Equity Residential

Investor Update

June 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



Venn at Main – Bellevue, WA

Executive Summary

Equity Residential

- We are well positioned as we begin the primary leasing season:
  - » Renewal Rate Achieved of 4.6% YTD is running ahead of expectations.
    - Renewal Rate Achieved increased 4.6% for April and 4.8% for May.
    - Projected to achieve increases of between 4.6% and 4.8% for June and July.
  - » YTD Same-Store Physical Occupancy of 96.2% is running ahead of plan.
  - » To date, Q2 New Lease Change has increased approximately 1.3%, as expected.

- New York and San Francisco are performing ahead of expectations; Los Angeles, Boston and Washington, DC are meeting expectations; and Seattle, San Diego and Orange County are slightly underperforming.

See page 68 for definitions.

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Who We Are and How We Create Long-Term Value



Rooftop terrace at 340 Fremont – San Francisco, CA

Equity Residential

Equity Residential

303
Properties
78,399
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

$32.3 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 $200M under development and will start a $410M project in Boston this year.
- Plan 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 72,204 apartment unit same store portfolio to maximize revenue by balancing occupancy and rental rate. We are currently 96.2% occupied and our guidance is for same store revenue growth of approximately $40M, or 1.6%, in 2018.
- Continued focus on resident retention to drive strong renewal increases despite elevated new supply.
- Lease and stabilize the more than $1.0B 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.

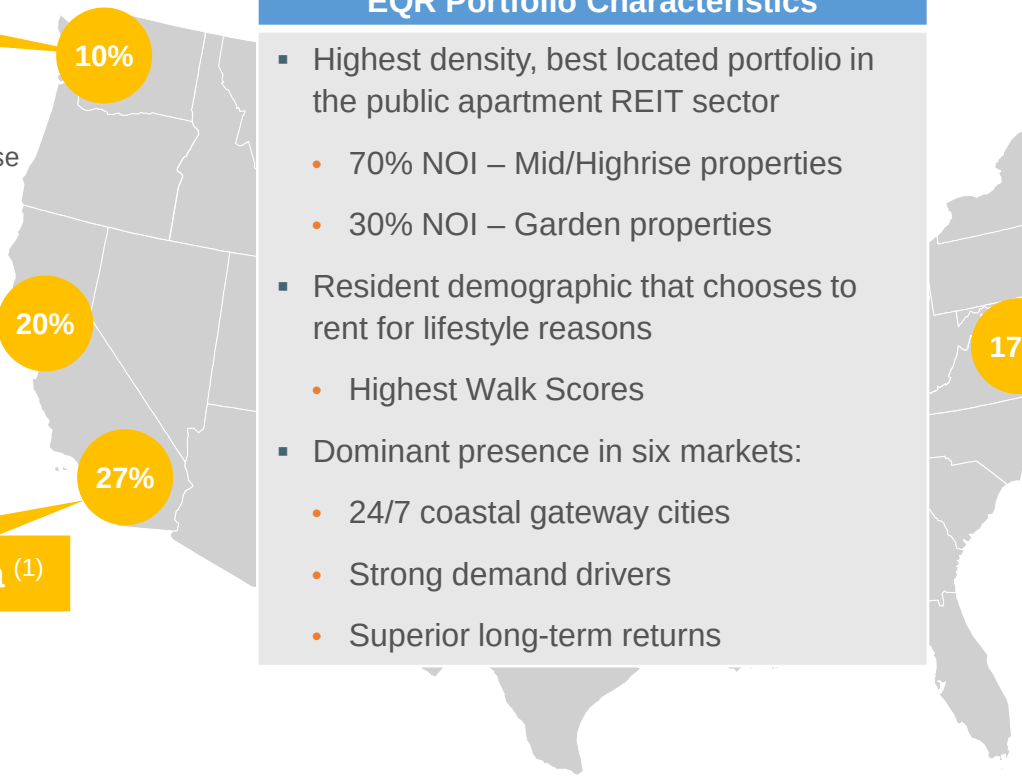
Balance Sheet Strategy

- Maintain strong and flexible balance sheet characterized by low leverage – currently 5.4x 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 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. Active management of future interest rate risk through use of forward starting swaps.
- Maintain large, diversified unencumbered asset base.

Equity Residential Portfolio 2018

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EQR's portfolio is focused in the coastal gateway markets



Seattle

10%

41 Properties
8,438 Units
84% NOI - Mid/Highrise
16% NOI - Garden

San Francisco

20%

55 Properties
13,418 Units
51% NOI - Mid/Highrise
49% NOI - Garden

Southern California (1)

27%

95 Properties
23,381 Units
43% NOI - Mid/Highrise
57% NOI - Garden

EQR Portfolio Characteristics

- Highest density, best located portfolio in the public apartment REIT sector
  - 70% NOI – Mid/Highrise properties
  - 30% 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

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24 Properties
6,263 Units
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Washington, D.C.

17%

48 Properties
15,811 Units
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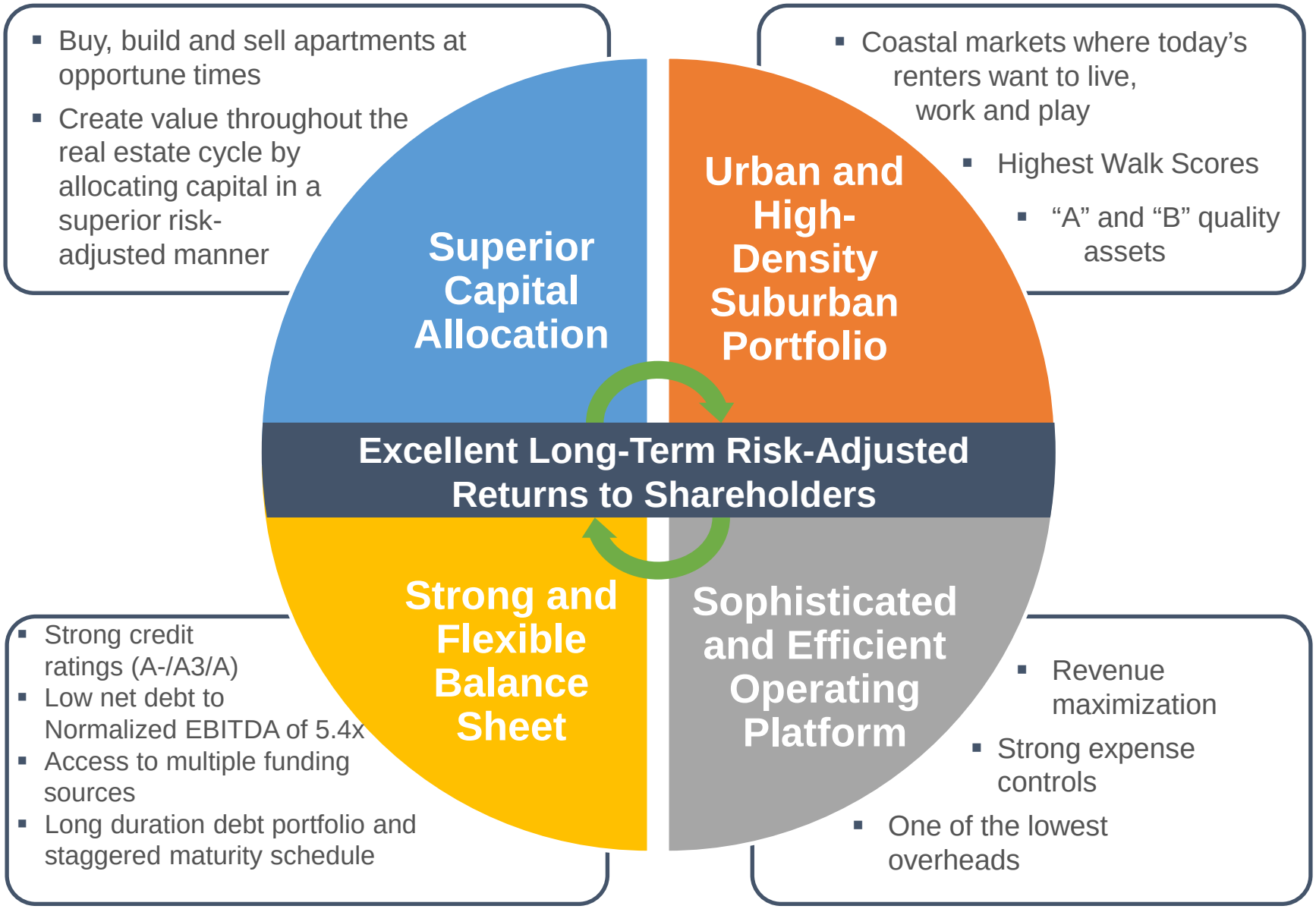
Note: As of 03/31/18

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

Represents percentage of Stabilized NOI

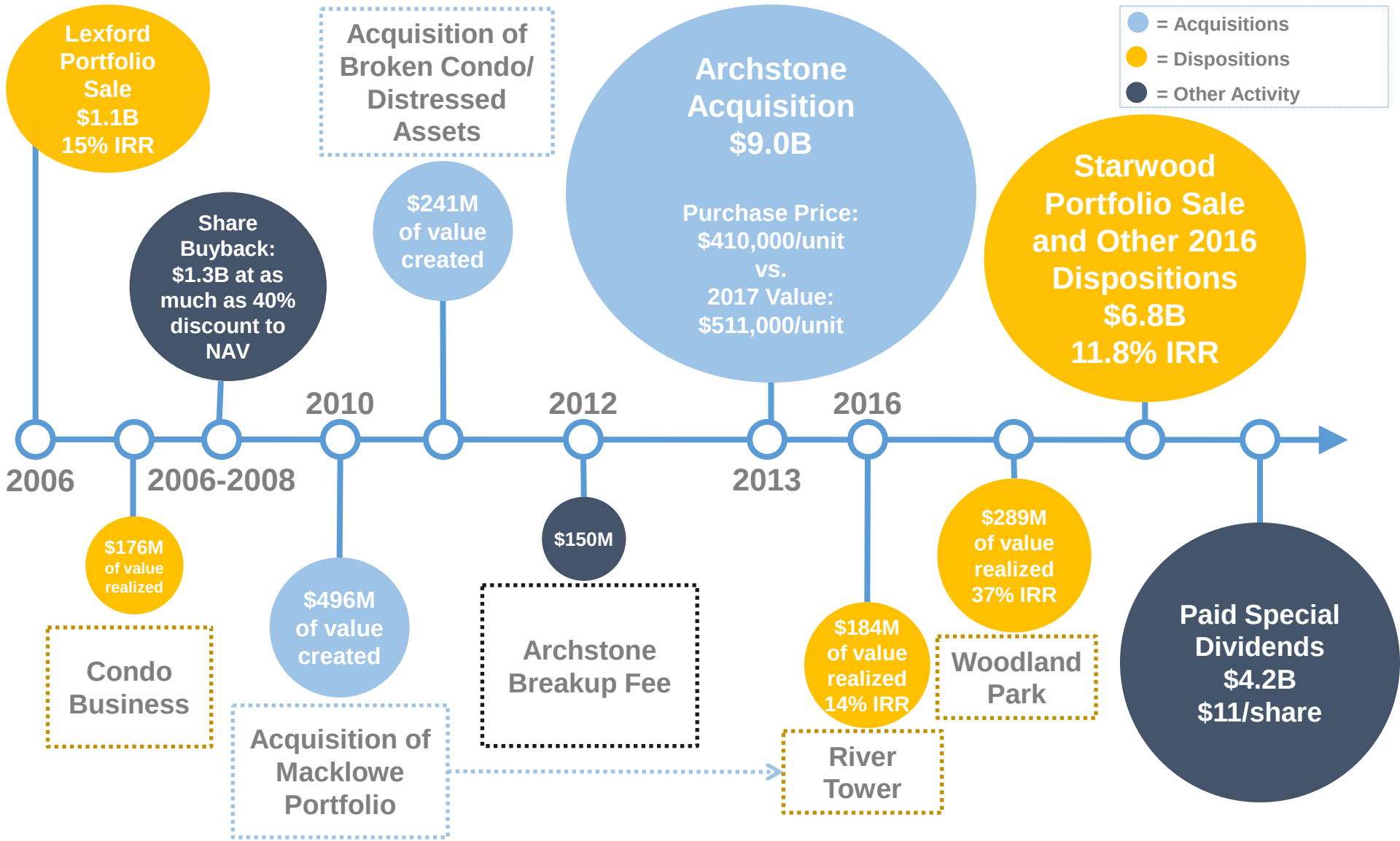
The Equity Difference: Long-Term Outperformance

Equity Residential



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

Equity Residential

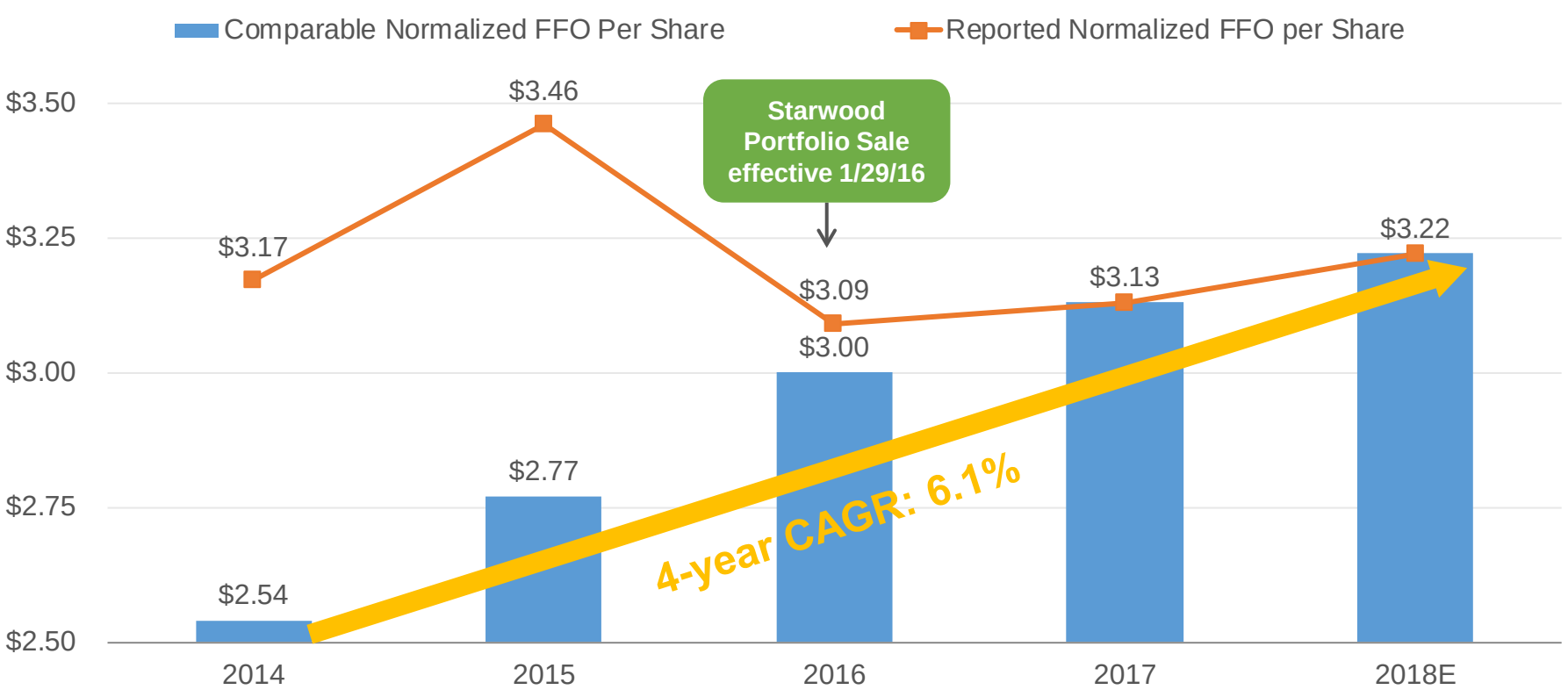


Note: All IRRs calculated on an unleveraged basis
See additional notes to presentation

2014-2018 Comparable Normalized FFO Per Share

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 and $4 billion of special dividend payments to shareholders.

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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New Supply

- 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

- 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.

Impact of Increasing Interest Rates

- Historically, strong economic activity has led to increases in interest rates as well as increases in apartment rents and occupancies.
- Approximately 86% of EQR's debt is fixed rate. Also, we have entered into a significant number of forward starting swaps to hedge our exposure to increases in rates on future debt issuances.
- We have extended the weighted average maturity of our debt to nine years.
- Apartment property values have been steady in spite of rate increases.

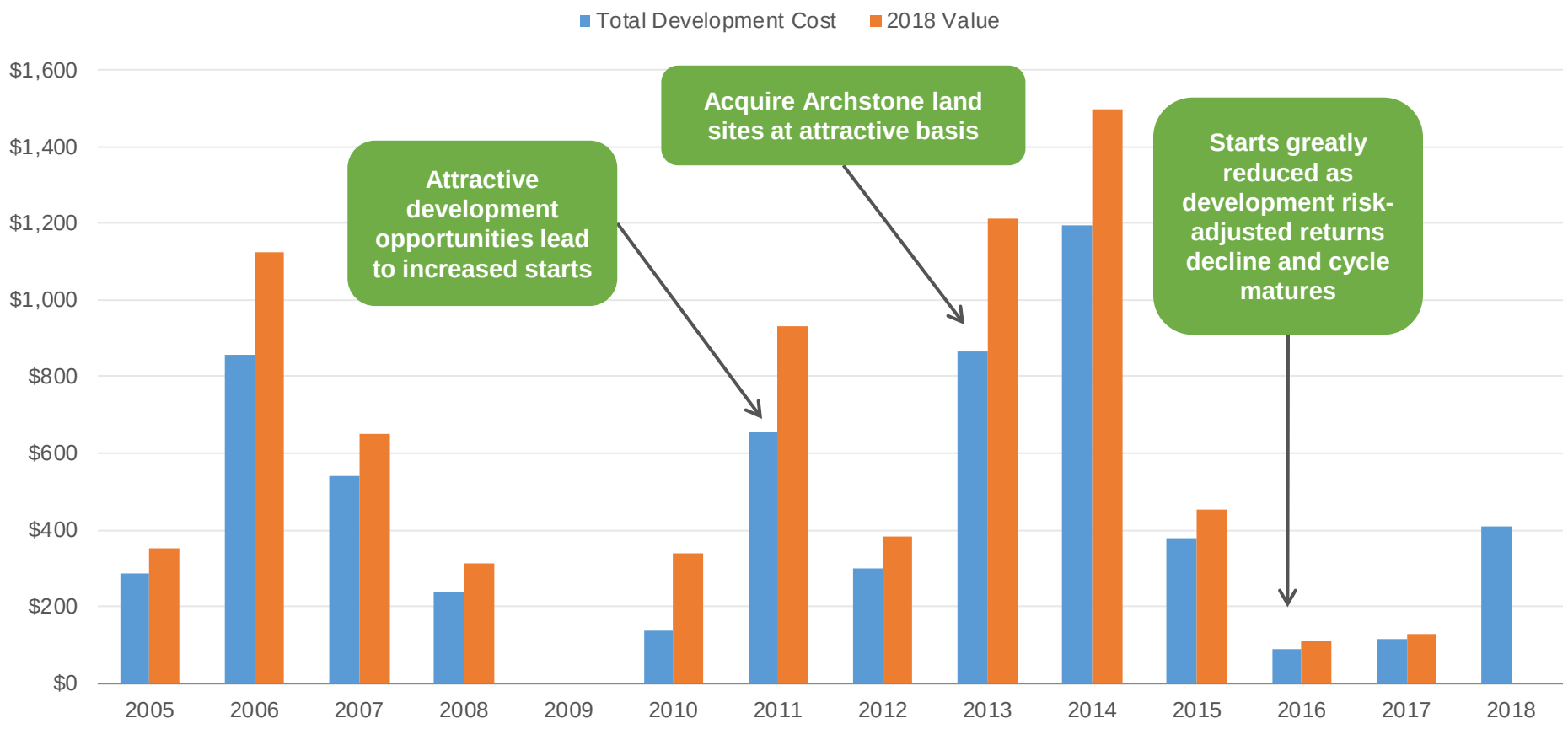
California Rent Control

- Costa Hawkins is the California state law that prevents local municipalities from introducing rent control on assets built after February 1995 and requires vacancy de-control. A proposal to repeal Costa Hawkins has been certified and will be on the statewide ballot in November. Passage would create the opportunity for local municipalities to expand beyond current rent control laws.
- We are working with the California Apartment Association and other apartment owners on a campaign to inform voters on why rent control will exacerbate the state's affordable housing shortage.

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)

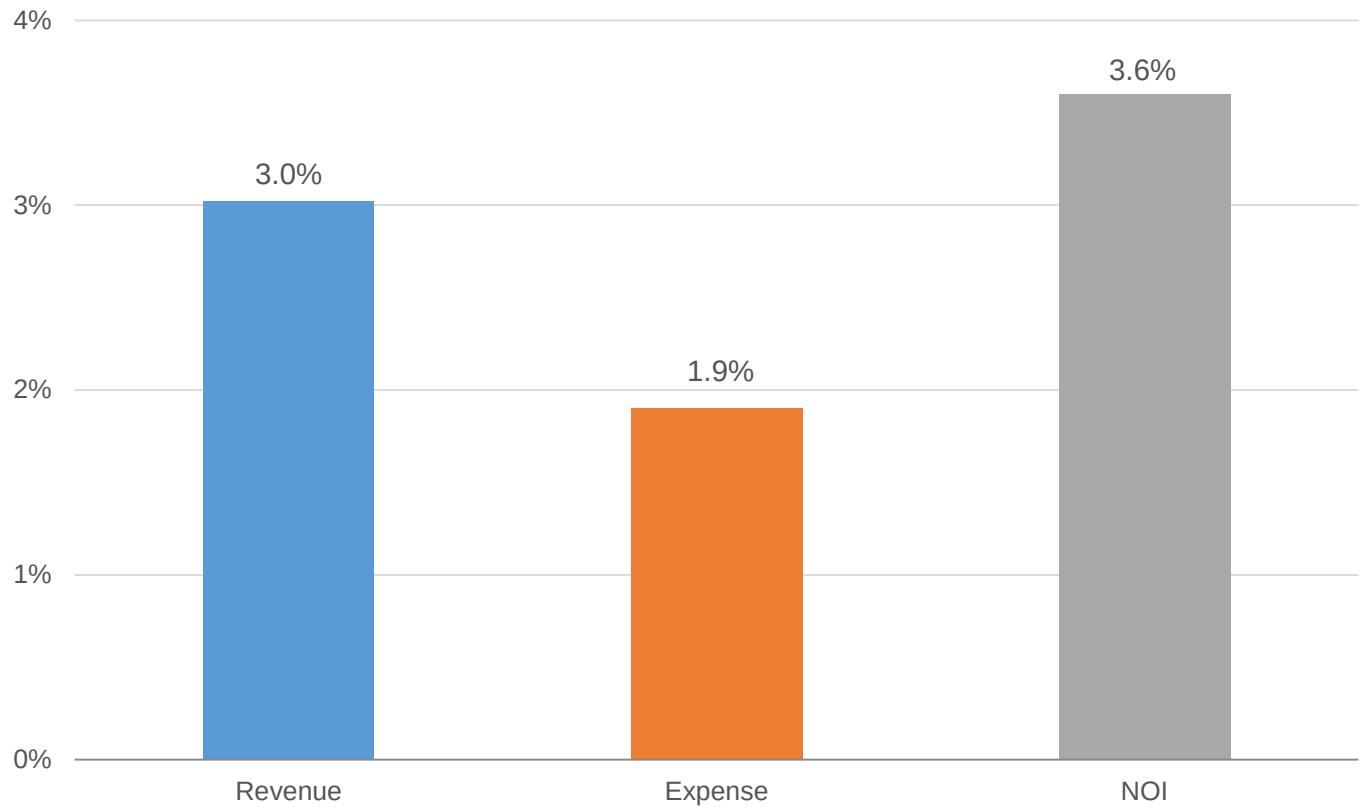


EQR development projects have created $1.9B of value during 2005-2017 for a 33% return on cost

EQR Has Strong Operating Results Over Time…

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

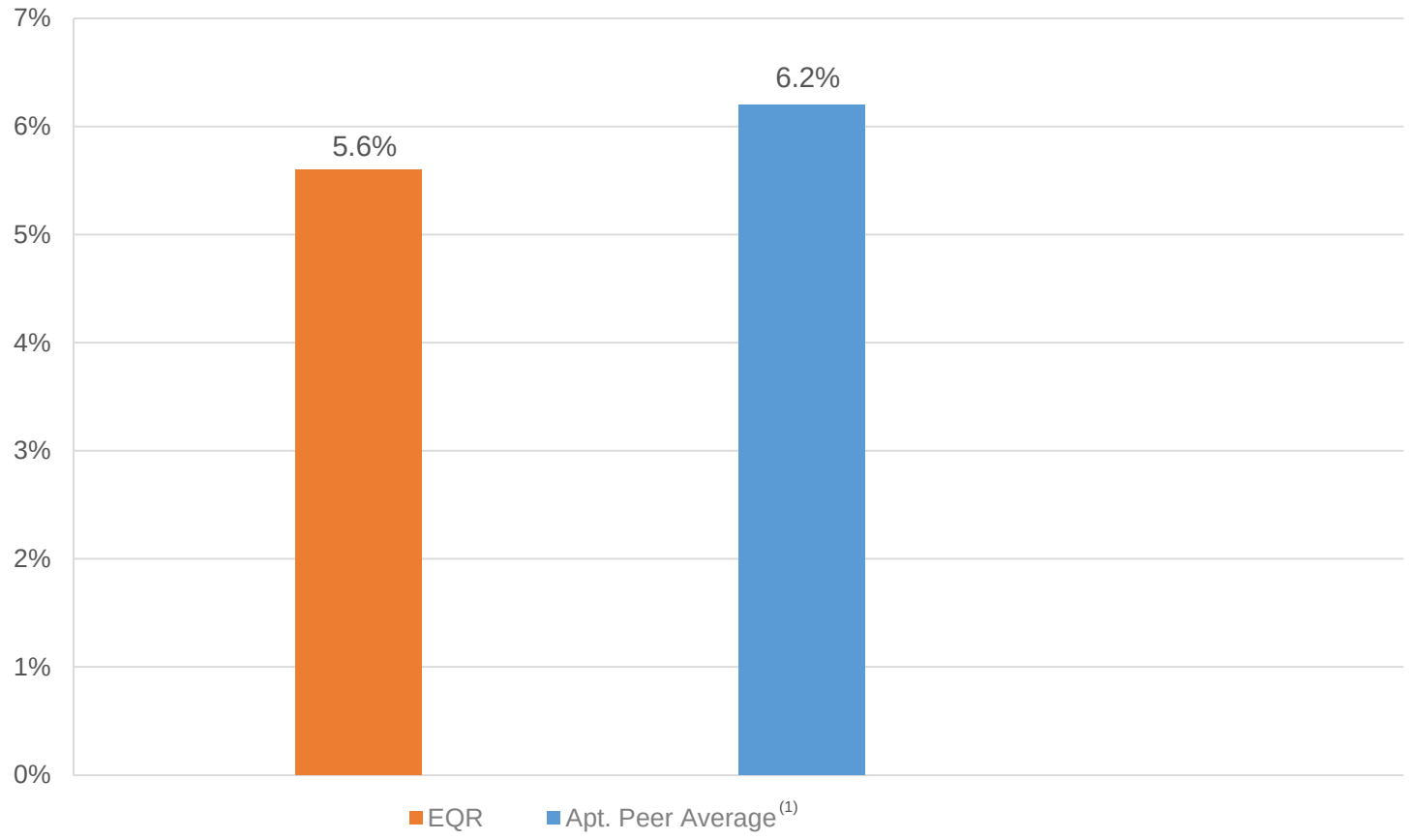


(1) Ten year period 1/1/08 to 12/31/17
Source: SNL Financial and Company filings.

...and Excellent Cost Controls

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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 Coastal Gateway Markets

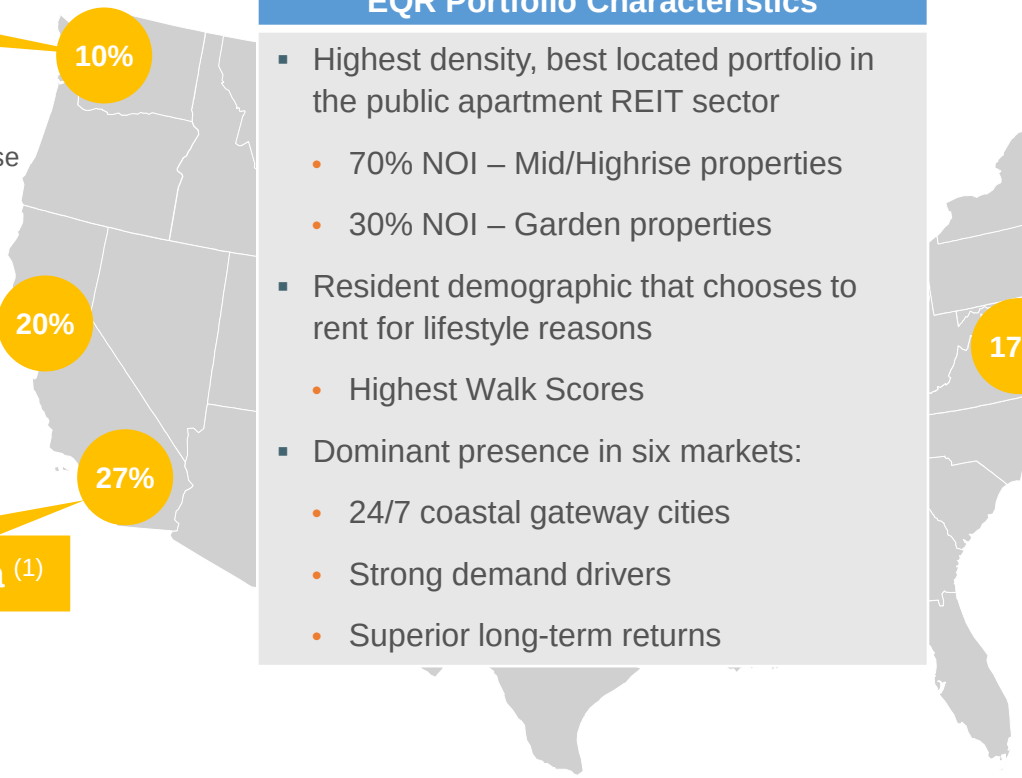


Rooftop terrace at Radius Koreatown – Los Angeles, CA

Equity Residential Portfolio 2018

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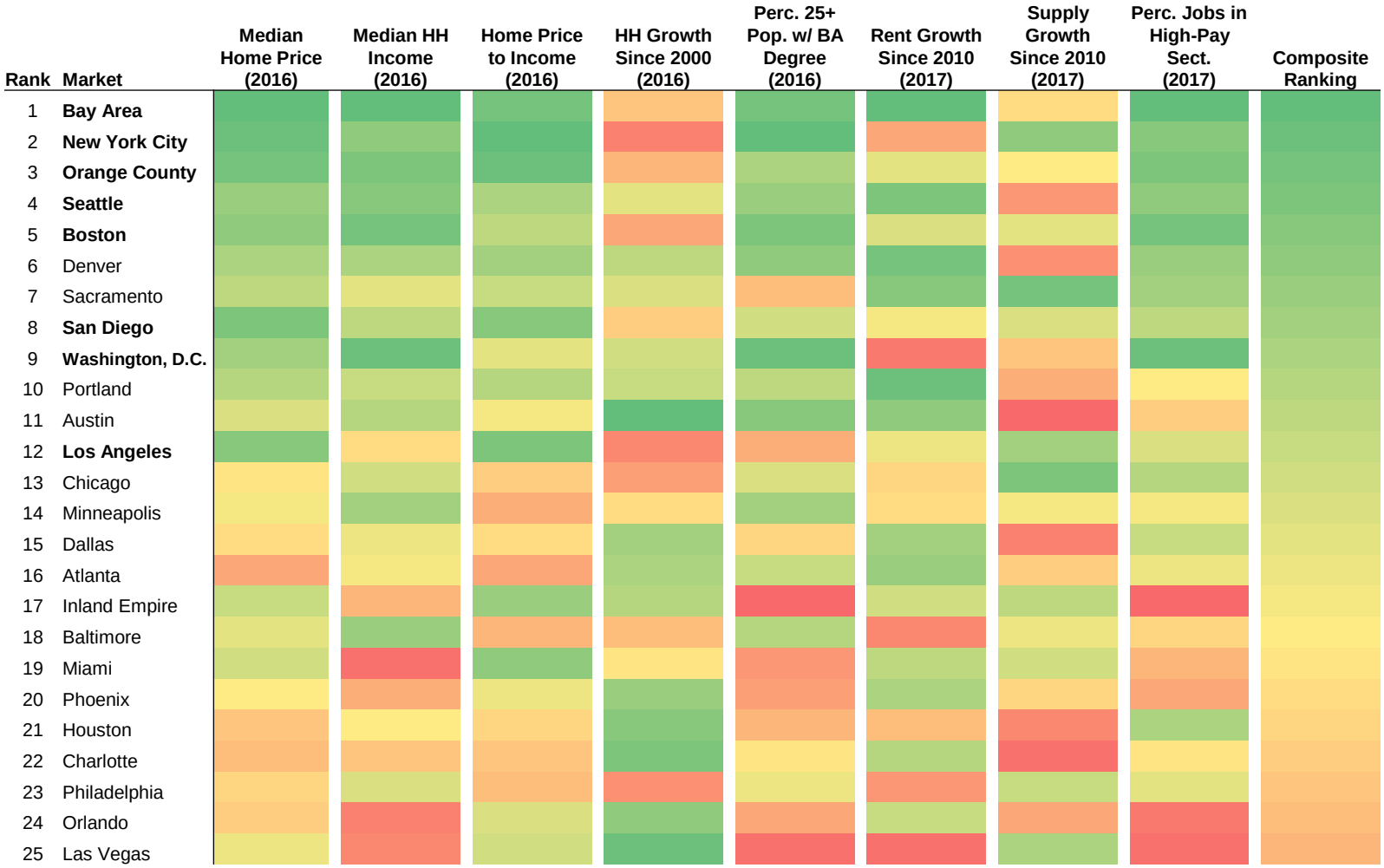
(1) Includes Los Angeles, San Diego and Orange County

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									

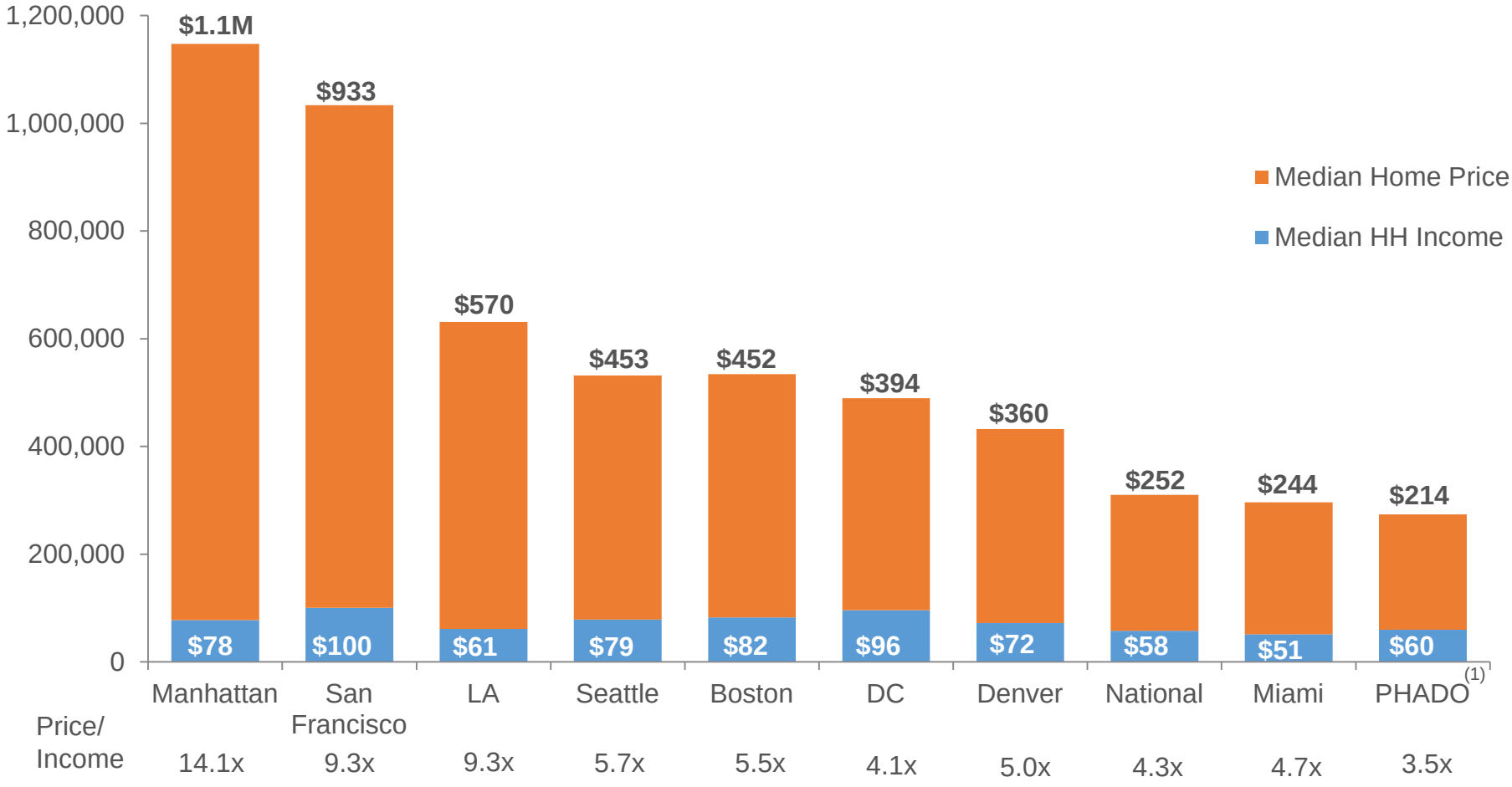
Source(s): U.S. Census, BLS, NAR, Moody's Analytics, Axiometrics
As of: Q1 2018

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

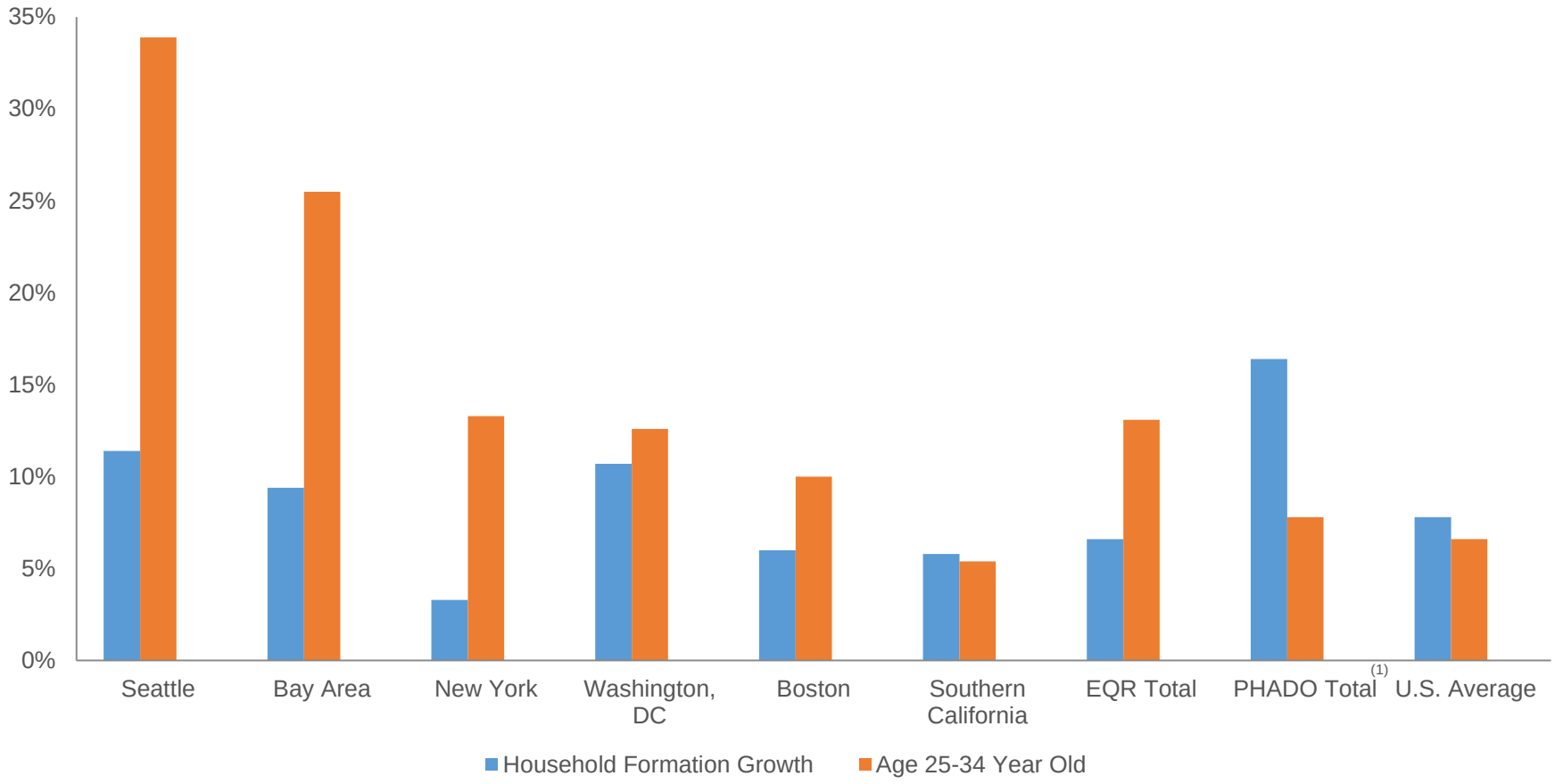


(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
Source: American Community Survey; CoreLogic; National Association of Realtors.
As of Q1 2018.

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.

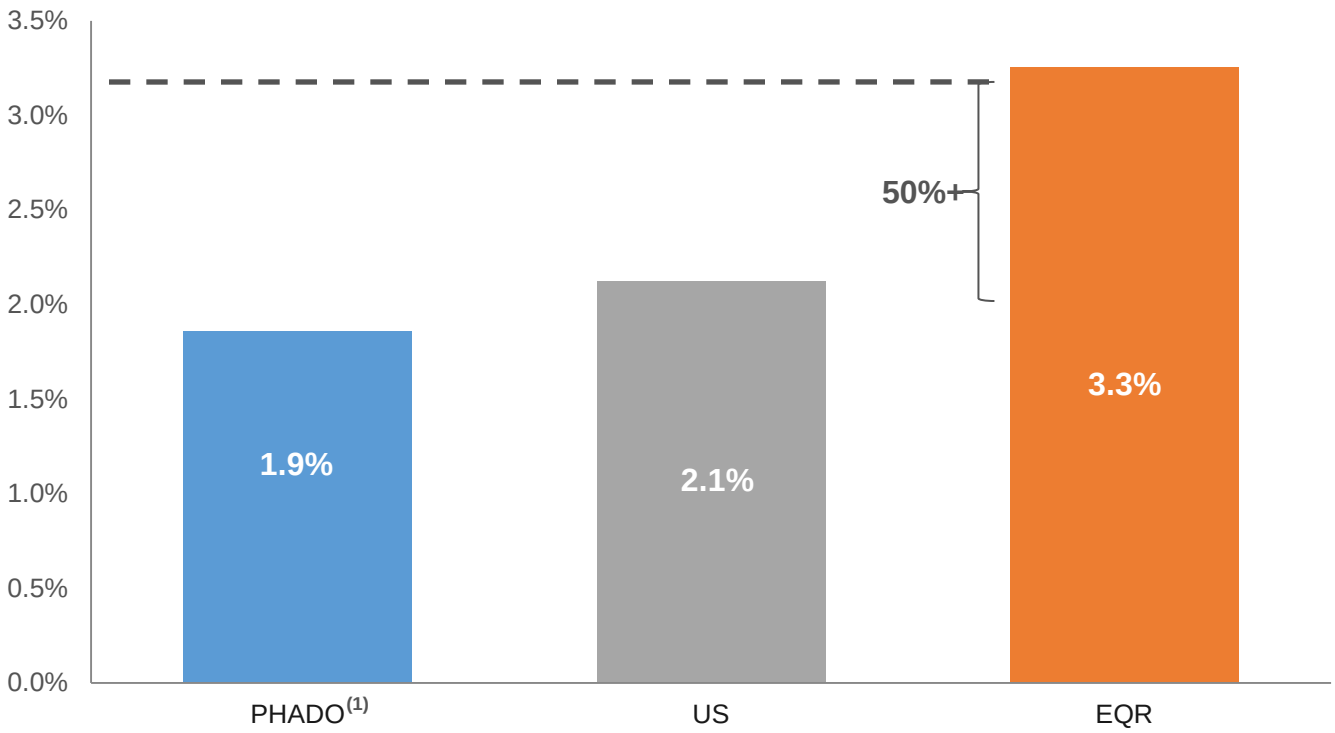
Note: U.S. average represents 75 major markets; 2017 data are RCG estimates

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)

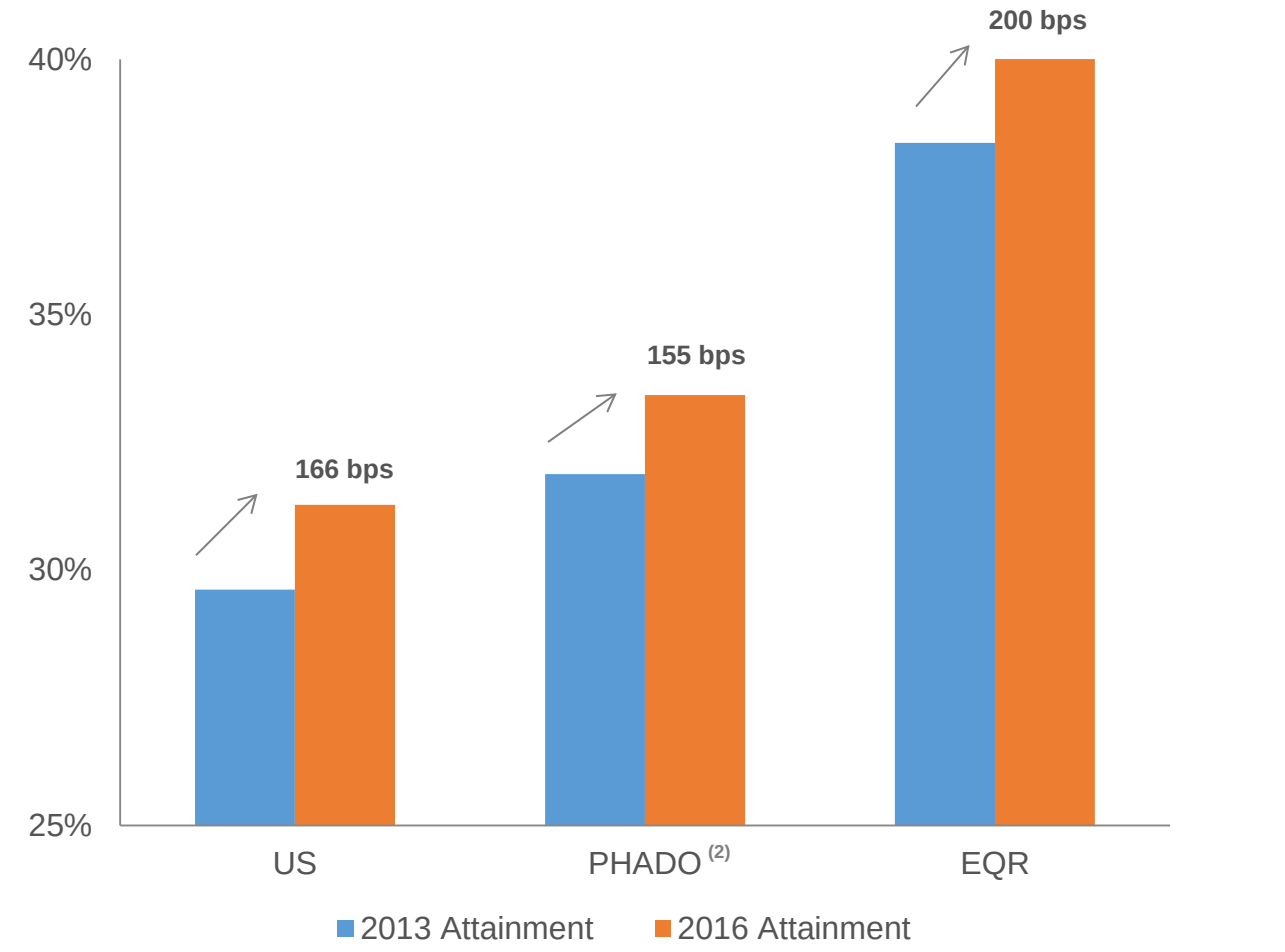


Note: Due to MSA geographic definition changes in 2010, EQR and PHADO MSA income growth estimates are based on growth rates of each respective MSA's most populous county
(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
Source: American Community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

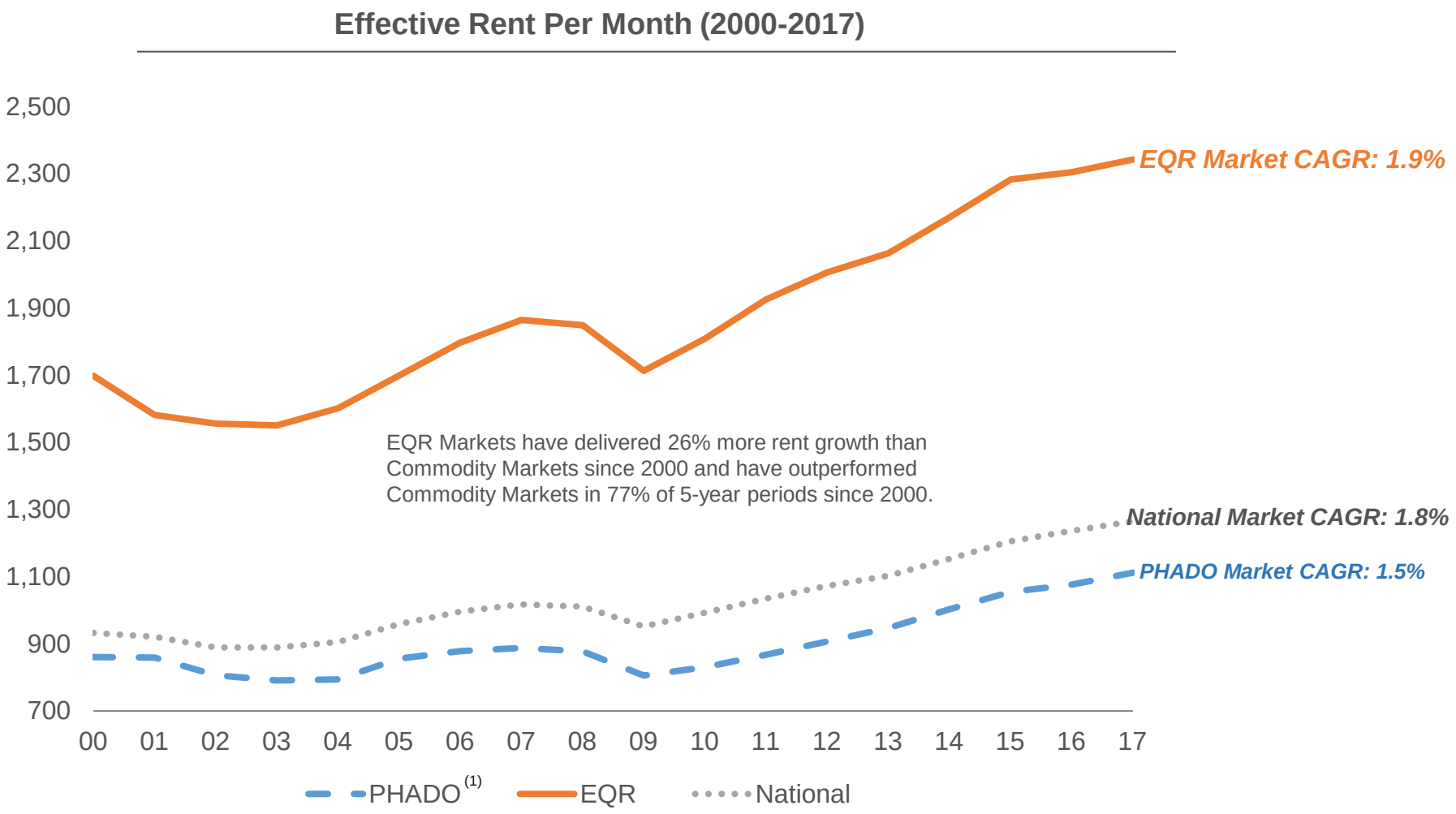


(1) Metro Population includes all persons over the age of 25
(2) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets

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

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

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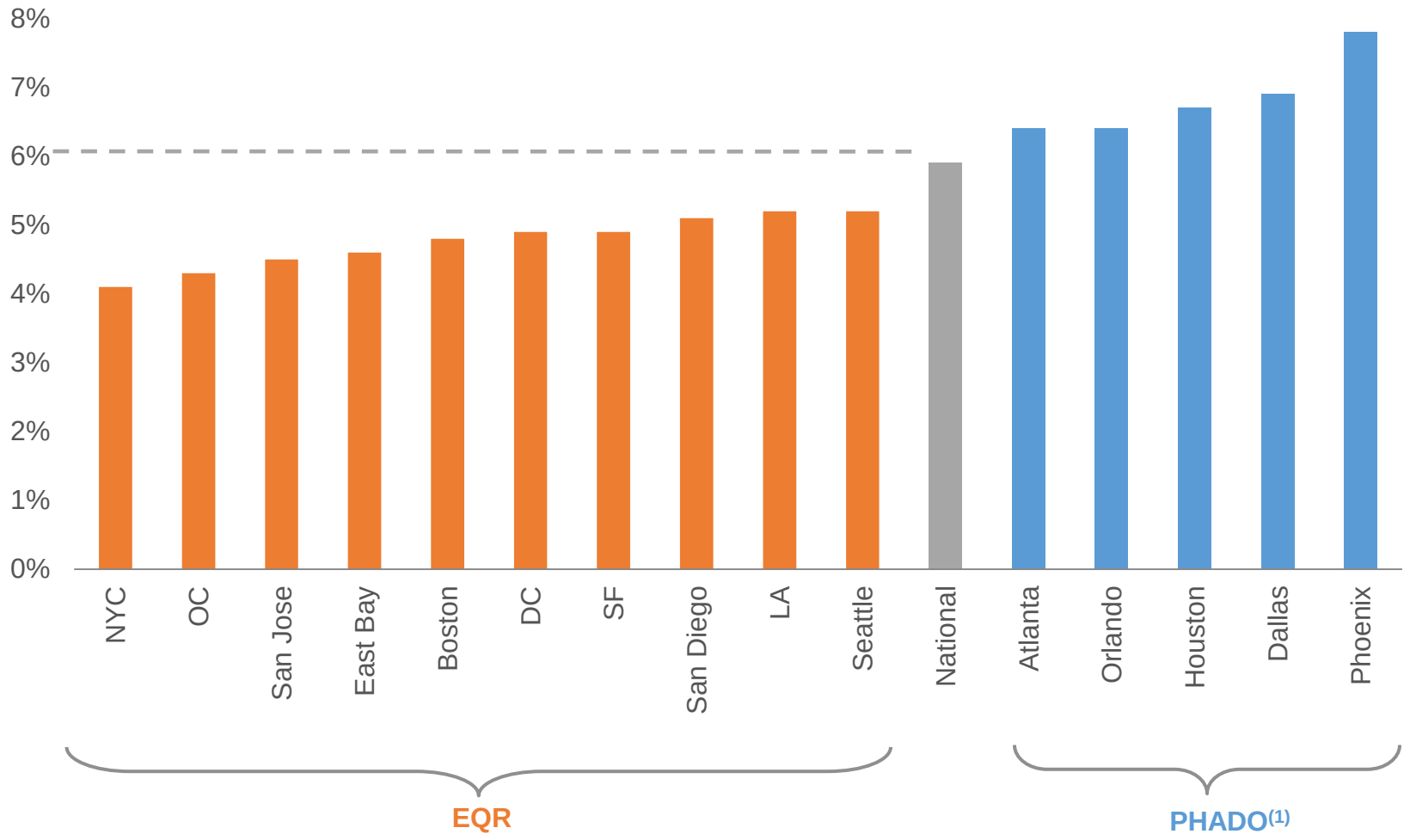
(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets

Source: Axiometrics

…Which Also Have The Lowest Long-Term Vacancy

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Average Vacancy (1998-2017)

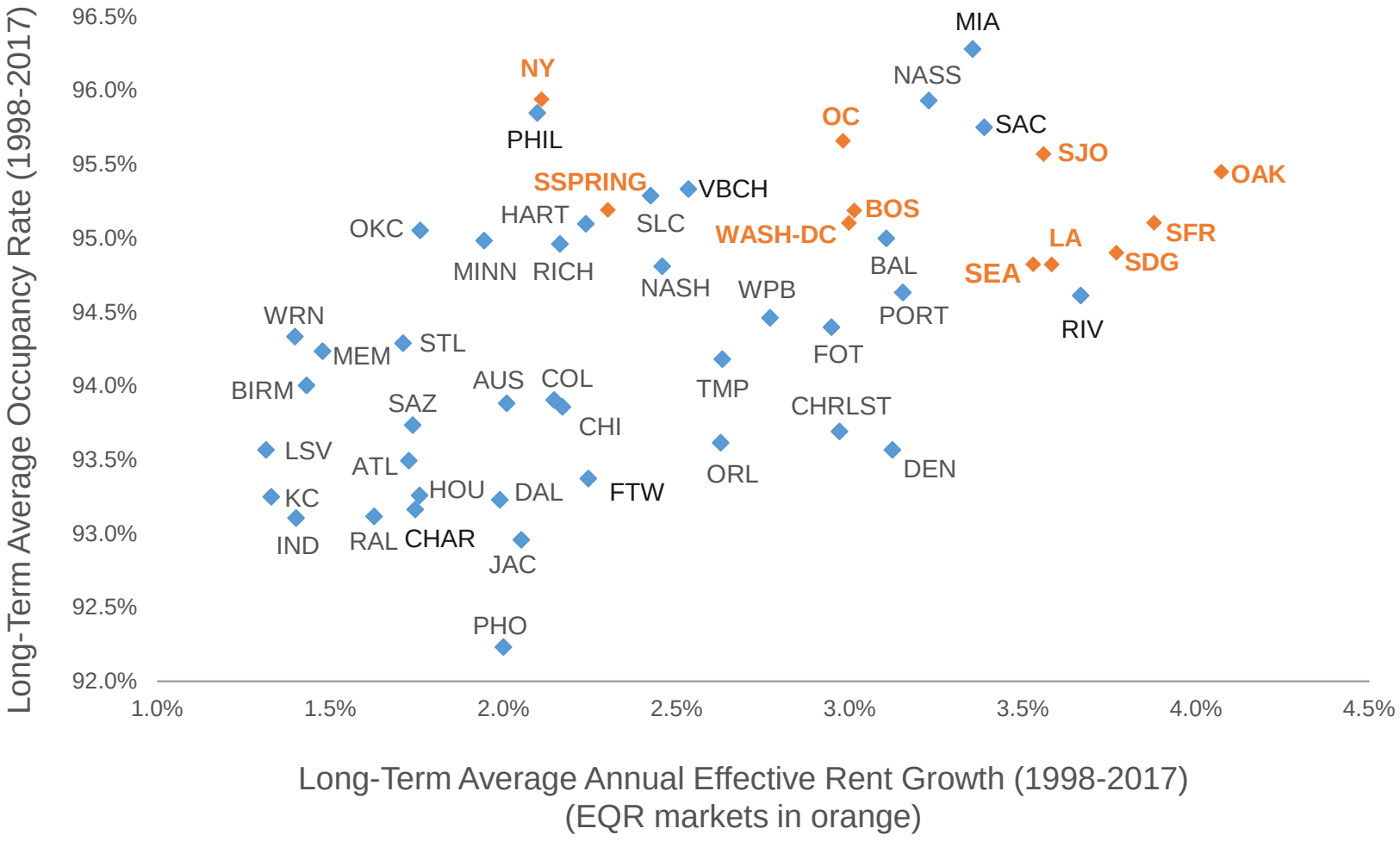


(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.

Source: Axiometrics

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

1998-2017

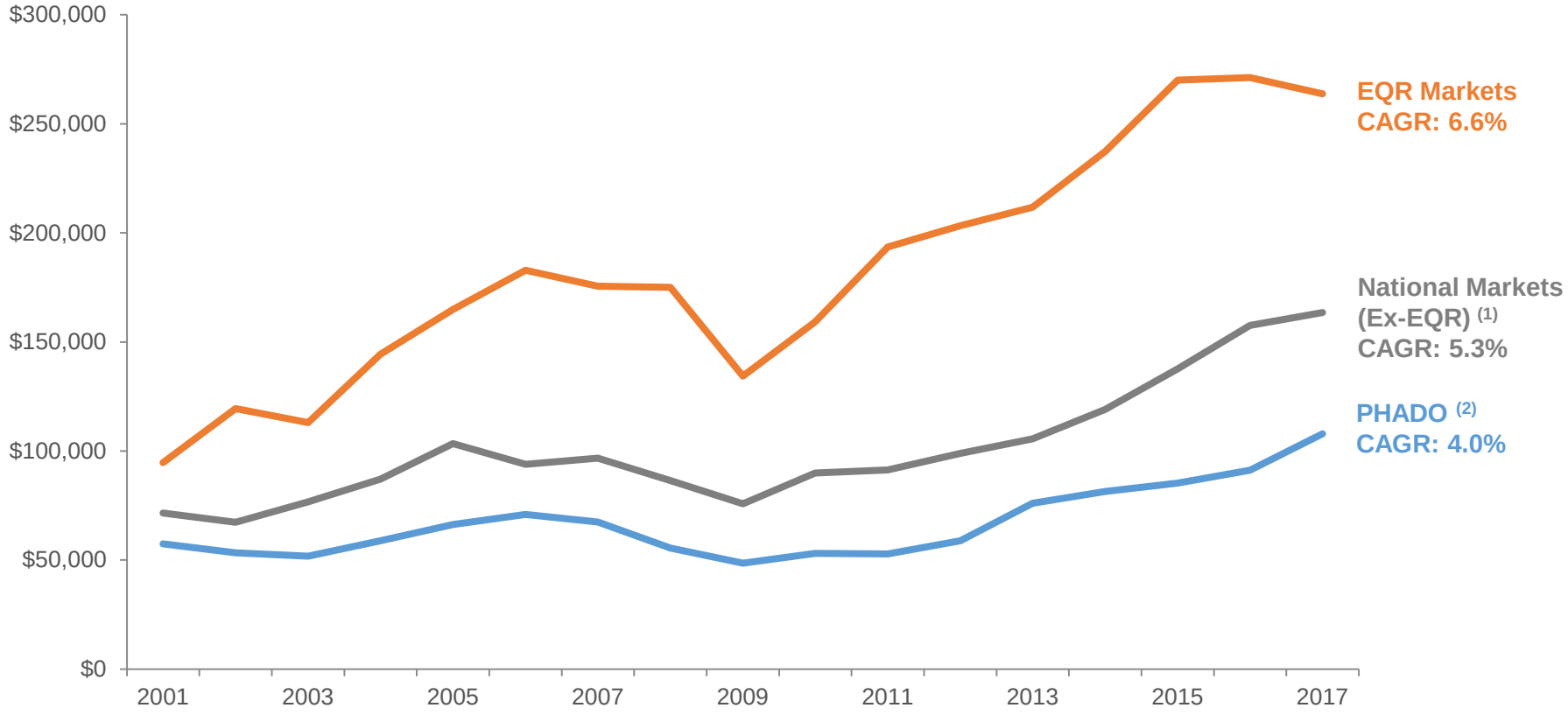


Note – Coverage starts in 1998-2000 for SANA, NY, SSPING, WRN
Source: Axiometrics

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 130bps and PHADO(2) by 260bps per annum

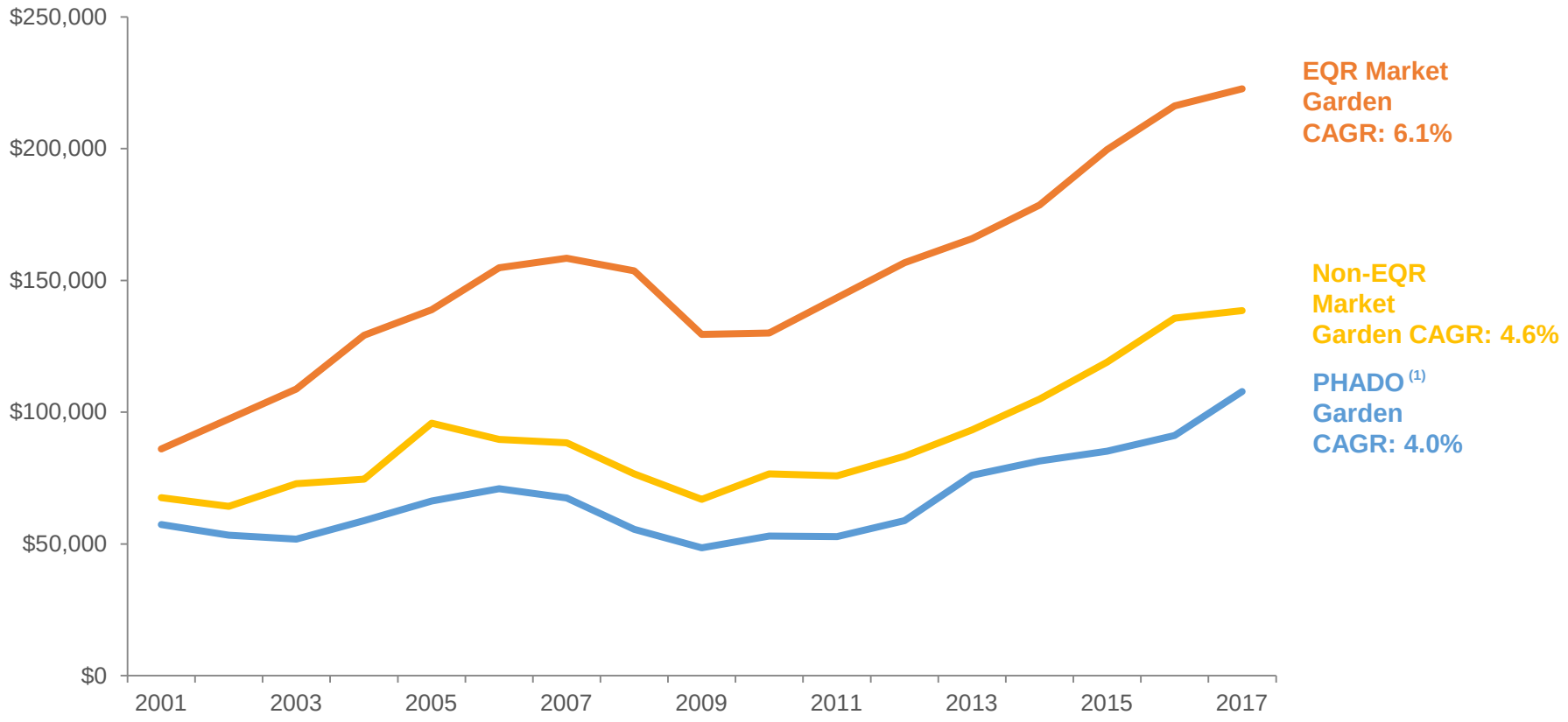
(1) National Markets (Ex-EQR) include all markets for which Real Capital Analytics provides a full time series (> 3 transactions per year).
(2) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets. PHADO data set does not include Mid/High-rise assets 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
As of Q2 2018.

Garden Product Also Creates More Value in EQR Markets

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Apartment Sales Price Per Unit



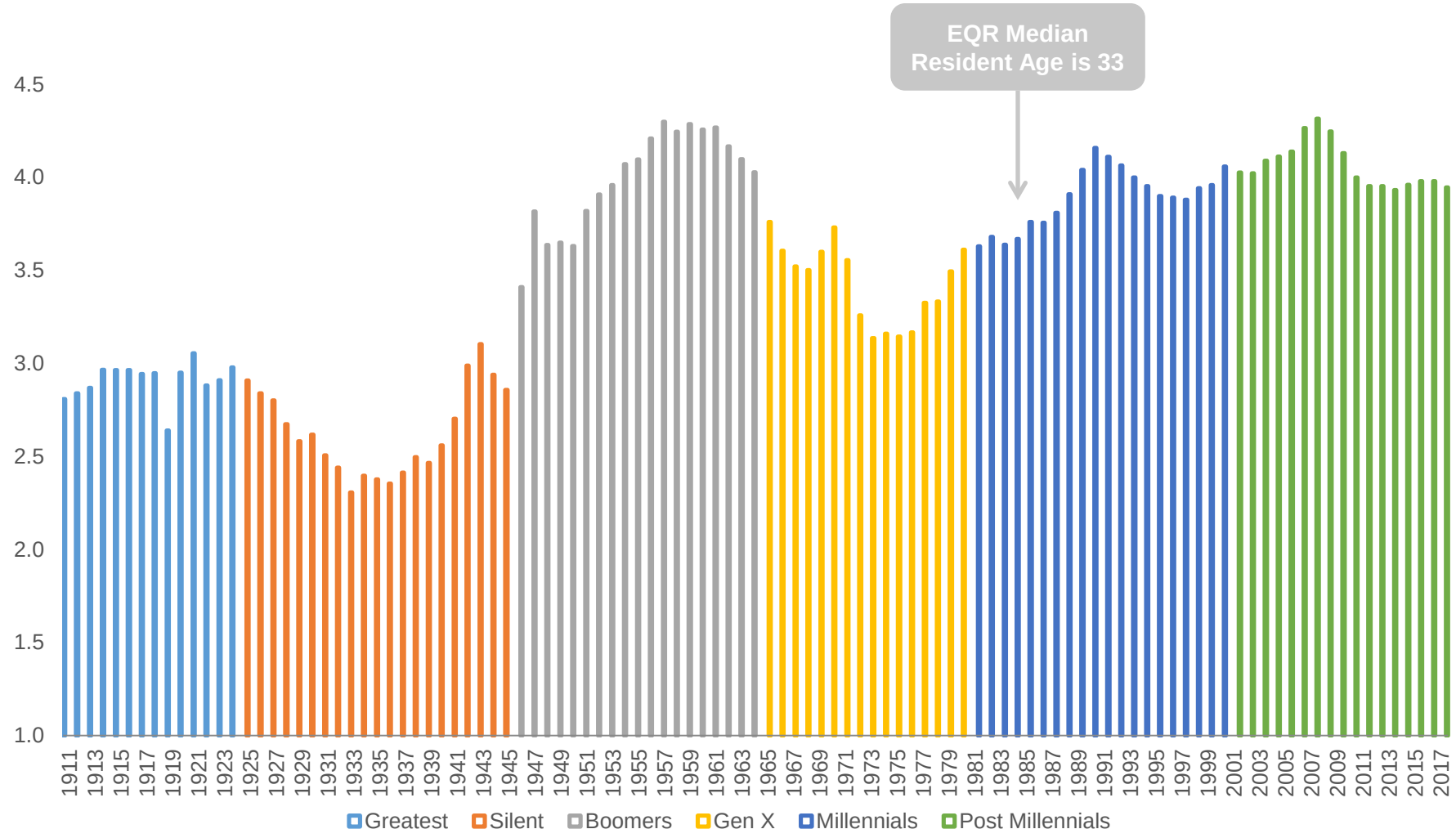
30% of EQR's Stabilized NOI derived from Garden properties

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 2018.

Demographics and Lifestyle Choices Will Continue to Create Renter Households

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Births By Generation

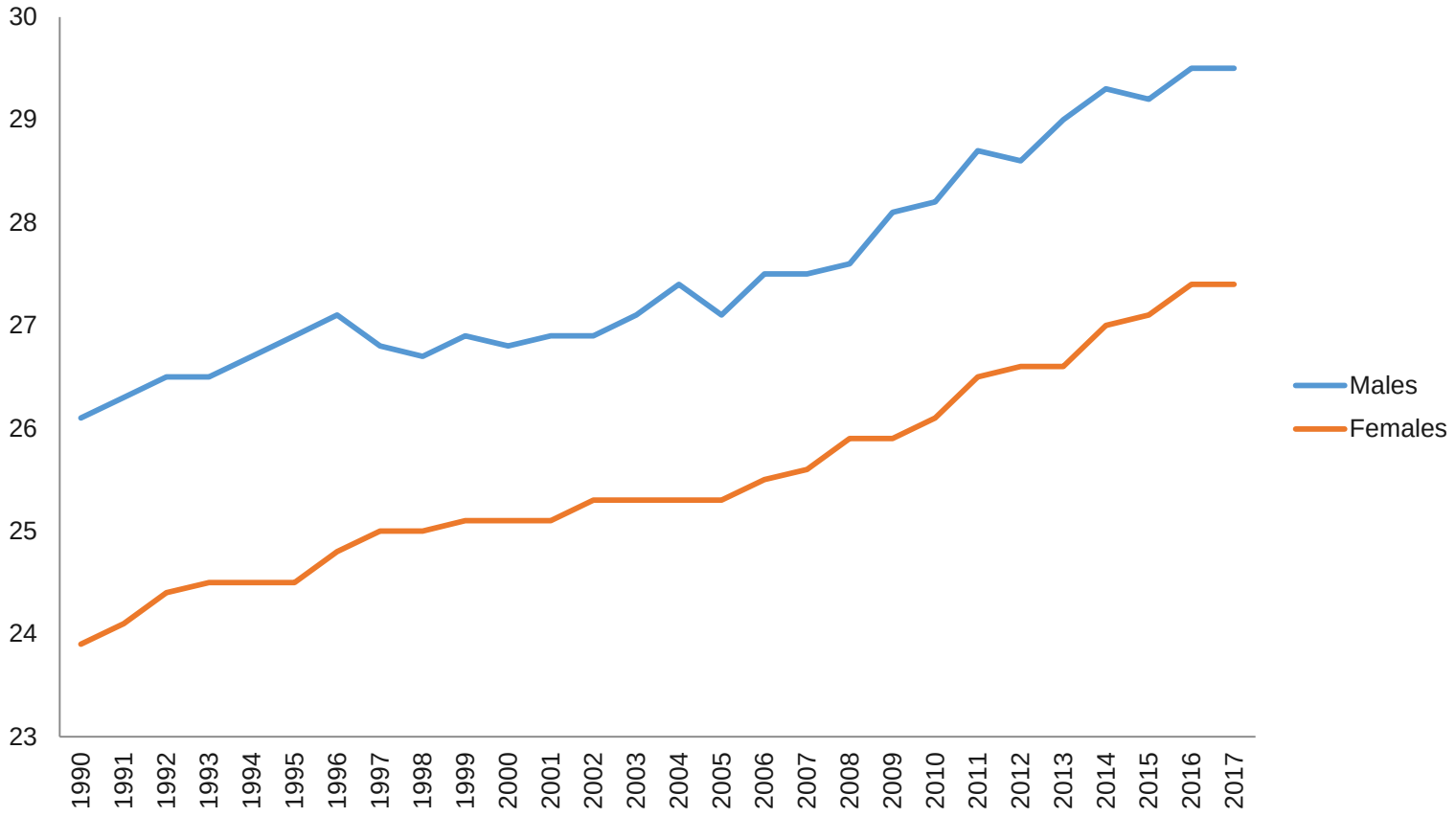


As of Q1 2018.
Source: U.S. National Center for Health Statistics, Rosen Consulting.

Lifestyle Choices are Keeping People Renting Longer

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Median Age at First Marriage



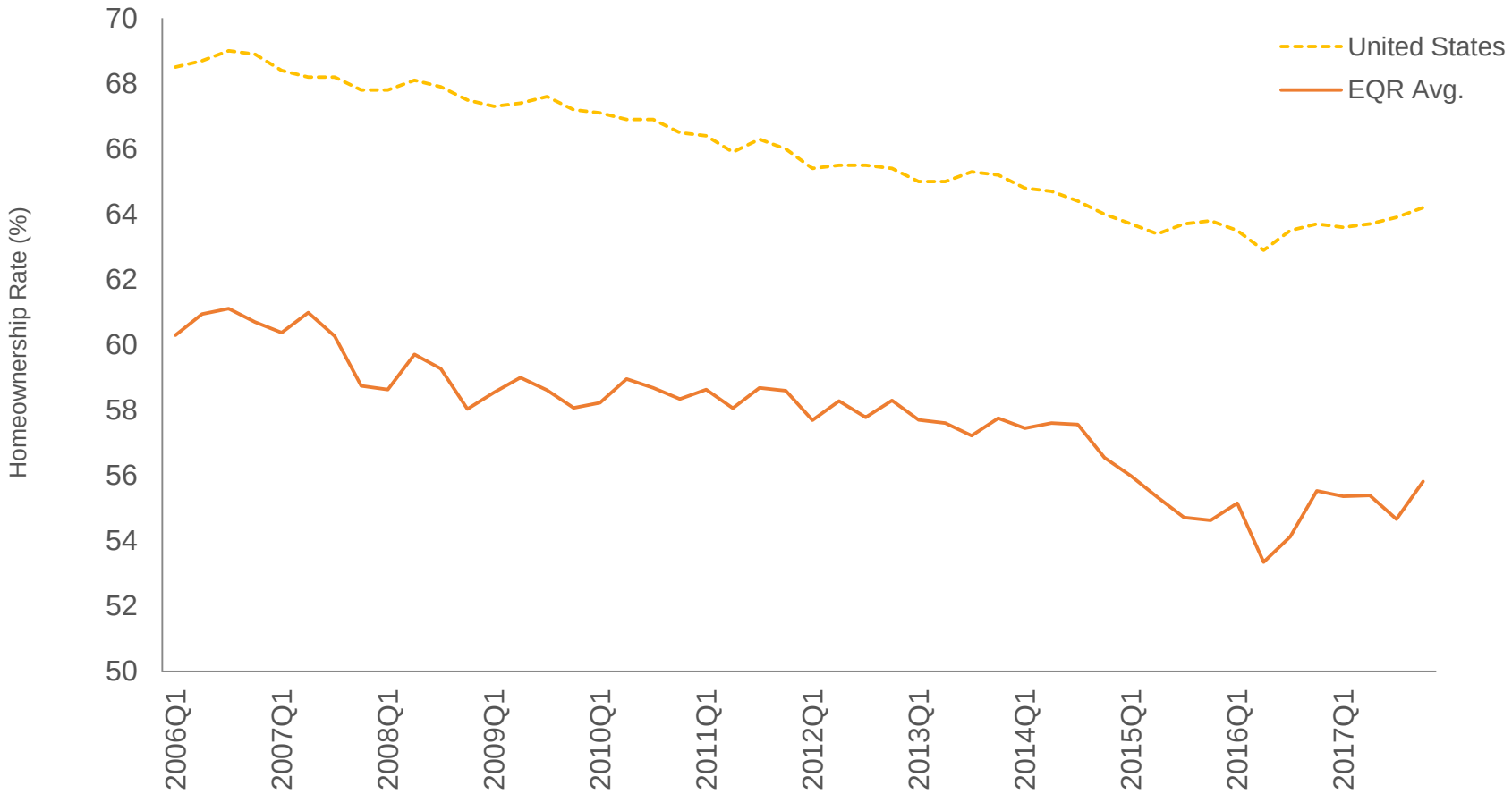
Approximately 50% of American Adults are Single

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



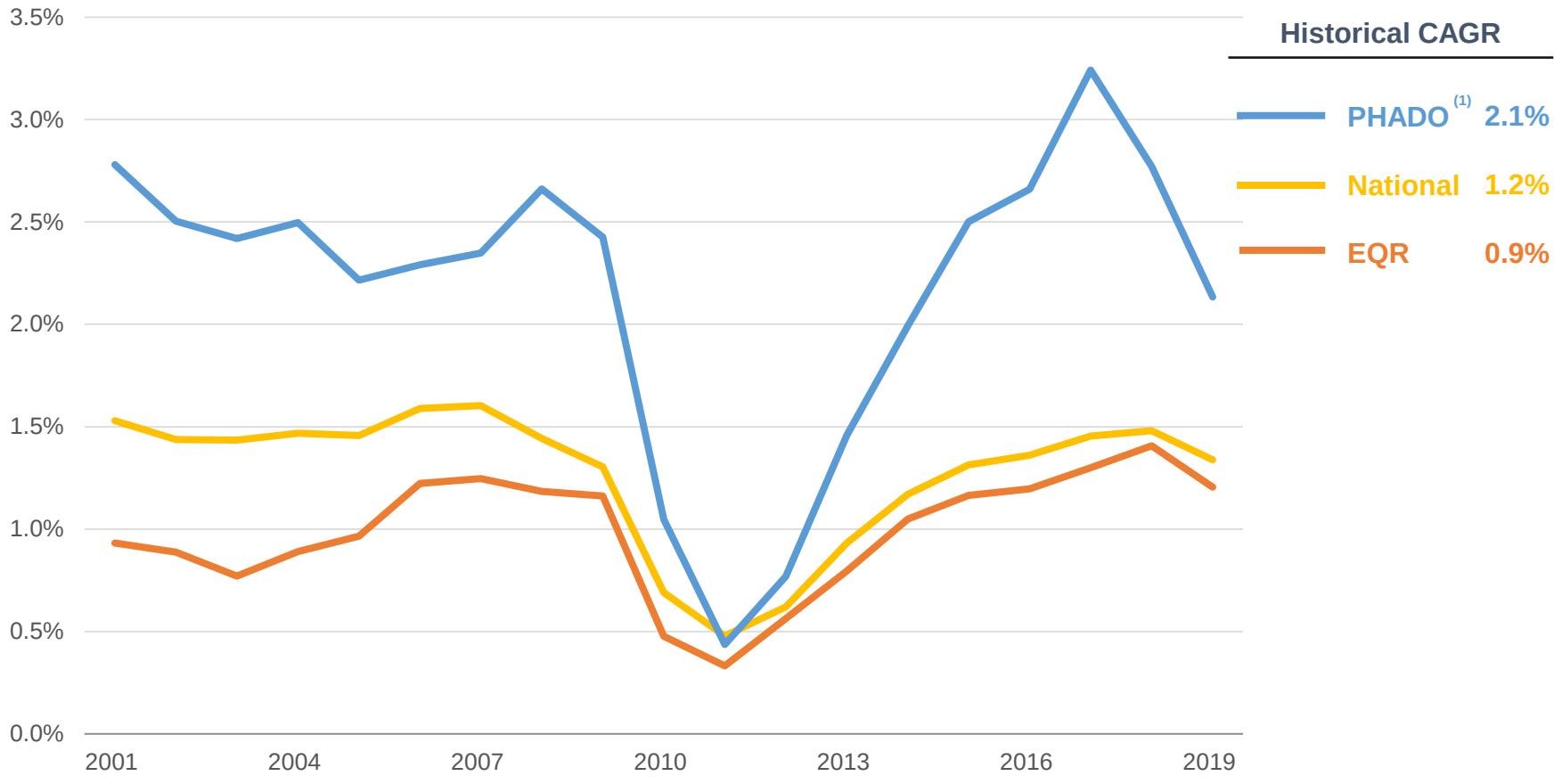
Less than 6% of EQR residents move out to buy homes each year

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

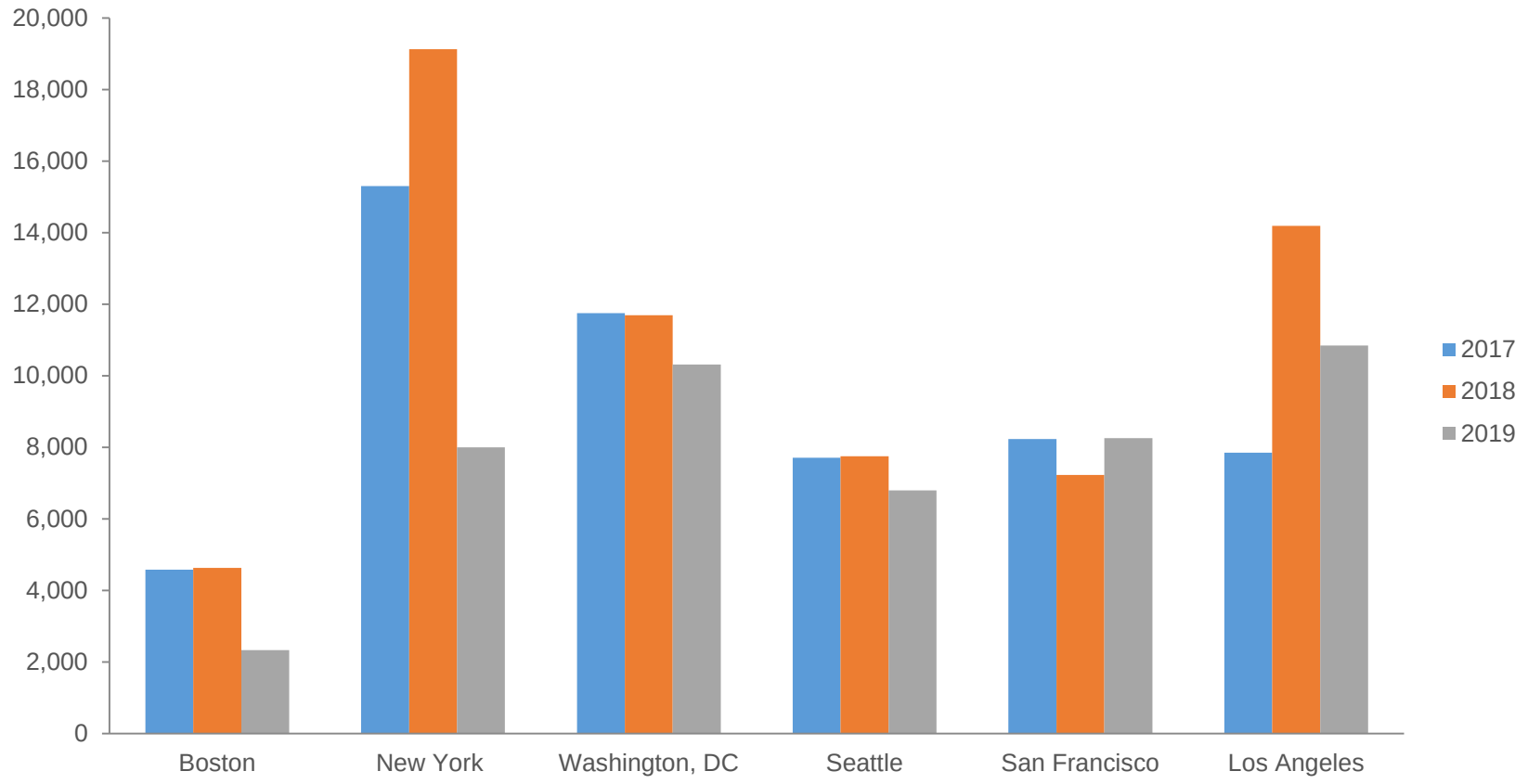


(1) PHADO represents Phoenix, Houston, Atlanta, Dallas and Orlando as a proxy for low barrier to entry markets.
As of Q1 2018.
Source: Axiometrics.

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)

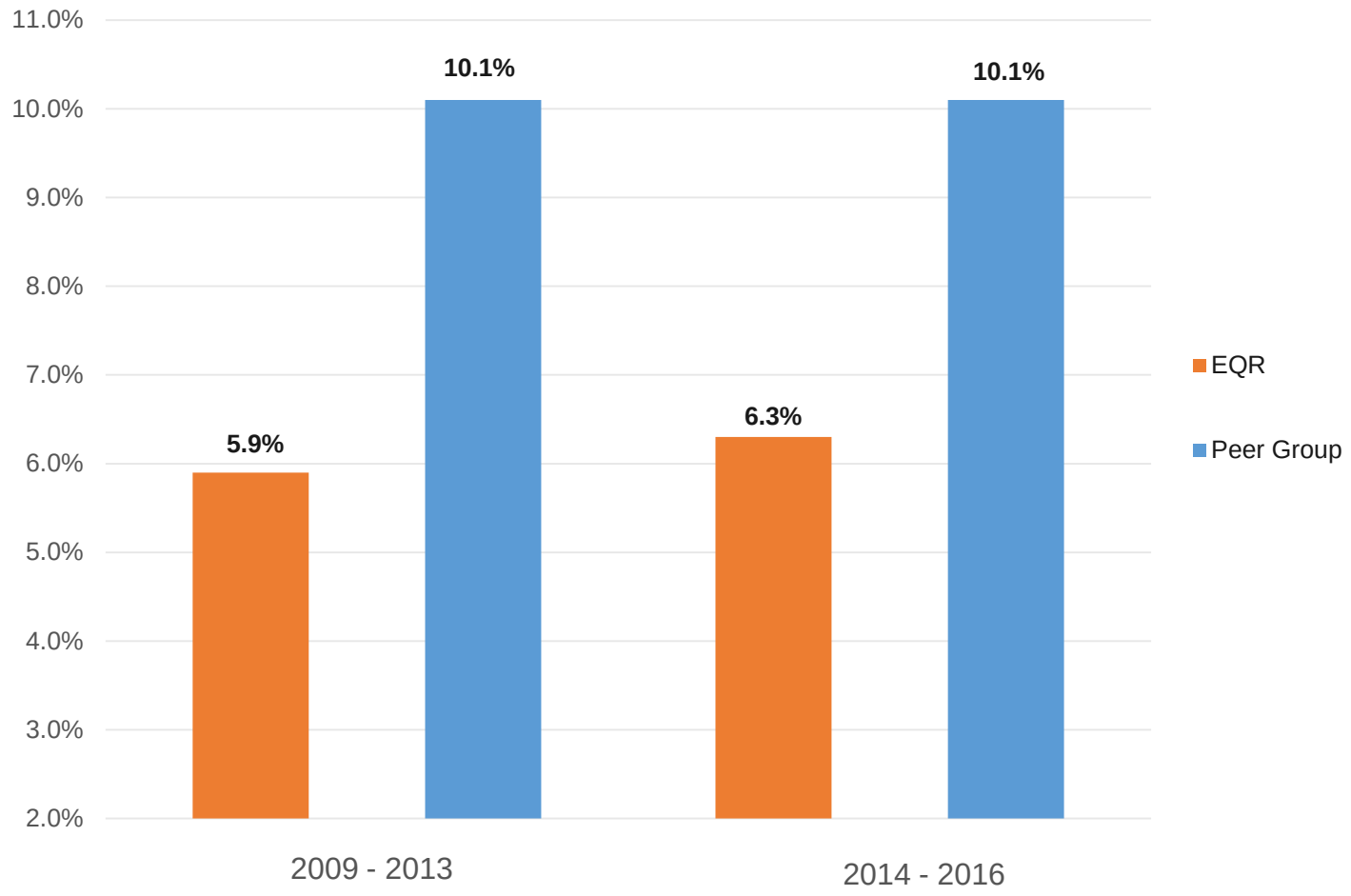


.
Source: EQR data

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



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Source: Green Street Advisors.
Peer Group: AIV, AVB, CPT, ESS, MAA, UDR

Operating Update and Current Market Statistics



Rooftop terrace at Girard– Boston, MA

2018 Revenue Update

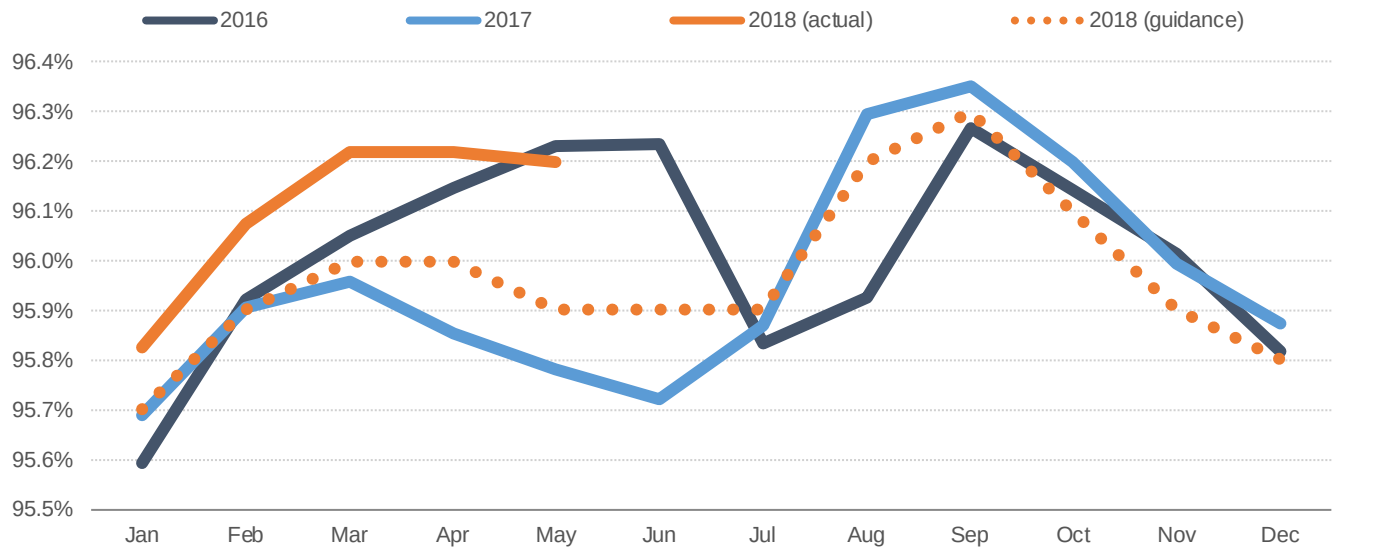
Occupancy and Rents

Revenue Growth trending slightly ahead of expectations due to strong occupancy. We anticipate slight moderation in revenue growth in the second half of 2018 due to supply pressure.

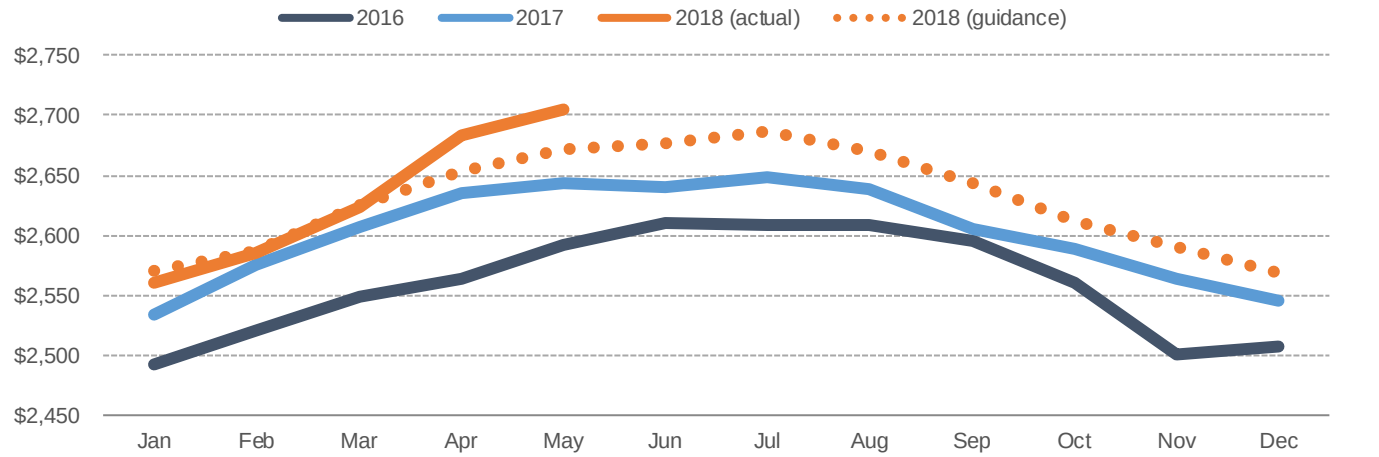
Commentary

- Physical Occupancy of 96.2% trending ahead of already elevated expectations of 96.0% included in 2018 guidance.
- Rental housing demand remains strong, aiding in absorption of new supply.
- Base Rent growth improving though still 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 5/22/18. 2018 guidance as of April 2018. See Glossary of Operations Terms for definitions.

2018 Revenue Update

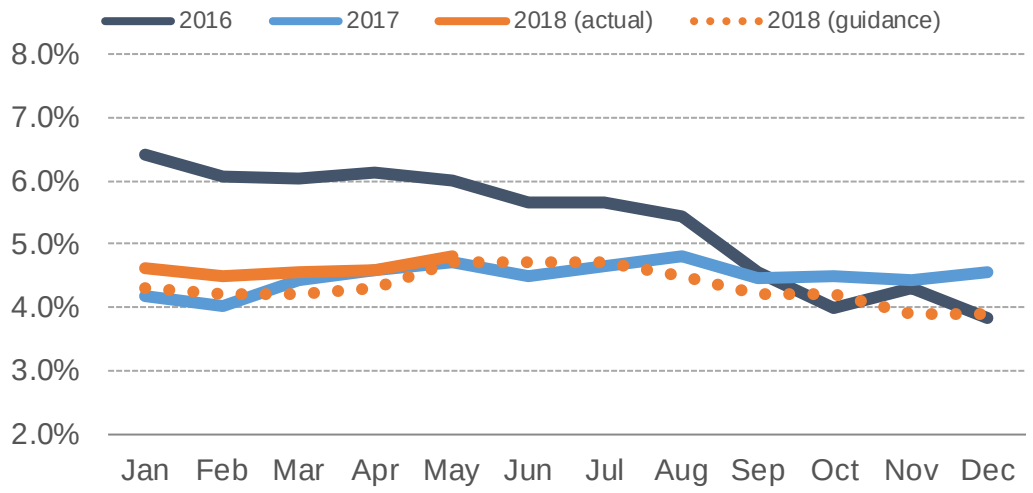
Renewals

Renewal Rate Achieved is expected to moderate slightly in the second half of 2018, but YTD running ahead of expectations

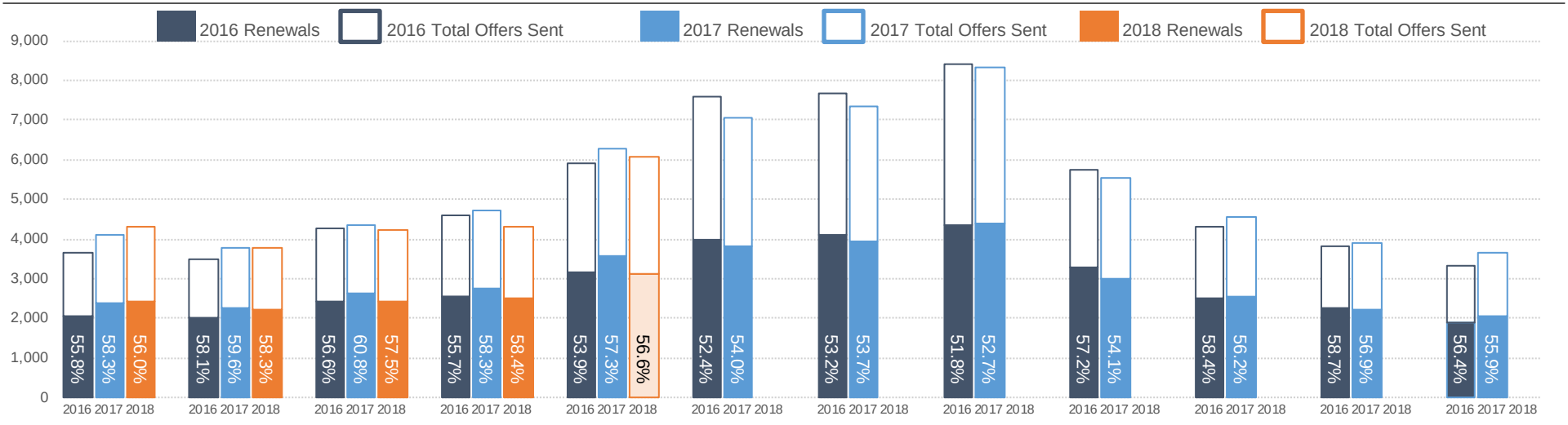
Commentary

- Our guidance assumes that Renewal Rate Achieved will grow 4.2% as compared to a 4.6% increase in 2017.
- We remain laser focused on our renewal process and YTD are running slightly better than expected but still anticipate some moderation in the second half of 2018.
- Retention may moderate given four consecutive years of retention growth and continued high levels of new supply in most markets.

Renewal Rate Achieved



of Residents Renewing



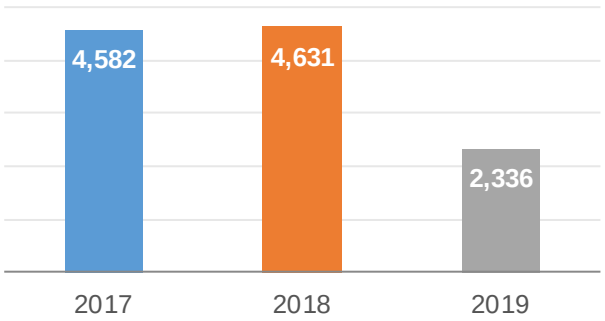
Note: 2018 Same Store Properties used for all years. Data includes results as of 5/22/18. 2018 guidance as of April 2018. See Glossary of Operations Terms for definitions.

Boston – Revenue

6,009 Units / 10.0% of NOI

YTD Revenue Growth on track and well-positioned for leasing season.

New Supply (in units)(1)



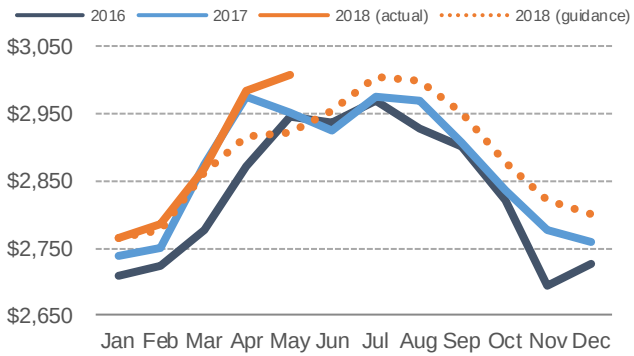
(1) Source: EQR.

Comments

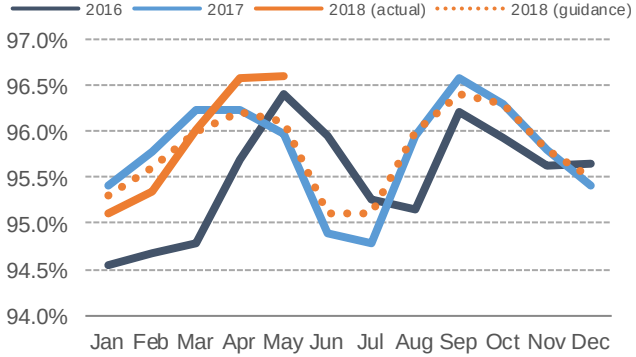
- Market performing as expected with job growth continuing to aid absorption. Its well-educated workforce continues to attract large corporate expansions and relocations, especially into the Kendall Square and Seaport areas.
- Overall, we expect continued strong demand with slight rate pressure.
- Supply 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).

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

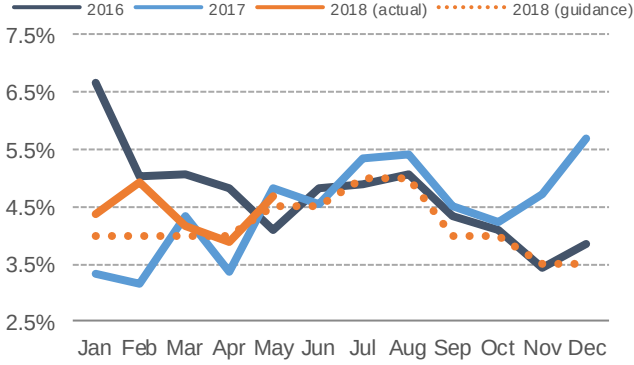
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 5/22/18. 2018 guidance as of April 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

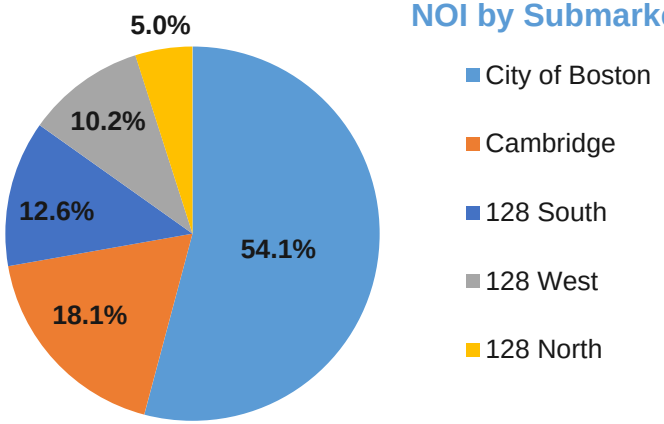
Boston

Market Profile

Equity Residential

EQR in Boston

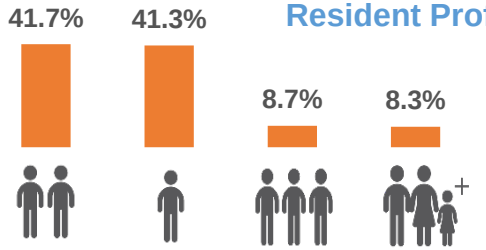
NOI by Submarket



EQR Resident Data (as of 3/31/18)*

Average Household Income	$176,888
Average Monthly Rent	$2,798
Rent as a Percent of Income	19.0%

Resident Profile



*Data for residents who have signed leases in the last 12 months as of 3/31/18.

Market Data

Home Affordability

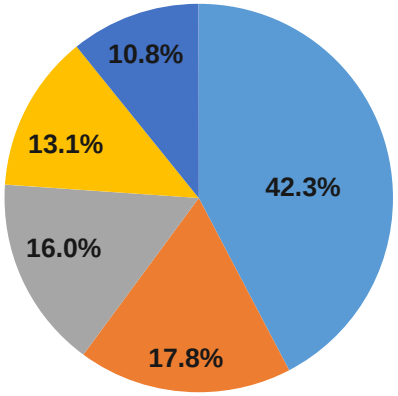
	U.S.	Boston
Median Household Income	$58,000	$82,000
Median Home Price	$252,000	$452,000
Ratio	4.3x	5.5x

Walk Score

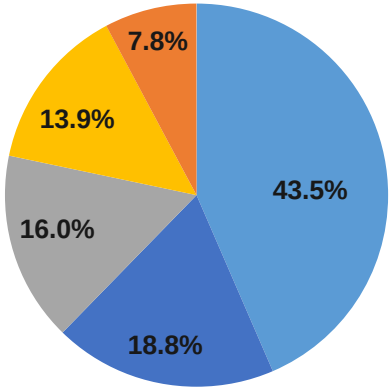
EQR	REIT Competitor Avg
77.4	**55.8**

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

Supply by Submarket



2018
4,631 units



2019
2,336 units

Boston

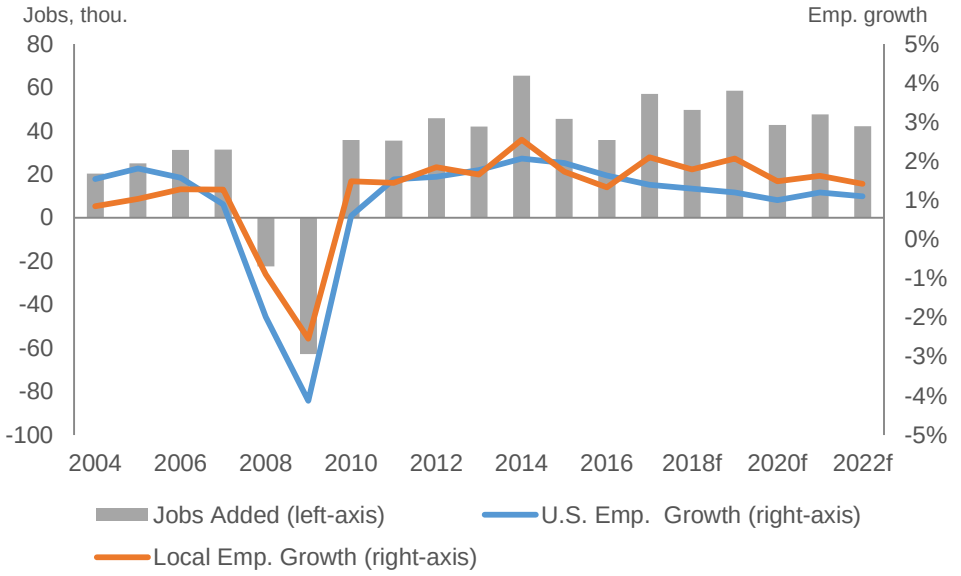
Market Profile

Equity Residential

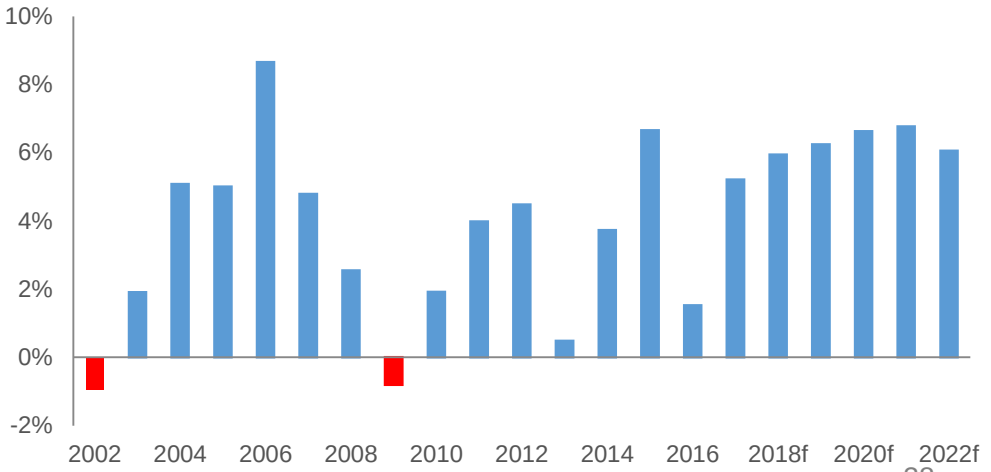
Long-Term Economic Drivers

- 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



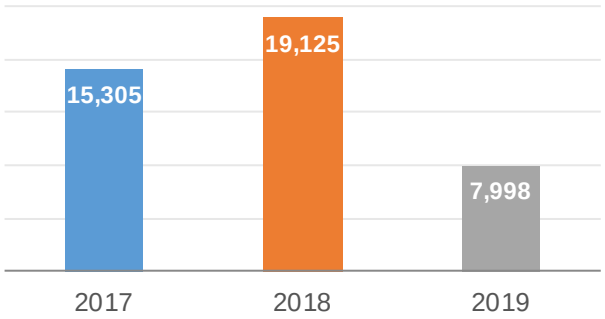
Source: Census, BEA, Rosen Consulting Group, BLS, Brookings Institute.

New York – Revenue

10,007 Units / 17.5% NOI

YTD performance is better than expected but we remain cautious given the increased volume of deliveries in the second half of 2018.

New Supply (in units)(1)



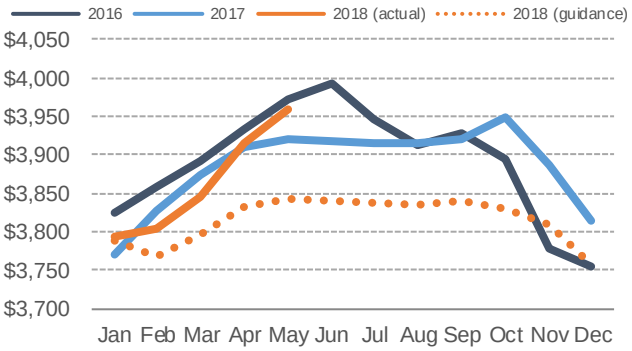
(1) Source: EQR.

Comments

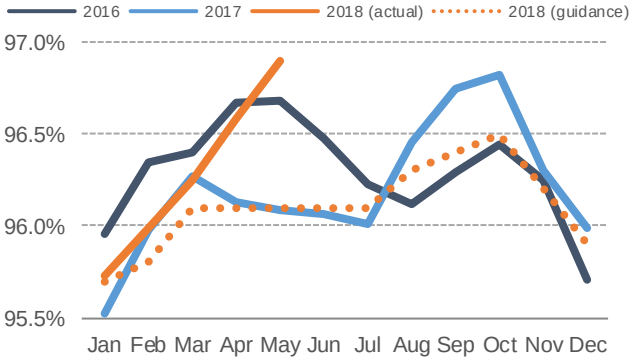
- Current Physical Occupancy trending ahead of original guidance as we took advantage of the opportunity presented by better than expected demand and disciplined pricing in the market.
- Elevated supply in our broader competitive footprint is still a concern. 62% will be concentrated in Long Island City (where we have no properties) and Brooklyn (9.5% of our NOI). The impact on Manhattan remains uncertain.
- Market pricing remains disciplined to date, with concession use lower than we expected.

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

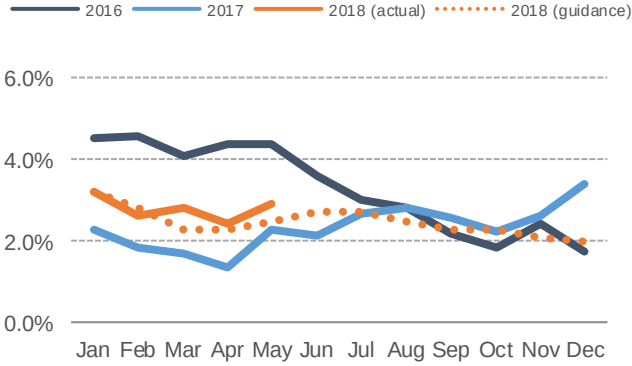
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 5/22/18. 2018 guidance as of April 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

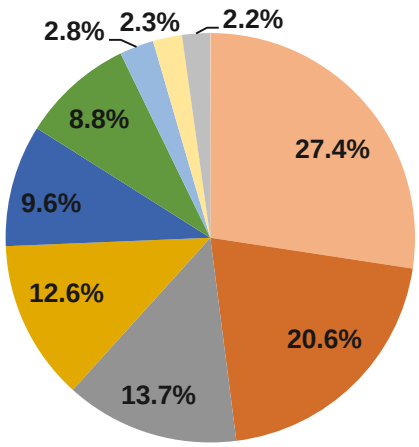
2017 Final	-4.2%	96.2%	2.6%	0.1%
2018 Guidance	-3.7% New Lease Change	96.1% Physical Occupancy	2.5% Renewal Rate Achieved	-0.75% Same Store Revenue Growth

New York

Market Profile

Equity Residential

EQR in New York



NOI by Submarket

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

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

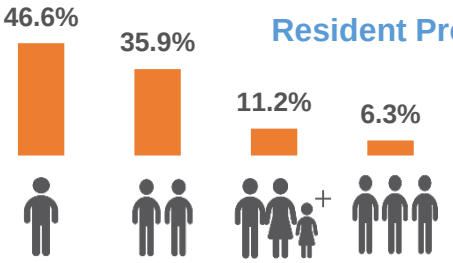
EQR	REIT Competitor Avg
91.3	**76.4**

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

EQR Resident Data (as of 3/31/18)*

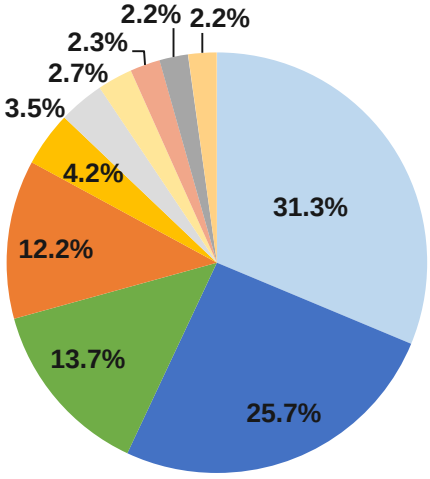
Average Household Income	$246,442
Average Monthly Rent	$3,671
Rent as a Percent of Income	17.9%

Resident Profile



*Data for residents who have signed leases in the last 12 months as of 3/31/18.

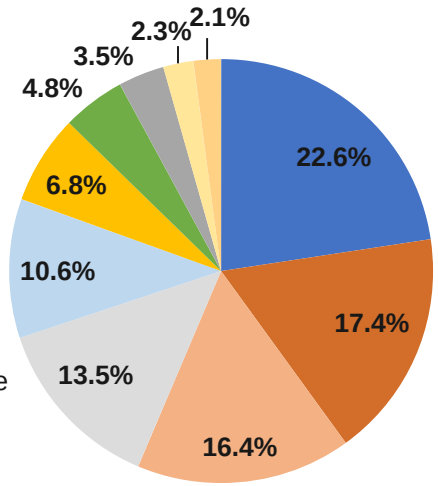
(1) MSA data includes Manhattan only



2018
19,125 units

Supply by Submarket

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



2019
7,998 units

New York City

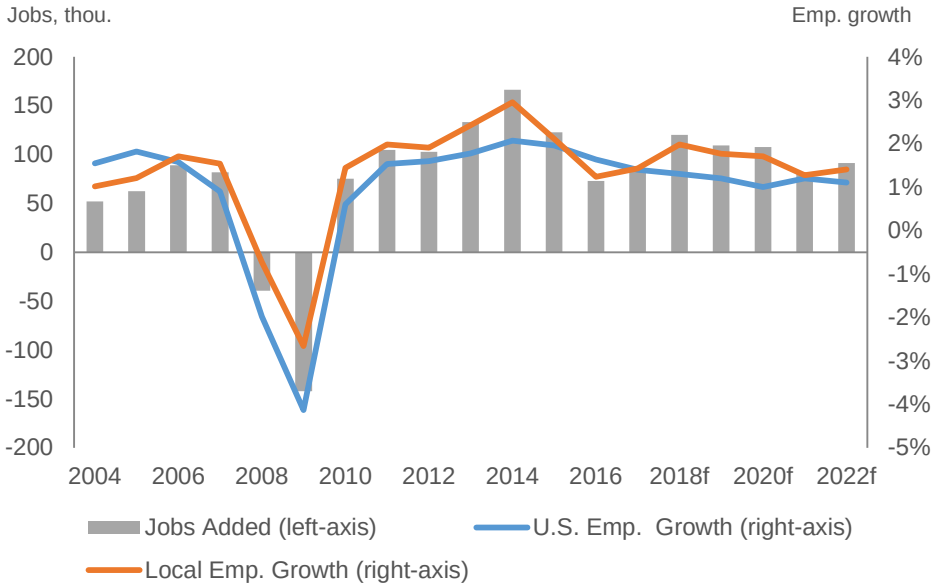
Market Profile

Equity Residential

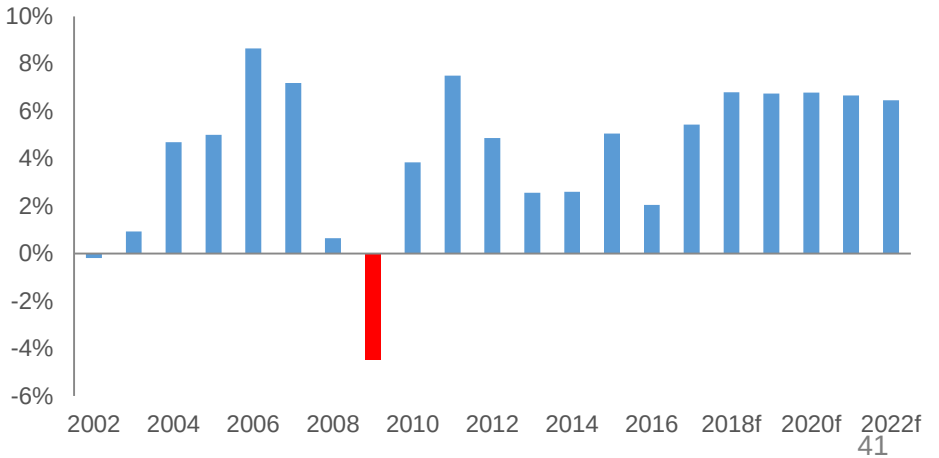
Long-Term Economic Drivers

- 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.
- 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



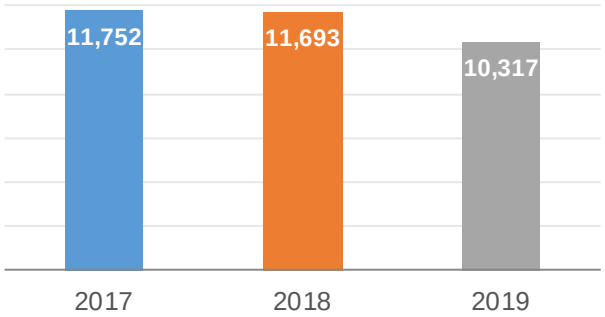
Source: Census, BEA, Rosen Consulting Group, BLS, NY Comptrollers Office.

Washington DC – Revenue

15,475 Units / 17.9% of NOI

Performance on track, aided by strong absorption of new deliveries.

New Supply (in units)[1]



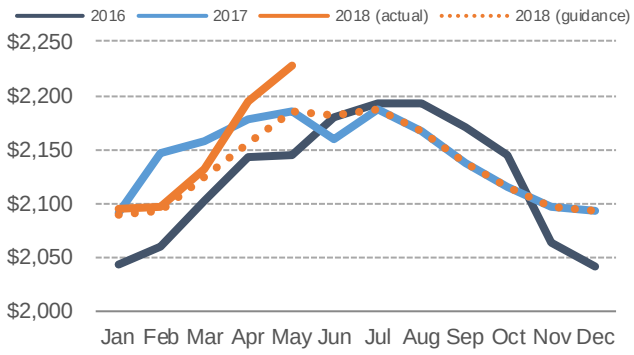
(1) Source: EQR.

Comments

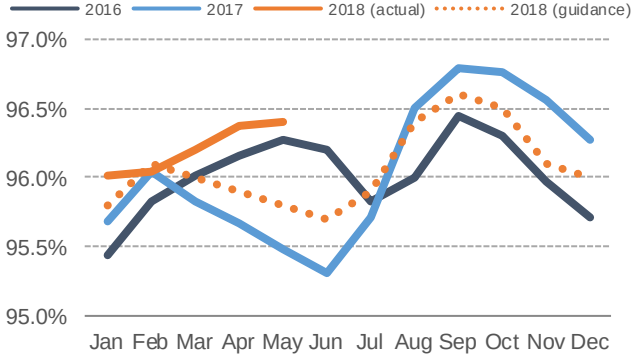
- Positive economic conditions led by continued strong household formations and growth in professional business services are creating jobs, aiding in absorption of new supply even as deliveries remain elevated.
- As we expected, lower seasonal demand in Q1 combined with continued elevated deliveries dampened Base Rent growth and Physical Occupancy in the first quarter. However, as primary leasing season begins, both metrics have improved more than we expected in guidance.

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

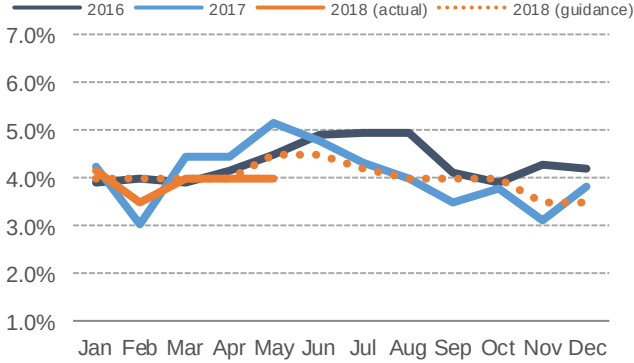
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 5/22/18. 2018 guidance as of April 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

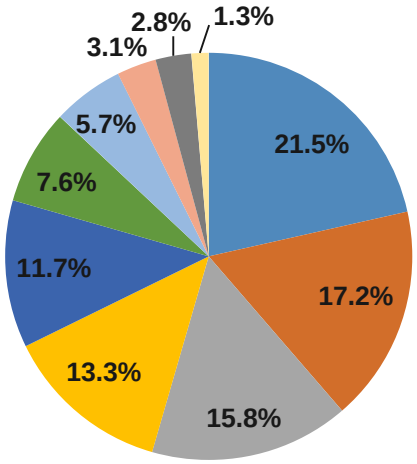
2017 Final	-3.0%	96.1%	4.1%	1.3%
2018 Guidance	-1.9% New Lease Change	96.1% Physical Occupancy	4.1% Renewal Rate Achieved	1.0% Same Store Revenue Growth

Washington, DC

Market Profile

Equity Residential

EQR in Washington, DC



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

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

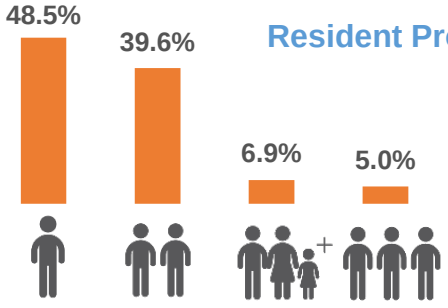
EQR	REIT Competitor Avg
83.1	**61.4**

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

EQR Resident Data (as of 3/31/18)*

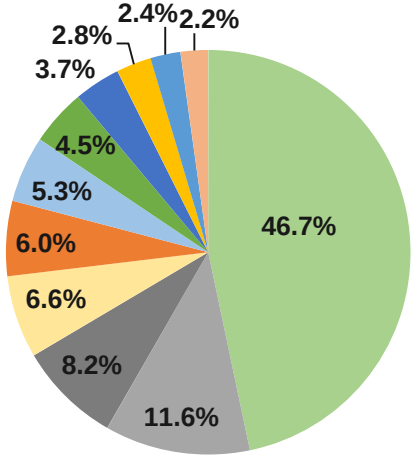
Average Household Income	$142,004
Average Monthly Rent	$2,078
Rent as a Percent of Income	17.6%

Resident Profile



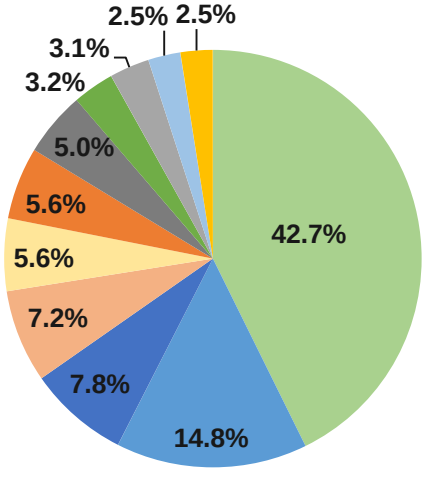
*Data for residents who have signed leases in the last 12 months as of 3/31/18.

Supply by Submarket



2018
11,693 units

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



2019
10,317 units

Washington, D.C.

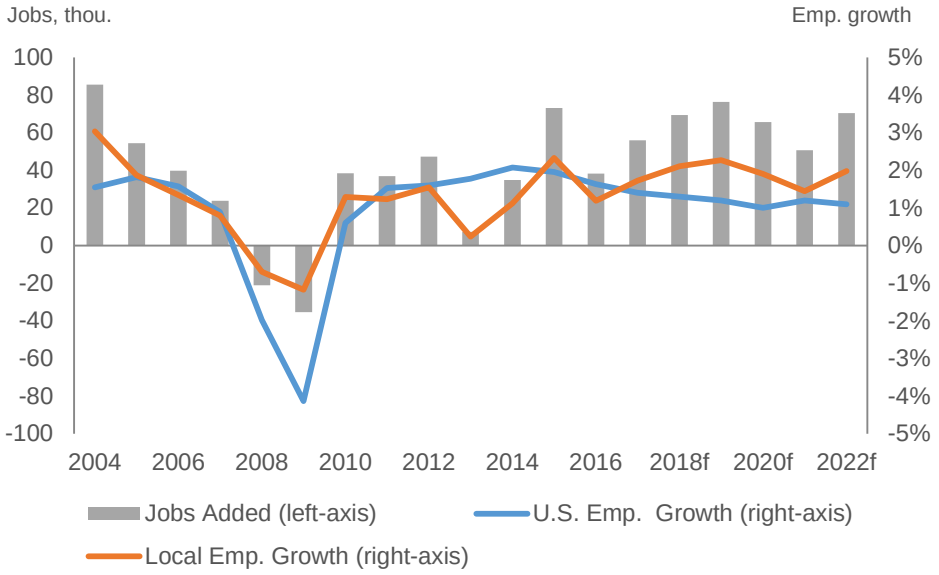
Market Profile

Equity Residential

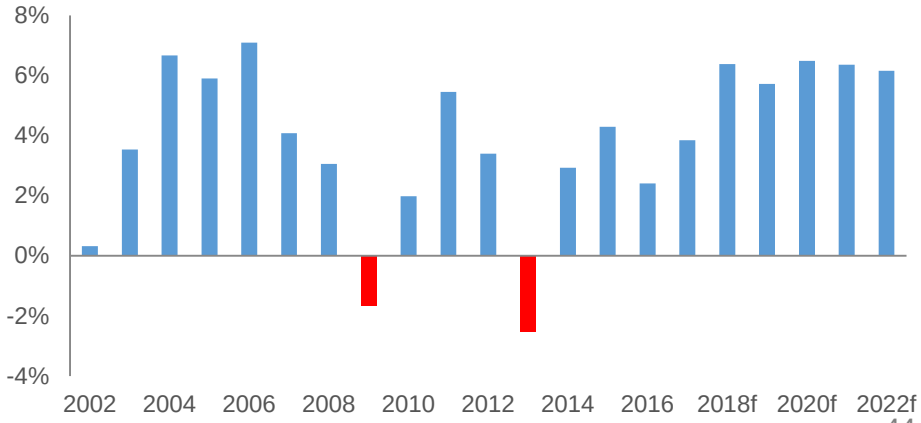
Long-Term Economic Drivers

- The Washington, DC economy is large and increasingly diverse but Federal spending, particularly defense spending, remains the key driver.
- Current planned Federal Budget contains a 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



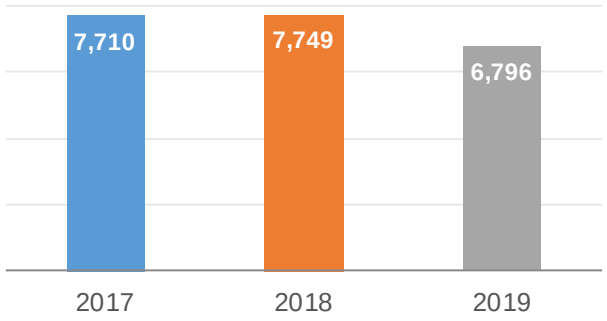
Source: Census, BEA, Rosen Consulting Group, BLS.

Seattle – Revenue

6,959 Units / 8.5% of NOI

Trending slightly below expectations. Demand is steady but continued high levels of supply are weighing on YTD results.

New Supply (in units)(1)



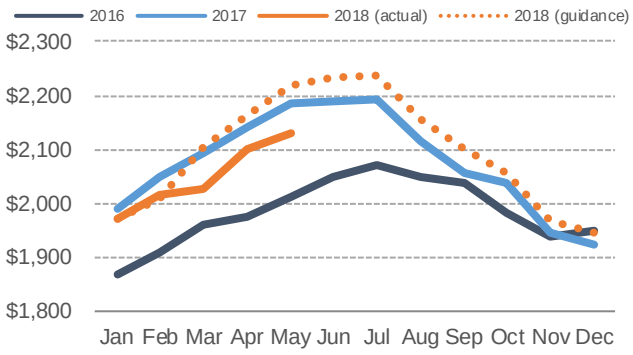
(1) Source: EQR.

Comments

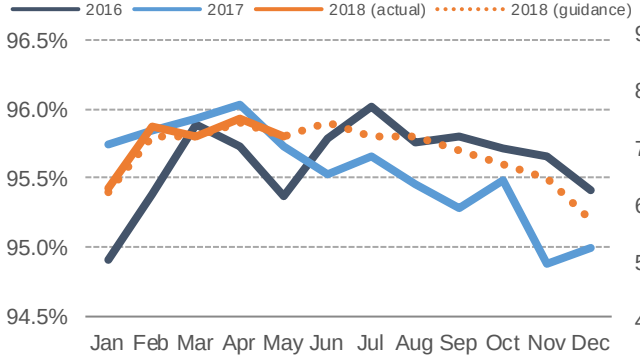
- 2018 guidance included reductions in Renewal Rate Achieved and New Lease Change with a slight gain in Physical Occupancy. Base Rent growth has underperformed YTD while the other operating metrics remain on track to meet expectations for the year.
- As expected, supply remains challenging with unit deliveries concentrated in the urban core near many of our assets. Demand remains healthy with foot traffic consistent with 2017 and an increase in e-leads.
- Impact from approval of Seattle head tax remains unclear.

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

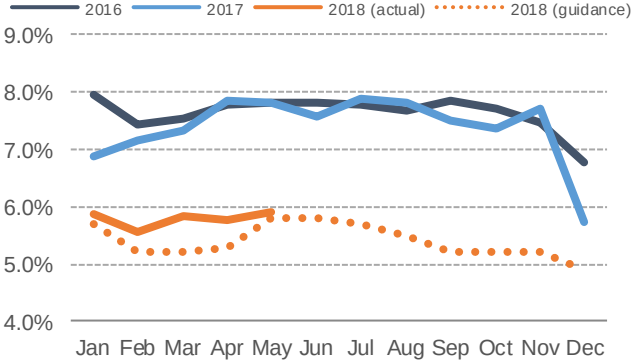
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 5/22/18. 2018 guidance as of April 2018. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions

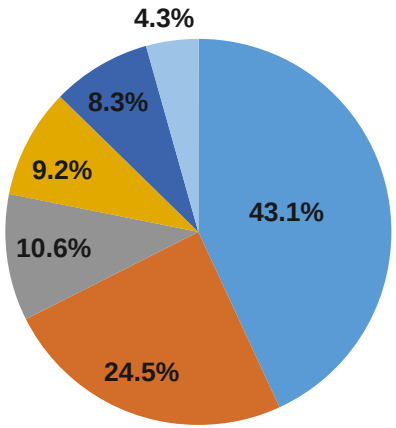
2017 Final	3.1%	95.6%	7.5%	5.6%
2018 Guidance	0.7% New Lease Change	95.7% Physical Occupancy	5.4% Renewal Rate Achieved	3.25% Same Store Revenue Growth

Seattle

Market Profile

Equity Residential

EQR in Seattle



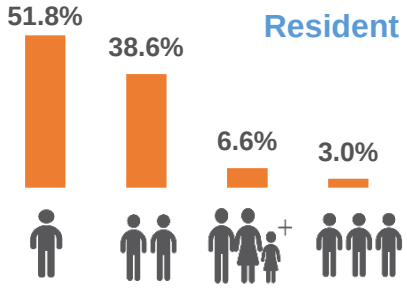
NOI by Submarket

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

EQR Resident Data (as of 3/31/18)*

Average Household Income	$131,930
Average Monthly Rent	$1,964
Rent as a Percent of Income	17.9%

Resident Profile



*Data for residents who have signed leases in the last 12 months as of 3/31/18.

Market Data

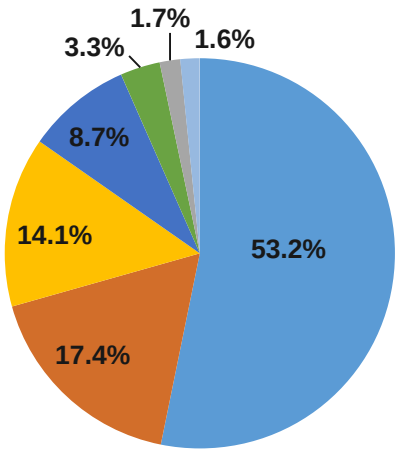
Home Affordability

	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**

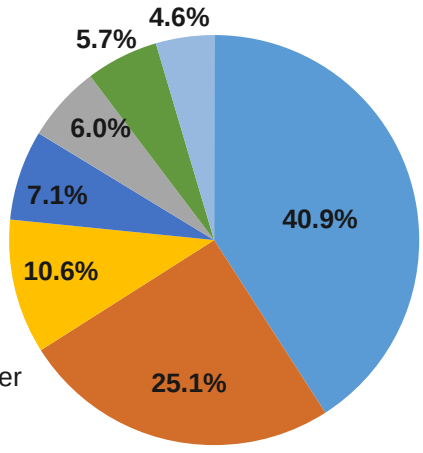
20% of renters in Seattle commute by walking or public transportation



2018
7,749 units

Supply by Submarket

- Belltown/CBD
- Bellevue/Redmond
- Capitol Hill/First Hill
- North Seattle
- South Seattle
- Bothell/Mill Creek Corner
- West Seattle



2019
6,796 units

Seattle

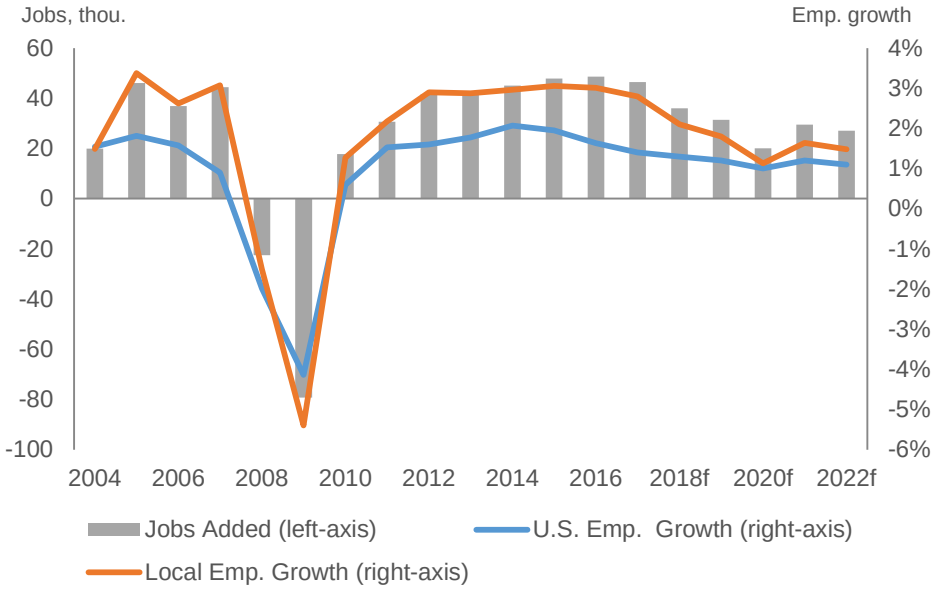
Market Profile

Equity Residential

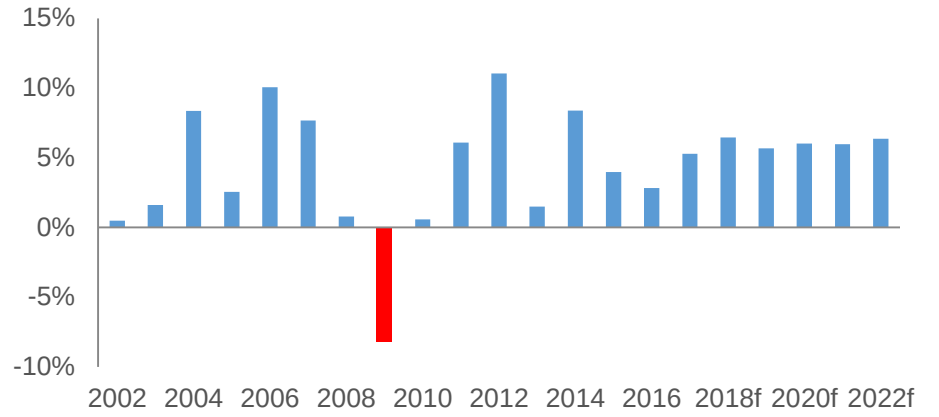
Long-Term Economic Drivers

- 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



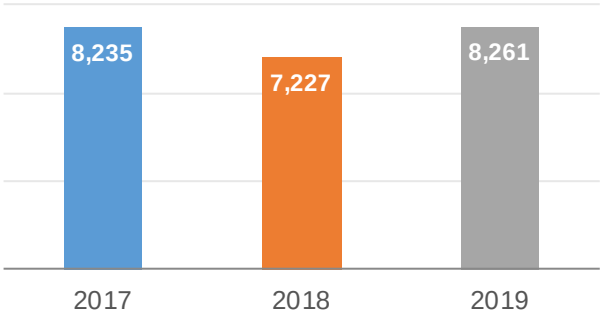
Source: Census, BEA, Rosen Consulting Group, BLS.

San Francisco – Revenue

12,309 Units / 20.1% of NOI

Performance remains better than expected.

New Supply (in units)[1]



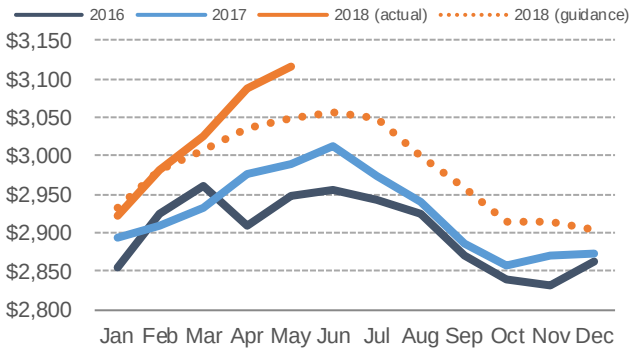
(1) Source: EQR.

Comments

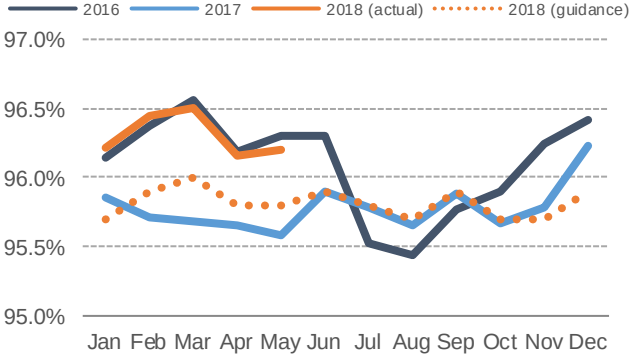
- This market continues to show positive employment and wage growth, aiding in the absorption of new supply.
- Physical Occupancy and Renewal Rate Achieved should remain strong in the second half of 2018.
- South Bay and the Peninsula are performing particularly well. Overall, the market continues to outperform our expectations.

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

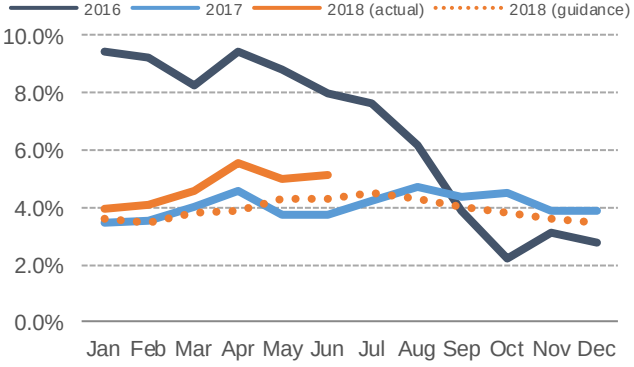
Base Rent



Same Store Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 5/22/18. 2018 guidance as of April 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% Physical Occupancy	4.0% Renewal Rate Achieved	1.75% Same Store Revenue Growth

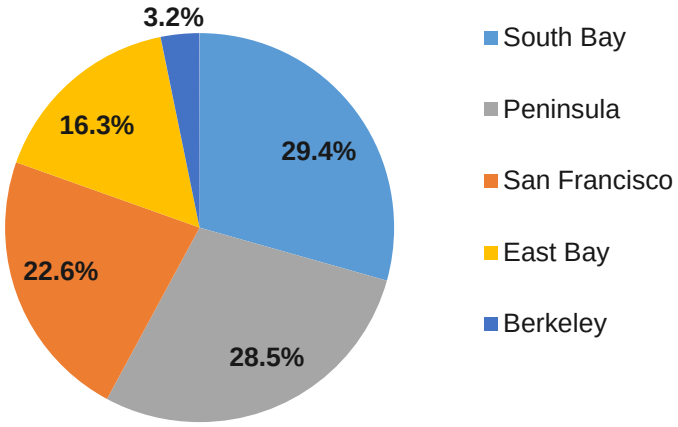
San Francisco

Market Profile

Equity Residential

EQR in San Francisco

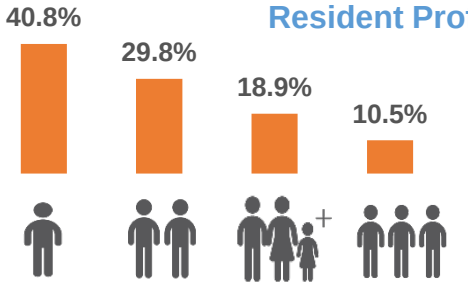
NOI by Submarket



EQR Resident Data (as of 3/31/18)*

Average Household Income	$168,179
Average Monthly Rent	$2,856
Rent as a Percent of Income	20.4%

Resident Profile



*Data for residents who have signed leases in the last 12 months as of 3/31/18.

Market Data

Home Affordability

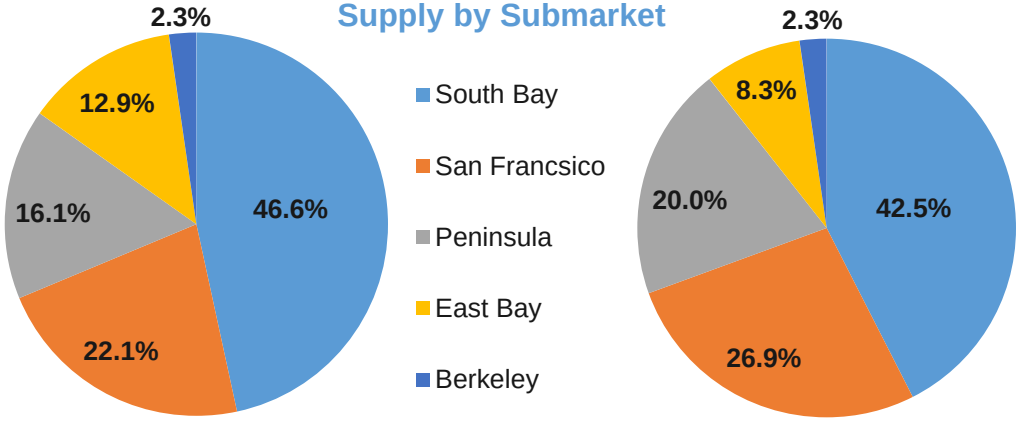
	U.S.	San Francisco
Median Household Income	$58,000	$100,000
Median Home Price	$252,000	$933,000
Ratio	4.3x	9.3x

Walk Score

EQR	REIT Competitor Avg
66.7	**60.3**

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

Supply by Submarket



2018
7,227 units

2019
8,261 units

San Francisco

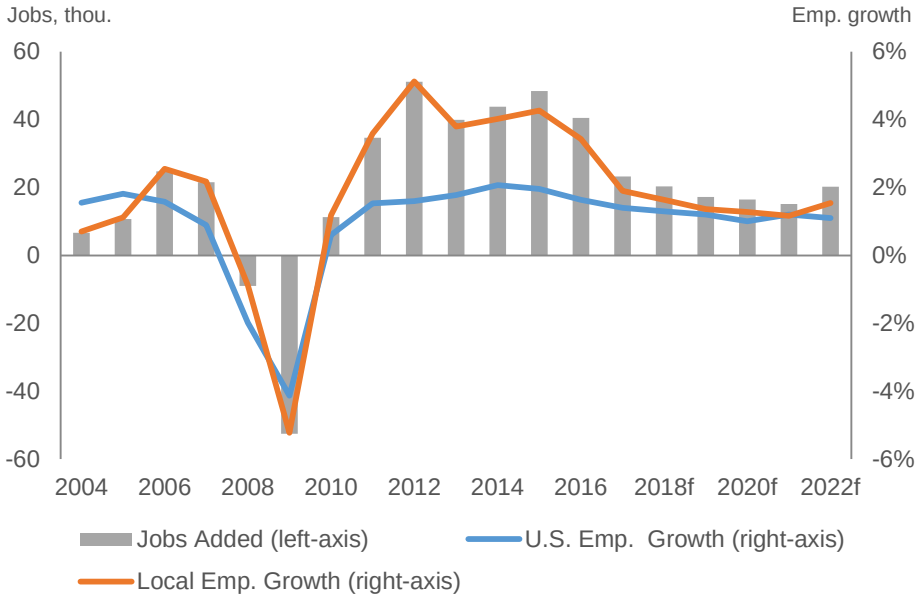
Market Profile

Equity Residential

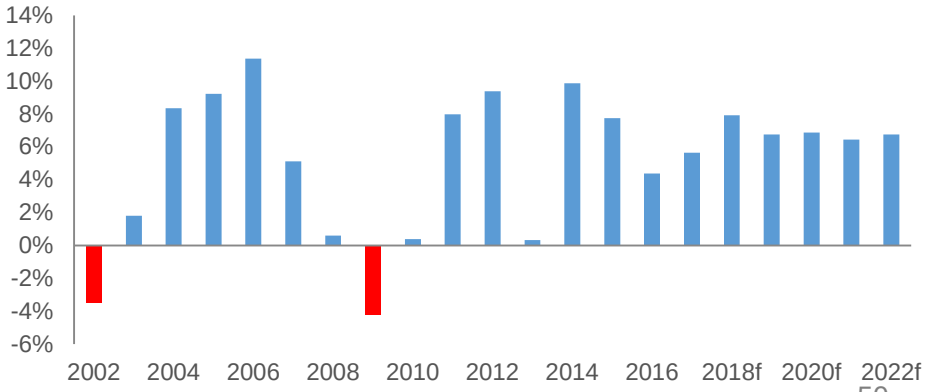
Long-Term Economic Drivers

- The Bay Area economy supports the highest percentage 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



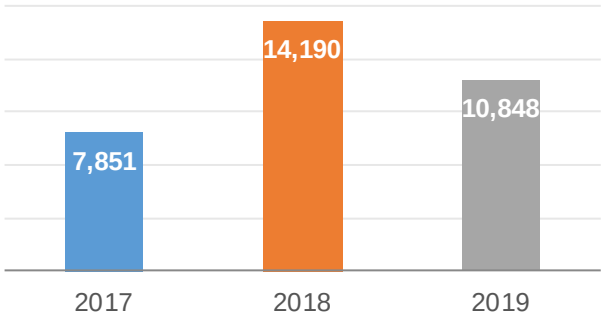
Source: Census, BEA, Rosen Consulting Group, BLS.

Los Angeles – Revenue

14,240 Units / 17.7% of NOI

Performing slightly better than expected. Continued elevated supply will pressure market performance as the year progresses.

New Supply (in units)[1]



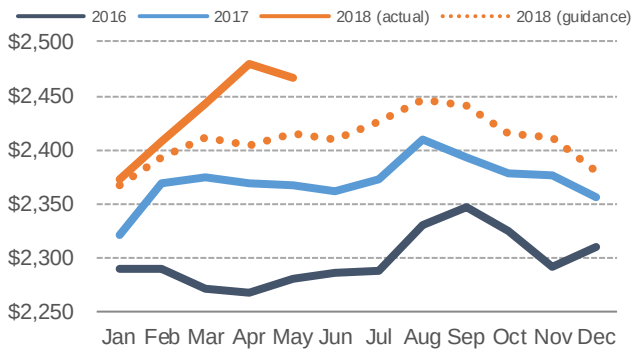
(1) Source: EQR.

Comments

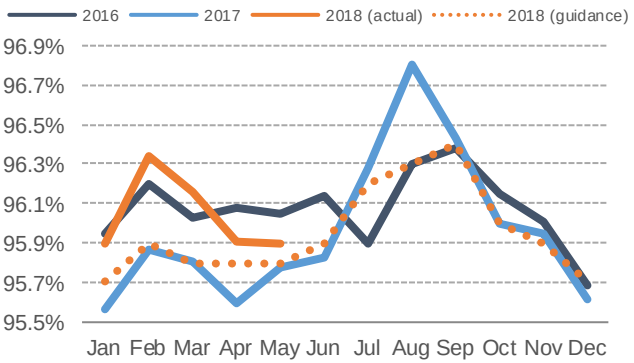
- Los Angeles is projected to be one of our top revenue performers in 2018. Base Rent, Physical Occupancy and Renewal Rate Achieved all have been outpacing expectations year-to-date.
- Strong employment growth, particularly jobs related to online content creation in West LA, continue to aid in the absorption of new supply.
- We anticipate pressure in the second half of 2018 due to the elevated levels of new supply in downtown (18% of NOI) which will deliver 57% of the market's new supply.

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

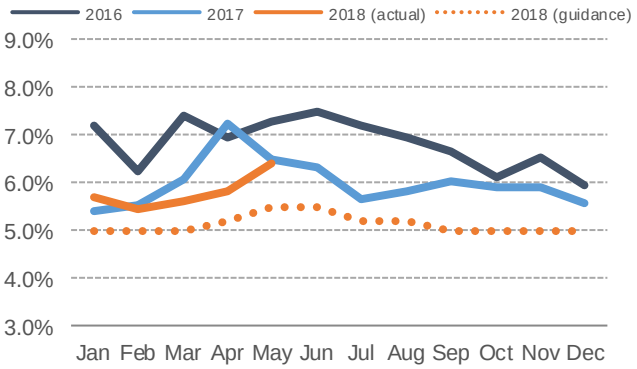
Base Rent ●



Physical Occupancy ●



Renewal Rate Achieved ●



Note: 2018 Same Store Properties used for all years. Data includes results as of 5/22/18. 2018 guidance as of April 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	0.6%	96.0%	6.0%	3.6%
2018 Guidance	0.7%	96.0%	5.2%	3.25%

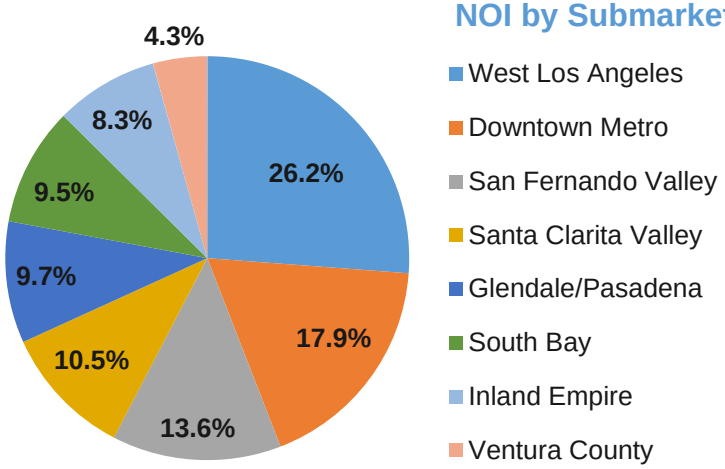
Los Angeles

Market Profile

Equity Residential

EQR in Los Angeles

NOI by Submarket



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**

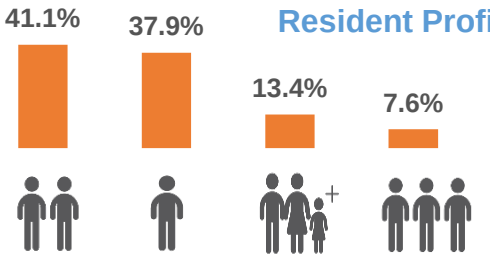
REIT Competitor Avg **63.2**

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

EQR Resident Data (as of 3/31/18)*

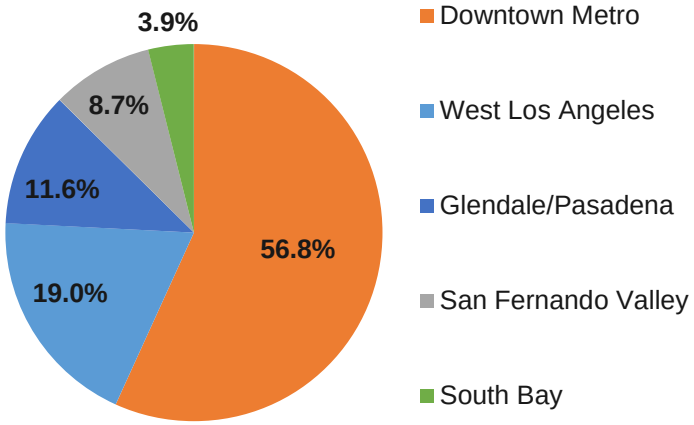
Average Household Income	$138,959
Average Monthly Rent	$2,328
Rent as a Percent of Income	20.1%

Resident Profile

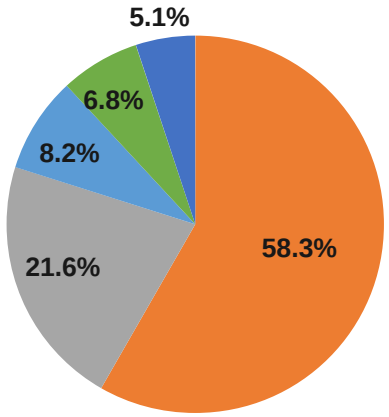


*Data for residents who have signed leases in the last 12 months as of 3/31/18.

Supply by Submarket



2018
14,190 units



2019
10,848 units

Los Angeles

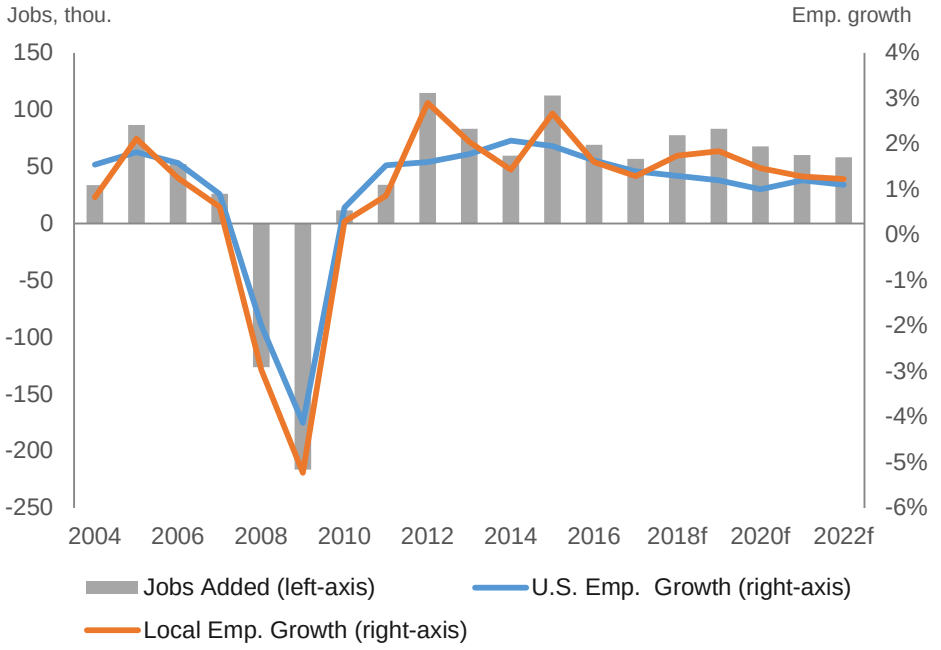
Market Profile

Equity Residential

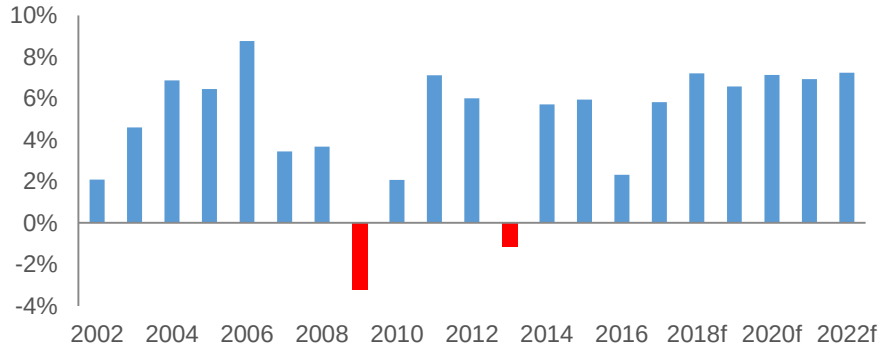
Long-Term Economic Drivers

- Diverse employment base is seeing a rapid expansion in 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



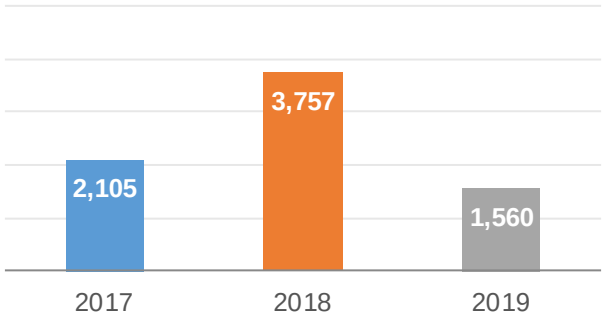
Source: Census, BEA, Rosen Consulting Group, BLS.

San Diego – Revenue

3,385 Units / 4.0% of NOI

YTD revenue growth slightly less than expected but should remain a top performing market.

New Supply (in units)(1)



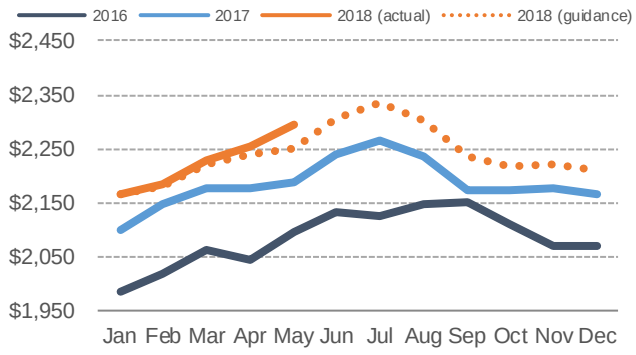
(1) Source: EQR.

Comments

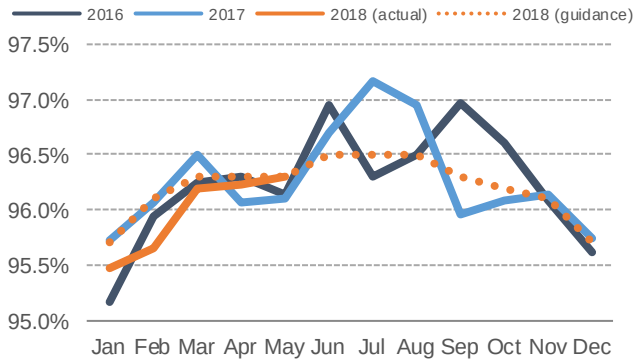
- Overall, Base Rent and Renewal Rate Achieved remain consistent with expectations. Physical Occupancy was challenged during Q1, but has improved as of late, in line with expectations.
- Consistent performance driven by moderate job growth as military spending remains strong.
- As expected, supply pressure remains focused in the downtown area (28% of our NOI).

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

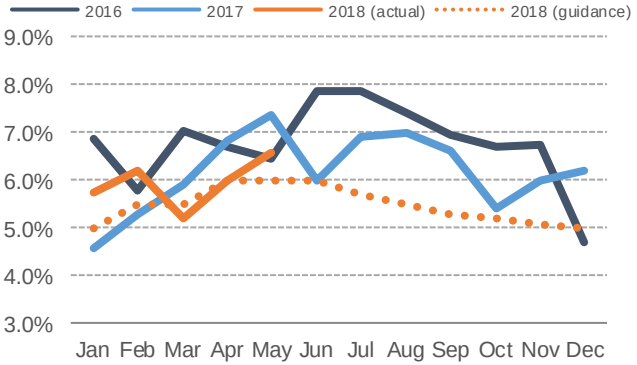
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 5/22/18. 2018 guidance as of April 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

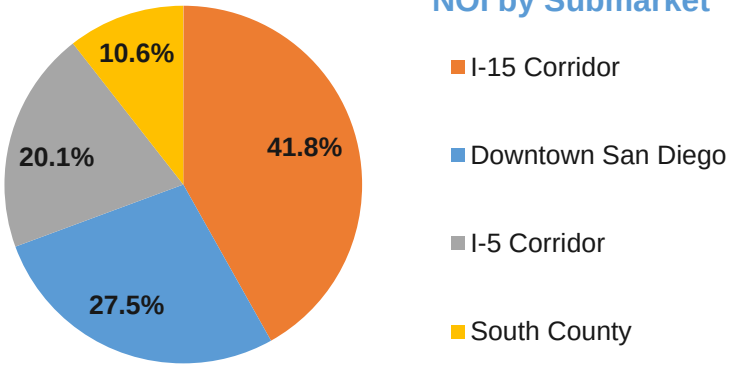
San Diego

Market Profile

Equity Residential

EQR in San Diego

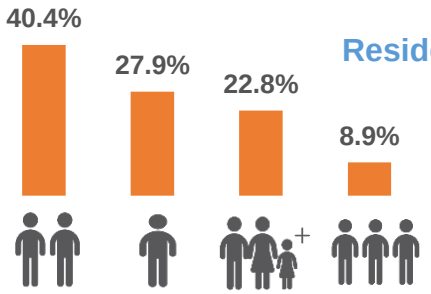
NOI by Submarket



EQR Resident Data (as of 3/31/18)*

Average Household Income	$118,146
Average Monthly Rent	$2,164
Rent as a Percent of Income	22.0%

Resident Profile



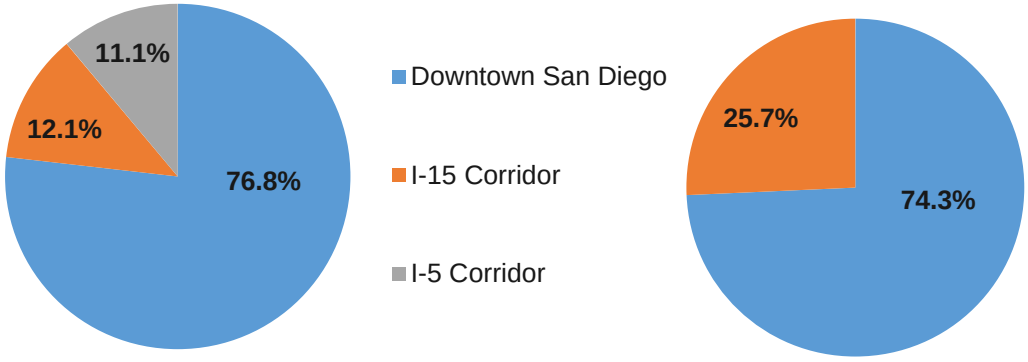
*Data for residents who have signed leases in the last 12 months as of 3/31/18.

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
1,560 units

San Diego

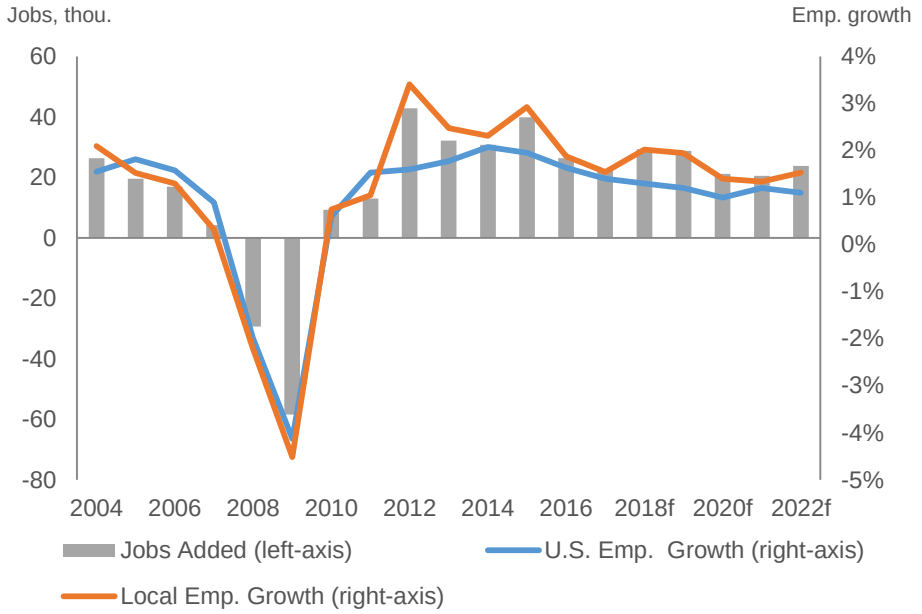
Market Profile

Equity Residential

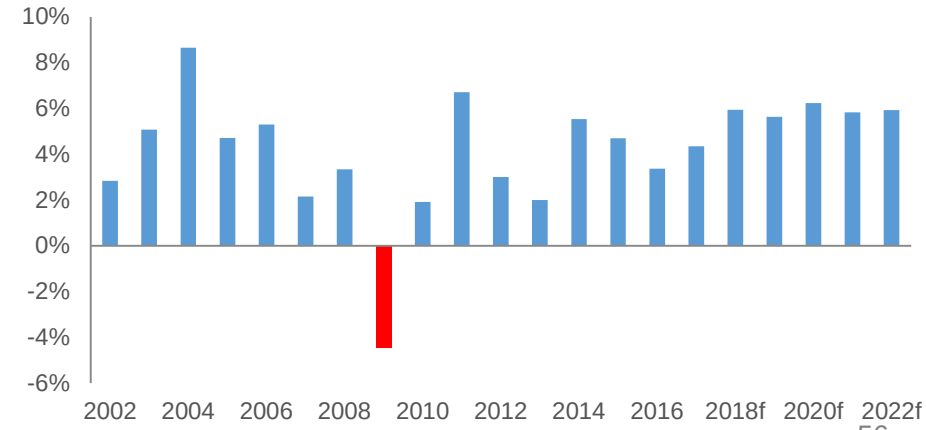
Long-Term Economic Drivers

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

Employment Growth



Household Income Growth



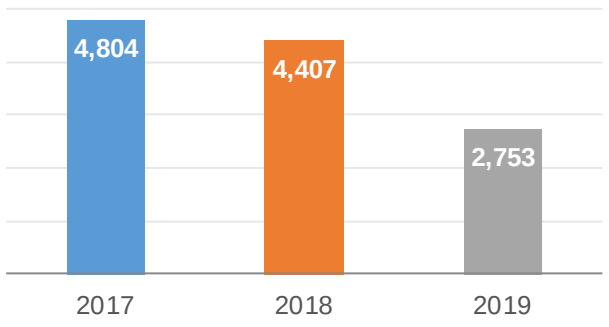
Source: Census, BEA, Rosen Consulting Group, BLS.

Orange County – Revenue

3,684 Units / 4.2% of NOI

Modestly lower than expected demand due to high levels of supply pressuring revenue expectations.

New Supply (in units)[1]



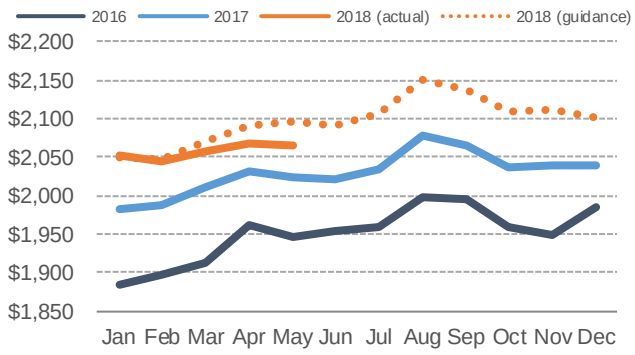
(1) Source: EQR.

Comments

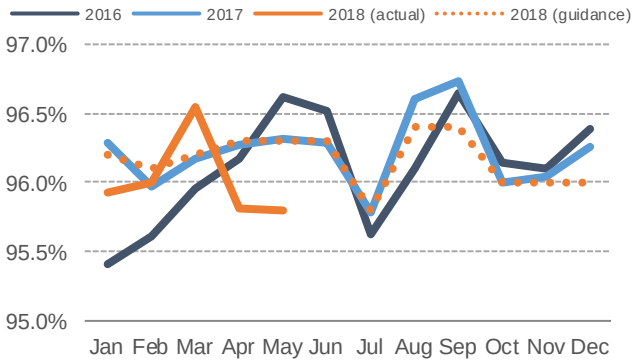
- Base Rents, Physical Occupancy and Renewal Rate Achieved underperformed in Q1, with the trends continuing into early Q2.
- As expected, new supply pressure in the Irvine Business Corridor (IBC) and Huntington Beach is negatively impacting performance.
- Despite continuing job growth, we have seen a reduction in demand as evidenced by lower foot traffic compared to 2017.

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

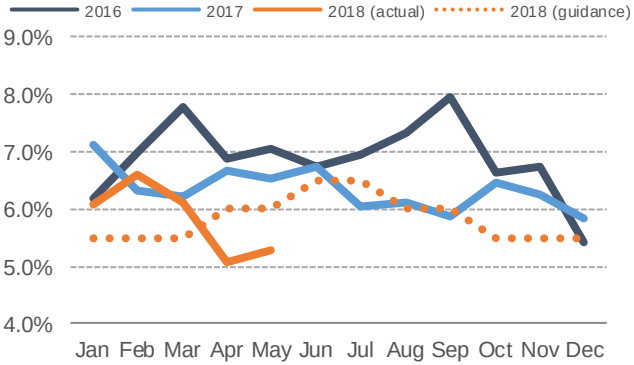
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2018 Same Store Properties used for all years. Data includes results as of 5/22/18. 2018 guidance as of April 2018. See Glossary of Operations Terms for definitions.

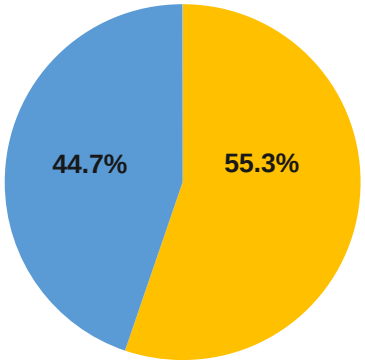
Annual Guidance Assumptions

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



NOI by Submarket

- South Orange
- North Orange

Market Data

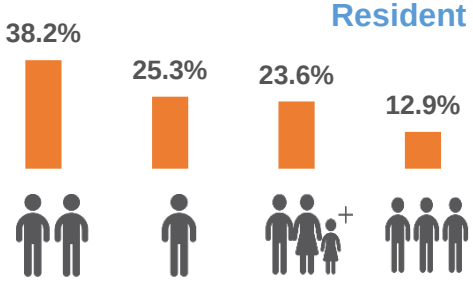
Home Affordability

	U.S.	Orange County
Median Household Income	$58,000	$82,000
Median Home Price	$252,000	$655,000
Ratio	4.3x	8.0x

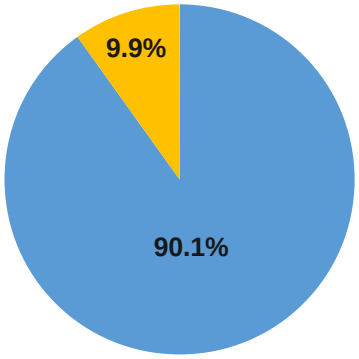
EQR Resident Data (as of 3/31/18)*

Average Household Income	$107,753
Average Monthly Rent	$1,994
Rent as a Percent of Income	22.2%

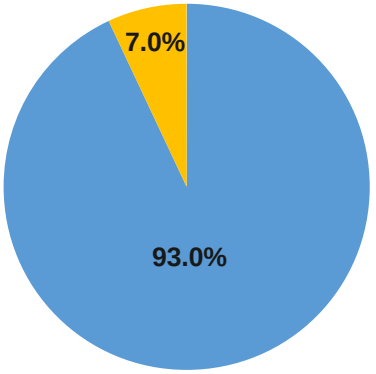
Resident Profile



Supply by Submarket



- North Orange
- South Orange



2018
4,407 units

2019
2,753 units

*Data for residents who have signed leases in the last 12 months as of 3/31/18.

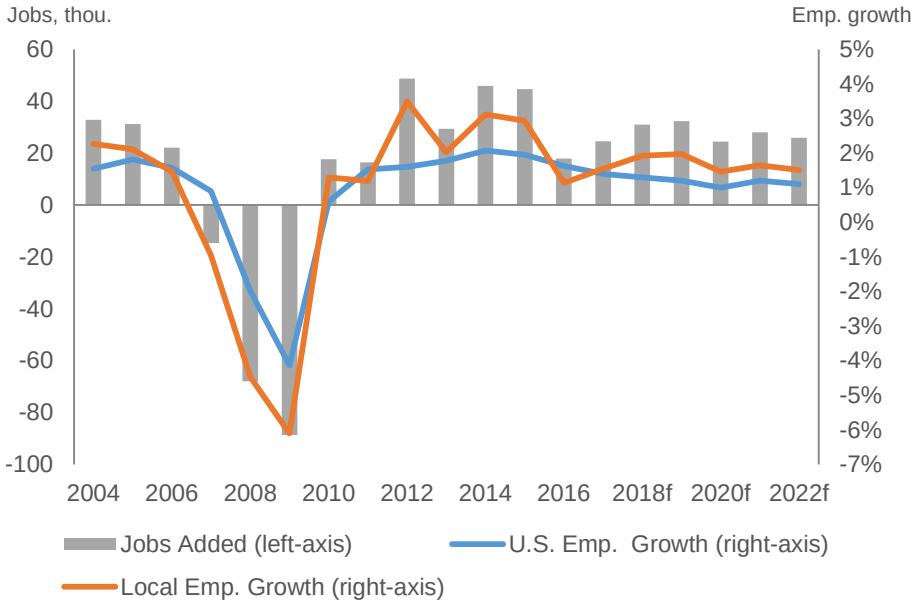
Orange County

Market Profile

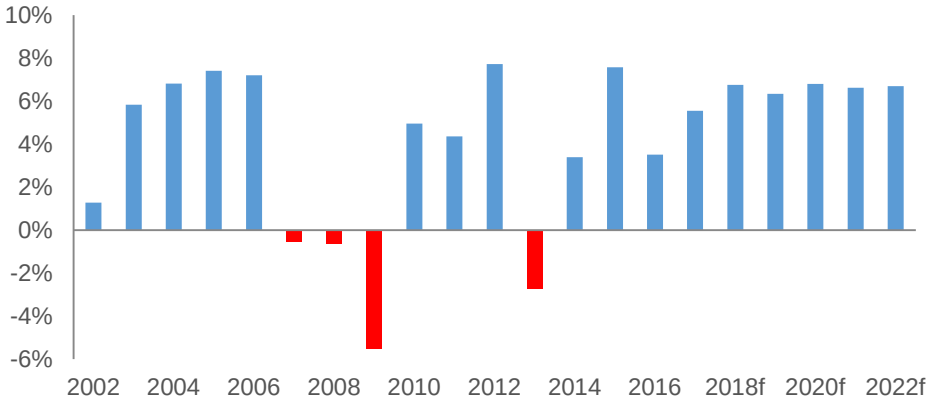
Long-Term Economic Drivers

- 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



Rooftop terrace at Odin – Seattle, WA

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 (03/31/18: 14%)

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

5.4x
Net Debt to Normalized EBITDA

4.0x
Fixed Charge Coverage(2)

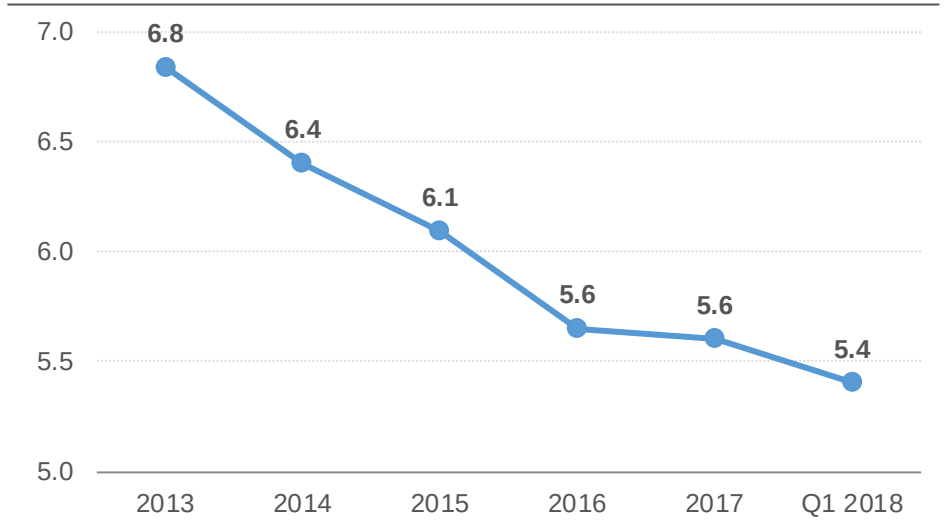
79%
Unencumbered NOI % of Total

$1.7B
Liquidity

34%
Debt to Adjusted Total Assets(3)

Note: Data as of 03/31/18.
(1) "A-" credit ratings from S&P, "A3" from Moody's, and "A" from Fitch.
(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



Long Duration Limits Refinancing Risk (4)



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

(4) Multifamily REIT Peers include AVB, ESS, UDR, CPT, AIV, and MAA. "Blue Chip" REIT Peers include SPG, PLD, FRT, VTR, and BXP.
Source: Company filings, SNL Financial as of 03/31/18 (FRT is as of 12/31/17 due to data availability).

Our Commitment to Sustainability

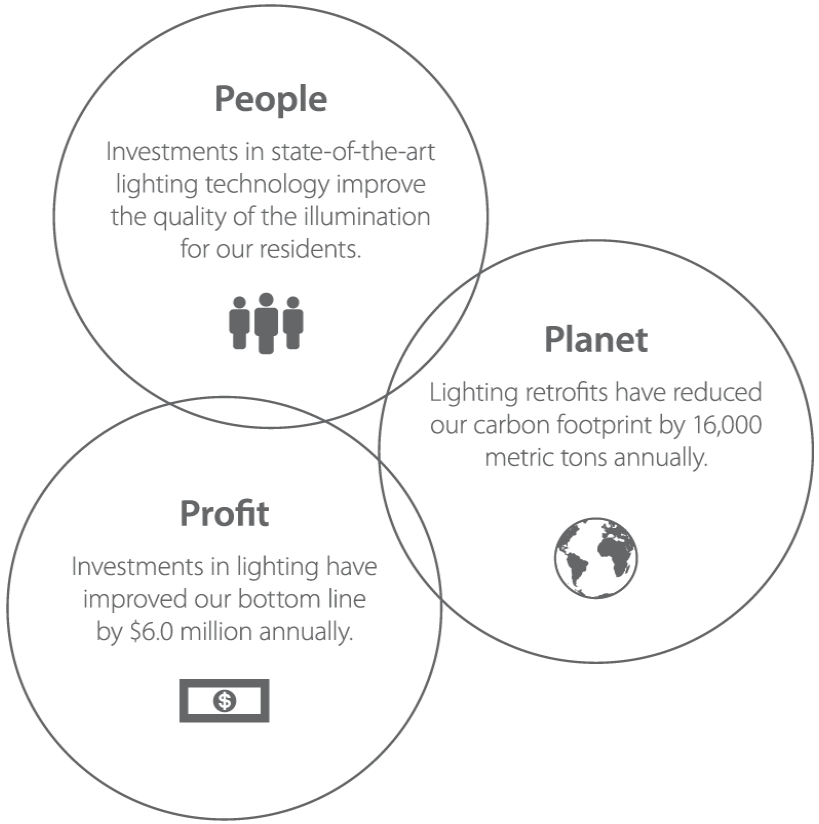


Rooftop terrace at 1111 Belle Pre – Alexandria, VA

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

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

NAHB National Green Building Standard

NAHB NATIONAL GREEN BUILDING PROGRAM™

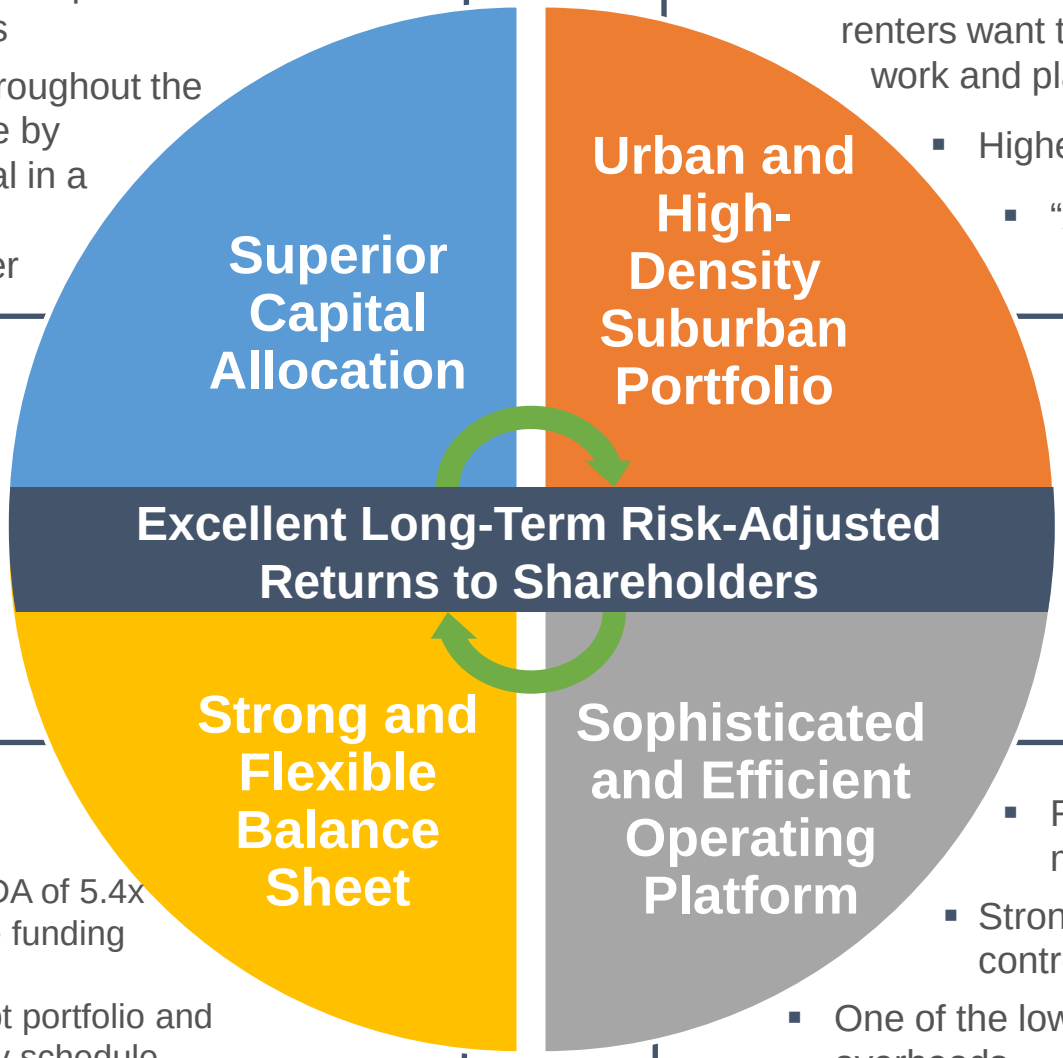
- 4 of our new developments since 2011 have received NAHB NGBS certification

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 5.4x
- Access to multiple funding sources
- Long duration debt portfolio and staggered maturity schedule

- Revenue maximization
- Strong expense controls
- One of the lowest overheads

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 2018 Earnings Release and Supplemental Financial Information" from April 24, 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").
9	**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 December 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	$ 1.80
Add: Depreciation expense	2.00	2.00	1.83	1.93	1.96
Less: Net (gain) loss on sales	(0.58)	(0.88)	(10.57)	(0.41)	(0.61)
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 and preferred share redemption (gains) losses	-	0.01	0.32	0.03	0.06
Non-operating asset (gains) losses	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 "First Quarter 2018 Earnings Release and Supplemental Financial Information" from April 24, 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):

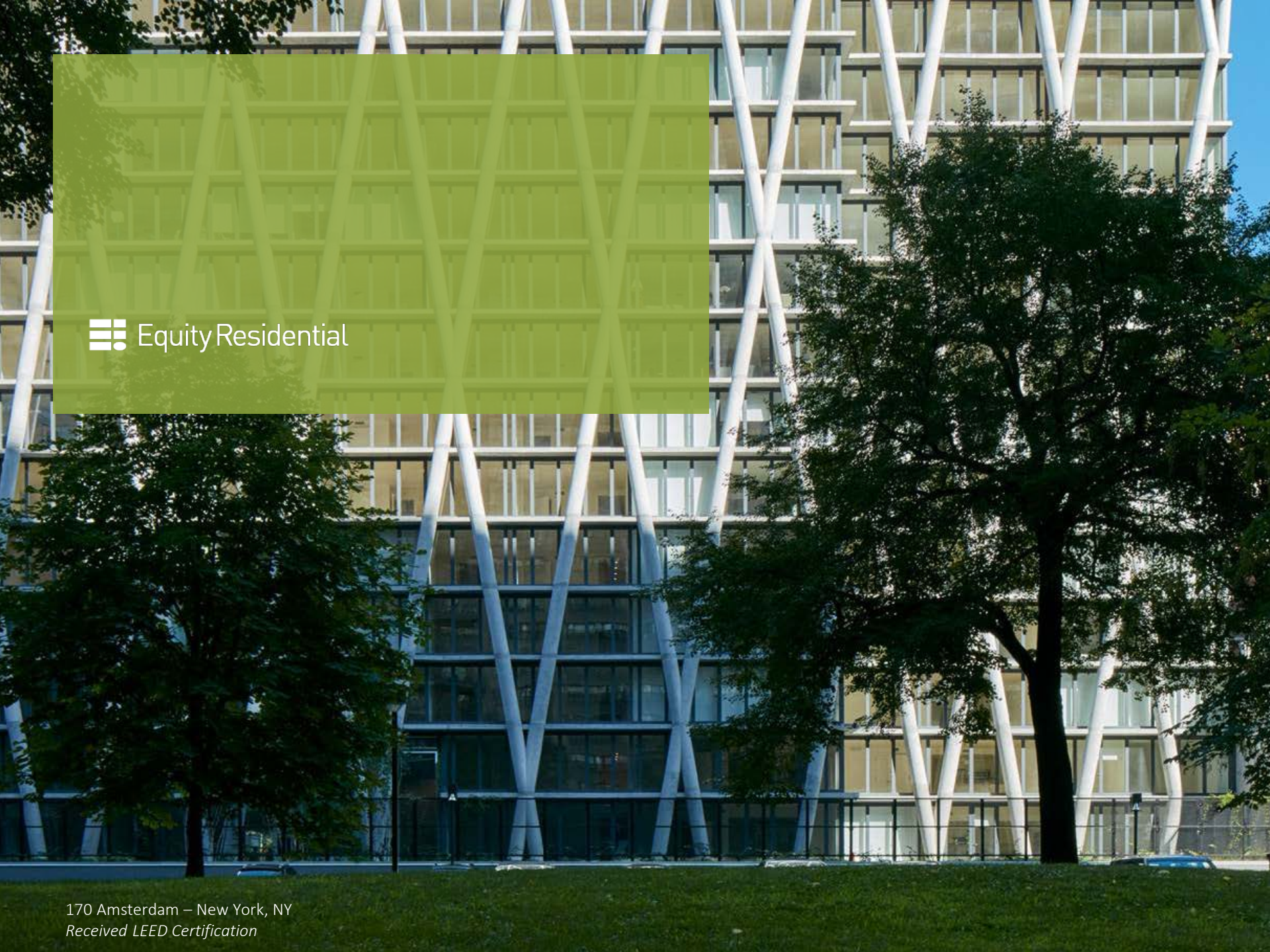
- NOI from all properties sold in the Starwood transaction in January 2016 and NOI from all other operating properties sold during 2016;
- fee and asset management income related to Joint Base Lewis McChord, which the Company sold its entire interest in the management contracts and related rights, in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