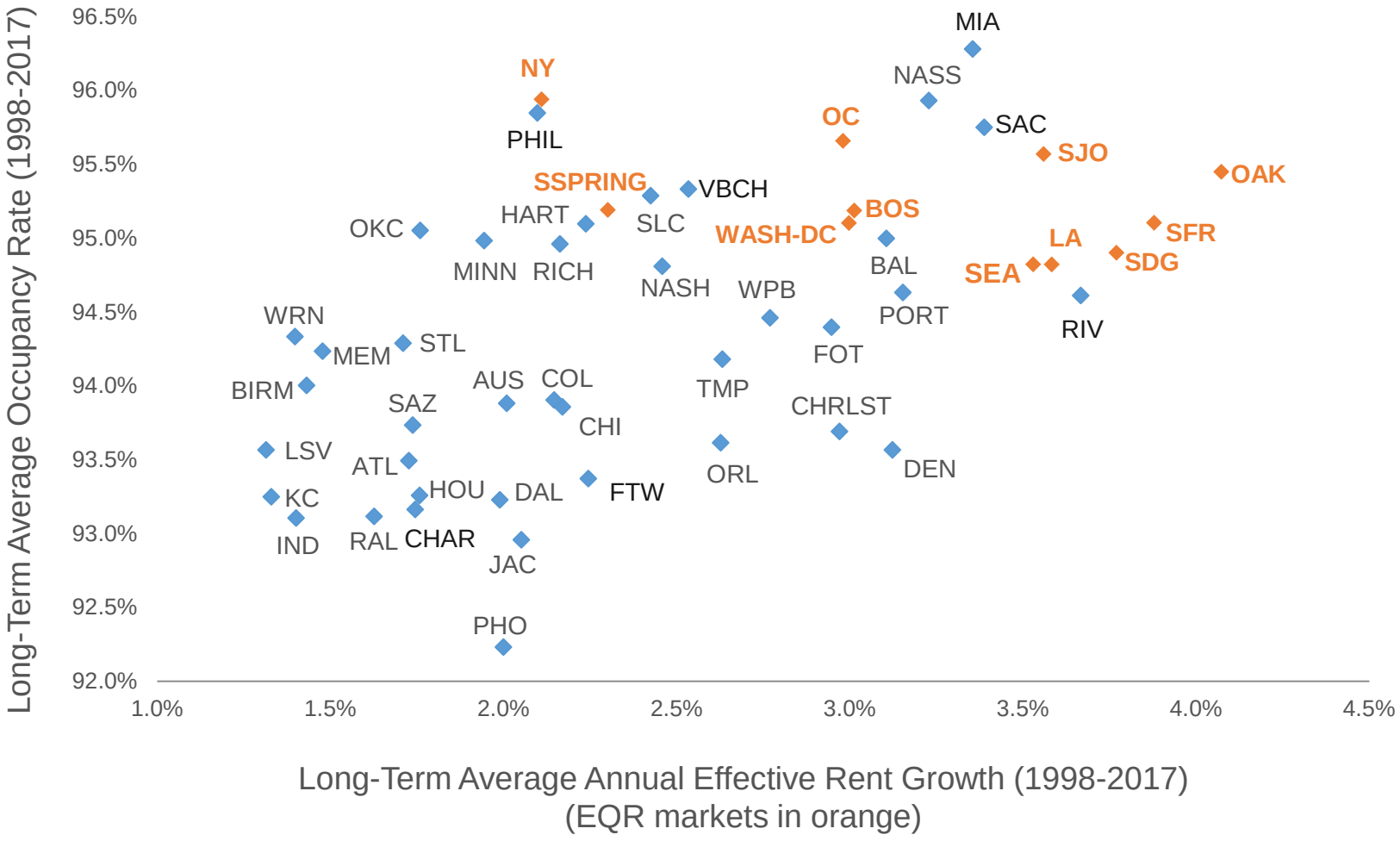


(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.

Source: Axiometrics

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

1998-2017

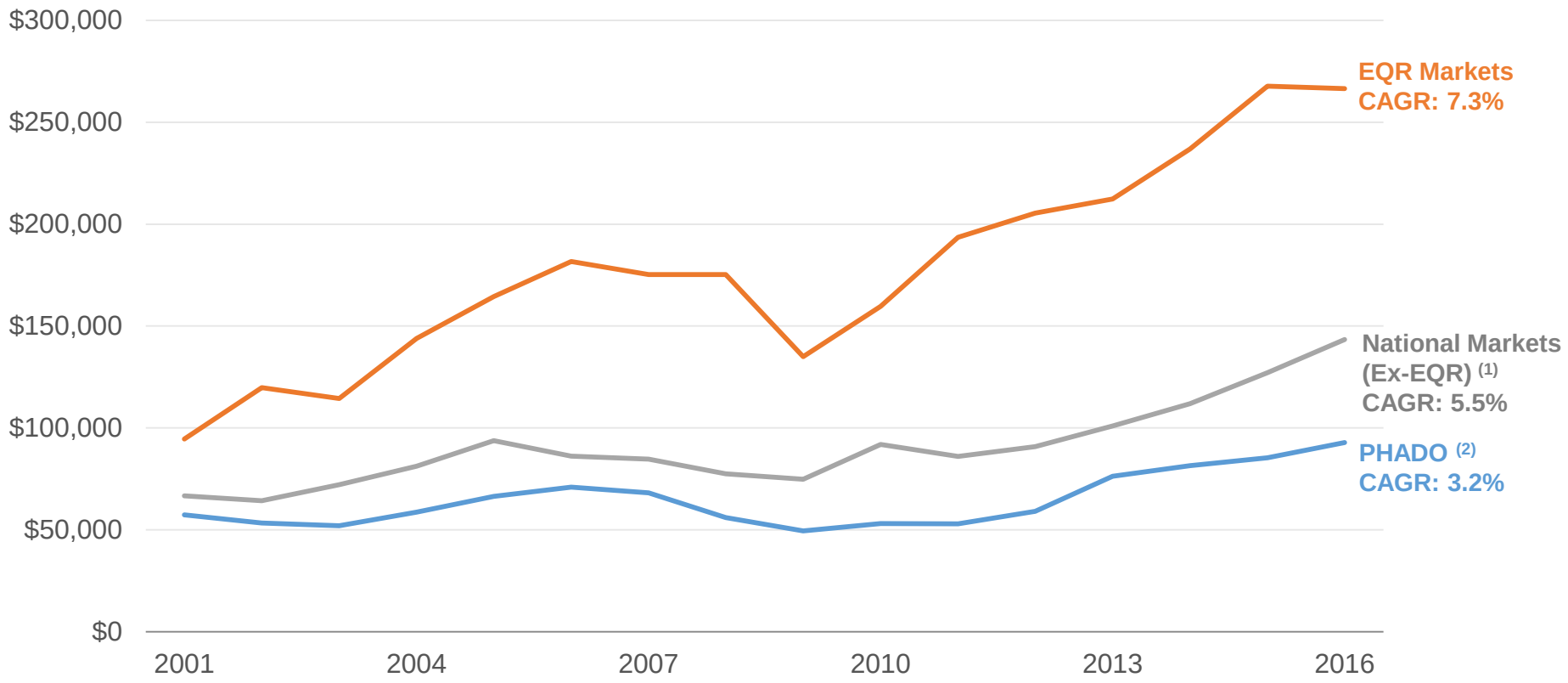


Note – Coverage starts in 1998-2000 for SANA, NY, SSPING, WRN
Source: Axiometrics

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

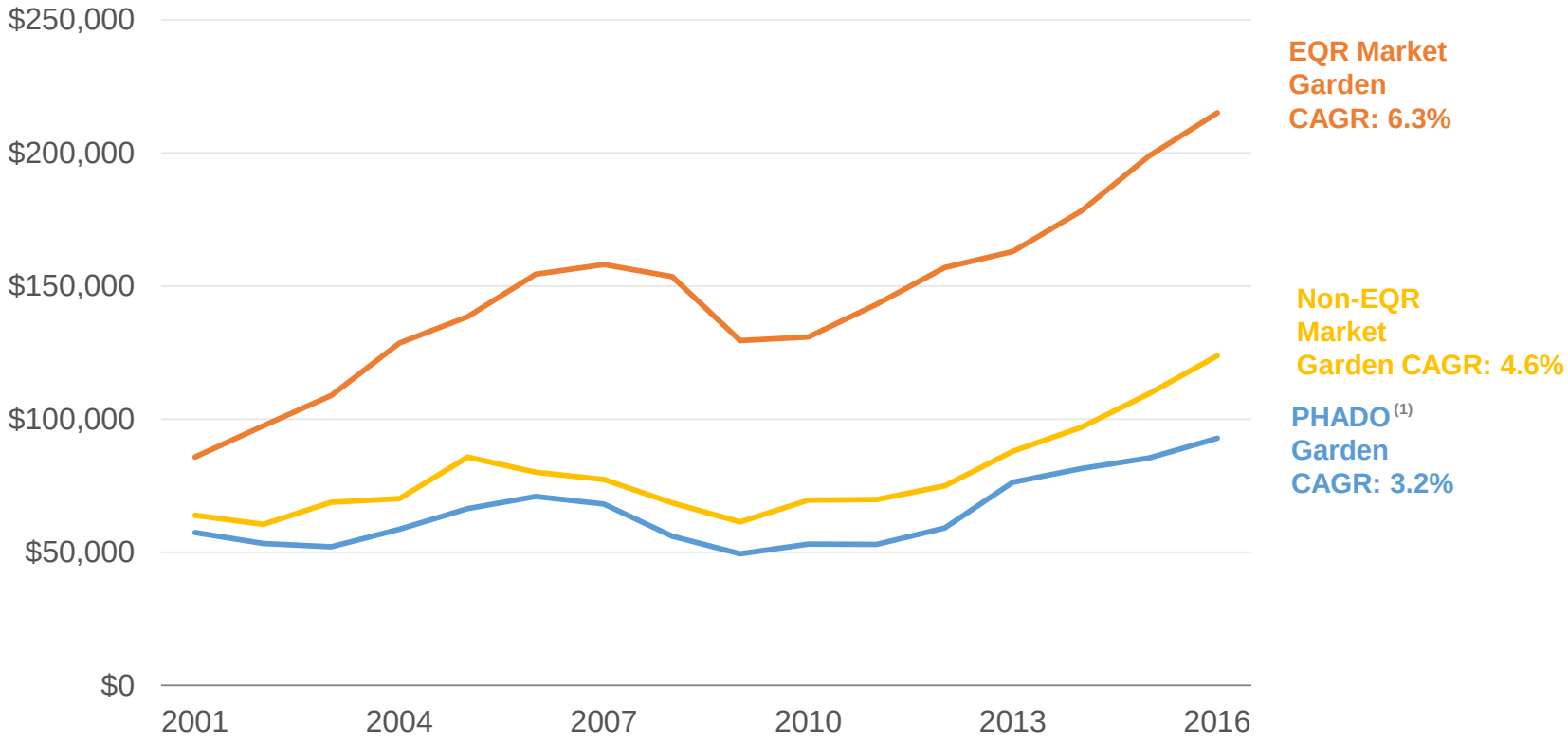
(1) National Markets (Ex-EQR) include all markets for which Real Capital Analytics provides a full time series (> 3 transactions per year).
(2) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets. PHADO data set does not include Mid/High-rise assets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

Source: Real Capital Analytics

Garden Product Also Creates More Value in EQR Markets

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Apartment Sales Price Per Unit



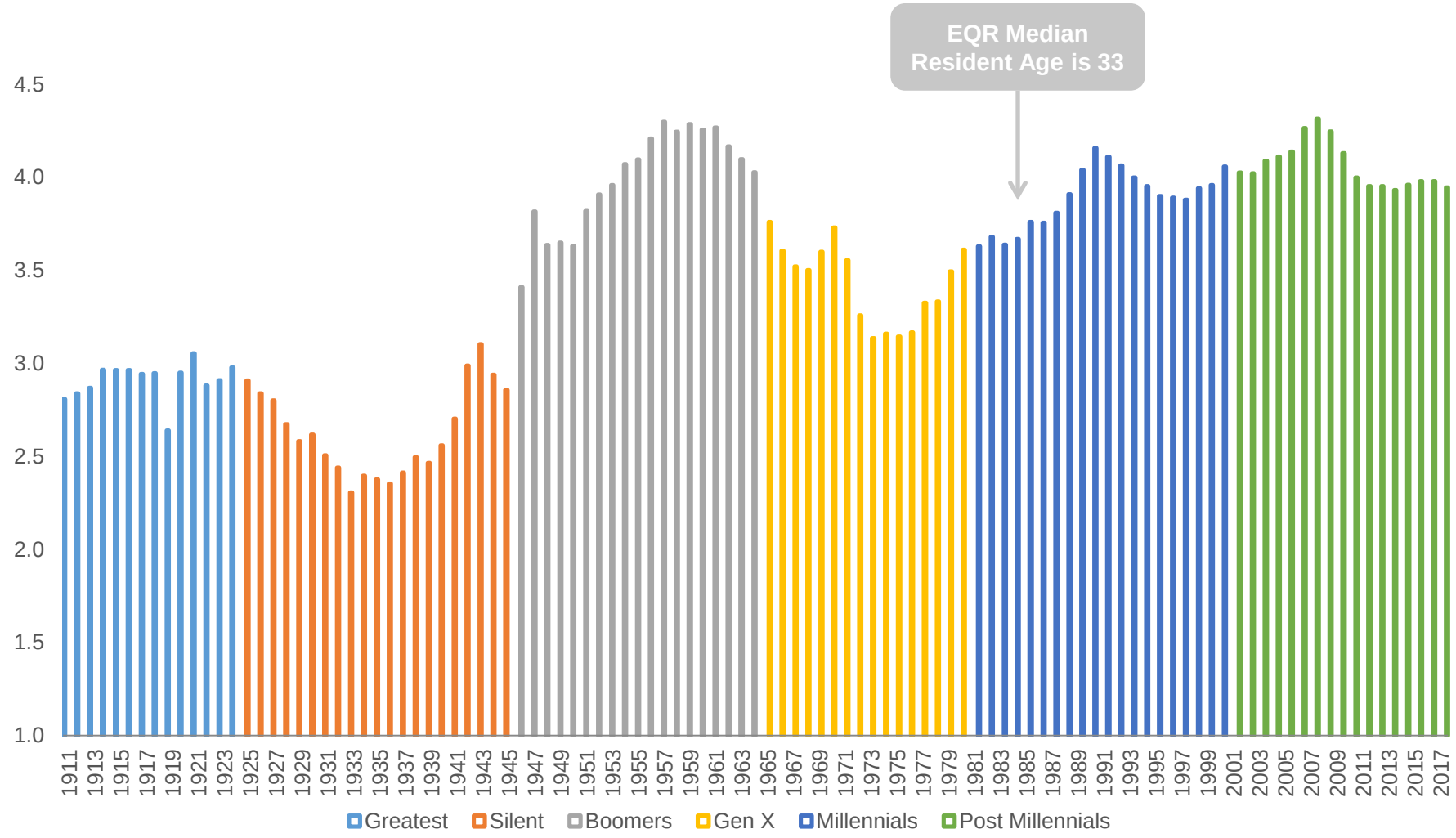
31% of EQR's Stabilized NOI derived from Garden properties

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

Demographics and Lifestyle Choices Will Continue to Create Renter Households

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Births By Generation

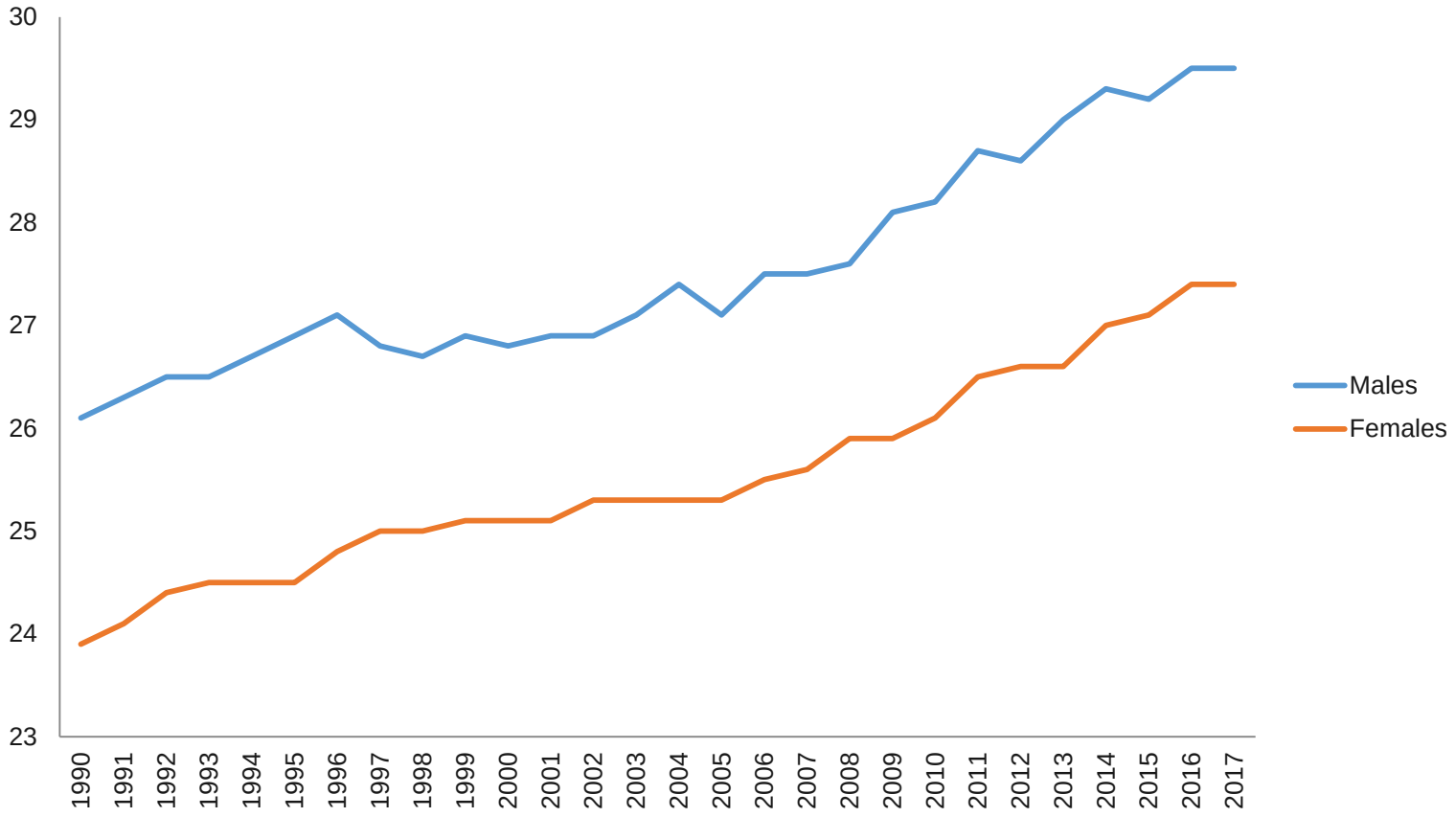


As of Q1 2018.
Source: U.S. National Center for Health Statistics, Rosen Consulting.

Lifestyle Choices are Keeping People Renting Longer

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Median Age at First Marriage



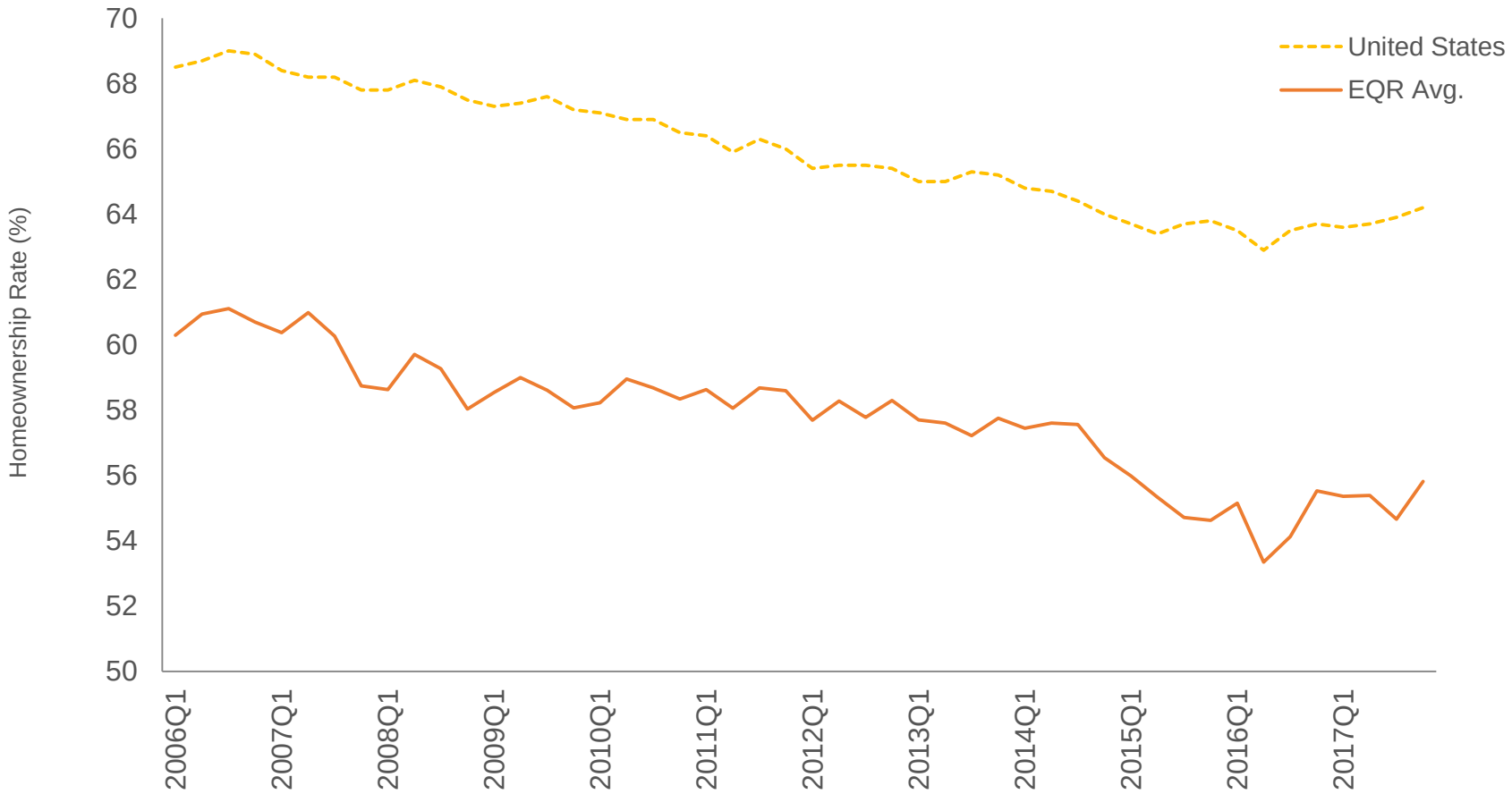
Approximately 50% of American Adults are Single

Source: U.S. Census Bureau, Decennial Censuses, 1890 to 1940, and Current Population Survey, Annual Social and Economic Supplements, 1947 to 2015.

EQR Markets Have Lower Rates of Homeownership

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Homeownership Rate – National Versus EQR Markets



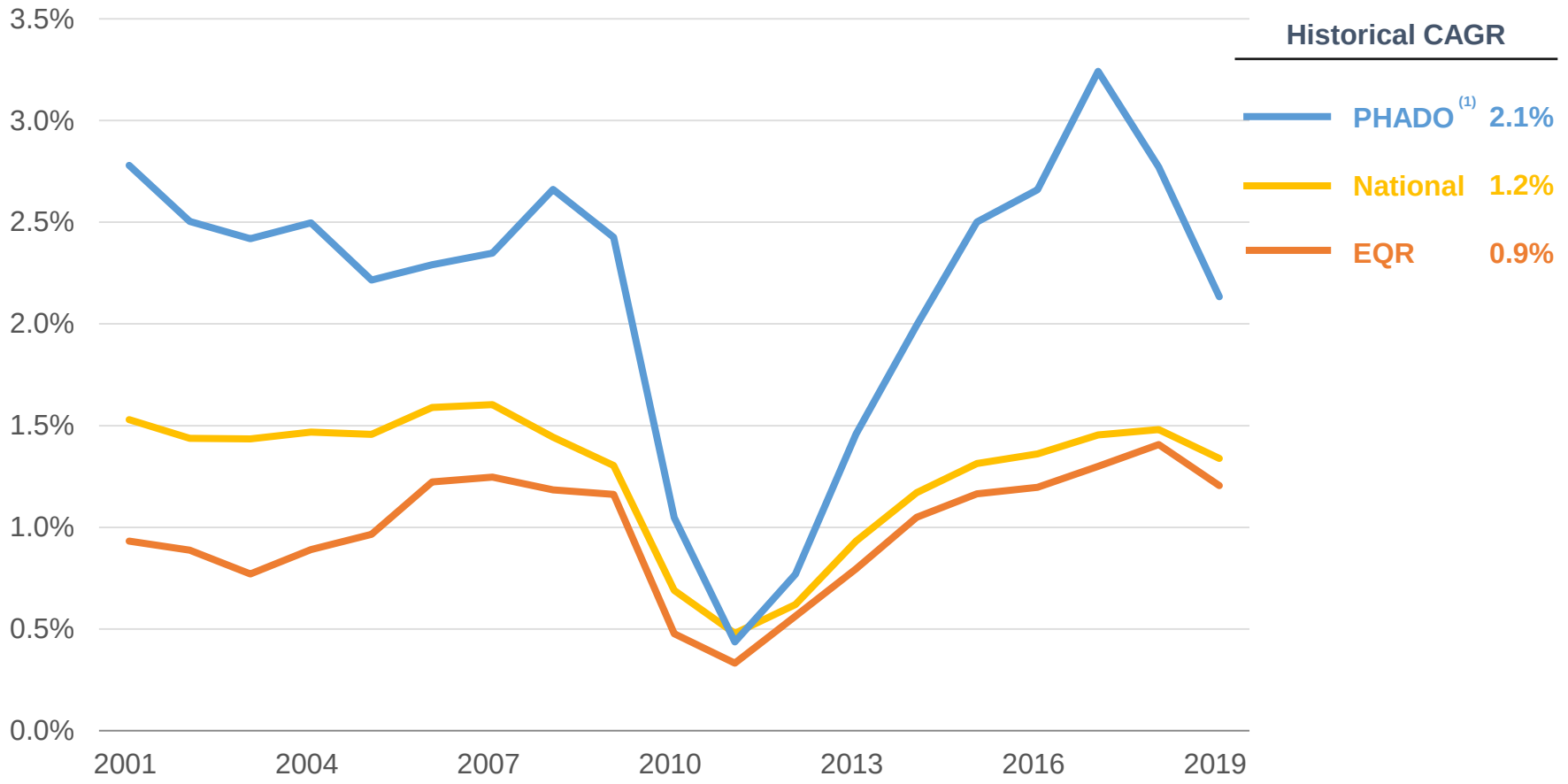
Less than 6% of EQR residents move out to buy homes each year

As of Q1 2018.
Source: U.S. Census (CPS/HVS).

EQR's High Density Markets Have Seen Less New Supply Over the Long-Term

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Supply Growth

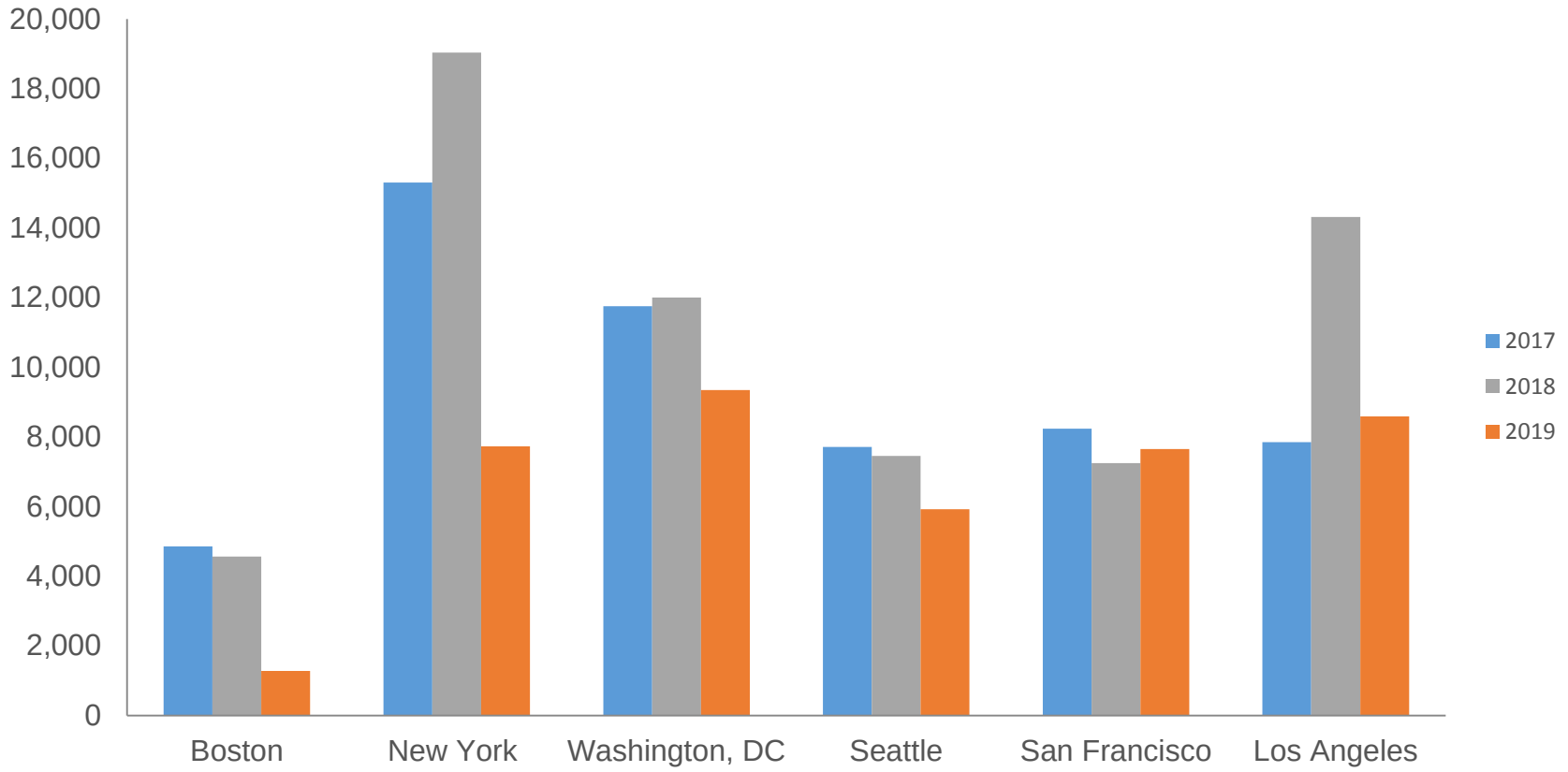


(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
As of Q1 2018.
Source: Axiometrics.

We Will Continue to See Elevated Supply in Our Markets in 2018 But Expect Meaningful Decline in Most Markets in 2019

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New Supply (Units)

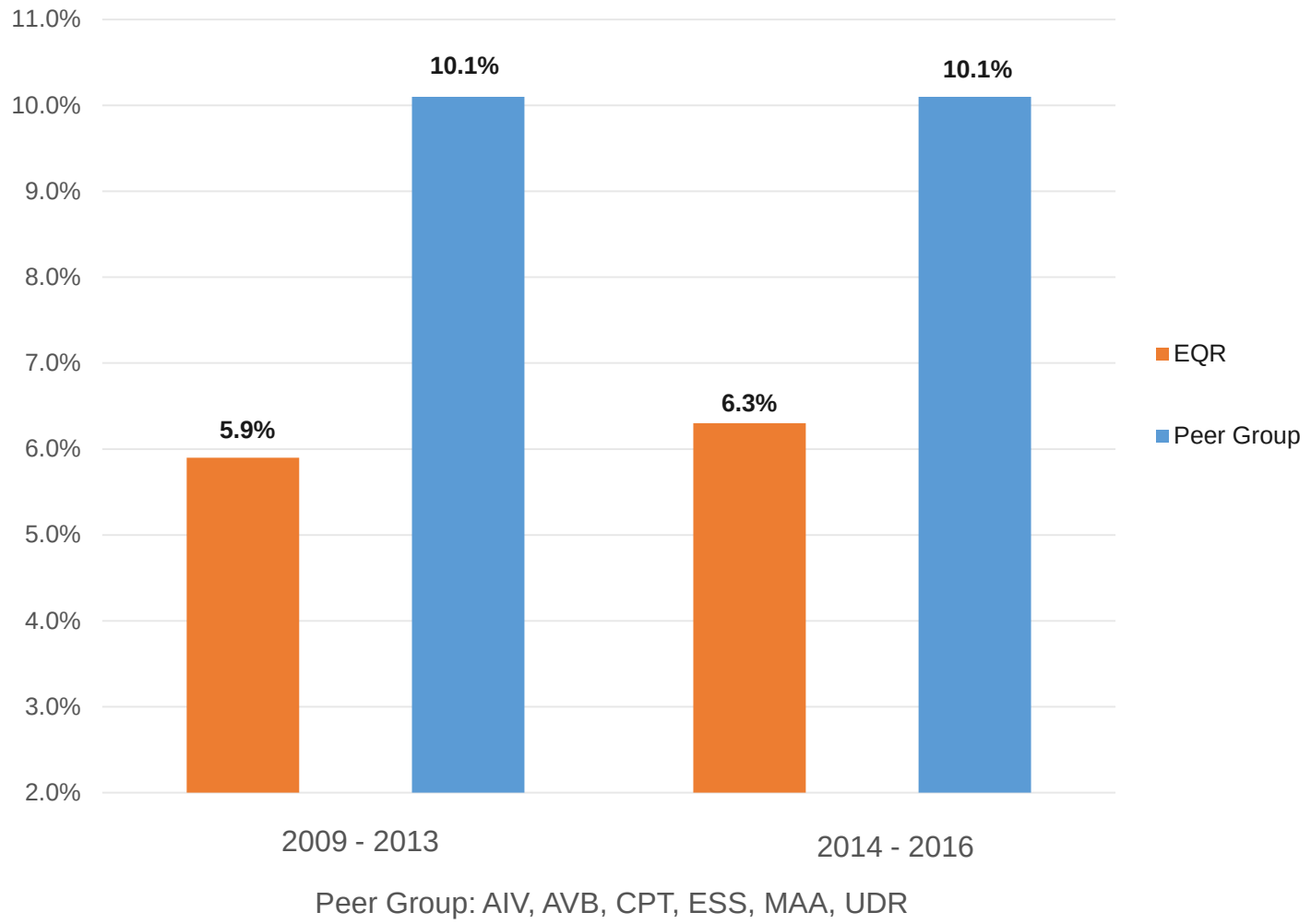


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Source: EQR data

EQR's Portfolio Requires Less Capital to Keep Competitive Leaving More Free Cash Flow for Shareholders

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Annual Cap-Ex as % of Average Rents



Peer Group: AIV, AVB, CPT, ESS, MAA, UDR

.

Source: Green Street Advisors.

Operating Update and Current Market Statistics



View from the Towers at Longfellow – Boston, MA

2018 Revenue Update

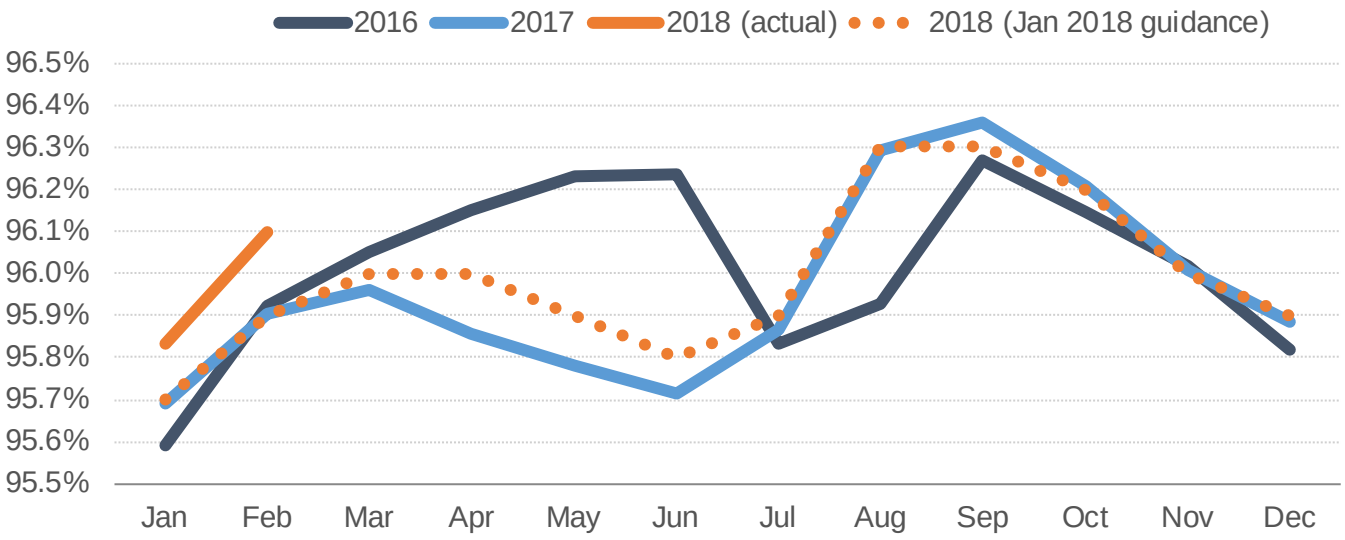
Occupancy and Rents

Revenue Growth expected to decelerate slightly due to continued supply pressure

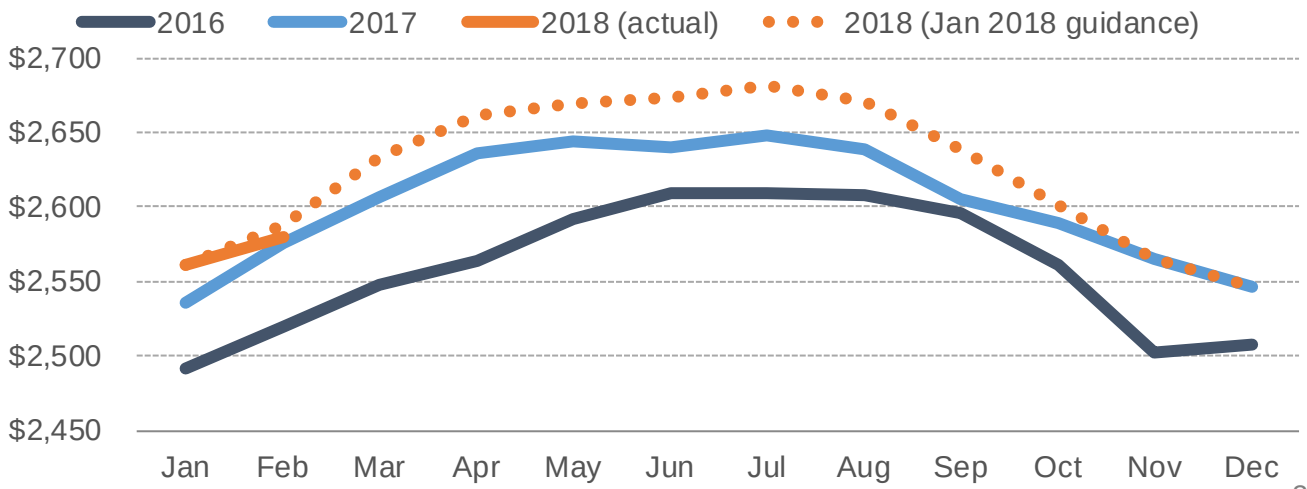
Commentary

- 2018 occupancy projected at 96.0% consistent with 2017.
- Rental housing demand anticipated to remain strong.
- Rental rate growth expected to be modest due to continued supply pressure.

Same Store Physical Occupancy



Base Rent



Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. See Glossary of Operations Terms for definitions.

2018 Revenue Update

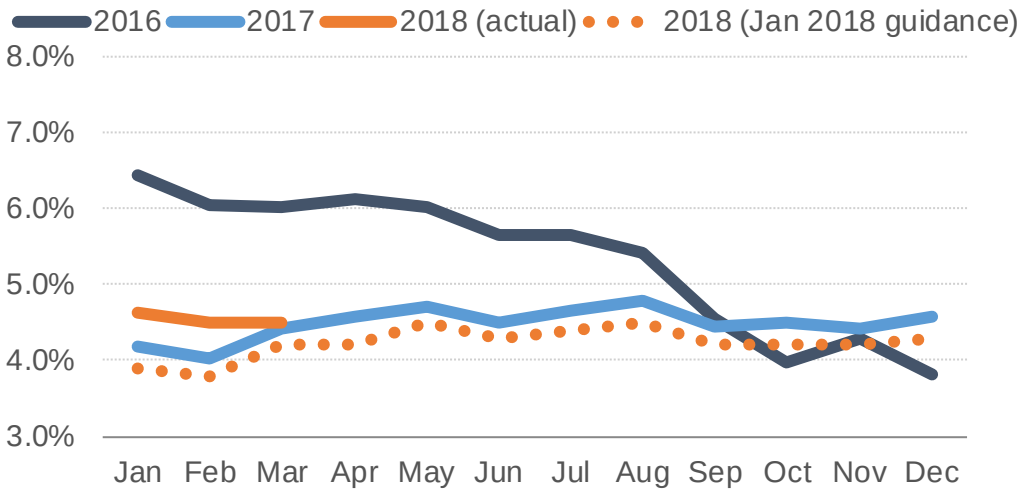
Renewals

Renewal Rate Achieved is expected to moderate but remain strong at 4.2% for the full year compared to 4.6% in 2017

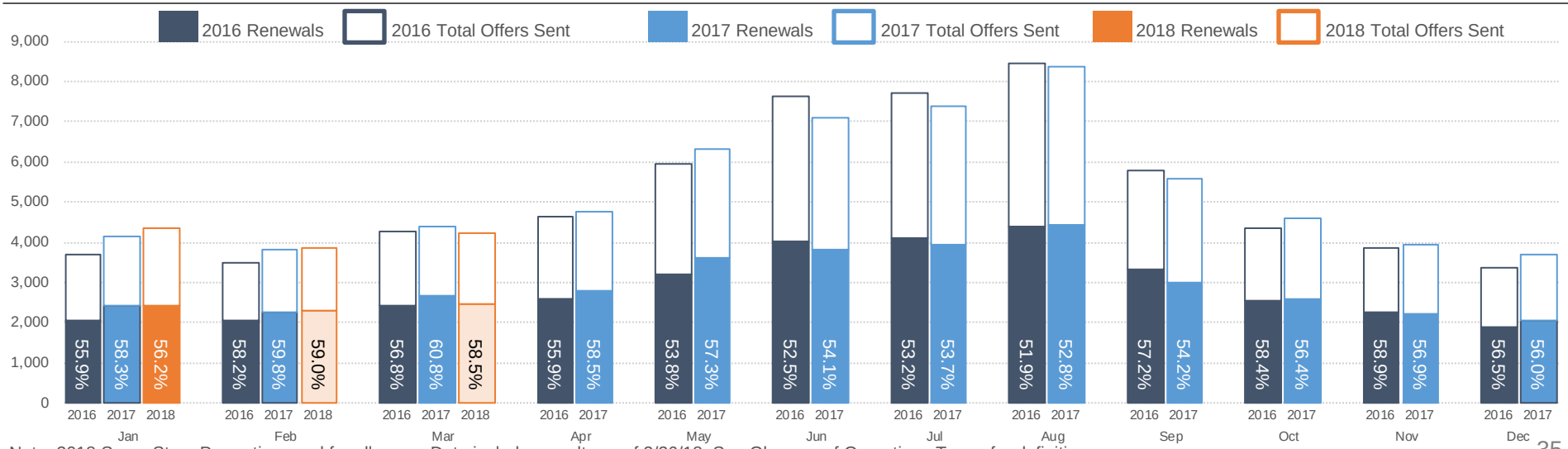
Commentary

- Guidance is 4.2% as compared to 4.6% in 2017. We continue to be laser focused on our renewal process.
- Resident retention may moderate given four consecutive years of renewal retention growth and continued levels of new supply in most markets.

Renewal Rate Achieved



of Residents Renewing



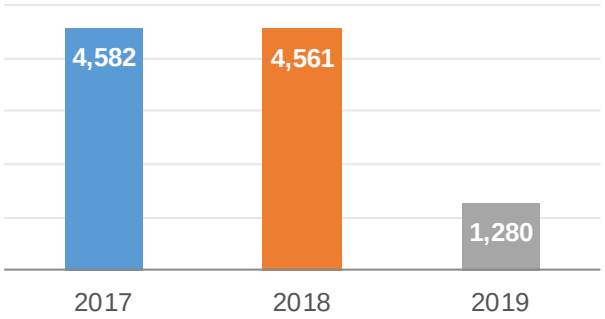
Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. See Glossary of Operations Terms for definitions.

Boston – Revenue

6,009 Units / 10.4% of NOI

Revenue Growth expected to be consistent with 2017

New Supply (in units)[1]



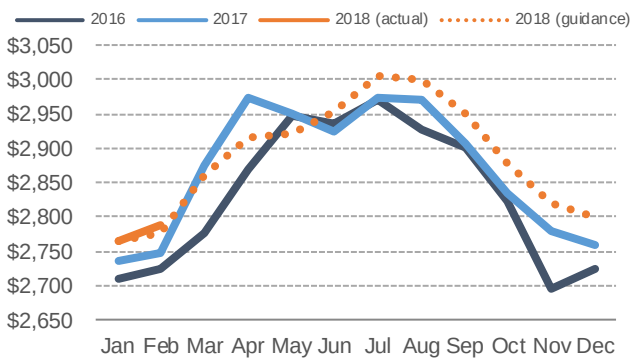
(1) Source: EQR.

Comments

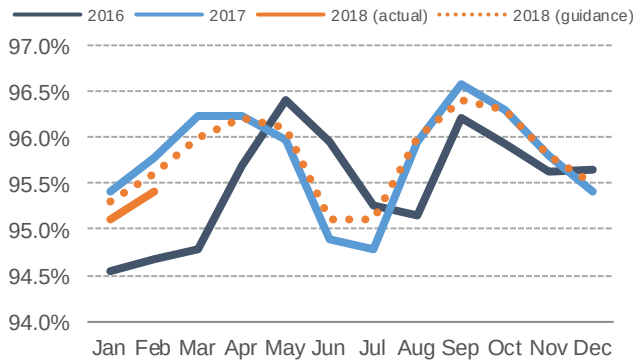
- Job growth should continue to aid absorption. Overall, we expect continued strong demand with slight rate pressure. Supply impact continues to be concentrated in the urban core during 2018 (70% of the 2018 deliveries will go head to head with 72% of our NOI).
- Guidance for 2018 includes a slight improvement in New Lease Change, similar occupancy and a moderation in renewals relative to 2017.

YTD indicators relative to original guidance: above | on track | below

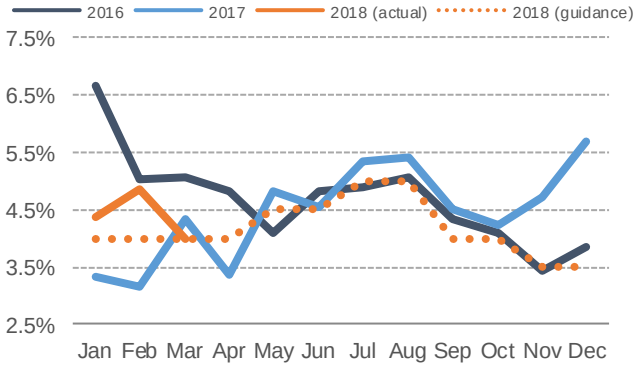
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. 2018 guidance as of January 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

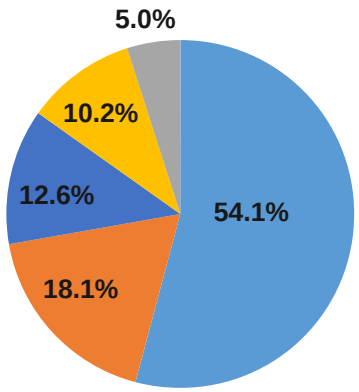
	New Lease Change	Physical Occupancy	Renewal Rate Achieved	Same Store Revenue Growth
2017 Final	-1.7%	95.8%	4.6%	1.6%
2018 Guidance	-1.0% New Lease Change	95.8% Physical Occupancy	4.3% Renewal Rate Achieved	1.6% Same Store Revenue Growth

Boston

Market Profile

Equity Residential

EQR in Boston

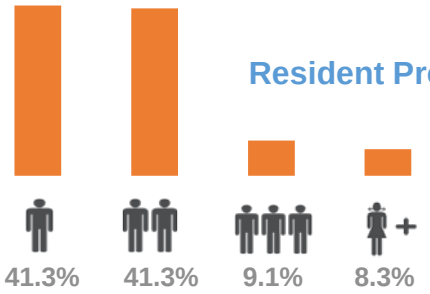


NOI by Submarket

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

EQR Resident Data (as of 12/31/17)*

Average Household Income	$178,422
Average Monthly Rent	$2,791
Rent as a Percent of Income	18.8%



Resident Profile

*Data for residents who have signed leases in the last 12 months as of 12/31/17.

Market Data

Home Affordability

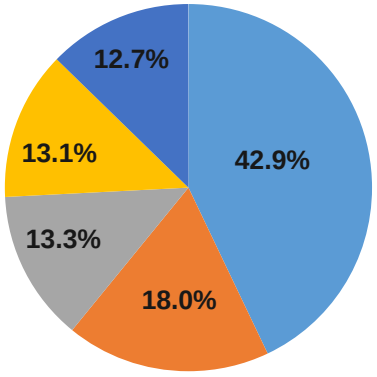
	U.S.	Boston
Median Household Income	$58,000	$82,000
Median Home Price	$252,000	$452,000
Ratio	4.3x	5.5x

Walk Score

EQR	REIT Competitor Avg
77.4	**55.8**

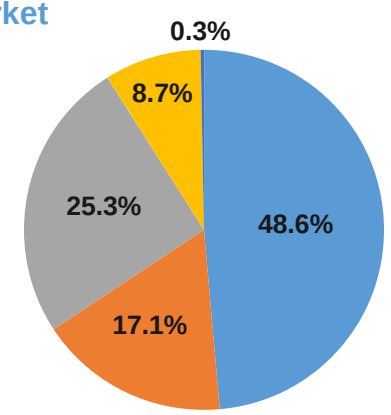
30% of renters in Boston commute by walking or public transportation

Supply by Submarket



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

2018
4,561 units



2019
1,280 units

Boston

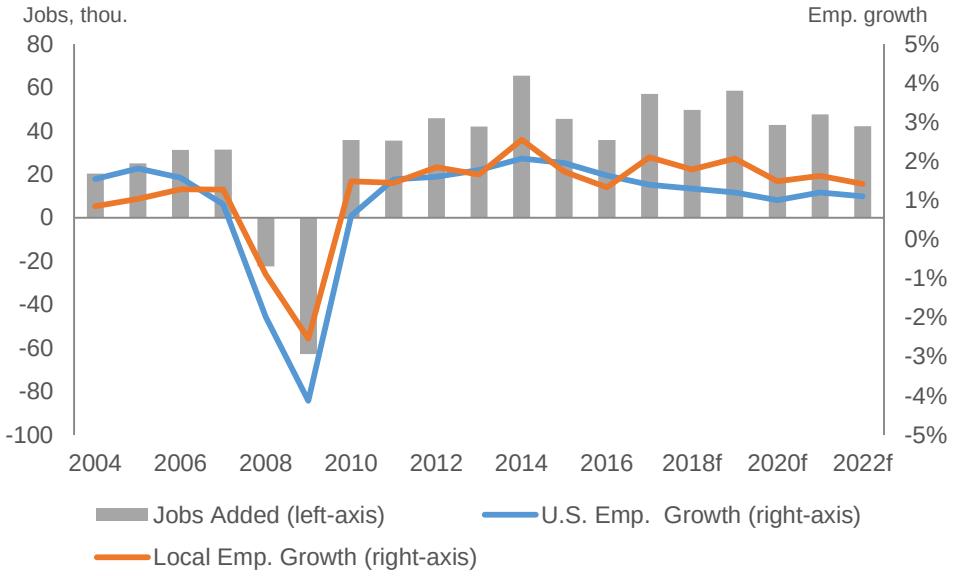
Market Profile

Equity Residential

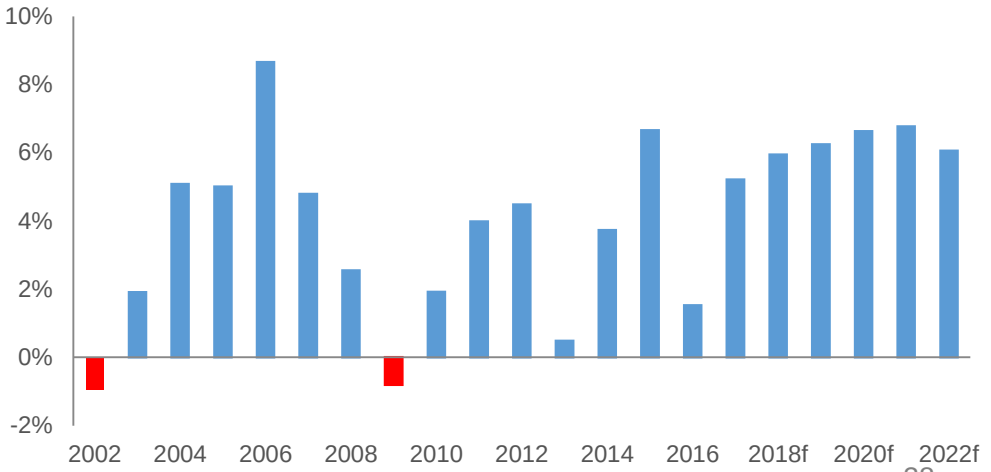
Long-Term Economic Drivers

- Boston lies at the heart of the knowledge economy, ranking highest in U.S. per-capita university enrollment.
- High-quality human capital powers the world's largest biotech/drug discovery cluster in Kendall Square, and a resilient financial hub downtown.
- Nearly 60% of Millennials in Boston have college degrees, making it the highest percentage in the country.
- Multiple companies including GE and Phillips, have announced headquarters relocations to Boston.

Employment Growth



Household Income Growth



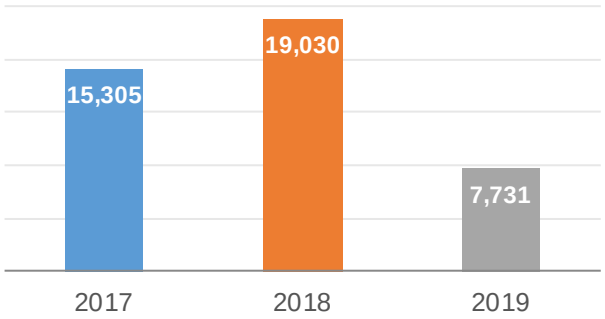
Source: Census, BEA, Rosen Consulting Group, BLS, Brookings Institute.

New York – Revenue

9,837 Units / 18.3% NOI

Elevated supply heading into 2018 will impact Revenue Growth

New Supply (in units)[1]



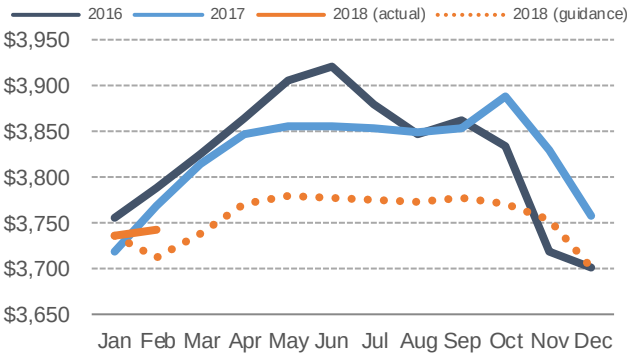
(1) Source: EQR.

Comments

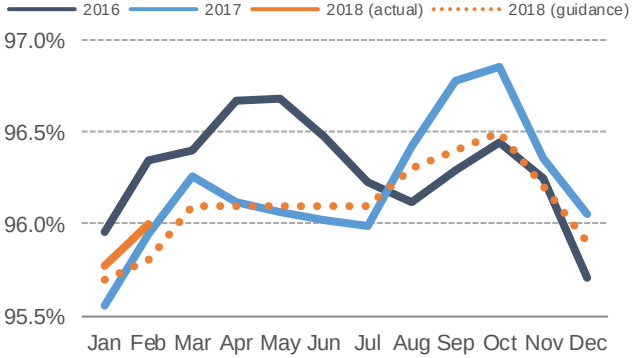
- Good job growth should allow us to maintain strong occupancy. Elevated supply expected in our broader competitive footprint. 62% of supply will be concentrated in Long Island City (where we have no properties) and Brooklyn (9.5% of our NOI). The impact of this supply on Manhattan remains uncertain. Pricing discipline remained in place throughout 2017 and so far has held up through the beginning of 2018.
- Guidance includes very similar operating and pricing assumptions and reflects negative Embedded Growth along with a conservative estimate of additional concession use.

YTD indicators relative to original guidance: above | on track | below

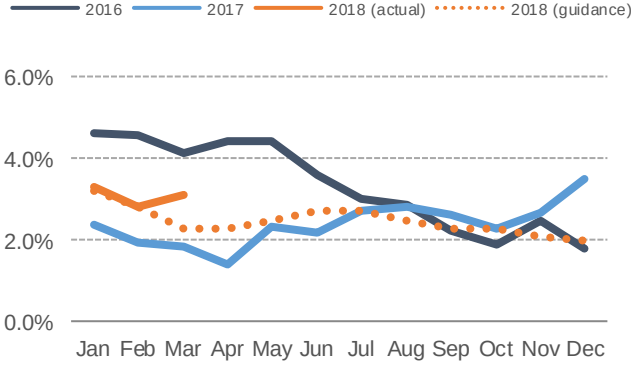
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. 2018 guidance as of January 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

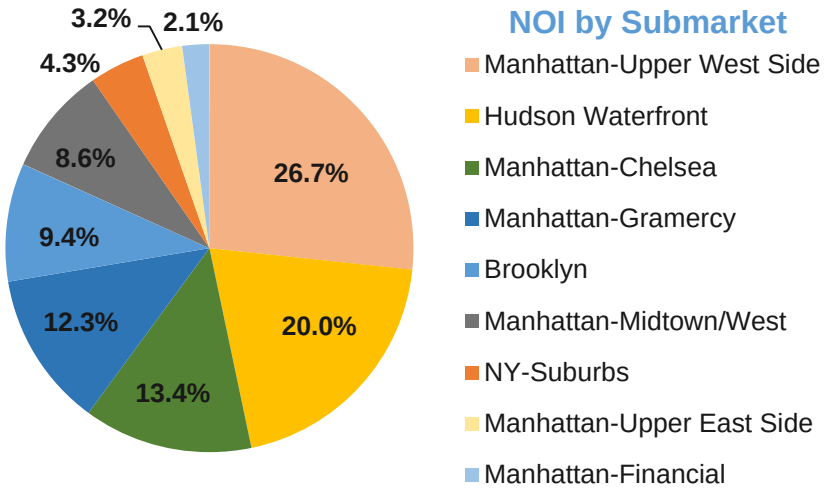
2017 Final	-4.2%	96.2%	2.6%	0.1%
2018 Guidance	-3.7% New Lease Change	96.1% Physical Occupancy	2.5% Renewal Rate Achieved	-0.75% Same Store Revenue Growth

New York
Market Profile

Equity Residential

EQR in New York

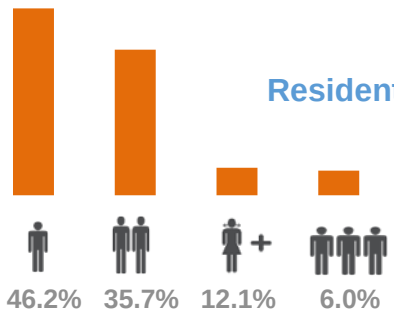
NOI by Submarket



EQR Resident Data (as of 12/31/17)*

Average Household Income	$243,947
Average Monthly Rent	$3,643
Rent as a Percent of Income	17.9%

Resident Profile



*Data for residents who have signed leases in the last 12 months as of 12/31/17.

(1) MSA data includes Manhattan only

Market Data

Home Affordability

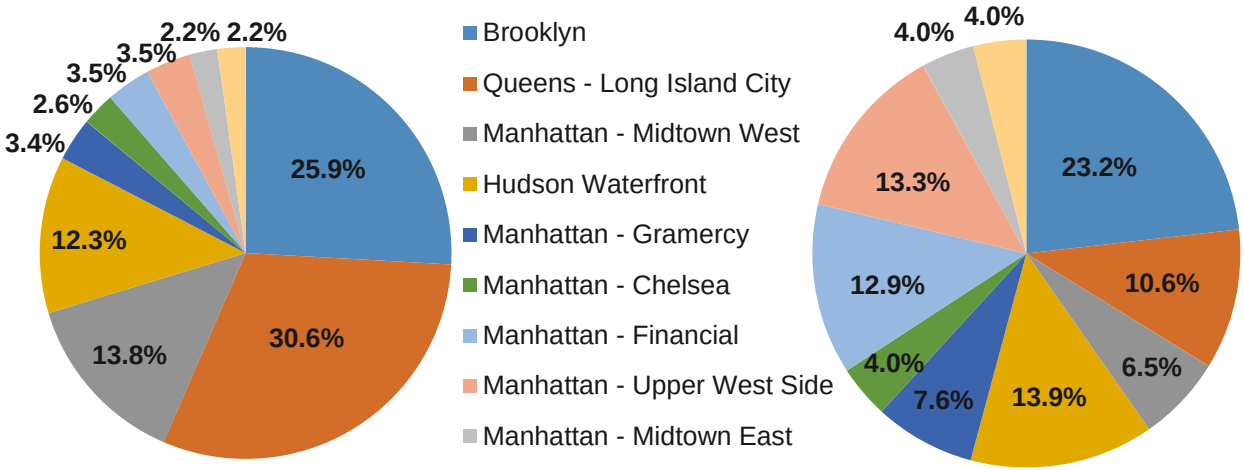
	U.S.	Manhattan
Median Household Income	$58,000	$78,000
Median Home Price	$252,000	$1,100,000
Ratio	4.3x	14.1x

Walk Score

EQR	REIT Competitor Avg
91.3	**76.4**

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

Supply by Submarket



2018
19,030 units

2019
7,731 units

(1) MSA data includes Manhattan only

New York City

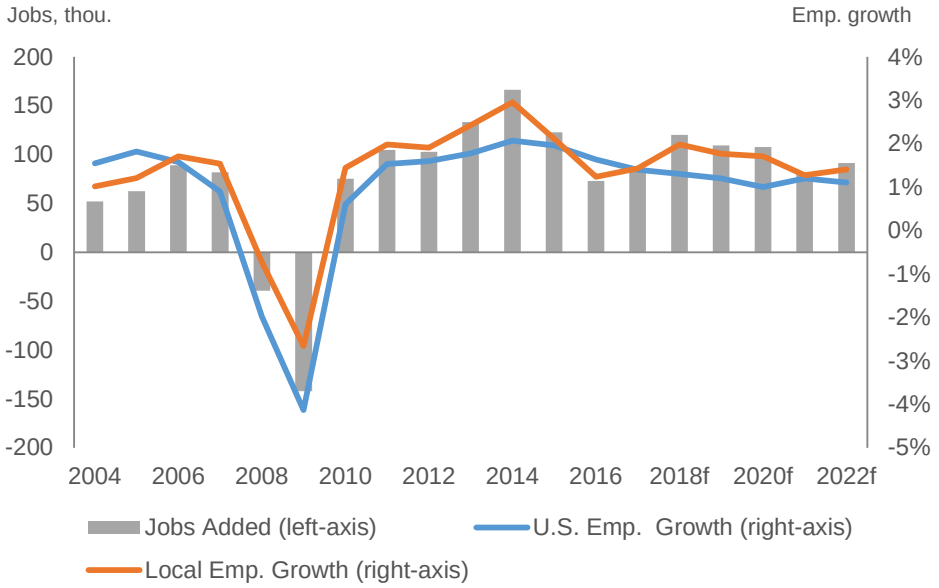
Market Profile

Equity Residential

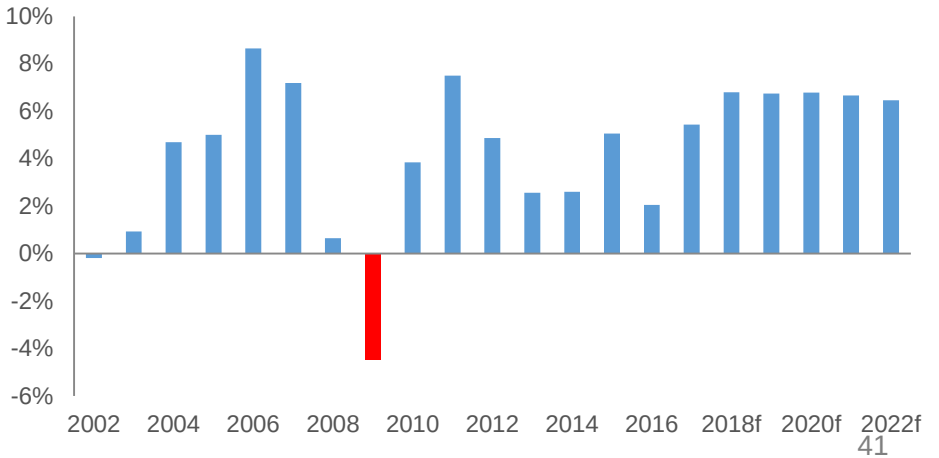
Long-Term Economic Drivers

- 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.
- Significant recent increases in tech employment are offsetting financial services job declines. The technology sector has grown faster than any other sector in New York since 2010 and is now the third largest tech sector in the nation. Average tech salary in New York was $147,300 in 2016.
- Despite recent construction, occupancy is still among the highest in the country.
- Recent tax reform is seen as beneficial to renters in New York.

Employment Growth



Household Income Growth



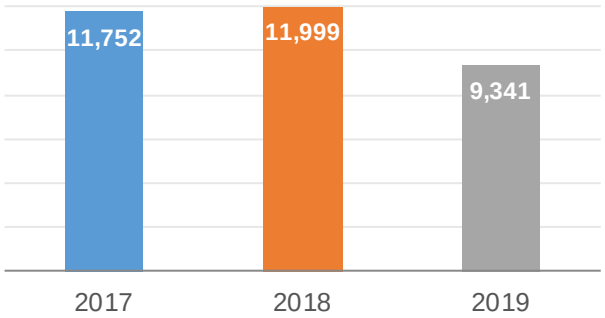
Source: Census, BEA, Rosen Consulting Group, BLS, NY Comptrollers Office.

Washington DC – Revenue

15,475 Units / 18.9% of NOI

Revenue Growth to moderate on lower Embedded Growth and continued deliveries

New Supply (in units)[1]



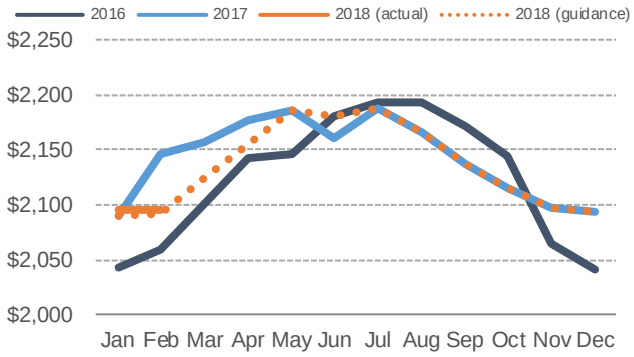
(1) Source: EQR.

Comments

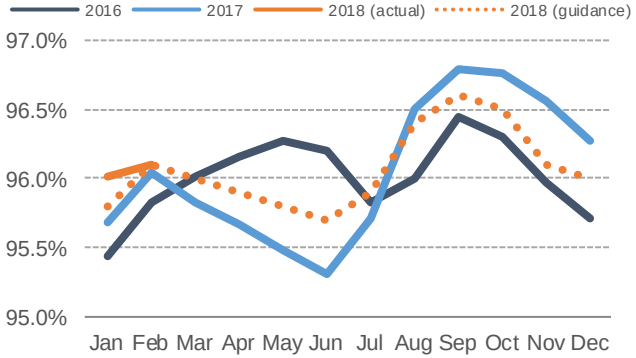
- The DC market continues to experience strong Class A absorption as deliveries continue at a pace similar to 2017.
- Impact from potential government workforce reductions and other administration initiatives remains unclear. 2018 guidance includes slight improvement in New Lease Change but recognizes lower Embedded Growth heading into 2018.

YTD indicators relative to original guidance: above | on track | below

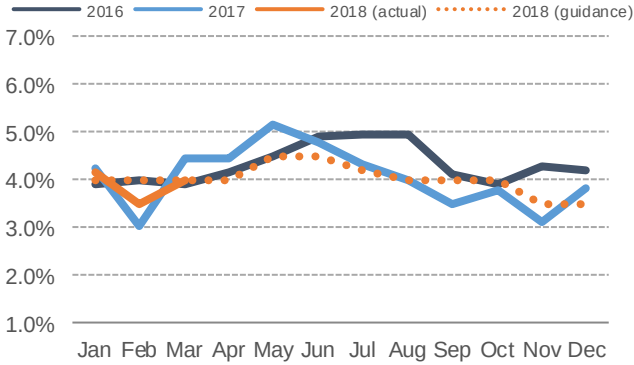
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. 2018 guidance as of January 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

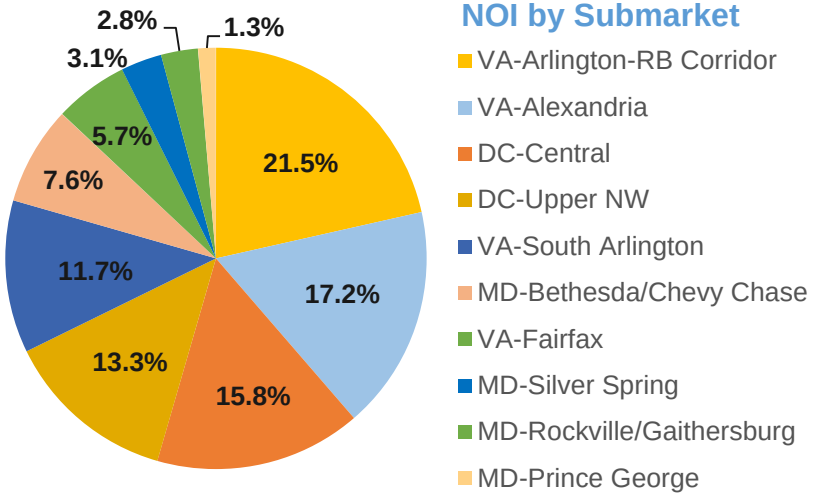
2017 Final	-3.0%	96.1%	4.1%	1.3%
2018 Guidance	-1.9% New Lease Change	96.1% Physical Occupancy	4.1% Renewal Rate Achieved	1.0% Same Store Revenue Growth

Washington, DC

Market Profile

Equity Residential

EQR in Washington, DC



Market Data

Home Affordability

	U.S.	Washington, DC
Median Household Income	$58,000	$96,000
Median Home Price	$252,000	$394,000
Ratio	4.3x	4.1x

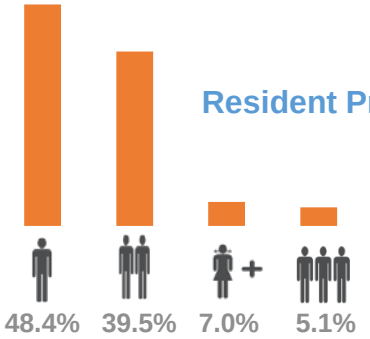
Walk Score

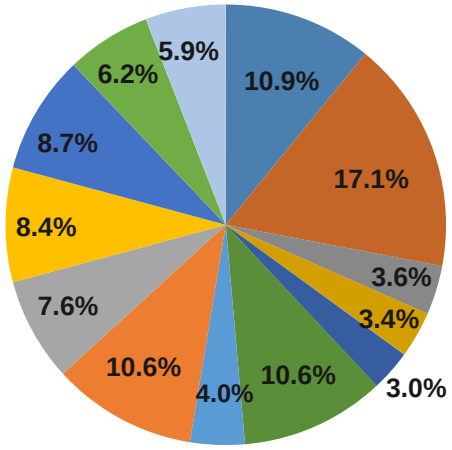
EQR	REIT Competitor Avg
83.1	**61.4**

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

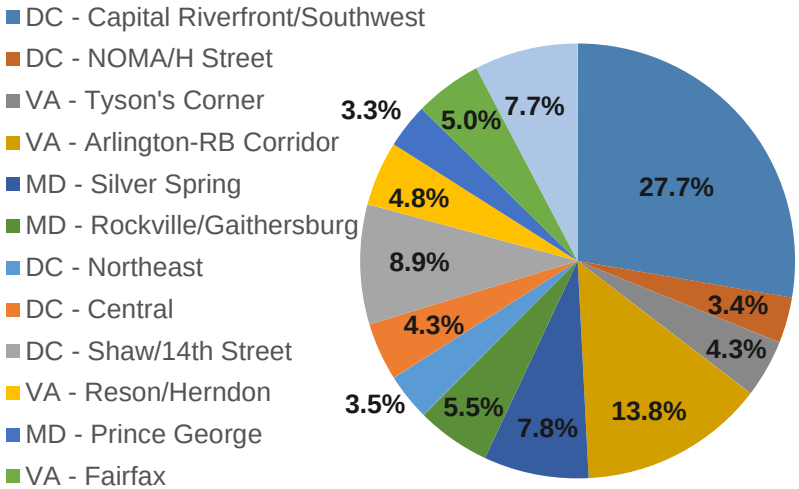
EQR Resident Data (as of 12/31/17)*

Average Household Income	$143,488
Average Monthly Rent	$2,080
Rent as a Percent of Income	17.4%





2018
11,999 units



2019
9,341 units

*Data for residents who have signed leases in the last 12 months as of 12/31/17.

Washington, D.C.

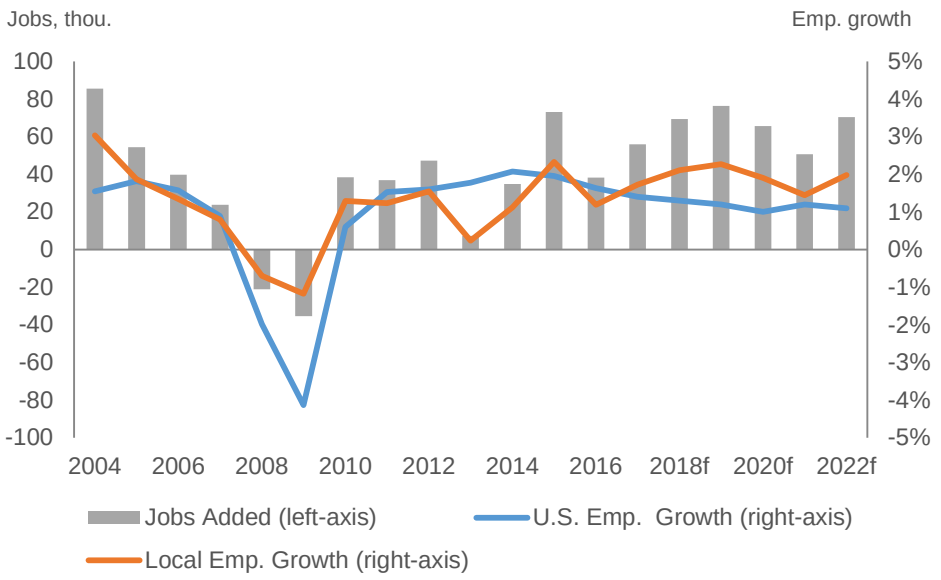
Market Profile

Equity Residential

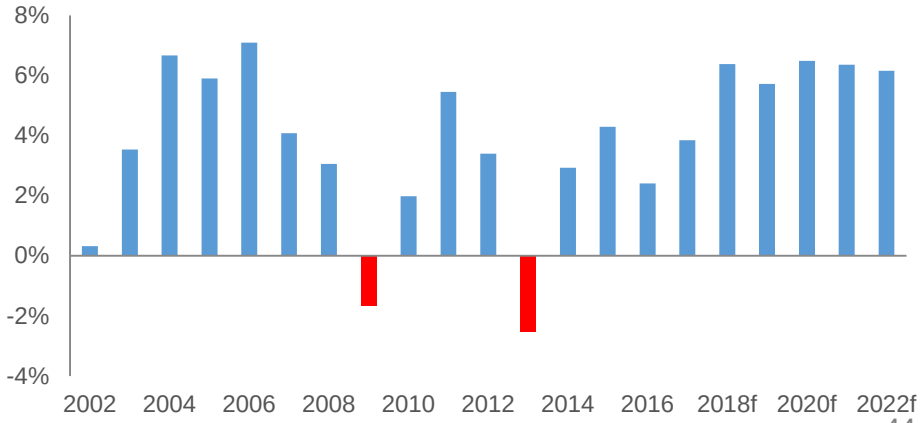
Long-Term Economic Drivers

- The Washington, DC economy is large and increasingly diverse but Federal spending, particularly defense spending, remains the key driver.
- Current planned Federal Budget contains large increase in government spending, particularly defense.
- Research from Rosen Consulting projects good job growth and household income growth of more than 6% for the next five years in DC.

Employment Growth



Household Income Growth



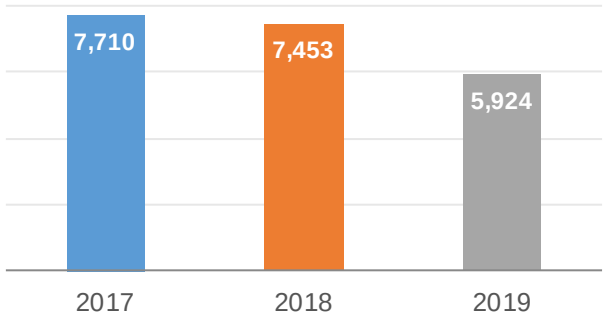
Source: Census, BEA, Rosen Consulting Group, BLS.

Seattle – Revenue

6,530 Units / 8.1% of NOI

Strong market despite moderating demand and continued supply pressure resulting in lower projected growth for 2018

New Supply (in units)[1]



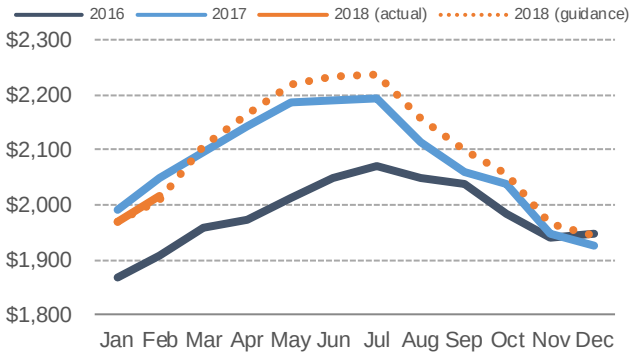
(1) Source: EQR.

Comments

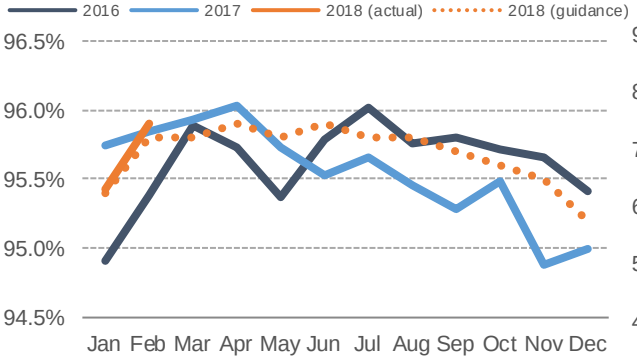
- Strong renewals and solid occupancy will drive our 2018 performance in Seattle. We experienced a noticeable moderation in late 2017, particularly impacting our Renewal Rate Achieved. This moderation continues into 2018. Based on these trends, we have lowered the 2018 Revenue Growth rate forecast to 3.25%. 2018 guidance includes reductions in renewal and new lease growth with a slight gain in occupancy due to an easier comparable period in late 2017.
- 2018 supply is concentrated in the urban core near many of our assets. Nearly 60% of the 2018 deliveries will be in Belltown /CBD, where we have 40% of our NOI.

YTD indicators relative to original guidance: above | on track | below

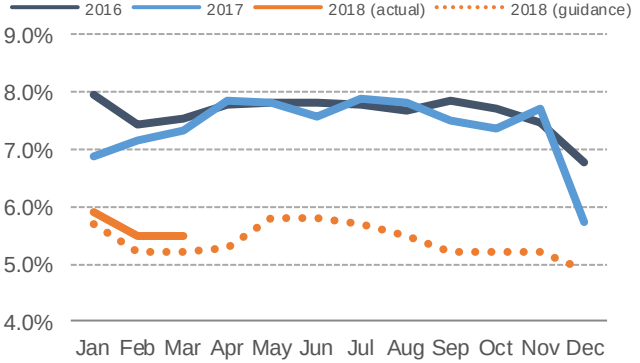
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. 2018 guidance as of January 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

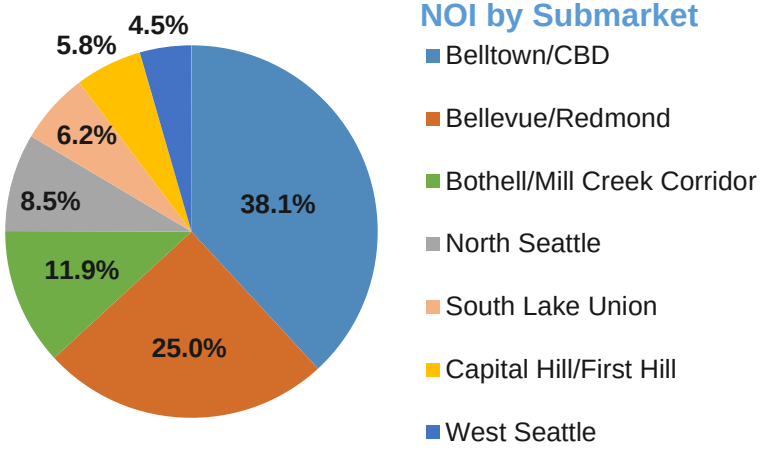
2017 Final	3.1%	95.6%	7.5%	5.6%
2018 Guidance	0.7% New Lease Change	95.7% Physical Occupancy	5.4% Renewal Rate Achieved	3.25% Same Store Revenue Growth

Seattle

Market Profile

Equity Residential

EQR in Seattle



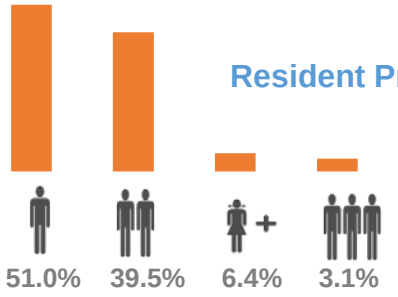
NOI by Submarket

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

EQR Resident Data (as of 12/31/17)*

Average Household Income	$131,588
Average Monthly Rent	$1,965
Rent as a Percent of Income	17.9%

Resident Profile



*Data for residents who have signed leases in the last 12 months as of 12/31/17.

Market Data

Home Affordability

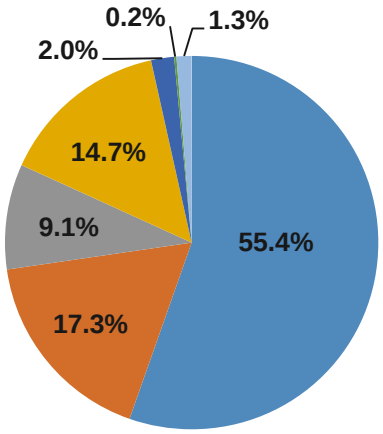
	U.S.	Seattle
Median Household Income	$58,000	$79,000
Median Home Price	$252,000	$453,000
Ratio	4.3x	5.7x

Walk Score

EQR	REIT Competitor Avg
81.9	**68.7**

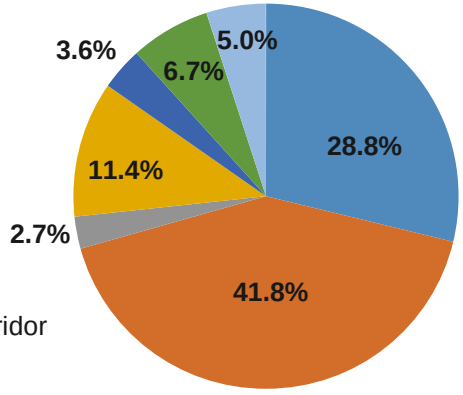
20% of renters in Seattle commute by walking or public transportation

Supply by Submarket



2018
7,453 units

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



2019
5,924 units

Seattle

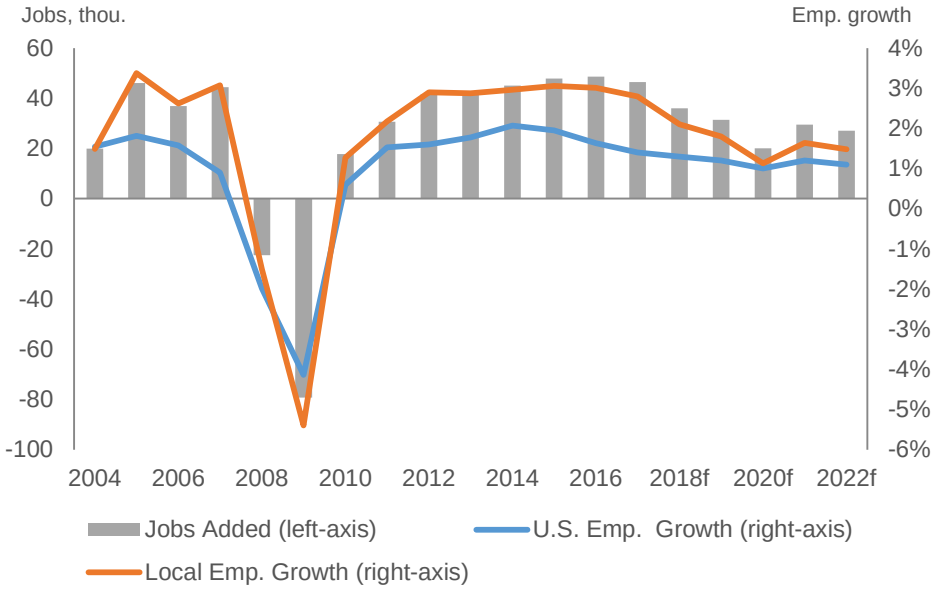
Market Profile

Equity Residential

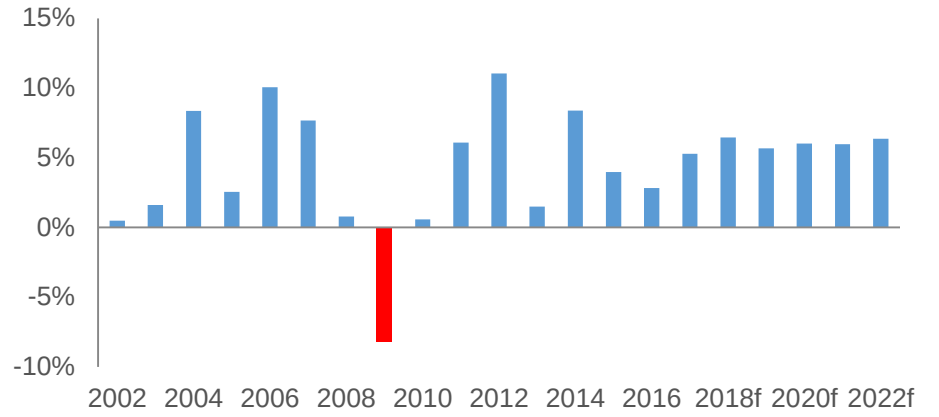
Long-Term Economic Drivers

- 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 driving strong rent growth.
- A fast expanding job base, combined with a relatively low cost-of-living, is leading to surging household growth.

Employment Growth



Household Income Growth



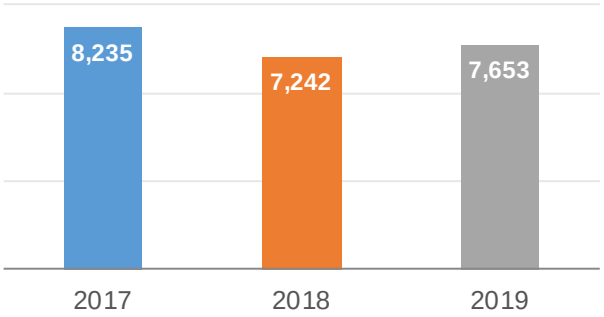
Source: Census, BEA, Rosen Consulting Group, BLS.

San Francisco – Revenue

11,021 Units / 18.0% of NOI

Steady growth, slightly below 2017 levels

New Supply (in units)[1]



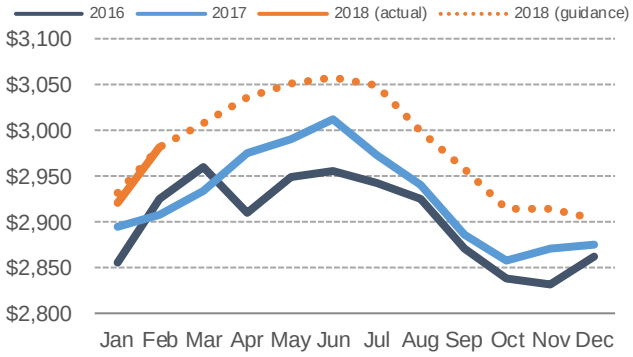
(1) Source: EQR.

Comments

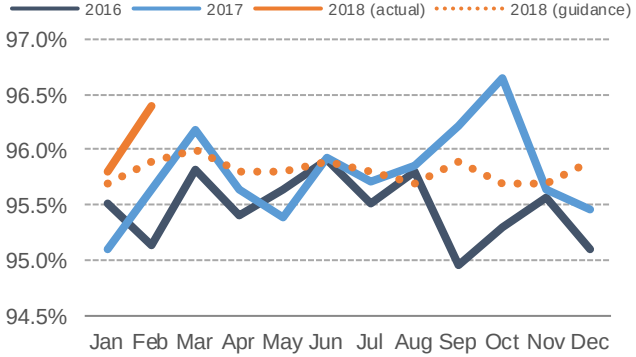
- San Francisco should see good occupancy and strong renewal rents in 2018. Our guidance includes improvement in New Lease Change but recognizes lower Embedded Growth heading into 2018.
- Strong occupancy and modest pricing power remains as new supply continues to be absorbed. South Bay and the Peninsula are performing well. While the year is just beginning, the overall market appears to be off to a strong start.

YTD indicators relative to original guidance: above | on track | below

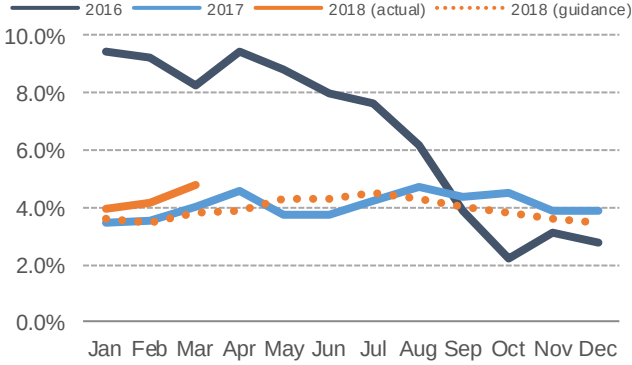
Base Rent



Same Store Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. 2018 guidance as of January 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

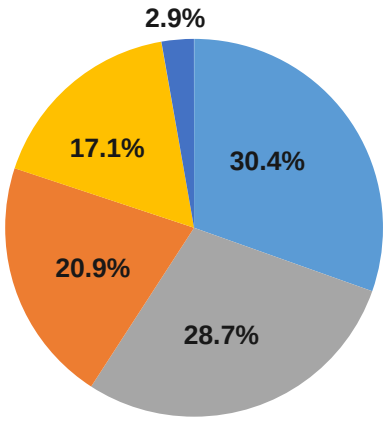
2017 Final	-1.7%	95.9%	4.3%	2.0%
2018 Guidance	0.0% New Lease Change	95.8% Occupancy	4.0% Renewal Rate Achieved	1.75% Same Store Revenue Growth

San Francisco

Market Profile

Equity Residential

EQR in San Francisco



NOI by Submarket

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

Market Data

Home Affordability

	U.S.	San Francisco
Median Household Income	$58,000	$100,000
Median Home Price	$252,000	$933,000
Ratio	4.3x	9.3x

Walk Score

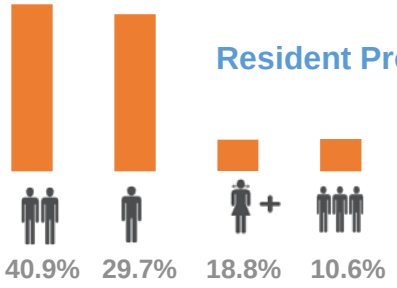
EQR **66.7**

REIT Competitor Avg **60.3**

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

EQR Resident Data (as of 12/31/17)*

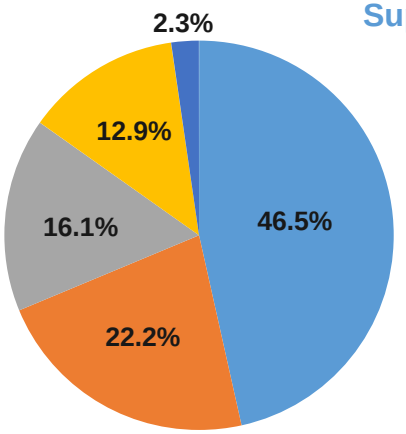
Average Household Income	$166,365
Average Monthly Rent	$2,831
Rent as a Percent of Income	20.4%



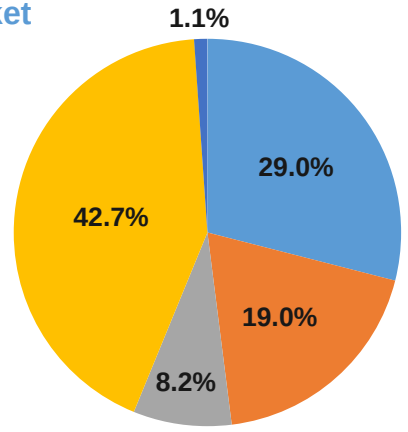
Resident Profile

*Data for residents who have signed leases in the last 12 months as of 12/31/17.

Supply by Submarket



2018
7,242 units



2019
7,653 units

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

San Francisco

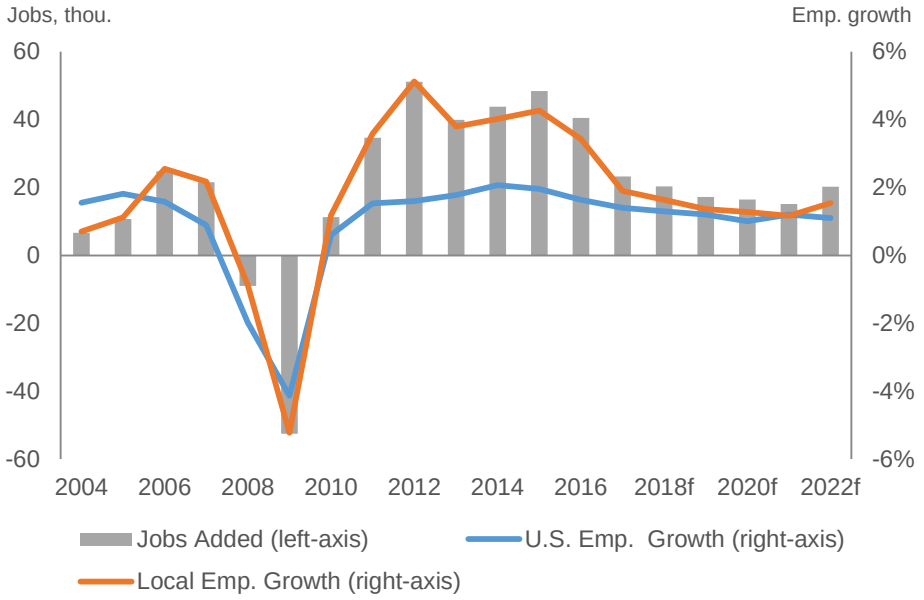
Market Profile

Equity Residential

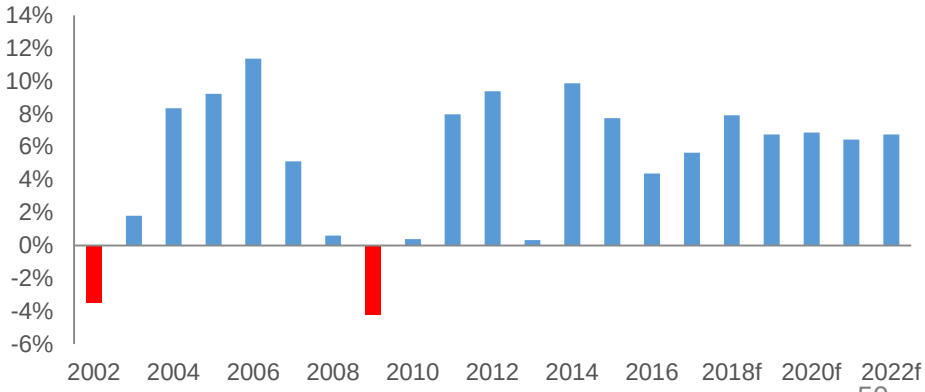
Long-Term Economic Drivers

- 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.

Employment Growth



Household Income Growth



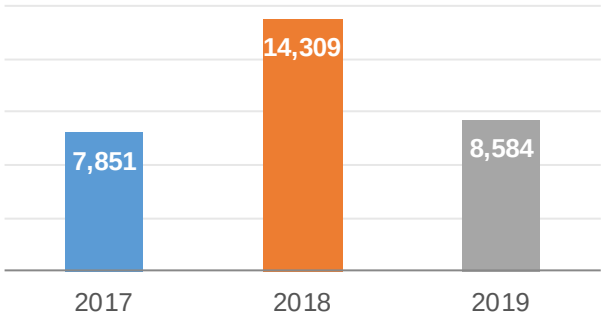
Source: Census, BEA, Rosen Consulting Group, BLS.

Los Angeles – Revenue

14,040 Units / 17.9% of NOI

Strong performer despite Revenue Growth moderating slightly due to elevated supply

New Supply (in units)[1]



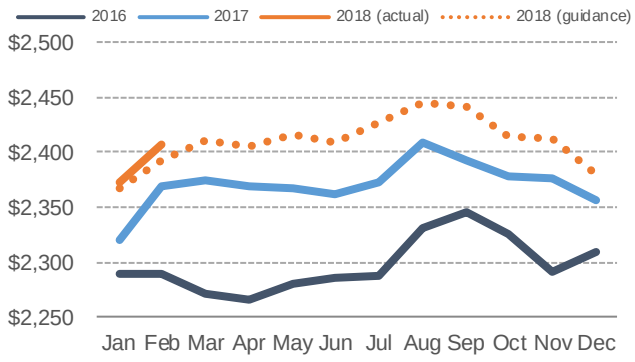
(1) Source: EQR.

Comments

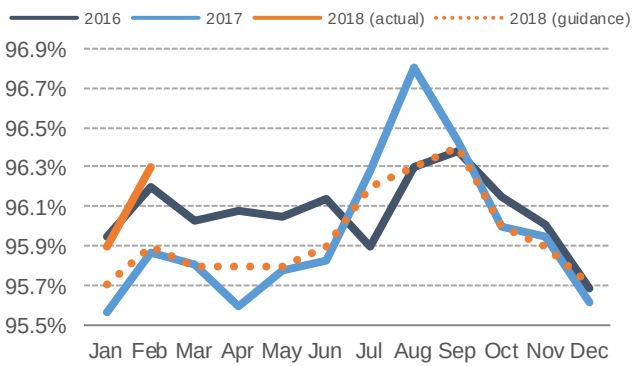
- Los Angeles should be one of our strongest performers in 2018 with continued solid occupancy and strong renewal rents. Elevated levels of new supply expected in downtown metro (18% of NOI) which will deliver 57% of the market's new supply. West LA (24% of NOI) which performed well in 2017 due to limited new supply, will face supply pressure in 2018.
- 2018 guidance assumes a reduction in Renewal Rates Achieved to maintain full year occupancy essentially flat to 2017 levels. Slight gain in projected occupancy during the first half of the year will be offset by lower expectations in Q3. Occupancy is trending better than expected in Q1.

YTD indicators relative to original guidance: above on track below

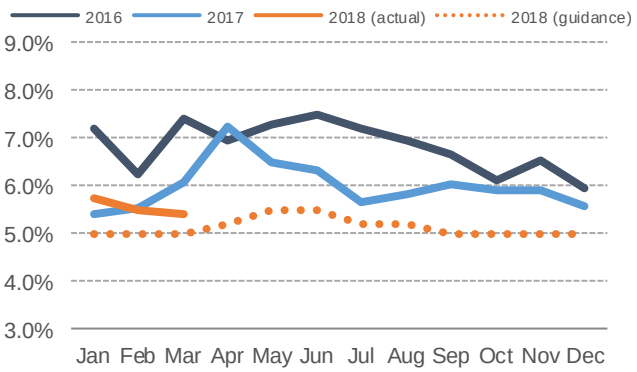
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. 2018 guidance as of January 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

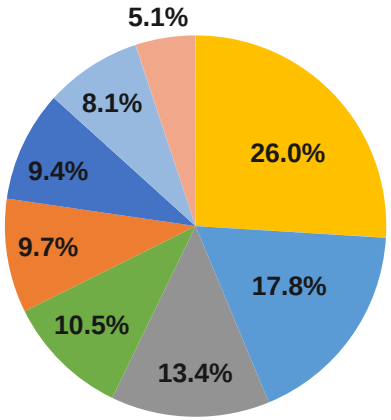
2017 Final	0.6%	96.0%	6.0%	3.6%
2018 Guidance	0.7% New Lease Change	96.0% Physical Occupancy	5.2% Renewal Rate Achieved	3.25% Same Store Revenue Growth

Los Angeles

Market Profile

Equity Residential

EQR in Los Angeles



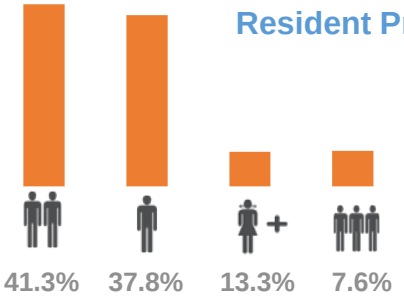
NOI by Submarket

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

EQR Resident Data (as of 12/31/17)*

Average Household Income	$137,643
Average Monthly Rent	$2,305
Rent as a Percent of Income	20.1%

Resident Profile



*Data for residents who have signed leases in the last 12 months as of 12/31/17.

Market Data

Home Affordability

	U.S.	Los Angeles
Median Household Income	$58,000	$61,000
Median Home Price	$252,000	$570,000
Ratio	4.3x	9.3x

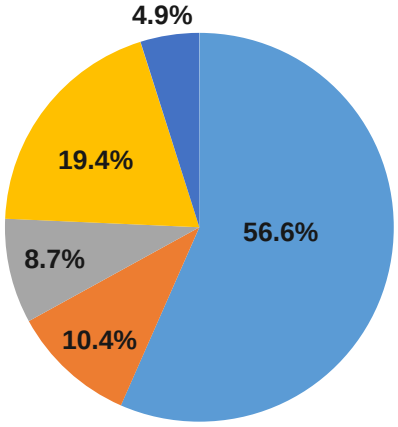
Walk Score

EQR **74.6**

REIT Competitor Avg **63.2**

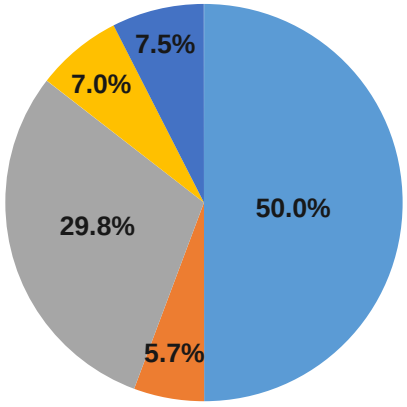
30% of renters in Los Angeles commute by walking or public transportation

Supply by Submarket



- Downtown Metro
- Glendale/Pasadena
- San Fernando Valley
- West Los Angeles
- South Bay

2018
14,309 units



2019
8,584 units

Los Angeles

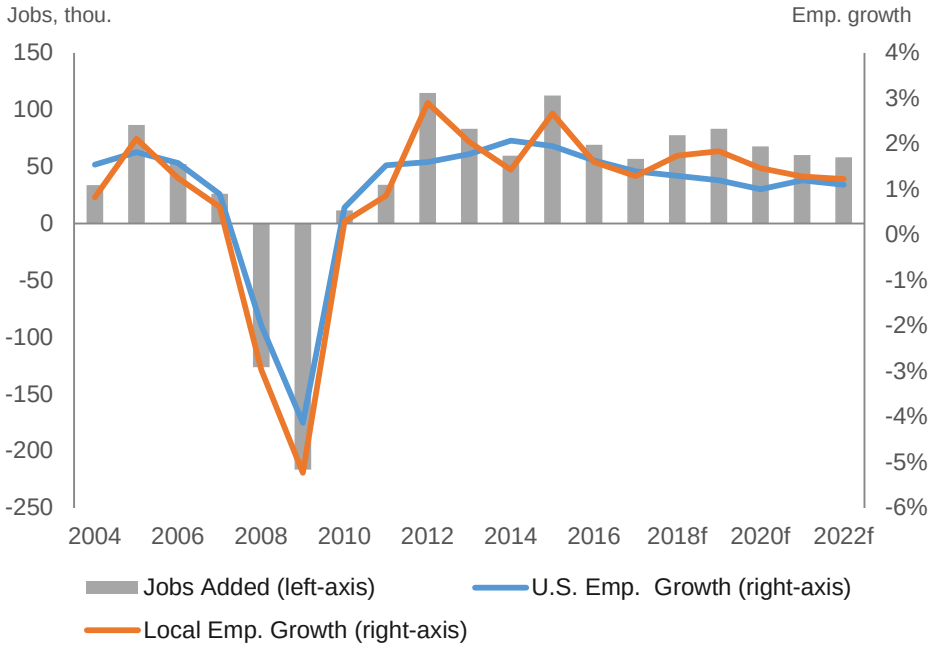
Market Profile

Equity Residential

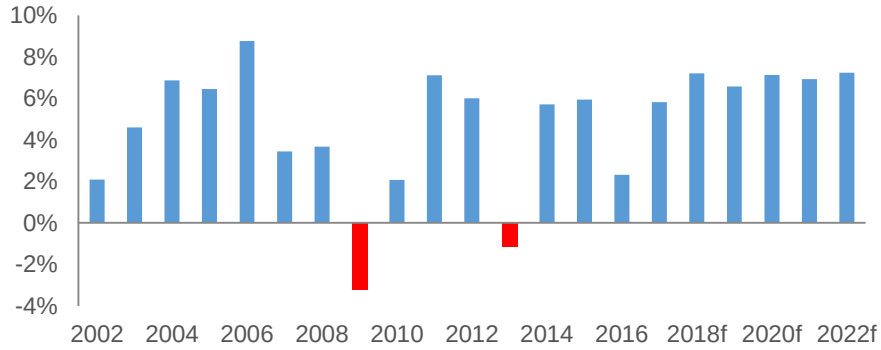
Long-Term Economic Drivers

- Diverse employment base is seeing a rapid expansion to media and tech companies. Four of the country's top computer engineering programs are located in L.A.
- Downtown LA is evolving into a "24/7" downtown as residential projects come on line.
- The for-sale market is among the country's most expensive.

Employment Growth



Household Income Growth



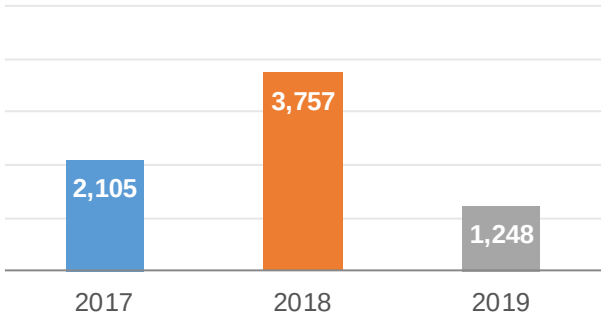
Source: Census, BEA, Rosen Consulting Group, BLS.

San Diego – Revenue

3,385 Units / 4.1% of NOI

Remains one of our top performing markets with 2018 supply concentrated downtown

New Supply (in units)[1]



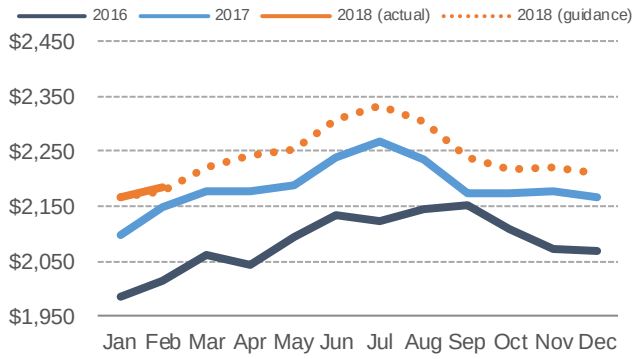
(1) Source: EQR.

Comments

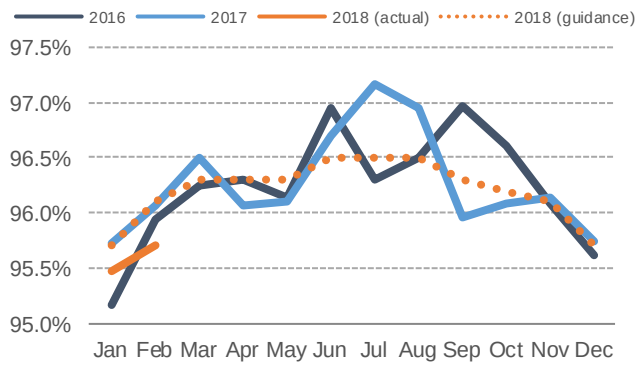
- Consistent performance with moderate job growth. Strong renewal performance continues, particularly in the suburban submarkets.
- Elevated supply expected in 2018 (vs. 2017), concentrated in downtown (28% of NOI). 2018 guidance includes a slight improvement in New Lease Change, similar occupancy and a moderation in renewals relative to 2017.

YTD indicators relative to original guidance: above | on track | below

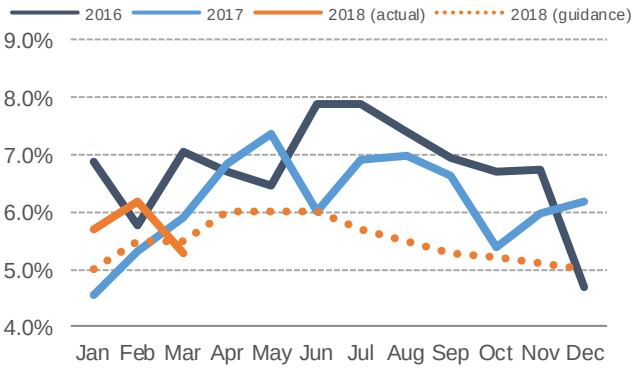
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. 2018 guidance as of January 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

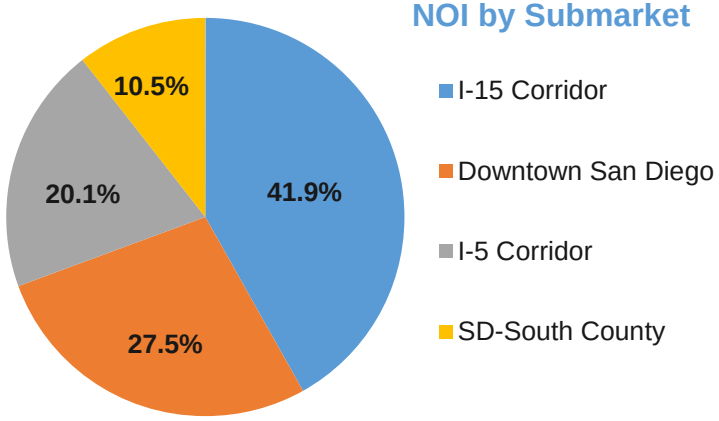
2017 Final	1.9%	96.3%	6.3%	4.6%
2018 Guidance	2.2% New Lease Change	96.2% Physical Occupancy	5.4% Renewal Rate Achieved	4.0% Same Store Revenue Growth

San Diego
Market Profile

Equity Residential

EQR in San Diego

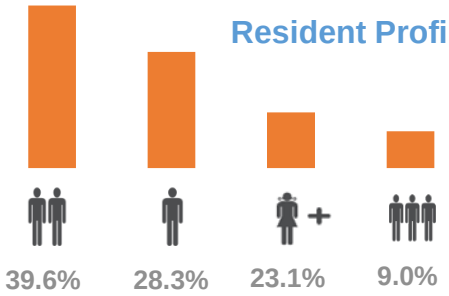
NOI by Submarket



EQR Resident Data (as of 12/31/17)*

Average Household Income	$116,605
Average Monthly Rent	$2,146
Rent as a Percent of Income	22.1%

Resident Profile



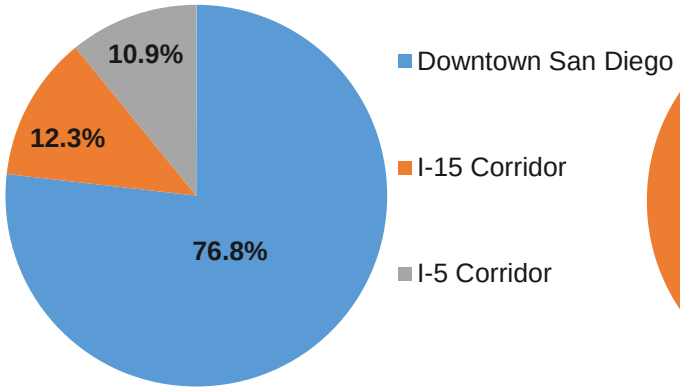
*Data for residents who have signed leases in the last 12 months as of 12/31/17.

Market Data

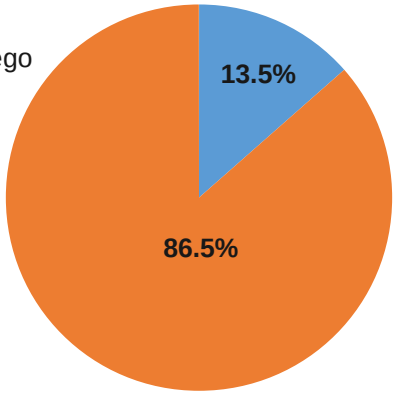
Home Affordability

	U.S.	San Diego
Median Household Income	$58,000	$71,000
Median Home Price	$252,000	$520,000
Ratio	4.3x	7.3x

Supply by Submarket



2018
3,757 units



2019
1,248 units

San Diego

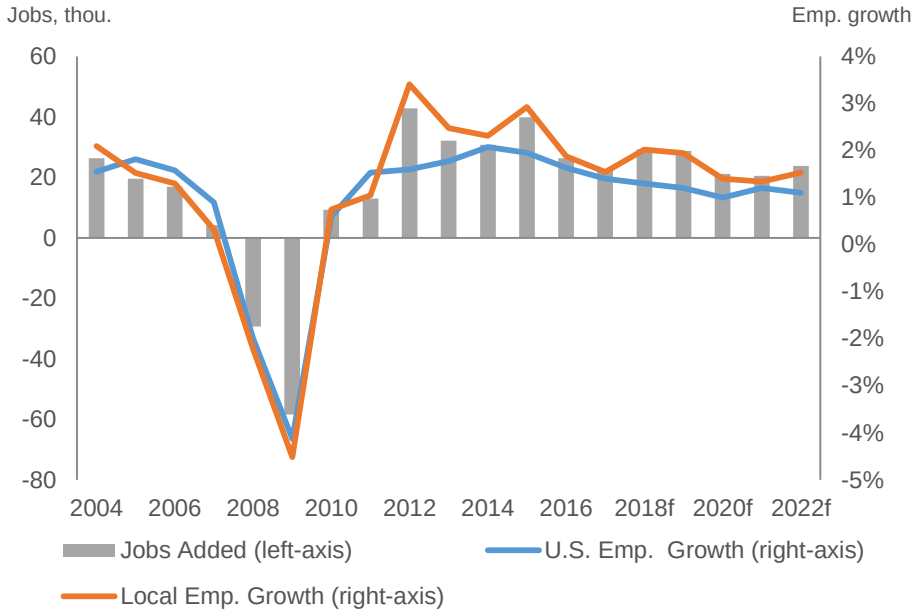
Market Profile

Equity Residential

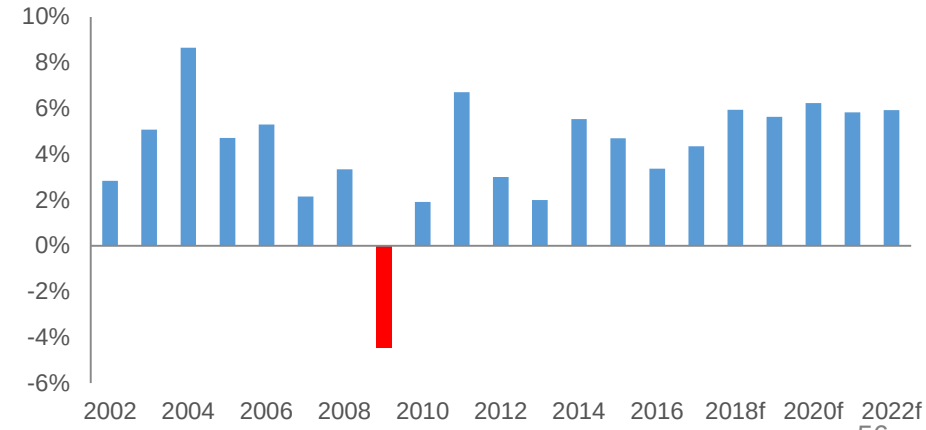
Long-Term Economic Drivers

- San Diego economy is driven by military and tech.
- Military spending expected to increase in 2018 as a result of new budget.
- San Diego is ranked #9 of Top 25 “Tech Cities”. More than 400 tech startups created since 2013.

Employment Growth



Household Income Growth



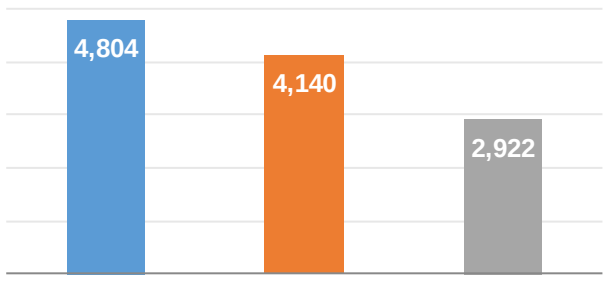
Source: Census, BEA, Rosen Consulting Group, BLS.

Orange County – Revenue

3,684 Units / 4.2% of NOI

Expect to continue as one of our top performing markets

New Supply (in units)[1]



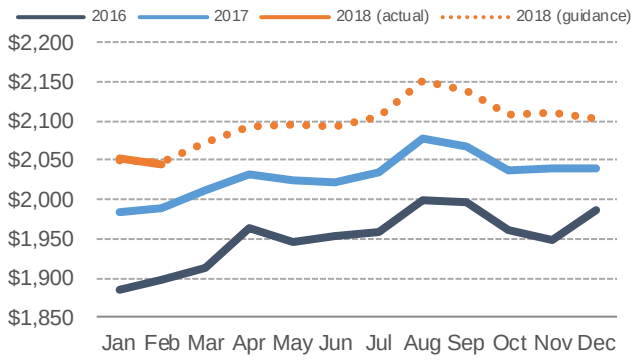
(1) Source: EQR.

Comments

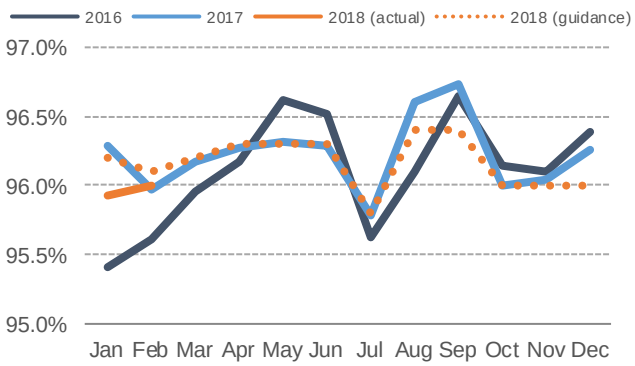
- Moderate strength coming from diversified job growth. Home prices rising and out of reach for most with median home prices approaching $700K.
- Similar supply in 2018 (vs. 2017). Irvine Business Complex (IBC) with approx. 29% of our NOI will see a modest increase in pressure from supply in 2018.
- 2018 guidance includes slight moderation in Renewal Rates Achieved with improved gains on new leases but recognizes the impact of lower Embedded Growth.

YTD indicators relative to original guidance: above on track below

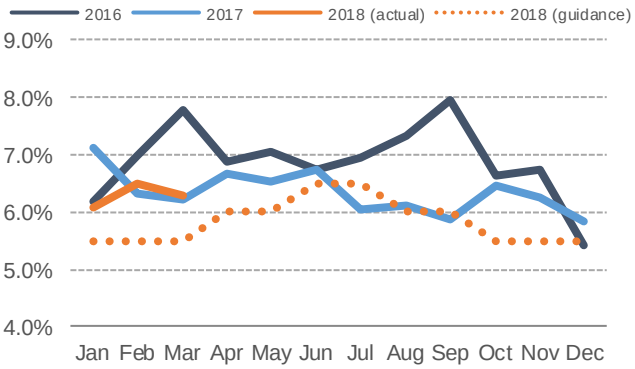
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 2/26/18. 2018 guidance as of January 2018. See Glossary of Operations Terms for definitions.

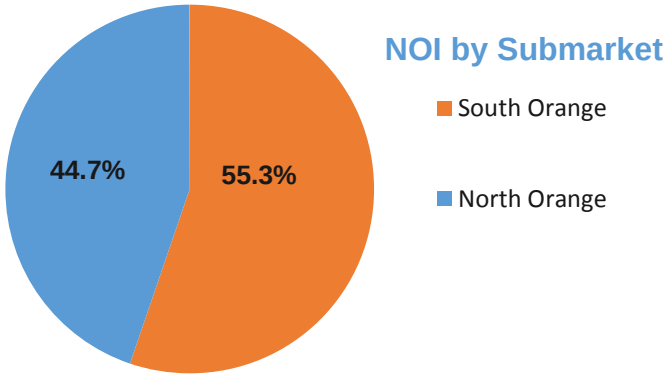
Annual Guidance Assumptions

2017 Final	1.5%	96.2%	6.3%	4.7%
2018 Guidance	2.1% New Lease Change	96.2% Physical Occupancy	5.9% Renewal Rate Achieved	4.0% Same Store Revenue Growth

Orange County

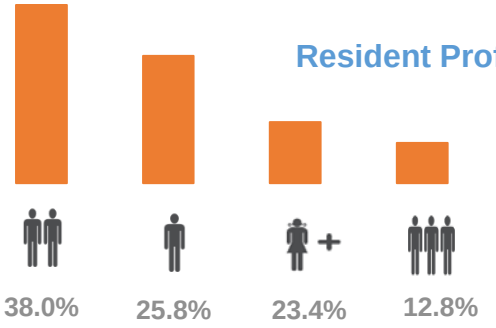
Market Profile

EQR in Orange County



EQR Resident Data (as of 12/31/17)*

Average Household Income	$105,870
Average Monthly Rent	$1,981
Rent as a Percent of Income	22.5%

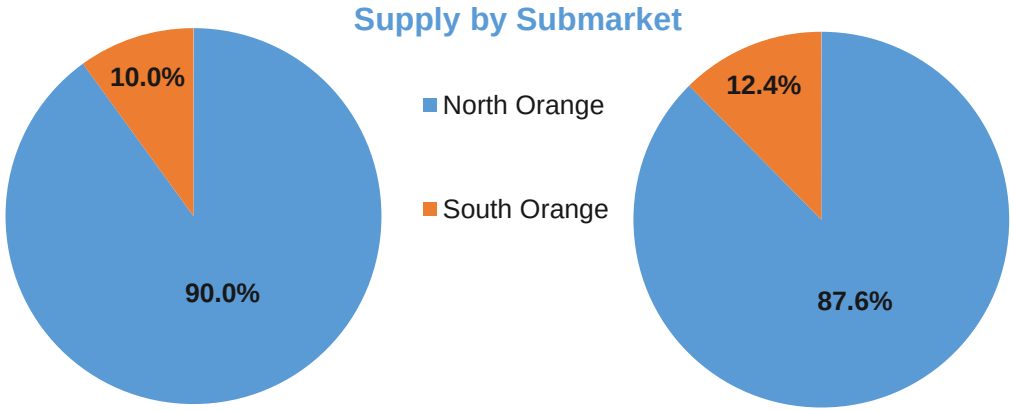


*Data for residents who have signed leases in the last 12 months as of 12/31/17.

Market Data

Home Affordability

	U.S.	Orange County
Median Household Income	$58,000	$82,000
Median Home Price	$252,000	$655,000
Ratio	4.3x	7.9x



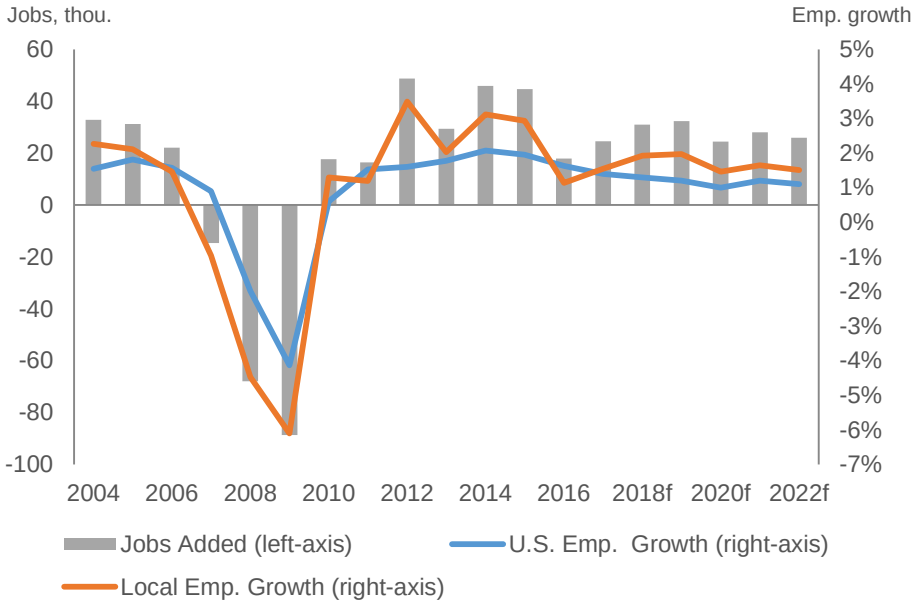
Orange County

Market Profile

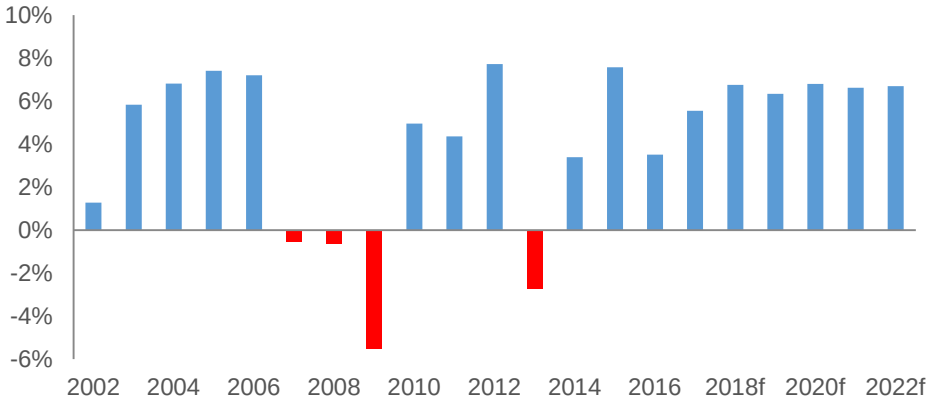
Long-Term Economic Drivers

- Aerospace and Medical Technology manufacturing are leading growth engines in Orange County.
- Rosen Consulting projects job growth above the national average and household income growth of 6% on average over the next five years.

Employment Growth



Household Income Growth



Source: Census, BEA, Rosen Consulting Group, BLS.

Our Balance Sheet



View from Vantage Pointe – San Diego, CA

Stable and Conservative Leverage Profile

One of the Strongest Balance Sheets in the REIT Sector

Equity Residential

A- / A3 / A
Investment Grade Ratings(1)

5.6x
Net Debt to Normalized EBITDA

3.9x
Fixed Charge Coverage(2)

74%
Unencumbered NOI as % of Total

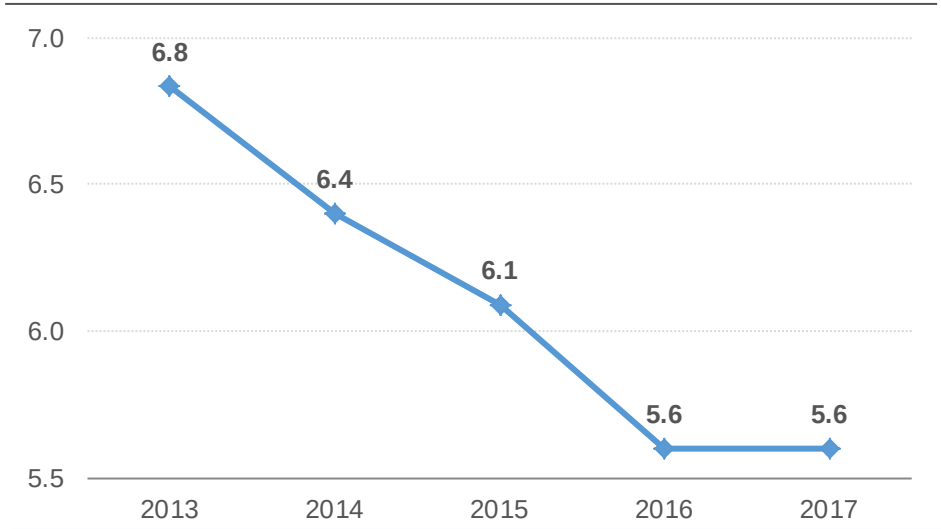
$1.6B
Liquidity

35%
Debt to Adjusted Total Assets(3)

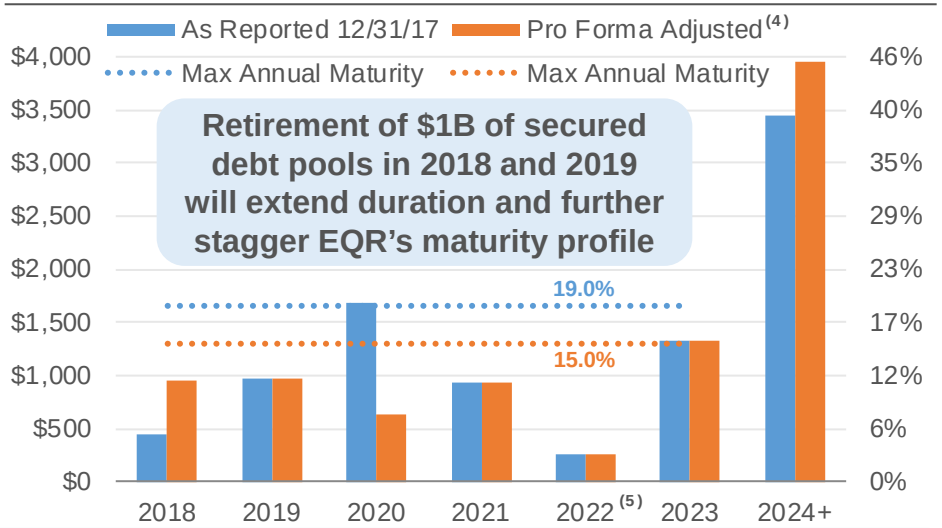
- Recently upgraded to A by Fitch
- Substantial liquidity provided by $2 billion revolving line of credit (inclusive of $500 million commercial paper program)
- Well-staggered debt maturity schedule and limited development funding requirements
- Positive near-term arbitrage opportunities to lower weighted average cost of debt
- In January 2018, EQR prepaid a $550M secured debt pool with a 6.08% coupon. Unencumbered NOI increased to 77% of total NOI
- In February 2018, EQR completed a $500M 10-year unsecured bond offering with an effective yield of 3.57%
  - » Priced with a spread of T+80bps, the tightest index-eligible REIT 10-year spread in history

Note: Data as of 12/31/17 except for liquidity, which is as of 02/09/2018.
(1) "A-" (stable) credit rating from S&P,"A3" (stable) from Moody's and "A" (stable) from Fitch.
(2) Fully loaded (Normalized int. exp. + Cap int. + Principal Amort. + Pref. Dividend.
(3) Calculated consistent with the Company's unsecured bond covenants.

Improved Net Debt to Normalized EBITDA



Maturity Schedule



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

(4) Reflects pre-payment of a $550M secured debt pool on 1/31/18, $500M unsecured bond offering on 2/1/18 and anticipated prepayment of two $500M secured debt pools on 10/1/18 and 7/1/19 at par, respectively.
(5) EQR's $2.0B revolving line of credit matures in 2022.

Source: Company Filings as of 12/31/17.

Our Commitment to Sustainability

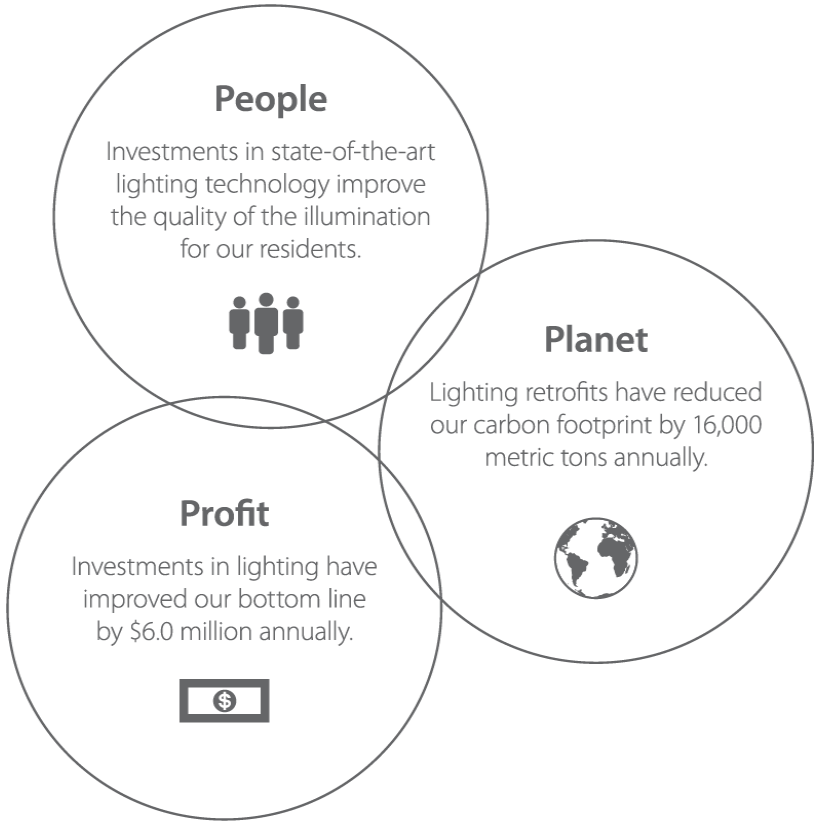


View from Azure - San Francisco, CA

Our Commitment to Sustainability

Equity Residential

We use an all-inclusive approach, addressing not only specific environmental impacts such as water conservation, waste reduction and energy efficiency, but also the environmental and social impact to the community, including the relationships we have with our residents, employees and shareholders.





Smart irrigation systems have reduced use of irrigation water at our included properties by 28%



Our solar panel projects reduced electric use at eight properties by over 80%



We now own 25 cogens, with three more projects in planning. Combined, these systems represent an installed capacity of nearly 2 megawatts.

Sustainability Recognition and Certification

Equity Residential

Global Real Estate Sustainability Benchmark

GRESB

- Named 2017 Global Residential Listed Sector Leader, the fourth consecutive time EQR has been recognized as a Sector Leader in ESG by GRESB

NAREIT Leader in the Light

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

- 2017 Residential 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™

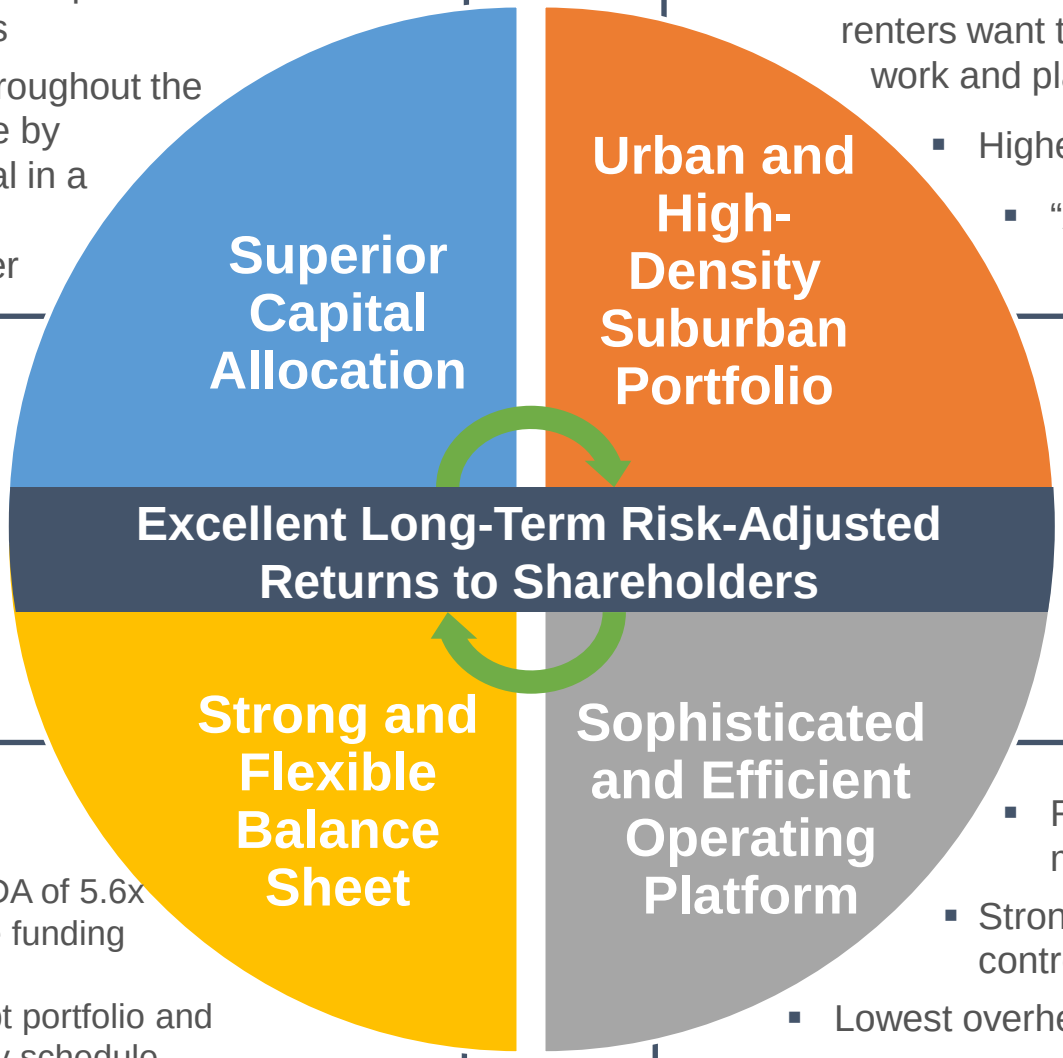
- 4 of our new developments since 2011 have received NAHB NGBS certification

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 renters want to live, work and play
  - Highest Walk Scores
  - "A" and "B" quality assets



- Strong credit ratings (A-/A3/A)
- Low net debt to Normalized EBITDA of 5.6x
- 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 "Fourth Quarter 2017 Earnings Release and Supplemental Financial Information" from January 30, 2018, 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 and Longacre House (910 apartment 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 2017 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 apartment units) purchased in 2010 in Washington, D.C. and San Diego. Value creation of $241M is based on EQR's 2017 NAV less the purchase price of the two assets.
9	**Archstone Acquisition** was completed in 2013 and included 76 properties (21,781 apartment units). Per unit purchase price and 2017 value per unit based on units owned by the Company as of September 2017.
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 $184M.
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** includes 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 2005-2017** 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 EQR's 2017 NAV. Value for projects that are not yet stabilized in 2017 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	Actual 2017 Per Share	Expected 2018 Per Share*
EPS - Diluted	$ 1.73	$ 2.36	$ 11.68	$ 1.63	$ 1.76
Add: Depreciation expense	2.00	2.00	1.83	1.93	2.01
Less: Net gain on sales	(0.58)	(0.88)	(10.57)	(0.41)	(0.62)
FFO per share - Diluted	3.15	3.48	2.94	3.15	3.15
Asset impairment and valuation allowances	-	-	-	-	-
Write-off of pursuit costs	0.01	0.01	0.01	0.01	0.01
Debt extinguishment (gains) losses, including prepayment penalties, preferred share redemptions and non-cash convertible debt discounts	-	0.01	0.32	0.03	0.06
(Gains) losses on sales of non-operating assets, net of income and other tax expense (benefit)	0.01	(0.05)	(0.19)	(0.05)	-
Other miscellaneous items	-	0.01	0.01	(0.01)	-
Normalized FFO per share - Diluted	3.17	3.46	3.09	3.13	3.22
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	$ 3.13	$ 3.22

Note: Please reference the Company's "Fourth Quarter 2017 Earnings Release and Supplemental Financial Information" from January 30, 2018, 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 2018 per share results represent the midpoint of the Company's 2018 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):

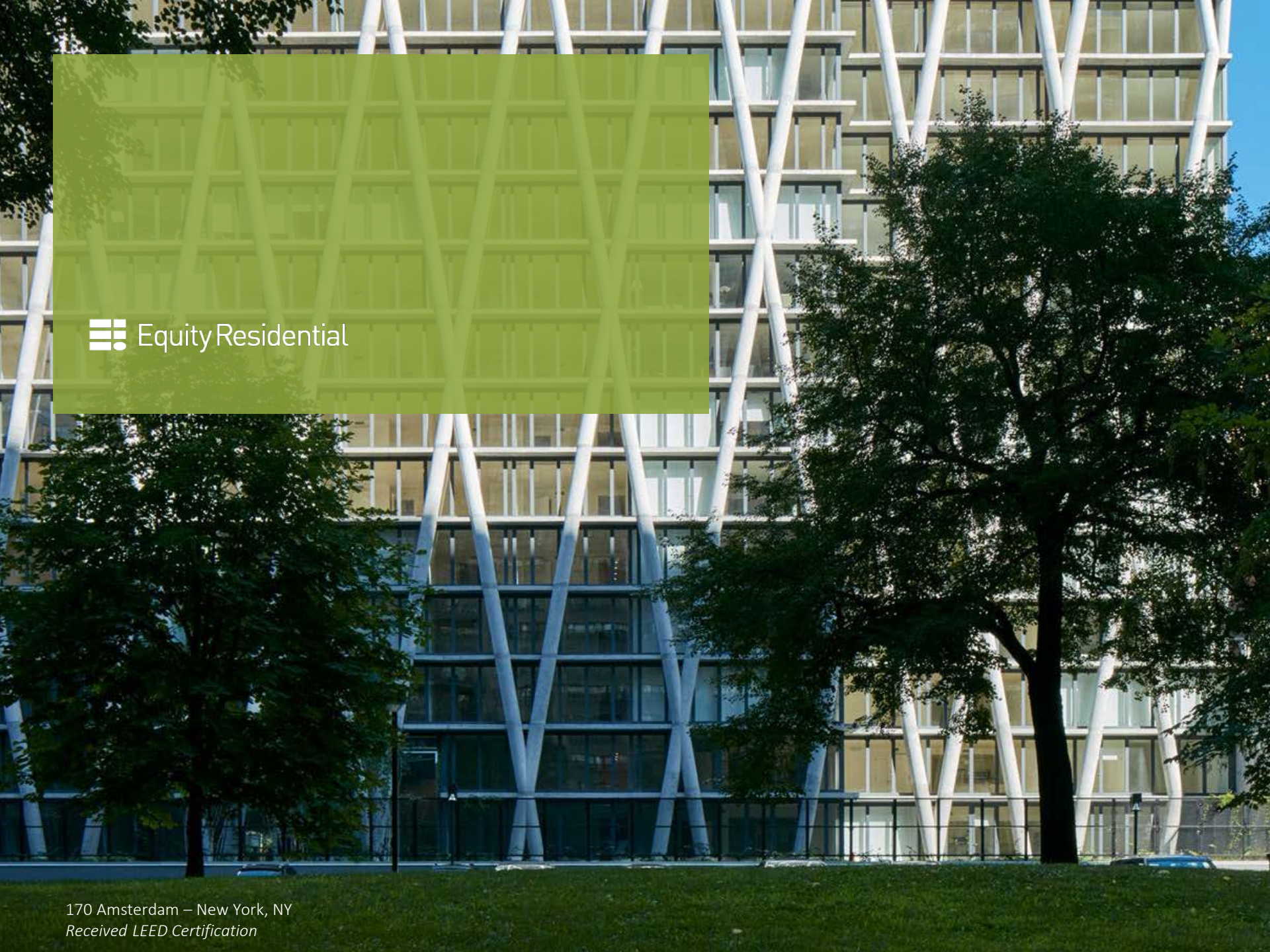
- NOI from all properties sold in the Starwood transaction in January 2016 and NOI from all other operating properties sold during 2016;
- fee and asset management income related to Joint Base Lewis McChord, which the Company sold its entire interest in the management contracts and related rights, in 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.

Glossary of Operations Terms

Operations Term	Definition
Base Rent	Monthly average for the daily market rent for all occupied and unoccupied apartment units, produced by the Company's revenue management system, without concessions or discounts being applied.
New Lease Change	The change in rent for the new lease versus the rent for the prior lease of the identical apartment unit regardless of lease term and without concessions or discounts being applied.
Physical Occupancy	The weighted average occupied apartment units for the reporting period divided by the average of total apartment units available for rent for the reporting period.
Same Store Properties	For annual comparison, primarily includes all properties acquired or completed that are stabilized prior to January 1, 2017, less properties sold. Properties are included in Same Store when they are stabilized for all of the current and comparable periods presented.
Net Operating Income (NOI)	NOI is defined as rental income less direct property operating expenses (including real estate taxes and insurance). The Company believes that NOI is helpful to investors as a supplemental measure of its operating performance because it is a direct measure of the actual operating results of the Company's apartment properties. NOI does not include an allocation of property management expenses either in the current or comparable periods. Rental income for all leases and operating expense for all ground leases (for both same store and non-same store properties) are reflected on a straight-line basis in accordance with GAAP for the current and comparable periods.
Renewal Rate Achieved	The change in rent for the new lease on an apartment unit where the lease has been renewed versus the rent for the prior lease of the identical apartment unit, regardless of lease term.
% of Residents Renewing	Total renewals divided by total offers sent for any given period for leases that went to full term.
Revenue Growth	The change in total revenue expressed as a percentage for the designated period. Total revenue includes rental revenue and all other residential and non-residential revenues, such as garage and retail revenues.
Embedded Growth	Income growth resulting from residential and non-residential rents in place as of 12/31 of the prior year times twelve. Assumes there is no change in rents or occupancy for the entire year.



170 Amsterdam – New York, NY
Received LEED Certification