Equity Residential (NYSE: EQR)

Buy – Current Price: $61.44 | Target Price: $74.69 | Implied Upside: 21.57%

Real Estate

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Equity Residential

Executive Summary (NYSE: EQR)

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Company Overview

- EQR is one of the largest multifamily REITs in the U.S., owning 311 properties and 84,000+ units across 10 major metropolitan markets, with a 96 percent occupancy rate and a focus on high-quality, high-growth urban communities.
- As one of only 28 REITs in the S&P 500, EQR continues to scale through acquisitions and development, adding over 5,300 units and completing four JV projects in 2024

Industry Overview

- The U.S. multifamily REIT space has experienced a mixed run over the past few years. Strong post pandemic rent growth has cooled as high interest rates, rising unemployment, and a wave of new apartment supply shake up the market.
- Demand remains resilient as migration to key economic hubs continues to change the market state by state.

Investment Thesis

- Strong demand from EQR’s high-income tenants is driving occupancy higher, while limited new supply and favorable rent trends serve as catalysts in a changing market
- Recovery in core coastal markets, specifically San Francisco and New York creating meaningful upside as rents trend back towards pre-COVID levels.
- EQR’s consistent growth – supported by a 5.8% CAGR since 2011 and ongoing share repurchases enhances per-share value. With Fed cuts driving cap-rate compression and property values higher.

Recommendation

- Recommend a buy on EQR with a 12-month price target of ~$70.00
- Including EQR’s 4.5% dividend yield, we see roughly an 18-19% total shareholder return potential

Risks and Catalysts

- Catalysts: Strong demand from high-income renters. Coastal pricing power + low rent-to-income. 2025 cap-rate compression lifting NAV/Share. Sunbelt renewal upside from acquisitions.
- Risks: Higher interest expenses. Reliance on affluent tenants. Potential demand shift from coastal markets. Stricter rent-control policies

Recommend a Buy with a Price Target of $74.69, Reflecting a 21.57% Upside plus a Dividend of 4.5%

EQR Overview

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Business Description

- One of the **largest publicly traded multifamily REITs** in the United States
- **Scale:** 311 properties and 84,249 units across 10 major U.S metros
- **Strategy:** Focus on Class A multifamily in high-barrier coastal gateways and select high-growth markets
- **Performance:** 96.2% occupancy in 2024 with a track record of consistent same-store rent growth
- **Capital Development 2024:** Acquired 18 properties (5,373 units) and completed 4 join venture projects (1,262 units)

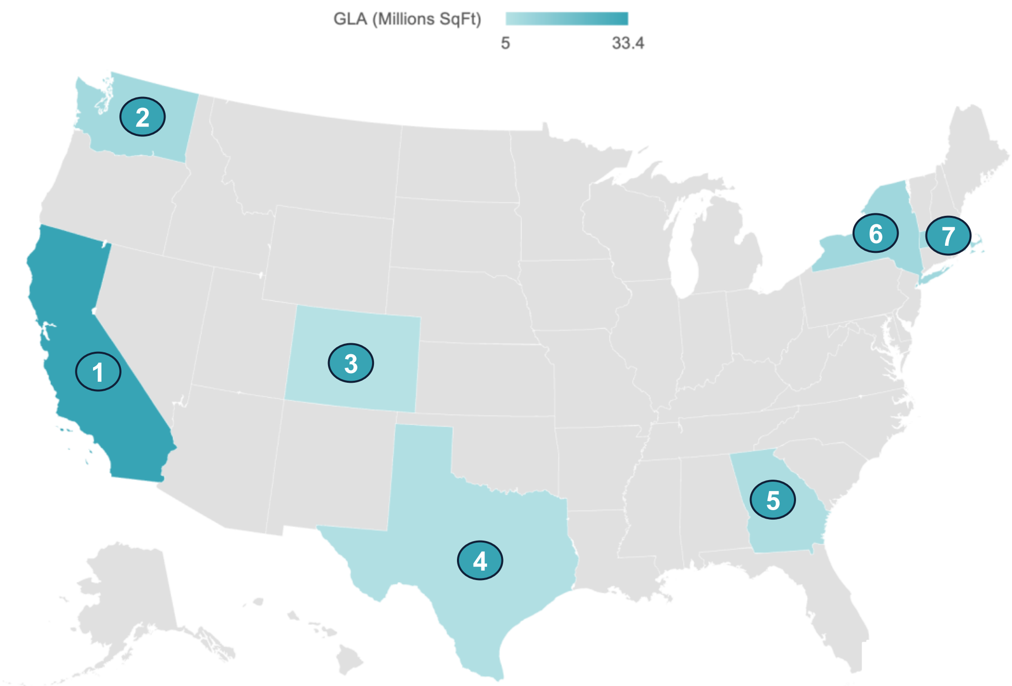
EQR solidifies itself amongst the top multifamily REITs globally through its strategy and scale of operations.

Management Team




Name	Mark J Parrell	Bret McLeod	Michael Manelis	Robert Garechana
Position	CEO	CFO	COO	CIO
Tenure	18 Years	1 Year	26 Years	21 Years

Portfolio Geography



1	CA	Largest concentration of GLA in high-barrier West Coast. Tech and entertainment driven demand supports premium rents
2	WA	Tech centric gateway city with strong job growth and limited new supply supports occupancy
3	CO	Diversified economy and in-migration from higher-cost coastal states
4	TX	Sunbelt expansion markets with fast population and job growth
5	GA	Offers lower-cost alternative to coastal markets while keeping strong demand
6	NY	Large GLA allocation in a stable government-anchored market
7	MA	Highest rent levels in the portfolio, benefiting from knowledge-economy jobs

Sources: S&P Capital IQ, LinkedIn, CoStar

EQR Portfolio

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Notable Assets

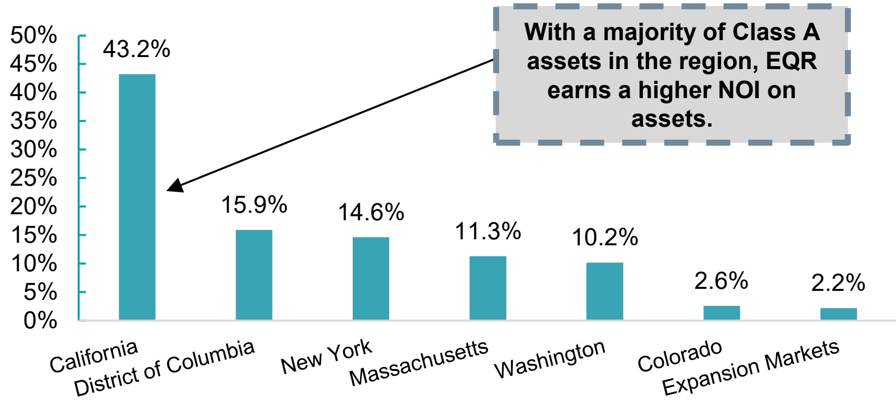
Beatrice Apartments - New York, NY
NYC gateway exposure
- 105 W 29th Street Manhattan NY 10001
- Studio: $4,711 | 1 Bed: $6,647 | 2 Bed $9,931
- EQR's strategy of owning premium assets in supply-constrained coastal markets

Fremont Apartments – San Francisco, CA
Downtown recovery exposure
- 340 Fremont St San Francisco CA 94105
- Studio: $3,301 | 1 Bed: $4,185 | 2 Bed: $5,957
- highlights EQR's positioning in supply-constrained tech-driven submarkets

Reverb Apartments - Washington, DC
Urban transit-oriented community
- 2131 9th St NW Washington DC 20001
- Studio: $1,825 | 1 Bed: $1,925 | 2 Bed: $3,105 | 3 Bed $3,105 | Shared: $1,553
- highlights EQR's focus on young professional, urban renter demand

Woodstock Apartments - Atlanta MSA, GA
Sunbelt suburban growth exposure
- 900 View Dr Woodstock GA 30189
- 1 Bed: $1,540 | 2 Bed: $1,865
- showcases EQR's selective expansion into high-growth Sunbelt markets

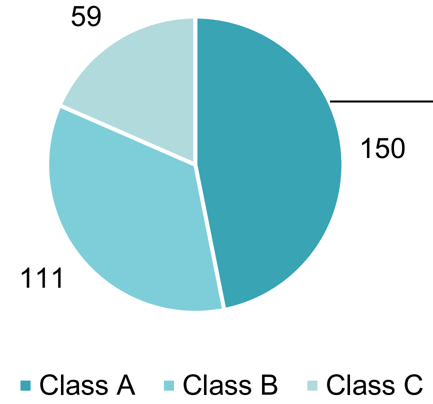
2024 % of Actual NOI



With a majority of Class A assets in the region, EQR earns a higher NOI on assets.

Nearly half of 2024 NOI was derived from California, underscoring the high demand in coastal regions.

Asset Distribution by Class



With over 150 Class A assets, EQR is renting to a higher income residents.

Higher NOI

Lower Capex

High Tenant Retention

EQR's portfolio is anchored by high-end coastal gateway assets like Beatrice, complemented by selective Sunbelt and D.C. exposure through properties such as The View at Woodstock and Reverb.

Sources: S&P Capital IQ, equityapartments.com, 10-K 2025

Key Transactions

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Timeline – Select Transactions

July 23rd, 2023

Lease Up Property - Acquisition	
Location	Atlanta, Georgia
Price	$79 Million
Units	262
Cap Rate	5.15% (Average)

December 1st, 2023

Suwanee and Decatur - Acquisition	
Location	Atlanta, Georgia
Price	$180 Million
Units	634
Cap Rate	5.25% (Average)

March 31st, 2024

3 Properties - Disposition	
Location	Boston, Orange County
Price	$249 Million
Units	504
Cap Rate	5.50% (Average)

August 7th, 2024

11 Sunbelt Properties - Acquisition	
Location	Atlanta, Dallas-Ft. Worth
Price	$964 Million
Units	3572
Cap Rate	5.00% (Average)

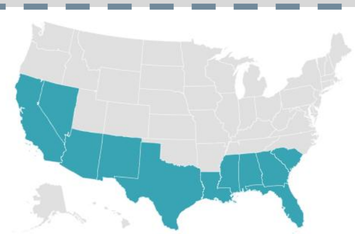
June 10th, 2025

Expansion Portfolio - Acquisition	
Location	Atlanta, Georgia
Price	$534 Million
Units	2064
Cap Rate	5.10% (Average)

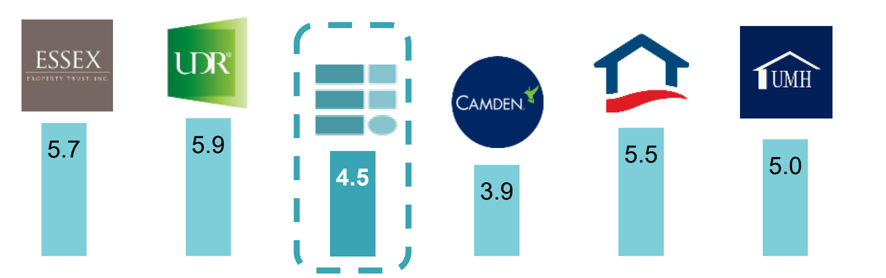
Portfolio Growth in Expansion Markets – Sunbelt Region

- Transaction analysis trends towards **most of the portfolio acquisitions taking place in the Sunbelt region**, with many deals taking place within Greater Atlanta
- **Actively disposing of older, lower-growth assets** and redeploying capital into younger properties within high-growth expansion markets like the Sun Belt

EQR is concentrating roots within the Sunbelt region due to the high geographic demand growth surge in recent quarters.



Stable Net Debt to EBITDA Profile



Many other firms have traded a higher net debt to EBITDA ratio historically, at a metric above the 6.0x range.

Competitive Edge

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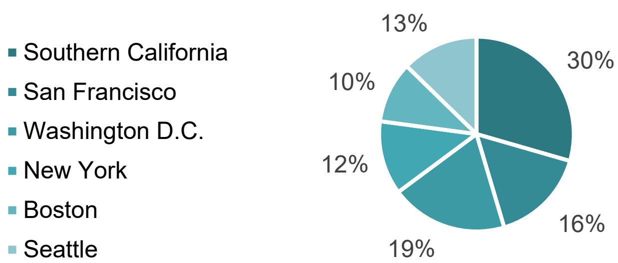
Scale and Market Positioning

- **Equity Residential owns and operates a large portfolio of high-quality apartment communities across major U.S. metropolitan areas**
  - Their portfolio is concentrated in some of the largest and most economically diverse cities which are supported by strong job bases
- **Balanced exposure between established coastal markets and high-growth expansion markets**
  - Coastal hubs deliver stable, resilient cash flow, while markets like Denver and select expansion meters offer faster population growth and long-term upside

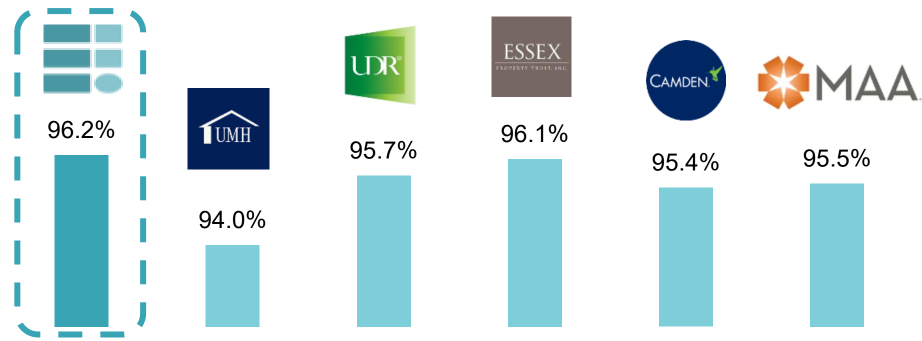
Portfolio Mix by Market



Strong Occupancy Performance and Customer Focus

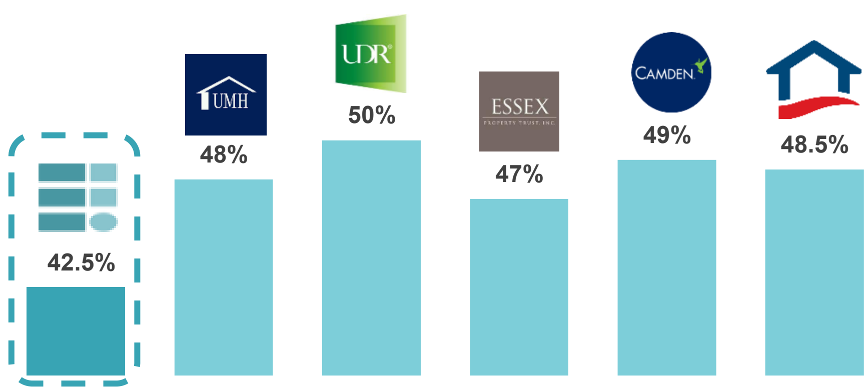
- **EQR maintains consistently high occupancy across its portfolio**
  - 2024 weighted average occupancy stood at 96.2%, supported by strong job markets and healthy demand across most metros
  - Same-store revenue increased 2.6%, while same-store NOI increased 2.3%, reflecting stable rental fundamentals

Occupancy Rates Among Top REITs



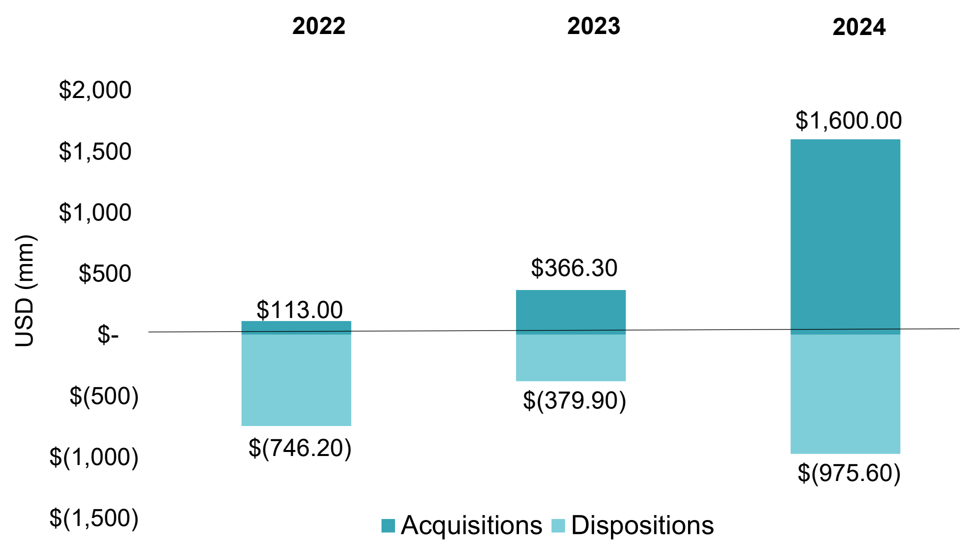
Operational Efficiency: Superior Turnover Performance vs Peers - 2024

Turnover Rates Among Top REITs



EQR outperforms peers with significantly lower turnover, reinforcing its structural advantage in retaining residents.

Capital Recycling – Acquisitions vs. Dispositions



Sources: S&P Capital IQ, SEC Filings, EQR

EQR in the Market

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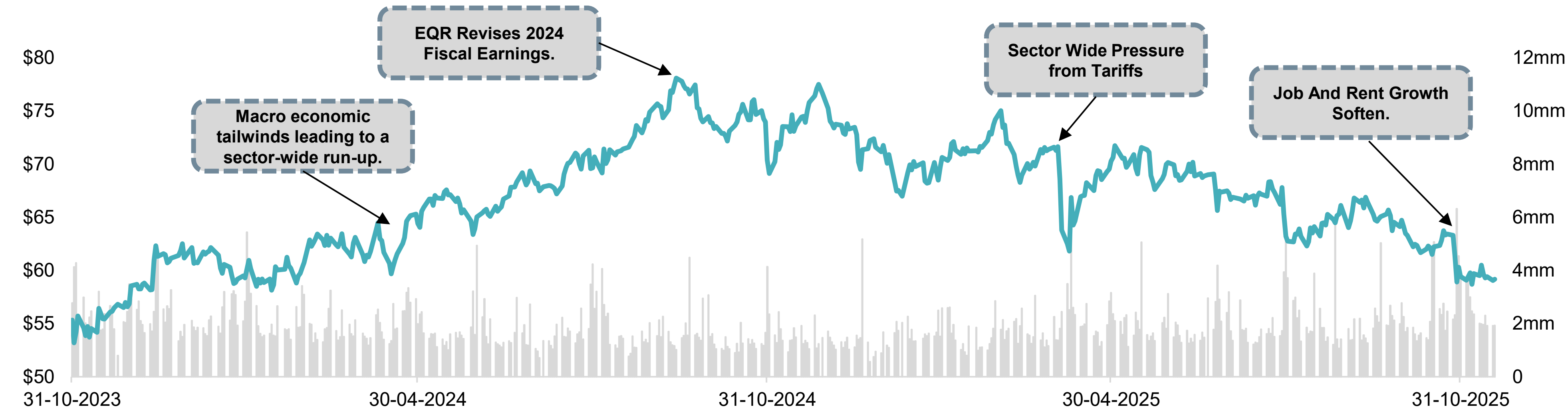
Price to Volume Analysis



Market Valuation

In CAD mm, except share price data

Share Price (*2025-12-01*)	$61.44
Shares Outstanding	380.5
Market Capitalization	**22,498.97**
- Cash & Short-Term Investments	$93.1
+ Total Debt	$8740.6
+ Total Minority Interest	380.1
= Total Enterprise Value (TEV)	**$31,256.57**
52 Week High	**$78.32**
Current % of 52 Week High	**78.45%**

P/FFO Ratio Over the Past 5 Years

The late 2023 through to 2024 peak was largely a sector-wide run-up from a strong US Economy. The decline in EQR this year has been from slower-than-anticipated rent growth, less favourable economic conditions, and revised fiscal year guidance from the company.

Sources: Bloomberg, S&P Capital IQ

CRE Market Trends

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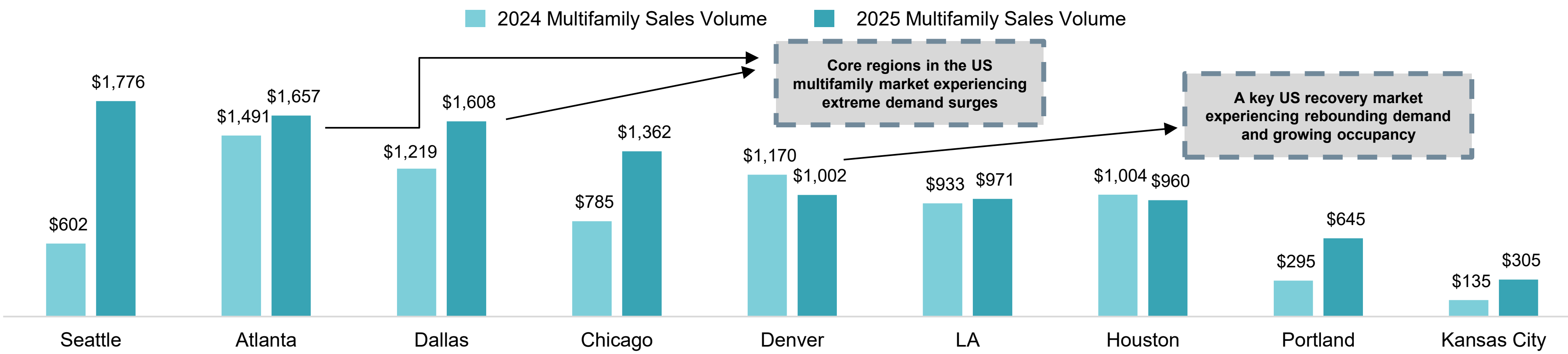
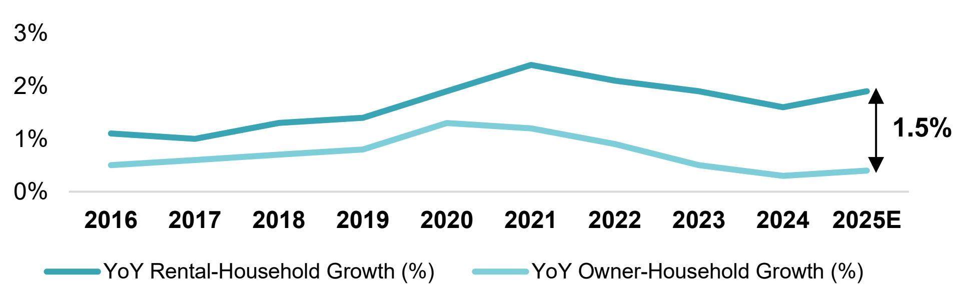
Overview – Public Real Estate Property Management Cycle

1. Acquisition
2. Capital Expenditure
3. Asset Management
4. New Leasing
5. Continued Management

US Core Multifamily Geographies Transaction Volumes

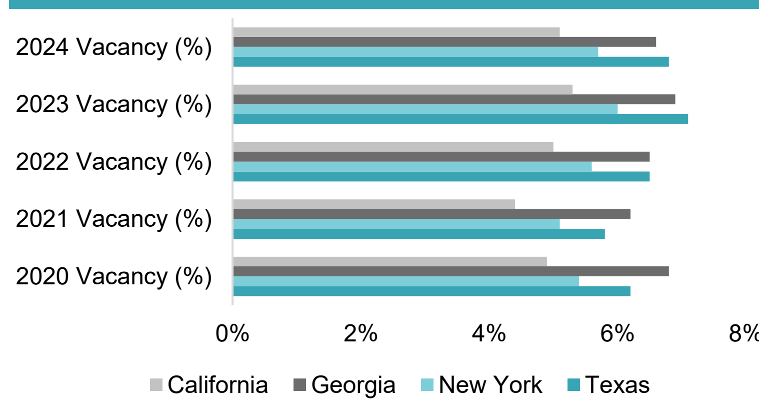


Growing Renter Preference over Purchasing Assets



US Renter Growth is growing at a higher rate that asset owners, pushing towards a societal shift in more renters.

Above Average Multifamily Vacancy Rate Stabilization



Multifamily Vacancy Rates across major US hubs have stabilized above their normal levels.

Market Tailwinds

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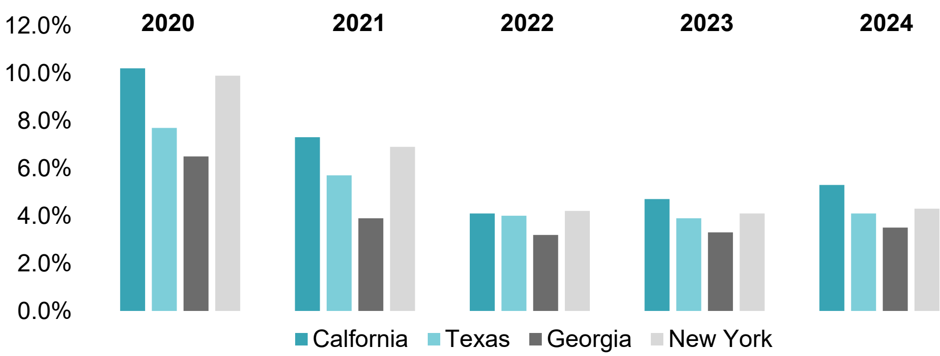
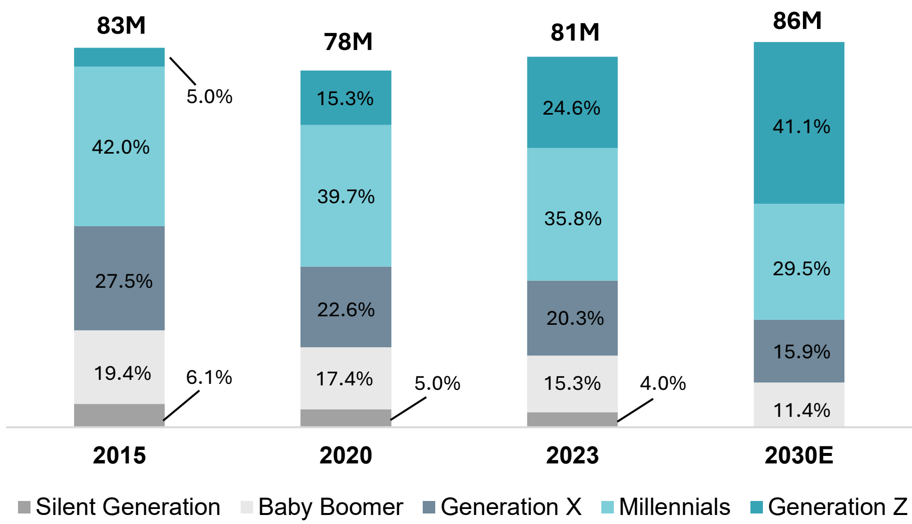
Macro Tailwinds

Key Portfolio Region Unemployment Data



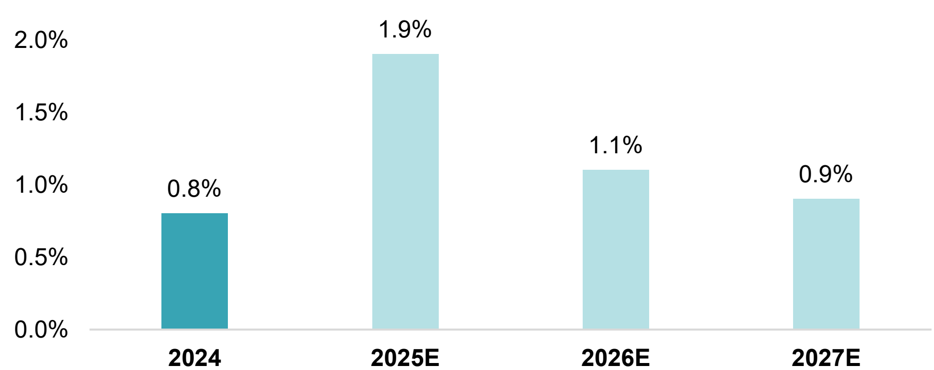
Increasing demand across the United States points towards new household formation and lower turnover; thus, boosting multifamily occupancy, rent growth, and renewal rates.

Estimated Renter Population By Generation in the U.S.



Market Supply-Demand Disequilibrium

New Supply Deliveries as % of Inventory in EQR Markets



With constant growing demand in core markets for EQR, the new supply is not matching what is needed to satisfy all potential customers.

Summer 2025 City Office REIT Transaction

- The majority of CORs portfolio was in the **Sunbelt region, showing mass signs of office use and low vacancy rates within the region**
- This points towards **renewed investor confidence within the Sunbelt region**, catalyzing occupancy rates and demand within the region as there is **lower structural risk in this geography**

Restriction of U.S. REIT Landscape

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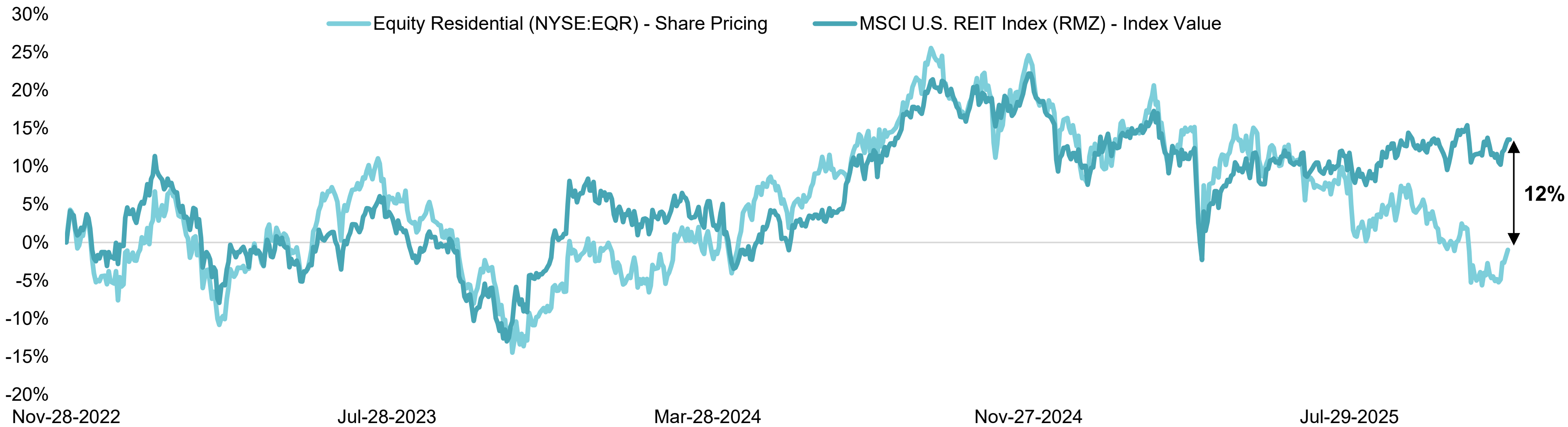
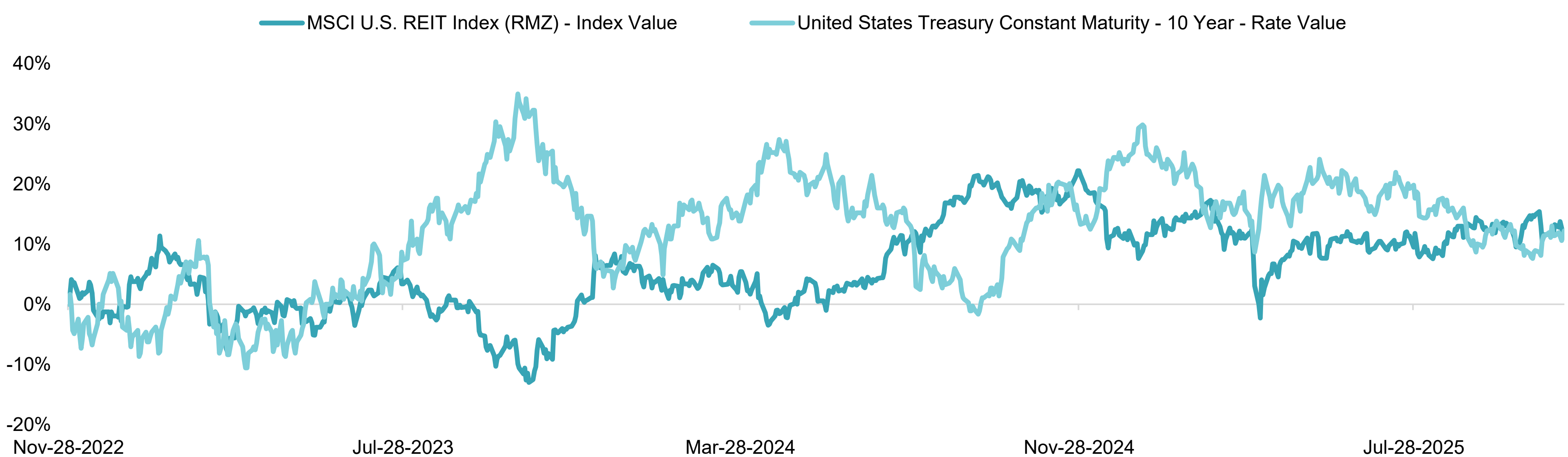
3Y Performance: Equity Residential vs MSCI U.S. REIT Index (RMZ)



3Y Performance: 10-Year Treasury Yields vs MSCI U.S REIT Index (RMZ)



Sources: S&P Capital IQ

Structural Demand Resilience Driven by High-Income Earners

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High-Income Individuals Continue to Choose Equity Residential

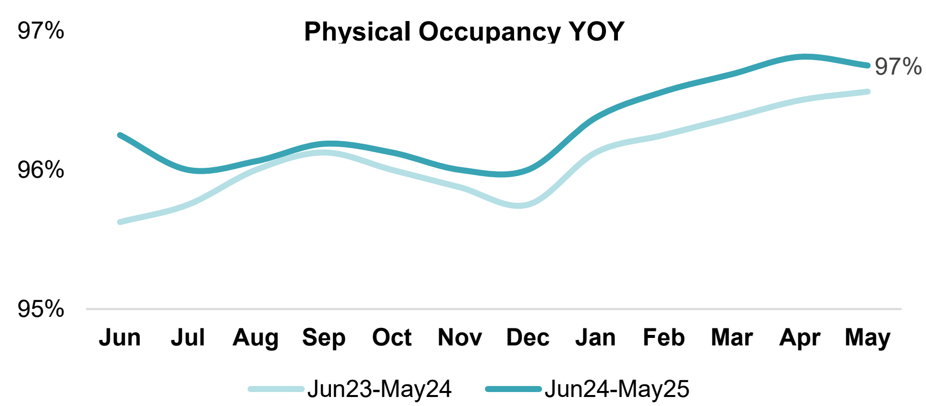
Approximate Household Income for 2025:

33 yrs.
Median Resident Age

20.3%
2025 average EQR resident rent as a % of income

2.5%
Unemployment rate for the college-educated

Across the US: The median rental age is 42 years; The average share of income allocated to rent is 40%; and current unemployment rate in the US is 4.4%.

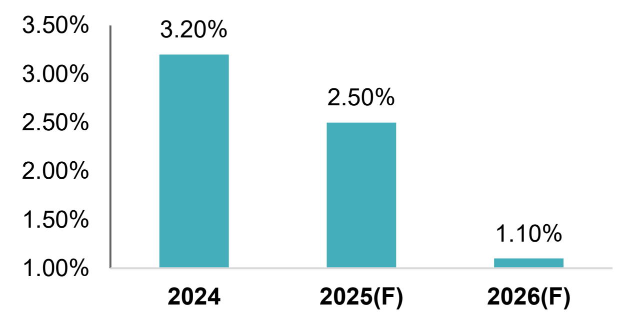


High-quality tenants are choosing Equity Residential. Further, the company does not have any issue filling its units. Physical occupancy is nearing all-time highs.

Slowing Multi-Family Deliveries and High Ownership Costs

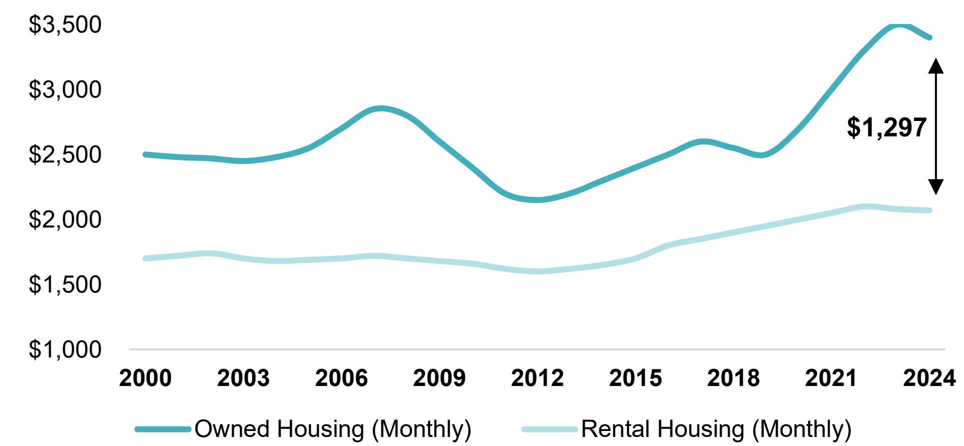
- Key Markets such as New York, San Francisco, and Boston are booming with economic prosperity. Yet, new inventory supply is slowing

Multi-Family Deliveries as a Percent of Inventory in the US:



High demand in key hubs and shrinking supply will place upward pressure on prices.

Inflation-Adjusted Monthly Cost of Housing:



- With strong positions in many key economic hubs, equity residential will benefit from rising demand, matched by shrinking inventory and favourable rental costs
- Previously suppressed markets such as San Francisco are rebounding and serving as a strong catalyst for the company

Sources: Equity Residential Investor Update, May 2025

Expansion Market Opportunities + Recovery of Weaker Established Markets

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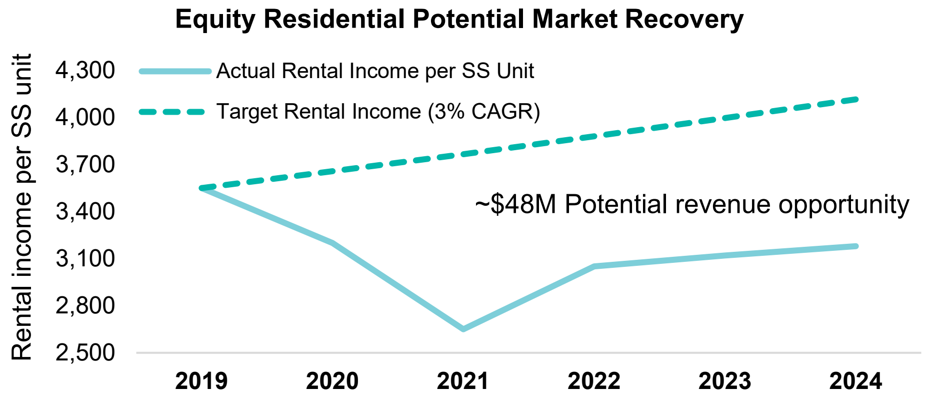
Equity Residential Potential Market Recovery Downtown San Francisco



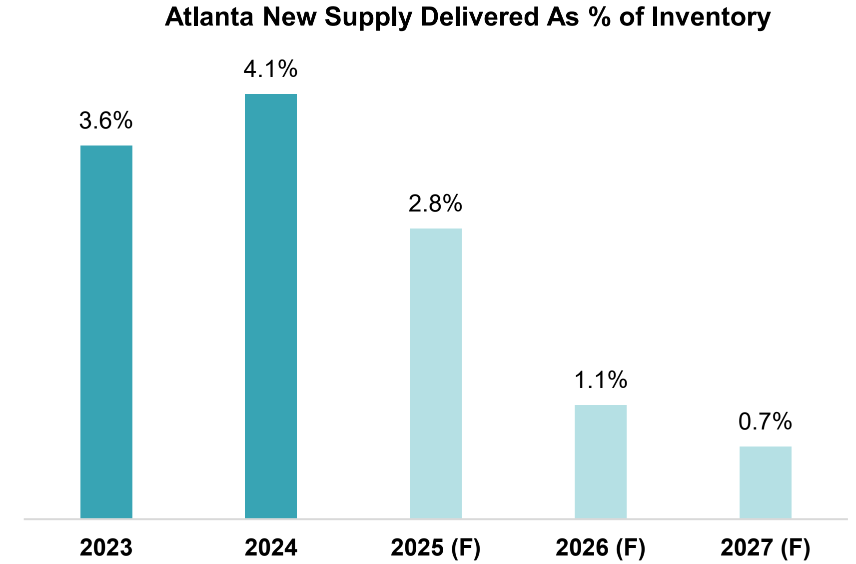
San Francisco is providing some of the strongest Blended Rate growth in the portfolio, being aided by:

- **Very low competitive supply**, specifically in the urban core
- **Positive pricing trajectory across the market** with a significant year over year improvement in downtown creating a nice foundation for 2025

If San Francisco were to match New York's recovery to a pre-COVID rental income growth trendline of 3%, the revenue opportunity totals nearly $48M from 2024 levels.

15.2% of Stabilized Budgeted NOI	**San Francisco** Equity Residential Portfolio Stats	**30% / 70%** Urban/Suburban Mix
3.3% Blended Rate Growth Q1 2025 vs. Q1 2024	**~$184,000** Avg Household Income	**0.3%+** Physical Occupancy Q1 2025 vs. Q1 2024

Expansion Market Opportunities – Atlanta (Sun Belt Region)



- **Significant expansion in targeted markets of Atlanta** through 8 new asset acquisitions (2,064 units, $535M)
- **Diverse, growing job base and technology sector** reinforcing long term demand
- **Sharp decline in supply post 2025** creates favorable environment for rent and occupancy

Recovery & Expansion Upside – Our View vs Market

Market View

- Coastal exposure remains a structural headwind; recovery is largely priced in
- Sun belt markets like Atlanta face late-cycle supply risk: new acquisitions add limited additional growth

Our View

- San Francisco: Downtown rents are still below a 3% trendline, the $48 million recovery is not fully priced in yet. improving occupancy and limited new urban supply support faster catch-up
- Atlanta: EQR's $535 million dollar acquisition gives them scaled exposure to a high-growth sunbelt market just as new supply rolls over

Sources: S&P Capital IQ, Equity Residential Investor Update, May 2025

Dividend Growth & Share Buyback Program

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Q3 Share Buyback – Public Share Impact

In 2025, at the end of Q3, EQR repurchased 1.5 million in common shares.

Impact

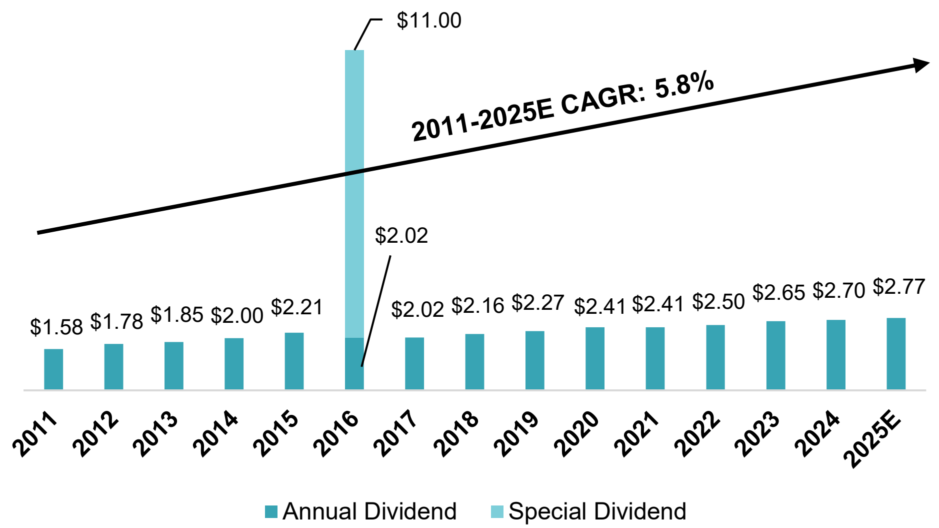
NAV Per Share

(A)FFO Per Share

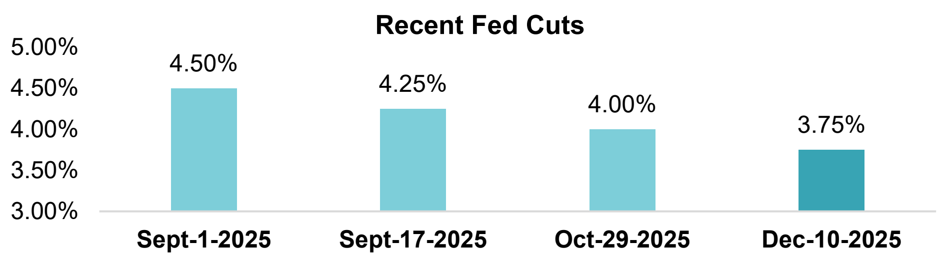
Ownership Per Share

Increased Ratios

Dividend Growth – 2011 to 2025E



Capital Markets Prediction



- Capitalization rates in the market are priced as a spread over the 10-year US Treasury, as the 10-year yields fall in line with Fed cuts
- The Cap Rates will fall in influence for all EQR Properties in line with the yield downturn
  - This pushes up the overall property value across EQR's Portfolio

Share Holder Value Upside

Share Buybacks are accretive: Repurchasing 1.5M shares at a discount to NAV increases NAV per share, and each shareholders ownership slide

Dividend growth is durable: A ~6% dividend CAGR from 2011-2025 gives investors a high cash return before any price upside

Falling rates boost asset value: As Fed cuts pull the 10-year yield lower, cap rates compress, lifting implied NAV and making buybacks even more impactful

The Dividend Growth and Buyback Program are accelerating the intrinsic value of the stock beyond the current market sentiment.

Comparable Company Analysis

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Comparable Companies: Peer Universe

Company Name	Price	Market Cap	EV	EV/Revenue	EV/EBITDA	P/FFO	P/E	P/AFFO
As of November 24th	($/share)	($M)	($M)	NTM	NTM	NTM	NTM	NTM
Essex Property Trust (NYSE: ESS)	260.25	16,761	23,643	12.6x	18.6x	16.3x	42.5x	N/A
AvalonBay Communities (NYSE: AVB)	180.41	25,514	34,519	11.4x	18.5x	16.4x	35.0x	N/A
UDR (NYSE: UDR)	35.63	11,775	18,707	11.0x	17.7x	15.5x	60.1x	14.4x
Sun Communities (NYSE: SUI)	128.82	15,931	19,399	8.6x	19.6x	20.1x	45.4x	N/A
Invitation Homes (NYSE: INVH)	28.14	17,250	25,399	9.3x	16.8x	18.8x	35.4x	N/A
Equity Residential (NYSE: EQR)	**60.55**	**23,038**	**32,083**	**10.4x**	**17.1x**	**16.1x**	**43.2x**	**15.5x**
25th Percentile				**9.3x**	**17.7x**	**16.1x**	**37.2x**	
Average				**10.6x**	**18.2x**	**17.2x**	**43.6x**	
Median				**11.0x**	**18.5x**	**16.4x**	**42.9x**	
75th Percentile				**11.4x**	**18.6x**	**18.2x**	**44.8x**	

Commentary on Chosen Multiple

	Multiple			Implied Equity Value			Implied Share Price			Implied Return		
Metric	Lower Limit	Median	Upper Limit	Lower Limit	Median	Upper Limit	Lower Limit	Median	Upper Limit	Lower Limit	Median	Upper Limit
P/FFO	16.1x	16.4x	18.2x	23,116	23,459	26,076	$60.75	$61.65	$68.53	0%	2%	13%
P/E	37.2x	42.9x	44.8x	20,449	23,588	24,671	$53.74	$61.99	$64.84	-11%	2%	7%

- The P/FFO multiple is the most suitable metric for valuing EQR because it reflects recurring cash flow generation while removing distortions from non-cash items. This aligns with how the market typically values large multifamily REITs
- Compared with P/E ratio, which can be volatile for REITs due to depreciation, the PFFO multiple provides a clearer picture of operating performance and better reflects how investors assess income producing real estate
- Further, we have chosen proceed with the 75th percentile multiple of P/FFO to reflect its historical trading pattern, and growth in both its established and expanding markets

P/FFO Price Calculation

FFO	1434.5
P/FFO (NTM)	18.2
Equity Value	**$ 26,076**
Shares Outstanding	380.5
Implied Share Price	**$ 68.53**
Current Price	$ 61.44
Implied Upside / Downside	**11.54%**

Discounted Cash Flow Analysis

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DCF Valuation Assumptions

- The numerical data was primarily sourced from Capital IQ estimates, leveraging average across scenarios
- The DCF was used as a supporting valuation tool, but its output is highly sensitive to assumptions around capex, terminal growth, and working capital- all of which are inherently volatile for EQR
- Given EQR's nature as a real estate investment trust, a NAV-based approach tied to stabilized NOI and cap rates provides a more consistent and market-reflective estimate of intrinsic value

Key Assumptions

WACC	7.49%
Perpetuity Growth Rate	3.00%
Exit EV/EBITDA	18.2x
Tax Rate	21.00%
Net Debt	8,648
Diluted Shares Outstanding	381
Current Share Price	$61.80

(In USD millions)	Historicals			Forecast Period				
	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Period				*1*	*2*	*3*	*4*	*5*
Revenue	**2,735**	**2,874**	**2,980**	**3,099**	**3,208**	**3,336**	**3,506**	**3,703**
growth rate (%)		*5%*	*4%*	*4%*	*4%*	*4%*	*5%*	*6%*
EBITDA	**1,768**	**1,777**	**1,828**	**1,882**	**1,944**	**2,033**	**2,111**	**2,221**
growth rate (%)		*101%*	*103%*	*103%*	*103%*	*105%*	*104%*	*105%*
margin (%)		*31%*	*29%*	*29%*	*28%*	*29%*	*31%*	*30%*
(-) Taxes	1	1	1	1	1	1	1	1
Net Operating Profit After Tax (NOPAT)	**809**	**879**	**869**	**879**	**939**	**1,019**	**1,059**	**1,129**
(+) Depreciation & Amortization	880	890	950	1,010	1,030	1,070	1,090	1,110
(+/-) Change in NWC	153	(80.00)	41.20	35	37	38	40	42
(-) Capital Expenditures	(451)	(734)	(2,041)	(449)	(479)	(520)	(541)	(576)
Unlevered Free Cash Flow (UFCF)	**1,392**	**954**	**181**	**1,476**	**1,526**	**1,607**	**1,648**	**1,705**
growth rate (%)				*-915%*	*3%*	*5%*	*3%*	*3%*
margin (%)				*48%*	*48%*	*48%*	*47%*	*46%*
WACC (%)				*7%*	*7%*	*7%*	*7%*	*7%*
PV of Unlevered Free Cash Flow				**1,373**	**1,321**	**1,294**	**1,235**	**1,188**
Sum of Present Value UFCF	**6,411**							

Discounted Cash Flow Analysis

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Enterprise Value to Equity Value (Exit Multiple Method)

Implied Enterprise Value	34,587
(-) Net Debt	8,648
Implied Equity Value	25,939
Diluted Shares Outstanding	381
Implied Share Price	**$68.17**
Premium/(Discount) to Current:	**10.3%**

Enterprise Value to Equity Value (Perpetuity Method)

Implied Enterprise Value	33,697
(-) Net Debt	8,648
Implied Equity Value	25,049
Diluted Shares Outstanding	381
Implied Share Price	**$65.75**
Premium/(Discount) to Current:	**6.4%**

Sensitivity Analysis, Exit Multiple Method

Exit Multiple / WACC

$ 68.17	6.45%	6.70%	6.95%	7.20%	7.45%	7.70%	7.95%
16.0x	$ 63	$ 62	$ 61	$ 60	$ 59	$ 58	$ 58
16.5x	$ 65	$ 64	$ 63	$ 62	$ 61	$ 60	$ 60
17.0x	$ 67	$ 66	$ 65	$ 64	$ 63	$ 63	$ 62
17.5x	$ 69	$ 68	$ 67	$ 66	$ 65	$ 65	$ 64
18.0x	$ 71	$ 70	$ 69	$ 68	$ 67	$ 67	$ 66
18.5x	$ 74	$ 73	$ 72	$ 71	$ 70	$ 69	$ 68
19.0x	$ 76	$ 75	$ 74	$ 73	$ 72	$ 71	$ 70

Sensitivity Analysis, Perpetuity Growth Rate

Perpetuity Growth Rate / WACC

$65.75	6.45%	6.70%	6.95%	7.20%	7.45%	7.70%	7.95%
2.25%	$ 74	$ 69	$ 64	$ 60	$ 56	$ 52	$ 49
2.50%	$ 80	$ 73	$ 68	$ 63	$ 59	$ 55	$ 51
2.75%	$ 86	$ 79	$ 73	$ 67	$ 62	$ 58	$ 54
3.00%	$ 92	$ 85	$ 78	$ 72	$ 66	$ 62	$ 57
3.25%	$ 100	$ 91	$ 84	$ 77	$ 71	$ 66	$ 61
3.50%	$ 109	$ 99	$ 90	$ 83	$ 76	$ 70	$ 65
3.75%	$ 120	$ 108	$ 98	$ 89	$ 82	$ 75	$ 69

Net Asset Value (NAV) Analysis

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Net Asset Value (NAV) Model

	Estimated Capitalization Rate (All Data in USD mm, Other than Share Price)		
	Bear Case	*Base Case*	*Bull Case*
Capitalization Rate	5.25%	5.00%	4.75%
2024 FY NOI		$2,018.30	
Total Assets	$38,443.81	$40,366.00	$42,490.53
Total Liabilities		$9,249.80	
Net Asset Value	$29,194.01	$31,116.20	$33,240.73
Shares Outstanding		380.5	
Current Share Price		$61.44	
Implied Share Price	$76.73	**$81.78**	$87.36
Implied Upside	+24.88%	**+33.10%**	+42.19%

Assumptions

Market Capitalization Rates will Fall in Line with the 10-Year Treasury Yield

Total Asset Value Derived through the direct capitalization method

The Impending December Fed Cut will Push Down Capitalization Rates for the Portfolio

The Capitalization Rates for EQR Sit Below the Market Multifamily Rate Derived via CoStar

We have derived an implied share price of $81.78 because of the impending rate cuts coming at the December Fed meeting and the fact that EQR maintains higher value asset compared to the entirety of the multifamily market, thus, we believe the Base Case is the best option.

Buy with a Target Price of $74.69

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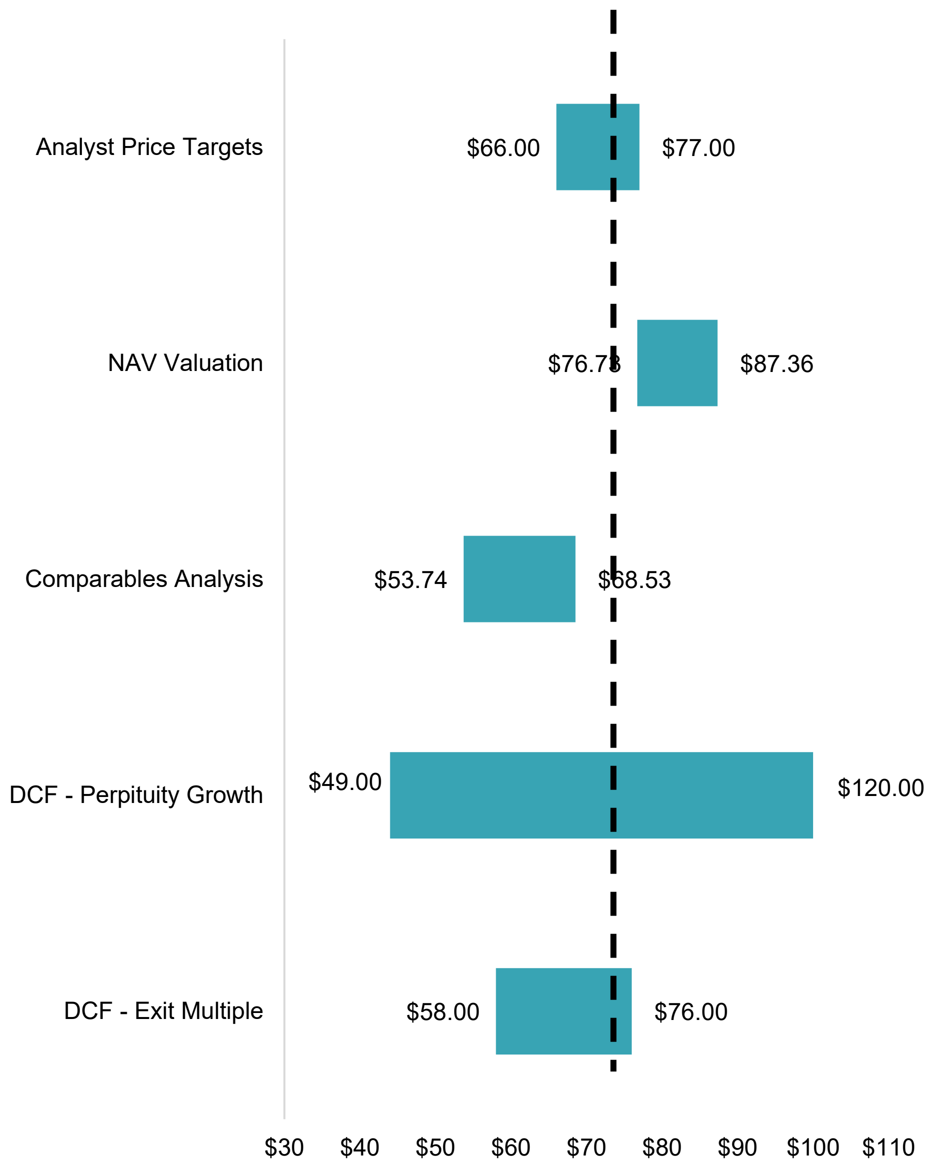
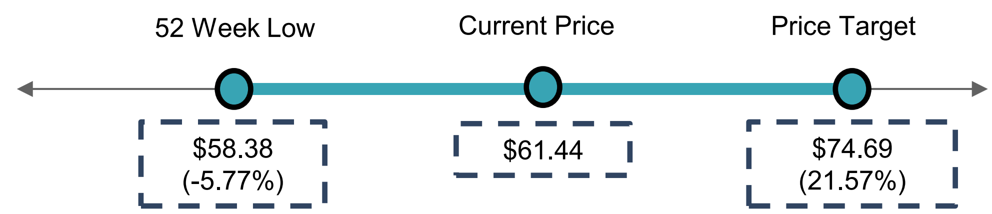
Indicative Valuation Range

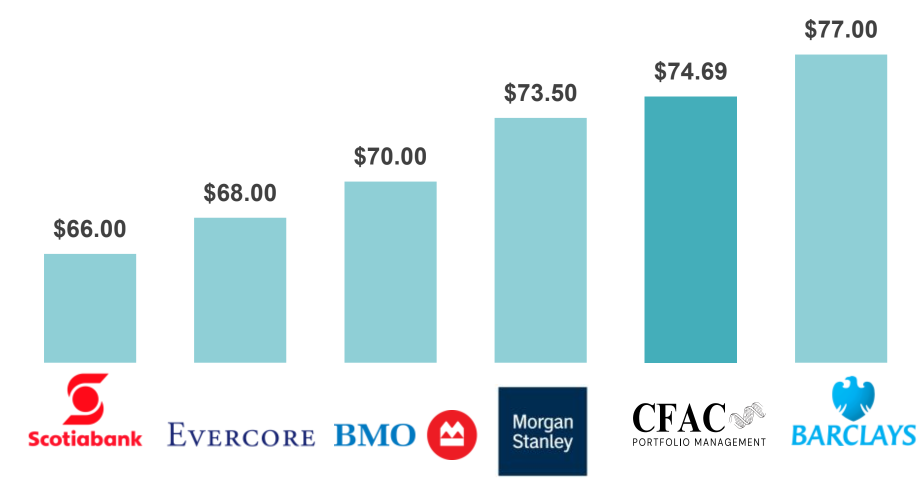


Price Target

Valuation Summary		
Analysis	**Target Price**	**Weight**
DCF – Exit Multiple Method	$68.17	5%
DCF – Perpetuity Growth Method	$65.75	5%
Comps - Base	$68.53	30%
NAV	$81.78	45%
Analyst Price Targets	$70.90	15%
Blended Price		**$74.69**
Current Share Price		$61.44
Implied Upside		**21.57%**



Selected Broker Summary



Risks & Catalysts

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Catalysts

Post-2025 Supply Decline Supports Pricing Power

- New supply delivered: 3.2% (2024) to 2.5% (2025F) to 1.1% (2026F)
- Coastal markets show limited new deliveries into 2025-2026
- Tight supply strengthens rent growth, renewals, and occupancy

Dividend Growth Drives Shareholder Demand

- 5.8% dividend CAGR (2011-2025E)
- Dividend yield consistently above S&P 500
- >$1B returned to shareholders in 2024

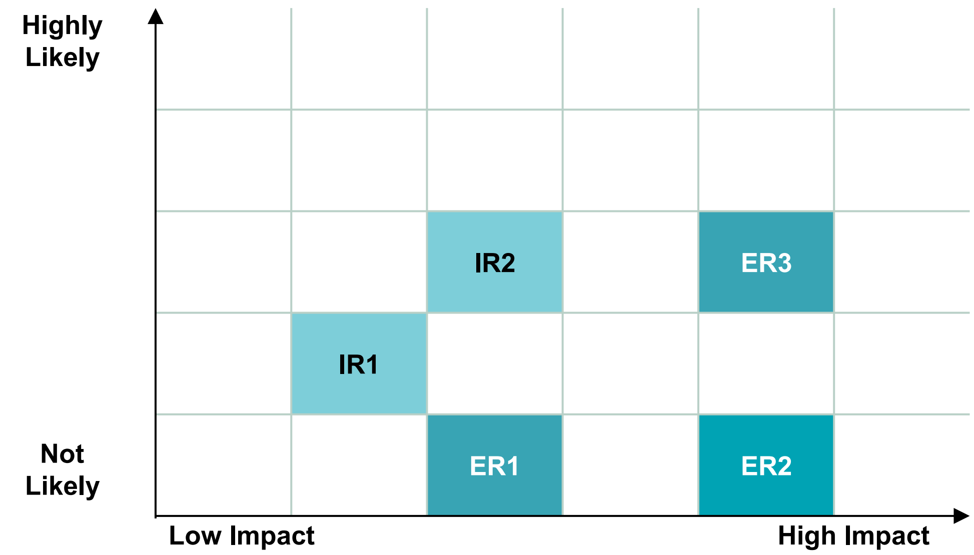
Share Buybacks Boost NAV/Share

- 1.5M shares repurchased in Q3 2025
- Lower share count increases NAV/share + FFO/share
- Fed cuts improve buyback efficiency through lower cap rates

Coastal Market Recovery Restores NOI Growth

- SF Downtown Revenue Opportunity: ~$28M
- SF Peninsula Revenue Opportunity: ~$20M
- Downtown Seattle Revenue Opportunity: ~$9M

Risks



Internal Risks

1. Rising Interest Expenses on Debt Issuance
2. Dependence on Affluent Consumers

External Risks

1. Demand Shifts Away From Core Markets
2. Stricter Rent Control in NYC - Mamdani
3. Capitalization Rate Expansion

Tight post-2025 supply, accelerating coastal recovery, sustained dividend growth, and NAV-accretive buybacks together position EQR for outsized rent, NOI, and value-per-share upside.

Appendix

Equity Residential

Further Analysis on EQR's Standing in the Market

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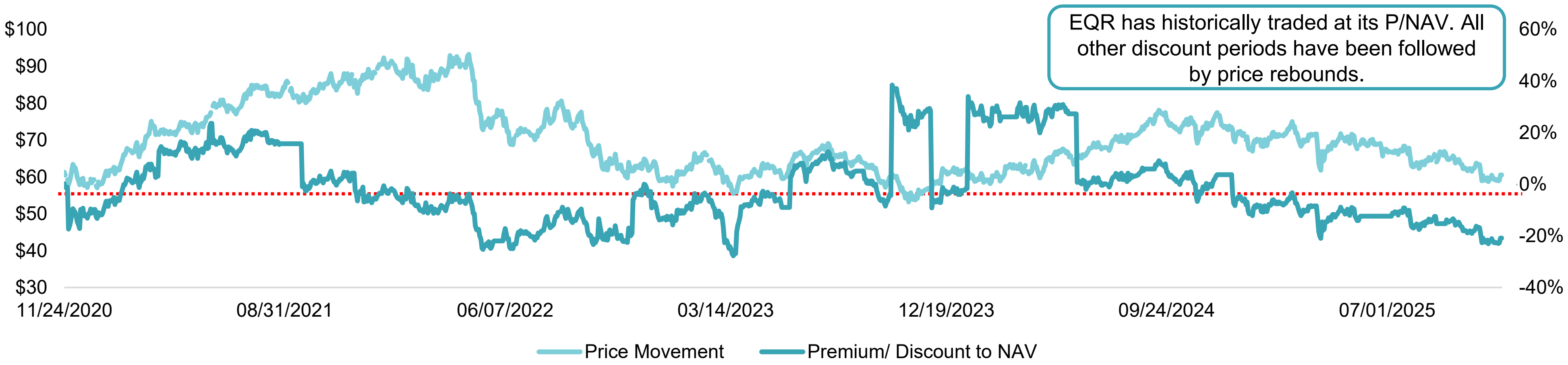
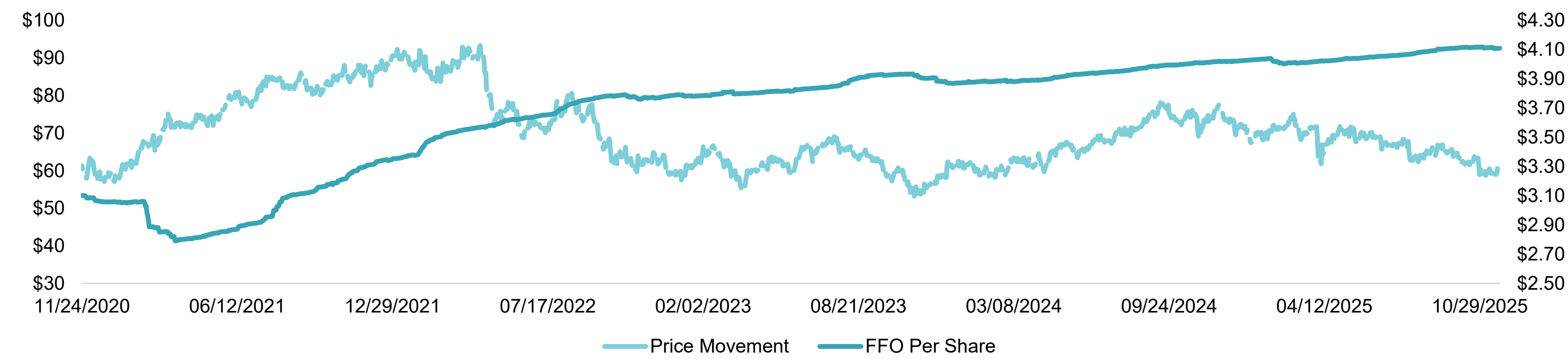
Premium / Discount to NAV



FFO Per Share Trendline



Equity Residential has historically traded at its P/NAV. However, currently the stock is trading at a 20% discount. Further, FFO per share has been on a steady uptrend despite a recent pullback in the company's stock, indicating a price discrepancy.

Sources: Bloomberg, S&P Capital IQ