


Equity Residential named 2015  
Global Residential Sector Leader  
in Sustainability by the GRESB

 Equity Residential

Focused Performance,  
Creating Value

JUNE 2016

340 Fremont – San Francisco, CA  
*Estimated completion in 2016*

# Americans Are Renting at Historic Levels



June 23, 2015  
**Baby Boomers Will drive Demand for Apartments, U.S. Fed Study Shows**



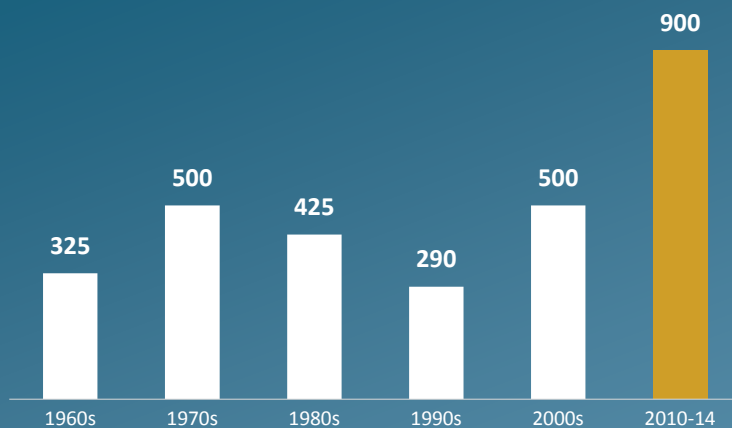
June 24, 2015  
**More Americans Are Renting, and Paying More, as Homeownership Falls**



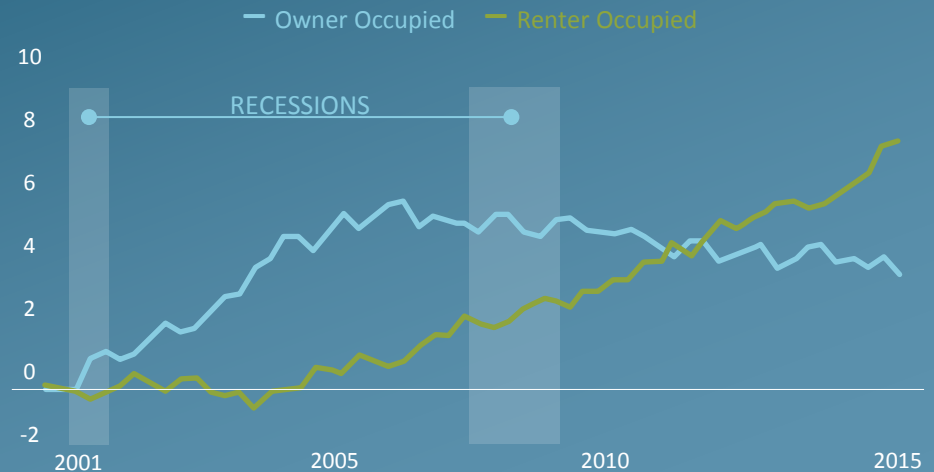
December 9, 2015  
**The Number Of Renters Is Exploding And It's Not Because Of Millennials**

## By the Numbers

Average Annual Change In Renter Households\*  
 (in thousands)



Change in Number of U.S. households Since End Of 2000\*\*  
 (In Millions)



\*Sources: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys.

\*\*Source: US Census Bureau

# Urban Living is on the Rise

## Reurbanization Driving Rental Demand In Major Metros



January 27, 2016

Real Estate Investors Ride the Reurbanization Trend

### THE WALL STREET JOURNAL.

April 21, 2015

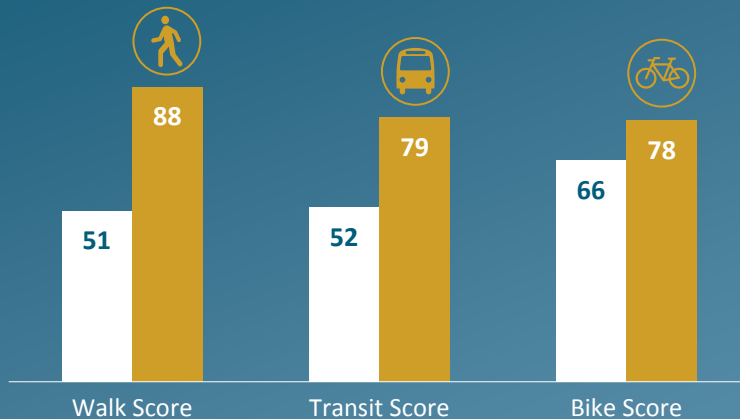
Companies Trade Suburbs for City Life  
Locations deemed 'walkable' appreciate more than those that are car-dependent

## By the Numbers

### Corporations Looking for Urban Convenience\*

(Before and After a Corporate Move)

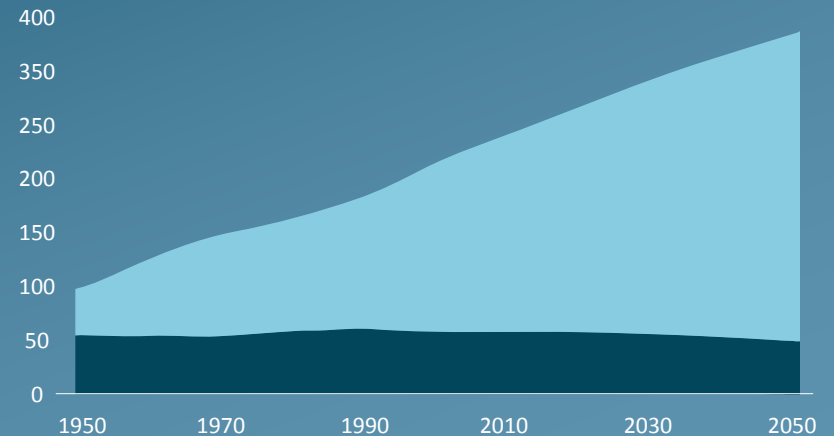
■ Before ■ After



### U.S. Urban Population Continues to Expand\*\*

(Population in thousands)

■ Urban ■ Rural



\*Source: Study from Smart Growth America and Cushman & Wakefield

\*\*Source: United Nations

# EQR: Capitalizing on Industry Trends

## Proven Leader in Apartment Investing

- Founded by Sam Zell
- Management team with over 100 years of combined operating experience
- State-of-the-art operating platform

## Attractive Portfolio in High Value Markets

- Portfolio positioned to take advantage of reurbanization trend in high growth markets
- Excellent growth in asset value
- Compelling industry fundamentals support long-term growth

## Disciplined Capital Allocation Strategy

- Strong asset utilization and attractive cash flows
- Proven track record of opportunistic acquisitions, timely dispositions and focused development
- Consistent return to shareholders through regular quarterly dividends and capital appreciation

## Balance Sheet Strength

- Conservative balance sheet and superior liquidity through access to multiple sources of financing
- Strong credit ratings and debt metrics with little debt maturing in next two years

**WELL-POSITIONED TO CREATE LONG-TERM SHAREHOLDER VALUE**



## Constructing our Portfolio

- » High costs of homeownership;
- » Barriers to new apartment supply in the form of land constraints and government restrictions;
- » Substantial job growth and household formations; and
- » Attractive lifestyle for residents to live, work and play



## Managing our Portfolio

- » Opportunistic acquisitions and divestitures
- » Timely development of new projects



## Maintaining efficient operations

- » State-of-the-art operating platform

**SEEK TO ACQUIRE AND BUILD APARTMENT PROPERTIES THAT GIVE  
US THE HIGHEST RISK-ADJUSTED TOTAL RETURNS**

- More than 8.3 million new households will be formed from 2015-2019
  - » More than 2.4 million expected to end up in institutional-grade rental apartments
- 80 million Echo Boomers driving demand
  - » More than 4 million young adults turning 25 every year through the end of the decade
  - » Forming households and creating demand – 60% to 70% propensity to rent
- Job growth improving
  - » Unemployment rate of the college educated is 2.6%
- Declining homeownership rate
- Homeownership not as economically or socially appealing

~8.3M

New households will be formed from 2015 – 2019

80M

Echo Boomers are driving housing demand

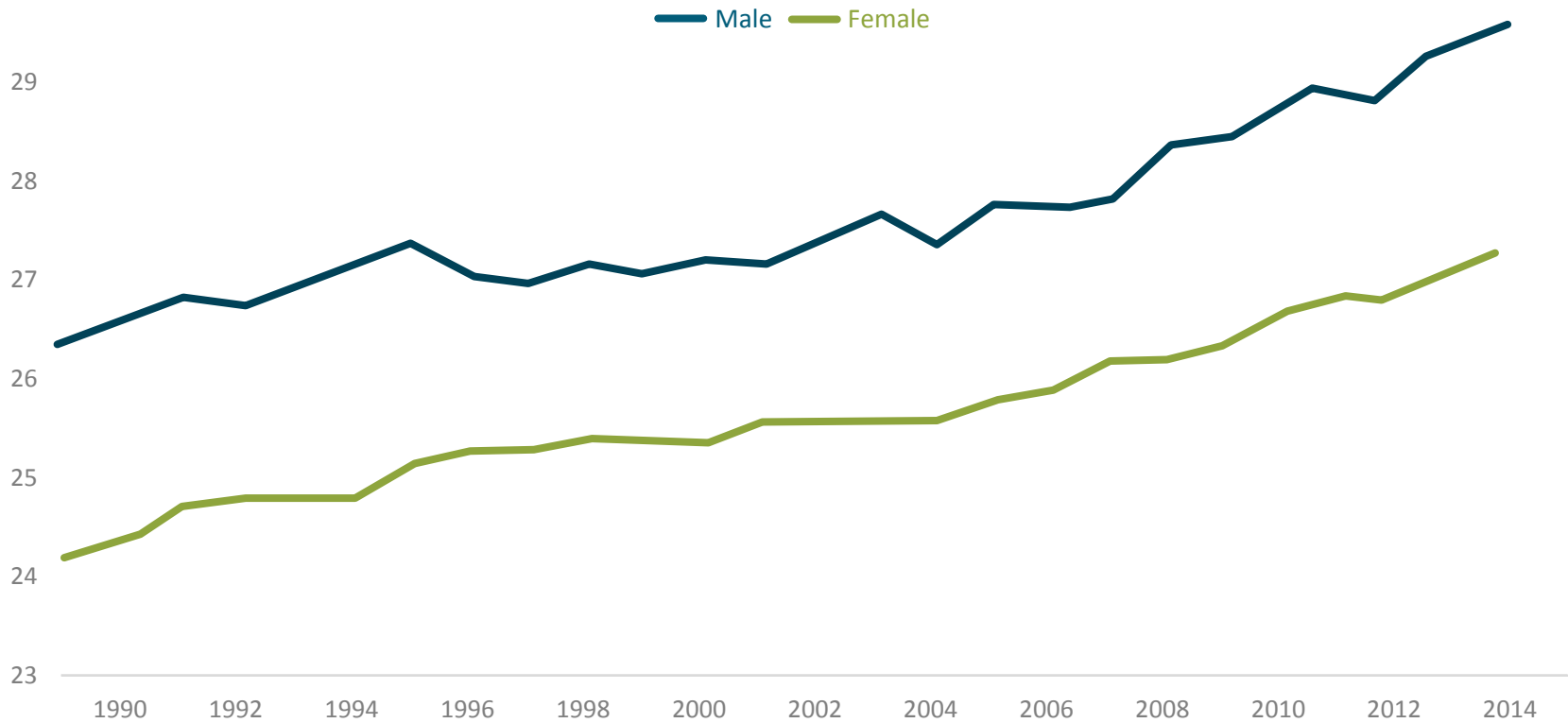
2.6%

Unemployment rate among college educated

# Lifestyle Choices

## Keeping People Renting Longer

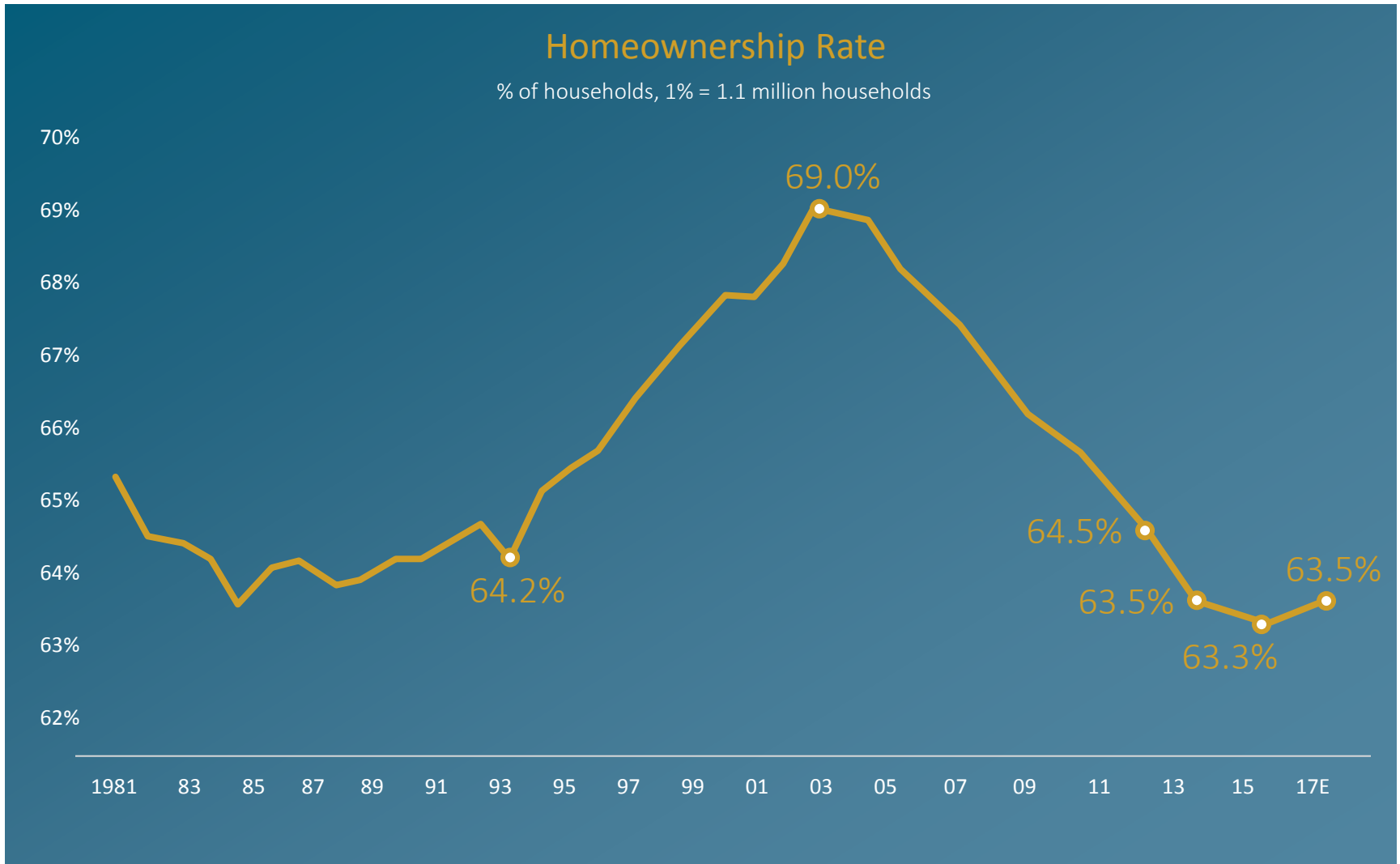
### Average Marrying Age



**ABOUT HALF THE U.S. ADULT POPULATION IS SINGLE AND MORE LIKELY TO BE RENTERS**

# Declining Homeownership

Translates Into More Renters

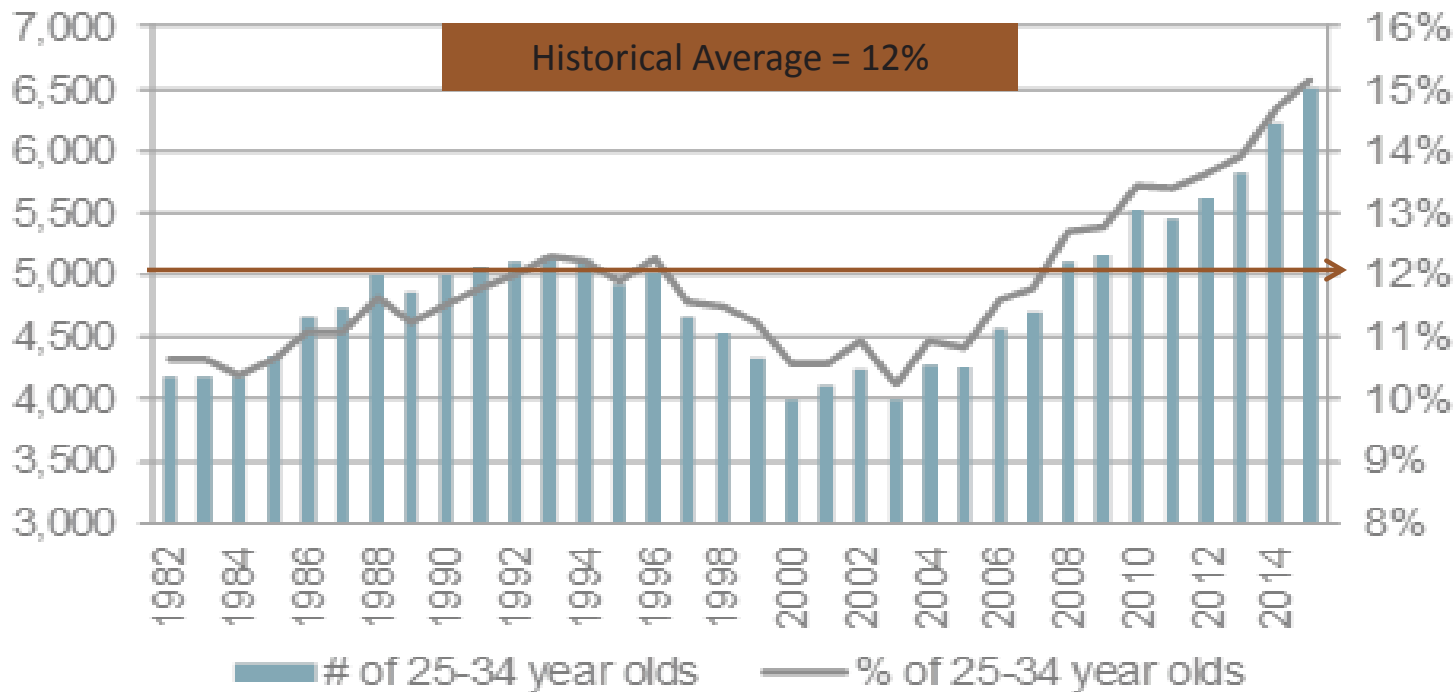


Sources: US Census Bureau, Moody's Analytics & EQR Market Research



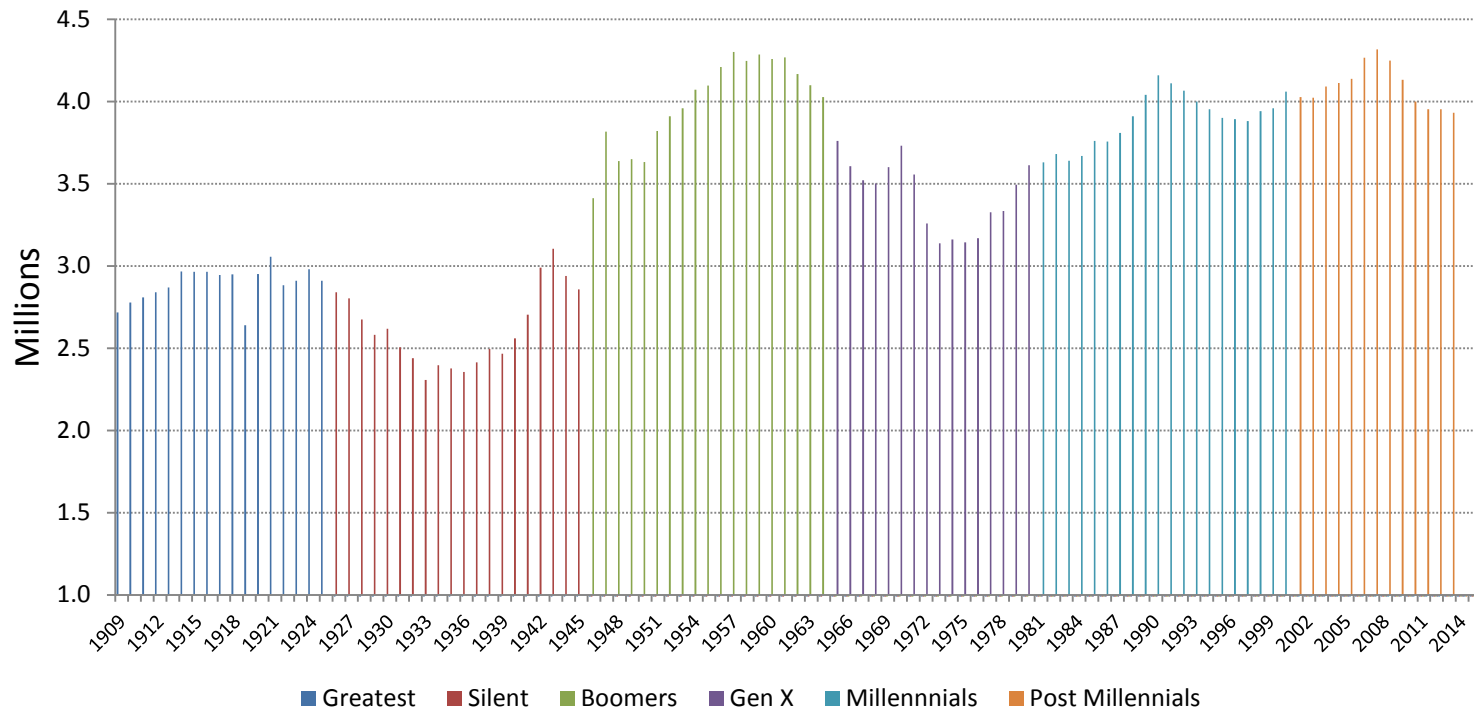
# Rental Households Yet to be Formed

## Young Adults Living at Home



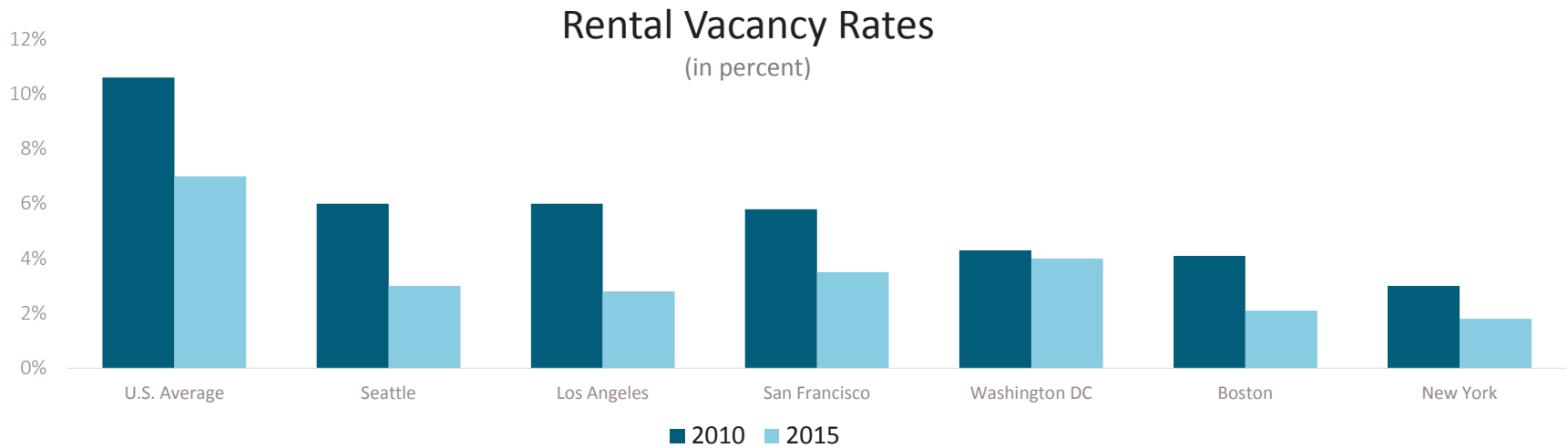
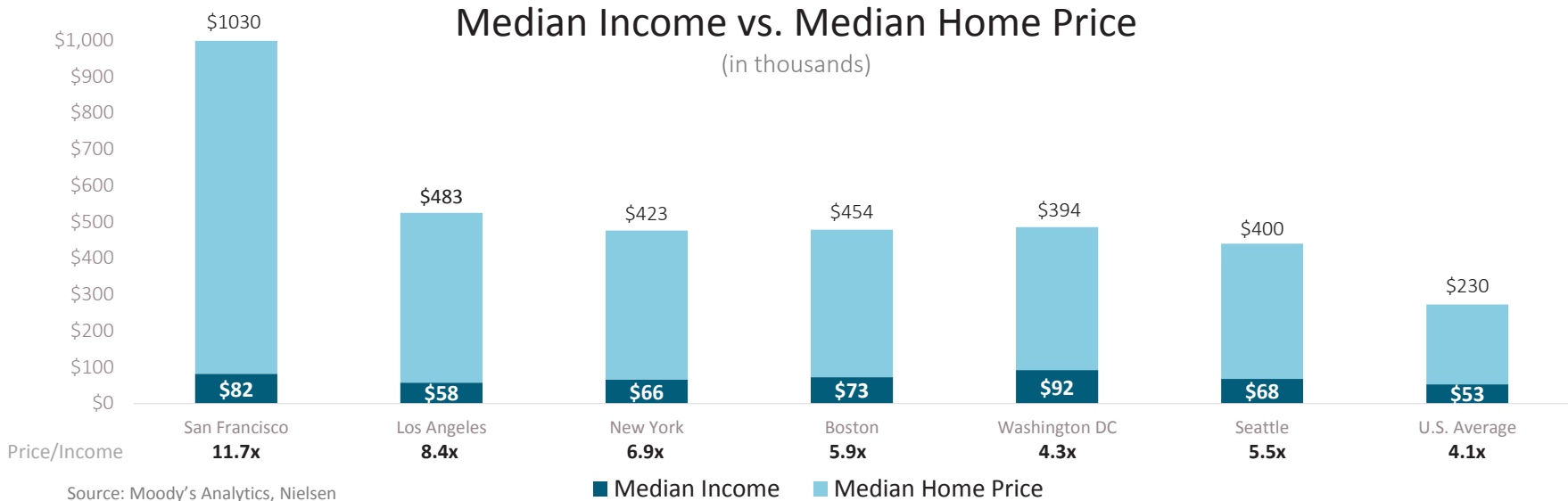
# Demand for Rental Apartments Continues to be Strong, Driven by The Millennial Generation (but Baby Boomers love urban living, too!)

## Births by Generation

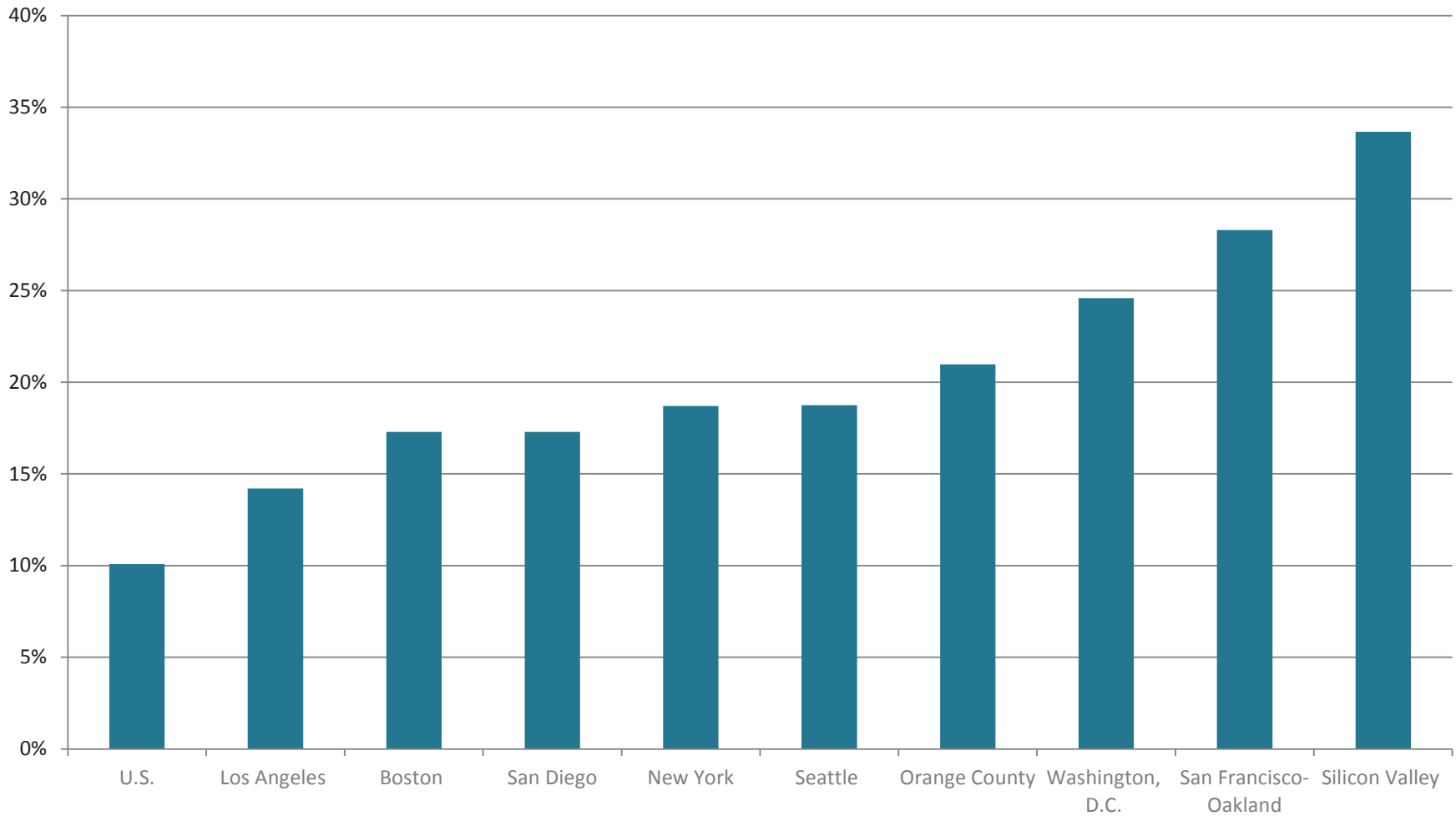


# EQR is Strategically Located

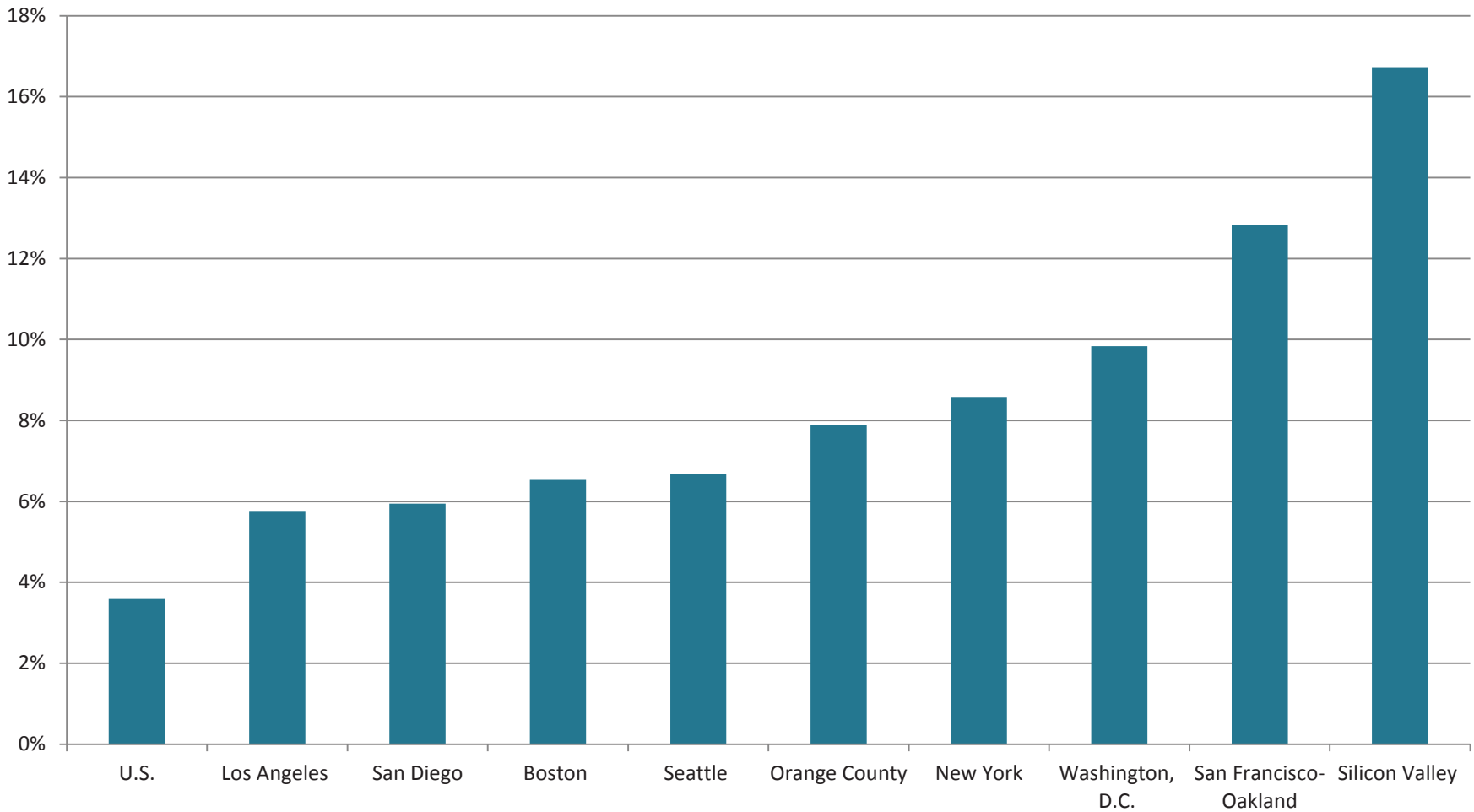
In Markets With Attractive Housing Dynamics



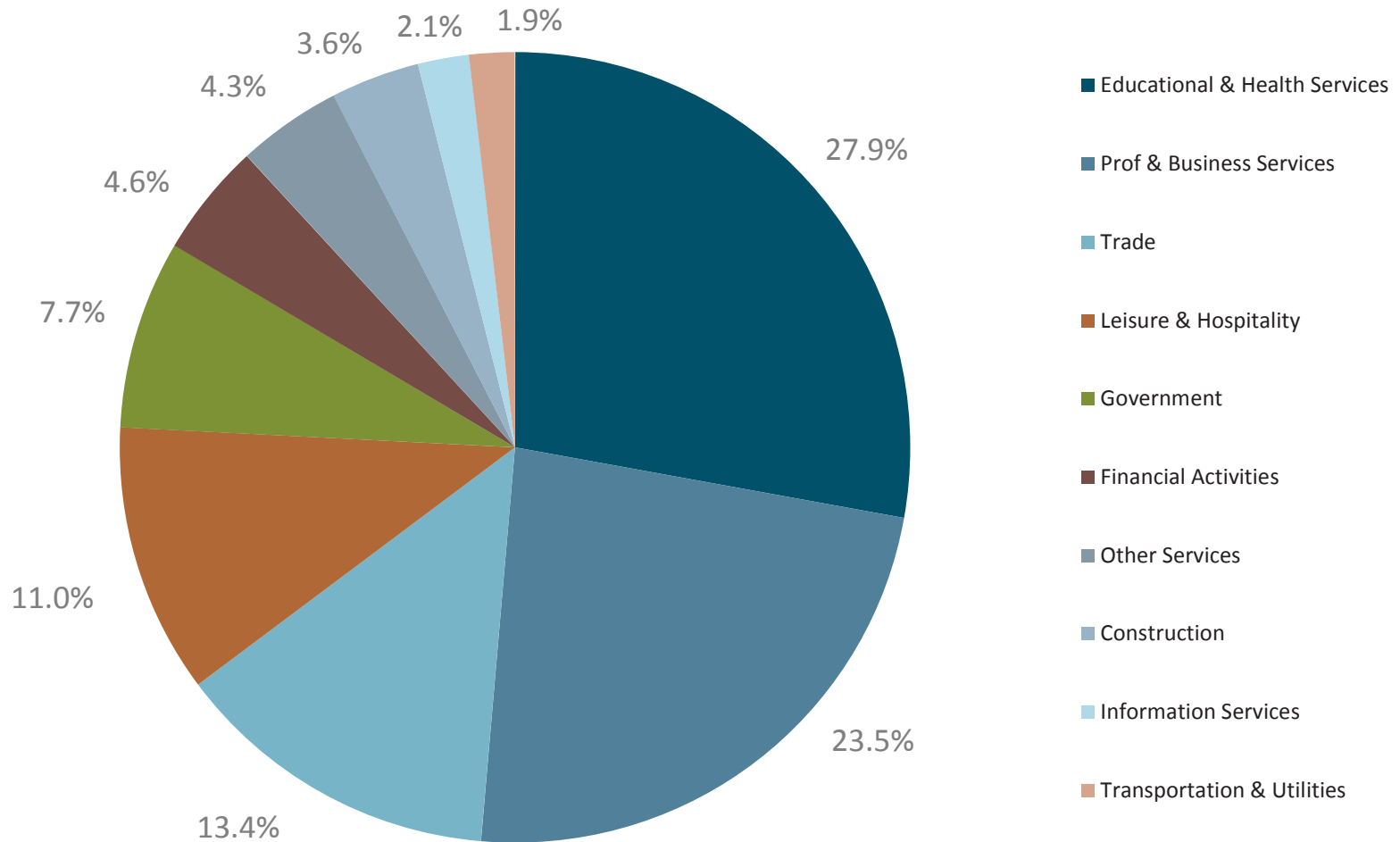
# Percent of Renter Households with Incomes \$100,000 or Higher in EQR Markets



# Percent of Renter Households with Incomes \$150,000 or Higher in EQR Markets



# Sources of Employment Growth in EQR Core Markets, 2016 – 2020



# Compelling Underlying Fundamentals

Support Our Long-Term Growth Outlook

## EQR Core Markets Resident Profile:

20-34 year olds:

51%

Median age:

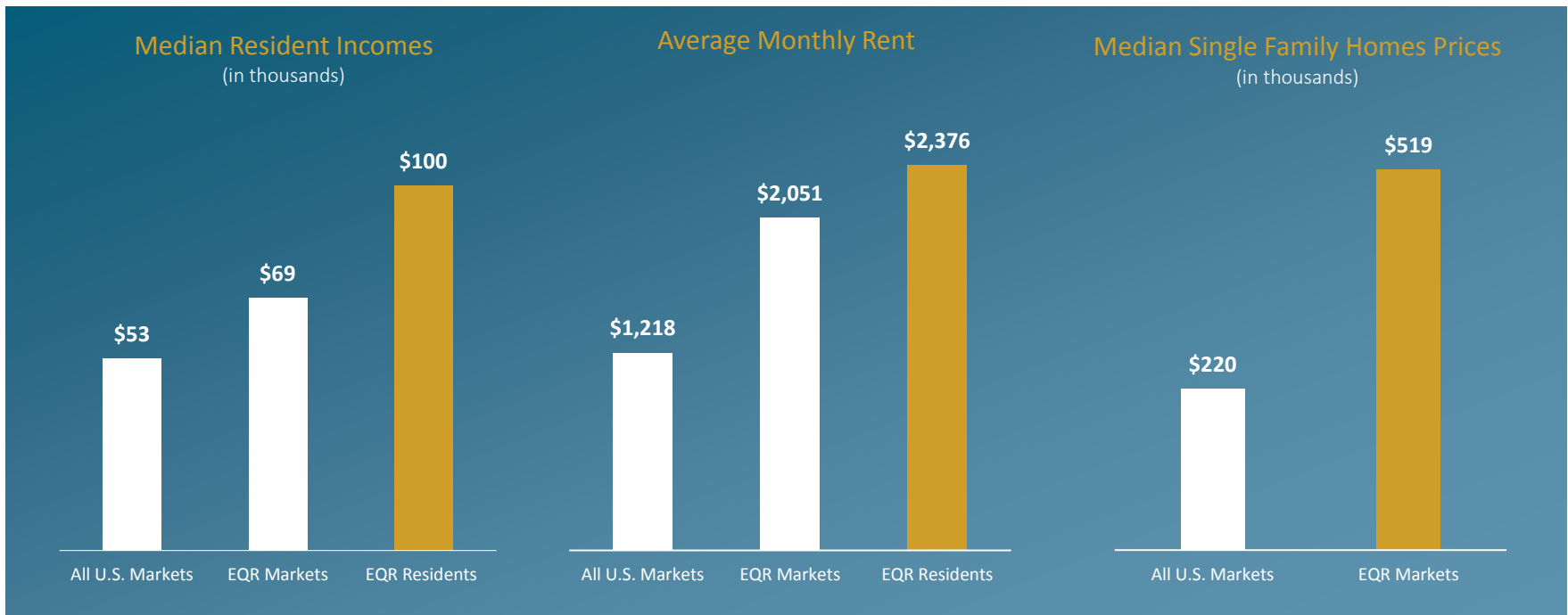
34

Without children:

78%

50+ year olds:

21%



**STRONG DEMOGRAPHICS FOR LONG-TERM INCOME GROWTH AND ASSET APPRECIATION**

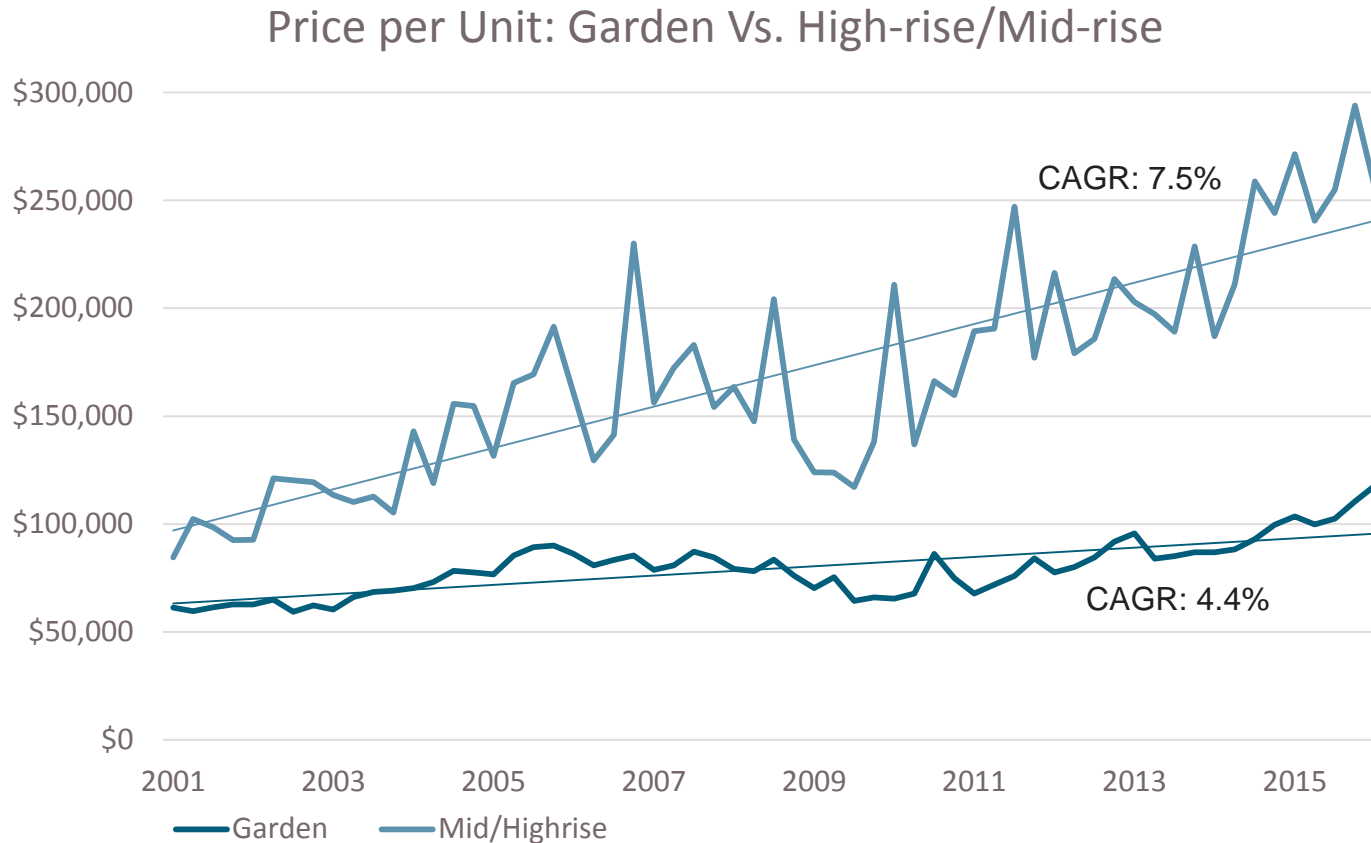
# Urban Real Estate Produces Better Long Term Values

- Housing Price Change 2010-2015

|               | <u>Urban</u> | <u>Suburban</u> |
|---------------|--------------|-----------------|
| Los Angeles   | 42.1%        | 33.9%           |
| Washington DC | 23.8%        | 14.4%           |
| Boston        | 37.1%        | 20.5%           |
| San Francisco | 65.3%        | 58.7%           |
| Seattle       | 36.9%        | 33.3%           |



# High-rise/Mid-rise Asset Valuation Growth Outpaces Garden



Source: Real Capital Analytics, Equity Residential Market Research as of Q1 2016



Equity Residential

170 Amsterdam – New York, NY  
*Expected to receive LEED Certification*