

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2022
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ____ to ____
Commission File Number: 1-12252 (Equity Residential)
Commission File Number: 0-24920 (ERP Operating Limited Partnership)
EQUITY RESIDENTIAL
ERP OPERATING LIMITED PARTNERSHIP
(Exact name of registrant as specified in its charter)

Maryland (Equity Residential)
Illinois (ERP Operating Limited Partnership)
(State or other jurisdiction of incorporation or organization)
Two North Riverside Plaza, Chicago, Illinois 60606
(Address of principal executive offices) (Zip Code)

13-3675988 (Equity Residential)
36-3894853 (ERP Operating Limited Partnership)
(I.R.S. Employer Identification No.)
(312) 474-1300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares of Beneficial Interest, \$0.01 Par Value (Equity Residential)	EQR	New York Stock Exchange
7.57% Notes due August 15, 2026 (ERP Operating Limited Partnership)	N/A	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Equity Residential Yes ☒ No ☐ ERP Operating Limited Partnership Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Equity Residential Yes ☒ No ☐ ERP Operating Limited Partnership Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Equity Residential:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

ERP Operating Limited Partnership:

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Equity Residential ☐ ERP Operating Limited Partnership ☐

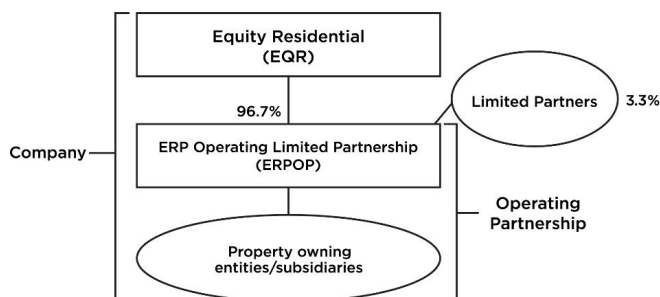
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Equity Residential Yes ☐ No ☒ ERP Operating Limited Partnership Yes ☐ No ☒

The number of EQR Common Shares of Beneficial Interest, \$0.01 par value, outstanding on April 22, 2022 was 376,041,849.

EXPLANATORY NOTE

This report combines the reports on Form 10-Q for the quarterly period ended March 31, 2022 of Equity Residential and ERP Operating Limited Partnership. Unless stated otherwise or the context otherwise requires, references to “EQR” mean Equity Residential, a Maryland real estate investment trust (“REIT”), and references to “ERPOP” mean ERP Operating Limited Partnership, an Illinois limited partnership. References to the “Company,” “we,” “us” or “our” mean collectively EQR, ERPOP and those entities/subsidiaries owned or controlled by EQR and/or ERPOP. References to the “Operating Partnership” mean collectively ERPOP and those entities/subsidiaries owned or controlled by ERPOP. The following chart illustrates the Company’s and the Operating Partnership’s corporate structure:



EQR is the general partner of, and as of March 31, 2022 owned an approximate 96.7% ownership interest in, ERPOP. The remaining 3.3% interest is owned by limited partners. As the sole general partner of ERPOP, EQR has exclusive control of ERPOP’s day-to-day management. Management operates the Company and the Operating Partnership as one business. The management of EQR consists of the same members as the management of ERPOP.

The Company is structured as an umbrella partnership REIT (“UPREIT”) and EQR contributes all net proceeds from its various equity offerings to ERPOP. In return for those contributions, EQR receives a number of OP Units (see definition below) in ERPOP equal to the number of Common Shares it has issued in the equity offering. The Company may acquire properties in transactions that include the issuance of OP Units as consideration for the acquired properties. Such transactions may, in certain circumstances, enable the sellers to defer in whole or in part, the recognition of taxable income or gain that might otherwise result from the sales. This is one of the reasons why the Company is structured in the manner shown above. Based on the terms of ERPOP’s partnership agreement, OP Units can be exchanged with Common Shares on a one-for-one basis because the Company maintains a one-for-one relationship between the OP Units of ERPOP issued to EQR and the outstanding Common Shares.

The Company believes that combining the reports on Form 10-Q of EQR and ERPOP into this single report provides the following benefits:

- enhances investors’ understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
 - eliminates duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the disclosure applies to both the Company and the Operating Partnership; and
 - creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.
-

The Company believes it is important to understand the few differences between EQR and ERPOP in the context of how EQR and ERPOP operate as a consolidated company. All of the Company's property ownership, development and related business operations are conducted through the Operating Partnership and EQR has no material assets or liabilities other than its investment in ERPOP. EQR's primary function is acting as the general partner of ERPOP. EQR also issues equity from time to time, the net proceeds of which it is obligated to contribute to ERPOP. EQR does not have any indebtedness as all debt is incurred by the Operating Partnership. The Operating Partnership holds substantially all of the assets of the Company, including the Company's ownership interests in its joint ventures. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity offerings by EQR (which are contributed to the capital of ERPOP in exchange for additional partnership interests in ERPOP ("OP Units") (on a one-for-one Common Share per OP Unit basis) or additional preference units in ERPOP (on a one-for-one preferred share per preference unit basis)), the Operating Partnership generates all remaining capital required by the Company's business. These sources include the Operating Partnership's working capital, net cash provided by operating activities, borrowings under its revolving credit facility and/or commercial paper program, the issuance of secured and unsecured debt and partnership interests, and proceeds received from disposition of certain properties and joint venture interests.

Shareholders' equity, partners' capital and noncontrolling interests are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. The limited partners of the Operating Partnership are accounted for as partners' capital in the Operating Partnership's financial statements and as noncontrolling interests in the Company's financial statements. The noncontrolling interests in the Operating Partnership's financial statements include the interests of unaffiliated partners in various consolidated partnerships. The noncontrolling interests in the Company's financial statements include the same noncontrolling interests at the Operating Partnership level and limited partner OP Unit holders of the Operating Partnership. The differences between shareholders' equity and partners' capital result from differences in the equity issued at the Company and Operating Partnership levels.

To help investors understand the differences between the Company and the Operating Partnership, this report provides separate consolidated financial statements for the Company and the Operating Partnership; a single set of consolidated notes to such financial statements that includes separate discussions of each entity's debt, noncontrolling interests and shareholders' equity or partners' capital, as applicable; and a combined Management's Discussion and Analysis of Financial Condition and Results of Operations section that includes discrete information related to each entity.

This report also includes separate Part I, Item 4, *Controls and Procedures*, sections and separate Exhibits 31 and 32 certifications for each of the Company and the Operating Partnership in order to establish that the requisite certifications have been made and that the Company and the Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 18 U.S.C. §1350.

In order to highlight the differences between the Company and the Operating Partnership, the separate sections in this report for the Company and the Operating Partnership specifically refer to the Company and the Operating Partnership. In the sections that combine disclosure of the Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company. Although the Operating Partnership is generally the entity that directly or indirectly enters into contracts and joint ventures and holds assets and debt, reference to the Company is appropriate because the Company is one business and the Company operates that business through the Operating Partnership.

As general partner with control of ERPOP, EQR consolidates ERPOP for financial reporting purposes, and EQR essentially has no assets or liabilities other than its investment in ERPOP. Therefore, the assets and liabilities of the Company and the Operating Partnership are the same on their respective financial statements. The separate discussions of the Company and the Operating Partnership in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

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EQUITY RESIDENTIAL
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands except for share amounts)
(Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Land	\$ 5,836,951	\$ 5,814,790
Depreciable property	22,496,307	22,370,811
Projects under development	36,718	24,307
Land held for development	66,980	62,998
Investment in real estate	28,436,956	28,272,906
Accumulated depreciation	(8,578,131)	(8,354,282)
Investment in real estate, net	19,858,825	19,918,624
Investments in unconsolidated entities	150,092	127,448
Cash and cash equivalents	41,140	123,832
Restricted deposits	70,560	236,404
Right-of-use assets	471,667	474,713
Other assets	237,953	288,220
Total assets	\$ 20,830,237	\$ 21,169,241
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage notes payable, net	\$ 2,193,199	\$ 2,191,201
Notes, net	5,836,957	5,835,222
Line of credit and commercial paper	129,995	315,030
Accounts payable and accrued expenses	157,681	107,013
Accrued interest payable	56,876	69,510
Lease liabilities	311,293	312,335
Other liabilities	303,654	353,102
Security deposits	67,515	66,141
Distributions payable	242,574	233,502
Total liabilities	9,299,744	9,483,056
<i>Commitments and contingencies</i>		
Redeemable Noncontrolling Interests – Operating Partnership	495,760	498,977
Equity:		
Shareholders' equity:		
Preferred Shares of beneficial interest, \$0.01 par value; 100,000,000 shares authorized; 745,600 shares issued and outstanding as of March 31, 2022 and December 31, 2021	37,280	37,280
Common Shares of beneficial interest, \$0.01 par value; 1,000,000,000 shares authorized; 375,974,070 shares issued and outstanding as of March 31, 2022 and 375,527,195 shares issued and outstanding as of December 31, 2021	3,760	3,755
Paid in capital	9,142,969	9,121,122
Retained earnings	1,661,705	1,827,063
Accumulated other comprehensive income (loss)	(31,847)	(34,272)
Total shareholders' equity	10,813,867	10,954,948
Noncontrolling Interests:		
Operating Partnership	217,451	214,094
Partially Owned Properties	3,415	18,166
Total Noncontrolling Interests	220,866	232,260
Total equity	11,034,733	11,187,208
Total liabilities and equity	\$ 20,830,237	\$ 21,169,241

See accompanying notes

EQUITY RESIDENTIAL
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Amounts in thousands except per share data)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
REVENUES		
Rental income	\$ 653,348	\$ 597,602
EXPENSES		
Property and maintenance	124,874	117,054
Real estate taxes and insurance	100,688	103,470
Property management	30,747	26,130
General and administrative	17,238	15,383
Depreciation	229,961	199,962
Total expenses	503,508	461,999
Net gain (loss) on sales of real estate properties	(102)	(43)
Operating income	149,738	135,560
Interest and other income	3,528	216
Other expenses	(3,056)	(4,110)
Interest:		
Expense incurred, net	(72,792)	(67,358)
Amortization of deferred financing costs	(2,077)	(2,185)
Income before income and other taxes, income (loss) from investments in unconsolidated entities and net gain (loss) on sales of land parcels	75,341	62,123
Income and other tax (expense) benefit	(282)	(153)
Income (loss) from investments in unconsolidated entities	(1,261)	(1,611)
Net gain (loss) on sales of land parcels	—	5
Net income	73,798	60,364
Net (income) loss attributable to Noncontrolling Interests:		
Operating Partnership	(2,394)	(2,143)
Partially Owned Properties	(639)	(682)
Net income attributable to controlling interests	70,765	57,539
Preferred distributions	(772)	(773)
Net income available to Common Shares	\$ 69,993	\$ 56,766
Earnings per share – basic:		
Net income available to Common Shares	\$ 0.19	\$ 0.15
Weighted average Common Shares outstanding	375,509	372,280
Earnings per share – diluted:		
Net income available to Common Shares	\$ 0.19	\$ 0.15
Weighted average Common Shares outstanding	389,628	386,916

See accompanying notes

EQUITY RESIDENTIAL
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (Continued)
(Amounts in thousands except per share data)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
Comprehensive income:		
Net income	\$ 73,798	\$ 60,364
Other comprehensive income (loss):		
Other comprehensive income (loss) – derivative instruments:		
Losses reclassified into earnings from other comprehensive income	2,425	2,303
Other comprehensive income (loss)	2,425	2,303
Comprehensive income	76,223	62,667
Comprehensive (income) attributable to Noncontrolling Interests	(3,113)	(2,909)
Comprehensive income attributable to controlling interests	\$ 73,110	\$ 59,758

See accompanying notes

EQUITY RESIDENTIAL
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 73,798	\$ 60,364
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation	229,961	199,962
Amortization of deferred financing costs	2,077	2,185
Amortization of above/below market lease intangibles	—	(18)
Amortization of discounts and premiums on debt	1,358	1,294
Amortization of deferred settlements on derivative instruments	2,422	2,301
Amortization of right-of-use assets	3,046	2,980
Write-off of pursuit costs	1,463	1,331
(Income) loss from investments in unconsolidated entities	1,261	1,611
Distributions from unconsolidated entities – return on capital	79	—
Net (gain) loss on sales of real estate properties	102	43
Net (gain) loss on sales of land parcels	—	(5)
Realized (gain) loss on sale of investment securities	(2,066)	133
Compensation paid with Company Common Shares	9,203	8,678
<i>Changes in assets and liabilities:</i>		
(Increase) decrease in other assets	30,174	20,746
Increase (decrease) in accounts payable and accrued expenses	54,553	59,116
Increase (decrease) in accrued interest payable	(12,634)	(10,407)
Increase (decrease) in lease liabilities	(902)	(868)
Increase (decrease) in other liabilities	(27,213)	(3,852)
Increase (decrease) in security deposits	1,374	459
Net cash provided by operating activities	368,056	346,053
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in real estate – acquisitions	(113,046)	—
Investment in real estate – development/other	(24,255)	(64,599)
Capital expenditures to real estate	(35,285)	(28,679)
Non-real estate capital additions	(971)	(589)
Interest capitalized for real estate and unconsolidated entities under development	(1,017)	(3,769)
Investments in unconsolidated entities – other	(24,897)	(2,378)
Distributions from unconsolidated entities – return of capital	9	4
Purchase of investment securities and other investments	(1,009)	(26,335)
Proceeds from sale of investment securities	3,434	—
Net cash provided by (used for) investing activities	(197,037)	(126,345)

See accompanying notes

EQUITY RESIDENTIAL
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Amounts in thousands)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt financing costs	\$ —	\$ (318)
<i>Mortgage notes payable, net:</i>		
Proceeds	2,689	37,492
Lump sum payoffs	—	(59,880)
Scheduled principal repayments	(1,933)	(1,871)
<i>Line of credit and commercial paper:</i>		
Commercial paper proceeds	1,424,086	1,184,923
Commercial paper repayments	(1,609,121)	(1,170,000)
Finance ground lease principal payments	(140)	(116)
Proceeds from Employee Share Purchase Plan (ESPP)	969	1,731
Proceeds from exercise of options	14,344	22,882
Payment of offering costs	(114)	—
Contributions – Noncontrolling Interests – Partially Owned Properties	446	—
Contributions – Noncontrolling Interests – Operating Partnership	1	—
<i>Distributions:</i>		
Common Shares	(226,639)	(224,308)
Preferred Shares	(772)	(773)
Noncontrolling Interests – Operating Partnership	(7,535)	(8,479)
Noncontrolling Interests – Partially Owned Properties	(15,836)	(2,883)
Net cash provided by (used for) financing activities	(419,555)	(221,600)
Net increase (decrease) in cash and cash equivalents and restricted deposits	(248,536)	(1,892)
Cash and cash equivalents and restricted deposits, beginning of period	360,236	99,728
Cash and cash equivalents and restricted deposits, end of period	\$ 111,700	\$ 97,836
Cash and cash equivalents and restricted deposits, end of period		
Cash and cash equivalents	\$ 41,140	\$ 35,453
Restricted deposits	70,560	62,383
Total cash and cash equivalents and restricted deposits, end of period	\$ 111,700	\$ 97,836

See accompanying notes

EQUITY RESIDENTIAL
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Amounts in thousands)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
SUPPLEMENTAL INFORMATION:		
Cash paid for interest, net of amounts capitalized	\$ 81,391	\$ 74,058
Net cash paid (received) for income and other taxes	\$ 350	\$ 752
<i>Amortization of deferred financing costs:</i>		
Investment in real estate, net	\$ (127)	\$ (60)
Other assets	\$ 585	\$ 585
Mortgage notes payable, net	\$ 557	\$ 703
Notes, net	\$ 1,062	\$ 957
<i>Amortization of discounts and premiums on debt:</i>		
Mortgage notes payable, net	\$ 685	\$ 684
Notes, net	\$ 673	\$ 610
<i>Amortization of deferred settlements on derivative instruments:</i>		
Other liabilities	\$ (3)	\$ (2)
Accumulated other comprehensive income	\$ 2,425	\$ 2,303
<i>Write-off of pursuit costs:</i>		
Investment in real estate, net	\$ 375	\$ 1,209
Investments in unconsolidated entities	\$ 1,070	\$ —
Other assets	\$ 18	\$ 114
Accounts payable and accrued expenses	\$ —	\$ 8
<i>(Income) loss from investments in unconsolidated entities:</i>		
Investments in unconsolidated entities	\$ 946	\$ 1,282
Other liabilities	\$ 315	\$ 329
<i>Interest capitalized for real estate and unconsolidated entities under development:</i>		
Investment in real estate, net	\$ (307)	\$ (3,769)
Investments in unconsolidated entities	\$ (710)	\$ —
<i>Investments in unconsolidated entities – other:</i>		
Investments in unconsolidated entities	\$ (24,897)	\$ (1,778)
Other liabilities	\$ —	\$ (600)
<i>Debt financing costs:</i>		
Mortgage notes payable, net	\$ —	\$ (318)
<i>Right-of-use assets and lease liabilities initial measurement and reclassifications:</i>		
Right-of-use assets	\$ —	\$ 11,308
Lease liabilities	\$ —	\$ (11,308)
<i>Non-cash share distribution from unconsolidated entities:</i>		
Investments in unconsolidated entities	\$ 859	\$ —
Other assets	\$ (859)	\$ —

See accompanying notes

EQUITY RESIDENTIAL
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in thousands except per share data)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
SHAREHOLDERS' EQUITY		
PREFERRED SHARES		
Balance, beginning of period	\$ 37,280	\$ 37,280
Balance, end of period	<u>\$ 37,280</u>	<u>\$ 37,280</u>
COMMON SHARES, \$0.01 PAR VALUE		
Balance, beginning of period	\$ 3,755	\$ 3,723
Exercise of share options	3	5
Share-based employee compensation expense:		
Restricted shares	2	1
Balance, end of period	<u>\$ 3,760</u>	<u>\$ 3,729</u>
PAID IN CAPITAL		
Balance, beginning of period	\$ 9,121,122	\$ 9,128,599
Common Share Issuance:		
Conversion of OP Units into Common Shares	174	—
Exercise of share options	14,341	22,877
Employee Share Purchase Plan (ESPP)	969	1,731
Share-based employee compensation expense:		
Restricted shares	3,609	2,273
Share options	876	988
ESPP discount	171	444
Offering costs	(114)	—
Supplemental Executive Retirement Plan (SERP)	(163)	(1,229)
Change in market value of Redeemable Noncontrolling Interests – Operating Partnership	939	(72,956)
Adjustment for Noncontrolling Interests ownership in Operating Partnership	1,045	619
Balance, end of period	<u>\$ 9,142,969</u>	<u>\$ 9,083,346</u>
RETAINED EARNINGS		
Balance, beginning of period	\$ 1,827,063	\$ 1,399,715
Net income attributable to controlling interests	70,765	57,539
Common Share distributions	(235,351)	(224,673)
Preferred Share distributions	(772)	(773)
Balance, end of period	<u>\$ 1,661,705</u>	<u>\$ 1,231,808</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Balance, beginning of period	\$ (34,272)	\$ (43,666)
Accumulated other comprehensive income (loss) – derivative instruments:		
Losses reclassified into earnings from other comprehensive income	2,425	2,303
Balance, end of period	<u>\$ (31,847)</u>	<u>\$ (41,363)</u>
DISTRIBUTIONS		
Distributions declared per Common Share outstanding	<u>\$ 0.625</u>	<u>\$ 0.6025</u>

See accompanying notes

EQUITY RESIDENTIAL
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)
(Amounts in thousands except per share data)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
NONCONTROLLING INTERESTS		
OPERATING PARTNERSHIP		
Balance, beginning of period	\$ 214,094	\$ 233,162
Issuance of restricted units to Noncontrolling Interests	1	—
Conversion of OP Units held by Noncontrolling Interests into OP Units held by General Partner	(174)	—
Equity compensation associated with Noncontrolling Interests	7,798	6,488
Net income attributable to Noncontrolling Interests	2,394	2,143
Distributions to Noncontrolling Interests	(7,895)	(8,589)
Change in carrying value of Redeemable Noncontrolling Interests – Operating Partnership	2,278	2,384
Adjustment for Noncontrolling Interests ownership in Operating Partnership	(1,045)	(619)
Balance, end of period	<u>\$ 217,451</u>	<u>\$ 234,969</u>
PARTIALLY OWNED PROPERTIES		
Balance, beginning of period	\$ 18,166	\$ 4,673
Net income attributable to Noncontrolling Interests	639	682
Contributions by Noncontrolling Interests	446	—
Distributions to Noncontrolling Interests	(15,836)	(2,883)
Balance, end of period	<u>\$ 3,415</u>	<u>\$ 2,472</u>

See accompanying notes

ERP OPERATING LIMITED PARTNERSHIP
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)
(Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Land	\$ 5,836,951	\$ 5,814,790
Depreciable property	22,496,307	22,370,811
Projects under development	36,718	24,307
Land held for development	66,980	62,998
Investment in real estate	28,436,956	28,272,906
Accumulated depreciation	(8,578,131)	(8,354,282)
Investment in real estate, net	19,858,825	19,918,624
Investments in unconsolidated entities	150,092	127,448
Cash and cash equivalents	41,140	123,832
Restricted deposits	70,560	236,404
Right-of-use assets	471,667	474,713
Other assets	237,953	288,220
Total assets	\$ 20,830,237	\$ 21,169,241
LIABILITIES AND CAPITAL		
Liabilities:		
Mortgage notes payable, net	\$ 2,193,199	\$ 2,191,201
Notes, net	5,836,957	5,835,222
Line of credit and commercial paper	129,995	315,030
Accounts payable and accrued expenses	157,681	107,013
Accrued interest payable	56,876	69,510
Lease liabilities	311,293	312,335
Other liabilities	303,654	353,102
Security deposits	67,515	66,141
Distributions payable	242,574	233,502
Total liabilities	9,299,744	9,483,056
<i>Commitments and contingencies</i>		
Redeemable Limited Partners	495,760	498,977
Capital:		
Partners' Capital:		
Preference Units	37,280	37,280
General Partner	10,808,434	10,951,940
Limited Partners	217,451	214,094
Accumulated other comprehensive income (loss)	(31,847)	(34,272)
Total partners' capital	11,031,318	11,169,042
Noncontrolling Interests – Partially Owned Properties	3,415	18,166
Total capital	11,034,733	11,187,208
Total liabilities and capital	\$ 20,830,237	\$ 21,169,241

See accompanying notes

ERP OPERATING LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Amounts in thousands except per Unit data)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
REVENUES		
Rental income	\$ 653,348	\$ 597,602
EXPENSES		
Property and maintenance	124,874	117,054
Real estate taxes and insurance	100,688	103,470
Property management	30,747	26,130
General and administrative	17,238	15,383
Depreciation	229,961	199,962
Total expenses	503,508	461,999
Net gain (loss) on sales of real estate properties	(102)	(43)
Operating income	149,738	135,560
Interest and other income	3,528	216
Other expenses	(3,056)	(4,110)
Interest:		
Expense incurred, net	(72,792)	(67,358)
Amortization of deferred financing costs	(2,077)	(2,185)
Income before income and other taxes, income (loss) from investments in unconsolidated entities and net gain (loss) on sales of land parcels	75,341	62,123
Income and other tax (expense) benefit	(282)	(153)
Income (loss) from investments in unconsolidated entities	(1,261)	(1,611)
Net gain (loss) on sales of land parcels	—	5
Net income	73,798	60,364
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(639)	(682)
Net income attributable to controlling interests	\$ 73,159	\$ 59,682
ALLOCATION OF NET INCOME:		
Preference Units	\$ 772	\$ 773
General Partner	\$ 69,993	\$ 56,766
Limited Partners	2,394	2,143
Net income available to Units	\$ 72,387	\$ 58,909
Earnings per Unit – basic:		
Net income available to Units	\$ 0.19	\$ 0.15
Weighted average Units outstanding	387,397	385,330
Earnings per Unit – diluted:		
Net income available to Units	\$ 0.19	\$ 0.15
Weighted average Units outstanding	389,628	386,916

See accompanying notes

ERP OPERATING LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (Continued)
(Amounts in thousands except per Unit data)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
Comprehensive income:		
Net income	\$ 73,798	\$ 60,364
Other comprehensive income (loss):		
Other comprehensive income (loss) – derivative instruments:		
Losses reclassified into earnings from other comprehensive income	2,425	2,303
Other comprehensive income (loss)	2,425	2,303
Comprehensive income	76,223	62,667
Comprehensive (income) attributable to Noncontrolling Interests – Partially Owned Properties	(639)	(682)
Comprehensive income attributable to controlling interests	\$ 75,584	\$ 61,985

See accompanying notes

ERP OPERATING LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 73,798	\$ 60,364
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation	229,961	199,962
Amortization of deferred financing costs	2,077	2,185
Amortization of above/below market lease intangibles	—	(18)
Amortization of discounts and premiums on debt	1,358	1,294
Amortization of deferred settlements on derivative instruments	2,422	2,301
Amortization of right-of-use assets	3,046	2,980
Write-off of pursuit costs	1,463	1,331
(Income) loss from investments in unconsolidated entities	1,261	1,611
Distributions from unconsolidated entities – return on capital	79	—
Net (gain) loss on sales of real estate properties	102	43
Net (gain) loss on sales of land parcels	—	(5)
Realized (gain) loss on sale of investment securities	(2,066)	133
Compensation paid with Company Common Shares	9,203	8,678
<i>Changes in assets and liabilities:</i>		
(Increase) decrease in other assets	30,174	20,746
Increase (decrease) in accounts payable and accrued expenses	54,553	59,116
Increase (decrease) in accrued interest payable	(12,634)	(10,407)
Increase (decrease) in lease liabilities	(902)	(868)
Increase (decrease) in other liabilities	(27,213)	(3,852)
Increase (decrease) in security deposits	1,374	459
Net cash provided by operating activities	368,056	346,053
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in real estate – acquisitions	(113,046)	—
Investment in real estate – development/other	(24,255)	(64,599)
Capital expenditures to real estate	(35,285)	(28,679)
Non-real estate capital additions	(971)	(589)
Interest capitalized for real estate and unconsolidated entities under development	(1,017)	(3,769)
Investments in unconsolidated entities – other	(24,897)	(2,378)
Distributions from unconsolidated entities – return of capital	9	4
Purchase of investment securities and other investments	(1,009)	(26,335)
Proceeds from sale of investment securities	3,434	—
Net cash provided by (used for) investing activities	(197,037)	(126,345)

See accompanying notes

ERP OPERATING LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Amounts in thousands)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt financing costs	\$ —	\$ (318)
<i>Mortgage notes payable, net:</i>		
Proceeds	2,689	37,492
Lump sum payoffs	—	(59,880)
Scheduled principal repayments	(1,933)	(1,871)
<i>Line of credit and commercial paper:</i>		
Commercial paper proceeds	1,424,086	1,184,923
Commercial paper repayments	(1,609,121)	(1,170,000)
Finance ground lease principal payments	(140)	(116)
Proceeds from EQR's Employee Share Purchase Plan (ESPP)	969	1,731
Proceeds from exercise of EQR options	14,344	22,882
Payment of offering costs	(114)	—
Contributions – Noncontrolling Interests – Partially Owned Properties	446	—
Contributions – Limited Partners	1	—
<i>Distributions:</i>		
OP Units – General Partner	(226,639)	(224,308)
Preference Units	(772)	(773)
OP Units – Limited Partners	(7,535)	(8,479)
Noncontrolling Interests – Partially Owned Properties	(15,836)	(2,883)
Net cash provided by (used for) financing activities	(419,555)	(221,600)
Net increase (decrease) in cash and cash equivalents and restricted deposits	(248,536)	(1,892)
Cash and cash equivalents and restricted deposits, beginning of period	360,236	99,728
Cash and cash equivalents and restricted deposits, end of period	\$ 111,700	\$ 97,836
Cash and cash equivalents and restricted deposits, end of period		
Cash and cash equivalents	\$ 41,140	\$ 35,453
Restricted deposits	70,560	62,383
Total cash and cash equivalents and restricted deposits, end of period	\$ 111,700	\$ 97,836

See accompanying notes

ERP OPERATING LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Amounts in thousands)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
SUPPLEMENTAL INFORMATION:		
Cash paid for interest, net of amounts capitalized	\$ 81,391	\$ 74,058
Net cash paid (received) for income and other taxes	\$ 350	\$ 752
<i>Amortization of deferred financing costs:</i>		
Investment in real estate, net	\$ (127)	\$ (60)
Other assets	\$ 585	\$ 585
Mortgage notes payable, net	\$ 557	\$ 703
Notes, net	\$ 1,062	\$ 957
<i>Amortization of discounts and premiums on debt:</i>		
Mortgage notes payable, net	\$ 685	\$ 684
Notes, net	\$ 673	\$ 610
<i>Amortization of deferred settlements on derivative instruments:</i>		
Other liabilities	\$ (3)	\$ (2)
Accumulated other comprehensive income	\$ 2,425	\$ 2,303
<i>Write-off of pursuit costs:</i>		
Investment in real estate, net	\$ 375	\$ 1,209
Investments in unconsolidated entities	\$ 1,070	\$ —
Other assets	\$ 18	\$ 114
Accounts payable and accrued expenses	\$ —	\$ 8
<i>(Income) loss from investments in unconsolidated entities:</i>		
Investments in unconsolidated entities	\$ 946	\$ 1,282
Other liabilities	\$ 315	\$ 329
<i>Interest capitalized for real estate and unconsolidated entities under development:</i>		
Investment in real estate, net	\$ (307)	\$ (3,769)
Investments in unconsolidated entities	\$ (710)	\$ —
<i>Investments in unconsolidated entities – other:</i>		
Investments in unconsolidated entities	\$ (24,897)	\$ (1,778)
Other liabilities	\$ —	\$ (600)
<i>Debt financing costs:</i>		
Mortgage notes payable, net	\$ —	\$ (318)
<i>Right-of-use assets and lease liabilities initial measurement and reclassifications:</i>		
Right-of-use assets	\$ —	\$ 11,308
Lease liabilities	\$ —	\$ (11,308)
<i>Non-cash share distribution from unconsolidated entities:</i>		
Investments in unconsolidated entities	\$ 859	\$ —
Other assets	\$ (859)	\$ —

See accompanying notes

ERP OPERATING LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL
(Amounts in thousands except per Unit data)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
PARTNERS' CAPITAL		
PREFERENCE UNITS		
Balance, beginning of period	\$ 37,280	\$ 37,280
Balance, end of period	<u>\$ 37,280</u>	<u>\$ 37,280</u>
GENERAL PARTNER		
Balance, beginning of period	\$ 10,951,940	\$ 10,532,037
OP Unit Issuance:		
Conversion of OP Units held by Limited Partners into OP Units held by General Partner	174	—
Exercise of EQR share options	14,344	22,882
EQR's Employee Share Purchase Plan (ESPP)	969	1,731
Share-based employee compensation expense:		
EQR restricted shares	3,611	2,274
EQR share options	876	988
EQR ESPP discount	171	444
Net income available to Units – General Partner	69,993	56,766
OP Units – General Partner distributions	(235,351)	(224,673)
Offering costs	(114)	—
Supplemental Executive Retirement Plan (SERP)	(163)	(1,229)
Change in market value of Redeemable Limited Partners	939	(72,956)
Adjustment for Limited Partners ownership in Operating Partnership	1,045	619
Balance, end of period	<u>\$ 10,808,434</u>	<u>\$ 10,318,883</u>
LIMITED PARTNERS		
Balance, beginning of period	\$ 214,094	\$ 233,162
Issuance of restricted units to Limited Partners	1	—
Conversion of OP Units held by Limited Partners into OP Units held by General Partner	(174)	—
Equity compensation associated with Units – Limited Partners	7,798	6,488
Net income available to Units – Limited Partners	2,394	2,143
Units – Limited Partners distributions	(7,895)	(8,589)
Change in carrying value of Redeemable Limited Partners	2,278	2,384
Adjustment for Limited Partners ownership in Operating Partnership	(1,045)	(619)
Balance, end of period	<u>\$ 217,451</u>	<u>\$ 234,969</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Balance, beginning of period	\$ (34,272)	\$ (43,666)
Accumulated other comprehensive income (loss) – derivative instruments:		
Losses reclassified into earnings from other comprehensive income	2,425	2,303
Balance, end of period	<u>\$ (31,847)</u>	<u>\$ (41,363)</u>
DISTRIBUTIONS		
Distributions declared per Unit outstanding	<u>\$ 0.625</u>	<u>\$ 0.6025</u>

See accompanying notes

ERP OPERATING LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL (Continued)
(Amounts in thousands except per Unit data)
(Unaudited)

	Quarter Ended March 31,	
	2022	2021
<u>NONCONTROLLING INTERESTS</u>		
NONCONTROLLING INTERESTS – PARTIALLY OWNED PROPERTIES		
Balance, beginning of period	\$ 18,166	\$ 4,673
Net income attributable to Noncontrolling Interests	639	682
Contributions by Noncontrolling Interests	446	—
Distributions to Noncontrolling Interests	(15,836)	(2,883)
Balance, end of period	<u>\$ 3,415</u>	<u>\$ 2,472</u>

See accompanying notes

**EQUITY RESIDENTIAL
ERP OPERATING LIMITED PARTNERSHIP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

1. Business

Equity Residential (“EQR”) is an S&P 500 company focused on the acquisition, development and management of residential properties located in and around dynamic cities that attract affluent long-term renters, a business that is conducted on its behalf by ERP Operating Limited Partnership (“ERPOP”). EQR is a Maryland real estate investment trust (“REIT”) formed in March 1993 and ERPOP is an Illinois limited partnership formed in May 1993. References to the “Company,” “we,” “us” or “our” mean collectively EQR, ERPOP and those entities/subsidiaries owned or controlled by EQR and/or ERPOP. References to the “Operating Partnership” mean collectively ERPOP and those entities/subsidiaries owned or controlled by ERPOP. Unless otherwise indicated, the notes to consolidated financial statements apply to both the Company and the Operating Partnership.

EQR is the general partner of, and as of March 31, 2022 owned an approximate 96.7% ownership interest in, ERPOP. All of the Company’s property ownership, development and related business operations are conducted through the Operating Partnership and EQR has no material assets or liabilities other than its investment in ERPOP. EQR issues equity from time to time, the net proceeds of which it is obligated to contribute to ERPOP, but does not have any indebtedness as all debt is incurred by the Operating Partnership. The Operating Partnership holds substantially all of the assets of the Company, including the Company’s ownership interests in its joint ventures. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity.

As of March 31, 2022, the Company, directly or indirectly through investments in title holding entities, owned all or a portion of 311 properties located in 10 states and the District of Columbia consisting of 80,581 apartment units. The ownership breakdown includes (table does not include various uncompleted development properties):

	Properties	Apartment Units
Wholly Owned Properties	295	77,035
Partially Owned Properties – Consolidated	16	3,546
	311	80,581

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States (“GAAP”) for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) and certain reclassifications considered necessary for a fair presentation have been included. Operating results for the quarter ended March 31, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022.

In preparation of the Company’s financial statements in conformity with accounting principles generally accepted in the United States, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

The balance sheets at December 31, 2021 have been derived from the audited financial statements at that date but do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

For further information, including definitions of capitalized terms not defined herein, refer to the consolidated financial statements and footnotes thereto included in the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2021.

Income and Other Taxes

EQR has elected to be taxed as a REIT. This, along with the nature of the operations of its operating properties, resulted in no provision for federal income taxes at the EQR level. In addition, ERPOP generally is not liable for federal income taxes as the partners recognize their allocable share of income or loss in their tax returns; therefore no provision for federal income taxes has been made at the ERPOP level. Historically, the Company has generally only incurred certain state and local income, excise and franchise taxes. The Company has elected taxable REIT subsidiary ("TRS") status for certain of its corporate subsidiaries and, as a result, these entities will incur both federal and state income taxes on any taxable income of such entities after consideration of any net operating losses.

Recent Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued an amendment to the debt and equity financial instruments standards which simplifies the accounting for convertible instruments and accounting for contracts in an entity's own equity. The Company adopted the standard when effective on January 1, 2022 and it had no impact on its consolidated results of operations and financial position.

In March 2020, the FASB issued an amendment to the reference rate reform standard which provides the option for a limited period of time to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on contract modifications and hedge accounting. An example of such reform is the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. Entities that make this optional expedient election would not have to remeasure the contracts at the modification date or reassess the accounting treatment if certain criteria are met and would continue applying hedge accounting for relationships affected by reference rate reform. The new standard was effective for the Company upon issuance and elections can be made through December 31, 2022. The Company elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

3. Equity, Capital and Other Interests

The Company refers to "Common Shares" and "Units" (which refer to both OP Units and restricted units) as equity securities for EQR and "General Partner Units" and "Limited Partner Units" as equity securities for ERPOP. To provide a streamlined and more readable presentation of the disclosures for the Company and the Operating Partnership, several sections below refer to the respective terminology for each with the same financial information and separate sections are provided, where needed, to further distinguish any differences in financial information and terminology.

The following table presents the changes in the Company's issued and outstanding Common Shares and Units for the quarters ended March 31, 2022 and 2021:

	2022	2021
Common Shares		
Common Shares outstanding at January 1,	375,527,195	372,302,000
Common Shares Issued:		
Conversion of OP Units	6,756	—
Exercise of share options	269,665	506,342
Employee Share Purchase Plan (ESPP)	13,374	32,572
Restricted share grants, net	157,080	76,499
Common Shares outstanding at March 31,	375,974,070	372,917,413
Units		
Units outstanding at January 1,	12,659,027	13,858,073
Restricted unit grants, net	220,333	184,301
Conversion of OP Units to Common Shares	(6,756)	—
Units outstanding at March 31,	12,872,604	14,042,374
Total Common Shares and Units outstanding at March 31,	388,846,674	386,959,787
Units Ownership Interest in Operating Partnership	3.3%	3.6%

The following table presents the changes in the Operating Partnership's issued and outstanding General Partner Units and Limited Partner Units for the quarters ended March 31, 2022 and 2021:

	2022	2021
General and Limited Partner Units		
General and Limited Partner Units outstanding at January 1,	388,186,222	386,160,073
Issued to General Partner:		
Exercise of EQR share options	269,665	506,342
EQR's Employee Share Purchase Plan (ESPP)	13,374	32,572
EQR's restricted share grants, net	157,080	76,499
Issued to Limited Partners:		
Restricted unit grants, net	220,333	184,301
General and Limited Partner Units outstanding at March 31,	388,846,674	386,959,787
Limited Partner Units		
Limited Partner Units outstanding at January 1,	12,659,027	13,858,073
Limited Partner restricted unit grants, net	220,333	184,301
Conversion of Limited Partner OP Units to EQR Common Shares	(6,756)	—
Limited Partner Units outstanding at March 31,	12,872,604	14,042,374
Limited Partner Units Ownership Interest in Operating Partnership	3.3%	3.6%

The equity positions of various individuals and entities that contributed their properties to the Operating Partnership in exchange for OP Units, as well as the equity positions of the holders of restricted units, are collectively referred to as the "Noncontrolling Interests – Operating Partnership" and "Limited Partners Capital," respectively, for the Company and the Operating Partnership. Subject to certain exceptions (including the "book-up" requirements of restricted units), the Noncontrolling Interests – Operating Partnership/Limited Partners Capital may exchange their Units with EQR for Common Shares on a one-for-one basis. The carrying value of the Noncontrolling Interests – Operating Partnership/Limited Partners Capital (including redeemable interests) is allocated based on the number of Noncontrolling Interests – Operating Partnership/Limited Partners Capital in total in proportion to the number of Noncontrolling Interests – Operating Partnership/Limited Partners Capital in total plus the total number of Common Shares/General Partner Units. Net income is allocated to the Noncontrolling Interests – Operating Partnership/Limited Partners Capital based on the weighted average ownership percentage during the period.

The Operating Partnership has the right but not the obligation to make a cash payment instead of issuing Common Shares to any and all holders of Noncontrolling Interests – Operating Partnership/Limited Partners Capital requesting an exchange of their Noncontrolling Interests – Operating Partnership/Limited Partners Capital with EQR. Once the Operating Partnership elects not to redeem the Noncontrolling Interests – Operating Partnership/Limited Partners Capital for cash, EQR is obligated to deliver Common Shares to the exchanging holder of the Noncontrolling Interests – Operating Partnership/Limited Partners Capital.

The Noncontrolling Interests – Operating Partnership/Limited Partners Capital are classified as either mezzanine equity or permanent equity. If EQR is required, either by contract or securities law, to deliver registered Common Shares, such Noncontrolling Interests – Operating Partnership/Limited Partners Capital are differentiated and referred to as “Redeemable Noncontrolling Interests – Operating Partnership” and “Redeemable Limited Partners,” respectively. Instruments that require settlement in registered shares cannot be classified in permanent equity as it is not always completely within an issuer’s control to deliver registered shares. Therefore, settlement in cash is assumed and that responsibility for settlement in cash is deemed to fall to the Operating Partnership as the primary source of cash for EQR, resulting in presentation in the mezzanine section of the balance sheet. The Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners are adjusted to the greater of carrying value or fair market value based on the Common Share price of EQR at the end of each respective reporting period. EQR has the ability to deliver unregistered Common Shares for the remaining portion of the Noncontrolling Interests – Operating Partnership/Limited Partners Capital that are classified in permanent equity at March 31, 2022 and December 31, 2021.

The carrying value of the Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners is allocated based on the number of Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners in proportion to the number of Noncontrolling Interests – Operating Partnership/Limited Partners Capital in total. Such percentage of the total carrying value of Units/Limited Partner Units which is ascribed to the Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners is then adjusted to the greater of carrying value or fair market value as described above. As of March 31, 2022 and 2021, the Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners have a redemption value of approximately \$495.8 million and \$409.5 million, respectively, which represents the value of Common Shares that would be issued in exchange for the Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners.

The following table presents the changes in the redemption value of the Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners for the quarters ended March 31, 2022 and 2021, respectively (amounts in thousands):

	2022	2021
Balance at January 1,	\$ 498,977	\$ 338,951
Change in market value	(939)	72,956
Change in carrying value	(2,278)	(2,384)
Balance at March 31,	\$ 495,760	\$ 409,523

Net proceeds from EQR Common Share and Preferred Share (see definition below) offerings and proceeds from exercise of options for Common Shares are contributed by EQR to ERPOP. In return for those contributions, EQR receives a number of OP Units in ERPOP equal to the number of Common Shares it has issued in the equity offering (or in the case of a preferred equity offering, a number of preference units in ERPOP equal in number and having the same terms as the Preferred Shares issued in the equity offering). As a result, the net proceeds from Common Shares and Preferred Shares are allocated for the Company between shareholders’ equity and Noncontrolling Interests – Operating Partnership and for the Operating Partnership between General Partner’s Capital and Limited Partners Capital to account for the change in their respective percentage ownership of the underlying equity.

The Company’s declaration of trust authorizes it to issue up to 100,000,000 preferred shares of beneficial interest, \$0.01 par value per share (the “Preferred Shares”), with specific rights, preferences and other attributes as the Board of Trustees may determine, which may include preferences, powers and rights that are senior to the rights of holders of the Company’s Common Shares.

The following table presents the Company’s issued and outstanding Preferred Shares/Preference Units as of March 31, 2022 and December 31, 2021:

	Call Date (1)	Annual Dividend Per Share/Unit (2)	Amounts in thousands	
			March 31, 2022	December 31, 2021
Preferred Shares/Preference Units of beneficial interest, \$0.01 par value; 100,000,000 shares authorized:				
8.29% Series K Cumulative Redeemable Preferred Shares/Preference Units; liquidation value \$50 per share/unit; 745,600 shares/units issued and outstanding as of March 31, 2022 and December 31, 2021	12/10/26	\$ 4.145	\$ 37,280	\$ 37,280
			\$ 37,280	\$ 37,280

- (1) On or after the call date, redeemable Preferred Shares/Preference Units may be redeemed for cash at the option of the Company or the Operating Partnership, respectively, in whole or in part, at a redemption price equal to the liquidation price per share/unit, plus accrued and unpaid distributions, if any.

- (2) Dividends on Preferred Shares/Preference Units are payable quarterly.

Other

EQR and ERPOP currently have an active universal shelf registration statement for the issuance of equity and debt securities that automatically became effective upon filing with the SEC in June 2019 and expires in June 2022. Per the terms of ERPOP's partnership agreement, EQR contributes the net proceeds of all equity offerings to the capital of ERPOP in exchange for additional OP Units (on a one-for-one Common Share per OP Unit basis) or preference units (on a one-for-one preferred share per preference unit basis).

The Company has an At-The-Market ("ATM") share offering program which allows EQR to issue Common Shares from time to time into the existing trading market at current market prices or through negotiated transactions, including under forward sale arrangements. The current program matures in June 2022 and gives EQR the authority to issue up to 13.0 million shares, of which approximately 11.3 million shares remain available for issuance under the program as of March 31, 2022. Forward sale agreements under the ATM program allow the Company, at its election, to settle the agreements by issuing Common Shares in exchange for net proceeds at the then-applicable forward sale price specified by the agreement or, alternatively, to settle the agreements in whole or in part through the delivery or receipt of Common Shares or cash. Issuances of shares under these forward sale agreements are classified as equity transactions. Accordingly, no amounts relating to the forward sale agreements are recorded in the consolidated financial statements until settlement occurs. Prior to any settlements, the only impact to the consolidated financial statements is the inclusion of incremental shares, if any, within the calculation of diluted net income per share using the treasury stock method (see Note 11 for additional discussion). The actual forward price per share to be received by the Company upon settlement will be determined on the applicable settlement date based on adjustments made to the initial forward price to reflect the then-current overnight federal funds rate and the amount of dividends paid to holders of the Company's Common Shares over the term of the forward sale agreement.

As of March 31, 2022, the Company had entered into forward sale agreements under this program for a total of approximately 1.7 million Common Shares at a weighted average initial forward price per share of \$83.25. All of these forward sale agreements were entered into during the quarter ended September 30, 2021. As of March 31, 2022, these forward sale agreements have not been settled and must be settled by March 2023.

The Company may repurchase up to 13.0 million Common Shares under its share repurchase program. No open market repurchases have occurred since 2008, and no repurchases of any kind have occurred since February 2014. As of March 31, 2022, EQR has remaining authorization to repurchase up to 13.0 million of its shares.

4. Real Estate

The following table summarizes the carrying amounts for the Company's investment in real estate (at cost) as of March 31, 2022 and December 31, 2021 (amounts in thousands):

	March 31, 2022	December 31, 2021
Land	\$ 5,836,951	\$ 5,814,790
Depreciable property:		
Buildings and improvements	19,723,056	19,632,284
Furniture, fixtures and equipment	2,252,146	2,220,203
In-Place lease intangibles	521,105	518,324
Projects under development:		
Construction-in-progress	36,718	24,307
Land held for development:		
Land	49,360	46,160
Construction-in-progress	17,620	16,838
Investment in real estate	28,436,956	28,272,906
Accumulated depreciation	(8,578,131)	(8,354,282)
Investment in real estate, net	\$ 19,858,825	\$ 19,918,624

During the quarter ended March 31, 2022, the Company acquired the following from unaffiliated parties (purchase price in thousands):

	Properties	Apartment Units	Purchase Price
Rental Properties – Consolidated (1)	1	172	\$ 113,000
Total	1	172	\$ 113,000

(1) Purchase price includes an allocation of approximately \$25.3 million to land and \$87.7 million to depreciable property (inclusive of capitalized closing costs).

5. Commitments to Acquire/Dispose of Real Estate

The Company has not entered into any agreements to acquire rental properties or land parcels as of the date of filing.

The Company has entered into separate agreements to dispose of the following (sales price and net book value in thousands):

	Properties	Apartment Units	Sales Price	Net Book Value at March 31, 2022
Rental Properties - Consolidated	2	591	\$ 480,500	\$ 270,189
Total	2	591	\$ 480,500	\$ 270,189

The closing of pending transactions is subject to certain conditions and restrictions; therefore, there can be no assurance that the transactions will be consummated or that the final terms will not differ in material respects from any agreements summarized above. See Note 14 for discussion of the properties acquired or disposed of, if any, subsequent to March 31, 2022.

6. Investments in Partially Owned Entities

The Company has invested in various entities with unrelated third parties which are either consolidated or accounted for under the equity method of accounting (unconsolidated).

Consolidated Variable Interest Entities (“VIEs”)

In accordance with accounting standards for consolidation of VIEs, the Company consolidates ERPOP on EQR’s financial statements. As the sole general partner of ERPOP, EQR has exclusive control of ERPOP’s day-to-day management. The limited partners are not able to exercise substantive kick-out or participating rights. As a result, ERPOP qualifies as a VIE. EQR has a controlling financial interest in ERPOP and, thus, is ERPOP’s primary beneficiary. EQR has the power to direct the activities of ERPOP that most significantly impact ERPOP’s economic performance as well as the obligation to absorb losses or the right to receive benefits from ERPOP that could potentially be significant to ERPOP.

The Company has various equity interests in certain joint ventures that have been deemed to be VIEs, and the Company is the VIEs’ primary beneficiary. As a result, the joint ventures are required to be consolidated on the Company’s financial statements. The following table summarizes the Company’s consolidated joint ventures as of March 31, 2022:

	Operating Properties		Project Under Development (1)	
	Properties	Apartment Units	Project	Apartment Units
Consolidated Joint Ventures (VIE)	16	3,546	1	312

(1) The land under this project is subject to a long-term ground lease.

The following table provides consolidated assets and liabilities related to the VIEs discussed above as of March 31, 2022 and December 31, 2021 (amounts in thousands):

	March 31, 2022	December 31, 2021
Consolidated Assets	\$ 819,692	\$ 912,955
Consolidated Liabilities	\$ 255,326	\$ 251,424

Certain consolidated joint ventures in which we have investments obtained mortgage debt to finance a portion of their activities. The following table and information summarizes the variable rate construction mortgage debt that is non-recourse to the Company at March 31, 2022 (aggregate and amounts borrowed under loan commitments in thousands):

	Recently Completed Operating Property		Project Under Development	
Number of joint ventures with debt financing		1		1
Aggregate loan commitments	\$	67,589	\$	73,344
Amounts borrowed under loan commitments (1)	\$	64,333	\$	140
Maturity dates		2022		2025

(1) See Note 9 for the current period proceeds of secured conventional floating rate debt under *Mortgage Notes Payable*.

Investments in Unconsolidated Entities

The following table and information summarizes the Company's investments in unconsolidated entities, which are accounted for under the equity method of accounting as the requirements for consolidation are not met, as of March 31, 2022 and December 31, 2021 (amounts in thousands except for ownership percentage):

	March 31, 2022		December 31, 2021		Ownership Percentage
Investments in Unconsolidated Entities:					
Operating Property (VIE) (1)	\$	35,496	\$	36,024	33.3%
Unconsolidated Development Joint Ventures (VIE) (2)		89,680		72,488	62% - 90% (4)
Real Estate Technology (3)		25,147		19,347	Varies
Other		(231)		(411)	Varies
Investments in Unconsolidated Entities	\$	150,092	\$	127,448	

- (1) Represents an unconsolidated interest in an entity that owns the land underlying one of the consolidated joint venture properties noted above and owns and operates a related parking facility. The consolidated joint venture entity, as a limited partner, does not have substantive kick-out or participating rights in the entity. As a result, the entity qualifies as a VIE, but the consolidated joint venture entity does not have a controlling financial interest in the VIE and is not the VIE's primary beneficiary. As a result, the entity that owns the land and owns and operates the parking facility is unconsolidated and recorded using the equity method of accounting.
- (2) Represents unconsolidated interests in projects under development and land held for development. See further discussion below.
- (3) Represents unconsolidated investments in real estate technology funds/companies.
- (4) In certain instances, the joint venture agreements contain provisions for promoted interests in favor of our joint venture partner. If the terms of the promoted interest are attained, then our share of the proceeds from a sale or other capital event of the unconsolidated entity may be less than the indicated ownership percentage.

The following table summarizes the Company's unconsolidated joint ventures that were deemed to be VIEs as of March 31, 2022:

	Operating Property (1)	Projects Under Development (2)		Land Held for Development (2), (3)	
	Entity	Projects	Apartment Units (4)	Projects	Apartment Units (4)
Unconsolidated Joint Ventures (VIE)	1	3	929	3	1,005

- (1) Represents the operating property that owns and operates a related parking facility noted in the table above.
- (2) Represents separate unconsolidated joint ventures for the purpose of developing multifamily rental properties.
- (3) Represents separate unconsolidated joint ventures that have not yet started but are expected to start construction in 2022. One parcel is subject to a long-term ground lease.
- (4) Represents the intended number of apartment units to be developed.

7. Restricted Deposits

The following table presents the Company's restricted deposits as of March 31, 2022 and December 31, 2021 (amounts in thousands):

	March 31, 2022	December 31, 2021
Mortgage escrow deposits:		
Replacement reserves	\$ 11,489	\$ 11,156
Mortgage principal reserves/sinking funds	20,409	19,104
Mortgage escrow deposits	31,898	30,260
Restricted cash:		
Tax-deferred (1031) exchange proceeds	—	166,362
Earnest money on pending acquisitions	—	2,000
Restricted deposits on real estate investments	279	284
Resident security and utility deposits	36,559	35,663
Other	1,824	1,835
Restricted cash	38,662	206,144
Restricted deposits	\$ 70,560	\$ 236,404

8. Leases

Lessor Accounting

The Company is the lessor for its residential and non-residential leases and these leases are accounted for as operating leases under the lease standard.

For the quarter ended March 31, 2022, approximately 97% of the Company's total lease revenue is generated from residential apartment leases that are generally twelve months or less in length. The residential apartment leases may include lease income related to such items as utility recoveries, parking rent, storage rent and pet rent that the Company treats as a single lease component because the amenities cannot be leased on their own and the timing and pattern of revenue recognition are the same. The collection of lease payments at lease commencement is probable and therefore the Company subsequently recognizes lease income over the lease term on a straight-line basis. Residential leases are renewable upon consent of both parties on an annual or monthly basis.

For the quarter ended March 31, 2022, approximately 3% of the Company's total lease revenue is generated by non-residential leases that are generally for terms ranging between five to ten years. The non-residential leases generally consist of ground floor retail spaces and master-leased parking garages that serve as additional amenities for our residents. The non-residential leases may include lease income related to such items as utility recoveries, parking rent and storage rent that the Company treats as a single lease component because the amenities cannot be leased on their own and the timing and pattern of revenue recognition are the same. The collection of lease payments at lease commencement is probable and therefore the Company subsequently recognizes lease income over the lease term on a straight-line basis. Non-residential leases are renewable with market-based renewal options.

The following table presents the lease income types relating to lease payments for residential and non-residential leases along with the total other rental income for the quarters ended March 31, 2022 and 2021 (amounts in thousands):

Income Type	Quarter Ended March 31, 2022			Quarter Ended March 31, 2021		
	Residential Leases	Non-Residential Leases	Total	Residential Leases	Non-Residential Leases	Total
Residential and non-residential rent	\$ 586,890	\$ 15,874	\$ 602,764	\$ 539,655	\$ 15,839	\$ 555,494
Utility recoveries (RUBS income) (1)	19,598	181	19,779	17,954	178	18,132
Parking rent	10,783	98	10,881	9,734	267	10,001
Other lease revenue (2)	(6,301)	(43)	(6,344)	(10,262)	609	(9,653)
Total lease revenue	\$ 610,970	\$ 16,110	627,080	\$ 557,081	\$ 16,893	573,974
Parking revenue			8,808			5,433
Other revenue			17,460			18,195
Total other rental income (3)			26,268			23,628
Rental income			\$ 653,348			\$ 597,602

(1) RUBS income primarily consists of variable payments representing the recovery of utility costs from residents.

- (2) Other lease revenue consists of the revenue adjustment related to bad debt and other miscellaneous lease revenue.
- (3) Other rental income is accounted for under the revenue recognition standard.

The following table presents residential and non-residential accounts receivable and straight-line receivable balances for the Company's properties as of March 31, 2022 and December 31, 2021 (amounts in thousands):

	Residential		Non-Residential	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Balance Sheet (Other assets):				
Resident/tenant accounts receivable balances	\$ 43,267	\$ 37,959	\$ 3,639	\$ 3,218
Allowance for doubtful accounts	(38,774)	(33,121)	(2,379)	(2,365)
Net receivable balances	\$ 4,493 (1)	\$ 4,838	\$ 1,260	\$ 853
Straight-line receivable balances	\$ 5,542	\$ 7,460	\$ 13,301	\$ 13,021

- (1) The Company held residential security deposits approximating 56.5% of the net receivable balance at March 31, 2022.

The following table presents residential bad debt for the Company's properties for the quarters ended March 31, 2022 and 2021 (amounts in thousands):

Income Statement (Rental income):	Quarter Ended March 31,	
	2022	2021
Bad debt, net (1)	\$ 9,895	\$ 13,693
% of rental income	1.6%	2.4%

- (1) Bad debt, net benefited from additional resident payments due to governmental rental assistance programs of approximately \$9.8 million for the quarter ended March 31, 2022.

9. Debt

EQR does not have any indebtedness as all debt is incurred by the Operating Partnership. Weighted average interest rates noted below for the quarter ended March 31, 2022 include the effect of any derivative instruments and amortization of premiums/discounts/OCI (other comprehensive income) on debt and derivatives.

Mortgage Notes Payable

The following table summarizes the Company's mortgage notes payable activity for the quarter ended March 31, 2022 (amounts in thousands):

	Mortgage notes payable, net as of December 31, 2021	Proceeds	Lump sum payoffs	Scheduled principal repayments	Amortization of premiums/discounts	Amortization of deferred financing costs, net (1)	Mortgage notes payable, net as of March 31, 2022
Fixed Rate Debt:							
Secured – Conventional	\$ 1,896,472	\$ —	\$ —	\$ (1,933)	\$ 378	\$ 334	\$ 1,895,251
Floating Rate Debt:							
Secured – Conventional	59,890	2,689 (2)	—	—	—	188	62,767
Secured – Tax Exempt	234,839	—	—	—	307	35	235,181
Floating Rate Debt	294,729	2,689	—	—	307	223	297,948
Total	\$ 2,191,201	\$ 2,689	\$ —	\$ (1,933)	\$ 685	\$ 557	\$ 2,193,199

- (1) Represents amortization of deferred financing costs, net of debt financing costs.
- (2) See Note 6 for additional discussion of the variable rate construction mortgage debt.

The following table summarizes certain interest rate and maturity date information as of and for the quarter ended March 31, 2022:

	March 31, 2022
Interest Rate Ranges	0.10% - 4.21%
Weighted Average Interest Rate	3.33%
Maturity Date Ranges	2022-2061

As of March 31, 2022, the Company had \$250.0 million of secured debt (primarily tax-exempt bonds) subject to third-party credit enhancement.

Notes

The following table summarizes the Company's notes activity for the quarter ended March 31, 2022 (amounts in thousands):

	Notes, net as of December 31, 2021	Proceeds	Lump sum payoffs	Amortization of premiums/ discounts	Amortization of deferred financing costs, net (1)	Notes, net as of March 31, 2022
Fixed Rate Debt:						
Unsecured – Public	\$ 5,835,222	\$ —	\$ —	\$ 673	\$ 1,062	\$ 5,836,957

(1) Represents amortization of deferred financing costs, net of debt financing costs.

The following table summarizes certain interest rate and maturity date information as of and for the quarter ended March 31, 2022:

	March 31, 2022
Interest Rate Ranges	1.85% - 7.57%
Weighted Average Interest Rate	3.61%
Maturity Date Ranges	2023-2047

The Company's unsecured public notes contain certain financial and operating covenants including, among other things, maintenance of certain financial ratios. The Company was in compliance with its unsecured public debt covenants for the quarter ended March 31, 2022.

Line of Credit and Commercial Paper

The Company has a \$2.5 billion unsecured revolving credit facility maturing November 1, 2024. The Company has the ability to increase available borrowings by an additional \$750.0 million by adding lenders to the facility, obtaining the agreement of existing lenders to increase their commitments or incurring one or more term loans. The interest rate on advances under the facility will generally be LIBOR plus a spread (currently 0.775%), or based on bids received from the lending group, and the Company pays an annual facility fee (currently 0.125%). Both the spread and the facility fee are dependent on the Company's senior unsecured credit rating. The Company did not borrow any amounts under its revolving credit facility during the quarter ended March 31, 2022.

The Company has an unsecured commercial paper note program under which it may borrow up to a maximum of \$1.0 billion subject to market conditions. The notes will be sold under customary terms in the United States commercial paper note market and will rank pari passu with all of the Company's other unsecured senior indebtedness. The notes bear interest at various floating rates with a weighted average interest rate of 0.35% for the quarter ended March 31, 2022 and a weighted average maturity of 3 days as of March 31, 2022. The weighted average amount outstanding for the quarter ended March 31, 2022 was approximately \$260.9 million.

The Company limits its utilization of the revolving credit facility in order to maintain liquidity to support its \$1.0 billion commercial paper program along with certain other obligations. The following table presents the availability on the Company's unsecured revolving credit facility as of March 31, 2022 (amounts in thousands):

	March 31, 2022
Unsecured revolving credit facility commitment	\$ 2,500,000
Commercial paper balance outstanding	(130,000)
Unsecured revolving credit facility balance outstanding	—
Other restricted amounts	(3,507)
Unsecured revolving credit facility availability	<u>\$ 2,366,493</u>

10. Fair Value Measurements

The valuation of financial instruments requires the Company to make estimates and judgments that affect the fair value of the instruments. The Company, where possible, bases the fair values of its financial instruments on listed market prices and third-party quotes. Where these are not available, the Company bases its estimates on current instruments with similar terms and maturities or on other factors relevant to the financial instruments.

In the normal course of business, the Company is exposed to the effect of interest rate changes. The Company may seek to manage these risks by following established risk management policies and procedures including the use of derivatives to hedge interest rate risk on debt instruments. The Company may also use derivatives to manage commodity prices in the daily operations of the business.

A three-level valuation hierarchy exists for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's derivative positions are valued using models developed by the respective counterparty as well as models applied internally by the Company that use as their inputs readily observable market parameters (such as forward yield curves and credit default swap data). The following table summarizes the inputs to the valuations for each type of fair value measurement:

Fair Value Measurement Type	Valuation Inputs
Employee holdings (other than Common Shares) within the supplemental executive retirement plan (the "SERP")	Quoted market prices for identical assets. These holdings are included in other assets and other liabilities on the consolidated balance sheets.
Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners	Quoted market price of Common Shares.
Mortgage notes payable and private unsecured debt (including its commercial paper and line of credit, if applicable)	Indicative rates provided by lenders of similar loans.
Public unsecured notes	Quoted market prices for each underlying issuance.

The fair values of the Company's financial instruments (other than mortgage notes payable, unsecured notes, commercial paper, line of credit and derivative instruments), including cash and cash equivalents and other financial instruments, approximate their carrying or contract value. The following table provides a summary of the carrying and fair values for the Company's mortgage notes payable and unsecured debt (including its commercial paper and line of credit, if applicable) at March 31, 2022 and December 31, 2021, respectively (amounts in thousands):

	March 31, 2022		December 31, 2021	
	Carrying Value	Estimated Fair Value (Level 2)	Carrying Value	Estimated Fair Value (Level 2)
Mortgage notes payable, net	\$ 2,193,199	\$ 2,122,178	\$ 2,191,201	\$ 2,193,689
Unsecured debt, net	5,966,952	6,066,975	6,150,252	6,798,309
Total debt, net	<u>\$ 8,160,151</u>	<u>\$ 8,189,153</u>	<u>\$ 8,341,453</u>	<u>\$ 8,991,998</u>

The following tables provide a summary of the fair value measurements for each major category of assets and liabilities measured at fair value on a recurring basis and the location within the accompanying consolidated balance sheets at March 31, 2022 and December 31, 2021, respectively (amounts in thousands):

Description	Balance Sheet Location	3/31/2022	Fair Value Measurements at Reporting Date Using		
			Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Supplemental Executive Retirement Plan	Other Assets	\$ 144,732	\$ 144,732	\$ —	\$ —
Liabilities					
Supplemental Executive Retirement Plan	Other Liabilities	\$ 144,732	\$ 144,732	\$ —	\$ —
Redeemable Noncontrolling Interests – Operating Partnership/Redeemable					
Limited Partners	Mezzanine	\$ 495,760	\$ —	\$ 495,760	\$ —

Description	Balance Sheet Location	12/31/2021	Fair Value Measurements at Reporting Date Using		
			Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Supplemental Executive Retirement Plan	Other Assets	\$ 164,650	\$ 164,650	\$ —	\$ —
Liabilities					
Supplemental Executive Retirement Plan	Other Liabilities	\$ 164,650	\$ 164,650	\$ —	\$ —
Redeemable Noncontrolling Interests – Operating Partnership/Redeemable					
Limited Partners	Mezzanine	\$ 498,977	\$ —	\$ 498,977	\$ —

The following tables provide a summary of the effect of cash flow hedges on the Company's accompanying consolidated statements of operations and comprehensive income for the quarters ended March 31, 2022 and 2021, respectively (amounts in thousands):

March 31, 2022 Type of Cash Flow Hedge	Amount of Gain/(Loss) Recognized in OCI on Derivative	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income
Derivatives designated as hedging instruments:			
Interest Rate Contracts:			
Forward Starting Swaps	\$ —	Interest expense	\$ (2,425)
Total	<u>\$ —</u>		<u>\$ (2,425)</u>

March 31, 2021 Type of Cash Flow Hedge	Amount of Gain/(Loss) Recognized in OCI on Derivative	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income
Derivatives designated as hedging instruments:			
Interest Rate Contracts:			
Forward Starting Swaps	\$ —	Interest expense	\$ (2,303)
Total	\$ —		\$ (2,303)

As of March 31, 2022 and December 31, 2021, there were approximately \$31.8 million and \$34.3 million in deferred losses, net, included in accumulated other comprehensive income (loss), respectively, related to previously settled derivative instruments, of which an estimated \$10.2 million may be recognized as additional interest expense during the twelve months ending March 31, 2023.

11. Earnings Per Share and Earnings Per Unit

Equity Residential

The following tables set forth the computation of net income per share – basic and net income per share – diluted for the Company (amounts in thousands except per share amounts):

	Quarter Ended March 31,	
	2022	2021
Numerator for net income per share – basic:		
Net income	\$ 73,798	\$ 60,364
Allocation to Noncontrolling Interests – Operating Partnership	(2,394)	(2,143)
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(639)	(682)
Preferred distributions	(772)	(773)
Numerator for net income per share – basic	\$ 69,993	\$ 56,766
Numerator for net income per share – diluted:		
Net income	\$ 73,798	\$ 60,364
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(639)	(682)
Preferred distributions	(772)	(773)
Numerator for net income per share – diluted	\$ 72,387	\$ 58,909
Denominator for net income per share – basic and diluted:		
Denominator for net income per share – basic	375,509	372,280
Effect of dilutive securities:		
OP Units	11,888	13,050
Long-term compensation shares/units	2,090	1,586
ATM forward sales	141	—
Denominator for net income per share – diluted	389,628	386,916
Net income per share – basic	\$ 0.19	\$ 0.15
Net income per share – diluted	\$ 0.19	\$ 0.15

ERP Operating Limited Partnership

The following tables set forth the computation of net income per Unit – basic and net income per Unit – diluted for the Operating Partnership (amounts in thousands except per Unit amounts):

	Quarter Ended March 31,	
	2022	2021
Numerator for net income per Unit – basic and diluted:		
Net income	\$ 73,798	\$ 60,364
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(639)	(682)
Allocation to Preference Units	(772)	(773)
Numerator for net income per Unit – basic and diluted	<u>\$ 72,387</u>	<u>\$ 58,909</u>
Denominator for net income per Unit – basic and diluted:		
Denominator for net income per Unit – basic	387,397	385,330
Effect of dilutive securities:		
Dilution for Units issuable upon assumed exercise/vesting of the Company's long-term compensation shares/units	2,090	1,586
ATM forward sales	141	—
Denominator for net income per Unit – diluted	<u>389,628</u>	<u>386,916</u>
Net income per Unit – basic	<u>\$ 0.19</u>	<u>\$ 0.15</u>
Net income per Unit – diluted	<u>\$ 0.19</u>	<u>\$ 0.15</u>

12. Commitments and Contingencies

Commitments

Real Estate Development Commitments

As of March 31, 2022, the Company has both consolidated and unconsolidated real estate projects under development. We have entered into, and may continue in the future to enter into, joint venture agreements with third-party partners for the development of multifamily rental properties. The joint venture agreements with each development partner include buy-sell provisions that provide the right, but not the obligation, for the Company to acquire each respective partner's interests or sell its interests at any time following the occurrence of certain pre-defined events described in the joint venture agreements. See Note 6 for additional discussion.

The following table summarizes the gross remaining total project costs for the Company's projects under development at March 31, 2022 (total project costs remaining in thousands):

	Projects	Apartment Units	Total Project Costs Remaining (1)
Projects Under Development			
Consolidated	1	312	\$ 71,309
Unconsolidated	3	929	247,498
Total Projects Under Development	<u>4</u>	<u>1,241</u>	<u>\$ 318,807</u>

- (1) The Company's share of the \$318.8 million in total project costs remaining approximates \$25.0 million, with the balance funded by the Company's joint venture partners (approximately \$8.8 million) and/or applicable construction loans (approximately \$285.0 million).

Real Estate Technology Fund Commitments

We have entered into, and may continue in the future to enter into, real estate technology fund investments. At March 31, 2022, the Company has invested in 10 real estate technology investment funds with remaining commitments of approximately \$27.0 million.

Contingencies

Litigation and Legal Matters

The Company, as an owner of real estate, is subject to various federal, state and local laws. Compliance by the Company with

existing laws has not had a material adverse effect on the Company. However, the Company cannot predict the impact of new or changed laws or regulations on its current properties or on properties that it may acquire in the future.

The Company does not believe there is any litigation pending or threatened against it that, individually or in the aggregate, may reasonably be expected to have a material adverse effect on the Company.

13. Reportable Segments

Operating segments are defined as components of an enterprise that engage in business activities from which they may earn revenues and incur expenses and about which discrete financial information is available that is evaluated regularly by the chief operating decision maker. The chief operating decision maker decides how resources are allocated and assesses performance on a recurring basis at least quarterly.

The Company's primary business is the acquisition, development and management of multifamily residential properties, which includes the generation of rental and other related income through the leasing of apartment units to residents. The chief operating decision maker evaluates the Company's operating performance geographically by market and both on a same store and non-same store basis. While the Company does maintain a non-residential presence, it accounts for approximately 3.8% of total revenues for the quarter ended March 31, 2022 and is designed as an amenity for our residential residents. The chief operating decision maker evaluates the performance of each property on a consolidated residential and non-residential basis. The Company's geographic consolidated same store operating segments represent its reportable segments.

The Company's development activities are other business activities that do not constitute an operating segment and as such, have been aggregated in the "Other" category in the tables presented below.

All revenues are from external customers and there is no customer who contributed 10% or more of the Company's total revenues during the quarters ended March 31, 2022 and 2021, respectively.

The primary financial measure for the Company's rental real estate segment is net operating income ("NOI"), which represents rental income less: 1) property and maintenance expense and 2) real estate taxes and insurance expense (all as reflected in the accompanying consolidated statements of operations and comprehensive income). 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. Revenues for all leases are reflected on a straight-line basis in accordance with GAAP for the current and comparable periods.

The following table presents a reconciliation of NOI from our rental real estate for the quarters ended March 31, 2022 and 2021, respectively (amounts in thousands):

	Quarter Ended March 31,	
	2022	2021
Rental income	\$ 653,348	\$ 597,602
Property and maintenance expense	(124,874)	(117,054)
Real estate taxes and insurance expense	(100,688)	(103,470)
Total operating expenses	(225,562)	(220,524)
Net operating income	\$ 427,786	\$ 377,078

The following tables present NOI from our rental real estate for each segment for the quarters ended March 31, 2022 and 2021, respectively, as well as total assets and capital expenditures at March 31, 2022 (amounts in thousands):

	Quarter Ended March 31, 2022			Quarter Ended March 31, 2021		
	Rental Income	Operating Expenses	NOI	Rental Income	Operating Expenses	NOI
Same store (1)						
Los Angeles	\$ 115,353	\$ 36,775	\$ 78,578	\$ 106,418	\$ 35,693	\$ 70,725
Orange County	28,767	6,425	22,342	25,841	6,314	19,527
San Diego	20,940	4,929	16,011	18,740	4,633	14,107
Subtotal - Southern California	165,060	48,129	116,931	150,999	46,640	104,359
San Francisco	102,440	32,119	70,321	96,728	30,985	65,743
Washington D.C.	100,472	33,901	66,571	97,487	32,607	64,880
New York	110,086	53,071	57,015	98,034	51,854	46,180
Seattle	67,127	19,325	47,802	63,848	20,436	43,412
Boston	62,594	20,438	42,156	57,312	19,547	37,765
Denver	10,578	3,008	7,570	9,344	2,821	6,523
Total same store	618,357	209,991	408,366	573,752	204,890	368,862
Non-same store/other (2) (3)						
Non-same store	34,694	14,182	20,512	1	58	(57)
Other (3)	297	1,389	(1,092)	23,849	15,576	8,273
Total non-same store/other	34,991	15,571	19,420	23,850	15,634	8,216
Totals	\$ 653,348	\$ 225,562	\$ 427,786	\$ 597,602	\$ 220,524	\$ 377,078

- (1) For the quarters ended March 31, 2022 and 2021, same store primarily includes all properties acquired or completed that were stabilized prior to January 1, 2021, less properties subsequently sold, which represented 74,675 apartment units.
- (2) For the quarters ended March 31, 2022 and 2021, non-same store primarily includes properties acquired after January 1, 2021, plus any properties in lease-up and not stabilized as of January 1, 2021.
- (3) Other includes development, other corporate operations and operations prior to disposition for properties sold.

	Quarter Ended March 31, 2022	
	Total Assets	Capital Expenditures
Same store (1)		
Los Angeles	\$ 2,773,359	\$ 6,880
Orange County	367,316	919
San Diego	230,718	849
Subtotal - Southern California	3,371,393	8,648
San Francisco	3,165,308	5,330
Washington D.C.	3,149,802	5,681
New York	3,851,201	6,232
Seattle	2,123,848	2,867
Boston	1,724,548	4,034
Denver	487,546	208
Total same store	17,873,646	33,000
Non-same store/other (2) (3)		
Non-same store	2,413,693	2,274
Other (3)	542,898	11
Total non-same store/other	2,956,591	2,285
Totals	\$ 20,830,237	\$ 35,285

- (1) Same store primarily includes all properties acquired or completed that were stabilized prior to January 1, 2021, less properties subsequently sold, which represented 74,675 apartment units.
- (2) Non-same store primarily includes properties acquired after January 1, 2021, plus any properties in lease-up and not stabilized as of January 1, 2021.
- (3) Other includes development, other corporate operations and capital expenditures for properties sold.

14. Subsequent Events

Subsequent to March 31, 2022, the Company:

- Sold one property consisting of 354 apartment units for approximately \$265.7 million; and
- Acquired a third-party joint venture partner's 25% interest in a consolidated operating property for approximately \$32.2 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For further information including definitions for capitalized terms not defined herein, refer to the consolidated financial statements and footnotes thereto included in the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2021. In addition, please refer to the Definitions section below for various capitalized terms not immediately defined in this Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

Forward-Looking Statements

Forward-looking statements are intended to be made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates, projections and assumptions made by management. While the Company's management believes the assumptions underlying its forward-looking statements are reasonable, such information is inherently subject to uncertainties and may involve certain risks, which could cause actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Many of these uncertainties and risks are difficult to predict and beyond management's control, such as the current novel coronavirus ("COVID-19") pandemic. Forward-looking statements are not guarantees of future performance, results or events. The forward-looking statements contained herein are made as of the date hereof and the Company undertakes no obligation to update or supplement these forward-looking statements.

In addition, these forward-looking statements are subject to risks related to the COVID-19 pandemic and its accompanying variants, many of which are unknown, including the duration, severity and the extent of the adverse health impact on the general population, our residents and employees, the distribution, effectiveness and acceptance of vaccines and testing, the overall reopening progress in the cities in which we operate, the potential long-term changes in customer preferences for living in our communities and the impact of operational changes we have implemented and may implement in response to the pandemic.

Additional factors that might cause such differences are discussed in Part I of the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2021, particularly those under Item 1A, *Risk Factors*.

Forward-looking statements and related uncertainties are also included in the Notes to Consolidated Financial Statements in this report.

Overview

Equity Residential ("EQR") is committed to creating communities where people thrive. The Company, a member of the S&P 500, is focused on the acquisition, development and management of residential properties located in and around dynamic cities that attract affluent long-term renters. ERP Operating Limited Partnership ("ERPOP") is focused on conducting the multifamily property business of EQR. EQR is a Maryland real estate investment trust ("REIT") formed in March 1993 and ERPOP is an Illinois limited partnership formed in May 1993. References to the "Company," "we," "us" or "our" mean collectively EQR, ERPOP and those entities/subsidiaries owned or controlled by EQR and/or ERPOP. References to the "Operating Partnership" mean collectively ERPOP and those entities/subsidiaries owned or controlled by ERPOP.

EQR is the general partner of, and as of March 31, 2022 owned an approximate 96.7% ownership interest in, ERPOP. All of the Company's property ownership, development and related business operations are conducted through the Operating Partnership and EQR has no material assets or liabilities other than its investment in ERPOP. EQR issues equity from time to time, the net proceeds of which it is obligated to contribute to ERPOP, but does not have any indebtedness as all debt is incurred by the Operating Partnership. The Operating Partnership holds substantially all of the assets of the Company, including the Company's ownership interests in its joint ventures. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity.

The Company's corporate headquarters is located in Chicago, Illinois and the Company also operates regional property management offices in most of its markets.

Available Information

You may access our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, our proxy statements and any amendments to any of those reports/statements we file with or furnish to the Securities and Exchange Commission (“SEC”) free of charge on our website, www.equityapartments.com. These reports/statements are made available on our website as soon as reasonably practicable after we file them with or furnish them to the SEC. The information contained on our website, including any information referred to in this report as being available on our website, is not a part of or incorporated into this report.

Business Objectives and Operating and Investing Strategies

The Company’s and the Operating Partnership’s overall business objectives and operating and investing strategies have not changed from the information included in the Company’s and the Operating Partnership’s Annual Report on Form 10-K for the year ended December 31, 2021.

Results of Operations

2022 Transactions

In conjunction with our business objectives and operating and investing strategies, the following table provides a rollforward of the transactions that occurred during the quarter ended March 31, 2022:

Portfolio Rollforward (\$ in thousands)					
	12/31/2021	Properties	Apartment Units	Purchase Price	Acquisition Cap Rate
Acquisitions:					
Consolidated Rental Properties		1	172	\$ 113,000	3.5%
Configuration Changes		—	2		
	3/31/2022	311	80,581		

Real Estate Transaction Highlights

- The Company acquired one operating property in the first quarter of 2022, a 172-unit apartment property located in San Diego for a purchase price of \$113.0 million;
- The Company did not sell any properties during the first quarter of 2022, but subsequent to March 31, 2022, the Company sold a 354-unit apartment property located in New York City for approximately \$265.7 million; and
- The Company spent approximately \$41.9 million during the quarter ended March 31, 2022, primarily for consolidated and unconsolidated development projects.

See Notes 4 and 14 in the Notes to Consolidated Financial Statements for additional discussion regarding the Company’s real estate transactions.

Comparison of the quarter ended March 31, 2022 to the quarter ended March 31, 2021

The following table presents a reconciliation of diluted earnings per share/unit for the quarter ended March 31, 2022 as compared to the same period in 2021:

	Quarter Ended March 31	
Diluted earnings per share/unit for period ended 2021	\$	0.15
Property NOI		0.12
Interest expense		(0.02)
Depreciation expense		(0.06)
Diluted earnings per share/unit for period ended 2022	\$	0.19

The Company's primary financial measure for evaluating each of its apartment communities is net operating income ("NOI"). NOI represents 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.

The following tables present reconciliations of operating income per the consolidated statements of operations to NOI, along with rental income, operating expenses and NOI per the consolidated statements of operations allocated between same store and non-same store results (amounts in thousands):

	Quarter Ended March 31,			
	2022	2021	\$ Change	% Change
Operating income	\$ 149,738	\$ 135,560	\$ 14,178	10.5%
Adjustments:				
Property management	30,747	26,130	4,617	17.7%
General and administrative	17,238	15,383	1,855	12.1%
Depreciation	229,961	199,962	29,999	15.0%
Net (gain) loss on sales of real estate properties	102	43	59	137.2%
Total NOI	\$ 427,786	\$ 377,078	\$ 50,708	13.4%
Rental income:				
Same store	\$ 618,357	\$ 573,752	\$ 44,605	7.8%
Non-same store/other	34,991	23,850	11,141	46.7%
Total rental income	653,348	597,602	55,746	9.3%
Operating expenses:				
Same store	209,991	204,890	5,101	2.5%
Non-same store/other	15,571	15,634	(63)	(0.4)%
Total operating expenses	225,562	220,524	5,038	2.3%
NOI:				
Same store	408,366	368,862	39,504	10.7%
Non-same store/other	19,420	8,216	11,204	136.4%
Total NOI	\$ 427,786	\$ 377,078	\$ 50,708	13.4%

Note: See Note 13 in the Notes to Consolidated Financial Statements for detail by reportable segment/market. Non-same store/other NOI results consist primarily of properties acquired in calendar years 2021 and 2022, operations from the Company's development properties and operations prior to disposition from 2021 sold properties.

- The increase in same store rental income is primarily driven by strong Physical Occupancy and significant growth in pricing.
- The increase in same store operating expenses is due primarily to:
 - Utilities – A \$3.7 million increase primarily from gas and electric due to higher commodity prices;
 - Repairs and maintenance – A \$1.5 million increase primarily driven by volume and timing of maintenance repairs along with increases in minimum wage on contracted services; and
 - On-site payroll – A \$1.4 million decrease due to improved sales and service staff utilization from various technology initiatives and higher than usual staffing vacancies during the current period.
- The increase in non-same store/other NOI is due primarily to a positive impact of higher NOI from properties acquired during 2021 and 2022 of \$17.0 million and higher NOI from development properties in lease-up of \$2.4 million, partially offset by a negative impact of lost NOI from 2021 dispositions of \$12.3 million and a negative impact of lower NOI from one former master-leased property of \$0.6 million.
- The increase in consolidated total NOI is primarily a result of the Company's higher NOI from same store properties, largely due to improvement in same store revenues as noted above. Operating expense growth remains modest due to a combination of continued success in managing controllable expenses and modest growth in real estate tax expense (increased by only \$0.5 million), leading to 10.7% same store NOI growth for the quarter ended March 31, 2022 as compared to the same period in 2021.

See the *Same Store Results* section below for additional discussion of those results.

Property management expenses include off-site expenses associated with the self-management of the Company's properties as well as management fees paid to any third-party management companies. These expenses increased approximately \$4.6 million or 17.7% during the quarter ended March 31, 2022 as compared to the prior year period. This increase is primarily attributable to increases in payroll-related costs, training/conference costs and information technology-related costs. A portion of these costs are associated with the various operating initiatives such as sales-focused improvements and service enhancements that facilitate lower onsite expense growth.

General and administrative expenses, which includes corporate operating expenses, increased approximately \$1.9 million or 12.1% during the quarter ended March 31, 2022 as compared to the prior year period, primarily due to increases in payroll-related costs, legal and professional fees and training/conference costs.

Depreciation expense, which includes depreciation on non-real estate assets, increased approximately \$30.0 million or 15.0% during the quarter ended March 31, 2022 as compared to the prior year period, primarily as a result of additional depreciation expense on properties acquired in 2021 and 2022 and development properties placed in service during 2021, partially offset by lower depreciation from properties sold in 2021.

Interest and other income increased approximately \$3.3 million during the quarter ended March 31, 2022 as compared to the prior year period. The increase is primarily due to a gain of \$2.1 million on the sale of various investment securities and \$1.2 million of litigation settlement proceeds that occurred during 2022 but not during 2021.

Other expenses decreased approximately \$1.1 million or 25.6% during the quarter ended March 31, 2022 as compared to the prior year period, primarily due to a \$1.5 million decline in construction defect and litigation reserves recorded between 2022 and 2021.

Interest expense, including amortization of deferred financing costs, increased approximately \$5.3 million or 7.7% for the quarter ended March 31, 2022 as compared to the prior year period. The increase is primarily due to higher overall debt balances outstanding as compared to the prior year period, higher overall interest rates and lower capitalized interest. The effective interest cost on all indebtedness, excluding debt extinguishment costs/prepayment penalties, for the quarter ended March 31, 2022 was 3.65% as compared to 3.60% for the prior year period. The Company capitalized interest of approximately \$1.0 million and \$3.8 million during the quarters ended March 31, 2022 and 2021, respectively.

Same Store Results

Properties that the Company owned and were stabilized for all of both of the quarters ended March 31, 2022 and 2021 (the "First Quarter 2022 Same Store Properties"), which represented 74,675 apartment units, drove the Company's results of operations. Properties are considered "stabilized" when they have achieved 90% occupancy for three consecutive months. Properties are included in same store when they are stabilized for all of the current and comparable periods presented.

The following table provides comparative total same store results and statistics for the First Quarter 2022 Same Store Properties:

First Quarter 2022 vs. First Quarter 2021 Same Store Results/Statistics Including 74,675 Same Store Apartment Units \$ in thousands (except for Average Rental Rate)											
First Quarter 2022						First Quarter 2021					
	Residential	% Change	Non- Residential	% Change	Total	% Change		Residential	Non- Residential	Total	
Revenues	\$ 595,325	7.8%	\$ 23,032	6.4%	\$ 618,357	7.8%	Revenues	\$ 552,111	\$ 21,641	\$ 573,752	
Expenses	\$ 203,752	2.5%	\$ 6,239	2.2%	\$ 209,991	2.5%	Expenses	\$ 198,784	\$ 6,106	\$ 204,890	
NOI	\$ 391,573	10.8%	\$ 16,793	8.1%	\$ 408,366	10.7%	NOI	\$ 353,327	\$ 15,535	\$ 368,862	
Average Rental Rate	\$ 2,757	6.2%					Average Rental Rate	\$ 2,597			
Physical Occupancy	96.4%	1.4%					Physical Occupancy	95.0%			
Turnover	8.7%	(1.3%)					Turnover	10.0%			

Note: Same store revenues for all leases are reflected on a straight-line basis in accordance with GAAP for the current and comparable periods.

The following table provides results and statistics related to our Residential same store operations for the quarters ended March 31, 2022 and 2021:

**First Quarter 2022 vs. First Quarter 2021
Same Store Residential Results/Statistics by Market**

Markets/Metro Areas	Apartment Units	Q1 2022 % of Actual NOI	Q1 2022 Average Rental Rate	Q1 2022 Weighted Average Physical Occupancy %	Q1 2022 Turnover	Increase (Decrease) from Prior Year			
						Average Rental Rate	Physical Occupancy	Turnover	
Los Angeles	15,259	19.9%	\$ 2,584	96.7%	8.3%	7.6%	0.9%	(1.6%)	
Orange County	4,028	5.7%	2,450	97.1%	6.3%	11.1%	0.1%	(1.5%)	
San Diego	2,706	4.1%	2,662	96.9%	8.9%	12.1%	(0.3%)	(1.6%)	
Subtotal – Southern California	21,993	29.7%	2,569	96.8%	8.0%	8.8%	0.6%	(1.6%)	
San Francisco	11,630	17.7%	3,004	96.4%	9.5%	2.9%	2.8%	(2.2%)	
Washington D.C.	14,322	16.6%	2,371	96.9%	8.2%	2.0%	1.0%	(1.4%)	
New York	9,345	13.0%	3,741	97.0%	8.2%	6.8%	5.7%	(0.1%)	
Seattle	9,331	11.4%	2,385	94.6%	11.5%	6.2%	(1.0%)	0.3%	
Boston	6,430	9.7%	3,054	95.9%	7.6%	7.0%	0.6%	(1.3%)	
Denver	1,624	1.9%	2,207	97.4%	10.5%	11.2%	1.3%	(1.8%)	
Total	74,675	100.0%	\$ 2,757	96.4%	8.7%	6.2%	1.4%	(1.3%)	

Note: The above table reflects Residential same store results only. Residential operations account for approximately 96.2% of total revenues for the quarter ended March 31, 2022.

Strong demand for our apartments in all of our markets has led to high Physical Occupancy, increased pricing power and a material reduction in Leasing Concessions. Key operating drivers for this performance during 2022 include:

- Pricing – There has been significant growth in pricing (net of Leasing Concessions) compared to the same period of 2021 across all of our markets. The use of Leasing Concessions has also declined significantly from its peak in February 2021, outside of some elevated use in Seattle during the first quarter of 2022.
- Physical Occupancy – Physical Occupancy of 96.4% for the first quarter of 2022 remained strong, exceeding first quarter of 2021 levels and contributing to growth in Same Store Residential Revenues.
- Percentage of Residents Renewing and Turnover – Our continued strategy of focusing on resident renewals delivered strong results. We reported Turnover of 8.7% for the first quarter of 2022, the lowest in the Company's history, reflecting a strong trend of historically high resident retention. Results have been positive to date with the Percentage of Residents Renewing of 60% for the first quarter of 2022.

Same Store Residential Revenues in the first quarter of 2022 were impacted by higher than expected delinquency in Southern California caused by residents that were previously in good standing failing to pay their rent as they applied for funds under the California rental assistance program as it was expanded and extended into 2022. The Company continues to actively pursue payment and is seeing early signs of improved resident payment behavior in April 2022 following the expiration of the program's eligibility period on March 31, 2022.

Liquidity and Capital Resources

With approximately \$2.4 billion in readily available liquidity, a strong balance sheet, limited near-term maturities, very strong credit metrics and ample access to capital markets, the Company believes it is well positioned to meet its future obligations and opportunities. See further discussion below.

Statements of Cash Flows

The following table sets forth our sources and uses of cash flows for the quarters ended March 31, 2022 and 2021 (amounts in thousands):

	Quarter Ended March 31,	
	2022	2021
Cash flow provided by (used for):		
Operating activities	\$ 368,056	\$ 346,053
Investing activities	\$ (197,037)	\$ (126,345)
Financing activities	\$ (419,555)	\$ (221,600)

The following provides information regarding the Company's cash flows from operating, investing and financing activities for the quarter ended March 31, 2022.

Operating Activities

Our operating cash flows are primarily impacted by NOI and its components, such as Average Rental Rates, Physical Occupancy levels and operating expenses related to our properties. Cash provided by operating activities for the quarter ended March 31, 2022 as compared to the prior year period, increased by approximately \$22.0 million as a direct result of the NOI and other changes discussed above in *Results of Operations*.

Investing Activities

Our investing cash flows are primarily impacted by our transaction activity (acquisitions/dispositions), development spend, capital expenditures and unconsolidated joint venture activity. For the quarter ended March 31, 2022, key drivers were:

- Acquired one consolidated rental property for approximately \$113.0 million in cash;
- Invested \$24.3 million primarily in development projects;
- Invested \$35.3 million in capital expenditures to real estate; and
- Invested \$24.9 million primarily in unconsolidated development joint venture entities as well as unconsolidated investments in real estate technology funds/companies for various technology initiatives.

Financing Activities

Our financing cash flows primarily relate to our borrowing activity (debt proceeds or repayment), distributions/dividends to shareholders and other Common Share activity. For the quarter ended March 31, 2022, key drivers were:

- Issued Common Shares related to share option exercises and ESPP purchases and received net proceeds of \$15.3 million, which were contributed to the capital of the Operating Partnership in exchange for additional OP Units (on a one-for-one Common Share per OP Unit basis); and
- Paid dividends/distributions on Common Shares, Preferred Shares, Units (including OP Units and restricted units) and noncontrolling interests in partially owned properties totaling approximately \$250.8 million.

Short-Term Liquidity and Cash Proceeds

The Company generally expects to meet its short-term liquidity requirements, including capital expenditures related to maintaining its existing properties and scheduled unsecured note and mortgage note repayments, through its working capital, net cash provided by operating activities and borrowings under the Company's revolving credit facility and commercial paper program. Currently, the Company considers its cash provided by operating activities to be adequate to meet operating requirements and payments of distributions.

The following table presents the Company's balances for cash and cash equivalents, restricted deposits and the available borrowing capacity on its revolving credit facility as of March 31, 2022 and December 31, 2021 (amounts in thousands):

	March 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 41,140	\$ 123,832
Restricted deposits	\$ 70,560	\$ 236,404
Unsecured revolving credit facility availability	\$ 2,366,493	\$ 2,181,372

Credit Facility and Commercial Paper Program

The Company has a \$2.5 billion unsecured revolving credit facility maturing November 1, 2024. The Company has the ability to increase available borrowings by an additional \$750.0 million by adding lenders to the facility, obtaining the agreement of existing lenders to increase their commitments or incurring one or more term loans. The interest rate on advances under the facility will generally be the London Interbank Offered Rate ("LIBOR") plus a spread (currently 0.775%), or based on bids received from the lending group, and the Company pays an annual facility fee (currently 0.125%). Both the spread and the facility fee are dependent on the Company's senior unsecured credit rating.

The unsecured revolving credit agreement contains provisions that establish a process for entering into an amendment to replace LIBOR under certain circumstances, such as the anticipated phase-out of LIBOR.

The Company may borrow up to a maximum of \$1.0 billion under its commercial paper program subject to market conditions. The notes will be sold under customary terms in the United States commercial paper note market and will rank pari passu with all of the Company's other unsecured senior indebtedness.

The Company limits its utilization of the revolving credit facility in order to maintain liquidity to support its \$1.0 billion commercial paper program along with certain other obligations. The following table presents the availability on the Company's unsecured revolving credit facility as of April 22, 2022 (amounts in thousands):

	April 22, 2022
Unsecured revolving credit facility commitment	\$ 2,500,000
Commercial paper balance outstanding	(50,000)
Unsecured revolving credit facility balance outstanding	—
Other restricted amounts	(3,507)
Unsecured revolving credit facility availability	\$ 2,446,493

Dividend Policy

The Company declared a dividend/distribution for the first quarter of 2022 of \$0.625 per share/unit, an annualized increase of 3.7% over the amount paid in 2021. All future dividends/distributions remain subject to the discretion of the Company's Board of Trustees.

Total dividends/distributions paid in April 2022 amounted to \$242.6 million (excluding distributions on Partially Owned Properties), which consisted of certain distributions declared during the quarter ended March 31, 2022.

Long-Term Financing and Capital Needs

The Company expects to meet its long-term liquidity requirements, such as lump sum unsecured note and mortgage debt maturities, property acquisitions and financing of development activities, through the issuance of secured and unsecured debt and equity securities (including additional OP Units), proceeds received from the disposition of certain properties and joint ventures, along with cash generated from operations after all distributions. The Company has a significant number of unencumbered properties available to secure additional mortgage borrowings should unsecured capital be unavailable or the cost of alternative sources of capital be too high. The value of and cash flow from these unencumbered properties are in excess of the requirements the Company must maintain in order to comply with covenants under its unsecured notes and line of credit. Of the \$28.4 billion in investment in real estate on the Company's balance sheet at March 31, 2022, \$24.6 billion or 86.4% was unencumbered. However, there can be no assurances that these sources of capital will be available to the Company in the future on acceptable terms or otherwise.

EQR issues equity and guarantees certain debt of the Operating Partnership from time to time. EQR does not have any indebtedness as all debt is incurred by the Operating Partnership.

The Company's total debt summary schedule as of March 31, 2022 is as follows:

Debt Summary as of March 31, 2022
(\$ in thousands)

	Debt Balances	% of Total
Secured	\$ 2,193,199	26.9%
Unsecured	5,966,952	73.1%
Total	\$ 8,160,151	100.0%
Fixed Rate Debt:		
Secured – Conventional	\$ 1,895,251	23.2%
Unsecured – Public	5,836,957	71.5%
Fixed Rate Debt	7,732,208	94.7%
Floating Rate Debt:		
Secured – Conventional	62,767	0.8%
Secured – Tax Exempt	235,181	2.9%
Unsecured – Revolving Credit Facility	—	—
Unsecured – Commercial Paper Program	129,995	1.6%
Floating Rate Debt	427,943	5.3%
Total	\$ 8,160,151	100.0%

The Company's long-term financing and capital needs have not changed materially from the information included in the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2021.

Definitions

The definition of certain terms described above or below are as follows:

- Acquisition Cap Rate – NOI that the Company anticipates receiving in the next 12 months (or the year two or three stabilized NOI for properties that are in lease-up at acquisition) less an estimate of property management costs/management fees allocated to the project (generally ranging from 2.0% to 4.0% of revenues depending on the size and income streams of the asset) and less an estimate for in-the-unit replacement capital expenditures (generally ranging from \$100-\$450 per apartment unit depending on the age and condition of the asset) divided by the gross purchase price of the asset. The weighted average Acquisition Cap Rate for acquired properties is weighted based on the projected NOI streams and the relative purchase price for each respective property.
- Average Rental Rate – Total Residential rental revenues reflected on a straight-line basis in accordance with GAAP divided by the weighted average occupied apartment units for the reporting period presented.
- Leasing Concessions – Reflects upfront discounts on both new move-in and renewal leases on a straight-line basis.
- Non-Residential – Consists of revenues and expenses from retail and public parking garage operations.
- Non-Same Store Properties – For annual comparisons, primarily includes all properties acquired during 2021 and 2022, plus any properties in lease-up and not stabilized as of January 1, 2021.
- Percentage of Residents Renewing – Leases renewed expressed as a percentage of total renewal offers extended during the reporting period.
- 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.
- Residential – Consists of multifamily apartment revenues and expenses.
- Same Store Properties – For annual comparisons, primarily includes all properties acquired or completed that are stabilized prior to January 1, 2021, less properties subsequently sold. Properties are included in Same Store when they are stabilized for all of the current and comparable periods presented.

- Same Store Residential Revenues – Revenues from our same store properties presented on a GAAP basis which reflects the impact of Leasing Concessions on a straight-line basis.
- Turnover – Total Residential move-outs (including inter-property and intra-property transfers) divided by total Residential apartment units.

Critical Accounting Policies and Estimates

The Company's and the Operating Partnership's critical accounting policies and estimates have not changed from the information included in the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2021.

Funds From Operations and Normalized Funds From Operations

The following is the Company's and the Operating Partnership's reconciliation of net income to FFO available to Common Shares and Units / Units and Normalized FFO available to Common Shares and Units / Units for the quarters ended March 31, 2022 and 2021:

Funds From Operations and Normalized Funds From Operations (Amounts in thousands)

	Quarter Ended March 31,	
	2022	2021
Net income	\$ 73,798	\$ 60,364
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(639)	(682)
Preferred/preference distributions	(772)	(773)
Net income available to Common Shares and Units / Units	72,387	58,909
Adjustments:		
Depreciation	229,961	199,962
Depreciation – Non-real estate additions	(1,052)	(1,100)
Depreciation – Partially Owned Properties	(893)	(828)
Depreciation – Unconsolidated Properties	620	617
Net (gain) loss on sales of unconsolidated entities - operating assets	(9)	(4)
Net (gain) loss on sales of real estate properties	102	43
FFO available to Common Shares and Units / Units (1) (3) (4)	301,116	257,599
Adjustments:		
Impairment – non-operating assets	—	—
Write-off of pursuit costs	1,463	1,331
Debt extinguishment and preferred share redemption (gains) losses	—	264
Non-operating asset (gains) losses	(1,642)	854
Other miscellaneous items	(371)	2,242
Normalized FFO available to Common Shares and Units / Units (2) (3) (4)	\$ 300,566	\$ 262,290
FFO (1) (3)	\$ 301,888	\$ 258,372
Preferred/preference distributions	(772)	(773)
FFO available to Common Shares and Units / Units (1) (3) (4)	\$ 301,116	\$ 257,599
Normalized FFO (2) (3)	\$ 301,338	\$ 263,063
Preferred/preference distributions	(772)	(773)
Normalized FFO available to Common Shares and Units / Units (2) (3) (4)	\$ 300,566	\$ 262,290

- (1) The National Association of Real Estate Investment Trusts ("Nareit") defines funds from operations ("FFO") (December 2018 White Paper) as net income (computed in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding gains or losses from sales and impairment write-downs of depreciable real estate and land when connected to the main business of a REIT, impairment write-downs of investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity and depreciation and amortization related to real estate. Adjustments for partially owned consolidated and unconsolidated partnerships and joint ventures are calculated to reflect funds from operations on the same basis.
- (2) Normalized funds from operations ("Normalized FFO") begins with FFO and excludes:
- the impact of any expenses relating to non-operating asset impairment;
 - pursuit cost write-offs;
 - gains and losses from early debt extinguishment and preferred share redemptions;
 - gains and losses from non-operating assets; and
 - other miscellaneous items.
- (3) The Company believes that FFO and FFO available to Common Shares and Units / Units are helpful to investors as supplemental measures of the operating performance of a real estate company, because they are recognized measures of performance by the real estate industry and by excluding gains or losses from sales and impairment write-downs of depreciable real estate and excluding depreciation related to real estate (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO and FFO available to Common Shares and Units / Units can help compare the operating performance of a company's real estate between periods or as compared to different companies. The Company also believes that Normalized FFO and Normalized FFO available to Common Shares

and Units / Units are helpful to investors as supplemental measures of the operating performance of a real estate company because they allow investors to compare the Company's operating performance to its performance in prior reporting periods and to the operating performance of other real estate companies without the effect of items that by their nature are not comparable from period to period and tend to obscure the Company's actual operating results. FFO, FFO available to Common Shares and Units / Units, Normalized FFO and Normalized FFO available to Common Shares and Units / Units do not represent net income, net income available to Common Shares / Units or net cash flows from operating activities in accordance with GAAP. Therefore, FFO, FFO available to Common Shares and Units / Units, Normalized FFO and Normalized FFO available to Common Shares and Units / Units should not be exclusively considered as alternatives to net income, net income available to Common Shares / Units or net cash flows from operating activities as determined by GAAP or as a measure of liquidity. The Company's calculation of FFO, FFO available to Common Shares and Units / Units, Normalized FFO and Normalized FFO available to Common Shares and Units / Units may differ from other real estate companies due to, among other items, variations in cost capitalization policies for capital expenditures and, accordingly, may not be comparable to such other real estate companies.

- (4) FFO available to Common Shares and Units / Units and Normalized FFO available to Common Shares and Units / Units are calculated on a basis consistent with net income available to Common Shares / Units and reflects adjustments to net income for preferred distributions and premiums on redemption of preferred shares/preference units in accordance with GAAP. The equity positions of various individuals and entities that contributed their properties to the Operating Partnership in exchange for OP Units are collectively referred to as the "Noncontrolling Interests – Operating Partnership". Subject to certain restrictions, the Noncontrolling Interests – Operating Partnership may exchange their OP Units for Common Shares on a one-for-one basis.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's and the Operating Partnership's market risk has not changed materially from the amounts and information reported in Part II, Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, to the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2021. See Note 10 in the Notes to Consolidated Financial Statements for additional discussion of fair value measurements.

Item 4. Controls and Procedures

Equity Residential

(a) Evaluation of Disclosure Controls and Procedures:

Effective as of March 31, 2022, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in its Exchange Act filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

(b) Changes in Internal Control over Financial Reporting:

There were no changes to the internal control over financial reporting of the Company identified in connection with the Company's evaluation referred to above that occurred during the first quarter of 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ERP Operating Limited Partnership

(a) Evaluation of Disclosure Controls and Procedures:

Effective as of March 31, 2022, the Operating Partnership carried out an evaluation, under the supervision and with the participation of the Operating Partnership's management, including the Chief Executive Officer and Chief Financial Officer of EQR, of the effectiveness of the Operating Partnership's disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures are effective to ensure that information required to be disclosed by the Operating Partnership in its Exchange Act filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

(b) Changes in Internal Control over Financial Reporting:

There were no changes to the internal control over financial reporting of the Operating Partnership identified in connection with the Operating Partnership's evaluation referred to above that occurred during the first quarter of 2022 that have materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

As of March 31, 2022, the Company does not believe there is any litigation pending or threatened against it that, individually or in the aggregate, may reasonably be expected to have a material adverse effect on the Company.

Item 1A. Risk Factors

There have been no material changes to the risk factors that were discussed in Part I, Item 1A of the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the quarter ended March 31, 2022, EQR issued 6,756 Common Shares in exchange for 6,756 OP Units held by various limited partners of ERPOP. OP Units are generally exchangeable into Common Shares on a one-for-one basis or, at the option of ERPOP, the cash equivalent thereof, at any time one year after the date of issuance. These shares were either registered under the Securities Act of 1933, as amended (the "Securities Act"), or issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act and the rules and regulations promulgated thereunder, as these were transactions by an issuer not involving a public offering. In light of the manner of the sale and information obtained by EQR from the limited partners in connection with these transactions, EQR believes it may rely on these exemptions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits – See the Exhibit Index.

EXHIBIT INDEX

The exhibits listed below are filed as part of this report. References to exhibits or other filings under the caption “Location” indicate that the exhibit or other filing has been filed, that the indexed exhibit and the exhibit referred to are the same and that the exhibit referred to is incorporated by reference. The Commission file numbers for our Exchange Act filings referenced below are 1-12252 (Equity Residential) and 0-24920 (ERP Operating Limited Partnership).

Exhibit	Description	Location
10.1	Form of 2022 Long-Term Incentive Plan Award Agreement.	Attached herein.
31.1	Equity Residential – Certification of Mark J. Parrell, Chief Executive Officer.	Attached herein.
31.2	Equity Residential – Certification of Robert A. Garechana, Chief Financial Officer.	Attached herein.
31.3	ERP Operating Limited Partnership – Certification of Mark J. Parrell, Chief Executive Officer of Registrant’s General Partner.	Attached herein.
31.4	ERP Operating Limited Partnership – Certification of Robert A. Garechana, Chief Financial Officer of Registrant’s General Partner.	Attached herein.
32.1	Equity Residential – Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Mark J. Parrell, Chief Executive Officer of the Company.	Attached herein.
32.2	Equity Residential – Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Robert A. Garechana, Chief Financial Officer of the Company.	Attached herein.
32.3	ERP Operating Limited Partnership – Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Mark J. Parrell, Chief Executive Officer of Registrant’s General Partner.	Attached herein.
32.4	ERP Operating Limited Partnership – Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Robert A. Garechana, Chief Financial Officer of Registrant’s General Partner.	Attached herein.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.	
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EQUITY RESIDENTIAL

Date: April 29, 2022

By: /s/ Robert A. Garechana
Robert A. Garechana
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: April 29, 2022

By: /s/ Ian S. Kaufman
Ian S. Kaufman
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

ERP OPERATING LIMITED PARTNERSHIP

BY: EQUITY RESIDENTIAL

ITS GENERAL PARTNER

Date: April 29, 2022

By: /s/ Robert A. Garechana
Robert A. Garechana
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: April 29, 2022

By: /s/ Ian S. Kaufman
Ian S. Kaufman
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

**EQUITY RESIDENTIAL
2022 LONG-TERM INCENTIVE PLAN AWARD AGREEMENT**

This 2022 Long-Term Incentive Plan Award Agreement (the “Award Agreement”) is made as of January 1, 2022 between Equity Residential (the “Company”) and _____ (the “Grantee”).

RECITALS

A. The Company, acting pursuant to authorization from its Board of Trustees and its Compensation Committee (the “Compensation Committee”), hereby grants the Grantee a Long-Term Incentive Plan Award (“Award”) as of the date hereof and as more fully set forth on Schedule A.

B. The Grantee can be issued, or retain, as the case may be, from 0% to 200% of the target number of Restricted Shares and/or Restricted Units that comprise the Award based on the Company’s relative Total Shareholder Return (“TSR”) and achievement of Normalized Funds From Operations (“NFFO”) and Net Debt to Normalized EBITDA (defined herein) relative to a target, as further described herein, for the period beginning January 1, 2022 and ending December 31, 2024 (the “Performance Period”).

C. Restricted Shares are unvested common shares of beneficial interest of the Company. Restricted Units are a special class of interest in ERP Operating Limited Partnership (“ERP”), the Company’s operating partnership. Both Restricted Shares and Restricted Units are subject to vesting and other tax considerations. Each Restricted Unit is convertible, under certain conditions, into one OP Unit, which is a class of partnership interest in ERP that can be exchanged for a common share in the Company. Any Restricted Units issued under the Award will be known as the Series 2022A Restricted Units and are issued subject to the terms and conditions contained in the Certificate of Designation of Series 2022A Restricted Units of ERP Operating Limited Partnership dated of even date herewith.

D. The Award, issued pursuant to the Company’s 2022 Long-Term Incentive Plan (“LTI Plan”) and its 2019 Share Incentive Plan (“2019 Share Plan”), references a target number of Restricted Shares and/or Restricted Units. The Grantee previously made an election to have the Award settled after the end of the Performance Period in the form of either Restricted Shares and/or Restricted Units. To the extent that the Grantee elected to receive Restricted Units, the Restricted Units are being issued as of the date hereof at the maximum 200% of the target amount, but the ultimate number of Restricted Units to be retained by Grantee is subject to final determination at the end of the Performance Period as provided in Section 1(f) hereof. To the extent that the Grantee elected to receive Restricted Shares, such shares are not being issued as of the date hereof, but the Award will be settled after the end of the Performance Period in the form of Restricted Shares.

NOW, THEREFORE, the Company and the Grantee agree as follows:

1. **Performance Metrics**

The following “Performance Metrics” will determine the actual number of Restricted Shares and/or Restricted Units the Grantee may earn pursuant to the Award at the end of the Performance Period:

a. **Company TSR relative to Apartment Index Weighted Average TSR:** A percentage of 35% of the target Award will be earned based on the relative performance of the Company’s TSR to the weighted average of the TSR of the member companies comprising the FTSE Nareit Equity Apartments Index, as adjusted to exclude the Company from the index (the “Apartment Index”), for the Performance Period as follows:

<u>Company TSR Performance relative to Apartment Index Weighted Average TSR</u>	<u>Percentage of 35% Earned</u>
more than 400 basis points below average	0%
400 basis points below average (“threshold”)	50%
Equal to the average (“target”)	100%
400 basis points or more above average (“maximum”)	200%

b. **Company TSR relative to Equity Index Weighted Average TSR:** A percentage of 20% of the target Award will be earned based on the relative performance of the Company’s TSR to the weighted average of the TSR of the member companies comprising the FTSE Nareit Equity REIT Index, including the Company (the “Equity Index”), for the Performance Period as follows:

<u>Company TSR Performance relative to Equity Index Weighted Average TSR</u>	<u>Percentage of 20% Earned</u>
more than 500 basis points below average	0%
500 basis points below average (“threshold”)	50%
Equal to the average (“target”)	100%
500 basis points or more above average (“maximum”)	200%

c. **Net Debt to Normalized EBITDA relative to a target established for each period:** A percentage of 22.5% of the target Award will be earned based on the Company’s achievement of Net Debt to Normalized EBITDA relative to a target established by the Compensation Committee at the beginning of the Performance Period as follows:

<u>Net Debt to Normalized EBITDA relative to Company’s target Net Debt to Normalized EBITDA expectations</u>	<u>Percentage of 22.5% Earned</u>
More than 6.50x	0%
6.50x (“threshold”)	50%
5.30x to 5.70x (“target”)	100%
4.50x (“maximum”)	200%

The achievement of this metric shall be determined on a quarterly basis and the average of the twelve quarters of each quarterly computation in the Company’s quarterly earnings releases shall be used in the final determination of the Award.

d. **NFFO relative to a target established for each calendar year:** A percentage of 22.5% of the target Award will be earned based on the Company’s achievement of NFFO relative to a target established by the Compensation Committee for each year of the three-year Performance Period.

No later than March 31 of each calendar year, the Compensation Committee shall establish the threshold, target and maximum NFFO performance level metrics for such calendar year. In no event will target be less than the midpoint of the Company’s range of NFFO expectations for the year, provided that the Compensation Committee may specify a range above and below the midpoint to be paid at target and except as provided in Section 2(e). The achievement of this metric shall be determined on an annual basis and the average of the three years shall be used in the final determination of the Award.

To the extent the Company is using a NFFO performance metric with threshold (50%) and maximum (200%) limits in its Annual Incentive Plan Corporate Goals for any calendar year, it shall use the same threshold and maximum metrics in the NFFO metric hereunder.

The following is an example of a sample NFFO performance metric:

<u>NFFO relative to Company’s target NFFO expectations</u>	<u>Percentage of 22.5% Earned</u>
Less than threshold	0%
\$XXXX (“threshold”)	50%
\$XXXX (“target”)	100%
\$XXXX (“maximum”)	200%

e. For results between threshold and target, or between target and maximum, the appropriate percentage of the target Award earned shall be based on interpolation. Performance against each metric is also measured separately of the others. As an example:

TSR relative to Apartment Index Weighted Average TSR (35% of Award)	TSR relative to Equity Index Weighted Average TSR (20% of Award)	Net Debt to Normalized EBITDAre (22.5% of Award)	NFFO relative to annual target (22.5% of Award)
It = Equal to the average l to the average = 100% of target f 35% earned = 100% x 100% = 35%	Result = 108 basis points above the average 108 basis points = 127% of target Pct of 20% earned = 127% 20% x 127% = 25.4%	Result = 5.50x 5.50x = 100% of target Pct of 22.5% earned = 100% 22.5% x 100% = 22.5%	Result = target (100%) Pct of 22.5% earned = 100% 22.5% x 100% = 22.5%
il Calculation of Award = 35% + 25.4% + 22.5% + 22.5% = 105.4% of Target			

f. The Compensation Committee as promptly as practicable (but in no event later than 45 days) following the conclusion of the Performance Period shall (i) determine the performance of the Company’s TSR, Net Debt to Normalized EBITDAre and NFFO over the Performance Period as compared against the Performance Metrics established for the period; (ii) determine and issue to the Grantee the number of resulting Restricted Shares in settlement of the Award; (iii) determine the actual number of Restricted Units that are retained by the Grantee; and (iv) make any dividend equivalent payments and cash distributions required pursuant to Section 5(a) and 5(b) hereof. Any Restricted Units the Grantee was awarded that are in excess of

the actual resulting number at the end of the Performance Period, as determined by the Compensation Committee, shall be forfeited and become null and void. Fractional shares and units will not be issued, with any securities issued as an Award rounded down to the nearest whole amount.

g. To the extent the Company changes or discontinues its use of any of the above Performance Metrics, or if any of such Performance Metrics become inapplicable for its intended purpose, the Compensation Committee retains the discretion to substitute alternate metrics, so long as the substitution is done in an equitable manner.

2. **Definitions of Performance Metrics; Adjustments**

a. **TSR.** The Company's TSR represents the compounded annual return of an investment in one common share in the Company over the Performance Period, expressed as a percentage (and sometimes commonly referred to as the "compound annual growth rate", or "CAGR"), assuming the following:

- (i) Beginning Share Price: \$88.03, which represents the average closing price of a common share in the Company over the last 20 trading days prior to the beginning of the Performance Period and is equal to the "Ending Share Price" under the 2019 LTI Plan.
- (ii) Ending Share Price: average closing price of a common share in the Company over the last 20 trading days of the Performance Period, except as set forth in the Change in Control provisions of Section 3.
- (iii) Dividends are reinvested in additional common shares in the Company on the ex-dividend date for such dividend at the closing price of a common share in the Company.

The TSR of each of the member companies comprising the Apartment Index and Equity Index over the Performance Period shall be calculated using the methodologies analogous in all material respects to those used for the calculation of the Company's TSR as described in Section 2(a) to provide a fair comparison of TSRs, and as is the case with the Company (see Section 2(e)), the Compensation Committee shall make equitable adjustments to the TSR of such member companies to take into account any extraordinary, unusual or non-recurring corporate events as described in Section 14 of the 2019 Share Plan affecting such member companies, such as spin-offs, stock splits, reverse splits, special dividends, recapitalizations, reclassifications and similar events. The Compensation Committee has discretion in how the required adjustments are determined as long as they are done equitably.

The Company's TSR will be compared to the Apartment Index using a same store approach (all constituents must be included in the index for all three years), while the comparison to the Equity Index will not use this same store approach. In comparison to the Apartment Index, the Equity Index is much larger and weighted through daily rebalancing so no further adjustments are necessary for changes in the constituents who comprise the index. Accordingly, for purposes of the Apartment Index, companies that are not public throughout the entire Performance Period will be excluded from the TSR calculations. In addition, a member

company of the Apartment Index will be excluded from the TSR calculations if on the last day of the Performance Period such company is under a definitive agreement to be acquired or merged out of existence during the next 12 months. Also, any such member company of the Apartment Index that files for bankruptcy during the Performance Period shall have a minus 100% value assigned to its TSR for purposes of the TSR calculations.

The market capitalization of the companies in the Apartment Index shall be weighted based on the market capitalization weighting method used by FTSE one time at the beginning of the Performance Period (using the average of the last 20 trading days prior to the beginning of the Performance Period) to determine each company's weighted share of the final results. For example, if there are five companies in the index as of the beginning of the Performance Period with the identical market capitalization, each company's share of the final results shall be 20%. If one of the companies is excluded from the TSR calculations, as provided above, then each of the remaining company's weighted share shall be 25%.

b. Net Debt. "Net Debt" means the Company's total debt less cash and cash equivalents and mortgage principal reserves/sinking funds as calculated in the Company's quarterly earnings releases.

c. Normalized EBITDAre. "Normalized EBITDAre" means the Company's "Normalized Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate" as defined in the Company's most recent quarterly earnings release at any given time, subject to adjustment as described in Section 1(g) hereof.

d. NFFO. "NFFO" means the Company's "Normalized Funds from Operations" as defined in the Company's most recent Form 10-K or 10-Q at any given time, subject to adjustment as described in Section 1(g) hereof.

e. Adjustments. The Compensation Committee shall make equitable adjustments to the Award granted hereunder and/or the Performance Metrics contained herein to take into account any extraordinary, unusual or non-recurring corporate events affecting the Company as described in Section 14 of the 2019 Share Plan (such as spin-offs, stock splits, reverse splits, special dividends, recapitalizations, reclassifications and similar events), so that the total value of the Award shall not be changed by such events.

Furthermore, the Compensation Committee shall make equitable adjustments to the Award granted hereunder and/or the Performance Metrics contained herein to take into account any other significant or unforeseen events which occur (as an example only, such as a purchase or sale of a significant number of assets which would justify a change in the NFFO Performance Metric), so that the total value of the Award shall not be changed by such events.

The Compensation Committee has discretion in how the required adjustments are determined as long as they are done equitably.

3. **Change in Control**

If a Change in Control occurs at any time prior to the end of the Performance Period, the Award shall be valued as though the Performance Period had ended on the date of the Change in

Control, and for purposes of calculating TSR, the Ending Share Price for the Company and the relevant index companies shall be the closing price of each company's common shares on the date of the Change in Control (as opposed to a trailing average), which together with the Net Debt to Normalized EBITDA and NFFO Performance Metrics (as appropriately prorated) shall determine the actual number of Restricted Shares issued and/or Restricted Units retained by the Grantee, which shall be a percentage (from zero to 200%) of the target Award. While the valuation of the Award shall be fixed as set forth above in the event of a Change in Control, vesting of the Award upon a Change in Control is governed by the terms of the 2019 Share Plan. Dividend equivalent payments and distributions payable pursuant to Section 5 hereof would be paid at the time of vesting of the Award based on the actual number of Restricted Shares issued and/or Restricted Units retained. In the event of any conflict between the terms of this Section 3 and the terms set forth in the 2019 Share Plan and any "change in control" agreement between the Company and the Grantee entered into prior to or as of the date hereof, the terms of this Section 3 shall control; provided, however, that any Restricted Shares issued, Restricted Units retained, and other payments made pursuant to this Section 3 are expressly subject to "modified cutback" language contained in any "change in control" agreement between the Company and the Grantee.

4. **Vesting**

a. Employees. All Restricted Shares and/or Restricted Units that are the result of the settlement of an Award to a grantee who is an employee of the Company or any of its affiliates (an "Employee Grantee") shall, subject to the proration provisions in Section 4(c) below, fully vest on the issuance date for Restricted Shares and on the date of the determination of the resulting number of retained Restricted Units, as provided in Section 1 hereof, subject to continued employment, and the other vesting provisions described below in Section 4(c)(i), provided that if the vesting date occurs within a trading lockout imposed by the Company, the vesting date for grantees subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), at the time of vesting will be automatically extended to the first business day after expiration of the lockout.

b. Chairman of the Board of Trustees. All Restricted Shares and/or Restricted Units that are the result of the settlement of an Award to a grantee who is the Chairman of the Board of Trustees of the Company (the "Chairman") at the time of the grant of an Award hereunder shall fully vest on the issuance date for Restricted Shares and on the date of the determination of the resulting number of retained Restricted Units, as provided in Section 1 hereof, subject to continued service as Chairman and the proration provisions in Section 4(c) below, provided that if the vesting date occurs within a trading lockout imposed by the Company, the vesting date for grantees subject to Section 16 of the Exchange Act at the time of vesting will be automatically extended to the first business day after expiration of the lockout. Notwithstanding the foregoing, any unvested Restricted Shares and/or Restricted Units that comprise an Award to the Chairman shall fully accelerate and vest in advance of the vesting specified above upon the following events: (i) the death of the Chairman; (ii) the Chairman's voluntary retirement from the Board of Trustees, or the Chairman's decision not to stand for re-election to the Board of Trustees; (iii) the failure of the Chairman to be re-nominated to the Board of Trustees or named as Chairman of the Board of Trustees; or (iv) the failure of the Chairman to be re-elected to the Board of Trustees if the Chairman is re-nominated to the Board of Trustees.

c. Termination of Employment. If a “Qualified Termination” of employment (or, in the case of the Chairman, in relation to service on the Board of Trustees) occurs during the first year of the Performance Period, the Grantee’s Award shall be prorated in the proportion that the number of days employed during such year bears to 365 (or 366 if such year is a leap year), as the award represents payment for services to be provided during the first year of the Performance Period. For example, if the Grantee had a Qualified Termination of employment on October 1, 2022, Grantee’s prorated portion would be 9/12 of the Award, and 3/12 of the Award would be forfeited. The number of resulting Restricted Shares and/or Restricted Units (based on the pro-rated Award) will continue to be determined at the end of the Performance Period. All dividend equivalent payments and Partial Distributions described in Section 5 shall be based on the pro-rated Award from and after the date of the Qualified Termination. Qualified Termination is defined as follows:

- (i) For an Employee Grantee, a Qualified Termination is termination of employment due to:
 - (a) Death,
 - (b) Disability,
 - (c) Retirement at or after age 62, provided that (i) the Employee Grantee’s service at the Company commenced prior to January 1, 2009 and (ii) the Employee Grantee was at least 59 years old as of February 1, 2019, or
 - (d) Retirement in accordance with the Rule of 70.

Vesting is immediate for a Qualified Termination due to (i) the events described above in Section 4(c)(i)(a)-(b) and (ii) the event described above in Section 4(c)(i)(c), provided the Grantee signs a release in a form that is reasonably satisfactory to the Company releasing the Company from customary claims. For a Qualified Termination due to the event described above in Section 4(c)(i)(d), vesting continues after retirement, provided the Grantee signs a release in a form that is reasonably satisfactory to the Company releasing the Company from customary claims and also containing non-competition and employee non-solicitation provisions and complies with such non-competition and employee non-solicitation provisions.

- (ii) For the Chairman, a Qualified Termination means the events described above in Section 4(b)(i)-(iv).

- (iii) If a Grantee’s employment (or service in the case of the Chairman) terminates prior to vesting of the Award for any reason other than pursuant to a Qualified Termination or Change in Control, any unvested Awards shall be forfeited, unless the Compensation Committee determines otherwise.

5. **Dividend Equivalent Payments/Cash Distributions**

a. With respect to an Award granted to the Grantee which will be settled in the form of Restricted Shares after the end of the Performance Period, the Company shall not pay the Grantee any dividends on such Award. Once the number of resulting Restricted Shares has been determined by the Compensation Committee after the end of the Performance Period pursuant to

Section 1(f) hereof, the Company shall make a payment without interest to the Grantee, as required under Section 1, in an amount equal to the amount of any and all dividends that would have been paid on those Restricted Shares had they been outstanding and entitled to dividends during the period from the grant date of the Award to the date of issuance, except to the extent such dividends have already been taken into account in adjustments made to the target number of Restricted Shares as required by Section 2(e) for purposes of ensuring that the total value of the Award has not changed, and except as set forth in Section 5(c). This payment will be considered compensation for all purposes, and will be received by the Grantee in its capacity as an employee, or as the Chairman of the Board, and not in such person's capacity as a shareholder.

b. With respect to any Restricted Units granted to the Grantee, the Company shall cause ERP to pay the Grantee a distribution in the amount of 10 percent of any and all cash distributions ("Partial Distributions") paid on OP Units during the period from the grant date to the date of final determination of resulting Restricted Units except as set forth in Section 5(c). Partial Distributions are non-forfeitable when paid, whether or not the underlying Restricted Units are eventually retained pursuant to the terms of this Award Agreement. Once the number of resulting Restricted Units has been determined by the Compensation Committee at the end of the Performance Period pursuant to Section 1(f) hereof, ERP shall promptly make a payment in cash without interest to the Grantee, as required under Section 1, in the amount of any and all cash distributions that would have been paid on those resulting Restricted Units had they been outstanding and entitled to full distributions during the period from the grant date of the Award to such determination, less any previously paid Partial Distributions, except to the extent any such distributions have already been taken into account in adjustments made to the target number of Restricted Units as required by Section 2(e) for purposes of ensuring that the total value of the Award has not changed, and except as set forth in Section 5(c).

c. Notwithstanding the foregoing, for purposes of this Award Agreement the Grantee shall not be entitled to any dividend equivalent payments or distributions (including, without limitation, any Partial Distributions) that relate to the dividends and/or distributions declared by the Company on December 16, 2021.

d. It is the intention of this Award Agreement, subject to the discretion of the Compensation Committee to make equitable adjustments, that the dividend equivalent payments and distributions payable to grantees under Section 5 should normally take into account dividends and distributions that have been or would have been typically and customarily paid on issued Restricted Shares and retained Restricted Units had the determination of the number of Restricted Shares issued and Restricted Units retained hereunder been finalized as of close of business on December 31, 2024.

6. Notices

Any notice to be given under the terms of this Award Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Grantee shall be addressed to the address as set forth in the Company's records. Either party may hereafter designate a different address for notices to be given to it or him or her.

7. **Titles; Interpretation**

Titles and captions are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement. Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the 2019 Share Plan or as the context otherwise reasonably indicates. The Compensation Committee shall have the exclusive discretion and authority to conclusively construe and interpret this Award Agreement and the LTI Plan, and to decide any and all questions of fact, interpretation, definition, computation or administration. The determinations of the Compensation Committee shall be binding on all parties.

8. **Amendment**

This Award Agreement may be amended only by a writing executed by the parties hereto which specifically states that it is amending this Award Agreement.

9. **Governing Law**

The laws of the State of Maryland shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Award Agreement regardless of the law that might be applied under principles of conflicts of laws.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have caused this Award Agreement to be executed as of the aforesaid date.

EQUITY RESIDENTIAL

By:

The foregoing Award Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

GRANTEE

SCHEDULE A

Name of Grantee	
Target number of Restricted Units	_____ 200% of this target number, or _____ Restricted Units, will be issued to the Grantee, subject to the Compensation Committee's determination of the Company's performance results for the Performance Period and the determination of the resulting number of retained Restricted Units.
Target number of Restricted Shares	_____
Performance Period	January 1, 2022 to December 31, 2024

**Equity Residential
CERTIFICATIONS**

I, Mark J. Parrell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equity Residential;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2022

/s/ Mark J. Parrell

Mark J. Parrell
Chief Executive Officer

**Equity Residential
CERTIFICATIONS**

I, Robert A. Garechana, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equity Residential;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2022

/s/ Robert A. Garechana
Robert A. Garechana
Chief Financial Officer

**ERP Operating Limited Partnership
CERTIFICATIONS**

I, Mark J. Parrell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ERP Operating Limited Partnership;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2022

/s/ Mark J. Parrell

Mark J. Parrell

Chief Executive Officer of Registrant's General Partner

**ERP Operating Limited Partnership
CERTIFICATIONS**

I, Robert A. Garechana, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ERP Operating Limited Partnership;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2022

/s/ Robert A. Garechana

Robert A. Garechana

Chief Financial Officer of Registrant's General Partner

Equity Residential
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Equity Residential (the “Company”) on Form 10-Q for the period ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark J. Parrell, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark J. Parrell

Mark J. Parrell

Chief Executive Officer

April 29, 2022

**Equity Residential
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Equity Residential (the “Company”) on Form 10-Q for the period ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert A. Garechana, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert A. Garechana

Robert A. Garechana
Chief Financial Officer
April 29, 2022

**ERP Operating Limited Partnership
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of ERP Operating Limited Partnership (the “Operating Partnership”) on Form 10-Q for the period ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark J. Parrell, Chief Executive Officer of Equity Residential, general partner of the Operating Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

/s/ Mark J. Parrell

Mark J. Parrell

Chief Executive Officer

of Registrant’s General Partner

April 29, 2022

ERP Operating Limited Partnership
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ERP Operating Limited Partnership (the “Operating Partnership”) on Form 10-Q for the period ending March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert A. Garechana, Chief Financial Officer of Equity Residential, general partner of the Operating Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

/s/ Robert A. Garechana

Robert A. Garechana
Chief Financial Officer
of Registrant’s General Partner
April 29, 2022