Equity Residential

Investor Update

June 2019

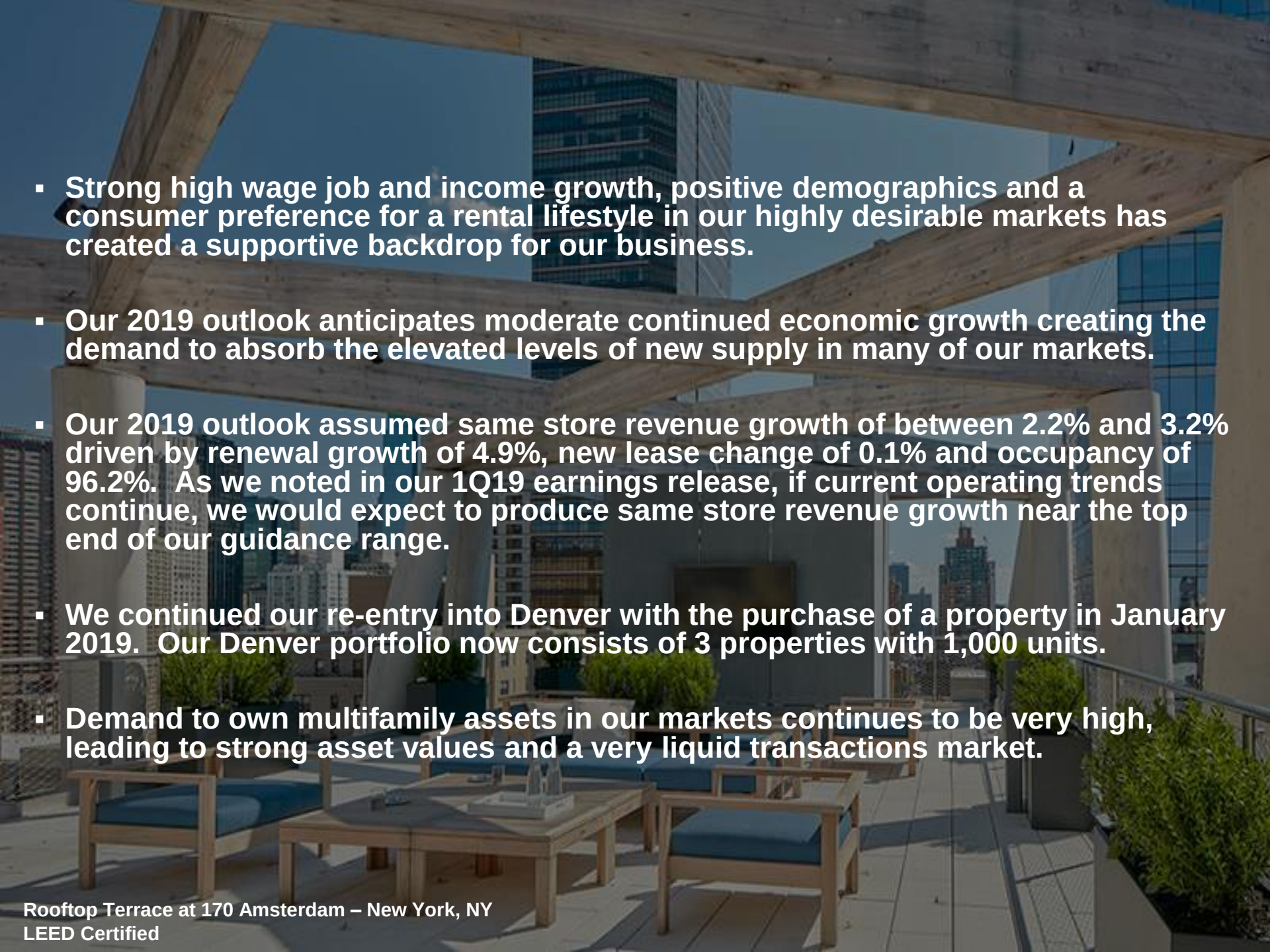
Cascade – Seattle, WA
LEED Certified

Equity Residential Named a Sector Leader in ESG by GRESB for Fifth Consecutive Year and Received NAREIT's 2018 Residential Leader in the Light Award for Third Consecutive Year

GRESB

Nareit





- **Strong high wage job and income growth, positive demographics and a consumer preference for a rental lifestyle in our highly desirable markets has created a supportive backdrop for our business.**

- **Our 2019 outlook anticipates moderate continued economic growth creating the demand to absorb the elevated levels of new supply in many of our markets.**

- **Our 2019 outlook assumed same store revenue growth of between 2.2% and 3.2% driven by renewal growth of 4.9%, new lease change of 0.1% and occupancy of 96.2%. As we noted in our 1Q19 earnings release, if current operating trends continue, we would expect to produce same store revenue growth near the top end of our guidance range.**

- **We continued our re-entry into Denver with the purchase of a property in January 2019. Our Denver portfolio now consists of 3 properties with 1,000 units.**

- **Demand to own multifamily assets in our markets continues to be very high, leading to strong asset values and a very liquid transactions market.**

Rooftop Terrace at 170 Amsterdam – New York, NY
LEED Certified

Trending Issues

Equity Residential

New Supply

- Elevated new supply continues in many of our markets in 2019, but robust demand is supporting rapid absorption.
- New York is experiencing a considerable decline in new supply in our competitive footprint in 2019, which is leading to better operating performance relative to 2018.

2019 Same Store Revenue

- To date, 2019 same store revenue growth is trending towards the high end of our 2.2% to 3.2% guidance range driven by strong demand across all our markets combined with lower new supply in New York and Boston.
- New York, Washington, D.C., Boston and Seattle are performing better than our original expectations.
- Southern California and San Francisco are performing in-line with our original expectations

Economic Outlook

- The economy has expanded over an extended period of time with strong job growth and robust employment.
- Our markets continue to be a powerful magnet for high wage employment growth drawing technology, new media and other employers seeking to tap into the large talent pools they offer. These employees frequently choose to rent in the urban and dense suburban communities in which we operate.
- Our portfolio and balance sheet are well positioned to take advantage of current and anticipated economic growth.

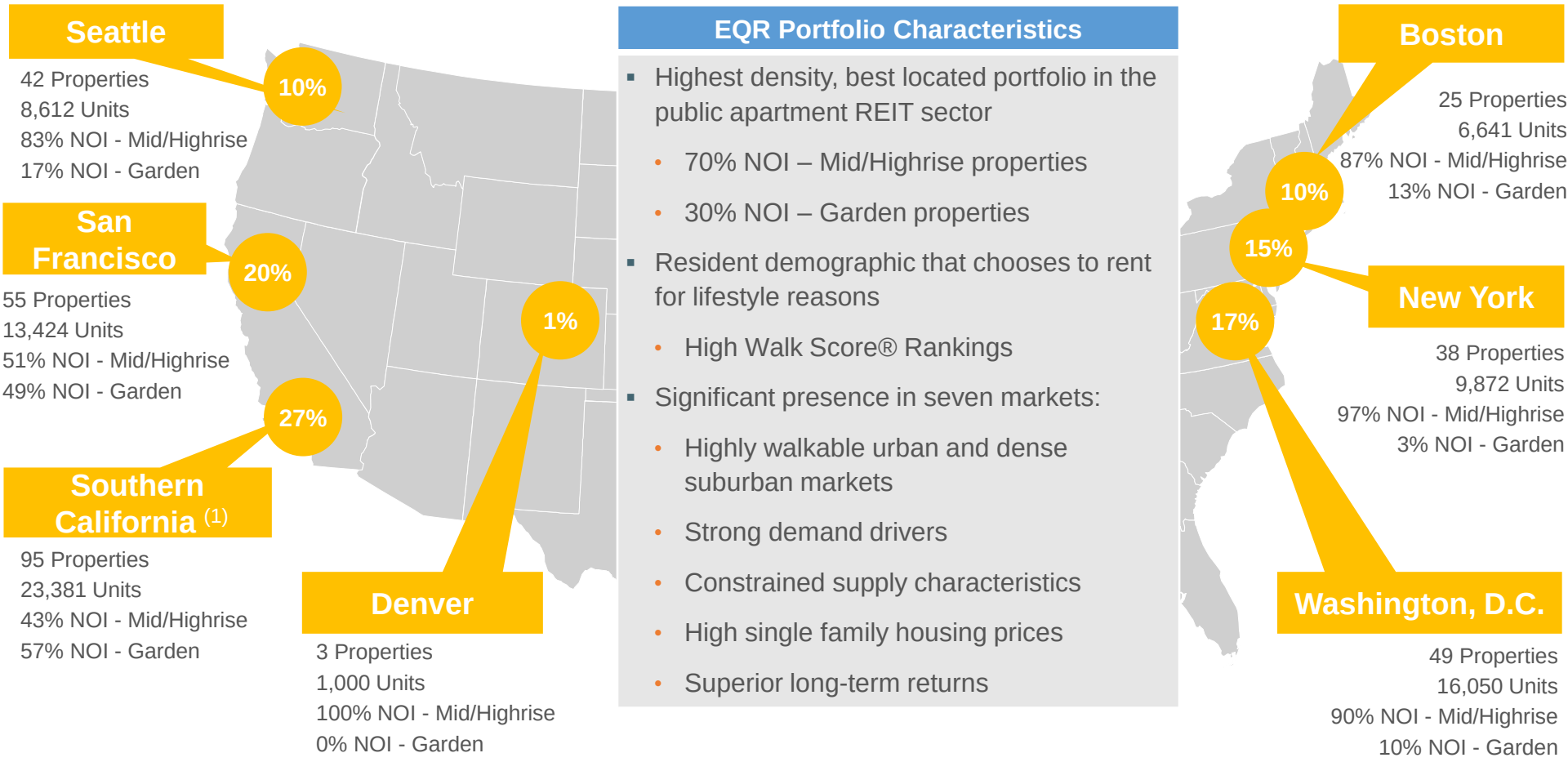
Regulatory Environment

- Several jurisdictions in which we do business are considering adopting rent control as a purported solution to a lack of affordable workforce housing and homelessness.
- We are in favor of market-based solutions to address these issues, including zoning regulations that encourage density, regulatory reforms that lower building costs and public/private partnerships to build and fund more projects.
- We continue to focus our efforts on educating the public and policymakers on the merits of market-based solutions as we and the industry successfully did in soundly defeating Proposition 10 (would have permitted local governments to enact rent control) in California in November 2018.

Equity Residential Portfolio 2019

Equity Residential

EQR's portfolio is focused in urban and high density suburban markets.



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
  - High Walk Score® Rankings
- Significant presence in seven markets:
  - Highly walkable urban and dense suburban markets
  - Strong demand drivers
  - Constrained supply characteristics
  - High single family housing prices
  - Superior long-term returns

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

Note: Does not include Other Markets or Unconsolidated Properties (total 3 properties consisting of 1,081 units) as disclosed in the Company's Q1 2019 earnings release.

Represents percentage of Stabilized NOI as of 03/31/19.

2019 Revenue Update

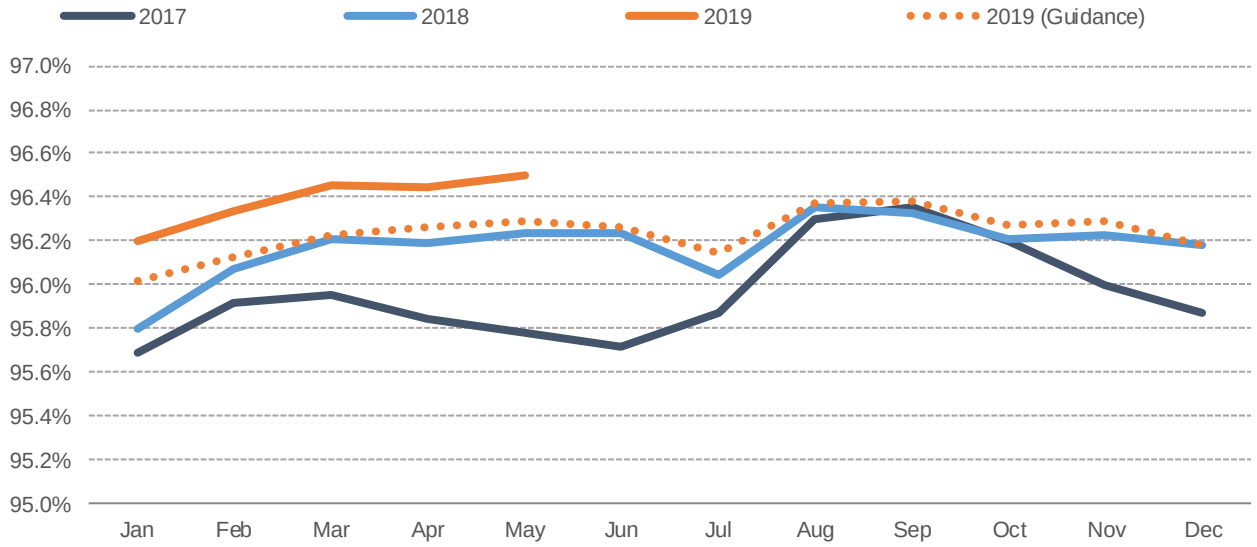
Occupancy and Rents

Our full year revenue growth continues to trend toward the top end of our guidance range.

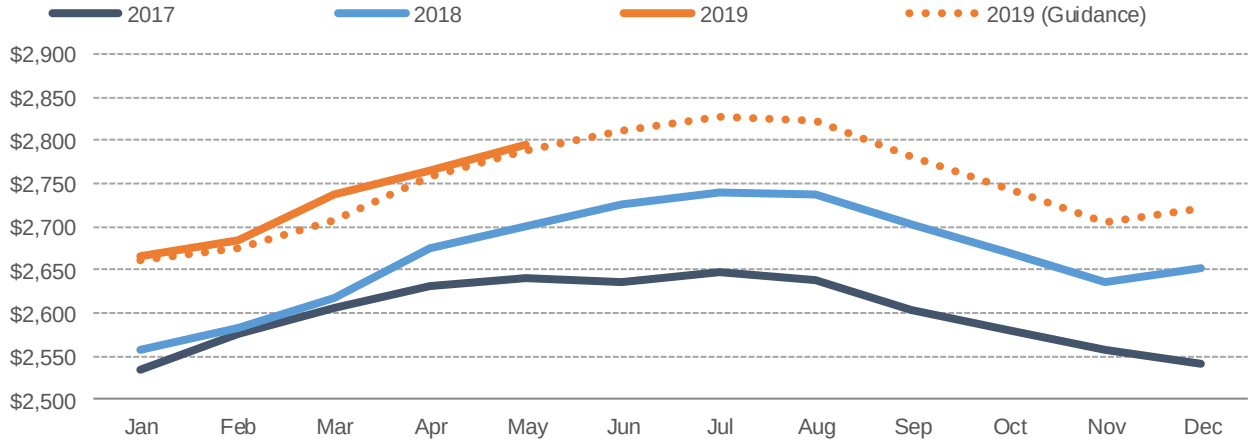
Commentary

- Occupancy remains strong and ahead of our 96.2% expectation.
- Strong demand continues to aid in absorption of new supply.
- 2019 Base Rents continue to grow over 2018 levels and have performed slightly better than expectations.

Same Store Physical Occupancy



Base Rent



Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

2019 Revenue Update

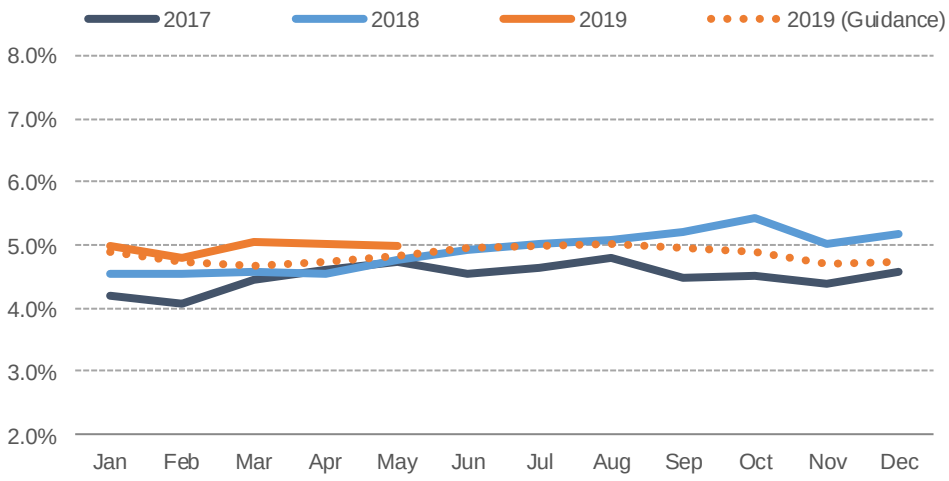
Renewals

Strong renewal growth and retention continues across all markets.

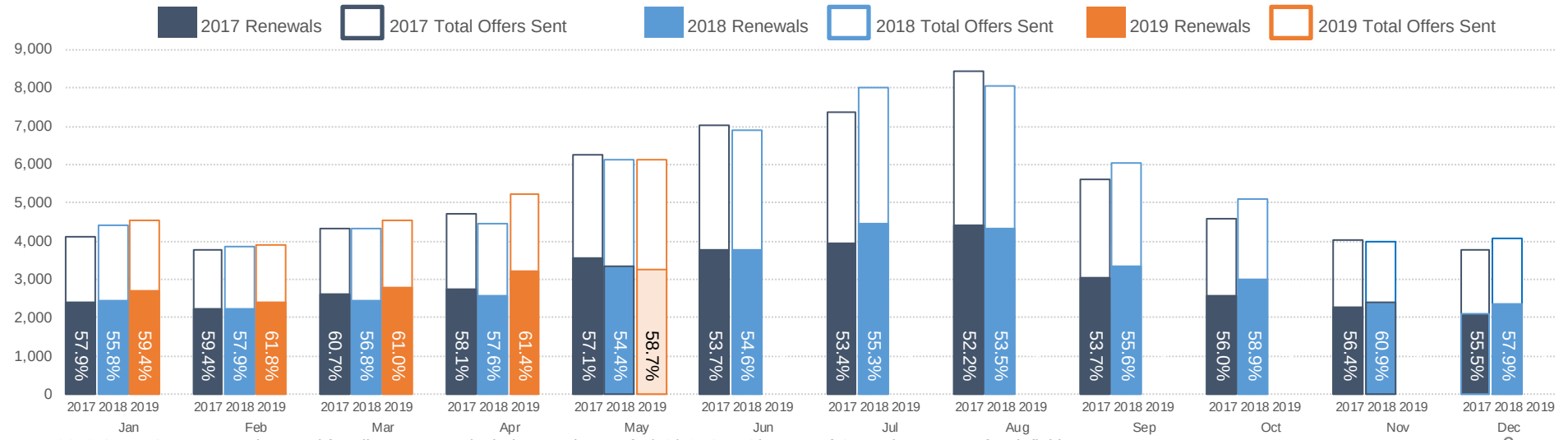
Commentary

- 2019 Renewal Rate Achieved is on track with our expectation of 4.9% which equals our 2018 performance. We expect some moderation as we move through the year, particularly given a strong comparative period in Q4 2018.
- Superior customer service helps drive our renewal process. High resident satisfaction scores continue to contribute to the strongest resident retention in our history.

Renewal Rate Achieved



of Residents Renewing



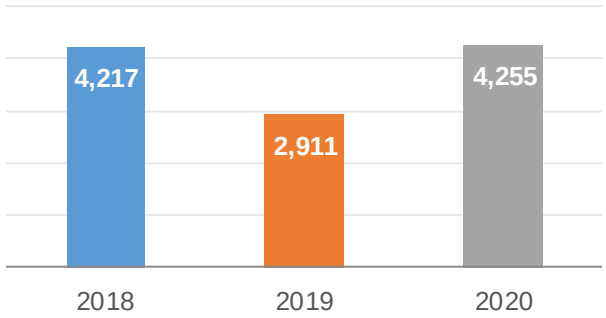
Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

Boston – Revenue

6,009 Units / ~9.0% of Revenue

Performance trending slightly ahead of expectations as a pause in new supply contributes to modest pricing power.

New Supply (in units)[1]



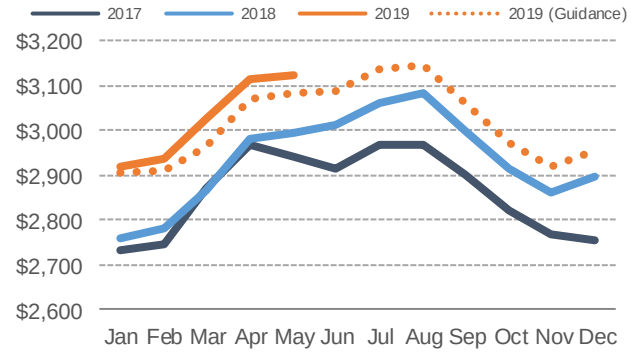
(1) Source: EQR.

Comments

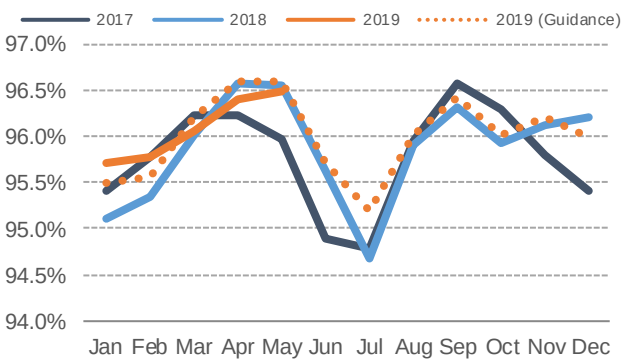
- The overall demand fundamentals remain strong for this market. Job growth in bio-tech and other high wage sectors continues to aid absorption.
- Most of the 2019 supply is expected to deliver later in the year. While the 2018 supply impact was concentrated in the urban core, only a small percentage of the 2019 supply will compete head to head with our mostly urban portfolio.

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

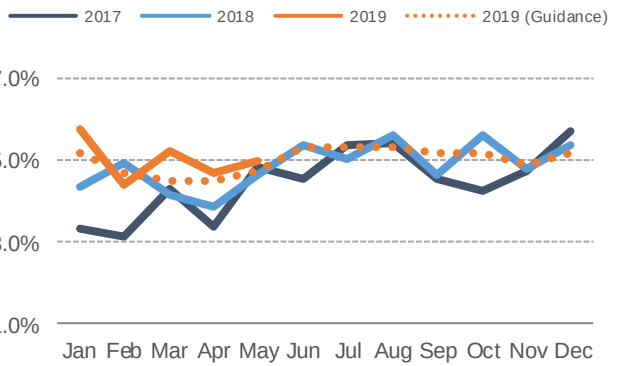
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions - At the Midpoint

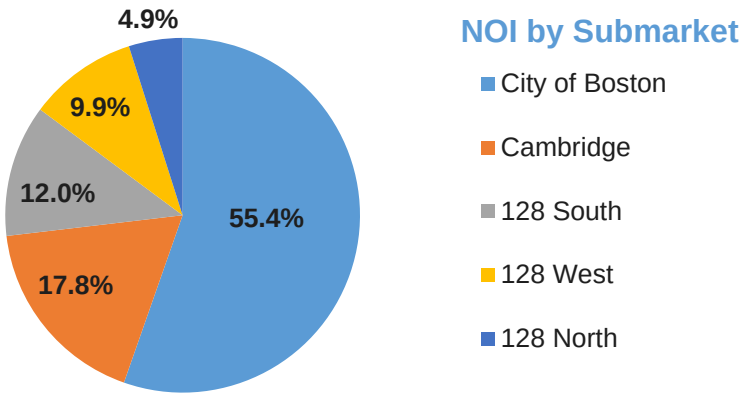
	0.1% New Lease Change	96.0% Physical Occupancy	5.1% Renewal Rate Achieved	2.8% Same Store Revenue Growth
2019 Guidance				
2019 Q1 Results	-3.0%	95.8%	5.1%	3.6%

Boston

Market Profile

Equity Residential

EQR in Boston



Market Data

Home Affordability

	U.S.	Boston
Median Household Income	$62,000	$87,000
Median Home Price	$259,000	$474,000
Ratio	4.2x	5.4x

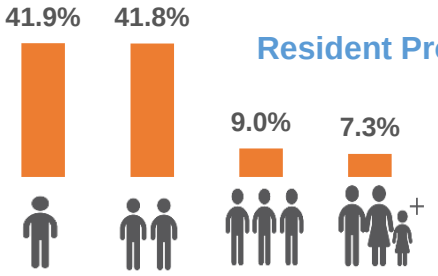
Walk Score

EQR	REIT Competitor Avg
80	**51**

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

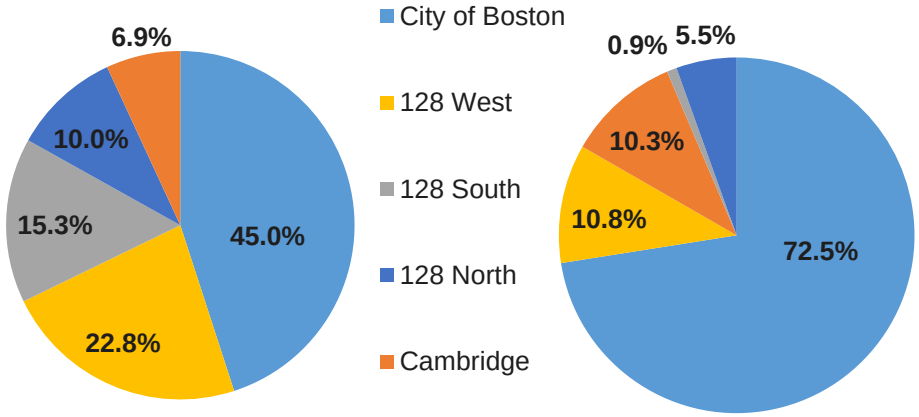
EQR Resident Data (as of 3/31/19)*

Average Household Income	$181,746
Average Monthly Rent	$2,871
Rent as a Percent of Income	19.0%



*Data for residents who have signed leases in the last 12 months as of 3/31/19.

Supply by Submarket



2019
2,911 units

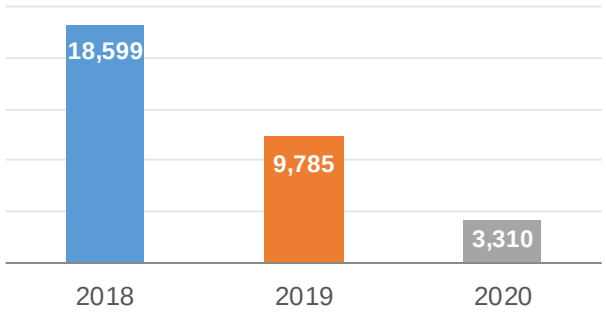
2020
4,255 units

New York – Revenue

9,501 Units / ~19.0% Revenue

Stronger than anticipated demand driving performance above expectations.

New Supply (in units)[1]



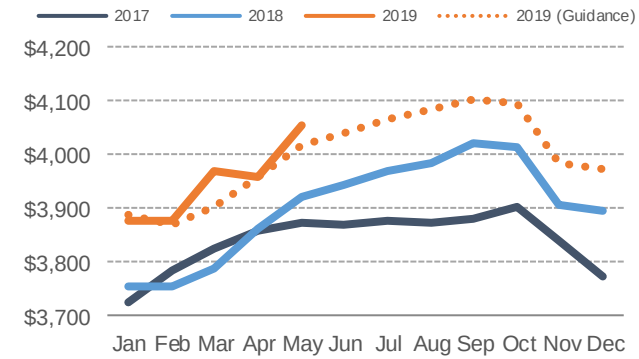
(1) Source: EQR.

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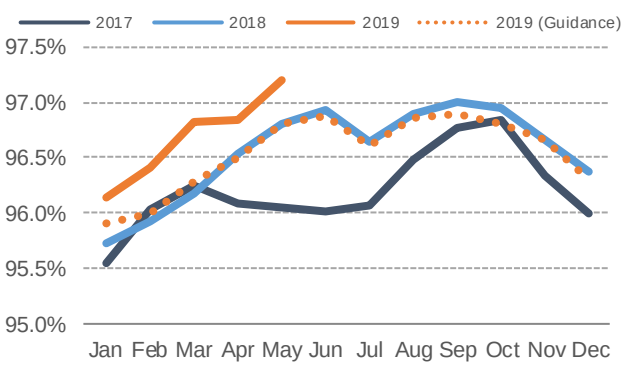
- New supply in our competitive footprint is approximately 50% lower than in 2018, with expected deliveries just under 10,000 units. The deliveries continue to be concentrated in Long Island City and Brooklyn, where to-date, we have not seen a significant impact to our operations. This lower supply outlook in 2019 is facilitating continued recovery in this market.
- Market pricing remains disciplined. YTD out-performance is being driven by gains in occupancy and better than expected new lease change resulting from stronger base rents.

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

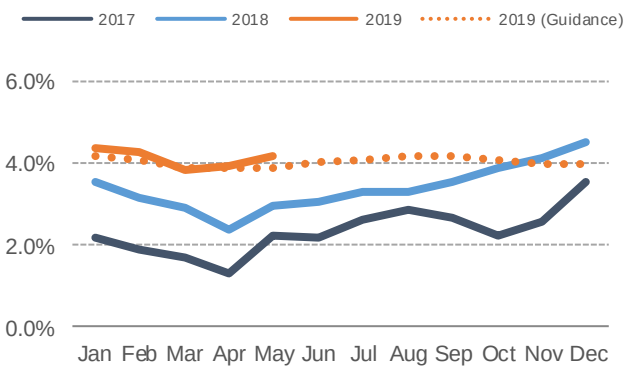
Base Rent ●



Physical Occupancy ●



Renewal Rate Achieved ●



Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions - At the Midpoint

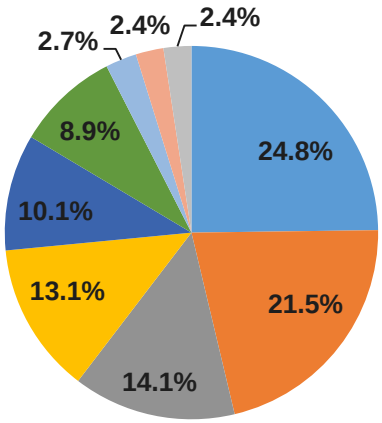
	New Lease Change	Physical Occupancy	Renewal Rate Achieved	Same Store Revenue Growth
2019 Guidance	-0.4%	96.5%	4.1%	1.8%
2019 Q1 Results	-1.5%	96.5%	4.1%	2.4%

New York

Market Profile

Equity Residential

EQR in New York



NOI by Submarket

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

Market Data

Home Affordability

	U.S.	Manhattan
Median Household Income	$62,000	$88,000
Median Home Price	$259,000	$1,000,000
Ratio	4.2x	11.4x

Walk Score

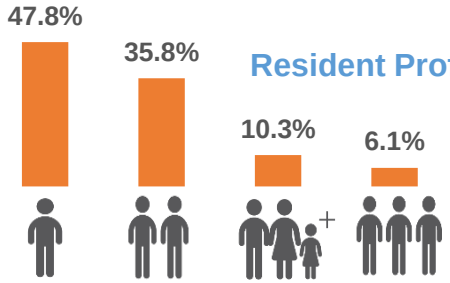
EQR	REIT Competitor Avg
95	**77**

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

EQR Resident Data (as of 3/31/19)*

Average Household Income	$248,776
Average Monthly Rent	$3,741
Rent as a Percent of Income	18.0%

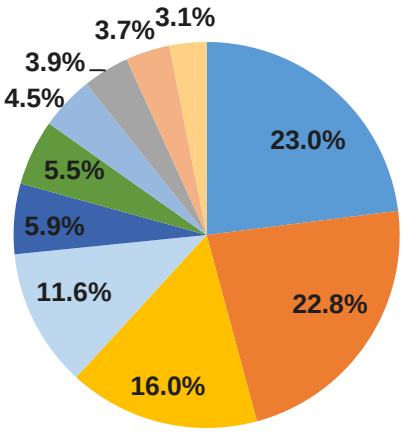
Resident Profile



*Data for residents who have signed leases in the last 12 months as of 3/31/19.

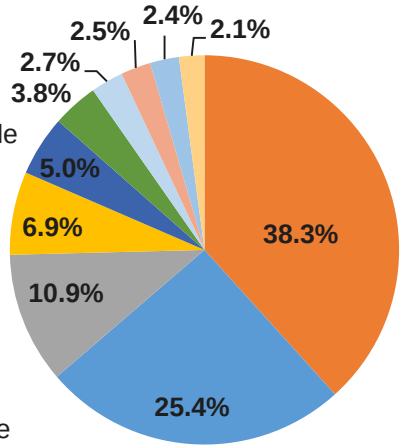
(1) MSA data includes Manhattan only

Supply by Submarket



2019
9,785 units

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



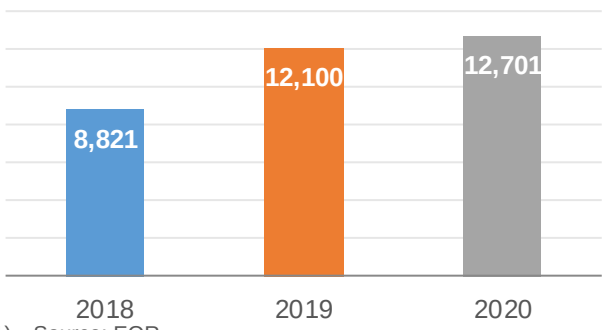
2020
3,310 units

Washington DC – Revenue

15,666 Units / ~18.0% of Revenue

Revenue growth trending ahead of expectations as new supply absorption remains strong.

New Supply (in units)(1)



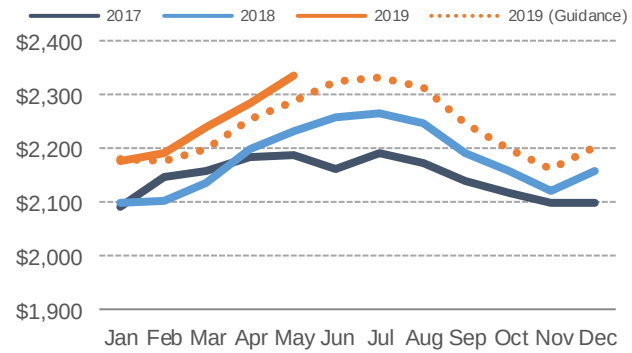
(1) Source: EQR.

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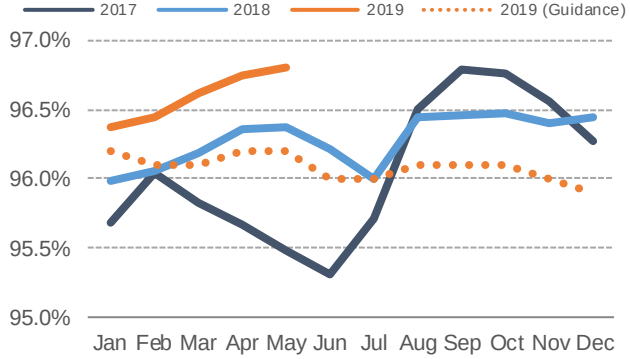
- Washington DC's economy remains strong. Gains in the Professional and Business Services sector are aiding in the absorption of the new units being delivered.
- Better than expected pricing power and strong occupancy have resulted in a positive start for 2019. Our Northern Virginia submarkets are outperforming fueled by procurement dollars being spent on defense and growth in technology employment.
- While we have seen some (~1,400 units) shift in delivery from 2019 to 2020, supply remains elevated. We remain cautiously optimistic as the remaining supply continues to deliver through 2019. The second half of 2019 also has a tougher occupancy comparable period from 2018.

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

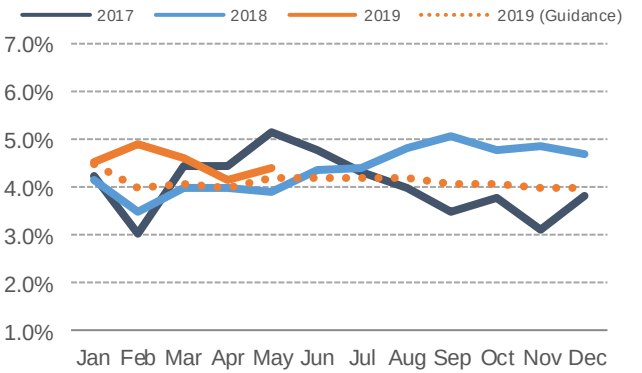
Base Rent ●



Physical Occupancy ●



Renewal Rate Achieved ●



Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions - At the Midpoint

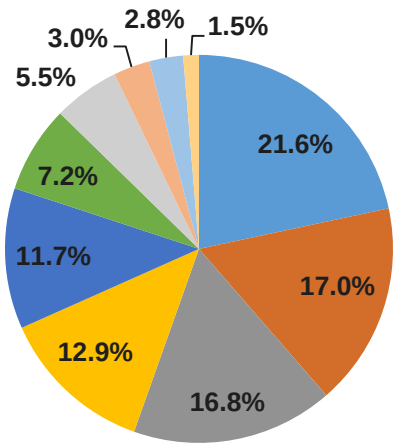
2019 Guidance	**-1.9% New Lease Change**	**96.1% Physical Occupancy**	**4.1% Renewal Rate Achieved**	**1.4% Same Store Revenue Growth**
2019 Q1 Results	**-2.6%**	**96.5%**	**4.5%**	**2.1%**

Washington, DC

Market Profile

Equity Residential

EQR in Washington, DC



NOI by Submarket

- VA-Arlington-RB Corridor
- DC-Central
- VA-Alexandria
- 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	$62,000	$101,000
Median Home Price	$259,000	$409,000
Ratio	4.2x	4.0x

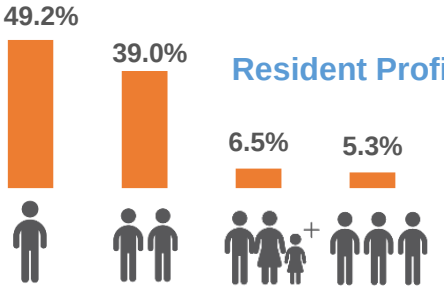
Walk Score

EQR	REIT Competitor Avg
82	63

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

EQR Resident Data (as of 3/31/19)*

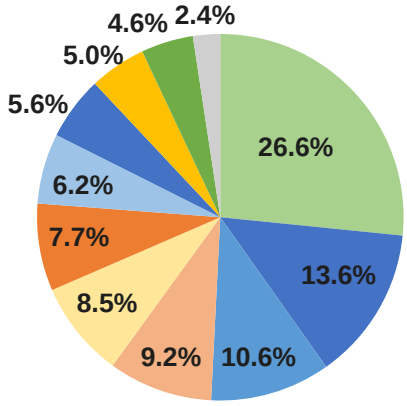
Average Household Income	$147,884
Average Monthly Rent	$2,149
Rent as a Percent of Income	17.4%



Resident Profile

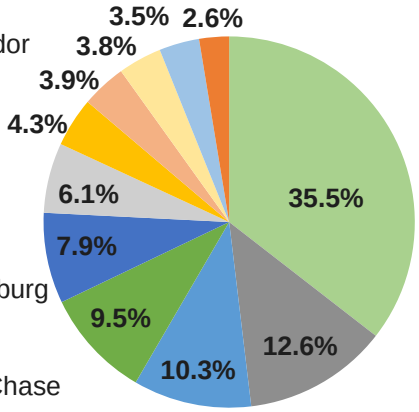
*Data for residents who have signed leases in the last 12 months as of 3/31/19.

Supply by Submarket



2019
12,100 units

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



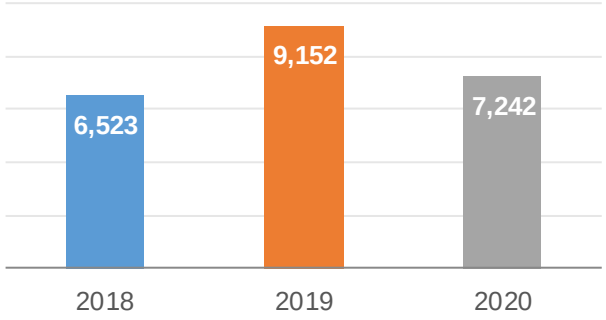
2020
12,701 units

Seattle – Revenue

7,095 Units / ~8.0% of Revenue

Performance exceeding expectations as demand keeps pace with significant new supply.

New Supply (in units)[1]



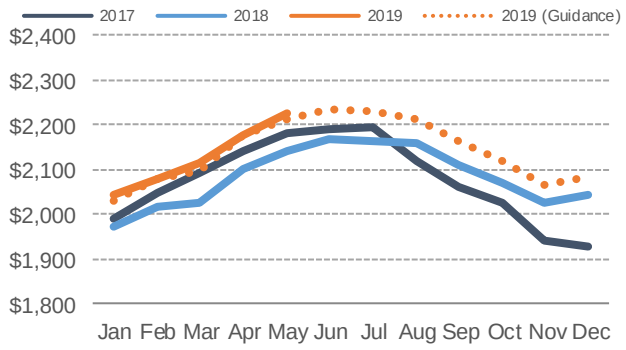
(1) Source: EQR.

Comments

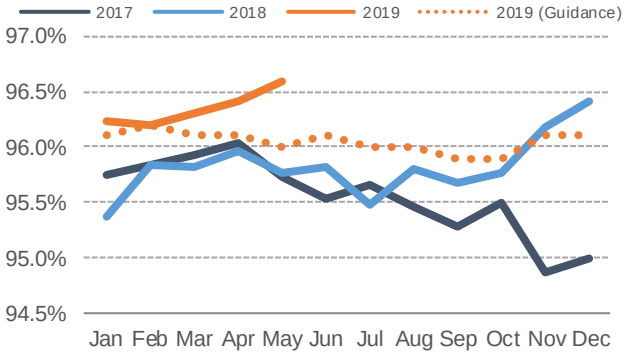
- Supply is being absorbed as deliveries are shifting from the CBD to the suburban east side. Strong demand, fueled by technology employment, is keeping pace with high levels of new supply in this market. Large employers continue to show strength and commitment to this market.
- We anticipate continued robust demand resulting in increased pricing power and occupancy growth for the remainder of the year.

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

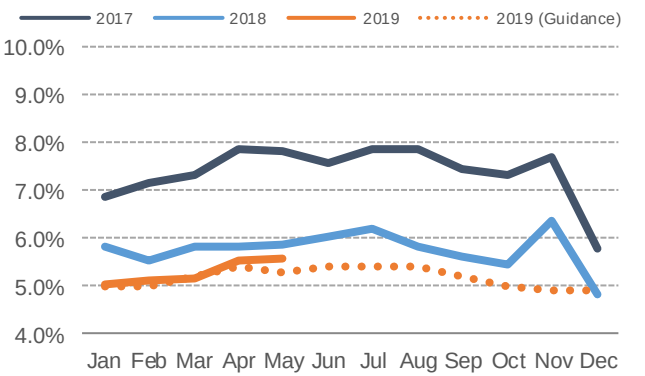
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions - At the Midpoint

2019 Guidance	**-1.6% New Lease Change**	**96.1% Physical Occupancy**	**5.2% Renewal Rate Achieved**	**2.0% Same Store Revenue Growth**
2019 Q1 Results	**-1.2%**	**96.2%**	**5.1%**	**2.2%**

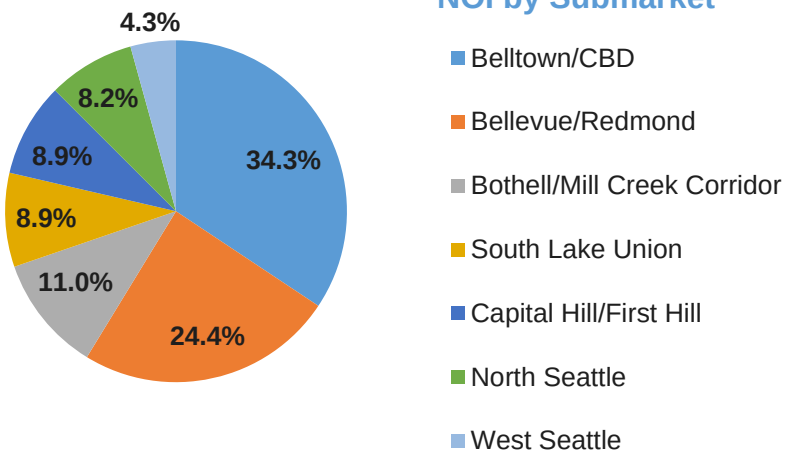
Seattle

Market Profile

Equity Residential

EQR in Seattle

NOI by Submarket



Market Data

Home Affordability

	U.S.	Seattle
Median Household Income	$62,000	$84,000
Median Home Price	$259,000	$478,000
Ratio	4.2x	5.7x

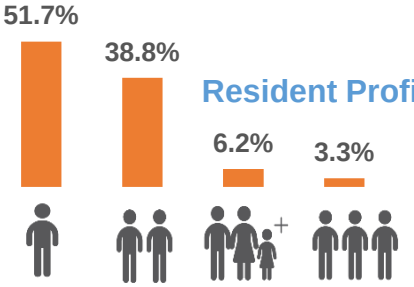
Walk Score

EQR **86** | REIT Competitor Avg **63**

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

EQR Resident Data (as of 3/31/19)*

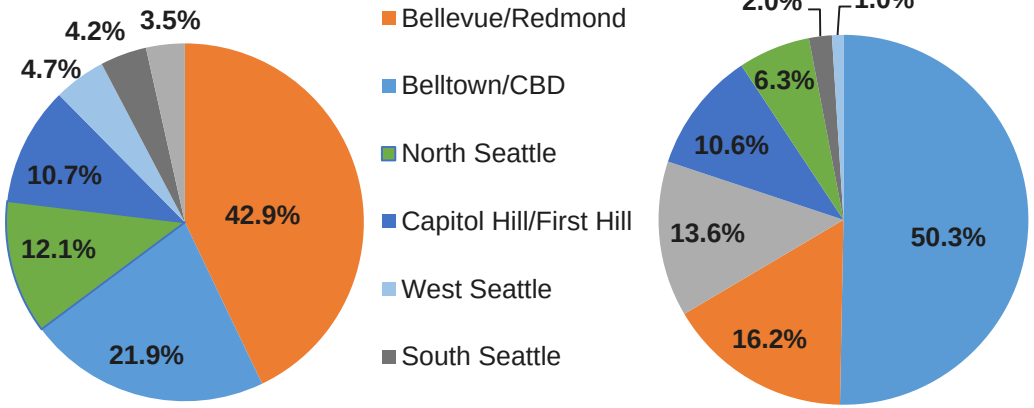
Average Household Income	$133,029
Average Monthly Rent	$2,008
Rent as a Percent of Income	18.1%



Resident Profile

*Data for residents who have signed leases in the last 12 months as of 3/31/19.

Supply by Submarket



2019
9,152 units

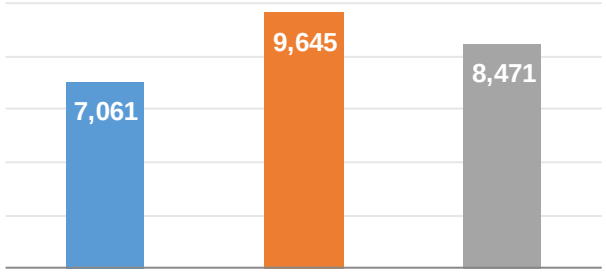
2020
7,242 units

San Francisco – Revenue

12,975 Units / ~20.0% of Revenue

Performance in line with expectations with strong economic growth and job expansion.

New Supply (in units)[1]



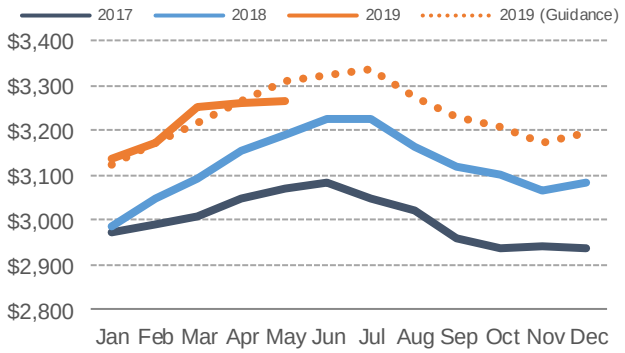
(1) Source: EQR.

Comments

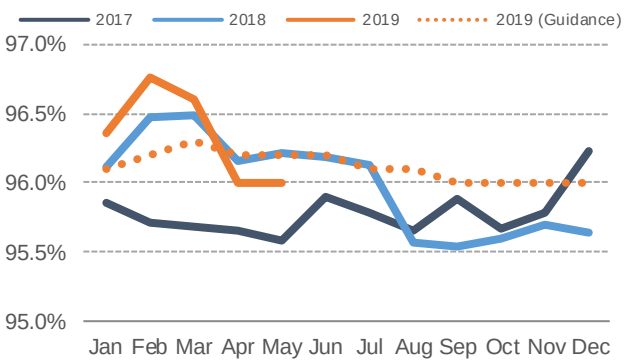
- Overall, all submarkets, except the East Bay, are performing at or above expectations. The East Bay has experienced a lack of pricing power due to elevated supply although it appears to have stabilized as of late.
- 2019 new supply is concentrated in Oakland and East Bay (approximately 4,000 units) creating temporary pricing pressure. Over the long term this supply will be rapidly absorbed given the strong demand for housing in this market.

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

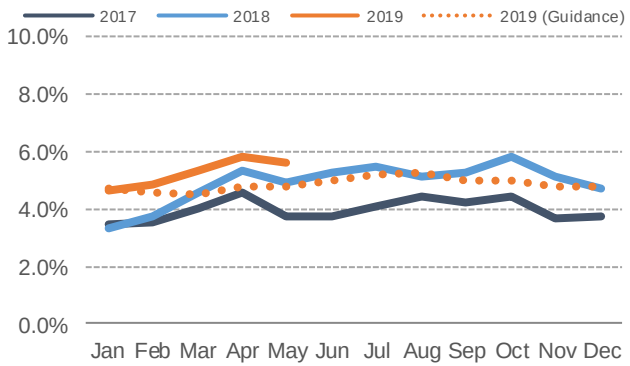
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions - At the Midpoint

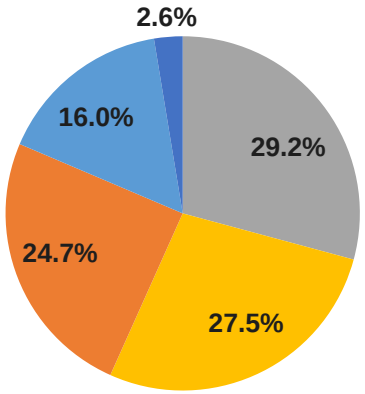
2019 Guidance	**1.0% New Lease Change**	**96.1% Physical Occupancy**	**4.9% Renewal Rate Achieved**	**3.4% Same Store Revenue Growth**
2019 Q1 Results	**1.2%**	**96.6%**	**5.0%**	**3.8%**

San Francisco

Market Profile

Equity Residential

EQR in San Francisco



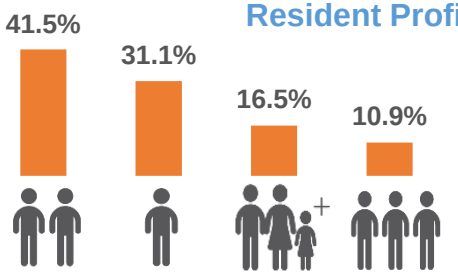
NOI by Submarket

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

EQR Resident Data (as of 3/31/19)*

Average Household Income	$178,319
Average Monthly Rent	$3,052
Rent as a Percent of Income	20.5%

Resident Profile



*Data for residents who have signed leases in the last 12 months as of 3/31/19.

Market Data

Home Affordability

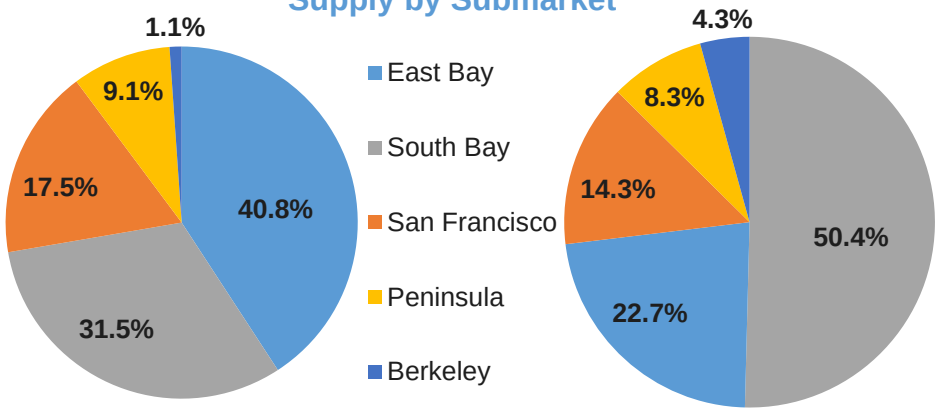
	U.S.	San Francisco
Median Household Income	$62,000	$109,000
Median Home Price	$259,000	$986,000
Ratio	4.2x	9.0x

Walk Score

EQR	REIT Competitor Avg
67	62

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

Supply by Submarket



2019
9,645 units

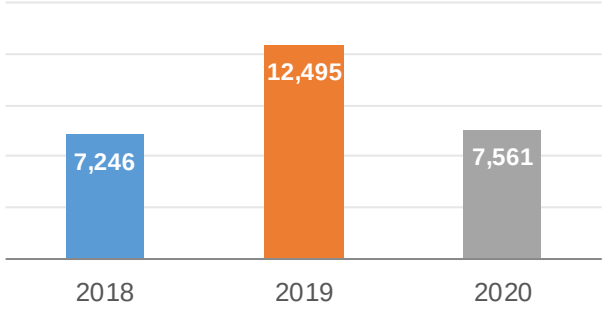
2020
8,471 units

Los Angeles – Revenue

15,371 Units / ~19.0% of Revenue

Solid employment growth and continued absorption of new supply are driving results in line with our expectations.

New Supply (in units)[1]



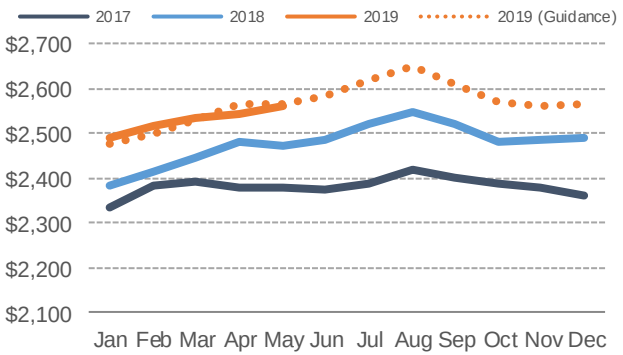
(1) Source: EQR.

Comments

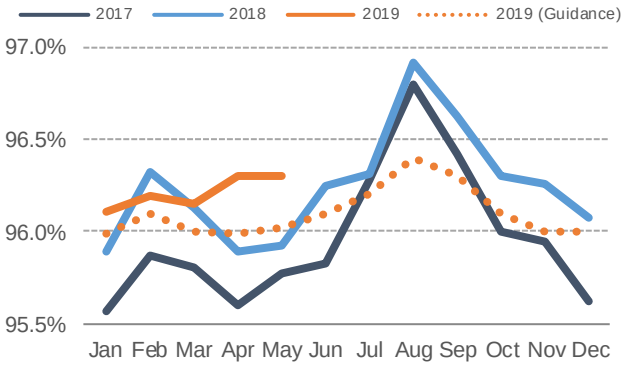
- We continue to see delays in new supply deliveries due to labor shortages on the construction side of the business. Anticipated deliveries have shifted from 2019 and 2020 to subsequent years. We expect these types of shifts to continue.
- We still anticipate supply pressure to impact our large submarkets of Downtown LA, San Fernando Valley and West LA.

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

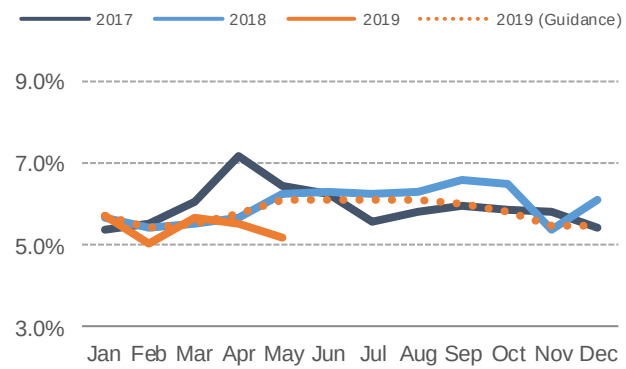
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions - At the Midpoint

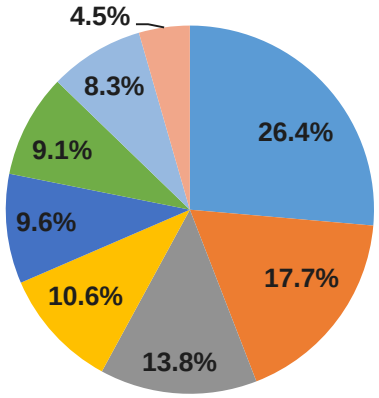
	1.4% New Lease Change	96.1% Physical Occupancy	5.8% Renewal Rate Achieved	3.8% Same Store Revenue Growth
2019 Guidance				
2019 Q1 Results	0.3%	96.2%	5.4%	4.0%

Los Angeles

Market Profile

Equity Residential

EQR in Los Angeles



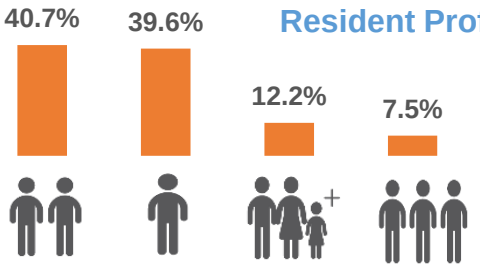
NOI by Submarket

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

EQR Resident Data (as of 3/31/19)*

Average Household Income	$140,889
Average Monthly Rent	$2,435
Rent as a Percent of Income	20.7%

Resident Profile



*Data for residents who have signed leases in the last 12 months as of 3/31/19.

Market Data

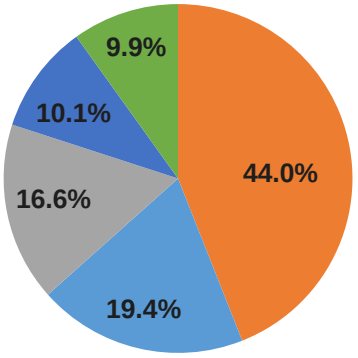
Home Affordability

	U.S.	Los Angeles
Median Household Income	$62,000	$66,000
Median Home Price	$259,000	$597,000
Ratio	4.2x	9.0x

Walk Score

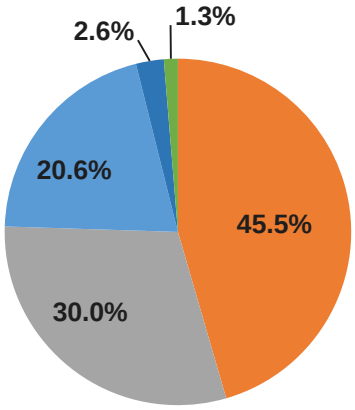
EQR	REIT Competitor Avg
74	**67**

Supply by Submarket



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

2019
12,495 units



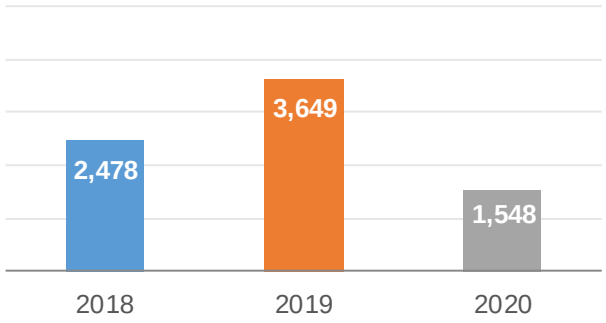
2020
7,561 units

San Diego – Revenue

3,385 Units / ~4.0% of Revenue

Performing slightly below expectations.

New Supply (in units)[1]



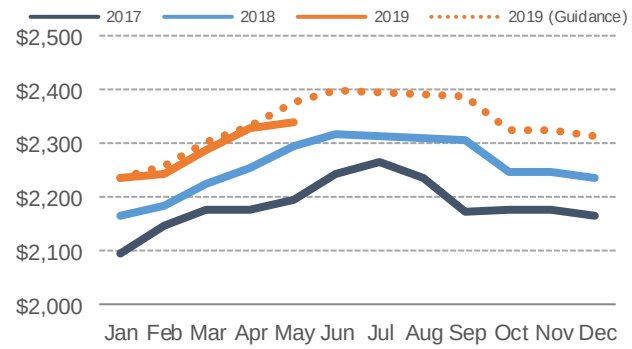
(1) Source: EQR.

Comments

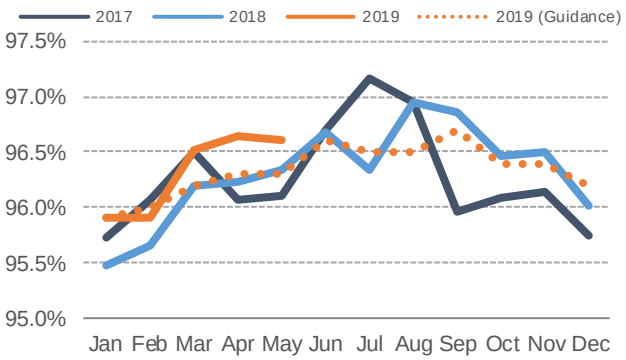
- Performance has been trending slightly lower than expected due to limited pricing power and lower than anticipated gains on new leases due to supply pressure in the downtown submarket.
- Supply remains competitive particularly in the downtown submarket.

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

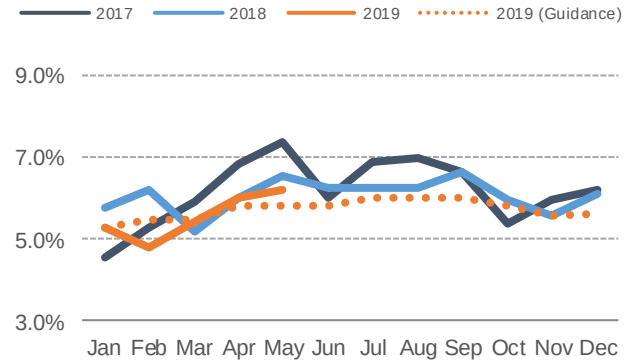
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions - At the Midpoint

	New Lease Change	Physical Occupancy	Renewal Rate Achieved	Same Store Revenue Growth
2019 Guidance	1.5%	96.3%	5.7%	3.9%
2019 Q1 Results	-1.4%	96.1%	5.2%	3.6%

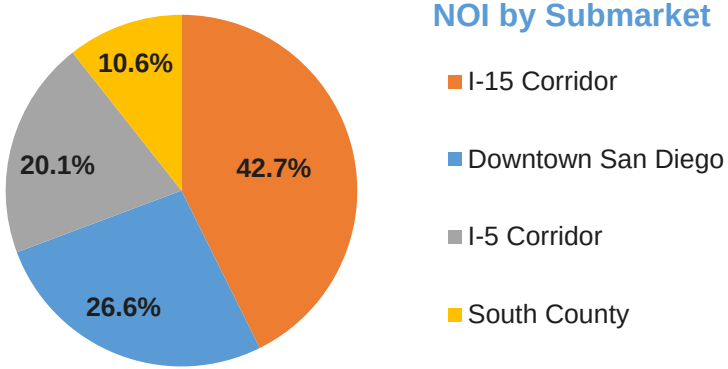
San Diego

Market Profile

Equity Residential

EQR in San Diego

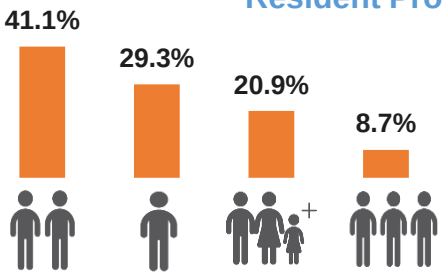
NOI by Submarket



EQR Resident Data (as of 3/31/19)*

Average Household Income	$118,832
Average Monthly Rent	$2,233
Rent as a Percent of Income	22.6%

Resident Profile



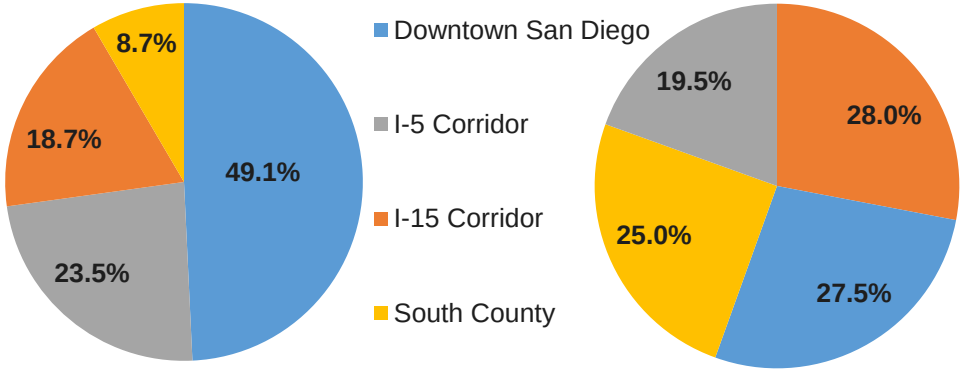
*Data for residents who have signed leases in the last 12 months as of 3/31/19.

Market Data

Home Affordability

	U.S.	San Diego
Median Household Income	$62,000	$78,000
Median Home Price	$259,000	$543,000
Ratio	4.2x	6.9x

Supply by Submarket



2019
3,649 units

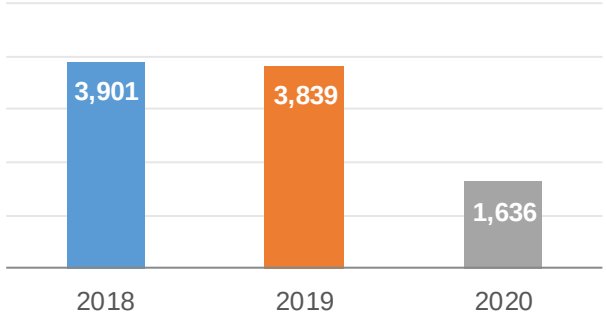
2020
1,548 units

Orange County – Revenue

4,028 Units / ~4.0% of Revenue

Strong occupancy driving outperformance relative to expectations.

New Supply (in units)[1]



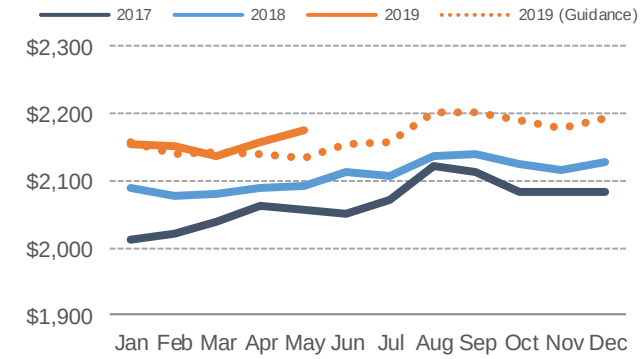
(1) Source: EQR.

Comments

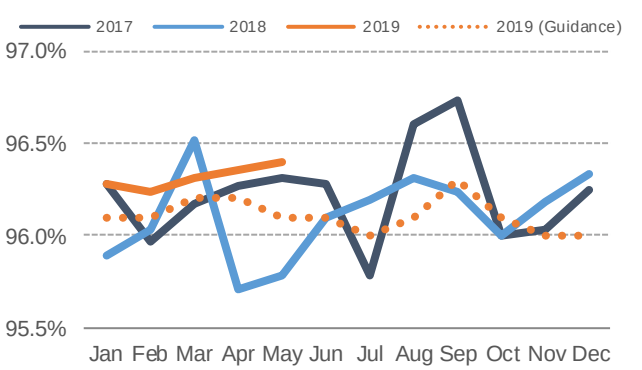
- Job growth is slowing, but the overall outlook remains positive. Deliveries in Orange County are similar both in quantity and competitive standpoint in 2019.

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

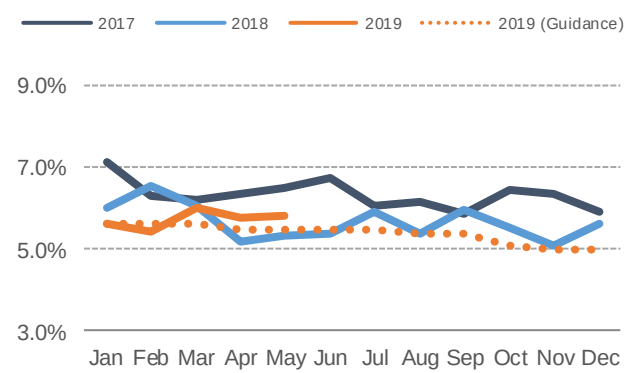
Base Rent



Physical Occupancy



Renewal Rate Achieved



Note: 2019 Same Store Properties used for all years. Data includes results as of 5/13/19. See Glossary of Operations Terms for definitions.

Annual Guidance Assumptions - At the Midpoint

2019 Guidance	**0.2% New Lease Change**	**96.1% Physical Occupancy**	**5.4% Renewal Rate Achieved**	**3.1% Same Store Revenue Growth**
2019 Q1 Results	**-0.8%**	**96.3%**	**5.7%**	**4.1%**

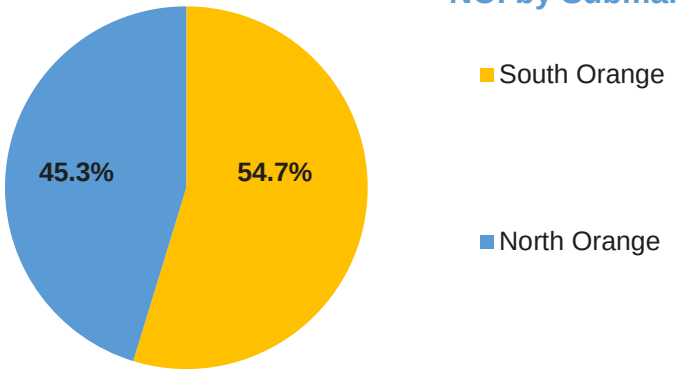
Orange County

Market Profile

Equity Residential

EQR in Orange County

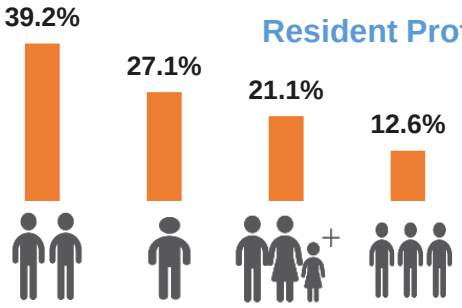
NOI by Submarket



EQR Resident Data (as of 3/31/19)*

Average Household Income	$112,707
Average Monthly Rent	$2,088
Rent as a Percent of Income	22.2%

Resident Profile



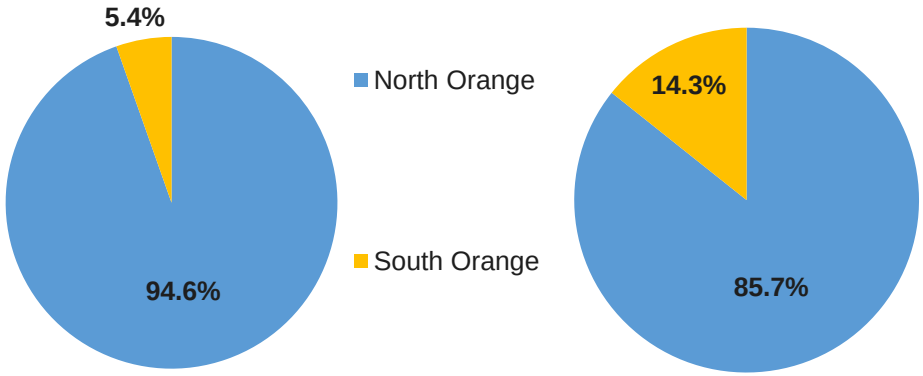
*Data for residents who have signed leases in the last 12 months as of 3/31/19.

Market Data

Home Affordability

	U.S.	Orange County
Median Household Income	$62,000	$88,000
Median Home Price	$259,000	$692,000
Ratio	4.2x	7.9x

Supply by Submarket



2019
3,839 units

2020
1,636 units

Initiatives (2019 & 2020)

Enhancing our operating platform through centralization, digitization and new technology.

Sales 2020

- Remote Leasing Support
- Centralized Renewal Negotiation
- Self-Guided Tours
- AI E-Lead Response
- Regional Leasing Teams
- Online Leasing Enhancements

Service 2020

- Service Mobility
- Smart Building Access
- BMS Systems / Sensors
- Regional Service Teams
- Service Apprenticeship
- Service Request Analytics

Other Initiatives

- Furnished Housing
- Modular High-Rise Construction
- Resident Portal / App
- Roommate Matching
- Common Area Rentals

Long Term Enablers

AI | **Big Data/Analytics** | **CRM** | **Smart Home** | **Mobility/Workflow**

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.

Glossary of Operations Terms

Operations Term	Definition
% of Residents Renewing	Total renewals divided by total offers sent for any given period for leases that went to full term.
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.
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.
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.
New Lease Change	The change in rent for a lease with a new or transferring resident compared to the rent for the prior lease of the identical apartment unit, regardless of lease term and without concessions or discounts being applied. New lease change is seasonal and tends to be much higher during the second and third quarter.
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.
Renewal Rate Achieved	The change in rent for a new lease on an apartment unit where the lease has been renewed compared to the rent for the prior lease of the identical apartment unit, regardless of lease 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.
Same Store Properties	For annual comparisons, 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.



Redwood Grove Courtyard at 855 Brannan – San Francisco, CA
LEED Platinum