

# 2023 Annual Report

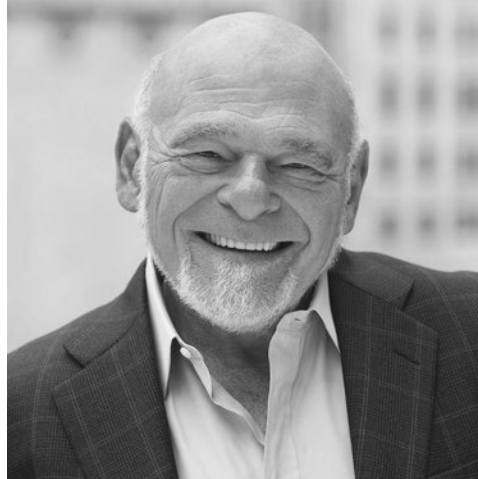




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## Dear Fellow Shareholders,

We are pleased to update you on the state of your company's business and our outlook for 2024 and beyond. 2023 was an extraordinary year for Equity Residential. We continued to see strong demand for our high quality, well-located apartment properties across our markets. Our same store revenue growth of 5.6% for the year was one of the highest in our history as a public company. We continued to enhance our operating platform to drive revenues and control expenses and to focus on allocating capital to properties and markets that we believe will deliver the best long-term returns.



**Sam Zell**  
**1941-2023**

We cannot talk about 2023 without talking about the passing of Sam Zell, our Founder and Chairman, in May 2023 at age 81. Sam was an iconic figure in both real estate and the larger corporate world. An active investor in real estate since the 1960s, he helped revolutionize the industry through the popularization of the real estate investment trust ("REIT") structure in the 1990s. Sam founded the predecessor company to Equity Residential while a student at the University of Michigan. Over the years he invested in and grew businesses in multiple industries, including real estate, manufacturing, retail, travel, healthcare and energy. With Sam's passing the world has lost one of its greatest investors and entrepreneurs. Sam brought more companies (both real estate and non-real estate) public on the New York Stock Exchange (NYSE) than anyone else in its history, an amazing accomplishment. Sam's insatiable intellectual curiosity and passion for deal making created some of the most dynamic companies in the public real estate industry. He was a generous philanthropist and an incredible mentor and friend and will be missed by all who were lucky enough to be part of his extraordinary world. With Sam's passing, David Neithercut, our former CEO and a trustee since 2006, became Equity Residential's Chairman.

Sam was an early advocate for what he called the "democratization" of real estate in which equity investors of all sizes would have the opportunity to own an interest in some of the premier owners and operators in the real estate business. He believed that liquidity is value and so when we went public on the NYSE in August of 1993, the plan was to create an enduring company that would operate at a scale at which investors could move in and out of the stock easily. This contrasts sharply with non-traded real estate investment vehicles that constrain investor liquidity with redemption restrictions and other limits on investors' ability to monetize their interests when they desire.

And so, for Equity Residential what began in 1993 as a portfolio of about 20,000 apartment units, located primarily in garden-style properties in the Midwest and South grew – through the acquisition of other public companies, portfolios and individual property acquisitions, as well as strategic dispositions – to our portfolio today of around 80,000 apartment units focused in our Established Markets of Boston, New York, Washington, D.C., Seattle, San Francisco and Southern California and Expansion Markets of Atlanta, Denver, Dallas/Ft. Worth and Austin.

- During that time, our enterprise value has increased from approximately \$800 million at the IPO to more than \$31 billion at the end of 2023.
- In that time we have grown our total revenues from \$112 million in 1993 to \$2.87 billion in 2023 and our Normalized Funds from Operations (FFO) from \$30 million to \$1.48 billion.
- We are proud to have produced a total shareholder return since the IPO of nearly 11% per annum through the ups and downs of multiple real estate cycles.

To commemorate our 30 years on the NYSE, on September 28, 2023, which would have been Sam's 82nd birthday, our board and executive leadership team were joined by Sam's wife Helen who rang the opening bell.



Everyone at Equity Residential is proud of the performance that we have delivered over the last 30 years. We live our corporate purpose of “Creating Communities Where People Thrive” by serving our shareholders, residents, fellow employees and the communities in which we do business. We have grown to be a leader in the multifamily business with a reputation for strong capital allocation, operations innovation and expense controls. We look forward to what the coming decades will bring.

## 2023 HIGHLIGHTS

**In 2023 we delivered some impressive results:**

- **Our Total Revenues increased by more than 5% to \$2.87 billion;**
- **Earnings Per Share increased 7.3%;<sup>(1)</sup>**

**Over \$1.0B  
Distributed  
in 2023.**

- FFO per share increased 6.2%;<sup>(1)</sup>
- Normalized FFO per share increased 7.4%;<sup>(1)</sup>
- Same Store Revenues increased 5.6%;<sup>(2)</sup>
- Same Store Net Operating Income increased 6.2%;<sup>(2)</sup>
- Physical Occupancy for our portfolio was 95.9%;
- We distributed more than \$1.0 billion in dividends to our shareholders;
- Acquired four properties for an aggregate purchase price of approximately \$366.3 million;
- Sold 11 properties for approximately \$379.9 million generating an Unlevered IRR of 11.4%;
- Received an A- for our 2023 Carbon Disclosure Project (CDP) disclosure; and
- Named Industry Regional Top Rated by Sustainalytics.

These achievements are a result of extraordinarily strong business fundamentals and a laser focus on our customers, our portfolio, our platform and our people.

## THE FUNDAMENTALS DRIVING OUR BUSINESS

At Equity Residential we benefit from a general undersupply of housing of all types, both for rent and to own. In the United States the same amount of new housing is being produced, at approximately 1.45 million units annually, that were produced in 1960. But in 1960 the population of the country was about 176 million people. Today it is closer to 340 million.



At the same time, the high costs of single family home ownership – large down payments and high interest rates – as well as low for sale inventory will keep people renting longer, particularly in our Established Markets where the cost to own is the highest. In 2023 only 7.8% of our residents who moved out gave “bought a home” as a reason, which is the lowest rate in our history.

- (1) For reconciliations of net income to FFO and Normalized FFO, see page 43 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023 which accompanies this letter. For reconciliations of earnings per share (EPS) to FFO per share and Normalized FFO per share, please see the appendix to this letter.
- (2) For same store net operating income information, see pages 32 through 34 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023 which accompanies this letter.

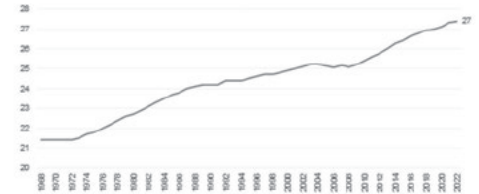
We believe that both lifestyle choices and the attractive cost of renting versus home ownership in our markets will keep our customers renting with us longer. The apartment business also continues to benefit from our prime demographic deciding to marry later and have children later than previous generations.

Median Age at First Marriage



**Source:** US Census Bureau, Current Population Survey, Annual Social and Economic Supplements, CDC, NCHS

Median Age at Birth of First Child



**Source:** US Census Bureau, Current Population Survey, Annual Social and Economic Supplements, CDC, NCHS

The undersupply of new housing, high cost of single family home ownership and residents choosing a rental lifestyle for the flexibility it offers, have led to the high resident retention rate and physical occupancy of more than 95% that we are currently experiencing.

## OUR CUSTOMER

We have created a portfolio that is focused on the Affluent Renter. This renter is highly educated and well employed with rising wages. They are employed in the growth engines of our economy including technology, financial services and other professional and business services. Their strong existing and future earning potential is supportive of rental growth going forward. Our residents make 61% more than the average. While much has been written about the many individuals across our country that are rent burdened (paying more than 30% of their household income in rent), that does not describe our resident who pays slightly above 20%.

Equity Residential

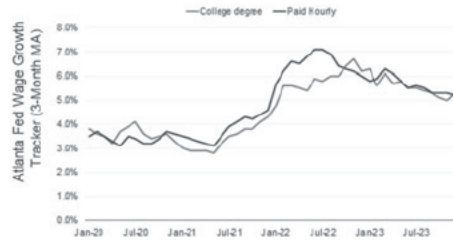


Equity Residential's affluent resident works in the highest earning sectors of the economy and is not rent burdened – creating the ability to raise rents more readily in good economic times and reducing risk during downturns.

Approximate Household Income for 2023		32 yrs. Median resident age		20.3% 2023 average EQR resident rent as a % of income		2.1% Unemployment Rate for the college-educated (as of January 2024)	
EQR Average	\$169,000						
US Average <sup>(2)</sup>	\$105,000						

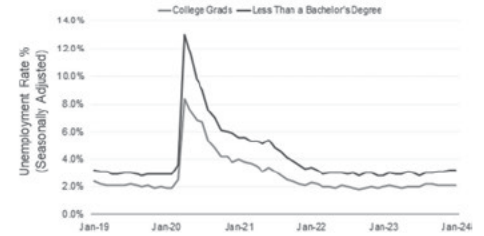
- (1) Resident profile for Equity Residential Established Markets and Denver  
(2) Source: ESRI

College graduate and hourly worker wage growth has moderated but remains strong



Source: Federal Reserve Bank of Atlanta, CPS as of December 2023

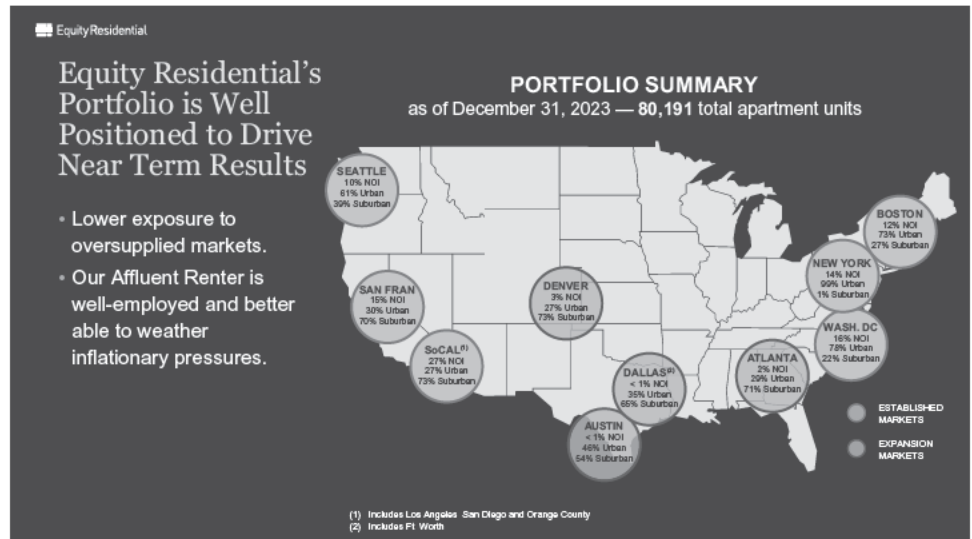
The unemployment rate for college graduates remains lower than the overall rate



Source: U.S. Bureau of Labor Statistics. Data reflects college graduates aged 25 years and older

## OUR PORTFOLIO AND FOCUS ON CAPITAL ALLOCATION

We have long been recognized as a leader in capital allocation and have worked to create a portfolio of high quality residential communities in targeted locations within dynamic markets where affluent long-term renters want to live, work and play. Our portfolio encompasses a mixture of urban and suburban properties in the knowledge centers of today's economy and attracts a resident demographic that chooses to rent for lifestyle reasons and due to a lack of home affordability. We have a multi-pronged investment strategy – through acquisitions, ground up new developments, adding density to existing properties ("densification") and accretive renovations of existing properties – to own and operate an apartment portfolio that has the highest long-term risk adjusted returns with an emphasis on consistently growing cash flow over time.



Several years ago we began a portfolio repositioning through which we seek to lower our concentration in our six coastal markets (Boston, New York, Washington, D.C., Seattle, San Francisco and Southern California – our Established Markets) by growing in other markets with similar favorable long-term return dynamics to our Established Markets. Our decision to target Atlanta, Dallas/Ft. Worth, Denver and Austin – our Expansion Markets – is driven by our desire to follow our Affluent Renter as this demographic has grown considerably in these markets over the past several years and is expected to continue to grow as they are drawn for lifestyle and employment reasons. In addition to favorable long-term high wage job growth, these markets, like our Established Markets, feature high single family home costs, which should keep our customers renting longer. They are also large, liquid markets which will allow us to invest and operate at scale and importantly, the regulatory risk in these markets is much lower than in our Established Markets.

As we work to optimize our portfolio, we also expect to have a better balance between urban and suburban submarkets in our Established Markets (our NOI is currently approximately 57% urban and 43% suburban in our Established Markets). A balanced urban and suburban portfolio should better appeal to both the Millennial cohort that we believe will rent for increasingly long periods of time but may desire more space in the suburbs, as well as the next generation of renters – Generation Z (born between 1997 and 2012) – who we expect will find urban living attractive for all the same reasons as did their older Millennial brothers and sisters: the bustling and diverse selection of dining, cultural and entertainment opportunities that cities offer, proximity to new jobs and a simple, walkable lifestyle.

We think having a more balanced portfolio between urban and suburban and between our Established and Expansion Markets, while remaining focused on serving a more financially strong renter, will create the highest returns and lowest return volatility over time. The recent issues impacting quality of life and the desirability of urban centers and the current impact on rental rates and occupancies in markets experiencing the delivery of new supply at historically high levels are examples of the opportunities and risks we wish to balance.

We have harvested capital through the sale of older or lower returning assets in our Established Markets to fund acquisitions and development in both our Expansion Markets and the suburban submarkets of our Established Markets. Our goal is to derive approximately 80% of our NOI from our Established Markets and 20% from our Expansion Markets. As opportunities present themselves in our Expansion Markets and in select suburban locations of our Established Markets to acquire or develop great assets at fair prices, we have the agile team and balance sheet capacity to do so. We believe that a portfolio with more balance will allow us to produce more consistent cash flows in a volatile world where local market conditions may cause operating fundamentals to rapidly fluctuate.

There was a limited amount of transaction activity in 2023. This lack of activity was the result of a wide bid-ask spread often seen when buyers expect higher entry yields due to an increased interest rate environment while sellers want pricing based on the lower rates that were prevalent in the not-too-distant past. Market participants continued to wrestle with the impact of these increased interest rates on apartment values, especially in the Sunbelt markets, where high levels of supply are causing rents to decline. Also, the activities of the Federal Reserve and the future path of interest rates still has a very big impact on the market.

Nevertheless, we were able to make some very good trades in 2023. We sold 11 properties for approximately \$379.9 million at a weighted average Disposition Yield of 5.5% and generated an Unlevered IRR of 11.4% on these sales. These properties, which are located in Northern and Southern California and Seattle, were 30 years old on average. As we said earlier, our acquisition activity is focused on our Expansion Markets. In 2023, we acquired four properties – three in Atlanta and one in Denver – for an aggregate purchase price of approximately \$366.3 million at a weighted average Acquisition Cap Rate of 5.5%. These properties are only a year old on average and some are still in their lease up phase. These properties are attractive to our Affluent Renter demographic and should make excellent additions to our portfolios in these markets.

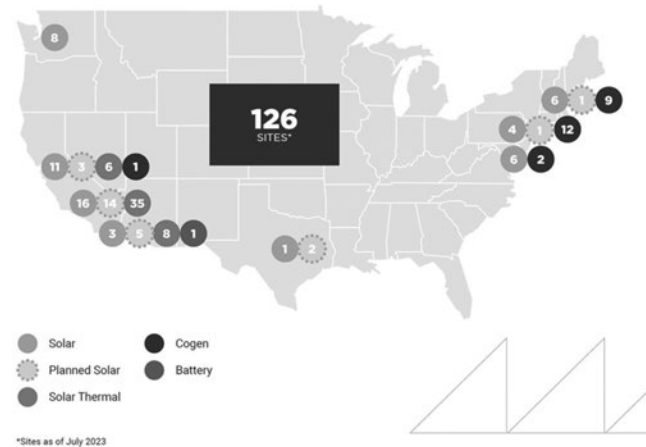
We are optimistic that 2024 will present us more opportunities to execute on our capital allocation strategy. There is an abundance of new apartment units being delivered in our Expansion Markets and we believe that the equity investors in these developments will be interested in monetizing their investments and moving on to the next deal. We expect this transaction activity to ramp up in the latter half of the year and have provided guidance of \$1.0 billion in both acquisition and disposition activity in 2024.



In the meantime, we are busy reinvesting in our current portfolio. In 2023 we invested \$282.8 million in capital expenditures in our same store portfolio, with about 40% of this spend on NOI-enhancing projects such as unit renovations, property-level technology investments (such as smart home installations) and sustainability projects like solar panel installations. We expect to spend a similar amount in 2024 as we find these investments are regularly generating ROIs in the mid-teens with minimal risk.

We are pleased to find continuing opportunities to make investments in renewable and clean energy at properties across our portfolio. These sustainability investments should reduce operating expenses and improve building performance while helping us meet emission/water savings reduction targets and producing a superior IRR on the investment. These investments include solar panel installations, EV charging stations, solar thermal heating systems, cogen on-site energy and smart metering and other water saving technologies. In making these investments, we intend to take advantage of federal and local incentive programs like tax credits to accelerate our efforts.

## Renewable and Clean Energy Installations



We have also been active in strategically buying back our own stock in late 2023 and early 2024. We have arbitrated the disposition of \$189 million in older, less desirable assets in early 2024 at a Disposition Yield of 5.6% and repurchased approximately \$87.5 million of our common shares at an average share price of \$57.72 and an implied cap rate north of 6.0%.

Development is an important part of our capital allocation strategy as we look to add assets to our portfolio in both our Expansion Markets and desirable suburban locales of our Established Markets. We take a very disciplined approach to capital allocation which allows us to switch between buying completed (or mostly completed) new assets or developing. When we are developing new assets, we look for an appropriate margin over acquisitions in order to justify the additional risk of development and lease-up. When we think about a development deal's return merits, we have to take into account the fact that the REIT structure, with its tax-driven requirements on distributing taxable income (and cash), makes development mostly dependent on external funding, leaving large REIT developers vulnerable to rapid changes in the cost and availability of debt and equity. Because we generally limit annual development funding needs to our expected free cash flow, our Company has more flexibility to go where the investment opportunities are and less vulnerability to needing to issue poorly priced debt or equity to fund development.

We have found success recently in developing in the joint venture format. Doing this allows us to harness the skills of both regional and national developers who have local teams who are experts in the process and we can carry a smaller development team than large public and private developers do. Our capital availability and property management capabilities for the lease up of completed developments make us an ideal partner.

In 2023, we delivered one new development – Reverb, a 312-unit property in Washington, D.C. – that we developed with a joint venture partner for approximately \$108.0 million. When lease up is complete later in 2024, we expect it to produce a stabilized yield of approximately 6.0%. We plan to deliver six newly completed developments in 2024, including three from our joint venture with Toll Brothers, Inc. These six properties, located in Dallas/Ft. Worth, Denver and suburban New York, are expected to be delivered at weighted average stabilized yields north of 6% and will contribute meaningfully to our Normalized FFO starting in 2025 given their completion and lease up timing. We did not start any new developments in 2023 but are likely to start new deals in suburban Boston and Seattle in 2024. Our focus on these new deals is to develop assets in submarkets where we would like exposure but find it difficult to buy existing assets.

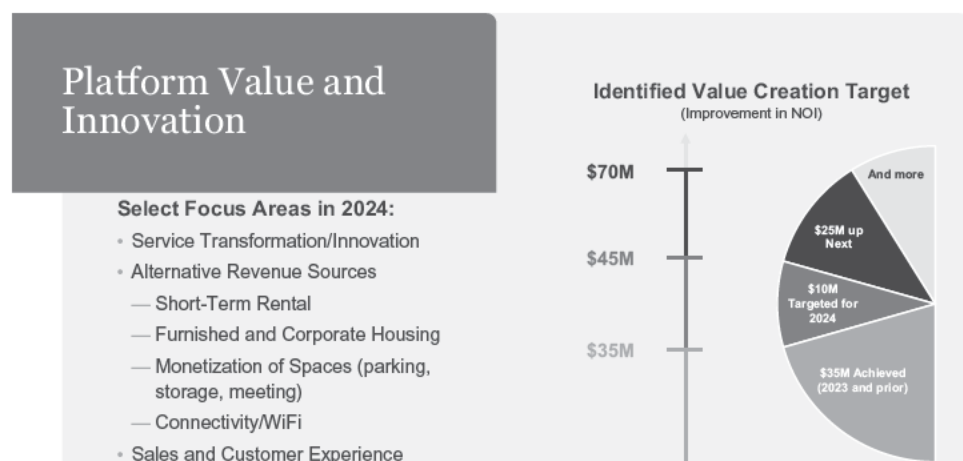
## OUR PLATFORM

With a constant focus on innovation, operating efficiency and expense control, Equity Residential has long been a leader in investing in and deploying property technology to better serve our customers and produce superior results. We were a first mover in such important areas as online leasing and centralized procurement. We work to couple new technologies and improved processes to build upon the progress we have already made in creating a self service customer experience that provides what a customer wants, when and how they want it. Our enhanced operating model is focused on:

- Flexible staffing which allows us to operate across properties located near one another with smaller teams supporting larger groups of properties.
- Leveraging our scale and platform by outsourcing repeatable tasks cost effectively while utilizing our internal capacity for higher value-add activities.
- Centralization of leasing activities that do not need to happen on-site to drive efficiency and to allow our on-site employees to focus on in-person customer service.

Our team is also increasingly using the troves of data that we have to gain insights into our customer and our business and how we can operate and invest more efficiently. While the technological tools continue to evolve rapidly, our steadfast goal remains to operate the most efficient, customer appealing platform in the residential business.

 Equity Residential



Over time we have transformed the customer experience by leveraging technology to enable customer self service. Our focus on using artificial intelligence to enhance efficiency and consistency in responding to inquiries from potential residents and continued refinement of the self-guided tour process has allowed us to serve our customers well while reducing our operating costs.

## FINANCIAL STABILITY

We have a strategic focus on maintaining a strong and flexible balance sheet. Prudent financial policy through operating cycles, economic downturns and transformative events facilitates financial flexibility, better access to multiple capital sources and reduced interest rate risk. Our large scale provides resilient and healthy cash flow. We are committed to maintaining strong credit metrics and financial flexibility, characterized by low leverage and excellent liquidity, which preserve shareholder value during capital market dislocations and provide us with the capability to take advantage of opportunities when others may be capital constrained. The nature of real estate is cyclical and capital intensive, which leads us to maintain access to multiple sources of capital, including the commercial paper and unsecured bond markets as well as various sources of secured debt including Fannie Mae and Freddie Mac and the life insurance companies. We are rated A-/A3 and “stable” by S&P and Moody’s, which are some of the highest long-term senior unsecured credit ratings in the real estate business. Our balance sheet is incredibly well positioned. We have an extended maturity profile that limits refinancing costs and risks. We have no substantial debt maturities until mid-2025 and approximately 80% of our long-term debt matures in 2028 and beyond, giving us the longest weighted average maturity in the multifamily sector.

## OUR PEOPLE

We are so very fortunate to have a team of nearly 2,400 employees who are focused on exceptional service for our customers and unwavering support for each other. They are the backbone of our company and the driver of its success. They embrace the change that is so prevalent in this business and work hard to implement the technology that best serves our customers. We are proud of the level of employee engagement we maintain and that so many have chosen to make Equity Residential the place where they spend their careers.

## LIVING OUR EQUITY VALUES

At Equity Residential, our purpose is “Creating Communities Where People Thrive.” Our employees carry that purpose through our relationships with all of our stakeholders. One of the ways that we support the communities in which we do business is through our partnership with Move for Hunger, a national hunger-relief non-profit. The Move for Hunger activity includes both food drives as well as a program that allows our residents to put aside non-perishable food items that they are not taking with them when they move out. This food is then collected and delivered to local food banks and pantries. In 2023, in honor of our 30th anniversary as a public company, we challenged our teams to deliver 30,000 meals through our Move for Hunger and Greater Chicago Food Depository partnerships. We are pleased to tell you that we ended up donating more than 33,000 meals.

As one of the largest apartment owners and developers in the U.S. we believe that integrating corporate responsibility into our strategy drives long-term value creation for our shareholders, residents, employees and communities and are proud to have been recognized for our achievements. In 2023, Equity Residential issued its tenth annual Environmental, Social and Governance report. You can access the report on our website at [www.equityapartments.com](http://www.equityapartments.com).

## Highlights:

- Received an A- for our 2023 CDP disclosure.
- A GRESB (Global Real Estate Sustainability Benchmark) Top Performer since 2013. Achieved a GRESB 4-Star rating for 2023.
- Named Industry Regional Top Rated by Sustainalytics.
- Named by Barron’s as one of the 10 Most Sustainable U.S. REITs for 2023.

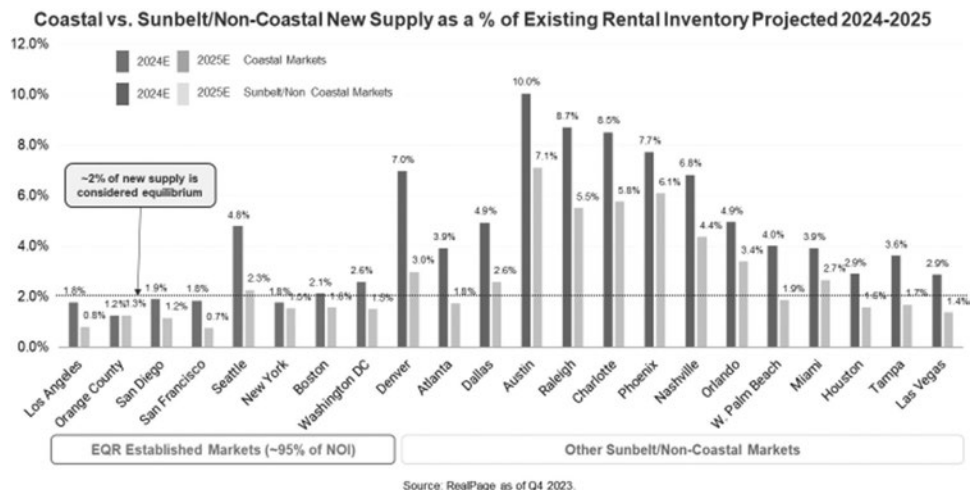
## BOARD TRANSITION

Having a strong Board of Trustees featuring thoughtful and highly-engaged individuals with a variety of backgrounds is an important component of our success in creating value for our shareholders. We recently added two new Trustees to our Board – Ann C. Hoff, the President and Chief Operating Officer of Bellagio and Park MGM at MGM Resorts International, and Nina P. Jones, who recently retired as Vice President, Portfolio Manager of the U.S. Real Estate Equity Strategy at T. Rowe Price, the global investment manager with over \$1 trillion in assets under management. We are excited to welcome them both to the Board and look forward to their future contributions to Equity Residential's success. With these additions, our Board now has 11 members.

## EQR: AN ATTRACTIVE INVESTMENT OPPORTUNITY

As we think about the many factors impacting our business as well as valuation metrics that favor Equity Residential today, we are excited about the prospects for our business in 2024 and beyond. We are focused on a relatively simple business model and avoid risky and complex investments common in other companies in the public apartment space that can be a drag to earnings. We have an affluent, well-employed resident base who are seeing their wages increase, supporting our ability to grow rents.

Equity Residential should produce some of the better same store operating metrics in the multifamily sector over the next few years. We should benefit from a general undersupply of housing in the U.S. and a favorable supply and demand dynamic in our Established Markets. We should also benefit from some catch up in growth in our West Coast markets. Los Angeles should continue to improve as we work through the impact of the higher levels of delinquency coming out of the pandemic. In San Francisco and Seattle, continued improvement in quality of life and energy on the streets in the downtown submarkets should drive a recovery in rental rates in these markets, which have underperformed coming out of the pandemic. With our rents in San Francisco currently 20% below 2019 levels while wages in the market have grown by 33% since that time and our Seattle rents flat to 2019 levels while wage growth there has been up 40%, we believe these markets have a real opportunity to improve and contribute to our growth. Additionally, we expect that our portfolio diversification efforts will bear fruit in a few years as our Expansion Markets benefit from much less supply after the wave of new deliveries that they will experience over the next couple of years. We hope to take advantage of the opportunities created by this oversupply to add assets to our portfolio at more reasonable prices than existed in 2021 and early 2022.



Another potential driver of outperformance in total shareholder return over the next few years could be from the impact from the Federal Reserve lowering interest rates. Historically REITs have outperformed the broader market after a Federal Reserve tightening cycle. The National Association of Real Estate Investment Trusts (Nareit) has data on this performance on their website at [www.reit.com](http://www.reit.com).

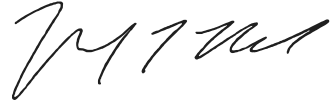
In our more than 30 years of operating Equity Residential, much has changed in real estate and the world at large. What has not changed is the commitment that Sam Zell made when he founded this company – to create value for our shareholders. We all share that commitment and will continue to invest in and operate our business consistent with the strong culture and values that we built with Sam along the way. We will continue to think about real estate as a long term investment and maintain a balance sheet that protects value in challenging times and creates opportunities to invest when others cannot. Finally, we will continue to work hard every day to delight our customers, be responsible corporate citizens and support our employees' growth and development so we can create long term value for our investors for many years to come.

Thank you for your support over the past 30 years and we look forward to your continued partnership in the years ahead.

Regards,

A handwritten signature in black ink, appearing to read "D. Neithercut", with a stylized, sweeping flourish at the end.

David J. Neithercut  
Chairman

A handwritten signature in black ink, appearing to read "M. Parrell", with a stylized, sweeping flourish at the end.

Mark J. Parrell  
President and CEO

## Appendix

### Reconciliation of EPS to FFO per share and Normalized FFO per share

The following table shows the reconciliation of EPS computed in accordance with accounting principles generally accepted in the United States to FFO per share and Normalized FFO per share for the years ended December 31, 2023 and 2022. All data shown is on a per share diluted basis.

Description	Year Ended December 31,	
	2023	2022
<b>Earnings per share</b>	<b>\$ 2.20</b>	<b>\$ 2.05</b>
Depreciation expense	2.27	2.26
Net (gain) loss on sales	(0.72)	(0.78)
Impairment – operating real estate assets	—	—
<b>FFO per share</b>	<b>3.75</b>	<b>3.53</b>
Impairment – non-operating real estate assets	—	—
Write-off of pursuit costs	0.01	0.01
Debt extinguishment and preferred share redemption (gains) losses	—	0.01
Non-operating asset (gains) losses	(0.03)	0.01
Other miscellaneous items	0.05	(0.04)
<b>Normalized FFO per share</b>	<b>\$3.78</b>	<b>\$3.52</b>

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2023**

**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:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
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

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

**None (Equity Residential)  
Units of Limited Partnership Interest (ERP Operating Limited Partnership)  
(Title of each class)**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Equity Residential Yes ☒ No ☐

ERP Operating Limited Partnership Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

Equity Residential Yes ☐ No ☒

ERP Operating Limited Partnership Yes ☐ No ☒

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

ERP Operating Limited Partnership:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report

Equity Residential ☒ ERP Operating Limited Partnership ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements

Equity Residential ☐ ERP Operating Limited Partnership ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b)

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 Act)

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

The aggregate market value of Common Shares held by non-affiliates of the Registrant was approximately \$25.0 billion based upon the closing price on June 30, 2023 of \$65.97 using beneficial ownership of shares rules adopted pursuant to Section 13 of the Securities Exchange Act of 1934 to exclude voting shares owned by Trustees and Executive Officers, some of whom may not be held to be affiliates upon judicial determination

The number of Common Shares of Beneficial Interest, \$0.01 par value, outstanding on February 8, 2024 was 379,553,591

Auditor Firm Id: 42 Auditor Name: Ernst and Young LLP Auditor Location: Chicago, Illinois, USA

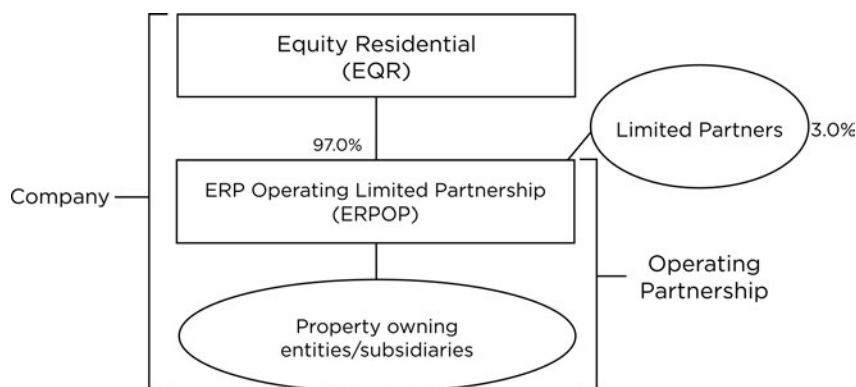
## **DOCUMENTS INCORPORATED BY REFERENCE**

Part III incorporates by reference certain information that will be contained in Equity Residential's Proxy Statement relating to its 2024 Annual Meeting of Shareholders, which Equity Residential intends to file no later than 120 days after the end of its fiscal year ended December 31, 2023, and thus these items have been omitted in accordance with General Instruction G(3) to Form 10-K. Equity Residential is the general partner and 97.0% owner of ERP Operating Limited Partnership.



## EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2023 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 December 31, 2023 owned an approximate 97.0% ownership interest in, ERPOP. The remaining 3.0% 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-K 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 II, Item 9A, *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.

**EQUITY RESIDENTIAL  
ERP OPERATING LIMITED PARTNERSHIP  
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## PART I

### Item 1. Business

#### General

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 December 31, 2023 owned an approximate 97.0% 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.

On May 18, 2023, the Company announced that Samuel Zell, its Founder and Chairman of the Board of Trustees, had passed away earlier that same day. David J. Neithercut, the Company’s former Chief Executive Officer and a member of the Company’s Board of Trustees since 2006, has been appointed as Chairman.

Certain capitalized terms used herein are defined in the Notes to Consolidated Financial Statements or the Definitions section of Item 7, *Management’s Discussion and Analysis of Financial Condition and Results of Operations*. See also Note 17 in the Notes to Consolidated Financial Statements for additional discussion regarding the Company’s segment disclosures.

#### 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](http://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

##### *Overview*

The Company is one of the largest U.S. publicly-traded owners and operators of high quality rental apartment properties, with an established presence in Boston, New York, Washington, D.C., Southern California (including Los Angeles, Orange County and San Diego), San Francisco and Seattle, and an expanding presence in Denver, Atlanta, Dallas/Ft. Worth and Austin. Through our ownership in these markets, we seek to optimize our portfolio by balancing risk and maximizing returns. We believe that this portfolio will allow us to produce more consistent cash flows in a volatile world where local market conditions may cause operating fundamentals to change rapidly. We believe our markets are knowledge centers of the U.S. economy that draw employers and their talented affluent workers that drive economic growth in the United States. We believe the locations of our properties in these markets are attractive to these affluent knowledge workers (who often choose to rent for lifestyle reasons) that we hope to convert into satisfied long-term residents.

We believe we have created an industry-leading operating platform and balance sheet to run our properties. Our employees are focused on delivering remarkable customer service to our residents so they will stay with us longer, be willing to pay higher rent for a great experience and will tell others about how much they love living in an Equity Residential property. We utilize technology and other innovative methods of engagement with our residents to foster relationships and community, improve the resident experience and operate our business more efficiently. We pair that with disciplined balance sheet management that enhances returns and value creation

while maintaining flexibility to take advantage of future opportunities. We believe that our stakeholders value stability, liquidity, predictability and accountability and that is the mission to which we remain unwaveringly committed.

Despite overall economic concerns, demand to live in our apartment communities remains healthy and we believe that the long-term prospects for our business remain strong. Our business benefits from elevated single family home ownership costs, positive household formation trends and the overall deficit in housing across the country, especially in the areas in which we are investing. Our well-located communities provide an exceptional experience for our residents around dynamic cities that we believe will continue to attract affluent long-term renters.

Equity Residential is committed to creating communities where people thrive. We carry this, our corporate purpose, through our relationships with our customers, our employees, our shareholders and the communities in which we operate. It drives our commitments to sustainability, diversity and inclusion, the total wellbeing of our employees and being a responsible corporate citizen in the communities in which we operate.

### *Investment Strategy*

The Company's long-term strategy is to invest in apartment properties located in strategically targeted markets with the goal of maximizing our risk-adjusted total returns by balancing current cash flow generation with long-term capital appreciation. We seek to meet this goal by investing in markets that are characterized by conditions favorable to multifamily property operations over the long-term. Our multi-pronged investment strategy featuring acquisitions, new stand-alone and expansion developments, densifying developments and accretive renovations of existing properties is focused on optimizing and balancing our portfolio in terms of location, including between our established and expansion markets and between urban and suburban submarkets within those markets. The markets we focus on generally feature one or more of the following characteristics that allow us to drive performance:

- **Large and diverse economic drivers.** Our markets are some of the largest cities in the United States. They are markets that generally attract a variety of large and diverse industries and businesses. They include a number of submarkets that are attractive for long-term multifamily ownership and are positioned to capture future demand.
- **High costs of single family home ownership.** Elevated single family home ownership costs (large down payments, high interest rates, etc.), low for sale inventory and existing homeowners that are reluctant to sell given favorable locked-in financing all support renting in the long-term, especially in the markets in which we operate.
- **Strong high quality job growth.** Our markets attract and create high quality jobs that are often focused in growing areas of the knowledge-based economy. These jobs result in the significant presence and growth in affluent renters that work in the highest earning sectors of the economy, are not rent burdened and are attracted to our type of properties. This creates the ability to raise rents more readily in good economic times and reduces risk during downturns. Many of these affluent workers are employed in the fields of Science, Technology, Engineering and Mathematics, or STEM jobs, as well as financial services, medical, legal and other higher-earning professions.
- **Significant apartment demand that meets new apartment supply.** We remain focused on owning and operating properties in markets and submarkets where the supply of apartments is met with strong demand. While at times supply and demand imbalances may occur, over the long-term we believe that the dynamics in our markets will support superior long-term returns.

We also focus on resiliency/environmental and regulatory issues when choosing which markets/submarkets in which to concentrate our investment efforts. We conduct climate resilience analyses and assess the regulatory climate to identify potential risks and opportunities as part of our due diligence process for new acquisitions and developments, as well as potential markets for portfolio expansion. Resiliency and regulatory issues also factor into our decisions to dispose of certain properties and/or exit certain submarkets.

We believe our strategy capitalizes on the preference of renters of all ages to live in the locations where we operate which typically are near transportation (both public transit and convenient highway access), entertainment, employment centers/universities and cultural and outdoor amenities. Furthermore, we believe that demand for rental housing will continue to be driven primarily through household formations from the younger segments of our population, particularly Generation Z, while retaining Millennials for longer, and to a lesser extent, capturing the aging Baby Boomer generation.

- Generation Z is approximately 70 million people born between 1997 and 2012. This cohort is entering prime renter age and is expected to continue to be an important source of demand.
- Millennials are individuals born between 1981 and 1996, totaling approximately 72 million people, and continue to be a significant portion of the renter population. They also tend to remain renters longer due to the high cost of single family home ownership, societal trends favoring delays in marriage and having children and caution around making large financial commitments during uncertain economic times.

- Baby Boomers, a demographic of more than 68 million people born between 1946 and 1964, also may trend toward apartment rentals as they downsize and enter retirement in vibrant cities.

The Company continues to allocate capital in order to optimize performance by balancing current cash flow growth with long-term capital appreciation. We have done so by adding expansion markets to our portfolio when certain submarkets in those markets meet many of the same characteristics listed above. Expansion into these markets of Denver, Atlanta, Dallas/Ft. Worth and Austin includes investments in both urban and suburban properties in select submarkets and is generally being funded by reducing exposure to older or lower returning assets in selected established markets. Development also plays an important role in our capital allocation. Development activity is focused on our in-house pipeline and redevelopment of some existing operating properties and our strategic partnerships and joint-ventures with third-party developers in both established and expansion markets. The Company remains committed to development as a driver of external growth but acknowledges its incremental risk, particularly in higher inflationary cost environments, when evaluating it as a method of expansion.

### *Competition*

All of the Company's properties are located in developed areas with multiple housing choices, including other multifamily properties. The number of competitive housing choices or multifamily properties in a particular area could have a material effect on the Company's ability to lease apartment units at its properties and on the rents charged. The Company may be competing with other housing providers that have greater resources than the Company and whose managers have more experience than the Company's managers. In addition, other forms of rental properties and single family housing provide housing alternatives to potential residents of multifamily properties. See Item 1A, *Risk Factors*, for additional information with respect to competition.

### *Operations and Innovation*

We attempt to balance occupancy and rental rates to maximize our revenue while exercising tight cost control to generate the highest possible cash flow generation to our shareholders. Our focus on operating efficiency and delivery of an exceptional resident living experience has driven strong Physical Occupancy and a high Percentage of Residents Renewing while achieving strong renewal rate growth.

We deliver this performance through rapidly evolving technology and innovation that is increasingly prevalent in our industry. We have been and continue to be a leader in deploying and investing in property technology to serve our customers better and operate more efficiently. Having a history as a first mover in such important areas as online leasing, we are focused on technology that drives superior margins and improves customer experience. We use a standardized purchasing system to control our operating expenses and a business intelligence platform and other data analytics that allow our team members to quickly identify and address issues and opportunities. Many of these initiatives allow us to interact with our customers in a safe, responsible and convenient manner, including self-guided tours, automated responses to customer inquiries and enhanced service and maintenance management. While we believe areas such as "smart home" technology and others will provide the foundation for current and future improvements to how we do business, we will continue to consider the cost and longevity of technology capital investments and their benefits.

### *Our Commitment to Corporate Responsibility*

At Equity Residential, we believe focusing on corporate responsibility is a key way to programmatically address stakeholder concerns as part of our corporate purpose as we recognize the profound impact that the real estate industry can have on our environment and society as a whole. We strive to create and maintain a sustainable portfolio that not only has a low environmental footprint, but also one that is attractive to our customers and the community and resilient to the changing climate. We apply best practices for sustainability across all aspects of our real estate business. We have a dedicated in-house team that initiates and applies sustainable practices in all aspects of our business, including investment activities, development, property operations and property management activities. Multifamily housing is one of the most environmentally-friendly uses of real estate, as each property provides homes for hundreds of families in a denser shared environment. We consider building locations based on walkability, accessibility, neighborhoods and communities. Our properties support amenities such as fitness centers and we select locations near shops, restaurants, outdoor amenities such as bike/running paths and health clubs, enabling a low carbon footprint lifestyle for our residents to live, work and play.

Equity Residential's sustainability program actively manages environmental impacts and climate-related risks and opportunities through optimized, financially responsible capital investments and technologies. We methodically focus on energy, water, waste and emissions to advance the program's policies, targets and resilience outcomes as well as our shareholders' long-term financial interests. Together, we believe our program drives long-term asset value, responsibly manages risks and engages our communities, residents, employees and shareholders as part of our broader sustainability strategy and commitment to good corporate citizenship and maximizing investment performance. Our expertise has shown that as real estate owners, developers and managers, we have the ability to make a positive impact on the environment while also enhancing our financial performance and strengthening our organization's sense of purpose.

To further strengthen our commitments to sustainability initiatives, we set ambitious targets to reduce our environmental impact across the portfolio aligned with global climate change initiatives. For example, we recently set a science-based target to reduce our absolute Scope 1, 2, and 3 greenhouse gas emissions (from our two biggest categories) by 30% by 2030 from a 2018 base year. We continue to enhance our environmental disclosure efforts by calculating and disclosing our Scope 3 emissions.

We also issued two sustainable fixed-income instruments (each a "green bond") designed to support projects that contribute to environmental sustainability, becoming the first multifamily REIT to ever issue a green bond. The Company also has a \$10.0 million investment in a fund focused on early stage sustainability and climate change mitigation technology relevant to the built environment.

As detailed below, we have a commitment to our employees' engagement, diversity and inclusion and wellness that serves as the foundation of our corporate purpose. We celebrate differences and are committed to cultivating an inclusive environment of belonging for all employees, driving excellence through shared perspectives and collaborative innovation. We also recognize that a successful company must incorporate the best corporate governance practices in order to better serve its stakeholders. Consistent with the Company's purpose and commitment to the incorporation of corporate responsibility concepts in all aspects of its business, executive compensation includes a goal which focuses on environmental, social and governance factors.

For additional information regarding our corporate responsibility efforts, see our 2023 Environmental, Social and Governance Report at our website, [www.equityapartments.com](http://www.equityapartments.com), which includes third-party limited assurance covering some of the environmental metrics included in the report. The report, which includes Sustainability Accounting Standards Board disclosures and incorporates recommendations from the Task Force on Climate-Related Financial Disclosures, was reviewed and approved by the Corporate Governance Committee of our Board of Trustees, which monitors the Company's ongoing corporate responsibility efforts. The Environmental, Social and Governance Report is not part of or incorporated into this report. Furthermore, our annual proxy statements contain additional information on our corporate responsibility efforts, including detailed information regarding our corporate governance practices. Such annual proxy statements and the information contained therein are not part of nor incorporated into this report, except as otherwise provided herein.

### *Human Capital*

At Equity Residential, our team of approximately 2,400 employees is the driving force of our success. We believe that our richly diverse work environment captures top talent, cultivates the best ideas and creates the widest possible platform for this success in line with our corporate purpose of "*Creating communities where people thrive*". Our core principles, affectionately named "*Ten Ways to Be a Winner*," guide our behavior as individuals and collectively as a team, helping us in our goal to deliver market-leading performance. As part of our Ten Ways to Be a Winner, we encourage our team members to raise questions, take educated risks, offer new ideas and help us make the right decisions. One way we live the "Ten Ways" is by enriching our culture through our core "Equity Values," which include Diversity & Inclusion, Social Responsibility, Sustainability and Total Wellbeing. We have assembled the Equity Values Council, a diverse employee group reflective of the broader Company, to lead our efforts on these values by acting as change agents to drive initiatives, create goals and awareness, and encourage colleagues to participate in community service activities and wellness initiatives.

#### *Diversity and Inclusion*

- Our commitment to diversity and inclusion starts with a highly skilled and diverse Board of Trustees.
- We are committed to fostering a safe, inclusive and productive workplace for all employees. We believe providing a work environment based on respect, trust and collaboration creates an exceptional employee experience where employees can bring their whole selves to work and thrive in their careers. In recent years, we have created dedicated Diversity and Inclusion staffing to oversee this crucial work.
- To further prioritize the importance of our diversity and inclusion efforts, our executives' annual compensation goals include an evaluation of objective metrics measuring our Company's progress in this regard.
- We have the benefit of a diverse workforce, of which over 60% currently identify as ethnically diverse.

- A diversity and inclusion lens is embedded in our talent review processes. This includes the development of our *Overcoming Bias in Performance Review Toolkit*, which is designed to provide practical bias interrupters and guidelines to improve fairness in the performance evaluation process.
- We strategically identify opportunities to increase the diversity of our talent pipeline at all levels, including by actively seeking to source a pool of diverse candidates for mid-management and above positions in the communities where we serve, such as from Project Destined, Fannie Mae's Future Housing Leaders, Howard University, Roosevelt University and Evanston Scholars.
- We employ interns from universities across the nation and local colleges to provide pathways for students of various backgrounds interested in real estate.

#### *Pay Equity*

- In order to develop, attract and retain the best employees, we are committed to providing a total compensation package which is market-based, performance driven, fair and internally equitable.
- Our goal is to be competitive both within the general employment market as well as with our competitors in the real estate industry, with our strongest performers being paid more.
- Base pay is reviewed annually, as is Equity Residential's compensation framework, by partnering with managers to create and update job descriptions that reflect the duties, skills, experience and education required to perform the role, and then benchmarking the Company's pay practices and budget as well as our jobs against third-party compensation surveys to determine the market value of the job.
- During the year-end performance evaluation process, managers review and calibrate compensation for all employees on their team, in an effort to ensure equity around our pay practices and allow us to reward and motivate our top talent.

#### *Employee Engagement*

- Employee engagement and experience are extremely important at Equity Residential. Our Employee Experience (EX) Survey measures employee engagement and diversity and inclusion, among other components of the employee experience.
- Our 2023 engagement score of 78% favorability is very strong, especially given changes in employee expectations in the wake of the pandemic. Our Diversity & Inclusion Index score of 84% demonstrated significant employee favorability for the initiatives taking place and a greater sense of belonging.
- Executive leaders are assessed annually on their leadership results for diversity and inclusion, engagement and manager completion of Ethics and Positive Workplace training, which for 2023 were measured by an employee experience survey and course completion rates.

#### *Training and Development*

- We believe a successful workplace is one where employees constantly learn and grow. Our HR Transformation Learning & Development ("L&D") team works regularly with leaders and employees to expand their knowledge and skills. L&D develops and delivers a wide range of training and development opportunities, from tactical to strategic, face-to-face to virtual, social learning to self-directed learning, and more.

#### *Health, Safety and Wellness*

- Equity Residential is committed to providing the tools and resources to help our employees achieve total wellbeing. Having a thriving employee base is the pinnacle of our total wellbeing efforts. When employees bring their whole self to work, perform their best and are well supported, they can make powerful contributions to the business, culture and our communities. Whether physical, mental, financial, career, social or community wellbeing, Equity Residential offers benefits to help meet our employee needs.
  - Physical Wellbeing: Equity Residential is focused on providing benefits that help our employees achieve balance and address good health proactively, with coverage for ongoing needs and emergencies that can arise as well. Long before healthcare reform, Equity Residential made a commitment to cover 100% of employee preventive care. This commitment—and our robust and highly popular wellness program—has made proactive personal healthcare more accessible and manageable for employees, while encouraging ongoing healthy behaviors and rewarding employees for taking a proactive approach to their health.
  - Mental Wellbeing: We strive to make mental healthcare accessible. Our communications are designed to highlight awareness-building and our resources are centered around culturally competent care that scales toward employees'



needs. This includes educational resources for maintaining mental health, online mobile apps to address or discuss ways to improve, and partnerships with virtual care providers and support networks for those who need immediate and critical support. All employees and their family members have access to five free counseling sessions (per year per presenting matter) through our Employee Assistance Program. Understanding the importance of a mentally healthy workforce, we also added an industry-leading meditation app, free to all employees and their family members, designed to promote mental health. Our dedication to mental wellness is reflected in providing tools like this, fostering a culture that values self-care and effective mental health practices.

- **Financial Wellbeing:** These benefits and resources help our employees manage their money better today, while preparing for financial milestones and retirement in the future. Financial peace of mind is at the core of these offerings, whether it's our generous 401(k) match, basic and supplemental insurance to ensure our loved ones and possessions are cared for, rent discounts at our properties or additional savings and investment options like our employee share purchase plan.
- **Career Wellbeing:** When employees move up in skill and experience, so does Equity Residential. We encourage our employees to *Test their Limits* (one of the Ten Ways), push the boundaries of their comfort zones and seek new challenges through several learning resources and courses, in addition to tuition reimbursement. We actively promote from within, and many senior corporate and property leaders have risen from entry level or junior positions.
- **Social and Community Wellbeing:** We offer a number of benefits that foster social and community wellbeing, including paid time off to volunteer in our communities.
- Equity Residential continues to partner with Employees1st to provide financial relief via a crisis fund for employees struck by personal hardships or unforeseen disasters. The Company contributes funds to further support employees who experience unforeseen or catastrophic hardship. We are proud that this program allows yet another avenue for us to tangibly demonstrate a one team culture by ensuring that employees feel safe and supported during extreme circumstances.

## **Regulatory Considerations**

See Item 1A, *Risk Factors*, for information concerning the potential effects of governmental regulations, including environmental regulations, on our operations.

## Item 1A. Risk Factors

### General

*This Item 1A includes forward-looking statements. You should refer to our discussion of the qualifications and limitations on forward-looking statements included in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.*

The occurrence of the events discussed in the following risk factors could adversely affect, possibly in a material manner, our business, financial condition or results of operations, which could affect the value of our common shares of beneficial interest or preferred shares of beneficial interest (which we refer to collectively as "Shares"), Preference Units, OP Units, restricted units and our public unsecured debt. In this section, we refer to the Shares, Preference Units, OP Units, restricted units and public unsecured debt together as our "securities" and the investors who own such securities as our "security holders."

### ***Risks Related to our Business Strategy***

*Investing in real estate is inherently subject to risks that could negatively impact our business.*

Investing in real estate is subject to varying degrees and types of risk. While we seek to mitigate these risks through various strategies, including geographic diversification, market research and proactive asset management, among other techniques, these risks cannot be eliminated entirely. Factors that may impact cash flows and real estate values include, but are not limited to:

- Local economic conditions, particularly oversupply or reductions in demand;
- National, regional and local political and regulatory climates, governmental fiscal health and governmental policies;
- The inability or unwillingness of residents to pay rent increases;
- Increases in our operating expenses due to inflationary or other pressures;
- Cost and availability of labor and materials required to maintain our properties at acceptable standards;
- Availability of attractive financing opportunities;
- Changes in social preferences, demographics or migration patterns; and
- Additional risks that are discussed below.

*The geographic concentration of our properties could have an adverse effect on our operations.*

While the Company continues to diversify its portfolio with the addition of the expansion markets, the Company's properties are still predominantly concentrated in our established coastal markets (generally within certain dense urban and suburban submarkets). If one or more of these markets is unfavorably impacted by specific geopolitical and/or economic conditions, local real estate conditions, increases in social unrest, increases in real estate and other taxes, reduced quality of life, deterioration of local or state government health, rent control or rent stabilization laws, other similar regulations, or localized environmental and climate issues, the impact of such conditions may have a more negative impact on our results of operations than if our properties were more geographically diverse. Additionally, to the extent that these markets or submarkets become less desirable to operate in, including changes in multifamily housing supply and demand, our results of operations could be more negatively impacted than if we were more diversified within our markets or invested in a greater number of markets.

*Competition for housing may negatively affect operations and demand for the Company's properties or residents.*

Our properties face competition for residents from other existing or new multifamily properties, condominiums, single family homes and other living arrangements, whether owned or rental, that may attract residents from our properties or prospective residents that would otherwise choose to live with us. As a result, we may not be able to renew existing resident leases or enter into new resident leases, or if we are able to renew or enter into new leases, they may be at rates or terms that are less favorable than our current rates or terms, resulting in a material impact on our results of operations.

Additionally, our properties face competition for residents as a result of innovations in technology and amenities. Therefore, we may not be able to retain residents or attract new residents if we are unable to identify and cost effectively implement new, relevant technologies/amenities and keep up with constantly changing resident demand for the latest innovations in these areas.

*The short-term nature of apartment leases exposes us more quickly to the effects of declining market rents, potentially making our results of operations and cash flows more volatile.*

Generally, our residential apartment leases are for twelve months or less. If the terms of the renewal or releasing are less favorable than current terms, then the Company's results of operations and financial condition could be negatively affected. Given our generally shorter-term lease structure, our rental revenues are impacted by declines in market rents more quickly than if our leases were for longer terms. In addition, operating expenses associated with each property, such as real estate taxes, insurance, utilities, maintenance costs and employee wages and benefits, may not decline at all or decline at the same rate as revenues when circumstances might cause a reduction of those revenues at our properties.

*Because real estate investments are illiquid, we may not be able to sell properties when appropriate.*

Real estate investments often cannot be sold quickly due to regulatory constraints, market conditions or otherwise. As a result, we may not be able to reconfigure our portfolio, including the diversification of our portfolio into the expansion markets, as promptly as desired or as quickly in response to changing economic or other conditions. We may also be unable to consummate dispositions in a timely manner, on attractive terms, or at all. The capitalization rates/disposition yields at which properties may be sold could also be higher than historic rates, thereby reducing our potential proceeds from sale. In some cases, we may also determine that we will not recover the carrying amount of the property upon disposition, potentially causing an impairment charge. This inability to reallocate our capital promptly could negatively affect our financial condition, including our ability to make distributions to our security holders.

*Competition may prevent us from acquiring properties on favorable terms.*

We may not be successful in pursuing acquisition and development opportunities. We expect that other real estate investors will compete with us for attractive investment opportunities or may also develop properties in markets where we focus our development and acquisition efforts. We may not be in a position or have the opportunity in the future to make suitable property acquisitions on favorable terms.

*Operations from new acquisitions, development projects and renovations may fail to perform as expected.*

We intend to actively acquire, develop and renovate multifamily operating properties as part of our business strategy. Newly acquired, developed or renovated properties may not perform as we expect. We may overestimate the revenue (or underestimate the expenses) that these new or repositioned properties may generate. The occupancy and rental rates at these properties may also fail to meet our expectations for these investments. Land parcels acquired for development may lose significant value prior to the start of construction. Development and renovations are subject to even greater uncertainties and risks due to the complexities and lead time to build or complete these projects. We may also underestimate the costs to complete a development property or to complete a renovation.

Additionally, we have and may in the future acquire large portfolios of properties or companies that could increase our size and result in alterations to our capital structure. We may be unable to integrate the operations of newly acquired large portfolios or companies and realize the anticipated synergies and other benefits or do so within the anticipated time frame.

Furthermore, we have in the past and may in the future decide to invest in expansion markets outside of our existing established markets by acquiring and/or developing properties in accordance with the Company's long-term investment strategy. Our historical experience in our established markets does not ensure that we will be able to operate successfully in new markets, should we choose to enter them. Entering into new markets may expose us to a variety of risks, including an inability to accurately evaluate local market conditions and local economies, to identify appropriate acquisition and/or development opportunities, to hire and retain key personnel and a lack of familiarity with local governmental regulations.

*Construction risks on our development projects could affect our profitability.*

We intend to continue to develop multifamily properties through both wholly owned and joint venture arrangements as part of our business strategy. Development often includes long planning and entitlement timelines, subjecting the projects to changes in market conditions. It can involve complex and costly activities, including significant environmental remediation or construction work in our markets. We have experienced and may continue to experience an increase in costs due to general disruptions that affect the cost of labor and/or materials, such as supply chain disruptions, trade disputes, tariffs, labor unrest, geopolitical conflicts or other factors that create inflationary pressures. We may abandon opportunities that we have already begun to explore for a number of reasons, and as a result, we may fail to recover costs already incurred in exploring those opportunities. We may also be unable to obtain, or experience delays in obtaining, necessary zoning, occupancy, or other required governmental or third-party permits and authorizations. These and other risks inherent in development projects, including the joint venture risks noted below, could result in increased costs or the delay or abandonment of opportunities.

*We are subject to risks involved in real estate activity through joint ventures.*

We currently, and may continue to in the future, develop and acquire properties in joint ventures with unrelated third parties. Joint ventures create risks including the following:

- The possibility that our partners might refuse or be financially unable to make capital contributions when due or may fail to meet contractual obligations to cover development cost overruns and therefore we may be forced to make contributions to protect our investments;
- These projects generally use mortgage debt (including variable rate constructions loans) to finance their activities at a higher leverage level than how we finance the Company as a whole;
- We may be responsible to our partners for indemnifiable losses;
- Our partners might at any time have business, tax planning or economic goals that are inconsistent with ours;
- Our partners may be in a position to take action or withhold consent contrary to our recommendations, instructions or requests; and
- The possibility that our partner is either unable to or unwilling to complete their contractual development activities.

At times we have entered into agreements providing for joint and several liability with our partners. We have in the past and may in the future choose to guarantee part of or all of certain joint venture debt or to act as a lender to the joint venture itself. We and our respective joint venture partners may each have the right to trigger a buy-sell arrangement that could cause us to sell our interest, or acquire our partner's interest, at a time or price that is unfavorable to us. Each joint venture agreement is individually negotiated and our ability to operate, finance or dispose of properties and interests in such joint ventures in our sole discretion may be limited to varying degrees depending on the terms of the applicable joint venture agreement. To the extent we have commitments to, on behalf of or are dependent on any such off-balance sheet commitments, or if those commitments or their properties or leases are subject to material contingencies, our liquidity and financial condition could be adversely affected.

In some instances, our joint venture partners may also have competing interests or objectives that could create conflicts of interest similar to those noted above. These objectives may be contrary to our compliance with the REIT requirements, and our REIT status could be jeopardized if any of our joint ventures do not operate in compliance with those requirements. To the extent our partners do not meet their obligations to us or our joint ventures, or they take actions inconsistent with the interests of the joint venture, it could have a negative effect on our results of operations and financial condition, including distributions to our security holders.

*We are subject to risks involved in activity through real estate technology and other real estate fund investments.*

We have entered into, and may continue in the future to enter into, real estate technology and other real estate fund investments. Noncontrolling interests and passive investments are inherently risky because we have limited ability to influence business decisions. The managers of such investments have autonomy over the day-to-day operations of the business and may make business, financial or management decisions with which we do not agree or take risks or otherwise act in a manner that does not serve our interests. In addition, the market for the technologies or products these companies are developing are typically in the early stages and may not materialize to the expected scale, causing these companies to abandon, modify or alter their product, service or overall strategy. Further, there is no assurance that these companies can obtain additional capital or resources or generate sufficient cash flow to sustain operations and successfully execute their strategy. The performance of these investments may also rely on the services of a limited number of key individuals, the loss of whom could significantly adversely affect such investments' performance. As a result, we may recognize an impairment of our investment or be unable to sell or otherwise monetize any of the investments we have acquired or may acquire in the future.

*We are subject to risks related to our properties that are subject to ground leases.*

We have entered into, and may continue in the future to enter into, long-term ground leases with respect to assets that may restrict our ability to finance, sell or otherwise transfer our interests in these properties, limit our use and expose us to loss of the properties if such agreements are breached by us or terminated. These restrictions may limit our ability to timely sell or exchange the properties, impair the properties' value or negatively impact our ability to operate the properties. In addition, as we get closer to the lease termination dates, the values of the properties could decrease if we are unable to agree upon an extension of the lease with the lessor. Certain of these ground leases have payments subject to annual escalations and/or periodic fair market value adjustments which could adversely affect our financial condition or results of operations.

*We face certain risks related to our Non-Residential operating activities.*

The Non-Residential space (includes retail and public parking garage operations) at our properties primarily serves as an additional amenity for our residents and neighbors. The longer-term nature of our Non-Residential leases (generally five to ten years with market based renewal options) and the characteristics of many of our Non-Residential tenants (generally small, local businesses) may subject us to certain risks. We may not be able to lease new space for rents that are consistent with our projections or for market rates. Also, when leases for our existing Non-Residential space expire, the space may not be relet or the terms of reletting, including the cost of allowances and concessions to tenants, may be less favorable than the current lease terms. The presence of competitive alternatives and other market conditions (including online shopping) may affect our ability to lease our Non-Residential space and impact the level of rents we can obtain. If our Non-Residential tenants experience financial distress or bankruptcy, they may fail to comply with their contractual obligations, seek concessions, such as rent abatements and deferrals, in order to continue operations or cease their operations, any or all of which could lead us to record a non-cash write-off of a tenant's straight-line rent receivable (like we did in 2023 due to the Rite Aid bankruptcy) and could adversely impact our results of operations and financial condition.

*The Company's real estate assets may be subject to impairment charges.*

A decline in the fair value of our assets may require us to recognize an impairment against our assets under accounting principles generally accepted in the United States ("GAAP") if we were to determine that, with respect to any assets in unrealized loss positions, we do not have the ability and intent to hold such assets for a period of time sufficient to allow for recovery of the depreciated cost of such assets. If such a determination were to be made, we would recognize unrealized losses through earnings and write-down the depreciated cost of such assets to a new cost basis, based on the fair value of such assets on the date they are considered to be impaired. Such impairment charges reflect non-cash losses at the time of recognition; subsequent disposition or sale of such assets could further affect our future losses or gains, as they are based on the difference between the sale price received and adjusted depreciated cost of such assets at the time of sale. If we are required to recognize material asset impairment charges, these charges could adversely affect our financial condition and results of operations.

*Corporate responsibility, specifically related to sustainability efforts, may impose additional costs and expose us to new risks.*

Corporate responsibility evaluations remain highly important to some investors and other stakeholders. Certain organizations that provide corporate governance and other corporate risk advisory services to investors have developed scores and ratings to evaluate companies and investment funds based upon corporate responsibility metrics. Many investors focus on positive corporate responsibility-related business practices and scores when choosing to allocate their capital and may consider a company's score as a reputational or other factor in making an investment decision. Government regulators' and investors' increased focus and activism related to corporate responsibility and similar matters may constrain our business operations or increase expenses or capital expenditures. In addition, investors may decide to refrain from investing in us as a result of their assessment of our approach to and consideration of corporate responsibility factors. We may face reputational damage in the event our corporate responsibility procedures or standards do not meet the standards set by various constituencies. In addition, the criteria by which companies are rated for their efforts may change, which could cause us to receive lower scores than in previous years. A low rating could result in a negative perception of the Company, exclusion of our securities from consideration by certain investors who may elect to invest with our competition instead and/or cause investors to reallocate their capital away from the Company, all of which could have an adverse impact on the price of our securities.

*Our various technology-related initiatives to improve our operating margins and customer experience may fail to perform as expected.*

We have developed and may continue to develop initiatives that are intended to serve our customers better and operate more efficiently, including "smart home" technology and self-service options that are accessible to residents through smart devices or otherwise. Such initiatives have involved and may involve our employees having new or different responsibilities and processes with which they may be unfamiliar. We may incur significant costs and divert resources in connection with such initiatives, and these initiatives may not perform as expected, which could adversely affect our business, results of operations, cash flows and financial condition.

## ***Risks Related to our Financing Strategy and Capital Structure***

*Disruptions in the financial markets could hinder our ability to obtain debt and equity financing and impact our acquisitions and dispositions.*

Dislocations and disruptions in capital markets could result in increased costs or lack of availability of debt financing (including under our commercial paper program) and equity financing. Such events may affect our ability to refinance existing debt, require us to

utilize higher cost alternatives and/or impair our ability to adjust to changing economic and business conditions. Capital market disruptions have and could continue to negatively impact our ability to make acquisitions or make it more difficult or not possible for us to sell properties or may unfavorably affect the price we receive for properties that we do sell. Such disruptions could cause the price of our securities to decline.

*Changes in market conditions and volatility of share prices could decrease the market price of our Common Shares.*

The stock markets, including the New York Stock Exchange on which we list our Common Shares, have experienced significant price and volume fluctuations over time, including in recent years. As a result, the market price of our Common Shares has been and could continue to be similarly volatile. Investors in our Common Shares consequently may experience a decrease in the value of their shares, including decreases due to this volatility and not necessarily related to our operating performance or prospects. Additionally, the market price of our Common Shares may decline or fluctuate significantly in response to the sale of substantial amounts of our Common Shares, or the anticipation of the sale of such shares, by large holders of our securities, as well as our inclusion or exclusion from stock indices. The issuance of additional Common Shares by the Company, or the perception that such issuances might occur, could also cause significant volatility and decreases in the value of our shares. Continuing high interest rates can also negatively impact the value of our Common Shares, not just through higher interest expense on our debt, but also as investors and markets discount our earnings more and/or assume slower growth in earnings.

*Our financial counterparties may not perform their obligations.*

Disruptions in financial and credit markets or other events could impair the ability of our counterparties to perform under their contractual obligations to us. There are multiple financial institutions that are individually committed to provide borrowings under our revolving credit facility and to pay us amounts due under various interest rate derivative agreements. Should any of these institutions fail to perform their obligations when contractually required, our financial condition could be adversely affected.

*Rising interest rates can increase costs and impact the value of the Company's assets.*

The Company is exposed to market risk from financial instruments primarily from changes in market interest rates. Such risks derive from the refinancing of debt at or prior to maturity, from exposure to interest rate fluctuations on floating rate debt and from derivative instruments utilized to swap fixed rate debt to floating rates or to hedge rates in anticipation of future debt issuances. Rising interest rates increased and may continue to increase our interest expense and the costs of refinancing existing debt. Higher interest rates also increased and could continue to increase capitalization rates, which may lead to reduced valuations of the Company's assets.

*Failure to hedge effectively against interest rate changes may adversely affect our results of operations.*

From time to time when we anticipate issuing debt securities, we may seek to limit our exposure to fluctuations in interest rates during the period prior to the pricing of the securities by entering into interest rate hedging contracts. Also, from time to time we may rely on interest rate hedging contracts to limit our exposure under variable rate debt to unfavorable changes in market interest rates. The settlement of interest rate hedging contracts may involve material charges. In addition, our use of interest rate hedging arrangements may expose us to additional risks, including a risk that a counterparty to a hedging arrangement may default on the contract. There can be no assurance that our hedging activities will be effective and have the desired beneficial impact on our results of operations or financial condition.

*Insufficient cash flow could affect our ability to service existing debt and create refinancing risk.*

We are subject to risks normally associated with debt financing, including the risk that our cash flow will be insufficient to meet required payments. We may not be able to refinance existing debt and if we can, the terms of such refinancing may be less favorable than the terms of existing indebtedness. Our inability to refinance, extend or repay debt with proceeds from other capital market transactions would negatively impact our financial condition. If the debt is secured, the mortgage holder may also foreclose on the property.

*A significant downgrade in our credit ratings could adversely affect our performance.*

A significant downgrade in our credit ratings, while not affecting our ability to draw proceeds under the Company's revolving credit facility, would cause the corresponding borrowing costs to increase, impact our ability to borrow secured and unsecured debt, and potentially impair our ability to access the commercial paper market or otherwise limit our access to capital. In addition, a downgrade below investment grade would likely cause us to lose access to the commercial paper markets and would require us to post cash collateral and/or letters of credit in favor of some of our secured lenders to cover our self-insured property and liability insurance deductibles or to obtain lower deductible insurance compliant with the lenders' requirements at the lower ratings level.

*Financial covenants could limit operational flexibility and affect our overall financial position.*

The terms of our credit agreements, including our revolving credit facility and the indentures under which a substantial portion of our unsecured debt was issued, require us to comply with a number of financial covenants. These covenants may limit our flexibility to run our business and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness and trigger a cross default of other debt.

Some of our properties are financed with tax-exempt bonds or otherwise contain restrictive covenants or deed restrictions, including affordability requirements, which limit income from certain properties. The Company monitors compliance with the restrictive covenants and deed restrictions that affect these properties. While we generally believe that the interest rate benefit from financing properties with tax-exempt bonds more than outweighs any loss of income due to restrictive covenants or deed restrictions, this may not always be the case. Some of these requirements are complex, and our failure to comply with them may subject us to material fines or liabilities.

*We may change the dividend policy for our securities in the future.*

The decision to declare and pay dividends on our securities, as well as the timing, amount and composition of any such future dividends, is at the discretion of the Board of Trustees and will depend on actual and projected financial conditions, the Company's actual and projected liquidity and operating results, the Company's projected cash needs for capital expenditures and other investment activities and such other factors as the Company's Board of Trustees deems relevant. The Board of Trustees may modify our dividend policy from time to time and any change in our dividend policy could negatively impact the market price of our securities.

*Issuances or sales of our Common Shares or Units may be dilutive.*

Any additional issuance of Common Shares (including those issued under our At-The-Market ("ATM") program) or Units would reduce the percentage of our Common Shares and Units owned by existing investors. In most circumstances, shareholders and unitholders will not be entitled to vote on whether or not we issue additional Common Shares or Units. In addition, depending on the terms and pricing of additional offerings of our Common Shares or Units along with the value of our properties, our shareholders and unitholders could experience dilution in both the book value and fair value of their Common Shares or Units, as well as dilution in our actual and expected earnings per share, funds from operations ("FFO") per share and Normalized FFO per share.

### **Regulatory and Tax Risks**

*The adoption of, or changes in, rent control or rent stabilization regulations and eviction restrictions could have an adverse effect on our operations and property values.*

In part due to increasing pressure from advocacy groups, a growing number of state and local governments have enacted and may continue to consider enacting and/or expanding rent control, rent stabilization, eviction moratoriums or other similar regulations. In addition, the federal government has recently considered imposing rent regulations on multifamily properties secured by government-sponsored debt. These regulations specifically and/or effectively limit or could continue to limit our ability to raise rents or charge certain fees (either of which could have a retroactive effect), enforce residents' or tenants' contractual rent obligations or pursue collections, all of which could have an adverse impact on our operations and property values.

*Compliance or failure to comply with regulatory requirements could result in substantial costs.*

Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements, building and zoning codes, environmental and other related regulations, and federal, state and local accessibility requirements, including and in addition to those imposed by the Americans with Disabilities Act and the Fair Housing Act. Noncompliance could result in fines, subject us to lawsuits and require us to remediate or repair the noncompliance. Existing requirements could change and compliance with future requirements may require significant unanticipated expenditures that could adversely affect our financial condition or results of operations.

*Environmental problems are possible and can be costly.*

Federal, state and local laws and regulations relating to the protection of the environment may require current or previous owners or operators of real estate to investigate and clean up hazardous or toxic substances at such properties. The owner or operator may have to pay a governmental entity or third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with the contamination. These laws typically impose clean-up responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred. Third parties may also sue the owner or operator of a site for damages and costs resulting from environmental contamination emanating from

that site. We cannot be assured that existing environmental assessments of our properties reveal all environmental liabilities, that any prior owner of any of our properties did not create a material environmental condition not known to us, or that a material environmental condition does not otherwise exist as to any of our properties.

*Changes in U.S. accounting standards may materially and adversely affect the reporting of our operations.*

The Company follows GAAP, which is established by the Financial Accounting Standards Board (“FASB”), an independent body whose standards are recognized by the Securities and Exchange Commission (“SEC”) as authoritative for publicly held companies. The FASB and the SEC create and interpret accounting standards and may issue new accounting pronouncements or change the interpretation and application of these standards that govern the preparation of our financial statements. These changes could have a material impact on our reported consolidated results of operations and financial position.

*Any weaknesses identified in our internal control over financial reporting could result in a decrease of our share price.*

Section 404 of the Sarbanes-Oxley Act of 2002 requires us to evaluate and report on our internal control over financial reporting. If we identify one or more material weaknesses in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which in turn could have a negative impact on our share price.

*Our failure to qualify as a REIT would have serious adverse consequences to our security holders.*

We plan to continue to meet the requirements for taxation as a REIT. Many of these requirements, for which there is limited judicial and administrative interpretation, however, are highly technical and complex. Therefore, we cannot guarantee that we have qualified or will qualify as a REIT in the future. The determination that we are a REIT requires an analysis of various factual matters that may not be totally within our control. To qualify as a REIT, our assets must be substantially comprised of real estate assets as defined in the Internal Revenue Code of 1986, as amended (the “Code”), and related guidance and our gross income must generally come from rental and other real estate or passive related sources that are itemized in the REIT tax laws. We are also required to distribute to security holders at least 90% of our REIT taxable income excluding net capital gains.

If we fail to qualify as a REIT, we would be subject to U.S. federal income tax at regular corporate rates and would have to pay significant income taxes unless the Internal Revenue Service (“IRS”) granted us relief under certain statutory provisions. In addition, we would remain disqualified from taxation as a REIT for four years following the year in which we failed to qualify as a REIT. We would therefore have less money available for investments or for distributions to security holders and would no longer be required to make distributions to security holders. This would likely have a significant negative impact on the value of our securities.

In addition, certain of our subsidiary entities have elected to be taxed as REITs. As such, each must separately satisfy all of the requirements to qualify for REIT status. If a subsidiary REIT did not satisfy such requirements, and certain relief provisions did not apply, it would be taxed as a regular corporation and its income would be subject to U.S. federal income taxation. Failure to comply with these complex REIT rules at the subsidiary REIT level can have a material and detrimental impact to EQR’s REIT status.

*Gain on disposition of assets held for sale in the ordinary course of business is subject to 100% tax.*

Any gain resulting from transfers of properties we hold as inventory or primarily for sale to customers in the ordinary course of business is treated as income from a prohibited transaction subject to a 100% penalty tax unless certain safe harbor exceptions set forth in the Code apply. We do not believe that our transfers or disposals of property are prohibited transactions. However, whether property is held for investment purposes is a question that depends on all the facts and circumstances surrounding the particular transaction. The IRS may contend that certain transfers or dispositions of properties by us or contributions of properties are prohibited transactions. While we believe the IRS would not prevail in any such dispute, if the IRS were to argue successfully that a transfer or disposition of property constituted a prohibited transaction, we would be required to pay a 100% penalty tax on any gain allocable to us from the prohibited transaction. In addition, income from a prohibited transaction might adversely affect our ability to satisfy the income tests for qualification as a REIT.



*We may be subject to legislative or regulatory tax changes that could negatively impact our financial condition.*

At any time, U.S. federal income tax laws governing REITs or impacting real estate or the administrative interpretations of those laws may be enacted or amended. We cannot predict if or when any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, IRS and U.S. Department of Treasury regulations or other administrative guidance, will be adopted or become effective and any such law, regulation or interpretation may take effect retroactively. The Company and our shareholders could be negatively impacted by any such change in, or any new, U.S. federal income tax law, regulations or administrative guidance.

*Distribution requirements may limit our flexibility to manage our portfolio.*

In order to maintain qualification as a REIT under the Code, a REIT must annually distribute to its shareholders at least 90% of its REIT taxable income, excluding the dividends paid deduction and net capital gains. To the extent the REIT does not distribute all of its net capital gain, or distributes at least 90%, but less than 100% of its REIT taxable income, it will be required to pay regular U.S. federal income tax on the undistributed amount at corporate rates. In addition, we will be subject to a 4% nondeductible excise tax on amounts, if any, by which distributions we pay in any calendar year are less than the sum of 85% of our ordinary income, 95% of our net capital gains and 100% of our undistributed income from prior years. We may not have sufficient cash or other liquid assets to meet the 90% distribution requirement. We may be required from time to time, under certain circumstances, to accrue as income for tax purposes interest and rent earned but not yet received. We may incur a reduction in tax depreciation without a reduction in capital expenditures. Difficulties in meeting the 90% distribution requirement might arise due to competing demands for our funds or due to timing differences between tax reporting and cash distributions, because deductions may be disallowed, income may be reported before cash is received, expenses may have to be paid before a deduction is allowed or because the IRS may make a determination that adjusts reported income. In addition, gain from the sale of property may exceed the amount of cash received on a leverage-neutral basis. A substantial increase to our taxable income may reduce the flexibility of the Company to manage its portfolio through dispositions of properties other than through tax deferred transactions, such as Section 1031 exchanges, or cause the Company to borrow funds or liquidate investments on unfavorable terms in order to meet these distribution requirements. If we do not dispose of our properties through tax deferred transactions, we may be required to distribute the gain proceeds to shareholders or pay income tax. If we fail to satisfy the 90% distribution requirement and are unable to cure the deficiency, we would cease to be taxed as a REIT, resulting in substantial tax-related liabilities.

*We have a share ownership limit for REIT tax purposes.*

To remain qualified as a REIT for U.S. federal income tax purposes, not more than 50% in value of our outstanding Shares may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of any year. To facilitate maintenance of our REIT qualification, our Declaration of Trust, subject to certain exceptions, prohibits ownership by any single shareholder of more than five percent of the lesser of the number or value of any outstanding class of common or preferred shares (the "Ownership Limit"). Absent an exemption or waiver granted by our Board of Trustees, securities acquired or held in violation of the Ownership Limit will be transferred to a trust for the exclusive benefit of a designated charitable beneficiary, and the security holder's rights to distributions and to vote would terminate. A transfer of Shares may automatically be deemed void if it causes a person to violate the Ownership Limit. The Ownership Limit could delay or prevent a change in control and, therefore, could affect our security holders' ability to realize a premium over the then-prevailing market price for their Shares. To reduce the ability of the Board to use the Ownership Limit as an anti-takeover device, the Company's Ownership Limit requires, rather than permits, the Board to grant a waiver of the Ownership Limit if the individual seeking a waiver demonstrates that such ownership would not jeopardize the Company's status as a REIT.

*Tax elections regarding distributions may impact future liquidity of the Company or our shareholders.*

Under certain circumstances we have made and/or may consider making in the future, a tax election to treat certain distributions to shareholders made after the close of a taxable year as having been distributed during such closed taxable year. This election, which is provided for in the Code, may allow us to avoid increasing our dividends or paying additional income taxes in the current year. However, this could result in a constraint on our ability to decrease our dividends in future years without creating risk of either violating the REIT distribution requirements or generating additional income tax liability. In addition, the Company may be required to pay interest to the IRS based on such a distribution.

In order to retain liquidity and continue to satisfy the REIT distribution requirements, the Company could issue shares rather than pay a dividend entirely in cash to shareholders. The IRS has published several rulings which have allowed REITs to offer shareholders the choice between shares or cash as a form of payment of a dividend (an "elective stock dividend"). However, REITs are generally required to structure the cash component to be no less than 20% of the total dividend paid. Therefore, it is possible that the total tax burden to shareholders resulting from an elective stock dividend may exceed the amount of cash received by the shareholder.

*Inapplicability of Maryland law limiting certain changes in control.*

Certain provisions of Maryland law applicable to REITs prohibit "business combinations" (including certain issuances of equity securities) with any person who beneficially owns ten percent or more of the voting power of outstanding securities, or with an affiliate

who, at any time within the two-year period prior to the date in question, was the beneficial owner of ten percent or more of the voting power of the Company's outstanding voting securities (an "Interested Shareholder"), or with an affiliate of an Interested Shareholder. These prohibitions last for five years after the most recent date on which the Interested Shareholder became an Interested Shareholder. After the five-year period, a business combination with an Interested Shareholder must be approved by two super-majority shareholder votes unless, among other conditions, holders of common shares receive a minimum price for their shares and the consideration is received in cash or in the same form as previously paid by the Interested Shareholder for its common shares. As permitted by Maryland law, however, the Board of Trustees of the Company has opted out of these restrictions with respect to any business combination involving certain of Samuel Zell's affiliates and persons acting in concert with them. Consequently, the five-year prohibition and the super-majority vote requirements will not apply to a business combination involving us and/or any of them. Such business combinations may not be in the best interest of our security holders.

## **General Risk Factors**

### *Risk of Pandemics or Other Health Crises.*

Pandemics, epidemics or other health crises have and could in the future disrupt our business. Both global and locally targeted health events could materially affect areas where our properties, corporate/regional offices or major service providers are located. These events have and could in the future have an adverse effect on our business, results of operations, financial condition and liquidity in a number of ways, including, but not limited to:

- The deterioration of global economic conditions as a result of such a crisis could ultimately decrease occupancy levels and pricing across our portfolio and/or increase concessions, reduce or defer our residents' spending, result in changes in resident preferences (including changes resulting from increased employer flexibility to work from home) or negatively impact our residents' and tenants' ability to pay their rent on time or at all;
- Local and national authorities expanding or extending certain measures that impose restrictions on our ability to enforce residents' or tenants' contractual rental obligations (such as eviction moratoriums or rental forgiveness) and limit our ability to raise rents or charge certain fees;
- The risk of a prolonged outbreak and/or multiple waves of an outbreak could cause long-term damage to economic conditions, which in turn could diminish our access to capital at attractive terms and/or cause material declines in the fair value of our assets, leading to asset impairment charges; and
- The potential inability to maintain adequate staffing at our properties and corporate/regional offices due to an outbreak and/or changes in employee preferences causing them to leave their jobs.

To the extent a pandemic, epidemic or other health crisis adversely affects our business, results of operations, cash flows and financial condition, it may also continue to heighten many of the other risks described elsewhere in this Item 1A, *Risk Factors*.

### *Significant inflation could negatively impact our business.*

Substantial inflationary pressures can adversely affect us by disproportionately increasing the costs of land, materials, labor and other costs needed to operate our business. In a highly inflationary environment, we may not be able to raise rental rates at or above the rate of inflation, which could reduce our profit margins. If we are unable to increase our rental prices to offset the effects of inflation, our business, results of operations, cash flows and financial condition could be adversely affected. In addition, interest rate increases enacted to combat inflation have caused market disruption and could continue to prevent us from acquiring or disposing of assets on favorable terms or at all.

*The occurrence of cyber incidents, or a deficiency in our cybersecurity, could negatively impact our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our reputation and business relationships, all of which could negatively impact our financial results.*

A cybersecurity incident is an unauthorized occurrence, or a series of related unauthorized occurrences, on or conducted through the Company's information systems that jeopardizes the confidentiality, integrity, or availability of our information systems or any information residing therein. These events can include gaining unauthorized access to systems to disrupt operations, corrupt data or steal confidential information, including information regarding our residents, prospective residents, employees and employees' dependents.

Despite system redundancy, the implementation of security measures, required employee awareness training and the existence of a disaster recovery plan for our internal information technology systems, our systems and systems maintained by third-party vendors with which we do business are vulnerable to damage from any number of sources. We face risks associated with security breaches, whether through cyber attacks or cyber intrusions over the Internet, malware, computer viruses, attachments to emails, phishing attempts, social engineering, ransomware or other scams, persons inside our organization or persons/vendors with access to our systems and other significant disruptions of our information technology networks and related systems, including property infrastructure. These risks have increased due to increased reliance on remote working and other electronic interactions with our current and prospective residents. Our information technology networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations. We use these systems to manage our resident and vendor relationships, internal communications, accounting and record-keeping systems and many other key aspects of our business. Our operations rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks, which also depend on the strength of our procedures and the effectiveness of our internal controls as well as those of vendors with whom we do business. Even the most well-protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

We may periodically collect and store personally identifiable information of our residents and prospective residents in connection with our leasing activities, and we may collect and store personally identifiable information of our employees and their dependents. In addition, we often engage third-party service providers that may have access to such personally identifiable information in connection with providing necessary information technology, security and other business services to us. Despite the fact that we monitor and perform a comprehensive review of businesses that we contract with that represent a cybersecurity risk to the organization, the systems of these third-party service providers may contain defects in design or other problems that could unexpectedly compromise personally identifiable information. Although we make efforts to maintain the security and integrity of our information technology networks and those of our third-party providers and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging.

A breach or significant and extended disruption in the function of our systems, including our primary website, could damage our reputation and cause us to lose residents and revenues, result in a violation of applicable privacy and other laws, generate third-party claims, result in the unintended and/or unauthorized public disclosure or the misappropriation of proprietary, personally identifiable and confidential information and require us to incur significant expenses to address and remediate or otherwise resolve these kinds of issues. We may not be able to recover these expenses in whole or in any part from our service providers, our insurers or any other responsible parties. As a result, there can be no assurance that our financial results would not be negatively impacted.

We are also subject to laws, rules, and regulations in the United States, such as the California Privacy Rights Act ("CPRA"), relating to the collection, use, and security of resident, customer, employee and other data. Evolving compliance and operational requirements under the CPRA and the privacy laws of other jurisdictions in which we operate may impose significant costs that are likely to increase over time. Our failure to comply with laws, rules and regulations related to privacy and data protection could harm our business or reputation or subject us to fines and penalties.

*Our business and operations rely on specialized information technology systems, the failure of or inadequacy of which could impact our business.*

Our ability to identify, implement and maintain appropriate information technology systems differentiates and creates competitive advantages for us in the operations of our business. These systems often are developed and hosted by third-party vendors whom we rely upon for ongoing maintenance, upgrades and enhancements. While we maintain a rigorous process around selecting appropriate information technology systems and partnering with vendors, our failure to adequately do so could negatively impact our operations and competitive position.

*Our approach to artificial intelligence may not be successful and could adversely affect our business.*

We have incorporated and may continue to incorporate the use of generative artificial intelligence ("AI") within our business, and these solutions and features may become more important to our operations or to our future growth over time. Our research and development of AI remains ongoing. There can be no assurance that we will realize the desired or anticipated benefits, or any benefits, and we may fail to properly implement such technology. AI presents risks, challenges and unintended consequences that could affect our adoption and use of this technology. Our competitors or other third parties may incorporate AI in their business operations more quickly or more successfully than we do, which could impair our ability to compete effectively and adversely affect our results of

operations. Additionally, the complex and rapidly evolving landscape around AI may expose us to claims, demands and proceedings by private parties and regulatory authorities and subject us to legal liability as well as reputational harm.

*We depend on our key personnel.*

We depend on the efforts of our trustees and executive officers. If one or more of them resign or otherwise cease to be employed by us, our business and results of operations and financial condition could be adversely affected.

*Litigation risk could affect our business.*

We are involved and may continue to be involved in legal proceedings, claims, class actions, inquiries and governmental investigations in the ordinary course of business. These legal proceedings may include, but are not limited to, proceedings related to consumer, shareholder, securities, antitrust, employment, environmental, development, condominium conversion, tort, eviction and commercial legal issues. Litigation can be lengthy and expensive, and it can divert management's attention and resources. Results cannot be predicted with certainty, and an unfavorable outcome in litigation could result in liability material to our financial condition or results of operations.

*Insurance policies can be costly and may not cover all losses, which may adversely affect our financial condition or results of operations.*

The Company's property, general liability and workers compensation insurance policies provide coverage with substantial per occurrence deductibles and/or self-insured retentions. These self-insurance retentions can be a material portion of insurance losses in excess of the base deductibles. While the Company has previously purchased incremental insurance coverage in the event of multiple non-catastrophic occurrences within the same policy year, these substantial deductible and self-insured retention amounts do expose the Company to greater potential for uninsured losses and this additional coverage may not be available at all or on commercially reasonable terms in the future. We believe the policy specifications and insured limits of these policies are adequate and appropriate; however, we may not always be able to place the desired amount of third-party coverage due to a significant increase in insurance premiums and deductibles or a decrease in the availability of coverage, a combination of which have exposed and could further expose the Company to uninsured losses. As a result, our financial results could be adversely affected and may vary significantly from period to period.

The Company relies on third-party insurance providers for its property, general liability, workers compensation and other insurance, and should any of them experience liquidity issues or other financial distress, it could negatively impact their ability to pay claims under the Company's policies.

**Earthquake risk:** Our policies insuring against earthquake losses have substantial deductibles which are applied to the values of the buildings involved in the loss. With the geographic concentration of our properties, a single earthquake affecting a market may have a significant negative effect on our financial condition and results of operations. We cannot assure that an earthquake would not cause damage or losses greater than insured levels. In the event of a loss in excess of insured limits, we could lose our capital invested in the affected property or market, as well as anticipated future revenue.

**Terrorism risk:** The Company has terrorism insurance coverage which excludes losses from nuclear, biological and chemical attacks. In the event of a terrorist attack impacting one or more of our properties, we could lose the revenues from the property, our capital investment in the property and possibly face liability claims from residents or others suffering injuries or losses.

**Catastrophic weather and natural disaster risk:** Our properties may be located in areas that could experience catastrophic weather and other natural disasters from time to time, including wildfires, snow or ice storms, hail, windstorms or hurricanes, drought, flooding or other severe disasters. These severe weather and natural disasters could cause substantial damages or losses to our properties which may not be covered or could exceed our insurance coverage. Exposure to this risk could also result in a decrease in demand for properties located in these areas or affected by these conditions.

**Climate change risk:** To the extent that significant changes in the climate occur in areas where our properties are located, we may experience severe weather, which may result in physical damage to or decrease the demand for properties located in these areas or affected by these conditions. Should the impact of climate change be material in nature, significant property damage or destruction of our properties could result. Our financial condition or results of operations may be adversely affected. In addition, changes in federal, state and local legislation and regulation based on concerns about climate change could adversely impact the value of our properties or result in increased capital expenditures or operating expenses on our existing properties and our new development properties.

*Provisions of our Declaration of Trust and Bylaws could inhibit changes in control.*

Certain provisions of our Declaration of Trust and Bylaws may delay or prevent a change in control of the Company or other transactions that could provide the security holders with a premium over the then-prevailing market price of their securities or which might otherwise be in the best interest of our security holders. This includes the Ownership Limit described above. While our existing preferred shares/preference units do not have all of these provisions, any future series of preferred shares/preference units may have certain voting provisions that could delay or prevent a change in control or other transactions that might otherwise be in the interest of our security holders. Our Bylaws require certain information to be provided by any security holder, or persons acting in concert with such security holder, who proposes business or a nominee at an annual meeting of shareholders, including disclosure of information related to hedging activities and investment strategies with respect to our securities. These requirements could delay or prevent a change in control or other transactions that might otherwise be in the interest of our security holders. The Board of Trustees may use its powers to issue preferred shares and to set the terms of such securities to delay or prevent a change in control of the Company even if a change in control were in the interest of the security holders.

#### **Item 1B. Unresolved Staff Comments**

None.

#### **Item 1C. Cybersecurity**

##### *Risk management and strategy*

We have an enterprise-wide information security program designed to protect our information systems from cybersecurity threats. We identify and assess risks from cybersecurity threats by monitoring and evaluating our digital assets and our risk profile using various methods. We monitor security events that are internally discovered or externally reported that may affect our systems and have processes and procedures to assess those events for potential cybersecurity impact or risk and consequently improve our security measures and planning. Additionally, we work with third parties from time to time that assist us in refining our cybersecurity risk strategy in order to identify, assess and manage cybersecurity risks, including professional services firms and consulting firms. We seek to detect and investigate unauthorized attempts and attacks against our network and services, and to minimize their occurrence and recurrence through changes or updates to our internal processes and tools and changes or updates to our services; however, we remain potentially vulnerable to known or unknown threats.

Our cybersecurity incident response processes are designed to escalate certain cybersecurity events to members of management depending on the circumstances. Key members of management, including representatives from IT, operations, legal, finance, risk management and internal audit, serve on the Company's senior security incident response team to help the Company mitigate and remediate cybersecurity incidents of which they are notified, and certain cybersecurity incidents are escalated to the Company's executives. In addition, the Company's incident response processes include potential reporting to the Audit Committee of our Board of Trustees for certain cybersecurity incidents.

We also have a third-party risk management program in place to manage cybersecurity risks associated with third-party service providers. While we do maintain processes and procedures to identify, prioritize and assess risks associated with third-party service providers, we must rely on third parties to augment our security program, and we cannot ensure in all circumstances that their efforts will be successful.

While to date we have not experienced a cybersecurity threat or incident that resulted in a material adverse impact to our business or operations, there can be no guarantee that we will not experience such an incident in the future. Any significant disruption to our systems could adversely affect our business and results of operations. Further, a cyber incident impacting our systems or a third-party's systems could subject us to business, regulatory, litigation and reputational risk, which could have a negative effect on our business, financial condition and results of operations.

Notwithstanding the extensive approach we take to cybersecurity, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. While we maintain cybersecurity insurance, the costs related to cybersecurity threats or disruptions may not be fully insured. See Item 1A, *Risk Factors*, for a discussion of cybersecurity risks.

## Governance

Our Information Technology Security Team, under the oversight of our Senior Vice President of IT and the leadership of our VP of IT Infrastructure and Security, is responsible for our overall information security strategy, policy, security engineering, operations and cyber threat detection and response. The Information Technology Security Team manages and continually enhances a robust enterprise security structure with the ultimate goal of minimizing cybersecurity incidents to the extent feasible, while simultaneously increasing our system resilience in an effort to minimize the business impact should an incident occur. Our Information Technology Security Team possesses decades of experience in navigating cybersecurity threats and mitigating associated risks as a result of holding similar positions at other large companies. Most members of the team hold degrees in cybersecurity and/or related disciplines, have cybersecurity certifications such as Certified Information Systems Security Professional (CISSP) and/or periodically attend various cyber-focused conferences and training programs. Specifically, our Senior Vice President of IT and our VP of IT Infrastructure and Security combined have over 30 years of technology and cybersecurity experience. The team provides regular reports to senior management and affected departments on various cybersecurity threats, assessments and findings.

The Audit Committee of our Board of Trustees oversees our annual enterprise risk management assessment, where we assess key risks within the Company, including security and technology risks and cybersecurity threats. The Audit Committee oversees our ongoing cybersecurity risk management efforts and regularly receives detailed reports from representatives of our Information Technology Security Team addressing a wide range of related topics. At least annually, our IT leadership (and external cybersecurity experts if applicable) reviews key cybersecurity strategies and policies with the full Board of Trustees, including risk assessments, mitigation strategies, areas of emerging risks, incidents and industry trends and other areas of importance.

## Item 2. Properties

As of December 31, 2023, the Company, directly or indirectly through investments in title holding entities, owned all or a portion of 302 properties located in 10 states and the District of Columbia consisting of 80,191 apartment units. See Item 1, *Business*, for additional information regarding the Company's properties and the markets/metro areas upon which we are focused. The Company's properties are summarized by building type in the following table:

Type	Properties	Apartment Units	Average Apartment Units
Garden	90	24,553	273
Mid/High-Rise	212	55,638	262
	302	80,191	266

Garden is generally defined as properties with two and/or three story buildings while mid/high-rise is generally defined as properties with greater than three story buildings. These two property types typically provide residents with amenities, such as rooftop decks and swimming pools, fitness centers and community rooms. In addition, many of our urban properties have non-residential components, such as parking garages and/or retail spaces.

The Company's properties are summarized by ownership type in the following table:

	Properties	Apartment Units
Wholly Owned Properties	288	77,131
Partially Owned Properties – Consolidated	14	3,060
	302	80,191

The following table sets forth certain information by market relating to the Company's properties at December 31, 2023:

### Portfolio Summary

Markets/Metro Areas	Properties	Apartment Units	% of Stabilized Budgeted NOI (1)	Average Rental Rate (2)
<b>Established Markets:</b>				
Los Angeles	58	14,732	17.1%	\$ 2,929
Orange County	13	4,028	5.4%	2,873
San Diego	12	2,878	4.0%	3,108
Subtotal – Southern California	83	21,638	26.5%	2,942
Washington, D.C.	48	15,028	16.3%	2,657
San Francisco	43	11,667	15.4%	3,303
New York	34	8,536	14.1%	4,566
Boston	27	7,170	11.8%	3,574
Seattle	44	9,267	10.4%	2,561
Subtotal – Established Markets	279	73,306	94.5%	3,145
<b>Expansion Markets:</b>				
Denver	9	2,792	2.8%	2,411
Atlanta	7	2,111	1.6%	2,169
Dallas/Ft. Worth	4	1,241	0.7%	1,935
Austin	3	741	0.4%	1,819
Subtotal – Expansion Markets	23	6,885	5.5%	2,188
<b>Total</b>	<b>302</b>	<b>80,191</b>	<b>100.0%</b>	<b>\$ 3,063</b>

Note: Projects under development are not included in the Portfolio Summary until construction has been completed.

- (1) % of Stabilized Budgeted NOI - Represents original budgeted 2024 NOI for stabilized properties and projected annual NOI at stabilization (defined as having achieved 90% occupancy for three consecutive months) for properties that are in lease-up.
- (2) 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.

The following tables provide a rollforward of the apartment units included in Same Store Properties (please refer to the Definitions section in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*) and a reconciliation of apartment units included in Same Store Properties to those included in Total Properties for the year ended December 31, 2023:

	Year Ended December 31, 2023	
	Properties	Apartment Units
Same Store Properties at December 31, 2022	283	72,872
2021 acquisitions	16	4,326
2023 dispositions	(11)	(912)
Other	—	11
Same Store Properties at December 31, 2023	288	76,297

	Year Ended December 31, 2023	
	Properties	Apartment Units
Same Store	288	76,297
Non-Same Store:		
2023 acquisitions	4	1,183
2022 acquisitions	1	172
2021 acquisitions not yet stabilized	1	421
Properties removed from same store (1)	2	819
Lease-up properties not yet stabilized (2)	5	1,298
Other	1	1
Total Non-Same Store	14	3,894
Total Properties and Apartment Units	302	80,191

Note: 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.

- (1) Consists of two properties which were removed from the same store portfolio as discussed further below:
  - a. Laguna Clara located in Santa Clara, CA containing 222 apartment units was removed from the same store portfolio in the second quarter of 2022 due to a major renovation and redevelopment project, including the demolition of 42 apartment units. As of December 31, 2023, the property had a Physical Occupancy of 67.4%. This property will not return to the same store portfolio until it is stabilized for all of the current and comparable periods presented.
  - b. Pearl MDR located in Marina Del Rey, CA containing 597 apartment units was removed from the same store portfolio in the third quarter of 2022 due to a large scale re-piping and renovation project in which significant portions of the property are being taken offline for extended time periods. As of December 31, 2023, the property had a Physical Occupancy of 64.5%. This property will not return to the same store portfolio until it is stabilized for all of the current and comparable periods presented.
- (2) Consists of properties in various stages of lease-up and properties where lease-up has been completed but the properties were not stabilized for the comparable periods presented. Also includes one former third-party master-leased property that was not stabilized.

For the year ended December 31, 2023, the Company’s same store Physical Occupancy was 95.9% and its total portfolio-wide Physical Occupancy, which includes completed development properties in various stages of lease-up, was 95.4%. Certain of the Company’s properties are encumbered by mortgages and additional detail can be found on Schedule III – Real Estate and Accumulated Depreciation.

The properties in various stages of development and lease-up at December 31, 2023 are included in the following table:

Development and Lease-Up Projects as of December 31, 2023 (Amounts in thousands except for project and apartment unit amounts)													
Projects	Location	Ownership Percentage	No. of Apartment Units	Total Budgeted Capital Cost (1)	Total Book Value to Date	Total Debt (2)	Percentage Completed	Estimated/Actual					Percentage Leased / Occupied
								Start Date	Initial Occupancy	Completion Date	Stabilization Date		
CONSOLIDATED:													
Projects Under Development:													
Laguna Clara II	Santa Clara, CA	100%	225	\$ 152,621	\$ 78,036	\$ —	53%	Q2 2022	Q4 2024	Q1 2025	Q4 2025	— / —	
Projects Under Development - Consolidated			225	152,621	78,036	—							
Projects Completed Not Stabilized:													
Reverb (Ika 9th and W) (3)	Washington, D.C.	92%	312	108,027	104,651	—	100%	Q3 2021	Q2 2023	Q2 2023	Q3 2024	82% / 79%	
Projects Completed Not Stabilized - Consolidated			312	108,027	104,651	—							
UNCONSOLIDATED:													
Projects Under Development:													
Alloy Sunnyside (4)	Denver, CO	80%	209	70,004	62,071	27,304	94%	Q3 2021	Q2 2024	Q2 2024	Q1 2025	— / —	
Alexan Harrison (4)	Harrison, NY	62%	450	200,664	175,135	77,058	92%	Q3 2021	Q1 2024	Q4 2024	Q2 2026	— / —	
Solana Beeler Park (4)	Denver, CO	90%	270	85,206	56,178	22,858	64%	Q4 2021	Q2 2024	Q3 2024	Q1 2025	— / —	
Remy (Toll) (4)	Frisco, TX	75%	357	98,937	77,170	31,494	80%	Q1 2022	Q1 2024	Q4 2024	Q3 2025	— / —	
Sadie (Ika Settler) (Toll) (4)	Fort Worth, TX	75%	362	82,775	55,522	14,944	69%	Q2 2022	Q2 2024	Q3 2024	Q3 2025	— / —	
Lyle (Toll) (3)	Dallas, TX	75%	334	86,332	52,914	21,962	66%	Q3 2022	Q2 2024	Q3 2024	Q1 2026	— / —	
Projects Under Development - Unconsolidated			1,982	623,918	478,990	195,620							
Total Development Projects - Consolidated			537	260,648	182,687	—							
Total Development Projects - Unconsolidated			1,982	623,918	478,990	195,620							
Total Development Projects			2,519	\$ 884,566	\$ 661,677	\$ 195,620							

- (1) Total Budgeted Capital Cost – Estimated remaining cost for projects under development and/or developed plus all capitalized costs incurred to date, including land acquisition costs, construction costs, capitalized real estate taxes and insurance, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees, plus any estimates of costs remaining to be funded for all projects, all in accordance with GAAP. Amounts for partially owned consolidated and unconsolidated properties are presented at 100% of the project.
- (2) Except for Reverb where the Company paid off the third-party construction loan during the year ended December 31, 2023, all non-wholly owned projects are being partially funded with project-specific construction loans. None of these loans are recourse to the Company.
- (3) The land parcels under these projects are subject to long-term ground leases.
- (4) The Total Budgeted Capital Cost on these projects increased by an aggregate of \$13.0 million or 2.5% of initial budget primarily due to higher than budgeted interest incurred on construction loans.

### Item 3. Legal Proceedings

The Company has been named as a defendant in a number of cases filed in late 2022 and 2023 alleging antitrust violations by RealPage, Inc., a seller of revenue management software products, and various owners and/or operators of multifamily housing, including us, that have utilized these products. The complaints allege collusion among the defendants to illegally fix and inflate the pricing of multifamily rents and seek monetary damages, injunctive relief, fees and costs. All of the cases except for one have been consolidated into a single putative class action in the United States District Court for the Middle District of Tennessee. On December 28, 2023, motions to dismiss this consolidated action, filed by RealPage, Inc. as well as us and our multifamily co-defendants, were denied by the Court and the case is proceeding. Another case with similar allegations has been filed by the District of Columbia against



RealPage, Inc. and a number of multifamily owners and/or operators, including us. We believe these various lawsuits are without merit and we intend to vigorously defend against them. As these proceedings are in the early stages, it is not possible for the Company to predict the outcome nor is it possible to estimate the amount of loss, if any, which may be associated with an adverse decision in any of these cases.

As of December 31, 2023, 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 4. Mine Safety Disclosures**

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

#### *Common Share/Unit Information (Equity Residential and ERP Operating Limited Partnership)*

The Company's Common Shares trade on the New York Stock Exchange under the trading symbol EQR. There is no established public market for the Operating Partnership's Units (OP Units and restricted units). At February 8, 2024, the number of record holders of Common Shares was approximately 1,710 and 379,553,591 Common Shares were outstanding. At February 8, 2024, the number of record holders of Units in the Operating Partnership was approximately 450 and 391,291,526 Units were outstanding.

#### *Unregistered Common Shares Issued in the Quarter Ended December 31, 2023 (Equity Residential)*

During the quarter ended December 31, 2023, EQR issued 151,199 Common Shares in exchange for 151,199 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.

#### *Common Shares Repurchased in the Quarter Ended December 31, 2023*

The Company repurchased and retired the following Common Shares during the quarter ended December 31, 2023:

Period	Total Number of Common Shares Purchased (1)	Weighted Average Price Paid Per Share (1), (2)	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Common Shares that May Yet Be Purchased Under the Plans or Programs (1), (3)
October 1, 2023 - October 31, 2023	—	\$ —	—	13,000,000
November 1, 2023 - November 30, 2023	664,696	\$ 55.44	664,696	12,335,304
December 1, 2023 - December 31, 2023	199,690	\$ 61.28	199,690	12,135,614
Total	<u>864,386</u>	<u>\$ 56.79</u>	<u>864,386</u>	

- (1) The Common Shares repurchased during the quarter ended December 31, 2023 represent Common Shares repurchased under the Company's publicly announced share repurchase program approved by its Board of Trustees. The Company's share repurchase program was publicly announced on July 30, 2013 and the increase to its 13.0 million shares capacity was publicly announced on August 4, 2016. The program does not have an expiration date and may be suspended or discontinued at any time and does not obligate the Company to make any repurchases of its Common Shares. In January 2024, the Company's Board of Trustees approved replenishing the Company's share repurchase program authorization back to its original 13.0 million shares.
- (2) Weighted average price paid per share excludes costs associated with the repurchases.
- (3) The number of shares available for purchase under the Company's publicly announced share repurchase program authorized by the Board of Trustees. The Company may repurchase Common Shares under its share repurchase program in open market or privately negotiated transactions. The timing and actual number of shares repurchased under the repurchase program depend on a variety of factors, including price, general business and market conditions and other investment opportunities.

### Item 6. Reserved

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis of the results of operations and financial condition of the Company and the Operating Partnership should be read in connection with the Consolidated Financial Statements and Notes thereto. Due to the Company's ability to control the Operating Partnership and its subsidiaries, the Operating Partnership and each such subsidiary entity has been consolidated with the Company for financial reporting purposes, except for any unconsolidated properties/entities. Capitalized terms used herein and not defined are as defined elsewhere in this Annual Report on Form 10-K. In addition, please refer to the Definitions section below for various capitalized terms not immediately defined in this Item 7, *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. Additional factors that might cause such differences are discussed in Part I of this Annual Report on Form 10-K, 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. 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.

### **Overview**

See Item 1, *Business*, for discussion regarding the Company's overview.

### **Business Objectives and Operating and Investing Strategies**

See Item 1, *Business*, for discussion regarding the Company's business objectives and operating and investing strategies.

## Results of Operations

### 2022 and 2023 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 years ended December 31, 2022 and 2023:

#### Portfolio Rollforward (\$ in thousands)

	<u>Properties</u>	<u>Apartment Units</u>	<u>Purchase Price</u>	<u>Acquisition Cap Rate</u>
12/31/2021	310	80,407		
Acquisitions:				
Consolidated Rental Properties	1	172	\$ 113,000	3.5%
Unconsolidated Land Parcels (1)	—	—	\$ 56,886	
			<u>Sales Price</u>	<u>Disposition Yield</u>
Dispositions:				
Consolidated Rental Properties	(3)	(945)	\$ (746,150)	(3.4)%
Configuration Changes	—	(37)		
12/31/2022	308	79,597		
			<u>Purchase Price</u>	<u>Acquisition Cap Rate</u>
Acquisitions:				
Consolidated Rental Properties	2	577	\$ 189,734 (3)	5.1%
Consolidated Rental Properties – Not Stabilized (2)	2	606	\$ 176,600	5.9%
			<u>Sales Price</u>	<u>Disposition Yield</u>
Dispositions:				
Consolidated Rental Properties	(11)	(912)	\$ (379,893)	(5.5)%
Completed Developments – Consolidated	1	312		
Configuration Changes	—	11		
12/31/2023	302	80,191		

- (1) The purchase price listed represents the total consideration for the closing of the respective joint ventures.
- (2) The Company acquired two properties in the Atlanta market during the year ended December 31, 2023 that are in lease-up and are expected to stabilize in their second year of ownership at the weighted average Acquisition Cap Rate listed above.
- (3) Purchase price is net of a mark-to-market discount of approximately \$11.2 million on a mortgage assumed in connection with the purchase of a property.

#### Acquisitions

- The consolidated property acquired in 2022 is located in the San Diego market;
- In 2022, the Company acquired its joint venture partner's 25% interest in a 432-unit apartment property located in the Washington, D.C. market for \$32.2 million, and the property is now wholly owned;
- The consolidated properties acquired in 2023 are located in the Atlanta (3) and Denver markets; and
- In 2023, the Company acquired its joint venture partner's 10% interest in a 200-unit apartment property located in the San Francisco market for \$4.6 million, of which the Company paid \$3.7 million in cash and ERPOP issued \$0.9 million of 3.00% Series Q Preference Units. The property is now wholly owned. The Company also repaid \$64.7 million of mortgage debt at par prior to maturity in conjunction with the buyout.

#### Dispositions

- The consolidated properties disposed of in 2022 were located in the New York (2) and Washington, D.C. markets and the sales generated an Unlevered IRR of 5.3%; and
- The consolidated properties disposed of in 2023 were located in the Los Angeles (8), Seattle (2) and San Francisco markets

and the sales generated an Unlevered IRR of 11.4%.

#### *Developments*

- The Company commenced construction on one consolidated and three unconsolidated apartment properties during 2022, located in the San Francisco and Dallas/Ft. Worth (3) markets, consisting of 1,278 apartment units totaling approximately \$417.7 million of expected development costs;
- The Company stabilized two consolidated apartment properties during 2022, located in the Washington, D.C. and Boston markets, consisting of 624 apartment units totaling approximately \$482.1 million of development costs;
- The Company spent approximately \$203.6 million during 2022, primarily for consolidated and unconsolidated development projects;
- The Company stabilized one consolidated apartment property during 2023, located in the San Francisco market, consisting of 200 apartment units totaling approximately \$116.4 million of development costs;
- The Company completed construction on one consolidated apartment property during 2023, located in the Washington, D.C. market, consisting of 312 apartment units totaling approximately \$108.0 million of development costs; and
- The Company spent approximately \$118.2 million during 2023, primarily for consolidated and unconsolidated development projects.

#### *Investments in Unconsolidated Entities*

- The Company entered into three separate unconsolidated joint ventures during 2022 for the purpose of developing vacant land parcels in the Dallas/Ft. Worth and Boston (2) markets. The Company's total investment in these three joint ventures was approximately \$66.8 million as of December 31, 2022. One of the projects is related to the Company's joint venture development program with Toll Brothers, Inc. ("Toll"), which commenced construction during the first quarter of 2022 prior to our entrance into the joint venture; and
- The Company entered into two separate unconsolidated joint ventures during 2023 for the purpose of developing vacant land parcels in the Boston and Seattle markets. The Company's total investment in these two joint ventures was approximately \$4.9 million as of December 31, 2023.

See Notes 4 and 6 in the Notes to Consolidated Financial Statements for additional discussion regarding the Company's real estate investments and investments in partially owned entities.

#### ***Comparison of the year ended December 31, 2023 to the year ended December 31, 2022***

The following table presents a reconciliation of diluted earnings per share/unit for the year ended December 31, 2023 as compared to the same period in 2022:

	<b>Year Ended December 31</b>
Diluted earnings per share/unit for full year 2022	\$ 2.05
Property NOI	0.29
Interest expense	0.02
Corporate overhead (1)	(0.03)
Net gain/loss on property sales	(0.06)
Non-operating asset gains/losses	0.04
Depreciation expense	(0.01)
Other	(0.10)
Diluted earnings per share/unit for full year 2023	<u>\$ 2.20</u>

(1) Corporate overhead includes property management and general and administrative expenses.

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/other results (amounts in thousands):

	Year Ended December 31,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Operating income	\$ 1,160,585	\$ 1,116,046	\$ 44,539	4.0%
Adjustments:				
Property management	119,804	110,304	9,500	8.6%
General and administrative	60,716	58,710	2,006	3.4%
Depreciation	888,709	882,168	6,541	0.7%
Net (gain) loss on sales of real estate properties	(282,539)	(304,325)	21,786	(7.2)%
Total NOI	<u>\$ 1,947,275</u>	<u>\$ 1,862,903</u>	<u>\$ 84,372</u>	<u>4.5%</u>
Rental income:				
Same store	\$ 2,754,711	\$ 2,609,766	\$ 144,945	5.6%
Non-same store/other	119,253	125,414	(6,161)	(4.9)%
Total rental income	2,873,964	2,735,180	138,784	5.1%
Operating expenses:				
Same store	873,448	837,602	35,846	4.3%
Non-same store/other	53,241	34,675	18,566	53.5%
Total operating expenses	926,689	872,277	54,412	6.2%
NOI:				
Same store	1,881,263	1,772,164	109,099	6.2%
Non-same store/other	66,012	90,739	(24,727)	(27.3)%
Total NOI	<u>\$ 1,947,275</u>	<u>\$ 1,862,903</u>	<u>\$ 84,372</u>	<u>4.5%</u>

Note: See Note 17 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 2022 and 2023, operations from the Company's development properties, other corporate operations and operations prior to disposition from 2022 and 2023 sold properties.

- The increase in same store rental income is primarily driven by strong demand and limited new supply, partially offset by a non-cash write-off of approximately \$1.5 million in straight-line receivables due to the bankruptcy of Rite Aid.
- The increase in same store operating expenses is due primarily to:
  - Repairs and maintenance – A \$9.9 million increase primarily driven by greater outsourcing due to higher internal staffing utilization to address issues from California rain storms that occurred earlier in 2023;
  - Real estate taxes – A \$5.8 million increase due to modest escalation in rates and assessed values; and
  - On-site payroll – An \$8.0 million increase due primarily to fewer staffing vacancies as compared to 2022 and elevated employee benefit costs, partially offset by the impact of innovation initiatives.
- The decrease in non-same store/other NOI is due primarily to:
  - A negative impact of lost NOI from 2022 and 2023 dispositions of \$20.2 million;
  - A negative impact of \$2.8 million in lower NOI from two properties that have been removed from same store while undergoing major renovations;
  - A negative impact of \$18.1 million from a real estate tax transaction adjustment in 2022 that did not reoccur in 2023; and
  - A positive impact of higher NOI from non-stabilized properties acquired during 2021, 2022 and 2023 of \$11.2 million and higher NOI from development and other properties in lease-up of \$10.9 million.
- The increase in consolidated total NOI is a result of the Company's higher NOI from same store properties, largely due to improvement in same store revenues as noted above.

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 \$9.5 million or 8.6% during the year ended December 31, 2023 as compared to 2022. This increase is primarily attributable to increases in payroll-related costs, workforce/contractors costs and information technology expenses, partially offset by decreases in training/marketing costs and third-party management fees.

General and administrative expenses, which include corporate operating expenses, increased approximately \$2.0 million or 3.4% during the year ended December 31, 2023 as compared to 2022, primarily due to increases in payroll-related costs and public company expenses, partially offset by decreases in legal and professional fees and training/marketing costs.

Depreciation expense, which includes depreciation on non-real estate assets, increased approximately \$6.5 million or 0.7% during the year ended December 31, 2023 as compared to 2022, primarily as a result of additional depreciation expense on properties acquired in 2023 and 2022, partially offset by lower depreciation from properties sold in 2022 and 2023.

Net gain on sales of real estate properties decreased approximately \$21.8 million or 7.2% during the year ended December 31, 2023 as compared to 2022, primarily as a result of the sale of eleven consolidated apartment properties for a lower gain in 2023 as compared to the sale of three consolidated apartment properties in the same period in 2022.

Interest and other income increased approximately \$20.2 million during the year ended December 31, 2023 as compared to 2022. The increase is primarily due to an increase in unrealized gains of \$13.5 million and realized gains of \$2.7 million on various investment securities as well as short-term investment income on cash and restricted deposit accounts due to a higher rate environment and higher overall invested balances, partially offset by decreases in insurance/litigation settlement proceeds received during 2022 that did not occur in 2023.

Other expenses increased approximately \$15.8 million during the year ended December 31, 2023 as compared to 2022, primarily due to increases in litigation reserves and data transformation project costs.

Interest expense, including amortization of deferred financing costs, decreased approximately \$13.2 million or 4.5% during the year ended December 31, 2023 as compared to 2022. The decrease is primarily due to lower overall debt balances outstanding as compared to the prior year period and higher capitalized interest, partially offset by higher rates on floating debt. The effective interest cost on all indebtedness, excluding debt extinguishment costs/prepayment penalties, for the year ended December 31, 2023 was 3.82% as compared to 3.68% in 2022. The Company capitalized interest of approximately \$12.3 million and \$7.1 million during the years ended December 31, 2023 and 2022, respectively.

For comparison of the year ended December 31, 2022 to the year ended December 31, 2021, refer to Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, included in the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2022.

### Same Store Results

Properties that the Company owned and were stabilized for all of both 2023 and 2022 (the "2023 Same Store Properties"), which represented 76,297 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 2023 Same Store Properties:

2023 vs. 2022  
Same Store Results/Statistics Including 76,297 Same Store Apartment Units  
(\$ in thousands except for Average Rental Rate)

2023							2022			
	Residential	% Change	Non-Residential	% Change	Total	% Change		Residential	Non-Residential	Total
Revenues	\$ 2,657,868	5.7%	\$ 96,843	(1.9)%	\$ 2,754,711	5.6%	Revenues	\$ 2,514,711	\$ 95,055	\$ 2,609,766
Expenses	\$ 846,546	4.1%	\$ 26,902	8.9%	\$ 873,448	4.3%	Expenses	\$ 812,894	\$ 24,708	\$ 837,602
NOI	<u>\$ 1,811,322</u>	6.4%	<u>\$ 69,941</u>	(0.6)%	<u>\$ 1,881,263</u>	6.2%	NOI	<u>\$ 1,701,817</u>	<u>\$ 70,347</u>	<u>\$ 1,772,164</u>
Average Rental Rate	\$ 3,029	6.2%					Average Rental Rate	\$ 2,853		
Physical Occupancy	95.9%	(0.4)%					Physical Occupancy	96.3%		
Turnover	43.7%	0.1%					Turnover	43.6%		

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

- (1) Includes the negative impact from the non-cash write-off of approximately \$1.5 million in straight-line receivables during the year ended December 31, 2023 due to the bankruptcy of Rite Aid.

The following table provides results and statistics related to our Residential same store operations for the years ended December 31, 2023 and 2022:

**2023 vs. 2022**  
**Same Store Residential Results/Statistics by Market**

Markets/Metro Areas	Apartment Units	2023 % of Actual NOI	2023 Average Rental Rate	2023 Weighted Average Physical Occupancy %	2023 Turnover	Increase (Decrease) from Prior Year		
						Average Rental Rate	Physical Occupancy	Turnover
Los Angeles	14,135	17 6%	\$ 2,861	95 3%	44 5%	5 1%	(1 3%)	5 8%
Orange County	4,028	5 6%	2,801	96 3%	37 4%	7 1%	(0 7%)	2 9%
San Diego	2,706	4 0%	2,993	95 4%	42 3%	8 2%	(1 3%)	4 2%
Subtotal – Southern California	20,869	27 2%	2,867	95 5%	42 9%	5 9%	(1 2%)	5 1%
San Francisco	11,245	16 4%	3,290	95 6%	44 1%	4 2%	(0 6%)	2 4%
Washington, D C	14,400	16 3%	2,597	96 8%	40 5%	5 9%	0 0%	(2 6%)
New York	8,536	14 4%	4,504	96 8%	37 2%	10 7%	(0 1%)	(5 2%)
Seattle	9,266	10 8%	2,579	95 2%	48 0%	2 9%	0 1%	(3 6%)
Boston	6,700	10 3%	3,422	96 0%	43 9%	7 4%	(0 1%)	(1 5%)
Denver	2,505	2 7%	2,404	96 3%	58 1%	4 6%	0 0%	(2 2%)
Other Expansion Markets	2,776	1 9%	1,987	94 7%	57 1%	5 1%	(0 6%)	1 8%
<b>Total</b>	<b>76,297</b>	<b>100 0%</b>	<b>\$ 3,029</b>	<b>95 9%</b>	<b>43 7%</b>	<b>6 2%</b>	<b>(0 4%)</b>	<b>0 1%</b>

Note: The above table reflects Residential same store results only. Residential operations account for approximately 96.4% of total revenues for the year ended December 31, 2023.

During 2023, demand to live in our apartment communities remained healthy, which our financial results reflected. This steady demand for our apartments supported healthy Physical Occupancy with pricing that was largely in-line with our expectations, with the exceptions of the San Francisco and Seattle markets where pricing pressure during the second half of the year led to a greater than originally anticipated seasonal deceleration. The East Coast markets outperformed our West Coast markets, as we expected. Key operating drivers for this performance during 2023 included:

- Pricing – Pricing (net of Leasing Concessions) generally continued to be healthy and consistent with expectations in most of our major markets except San Francisco and Seattle. In most of our markets, pricing peaked in early August 2023, which was typical pre-pandemic, and began to moderate thereafter through the fourth quarter of 2023.
- Physical Occupancy – Physical Occupancy was 95.9% for the year ended December 31, 2023, which remained strong despite some increased move-out activity (see further discussion below).
- Percentage of Residents Renewing and Turnover – We continued to see a high Percentage of Residents Renewing in our portfolio, which we believe reflects both the strength of demand and quality of our product and team. The Percentage of Residents Renewing was strong at 59.0% for the fourth quarter of 2023. Turnover remained at some of the lowest levels in the Company's history at 43.7% for the full year of 2023, reflecting a healthy and consistent trend of historically high resident retention.

The Company continued to have increased move-out activity related to delinquent residents during the year ended December 31, 2023, which put modest pressure on Physical Occupancy, especially in our Los Angeles market. While we have made significant progress in reducing delinquency in our portfolio, the backlog and slow pace of the eviction process led to slower improvement during the year ended December 31, 2023 than we had hoped for.

Overall, the fundamentals of our business remain healthy. Long-term, we expect elevated single family home ownership costs, positive household formation trends, manageable competitive new supply in our established coastal markets and the overall deficit in housing across the country to buffer the impact on our business from the risks of potential economic weakness. We also see our affluent



resident base as being resilient to economic uncertainty, including elevated inflation, due to higher levels of disposable income and lower relative rent-to-income ratios.

## Liquidity and Capital Resources

With approximately \$2.1 billion in readily available liquidity, a strong balance sheet, limited near-term debt maturities, very strong credit metrics and ample access to capital markets, the Company believes it is well positioned to meet its future obligations and take advantage of opportunities. See further discussion below.

### *Statements of Cash Flows*

The following table sets forth our sources and uses of cash flows for the years ended December 31, 2023, 2022 and 2021 (amounts in thousands):

	Year Ended December 31,		
	2023	2022	2021
Cash flows provided by (used for):			
Operating activities	\$ 1,532,798	\$ 1,454,756	\$ 1,260,184
Investing activities	\$ (409,504)	\$ 107,792	\$ (434,620)
Financing activities	\$ (1,120,471)	\$ (1,785,612)	\$ (565,056)

The following provides information regarding the Company's cash flows from operating, investing and financing activities for the year ended December 31, 2023.

#### *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 year ended December 31, 2023 as compared to 2022, increased by approximately \$78.0 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 and capital expenditures. For the year ended December 31, 2023, key drivers were:

- Acquired four consolidated rental properties for approximately \$324.5 million in cash, inclusive of \$53.5 million in assumed mortgage debt with a discount of approximately \$11.2 million on one acquired property;
- Disposed of eleven consolidated rental properties, receiving net proceeds of approximately \$374.0 million;
- Invested \$78.2 million primarily in consolidated development projects;
- Invested \$50.0 million primarily in unconsolidated development joint venture entities as well as unconsolidated investments in real estate technology funds/companies for various technology initiatives; and
- Invested \$319.3 million in capital expenditures to real estate presented in the table below.

For the year ended December 31, 2023, our actual capital expenditures to real estate included the following (amounts in thousands except for apartment unit and per apartment unit amounts):

**Capital Expenditures to Real Estate  
For the Year Ended December 31, 2023**

	Same Store Properties	Non-Same Store Properties/Other	Total	Same Store Avg. Per Apartment Unit
Total Apartment Units	76,297	3,894	80,191	
Building Improvements	\$ 137,058	\$ 11,907 (2)	\$ 148,965	\$ 1,796
Renovation Expenditures	79,291 (1)	22,863 (2)	102,154	1,039
Replacements	66,496	1,727	68,223	872
Total Capital Expenditures to Real Estate	\$ 282,845	\$ 36,497	\$ 319,342	\$ 3,707

- (1) Renovation Expenditures – Amounts for 2,799 same store apartment units approximated \$28,328 per apartment unit renovated.
- (2) Includes expenditures for two properties that have been removed from same store while undergoing major renovations requiring a significant number of apartment units to be vacated to accommodate the extensive planned improvements. The renovation at one property is expected to continue through the second quarter of 2024 with the other continuing into 2025.

**Financing Activities**

Our financing cash flows primarily relate to our borrowing activity (debt proceeds or repayment), distributions/dividends to shareholders/unitholders and other Common Share activity. For the year ended December 31, 2023, key drivers were:

- Obtained \$550.0 million in fixed rate mortgage debt;
- Obtained \$22.9 million in variable rate construction mortgage debt;
- Repaid \$936.0 million on mortgage loans (inclusive of scheduled principal repayments);
- Received \$25.2 million to settle nine forward starting swaps in conjunction with an interest rate lock of \$530.0 million of secured notes;
- Acquired our joint venture partner's 10% interest in an apartment property for \$3.7 million in cash (remaining \$0.9 million was funded by ERPOP's issuance of 3.00% Series Q Preference Units);
- Issued Common Shares related to share option exercises and ESPP purchases and received net proceeds of \$27.1 million;
- Paid dividends/distributions on Common Shares, Preferred Shares, Units (including OP Units and restricted units) and noncontrolling interests in partially owned properties totaling approximately \$1.0 billion; and
- Repurchased and retired 864,386 Common Shares, at a weighted average purchase price of \$56.79 per share, for an aggregate purchased amount of approximately \$49.1 million. See Note 3 in the Notes to Consolidated Financial Statements for further discussion.

**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 December 31, 2023 and 2022 (amounts in thousands):

	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 50,743	\$ 53,869
Restricted deposits	\$ 89,252	\$ 83,303
Unsecured revolving credit facility availability	\$ 2,086,585	\$ 2,366,537

### *Credit Facility and Commercial Paper Program*

The Company has a \$2.5 billion unsecured revolving credit facility maturing October 26, 2027. 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 Secured Overnight Financing Rate ("SOFR") plus a spread (currently 0.725%), 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. See Note 9 in the Notes to Consolidated Financial Statements for additional discussion of the Company's credit facility.

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 February 8, 2024 (amounts in thousands):

	February 8, 2024
Unsecured revolving credit facility commitment	\$ 2,500,000
Commercial paper balance outstanding	(354,000)
Unsecured revolving credit facility balance outstanding	—
Other restricted amounts	(3,438)
Unsecured revolving credit facility availability	<u>\$ 2,142,562</u>

### *Dividend Policy*

The Company declared a dividend/distribution for each quarter in 2023 of \$0.6625 per share/unit, an annualized increase of 6.0% over the amount paid in 2022. All future dividends/distributions remain subject to the discretion of the Company's Board of Trustees.

Total dividends/distributions paid in January 2024 amounted to \$259.2 million (excluding distributions on Partially Owned Properties), which consisted of certain distributions declared during the quarter ended December 31, 2023.

### *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 \$28.7 billion in investment in real estate on the Company's balance sheet at December 31, 2023, \$25.6 billion or 89.1% 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. For additional details, see Item 1A, *Risk Factors*.

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 December 31, 2023 is as follows:

**Debt Summary as of December 31, 2023**  
(\$ in thousands)

	Debt Balances	% of Total
Secured	\$ 1,632,902	22.1%
Unsecured	5,757,548	77.9%
Total	<u>\$ 7,390,450</u>	<u>100.0%</u>
Fixed Rate Debt:		
Secured – Conventional	\$ 1,398,598	18.9%
Unsecured – Public	5,348,417	72.4%
Fixed Rate Debt	<u>6,747,015</u>	<u>91.3%</u>
Floating Rate Debt:		
Secured – Conventional	—	—
Secured – Tax Exempt	234,304	3.2%
Unsecured – Revolving Credit Facility	—	—
Unsecured – Commercial Paper Program	409,131	5.5%
Floating Rate Debt	<u>643,435</u>	<u>8.7%</u>
Total	<u>\$ 7,390,450</u>	<u>100.0%</u>

The following table summarizes the Company's debt maturity schedule as of December 31, 2023:

**Debt Maturity Schedule as of December 31, 2023**  
(\$ in thousands)

Year	Fixed Rate	Floating Rate	Total	% of Total
2024	\$ —	\$ 416,200 (1)	\$ 416,200	5.6%
2025	450,000	8,100	458,100	6.1%
2026	592,025	9,000	601,025	8.0%
2027	400,000	9,800	409,800	5.5%
2028	900,000	10,700	910,700	12.2%
2029	888,120	11,500	899,620	12.1%
2030	1,148,462	12,700	1,161,162	15.6%
2031	528,500	39,800	568,300	7.6%
2032	—	28,000	28,000	0.4%
2033	550,000	2,300	552,300	7.4%
2034+	1,350,850	108,600	1,459,450	19.5%
Subtotal	6,807,957	656,700	7,464,657	100.0%
Deferred Financing Costs and Unamortized (Discount)	(60,942)	(13,265)	(74,207)	N/A
Total	<u>\$ 6,747,015</u>	<u>\$ 643,435</u>	<u>\$ 7,390,450</u>	<u>100.0%</u>

(1) Includes \$410.0 million in principal outstanding on the Company's commercial paper program.

Interest expected to be incurred on the Company's secured and unsecured debt based on obligations outstanding at December 31, 2023, inclusive of capitalized interest, approximates \$223.0 million annually for the next five years, with total remaining obligations of approximately \$2.4 billion. For floating rate debt, the current rate in effect for the most recent payment through December 31, 2023 is assumed to be in effect through the respective maturity date of each instrument.

See Note 9 in the Notes to Consolidated Financial Statements for additional discussion of debt at December 31, 2023. See also Notes 8 and 16 in the Notes to Consolidated Financial Statements for additional discussion of contractual obligations and commitments as of December 31, 2023.

## Capital Structure

The Company's "Consolidated Debt-to-Total Market Capitalization Ratio" as of December 31, 2023 is presented in the following table. The Company calculates the equity component of its market capitalization as the sum of (i) the total outstanding Common Shares and assumed conversion of all Units at the equivalent market value of the closing price of the Company's Common Shares on the New York Stock Exchange and (ii) the liquidation value of all perpetual preferred shares outstanding.

### Equity Residential Capital Structure as of December 31, 2023 (Amounts in thousands except for share/unit and per share amounts)

Secured Debt		\$ 1,632,902	22.1%	
Unsecured Debt		5,757,548	77.9%	
<b>Total Debt</b>		<b>7,390,450</b>	<b>100.0%</b>	<b>23.6%</b>
Common Shares (includes Restricted Shares)	379,291,417	97.0%		
Units (includes OP Units and Restricted Units)	11,581,306	3.0%		
Total Shares and Units	390,872,723	100.0%		
Common Share Price at December 31, 2023	\$ 61.16			
		23,905,776	99.8%	
Perpetual Preferred Equity		37,280	0.2%	
<b>Total Equity</b>		<b>23,943,056</b>	<b>100.0%</b>	<b>76.4%</b>
<b>Total Market Capitalization</b>		<b>\$31,333,506</b>		<b>100.0%</b>

The Operating Partnership's "Consolidated Debt-to-Total Market Capitalization Ratio" as of December 31, 2023 is presented in the following table. The Operating Partnership calculates the equity component of its market capitalization as the sum of (i) the total outstanding Units at the equivalent market value of the closing price of the Company's Common Shares on the New York Stock Exchange and (ii) the liquidation value of all perpetual preference units outstanding.

### ERP Operating Limited Partnership Capital Structure as of December 31, 2023 (Amounts in thousands except for unit and per unit amounts)

Secured Debt		\$ 1,632,902	22.1%	
Unsecured Debt		5,757,548	77.9%	
<b>Total Debt</b>		<b>7,390,450</b>	<b>100.0%</b>	<b>23.6%</b>
Total Outstanding Units	390,872,723			
Common Share Price at December 31, 2023	\$ 61.16			
		23,905,776	99.8%	
Perpetual Preference Units		37,280	0.2%	
<b>Total Equity</b>		<b>23,943,056</b>	<b>100.0%</b>	<b>76.4%</b>
<b>Total Market Capitalization</b>		<b>\$31,333,506</b>		<b>100.0%</b>

## Financial Flexibility

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 May 2022 and expires in May 2025. 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 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 May 2025 and gives us the authority to issue up to 13.0 million shares, all of which remain available for issuance as of February 8, 2024.

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 in the Notes to Consolidated Financial Statements 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.

During the year ended December 31, 2021 and part of the year ended December 31, 2022, the Company had forward sale agreements outstanding for approximately 1.7 million Common Shares at a weighted average initial forward price per share of \$83.25. During the quarter ended December 31, 2022, the Company settled all of the outstanding forward sale agreements, at a weighted average forward price per share of \$80.22, which is inclusive of adjustments made to reflect the then-current federal funds rate and the amount of dividends paid to holders of the Company's Common Shares, for net proceeds of approximately \$139.6 million. Concurrent with this transaction, ERPOP issued the same amount of OP Units to EQR in exchange for the net proceeds.

During the year ended December 31, 2023, the Company repurchased and subsequently retired approximately \$49.1 million (864,386 shares at a weighted average price per share of \$56.79) of its Common Shares in the open market under its share repurchase program. Concurrent with these transactions, ERPOP repurchased and retired the same amount of OP Units previously issued to EQR. In January 2024, the Company's Board of Trustees approved replenishing the Company's share repurchase program authorization back to its original 13.0 million shares. As of February 8, 2024, EQR has remaining authorization to repurchase up to 13.0 million of its shares.

We believe our ability to access capital markets is enhanced by ERPOP's long-term senior debt ratings and short-term commercial paper ratings, as well as EQR's long-term preferred equity ratings. As of February 8, 2024, the ratings are as follows:

	Standard & Poor's	Moody's
ERPOP's long-term senior debt rating	A-	A3
ERPOP's short-term commercial paper rating	A-2	P-2
EQR's long-term preferred equity rating	BBB	Baa1

See Note 18 in the Notes to Consolidated Financial Statements for discussion of the events, if any, which occurred subsequent to December 31, 2023.

## Inflation

Inflation primarily impacts our results of operations as a result of wage/payroll pressures, increases in utilities through escalation of commodity costs and increases in repair and maintenance costs through higher contractor costs. In addition, inflation could also impact the interest we pay on our floating rate debt and upon refinancing of fixed rate debt in a high-inflationary environment, our cost of capital and our cost of development, renovation and capital expenditure activities. However, the majority of our apartment leases have initial terms of 12 months or less, which generally enables us to compensate for inflationary effects by increasing rents on our apartment homes, subject to supply and demand conditions. Although an extreme or sustained escalation in costs could have a negative impact on our residents and their ability to absorb rent increases, we do not believe this had a material impact on our results of operations for the years ended December 31, 2023, 2022 and 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.

- Building Improvements – Includes roof replacement, paving, building mechanical equipment systems, exterior siding and painting, major landscaping, furniture, fixtures and equipment for amenities and common areas, vehicles and office and maintenance equipment.
- Disposition Yield – NOI that the Company anticipates giving up in the next 12 months 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 \$150-\$450 per apartment unit depending on the age and condition of the asset) divided by the gross sales price of the asset. The weighted average Disposition Yield for sold properties is weighted based on the projected NOI streams and the relative sales price for each respective property.
- 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 2022 and 2023, plus any properties in lease-up and not stabilized as of January 1, 2022.
- 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.
- Renovation Expenditures – Apartment unit renovation costs (primarily kitchens and baths) designed to reposition these units for higher rental levels in their respective markets.
- Replacements – Includes appliances, mechanical equipment, fixtures and flooring (including hardwood and carpeting).
- 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, 2022, 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.
- % of Stabilized Budgeted NOI – Represents original budgeted 2024 NOI for stabilized properties and projected annual NOI at stabilization (defined as having achieved 90% occupancy for three consecutive months) for properties that are in lease-up.
- Total Budgeted Capital Cost – Estimated remaining cost for projects under development and/or developed plus all capitalized costs incurred to date, including land acquisition costs, construction costs, capitalized real estate taxes and insurance, capitalized interest and loan fees, permits, professional fees, allocated development overhead and other regulatory fees, plus any estimates of costs remaining to be funded for all projects, all in accordance with GAAP. Amounts for partially owned consolidated and unconsolidated properties are presented at 100% of the project.
- Turnover – Total Residential move-outs (including inter-property and intra-property transfers) divided by total Residential apartment units.
- Unlevered Internal Rate of Return (“IRR”) – The Unlevered IRR on sold properties is the compound annual rate of return calculated by the Company based on the timing and amount of: (i) the gross purchase price of the property plus any direct acquisition costs incurred by the Company; (ii) total revenues earned during the Company’s ownership period; (iii) total direct property operating expenses (including real estate taxes and insurance) incurred during the Company’s ownership period; (iv) capital expenditures incurred during the Company’s ownership period; and (v) the gross sales price of the property net of selling costs.

## **Critical Accounting Policies and Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to use judgment in the application of accounting policies, including making estimates and assumptions. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different or different assumptions were made, it is possible that different accounting policies would have been applied, resulting in different financial results or different presentation of our financial statements.

The Company's significant accounting policies are described in Note 2 in the Notes to Consolidated Financial Statements. These policies were followed in preparing the consolidated financial statements at and for the year ended December 31, 2023.

The Company has identified the significant accounting policies below as critical accounting policies. These critical accounting policies are those that have the most impact on the reporting of our financial condition and those requiring significant judgments and estimates. With respect to these critical accounting policies, management believes that the application of judgments and estimates is consistently applied and produces financial information that fairly presents the results of operations for all periods presented.

### *Impairment of Long-Lived Assets*

The Company evaluates its long-lived assets, including its investment in real estate, for indicators of impairment at least quarterly. The judgments regarding the existence of impairment indicators are based on factors such as operational performance, market conditions, legal, regulatory and environmental concerns, the Company's intent and ability to hold the related asset, as well as any significant cost overruns on development properties. Future events could occur which would cause the Company to conclude that impairment indicators exist and an impairment loss is warranted. Assessing impairment can be complex and involves a high degree of subjectivity in determining if indicators are present and in estimating the future undiscounted cash flows or the fair value of an asset. In particular, these estimates are sensitive to significant assumptions, including the estimation of future rental revenues, operating expenses, discount and capitalization rates and our intent and ability to hold the related asset, all of which could be affected by our expectations about future market or economic conditions. Assumptions are primarily subject to property-specific characteristics, especially with respect to our intent and ability to hold the related asset. While these property-specific assumptions can have a significant impact on the undiscounted cash flows or estimated fair value of a particular asset, our evaluation of the reported carrying values of long-lived assets during the current year were not particularly sensitive to external or market assumptions.

### *Acquisition of Investment Properties*

The Company allocates the purchase price of properties that meet the definition of an asset acquisition to net tangible and identified intangible assets acquired based on their relative fair values using assumptions primarily based upon property-specific characteristics. In making estimates of relative fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property, our own analysis of recently acquired or developed and existing comparable properties in our portfolio and other market data. The Company also considers information obtained about each property as a result of its pre-acquisition due diligence, marketing and leasing activities in estimating the relative fair value of the tangible and intangible assets/liabilities acquired.



## 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 each of the three years ended December 31, 2023:

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

	Year Ended December 31,		
	2023	2022	2021
Net income	\$ 868,488	\$ 806,995	\$ 1,396,714
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(6,340)	(3,774)	(17,964)
Preferred/preference distributions	(3,090)	(3,090)	(3,090)
Net income available to Common Shares and Units / Units	859,058	800,131	1,375,660
Adjustments:			
Depreciation	888,709	882,168	838,272
Depreciation – Non-real estate additions	(4,268)	(4,306)	(4,277)
Depreciation – Partially Owned Properties	(2,130)	(2,640)	(3,673)
Depreciation – Unconsolidated Properties	2,860	2,898	2,487
Net (gain) loss on sales of unconsolidated entities - operating assets	—	(9)	(1,304)
Net (gain) loss on sales of real estate properties	(282,539)	(304,325)	(1,072,183)
Noncontrolling Interests share of gain (loss) on sales of real estate properties	2,336	—	15,650
FFO available to Common Shares and Units / Units (1) (3) (4)	1,464,026	1,373,917	1,150,632
Adjustments:			
Impairment – non-operating real estate assets	—	—	16,769
Write-off of pursuit costs	3,647	4,780	6,526
Debt extinguishment and preferred share redemption (gains) losses	1,143	4,664	744
Non-operating asset (gains) losses	(13,323)	2,368	(22,283)
Other miscellaneous items	21,588	(13,901)	8,976
Normalized FFO available to Common Shares and Units / Units (2) (3) (4)	\$ 1,477,081	\$ 1,371,828	\$ 1,161,364
FFO (1) (3)	\$ 1,467,116	\$ 1,377,007	\$ 1,153,722
Preferred/preference distributions	(3,090)	(3,090)	(3,090)
FFO available to Common Shares and Units / Units (1) (3) (4)	\$ 1,464,026	\$ 1,373,917	\$ 1,150,632
Normalized FFO (2) (3)	\$ 1,480,171	\$ 1,374,918	\$ 1,164,454
Preferred/preference distributions	(3,090)	(3,090)	(3,090)
Normalized FFO available to Common Shares and Units / Units (2) (3) (4)	\$ 1,477,081	\$ 1,371,828	\$ 1,161,364

(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 real estate 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 7A. Quantitative and Qualitative Disclosures about Market Risk**

The Company is exposed to market risk from financial instruments primarily from changes in interest rates. Such risks derive from the refinancing of debt maturities, from exposure to interest rate fluctuations on floating rate debt and from derivative instruments utilized to swap fixed rate debt to floating or to hedge rates in anticipation of future debt issuances. Our operating results are, therefore, affected by changes in short-term interest rates, primarily SOFR and Securities Industry and Financial Markets Association ("SIFMA") indices, which directly impact borrowings under our revolving credit facility and/or interest on secured and unsecured borrowings contractually tied to such rates. Short-term interest rates also indirectly affect the discount on notes issued under our commercial paper program. Additionally, we have exposure to long-term interest rates, particularly U.S. Treasuries, as they are utilized to price our long-term borrowings and therefore affect the cost of refinancing existing debt or incurring additional debt.

The Alternative Reference Rates Committee (the "ARRC") identified SOFR as the preferred alternative rate for USD LIBOR, which was discontinued in June 2023. During the year ended December 31, 2022, SOFR became the primary basis for determining interest payments on borrowings on the Company's \$2.5 billion revolving credit facility. The transition did not have a material impact on the Company's financial position or cash flows.

The Company monitors and manages interest rates as part of its risk management process, by targeting adequate levels of floating rate exposure and an appropriate debt maturity profile. From time to time, we may utilize derivative instruments to manage interest rate exposure and to comply with the requirements of certain lenders, but not for trading or speculative purposes.

The Company had total variable rate debt of \$0.6 billion, representing 8.7% of total debt, and \$0.5 billion, representing 6.4% of total debt, as of December 31, 2023 and 2022, respectively. If interest rates had been 100 basis points higher in 2023 and 2022 and average balances coincided with year end balances, our annual interest expense would have been \$6.4 million and \$4.7 million higher, respectively. Unsecured notes issued under the Company's commercial paper program are treated as variable rate debt for the purposes of this calculation even though they do not have a stated interest rate, given their short-term nature. The effect of derivatives, if applicable, is also considered when computing the total amount of variable rate debt.

Changes in interest rates also affect the estimated fair market value of our fixed rate debt, computed using a discounted cash flow model. As of December 31, 2023, the Company had total outstanding fixed rate debt of \$6.7 billion, or 91.3% of total debt, with an estimated fair market value of \$6.2 billion. If interest rates had been 100 basis points lower as of December 31, 2023, the estimated fair market value would have increased by approximately \$411.2 million. As of December 31, 2022, the Company had total outstanding fixed rate debt of \$7.0 billion, or 93.6% of total debt, with an estimated fair market value of \$6.2 billion. If interest rates had been 100 basis points lower as of December 31, 2022, the estimated fair market value would have increased by approximately \$397.5 million.

As of December 31, 2023, the Company did not have any outstanding derivative instruments used for hedging purposes. As of December 31, 2022, the Company's derivative instruments had a net asset fair value of approximately \$20.7 million. If interest rates increased by 35 basis points across the curve relative to market quotes as of December 31, 2022 (a 10% upward "parallel shift"), the net asset fair value of the Company's derivative instruments would be approximately \$39.4 million. If interest rates decreased by 35 basis points (a 10% downward "parallel shift"), the net asset fair value of the Company's derivative instruments would be approximately \$1.5 million.

These amounts were determined by considering the impact of hypothetical interest rates on the Company's financial instruments. These analyses do not consider the effects of the changes in overall economic activity that could exist in such an environment. Further, in the event of changes of such magnitude, management would likely take actions to further mitigate its exposure to these changes. However, due to the uncertainty of the specific actions that would be taken and their possible effects, this analysis assumes no changes in the Company's financial structure or results.

The Company cannot predict the effect of adverse changes in interest rates on its debt and derivative instruments and, therefore, its exposure to market risk, nor can there be any assurance that long-term debt will be available at advantageous pricing. Consequently, future results may differ materially from the estimated adverse changes discussed above.

#### **Item 8. Financial Statements and Supplementary Data**

See Index to Consolidated Financial Statements and Schedule on page F-1 of this Form 10-K.

#### **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

#### **Item 9A. Controls and Procedures**

##### *Equity Residential*

##### **(a) Evaluation of Disclosure Controls and Procedures:**

Effective as of December 31, 2023, 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) Management's Report on Internal Control over Financial Reporting:**

Equity Residential's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation.

Based on the Company's evaluation under the framework in Internal Control – Integrated Framework, management concluded that its internal control over financial reporting was effective as of December 31, 2023. Our internal control over financial reporting has been audited as of December 31, 2023 by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

##### **(c) 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 fourth quarter of 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**(a) Evaluation of Disclosure Controls and Procedures:**

Effective as of December 31, 2023, 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) Management's Report on Internal Control over Financial Reporting:**

ERP Operating Limited Partnership's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of EQR, management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation.

Based on the Operating Partnership's evaluation under the framework in Internal Control – Integrated Framework, management concluded that its internal control over financial reporting was effective as of December 31, 2023. Our internal control over financial reporting has been audited as of December 31, 2023 by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

**(c) 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 fourth quarter of 2023 that have materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

**Item 9B. Other Information**

During the quarter ended December 31, 2023, no trustee or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

## PART III

### Items 10, 11, 12, 13 and 14.

#### **Trustees, Executive Officers and Corporate Governance; Executive Compensation; Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters; Certain Relationships and Related Transactions, and Trustee Independence; and Principal Accountant Fees and Services**

The information required by Item 10, Item 11, Item 12 (with the exception of the *Equity Compensation Plan Information* provided below), Item 13 and Item 14 is incorporated by reference to, and will be contained in, Equity Residential's Proxy Statement, which the Company intends to file no later than 120 days after the end of its fiscal year ended December 31, 2023, and thus these items have been omitted in accordance with General Instruction G(3) to Form 10-K. Equity Residential is the general partner and 97.0% owner of ERP Operating Limited Partnership.

#### *Equity Compensation Plan Information*

The following table provides information as of December 31, 2023 with respect to the Company's Common Shares that may be issued under its existing equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column (a))
	(a) (1)	(b) (1)	(c) (2)
Equity compensation plans approved by shareholders	3,958,252	\$64.76	10,631,971
Equity compensation plans not approved by shareholders	N/A	N/A	N/A

- (1) The amounts shown in columns (a) and (b) of the above table do not include 320,070 outstanding Common Shares (all of which are restricted and subject to vesting requirements) that were granted under the Company's 2019 Share Incentive Plan, as amended (the "2019 Plan"), and outstanding Common Shares that have been purchased by employees and trustees under the Company's ESPP.
- (2) Includes 8,213,508 Common Shares that may be issued under the 2019 Plan and 2,418,463 Common Shares that may be sold to employees and trustees under the ESPP.

On June 27, 2019, the shareholders of EQR approved the Company's 2019 Plan and the Company filed a Form S-8 registration statement to register 11,331,958 Common Shares under this plan. As of December 31, 2023, 8,213,508 shares were available for future issuance. The 2019 Plan expires on June 27, 2029.

Any Common Shares issued pursuant to EQR's incentive equity compensation and employee share purchase plans will result in ERPOP issuing OP Units to EQR on a one-for-one basis, with ERPOP receiving the net cash proceeds of such issuances.

## **PART IV**

### **Item 15. Exhibit and Financial Statement Schedules**

(a) The following documents are filed as part of this Report:

- (1) Financial Statements: See Index to Consolidated Financial Statements and Schedule on page F-1 of this Form 10-K.
- (2) Exhibits: See the Exhibit Index.
- (3) Financial Statement Schedules: See Index to Consolidated Financial Statements and Schedule on page F-1 of this Form 10-K.

### **Item 16. Form 10-K Summary**

None.

## 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
3.1	Articles of Restatement of Declaration of Trust of Equity Residential dated December 9, 2004.	Included as Exhibit 3.1 to Equity Residential’s Form 10-K for the year ended December 31, 2004.
3.2	Eighth Amended and Restated Bylaws of Equity Residential, effective as of October 1, 2015.	Included as Exhibit 3.1 to Equity Residential's Form 8-K dated and filed on October 1, 2015.
3.3	First Amendment to Eighth Amended and Restated Bylaws of Equity Residential, dated November 20, 2017.	Included as Exhibit 3.1 to Equity Residential's Form 8-K dated and filed on November 20, 2017.
3.4	Second Amendment to Eighth Amended and Restated Bylaws of Equity Residential, effective as of May 4, 2020.	Included as Exhibit 3.1 to Equity Residential's Form 8-K dated May 4, 2020, filed on May 8, 2020.
3.5	Seventh Amended and Restated Agreement of Limited Partnership for ERP Operating Limited Partnership, dated as of March 18, 2021 and effective as of January 1, 2020.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated March 18, 2021, filed on March 24, 2021.
3.6	Form of Preference Unit Term Sheet for 3.00% Series Q Cumulative Redeemable Preference Units.	Included as Exhibit 3.1 to ERP Operating Limited Partnership's Form 8-K dated April 13, 2023, filed on April 19, 2023.
4.1	Description of Equity Residential Common Shares Registered Under Section 12 of the Securities Exchange Act of 1934.	Attached herein.
4.2	Description of ERP Operating Limited Partnership Notes Registered Under Section 12 of the Securities Exchange Act of 1934.	Included as Exhibit 4.2 to Equity Residential's and ERP Operating Limited Partnership's Form 10-K for the year ended December 31, 2019.
4.3	Description of ERP Operating Limited Partnership OP Units Registered Under Section 12 of the Securities Exchange Act of 1934.	Attached herein.
4.4	Indenture, dated October 1, 1994, between the Operating Partnership and The Bank of New York Mellon Trust Company, N.A., as successor trustee (“Indenture”).	Included as Exhibit 4(a) to ERP Operating Limited Partnership’s Form S-3 filed on October 7, 1994. **
4.5	First Supplemental Indenture to Indenture, dated as of September 9, 2004.	Included as Exhibit 4.2 to ERP Operating Limited Partnership’s Form 8-K, filed on September 10, 2004.
4.6	Second Supplemental Indenture to Indenture, dated as of August 23, 2006.	Included as Exhibit 4.1 to ERP Operating Limited Partnership’s Form 8-K dated August 16, 2006, filed on August 23, 2006.
4.7	Third Supplemental Indenture to Indenture, dated as of June 4, 2007.	Included as Exhibit 4.1 to ERP Operating Limited Partnership’s Form 8-K dated May 30, 2007, filed on June 1, 2007.
4.8	Fourth Supplemental Indenture to Indenture, dated as of December 12, 2011.	Included as Exhibit 4.2 to ERP Operating Limited Partnership's Form 8-K dated December 7, 2011, filed on December 9, 2011.
4.9	Fifth Supplemental Indenture to Indenture, dated as of February 1, 2016.	Included as Exhibit 4.6 to Equity Residential's and ERP Operating Limited Partnership's Form 10-K for the year ended December 31, 2015.
4.10	Form of 3.375% Note due June 1, 2025.	Included as Exhibit 4.1 to ERP Operating Limited Partnership's Form 8-K dated May 11, 2015, filed on May 13, 2015.
4.11	Terms Agreement regarding 7.57% Notes due August 15, 2026.	Included as Exhibit 1 to ERP Operating Limited Partnership’s Form 8-K, filed on August 13, 1996.
4.12	Form of 2.850% Note due November 1, 2026.	Included as Exhibit 4.1 to ERP Operating Limited Partnership's Form 8-K dated October 4, 2016, filed on October 7, 2016.
4.13	Form of 3.250% Note due August 1, 2027.	Included as Exhibit 4.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated July 31, 2017, filed on August 2, 2017.
4.14	Form of 3.500% Note due March 1, 2028.	Included as Exhibit 4.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated February 1, 2018, filed on February 6, 2018.

4.15	Form of 4.150% Note due December 1, 2028.	Included as Exhibit 4.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated November 28, 2018, filed on November 29, 2018.
4.16	Form of 3.000% Note due July 1, 2029.	Included as Exhibit 4.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated June 17, 2019, filed on June 20, 2019.
4.17	Form of 2.500% Note due February 15, 2030.	Included as Exhibit 4.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated August 20, 2019, filed on August 22, 2019.
4.18	Form of 1.850% Note due August 1, 2031.	Included as Exhibit 4.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated August 3, 2021, filed on August 5, 2021.
4.19	Form of 4.500% Note due July 1, 2044.	Included as Exhibit 4.2 to ERP Operating Limited Partnership's Form 8-K dated June 16, 2014, filed on June 18, 2014.
4.20	Form of 4.500% Note due June 1, 2045.	Included as Exhibit 4.2 to ERP Operating Limited Partnership's Form 8-K dated May 11, 2015, filed on May 13, 2015.
4.21	Form of 4.000% Note due August 1, 2047.	Included as Exhibit 4.2 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated July 31, 2017, filed on August 2, 2017.
10.1	* Noncompetition Agreement (Zell).	Included as an exhibit to Equity Residential's Form S-11 Registration Statement, File No. 33-63158. **
10.2	Revolving Credit Agreement, dated as of October 26, 2022, among ERP Operating Limited Partnership, Bank of America, N.A., as Administrative Agent, and the financial institutions party thereto.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated October 26, 2022, filed on October 27, 2022.
10.3	Amended and Restated Limited Partnership Agreement of Lexford Properties, L.P.	Included as Exhibit 10.16 to Equity Residential's Form 10-K for the year ended December 31, 1999.
10.4	* Equity Residential 2019 Share Incentive Plan.	Included as Exhibit 99.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated June 27, 2019, filed on July 1, 2019.
10.5	* Equity Residential 2011 Share Incentive Plan.	Included as Exhibit 99.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated June 16, 2011, filed on June 22, 2011.
10.6	* First Amendment to 2011 Share Incentive Plan.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended June 30, 2012.
10.7	* Second Amendment to 2011 Share Incentive Plan.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended September 30, 2013.
10.8	* Third Amendment to 2011 Share Incentive Plan.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended March 31, 2014.
10.9	* Fourth Amendment to 2011 Share Incentive Plan.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended September 30, 2014.
10.10	* Fifth Amendment to 2011 Share Incentive Plan.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended June 30, 2016.
10.11	* Sixth Amendment to 2011 Share Incentive Plan.	Included as Exhibit 10.18 to Equity Residential's and ERP Operating Limited Partnership's Form 10-K for the year ended December 31, 2016.
10.12	* Seventh Amendment to 2011 Share Incentive Plan.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended September 30, 2017.
10.13	* Form of 2022 Long-Term Incentive Plan Award Agreement.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended March 31, 2022.



10.14	* Form of Change in Control/Severance Agreement between the Company and other executive officers.	Included as Exhibit 10.13 to Equity Residential's Form 10-K for the year ended December 31, 2001.
10.15	* Form of First Amendment to Amended and Restated Change in Control/Severance Agreement with each executive officer.	Included as Exhibit 10.1 to Equity Residential's Form 10-Q for the quarterly period ended March 31, 2009.
10.16	* Form of Indemnification Agreement between the Company and each trustee and executive officer.	Included as Exhibit 10.18 to Equity Residential's Form 10-K for the year ended December 31, 2003.
10.17	* Form of Executive Retirement Benefits Agreement.	Included as Exhibit 10.24 to Equity Residential's Form 10-K for the year ended December 31, 2006.
10.18	* Retirement Benefits Agreement between Samuel Zell and the Company dated October 18, 2001.	Included as Exhibit 10.18 to Equity Residential's Form 10-K for the year ended December 31, 2001.
10.19	* Age 62 Retirement Agreement, dated September 4, 2018, by and between Equity Residential and David J. Neithercut.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended September 30, 2018.
10.20	* The Equity Residential Supplemental Executive Retirement Plan as Amended and Restated effective April 1, 2017.	Included as Exhibit 10.2 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended June 30, 2017.
10.21	* Amendment to the Equity Residential Supplemental Executive Retirement Plan, effective as of June 1, 2020.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended June 30, 2020.
10.22	* Amendment to the Equity Residential Supplemental Executive Retirement Plan, effective as of October 1, 2022.	Included as Exhibit 10.1 to Equity Residential's and ERP Operating Limited Partnership's Form 10-Q for the quarterly period ended September 30, 2022.
10.23	* The Equity Residential Grandfathered Supplemental Executive Retirement Plan as Amended and Restated effective January 1, 2005.	Included as Exhibit 10.2 to Equity Residential's Form 10-Q for the quarterly period ended March 31, 2008.
10.24	Distribution Agreement, dated May 18, 2022.	Included as Exhibit 1.1 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated and filed on May 18, 2022.
10.25	Form of Master Forward Sale Confirmation.	Included as Exhibit 1.2 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated and filed on May 18, 2022.
10.26	Archstone Residual JV, LLC Limited Liability Company Agreement.	Included as Exhibit 10.3 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated February 27, 2013, filed on February 28, 2013.
10.27	Archstone Parallel Residual JV, LLC Limited Liability Company Agreement.	Included as Exhibit 10.4 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated February 27, 2013, filed on February 28, 2013.
10.28	Archstone Parallel Residual JV 2, LLC Limited Liability Company Agreement.	Included as Exhibit 10.5 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated February 27, 2013, filed on February 28, 2013.
10.29	Legacy Holdings JV, LLC Limited Liability Company Agreement.	Included as Exhibit 10.6 to Equity Residential's and ERP Operating Limited Partnership's Form 8-K dated February 27, 2013, filed on February 28, 2013.
21	List of Subsidiaries of Equity Residential and ERP Operating Limited Partnership.	Attached herein.
23.1	Consent of Ernst & Young LLP - Equity Residential.	Attached herein.
23.2	Consent of Ernst & Young LLP - ERP Operating Limited Partnership.	Attached herein.
24	Power of Attorney.	See the signature page to this report.
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.
97	Incentive-Based Compensation Clawback Policy.	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 With Embedded Linkbase Documents.	
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).	

\*Management contracts and compensatory plans or arrangements filed as exhibits to this report are identified by an asterisk.

\*\*Filed on paper – hyperlink is not required pursuant to Rule 105 of Regulation S-T.

## **SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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**

By: /s/ Mark J. Parrell  
Mark J. Parrell  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: February 15, 2024

### **ERP OPERATING LIMITED PARTNERSHIP BY: EQUITY RESIDENTIAL ITS GENERAL PARTNER**

By: /s/ Mark J. Parrell  
Mark J. Parrell  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: February 15, 2024

**EQUITY RESIDENTIAL  
ERP OPERATING LIMITED PARTNERSHIP  
POWER OF ATTORNEY**

KNOW ALL MEN/WOMEN BY THESE PRESENTS, that each person whose signature appears below, hereby constitutes and appoints Mark J. Parrell, Robert A. Garechana and Ian S. Kaufman, or any of them, his or her attorneys-in-fact and agents, with full power of substitution and resubstitution for him or her in any and all capacities, to do all acts and things which said attorneys and agents, or any of them, deem advisable to enable the company to comply with the Securities Exchange Act of 1934, as amended, and any requirements or regulations of the Securities and Exchange Commission in respect thereof, in connection with the company's filing of an annual report on Form 10-K for the company's fiscal year 2023, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his or her name as a trustee or officer, or both, of the company, as indicated below opposite his or her signature, to the Form 10-K, and any amendment thereto; and each of the undersigned does hereby fully ratify and confirm all that said attorneys and agents, or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of each registrant and in the capacities set forth below and on the dates indicated:

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Mark J. Parrell</u> Mark J. Parrell	President, Chief Executive Officer and Trustee (Principal Executive Officer)	February 15, 2024
<u>/s/ Robert A. Garechana</u> Robert A. Garechana	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 15, 2024
<u>/s/ Ian S. Kaufman</u> Ian S. Kaufman	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 15, 2024
<u>/s/ Angela M. Aman</u> Angela M. Aman	Trustee	February 15, 2024
<u>/s/ Linda Walker Bynoe</u> Linda Walker Bynoe	Trustee	February 15, 2024
<u>/s/ Mary Kay Haben</u> Mary Kay Haben	Trustee	February 15, 2024
<u>/s/ T. Zia Huque</u> T. Zia Huque	Trustee	February 15, 2024
<u>/s/ John E. Neal</u> John E. Neal	Trustee	February 15, 2024
<u>/s/ David J. Neithercut</u> David J. Neithercut	Chairman of the Board of Trustees	February 15, 2024
<u>/s/ Mark S. Shapiro</u> Mark S. Shapiro	Trustee	February 15, 2024
<u>/s/ Stephen E. Sterrett</u> Stephen E. Sterrett	Trustee	February 15, 2024

# INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

## EQUITY RESIDENTIAL ERP OPERATING LIMITED PARTNERSHIP

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*All other schedules have been omitted because they are inapplicable, not required or the information is included elsewhere in the consolidated financial statements or notes thereto.*

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Trustees of Equity Residential

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Equity Residential (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 15, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### ***Impairment of Long-Lived Assets***

##### ***Description of the Matter***

At December 31, 2023, the Company's net investment in real estate was approximately \$18.9 billion. As more fully described in Note 2 to the consolidated financial statements, the Company periodically evaluates its long-lived assets, including its investment in real estate, for impairment. The judgments and assumptions regarding the existence of impairment indicators are based on factors such as operational performance, market conditions, legal and environmental concerns, the Company's intent and ability to hold the related asset, as well as any significant cost overruns on development properties. If the expected future undiscounted cash flows are less than the carrying amount of the long-lived asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying amount.

Auditing the Company's process to evaluate indicators of impairment was complex due to a high degree of subjectivity in the identification of events or changes in circumstances that may indicate impairment was present. Changes in these judgments could have a material impact on the Company's analysis.

*How We  
Addressed the  
Matter in  
Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's long-lived asset impairment evaluation, including controls over management's determination and review of the significant assumptions used in the analyses described above.

We performed audit procedures that included, among others, evaluating the judgments used by management to identify whether indicators of impairment were present and testing the significant assumptions and completeness and accuracy of market and operating data used by the Company in its analyses. We reviewed costs incurred on development properties. We compared the significant assumptions used by management to current market data and performed sensitivity analyses of certain significant assumptions, such as market capitalization rates. We also held discussions with management and read the minutes of meetings of the Board of Trustees and related committees to understand whether there were any changes in management's operating and development plans that would result in the disposal of a property significantly before the end of its useful life.

/s/ ERNST & YOUNG LLP  
\_\_\_\_\_  
ERNST & YOUNG LLP

We have served as the Company's auditor since 1996.

Chicago, Illinois  
February 15, 2024

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of ERP Operating Limited Partnership

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of ERP Operating Limited Partnership (the Operating Partnership) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income, changes in capital and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Operating Partnership at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Operating Partnership’s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 15, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Operating Partnership’s management. Our responsibility is to express an opinion on the Operating Partnership’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Operating Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Impairment of Long-Lived Assets*

##### *Description of the Matter*

At December 31, 2023, the Operating Partnership’s net investment in real estate was approximately \$18.9 billion. As more fully described in Note 2 to the consolidated financial statements, the Operating Partnership periodically evaluates its long-lived assets, including its investment in real estate, for impairment. The judgments and assumptions regarding the existence of impairment indicators are based on factors such as operational performance, market conditions, legal and environmental concerns, the Operating Partnership’s intent and ability to hold the related asset, as well as any significant cost overruns on development properties. If the expected future undiscounted cash flows are less than the carrying amount of the long-lived asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying amount.

Auditing the Operating Partnership’s process to evaluate indicators of impairment was complex due to a high degree of subjectivity in the identification of events or changes in circumstances that may indicate impairment was present. Changes in these judgments could have a material impact on the Operating Partnership’s analysis.



*How We  
Addressed the  
Matter in  
Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Operating Partnership's long-lived asset impairment evaluation, including controls over management's determination and review of the significant assumptions used in the analyses described above.

We performed audit procedures that included, among others, evaluating the judgments used by management to identify whether indicators of impairment were present and testing the significant assumptions and completeness and accuracy of market and operating data used by the Operating Partnership in its analyses. We reviewed costs incurred on development properties. We compared the significant assumptions used by management to current market data and performed sensitivity analyses of certain significant assumptions, such as market capitalization rates. We also held discussions with management and read the minutes of meetings of the Board of Trustees and related committees to understand whether there were any changes in management's operating and development plans that would result in the disposal of a property significantly before the end of its useful life.

/s/ ERNST & YOUNG LLP  
\_\_\_\_\_  
ERNST & YOUNG LLP

We have served as the Operating Partnership's auditor since 1996.

Chicago, Illinois  
February 15, 2024

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Trustees of Equity Residential

### Opinion on Internal Control Over Financial Reporting

We have audited Equity Residential's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Equity Residential (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 15, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and trustees of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ ERNST & YOUNG LLP  
ERNST & YOUNG LLP

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Chicago, Illinois  
February 15, 2024

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of ERP Operating Limited Partnership

### Opinion on Internal Control Over Financial Reporting

We have audited ERP Operating Limited Partnership's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, ERP Operating Limited Partnership (the Operating Partnership) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Operating Partnership as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive income, changes in capital and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 15, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

The Operating Partnership's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Operating Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Operating Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and trustees of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ ERNST & YOUNG LLP  
ERNST & YOUNG LLP

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Chicago, Illinois  
February 15, 2024

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

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
Land	\$ 5,581,876	\$ 5,580,878
Depreciable property	22,938,426	22,334,369
Projects under development	78,036	112,940
Land held for development	114,300	60,567
Investment in real estate	28,712,638	28,088,754
Accumulated depreciation	(9,810,337)	(9,027,850)
Investment in real estate, net	18,902,301	19,060,904
Investments in unconsolidated entities	282,049	279,024
Cash and cash equivalents	50,743	53,869
Restricted deposits	89,252	83,303
Right-of-use assets	457,266	462,956
Other assets	252,953	278,206
<b>Total assets</b>	<b>\$ 20,034,564</b>	<b>\$ 20,218,262</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Mortgage notes payable, net	\$ 1,632,902	\$ 1,953,438
Notes, net	5,348,417	5,342,329
Line of credit and commercial paper	409,131	129,955
Accounts payable and accrued expenses	104,430	96,028
Accrued interest payable	65,716	66,310
Lease liabilities	311,640	308,748
Other liabilities	255,543	306,941
Security deposits	69,178	68,940
Distributions payable	259,231	244,621
<b>Total liabilities</b>	<b>8,456,188</b>	<b>8,517,310</b>
<i>Commitments and contingencies</i>		
<b>Redeemable Noncontrolling Interests – Operating Partnership</b>	<b>289,248</b>	<b>318,273</b>
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 December 31, 2023 and December 31, 2022	37,280	37,280
Common Shares of beneficial interest, \$0.01 par value; 1,000,000,000 shares authorized; 379,291,417 shares issued and outstanding as of December 31, 2023 and 378,429,708 shares issued and outstanding as of December 31, 2022	3,793	3,784
Paid in capital	9,601,866	9,476,085
Retained earnings	1,437,185	1,658,837
Accumulated other comprehensive income (loss)	5,704	(2,547)
Total shareholders' equity	11,085,828	11,173,439
Noncontrolling Interests:		
Operating Partnership	202,306	209,961
Partially Owned Properties	994	(721)
Total Noncontrolling Interests	203,300	209,240
<b>Total equity</b>	<b>11,289,128</b>	<b>11,382,679</b>
<b>Total liabilities and equity</b>	<b>\$ 20,034,564</b>	<b>\$ 20,218,262</b>

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>REVENUES</b>			
Rental income	\$ 2,873,964	\$ 2,735,180	\$ 2,463,997
<b>EXPENSES</b>			
Property and maintenance	514,575	483,865	453,532
Real estate taxes and insurance	412,114	388,412	397,105
Property management	119,804	110,304	98,155
General and administrative	60,716	58,710	56,506
Depreciation	888,709	882,168	838,272
Total expenses	1,995,918	1,923,459	1,843,570
Net gain (loss) on sales of real estate properties	282,539	304,325	1,072,183
Impairment	—	—	(16,769)
Operating income	1,160,585	1,116,046	1,675,841
Interest and other income	22,345	2,193	25,666
Other expenses	(29,419)	(13,664)	(19,275)
Interest:			
Expense incurred, net	(269,556)	(282,920)	(272,473)
Amortization of deferred financing costs	(8,941)	(8,729)	(8,737)
Income before income and other taxes, income (loss) from investments in unconsolidated entities and net gain (loss) on sales of land parcels	875,014	812,926	1,401,022
Income and other tax (expense) benefit	(1,148)	(900)	(915)
Income (loss) from investments in unconsolidated entities	(5,378)	(5,031)	(3,398)
Net gain (loss) on sales of land parcels	—	—	5
Net income	868,488	806,995	1,396,714
Net (income) loss attributable to Noncontrolling Interests:			
Operating Partnership	(26,710)	(26,310)	(45,900)
Partially Owned Properties	(6,340)	(3,774)	(17,964)
Net income attributable to controlling interests	835,438	776,911	1,332,850
Preferred distributions	(3,090)	(3,090)	(3,090)
Net income available to Common Shares	\$ 832,348	\$ 773,821	\$ 1,329,760
<b>Earnings per share – basic:</b>			
Net income available to Common Shares	\$ 2.20	\$ 2.06	\$ 3.56
Weighted average Common Shares outstanding	378,773	376,209	373,833
<b>Earnings per share – diluted:</b>			
Net income available to Common Shares	\$ 2.20	\$ 2.05	\$ 3.54
Weighted average Common Shares outstanding	390,897	389,450	388,089

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
Comprehensive income:			
Net income	\$ 868,488	\$ 806,995	\$ 1,396,714
Other comprehensive income (loss):			
Other comprehensive income (loss) – derivative instruments:			
Unrealized holding gains (losses) arising during the year	4,514	20,654	—
Losses reclassified into earnings from other comprehensive income	3,737	11,071	9,394
Other comprehensive income (loss)	8,251	31,725	9,394
Comprehensive income	876,739	838,720	1,406,108
Comprehensive (income) attributable to Noncontrolling Interests	(33,307)	(31,132)	(64,183)
Comprehensive income attributable to controlling interests	<u>\$ 843,432</u>	<u>\$ 807,588</u>	<u>\$ 1,341,925</u>

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 868,488	\$ 806,995	\$ 1,396,714
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Depreciation	888,709	882,168	838,272
Amortization of deferred financing costs	8,941	8,729	8,737
Amortization of above/below market lease intangibles	—	—	(154)
Amortization of discounts and premiums on debt	4,091	5,004	5,302
Amortization of deferred settlements on derivative instruments	3,725	11,059	9,382
Amortization of right-of-use assets	12,795	12,157	13,266
Impairment	—	—	16,769
Write-off of pursuit costs	3,647	4,780	6,526
(Income) loss from investments in unconsolidated entities	5,378	5,031	3,398
Distributions from unconsolidated entities – return on capital	559	398	56
Net (gain) loss on sales of real estate properties	(282,539)	(304,325)	(1,072,183)
Net (gain) loss on sales of land parcels	—	—	(5)
Realized (gain) loss on investment securities	(1,504)	(2,061)	(23,432)
Unrealized (gain) loss on investment securities	(13,466)	—	—
Compensation paid with Company Common Shares	31,815	29,513	27,810
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in other assets	(10,203)	10,893	5,906
Increase (decrease) in accounts payable and accrued expenses	8,911	(266)	15,381
Increase (decrease) in accrued interest payable	(594)	(3,200)	3,614
Increase (decrease) in lease liabilities	(1,551)	(1,524)	(5,122)
Increase (decrease) in other liabilities	5,358	(13,394)	4,286
Increase (decrease) in security deposits	238	2,799	5,661
Net cash provided by operating activities	1,532,798	1,454,756	1,260,184
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment in real estate – acquisitions	(324,497)	(113,046)	(1,712,131)
Investment in real estate – development/other	(78,197)	(109,345)	(206,421)
Capital expenditures to real estate	(319,342)	(221,086)	(151,019)
Non-real estate capital additions	(1,851)	(4,050)	(1,696)
Interest capitalized for real estate and unconsolidated entities under development	(12,347)	(7,105)	(15,932)
Proceeds from disposition of real estate, net	374,018	720,302	1,707,747
Investments in unconsolidated entities – acquisitions	(2,800)	(49,855)	(48,534)
Investments in unconsolidated entities – development/other	(47,180)	(109,846)	(31,257)
Distributions from unconsolidated entities – return of capital	42	300	1,516
Purchase of investment securities and other investments	(2,500)	(2,061)	(168,291)
Proceeds from sale of investment securities	3,042	3,584	191,398
Consolidation of previously unconsolidated entities	2,108	—	—
Net cash provided by (used for) investing activities	(409,504)	107,792	(434,620)

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Debt financing costs	\$ (4,106)	\$ (9,894)	\$ (6,446)
<i>Mortgage notes payable, net:</i>			
Proceeds	572,896	48,054	58,428
Lump sum payoffs	(932,598)	(286,461)	(156,815)
Scheduled principal repayments	(3,354)	(3,392)	(7,465)
<i>Notes, net:</i>			
Proceeds	—	—	497,470
Lump sum payoffs	—	(500,000)	—
<i>Line of credit and commercial paper:</i>			
Line of credit proceeds	—	—	10,000
Line of credit repayments	—	—	(10,000)
Commercial paper proceeds	6,124,068	6,036,083	7,590,200
Commercial paper repayments	(5,844,892)	(6,221,158)	(7,690,000)
Proceeds from (payments on) settlement of derivative instruments	25,169	—	—
Finance ground lease principal payments	(2,662)	(2,463)	(365)
Proceeds from sale of Common Shares	—	139,623	—
Proceeds from Employee Share Purchase Plan (ESPP)	3,517	4,178	4,265
Proceeds from exercise of options	23,632	25,069	85,445
Common Shares repurchased and retired	(49,105)	—	—
Payment of offering costs	—	(783)	(428)
Other financing activities, net	(75)	(63)	(63)
Acquisition of Noncontrolling Interests – Partially Owned Properties	(3,737)	(32,178)	—
Contributions – Noncontrolling Interests – Partially Owned Properties	9	603	1,394
Contributions – Noncontrolling Interests – Operating Partnership	1	1	—
<i>Distributions:</i>			
Common Shares	(990,148)	(931,783)	(900,468)
Preferred Shares	(3,090)	(2,318)	(3,090)
Noncontrolling Interests – Operating Partnership	(30,253)	(30,324)	(31,316)
Noncontrolling Interests – Partially Owned Properties	(5,743)	(18,406)	(5,802)
Net cash provided by (used for) financing activities	(1,120,471)	(1,785,612)	(565,056)
Net increase (decrease) in cash and cash equivalents and restricted deposits	2,823	(223,064)	260,508
Cash and cash equivalents and restricted deposits, beginning of year	137,172	360,236	99,728
Cash and cash equivalents and restricted deposits, end of year	<u>\$ 139,995</u>	<u>\$ 137,172</u>	<u>\$ 360,236</u>
Cash and cash equivalents and restricted deposits, end of year			
Cash and cash equivalents	\$ 50,743	\$ 53,869	\$ 123,832
Restricted deposits	89,252	83,303	236,404
Total cash and cash equivalents and restricted deposits, end of year	<u>\$ 139,995</u>	<u>\$ 137,172</u>	<u>\$ 360,236</u>

See accompanying notes



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

	Year Ended December 31,		
	2023	2022	2021
<b>SUPPLEMENTAL INFORMATION:</b>			
Cash paid for interest, net of amounts capitalized	\$ 248,990	\$ 267,612	\$ 252,838
Net cash paid (received) for income and other taxes	\$ 1,091	\$ 748	\$ 1,179
<i>Real estate acquisitions/dispositions/other:</i>			
Mortgage loans assumed	\$ 42,256	\$ —	\$ —
<i>Amortization of deferred financing costs:</i>			
Investment in real estate, net	\$ (211)	\$ (506)	\$ (353)
Other assets	\$ 2,785	\$ 2,768	\$ 2,338
Mortgage notes payable, net	\$ 2,527	\$ 2,080	\$ 2,743
Notes, net	\$ 3,840	\$ 4,387	\$ 4,009
<i>Amortization of discounts and premiums on debt:</i>			
Mortgage notes payable, net	\$ 1,843	\$ 2,184	\$ 2,764
Notes, net	\$ 2,248	\$ 2,820	\$ 2,538
<i>Amortization of deferred settlements on derivative instruments:</i>			
Other liabilities	\$ (12)	\$ (12)	\$ (12)
Accumulated other comprehensive income	\$ 3,737	\$ 11,071	\$ 9,394
<i>Write-off of pursuit costs:</i>			
Investment in real estate, net	\$ 527	\$ 1,150	\$ 5,918
Investments in unconsolidated entities	\$ 2,186	\$ 2,898	\$ —
Other assets	\$ 934	\$ 732	\$ 582
Accounts payable and accrued expenses	\$ —	\$ —	\$ 26
<i>(Income) loss from investments in unconsolidated entities:</i>			
Investments in unconsolidated entities	\$ 4,132	\$ 3,778	\$ 2,122
Other liabilities	\$ 1,246	\$ 1,253	\$ 1,276
<i>Realized/unrealized (gain) loss on derivative instruments:</i>			
Other assets	\$ (3,749)	\$ (21,865)	\$ —
Other liabilities	\$ (765)	\$ 1,211	\$ —
Accumulated other comprehensive income	\$ 4,514	\$ 20,654	\$ —
<i>Interest capitalized for real estate and unconsolidated entities under development:</i>			
Investment in real estate, net	\$ (4,010)	\$ (2,365)	\$ (15,318)
Investments in unconsolidated entities	\$ (8,337)	\$ (4,740)	\$ (614)
<i>Investments in unconsolidated entities – development/other:</i>			
Investment in real estate, net	\$ —	\$ —	\$ 1,395
Investments in unconsolidated entities	\$ (45,770)	\$ (108,556)	\$ (30,642)
Other liabilities	\$ (1,410)	\$ (1,290)	\$ (2,010)
<i>Consolidation of previously unconsolidated entities:</i>			
Investment in real estate, net	\$ (50,315)	\$ —	\$ —
Investments in unconsolidated entities	\$ 46,327	\$ —	\$ —
Accounts payable and accrued expenses	\$ 75	\$ —	\$ —
Other liabilities	\$ 2,000	\$ —	\$ —
Noncontrolling Interests – Partially Owned Properties	\$ 4,021	\$ —	\$ —
<i>Debt financing costs:</i>			
Other assets	\$ —	\$ (9,566)	\$ 229
Mortgage notes payable, net	\$ (4,106)	\$ (228)	\$ (2,344)
Notes, net	\$ —	\$ (100)	\$ (4,331)
<i>Proceeds from (payments on) settlement of derivative instruments:</i>			
Other assets	\$ 25,613	\$ —	\$ —
Other liabilities	\$ (444)	\$ —	\$ —

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<i>Right-of-use assets and lease liabilities initial measurement and reclassifications:</i>			
Right-of-use assets	\$ (7,105)	\$ (400)	\$ 11,308
Lease liabilities	\$ 7,105	\$ 400	\$ (11,308)
<i>Non-cash share distribution and other transfers from unconsolidated entities:</i>			
Investments in unconsolidated entities	\$ 636	\$ 4,201	\$ 1,430
Other assets	\$ (636)	\$ (4,201)	\$ (1,430)

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>SHAREHOLDERS' EQUITY</b>			
<b>PREFERRED SHARES</b>			
Balance, beginning of year	\$ 37,280	\$ 37,280	\$ 37,280
Balance, end of year	<u>\$ 37,280</u>	<u>\$ 37,280</u>	<u>\$ 37,280</u>
<b>COMMON SHARES, \$0.01 PAR VALUE</b>			
Balance, beginning of year	\$ 3,784	\$ 3,755	\$ 3,723
Conversion of OP Units into Common Shares	10	4	13
Issuance of Common Shares	—	17	—
Exercise of share options	5	5	17
Employee Share Purchase Plan (ESPP)	1	1	1
Common Shares repurchased and retired	(9)	—	—
Share-based employee compensation expense:			
Restricted shares	2	2	1
Balance, end of year	<u>\$ 3,793</u>	<u>\$ 3,784</u>	<u>\$ 3,755</u>
<b>PAID IN CAPITAL</b>			
Balance, beginning of year	\$ 9,476,085	\$ 9,121,122	\$ 9,128,599
Common Share Issuance:			
Conversion of OP Units into Common Shares	23,938	11,919	74,050
Issuance of Common Shares	—	139,606	—
Exercise of share options	23,627	25,064	85,428
Employee Share Purchase Plan (ESPP)	3,516	4,177	4,264
Share-based employee compensation expense:			
Restricted shares	12,484	11,593	8,388
Share options	4,628	2,321	3,101
ESPP discount	644	796	991
Offering costs	—	(783)	(428)
Supplemental Executive Retirement Plan (SERP)	32,078	(269)	(1,335)
Acquisition of Noncontrolling Interests – Partially Owned Properties	(900)	(27,383)	—
Change in market value of Redeemable Noncontrolling Interests – Operating Partnership	7,667	176,490	(158,598)
Adjustment for Noncontrolling Interests ownership in Operating Partnership	18,099	11,432	(23,338)
Balance, end of year	<u>\$ 9,601,866</u>	<u>\$ 9,476,085</u>	<u>\$ 9,121,122</u>
<b>RETAINED EARNINGS</b>			
Balance, beginning of year	\$ 1,658,837	\$ 1,827,063	\$ 1,399,715
Net income attributable to controlling interests	835,438	776,911	1,332,850
Common Share distributions	(1,004,904)	(942,047)	(902,412)
Preferred Share distributions	(3,090)	(3,090)	(3,090)
Common Shares repurchased and retired	(49,096)	—	—
Balance, end of year	<u>\$ 1,437,185</u>	<u>\$ 1,658,837</u>	<u>\$ 1,827,063</u>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Balance, beginning of year	\$ (2,547)	\$ (34,272)	\$ (43,666)
Accumulated other comprehensive income (loss) – derivative instruments:			
Unrealized holding gains (losses) arising during the year	4,514	20,654	—
Losses reclassified into earnings from other comprehensive income	3,737	11,071	9,394
Balance, end of year	<u>\$ 5,704</u>	<u>\$ (2,547)</u>	<u>\$ (34,272)</u>
<b>DISTRIBUTIONS</b>			
Distributions declared per Common Share outstanding	<u>\$ 2.65</u>	<u>\$ 2.50</u>	<u>\$ 2.41</u>

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>NONCONTROLLING INTERESTS</b>			
<b>OPERATING PARTNERSHIP</b>			
Balance, beginning of year	\$ 209,961	\$ 214,094	\$ 233,162
Issuance of restricted units to Noncontrolling Interests	1	1	—
Conversion of OP Units held by Noncontrolling Interests into OP Units held by General Partner	(23,948)	(11,923)	(74,063)
Equity compensation associated with Noncontrolling Interests	16,430	19,104	17,797
Net income attributable to Noncontrolling Interests	26,710	26,310	45,900
Distributions to Noncontrolling Interests	(30,107)	(30,407)	(30,612)
Change in carrying value of Redeemable Noncontrolling Interests – Operating Partnership	21,358	4,214	(1,428)
Adjustment for Noncontrolling Interests ownership in Operating Partnership	(18,099)	(11,432)	23,338
Balance, end of year	<u>\$ 202,306</u>	<u>\$ 209,961</u>	<u>\$ 214,094</u>
<b>PARTIALLY OWNED PROPERTIES</b>			
Balance, beginning of year	\$ (721)	\$ 18,166	\$ 4,673
Net income attributable to Noncontrolling Interests	6,340	3,774	17,964
Contributions by Noncontrolling Interests	9	603	1,394
Distributions to Noncontrolling Interests	(5,818)	(18,469)	(5,865)
Acquisition of Noncontrolling Interests – Partially Owned Properties	(2,837)	(4,795)	—
Consolidation of previously unconsolidated entities	4,021	—	—
Balance, end of year	<u>\$ 994</u>	<u>\$ (721)</u>	<u>\$ 18,166</u>

See accompanying notes

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

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
Land	\$ 5,581,876	\$ 5,580,878
Depreciable property	22,938,426	22,334,369
Projects under development	78,036	112,940
Land held for development	114,300	60,567
Investment in real estate	28,712,638	28,088,754
Accumulated depreciation	(9,810,337)	(9,027,850)
Investment in real estate, net	18,902,301	19,060,904
Investments in unconsolidated entities	282,049	279,024
Cash and cash equivalents	50,743	53,869
Restricted deposits	89,252	83,303
Right-of-use assets	457,266	462,956
Other assets	252,953	278,206
<b>Total assets</b>	<b>\$ 20,034,564</b>	<b>\$ 20,218,262</b>
<b>LIABILITIES AND CAPITAL</b>		
Liabilities:		
Mortgage notes payable, net	\$ 1,632,902	\$ 1,953,438
Notes, net	5,348,417	5,342,329
Line of credit and commercial paper	409,131	129,955
Accounts payable and accrued expenses	104,430	96,028
Accrued interest payable	65,716	66,310
Lease liabilities	311,640	308,748
Other liabilities	255,543	306,941
Security deposits	69,178	68,940
Distributions payable	259,231	244,621
<b>Total liabilities</b>	<b>8,456,188</b>	<b>8,517,310</b>
<i>Commitments and contingencies</i>		
<b>Redeemable Limited Partners</b>	<b>289,248</b>	<b>318,273</b>
Capital:		
Partners' Capital:		
Preference Units	37,280	37,280
General Partner	11,042,844	11,138,706
Limited Partners	202,306	209,961
Accumulated other comprehensive income (loss)	5,704	(2,547)
Total partners' capital	11,288,134	11,383,400
Noncontrolling Interests – Partially Owned Properties	994	(721)
<b>Total capital</b>	<b>11,289,128</b>	<b>11,382,679</b>
<b>Total liabilities and capital</b>	<b>\$ 20,034,564</b>	<b>\$ 20,218,262</b>

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>REVENUES</b>			
Rental income	\$ 2,873,964	\$ 2,735,180	\$ 2,463,997
<b>EXPENSES</b>			
Property and maintenance	514,575	483,865	453,532
Real estate taxes and insurance	412,114	388,412	397,105
Property management	119,804	110,304	98,155
General and administrative	60,716	58,710	56,506
Depreciation	888,709	882,168	838,272
Total expenses	1,995,918	1,923,459	1,843,570
Net gain (loss) on sales of real estate properties	282,539	304,325	1,072,183
Impairment	—	—	(16,769)
Operating income	1,160,585	1,116,046	1,675,841
Interest and other income	22,345	2,193	25,666
Other expenses	(29,419)	(13,664)	(19,275)
Interest:			
Expense incurred, net	(269,556)	(282,920)	(272,473)
Amortization of deferred financing costs	(8,941)	(8,729)	(8,737)
Income before income and other taxes, income (loss) from investments in unconsolidated entities and net gain (loss) on sales of land parcels	875,014	812,926	1,401,022
Income and other tax (expense) benefit	(1,148)	(900)	(915)
Income (loss) from investments in unconsolidated entities	(5,378)	(5,031)	(3,398)
Net gain (loss) on sales of land parcels	—	—	5
Net income	868,488	806,995	1,396,714
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(6,340)	(3,774)	(17,964)
Net income attributable to controlling interests	\$ 862,148	\$ 803,221	\$ 1,378,750
<b>ALLOCATION OF NET INCOME:</b>			
Preference Units	\$ 3,090	\$ 3,090	\$ 3,090
General Partner	\$ 832,348	\$ 773,821	\$ 1,329,760
Limited Partners	26,710	26,310	45,900
Net income available to Units	\$ 859,058	\$ 800,131	\$ 1,375,660
<b>Earnings per Unit – basic:</b>			
Net income available to Units	\$ 2.20	\$ 2.06	\$ 3.56
Weighted average Units outstanding	389,954	388,045	386,096
<b>Earnings per Unit – diluted:</b>			
Net income available to Units	\$ 2.20	\$ 2.05	\$ 3.54
Weighted average Units outstanding	390,897	389,450	388,089

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
Comprehensive income:			
Net income	\$ 868,488	\$ 806,995	\$ 1,396,714
Other comprehensive income (loss):			
Other comprehensive income (loss) – derivative instruments:			
Unrealized holding gains (losses) arising during the year	4,514	20,654	—
Losses reclassified into earnings from other comprehensive income	3,737	11,071	9,394
Other comprehensive income (loss)	8,251	31,725	9,394
Comprehensive income	876,739	838,720	1,406,108
Comprehensive (income) attributable to Noncontrolling Interests – Partially Owned Properties	(6,340)	(3,774)	(17,964)
Comprehensive income attributable to controlling interests	<u>\$ 870,399</u>	<u>\$ 834,946</u>	<u>\$ 1,388,144</u>

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 868,488	\$ 806,995	\$ 1,396,714
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Depreciation	888,709	882,168	838,272
Amortization of deferred financing costs	8,941	8,729	8,737
Amortization of above/below market lease intangibles	—	—	(154)
Amortization of discounts and premiums on debt	4,091	5,004	5,302
Amortization of deferred settlements on derivative instruments	3,725	11,059	9,382
Amortization of right-of-use assets	12,795	12,157	13,266
Impairment	—	—	16,769
Write-off of pursuit costs	3,647	4,780	6,526
(Income) loss from investments in unconsolidated entities	5,378	5,031	3,398
Distributions from unconsolidated entities – return on capital	559	398	56
Net (gain) loss on sales of real estate properties	(282,539)	(304,325)	(1,072,183)
Net (gain) loss on sales of land parcels	—	—	(5)
Realized (gain) loss on investment securities	(1,504)	(2,061)	(23,432)
Unrealized (gain) loss on investment securities	(13,466)	—	—
Compensation paid with Company Common Shares	31,815	29,513	27,810
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in other assets	(10,203)	10,893	5,906
Increase (decrease) in accounts payable and accrued expenses	8,911	(266)	15,381
Increase (decrease) in accrued interest payable	(594)	(3,200)	3,614
Increase (decrease) in lease liabilities	(1,551)	(1,524)	(5,122)
Increase (decrease) in other liabilities	5,358	(13,394)	4,286
Increase (decrease) in security deposits	238	2,799	5,661
Net cash provided by operating activities	1,532,798	1,454,756	1,260,184
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment in real estate – acquisitions	(324,497)	(113,046)	(1,712,131)
Investment in real estate – development/other	(78,197)	(109,345)	(206,421)
Capital expenditures to real estate	(319,342)	(221,086)	(151,019)
Non-real estate capital additions	(1,851)	(4,050)	(1,696)
Interest capitalized for real estate and unconsolidated entities under development	(12,347)	(7,105)	(15,932)
Proceeds from disposition of real estate, net	374,018	720,302	1,707,747
Investments in unconsolidated entities – acquisitions	(2,800)	(49,855)	(48,534)
Investments in unconsolidated entities – development/other	(47,180)	(109,846)	(31,257)
Distributions from unconsolidated entities – return of capital	42	300	1,516
Purchase of investment securities and other investments	(2,500)	(2,061)	(168,291)
Proceeds from sale of investment securities	3,042	3,584	191,398
Consolidation of previously unconsolidated entities	2,108	—	—
Net cash provided by (used for) investing activities	(409,504)	107,792	(434,620)

See accompanying notes



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

	Year Ended December 31,		
	2023	2022	2021
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Debt financing costs	\$ (4,106)	\$ (9,894)	\$ (6,446)
<i>Mortgage notes payable, net:</i>			
Proceeds	572,896	48,054	58,428
Lump sum payoffs	(932,598)	(286,461)	(156,815)
Scheduled principal repayments	(3,354)	(3,392)	(7,465)
<i>Notes, net:</i>			
Proceeds	—	—	497,470
Lump sum payoffs	—	(500,000)	—
<i>Line of credit and commercial paper:</i>			
Line of credit proceeds	—	—	10,000
Line of credit repayments	—	—	(10,000)
Commercial paper proceeds	6,124,068	6,036,083	7,590,200
Commercial paper repayments	(5,844,892)	(6,221,158)	(7,690,000)
Proceeds from (payments on) settlement of derivative instruments	25,169	—	—
Finance ground lease principal payments	(2,662)	(2,463)	(365)
Proceeds from sale of OP Units	—	139,623	—
Proceeds from EQR's Employee Share Purchase Plan (ESPP)	3,517	4,178	4,265
Proceeds from exercise of EQR options	23,632	25,069	85,445
OP Units repurchased and retired	(49,105)	—	—
Payment of offering costs	—	(783)	(428)
Other financing activities, net	(75)	(63)	(63)
Acquisition of Noncontrolling Interests – Partially Owned Properties	(3,737)	(32,178)	—
Contributions – Noncontrolling Interests – Partially Owned Properties	9	603	1,394
Contributions – Limited Partners	1	1	—
<i>Distributions:</i>			
OP Units – General Partner	(990,148)	(931,783)	(900,468)
Preference Units	(3,090)	(2,318)	(3,090)
OP Units – Limited Partners	(30,253)	(30,324)	(31,316)
Noncontrolling Interests – Partially Owned Properties	(5,743)	(18,406)	(5,802)
Net cash provided by (used for) financing activities	(1,120,471)	(1,785,612)	(565,056)
Net increase (decrease) in cash and cash equivalents and restricted deposits	2,823	(223,064)	260,508
Cash and cash equivalents and restricted deposits, beginning of year	137,172	360,236	99,728
Cash and cash equivalents and restricted deposits, end of year	<u>\$ 139,995</u>	<u>\$ 137,172</u>	<u>\$ 360,236</u>
Cash and cash equivalents and restricted deposits, end of year			
Cash and cash equivalents	\$ 50,743	\$ 53,869	\$ 123,832
Restricted deposits	89,252	83,303	236,404
Total cash and cash equivalents and restricted deposits, end of year	<u>\$ 139,995</u>	<u>\$ 137,172</u>	<u>\$ 360,236</u>

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>SUPPLEMENTAL INFORMATION:</b>			
Cash paid for interest, net of amounts capitalized	\$ 248,990	\$ 267,612	\$ 252,838
Net cash paid (received) for income and other taxes	\$ 1,091	\$ 748	\$ 1,179
<i>Real estate acquisitions/dispositions/other:</i>			
Mortgage loans assumed	\$ 42,256	\$ —	\$ —
<i>Amortization of deferred financing costs:</i>			
Investment in real estate, net	\$ (211)	\$ (506)	\$ (353)
Other assets	\$ 2,785	\$ 2,768	\$ 2,338
Mortgage notes payable, net	\$ 2,527	\$ 2,080	\$ 2,743
Notes, net	\$ 3,840	\$ 4,387	\$ 4,009
<i>Amortization of discounts and premiums on debt:</i>			
Mortgage notes payable, net	\$ 1,843	\$ 2,184	\$ 2,764
Notes, net	\$ 2,248	\$ 2,820	\$ 2,538
<i>Amortization of deferred settlements on derivative instruments:</i>			
Other liabilities	\$ (12)	\$ (12)	\$ (12)
Accumulated other comprehensive income	\$ 3,737	\$ 11,071	\$ 9,394
<i>Write-off of pursuit costs:</i>			
Investment in real estate, net	\$ 527	\$ 1,150	\$ 5,918
Investments in unconsolidated entities	\$ 2,186	\$ 2,898	\$ —
Other assets	\$ 934	\$ 732	\$ 582
Accounts payable and accrued expenses	\$ —	\$ —	\$ 26
<i>(Income) loss from investments in unconsolidated entities:</i>			
Investments in unconsolidated entities	\$ 4,132	\$ 3,778	\$ 2,122
Other liabilities	\$ 1,246	\$ 1,253	\$ 1,276
<i>Realized/unrealized (gain) loss on derivative instruments:</i>			
Other assets	\$ (3,749)	\$ (21,865)	\$ —
Other liabilities	\$ (765)	\$ 1,211	\$ —
Accumulated other comprehensive income	\$ 4,514	\$ 20,654	\$ —
<i>Interest capitalized for real estate and unconsolidated entities under development:</i>			
Investment in real estate, net	\$ (4,010)	\$ (2,365)	\$ (15,318)
Investments in unconsolidated entities	\$ (8,337)	\$ (4,740)	\$ (614)
<i>Investments in unconsolidated entities – development/other:</i>			
Investment in real estate, net	\$ —	\$ —	\$ 1,395
Investments in unconsolidated entities	\$ (45,770)	\$ (108,556)	\$ (30,642)
Other liabilities	\$ (1,410)	\$ (1,290)	\$ (2,010)
<i>Consolidation of previously unconsolidated entities:</i>			
Investment in real estate, net	\$ (50,315)	\$ —	\$ —
Investments in unconsolidated entities	\$ 46,327	\$ —	\$ —
Accounts payable and accrued expenses	\$ 75	\$ —	\$ —
Other liabilities	\$ 2,000	\$ —	\$ —
Noncontrolling Interests – Partially Owned Properties	\$ 4,021	\$ —	\$ —
<i>Debt financing costs:</i>			
Other assets	\$ —	\$ (9,566)	\$ 229
Mortgage notes payable, net	\$ (4,106)	\$ (228)	\$ (2,344)
Notes, net	\$ —	\$ (100)	\$ (4,331)
<i>Proceeds from (payments on) settlement of derivative instruments:</i>			
Other assets	\$ 25,613	\$ —	\$ —
Other liabilities	\$ (444)	\$ —	\$ —

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<i>Right-of-use assets and lease liabilities initial measurement and reclassifications:</i>			
Right-of-use assets	\$ (7,105)	\$ (400)	\$ 11,308
Lease liabilities	\$ 7,105	\$ 400	\$ (11,308)
<i>Non-cash share distribution and other transfers from unconsolidated entities:</i>			
Investments in unconsolidated entities	\$ 636	\$ 4,201	\$ 1,430
Other assets	\$ (636)	\$ (4,201)	\$ (1,430)

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>PARTNERS' CAPITAL</b>			
<b>PREFERENCE UNITS</b>			
Balance, beginning of year	\$ 37,280	\$ 37,280	\$ 37,280
Balance, end of year	<u>\$ 37,280</u>	<u>\$ 37,280</u>	<u>\$ 37,280</u>
<b>GENERAL PARTNER</b>			
Balance, beginning of year	\$ 11,138,706	\$ 10,951,940	\$ 10,532,037
OP Unit Issuance:			
Conversion of OP Units held by Limited Partners into OP Units held by General Partner	23,948	11,923	74,063
Issuance of OP Units	—	139,623	—
Exercise of EQR share options	23,632	25,069	85,445
EQR's Employee Share Purchase Plan (ESPP)	3,517	4,178	4,265
Share-based employee compensation expense:			
EQR restricted shares	12,486	11,595	8,389
EQR share options	4,628	2,321	3,101
EQR ESPP discount	644	796	991
OP Units repurchased and retired	(49,105)	—	—
Net income available to Units – General Partner	832,348	773,821	1,329,760
OP Units – General Partner distributions	(1,004,904)	(942,047)	(902,412)
Offering costs	—	(783)	(428)
Supplemental Executive Retirement Plan (SERP)	32,078	(269)	(1,335)
Acquisition of Noncontrolling Interests – Partially Owned Properties	(900)	(27,383)	—
Change in market value of Redeemable Limited Partners	7,667	176,490	(158,598)
Adjustment for Limited Partners ownership in Operating Partnership	18,099	11,432	(23,338)
Balance, end of year	<u>\$ 11,042,844</u>	<u>\$ 11,138,706</u>	<u>\$ 10,951,940</u>
<b>LIMITED PARTNERS</b>			
Balance, beginning of year	\$ 209,961	\$ 214,094	\$ 233,162
Issuance of restricted units to Limited Partners	1	1	—
Conversion of OP Units held by Limited Partners into OP Units held by General Partner	(23,948)	(11,923)	(74,063)
Equity compensation associated with Units – Limited Partners	16,430	19,104	17,797
Net income available to Units – Limited Partners	26,710	26,310	45,900
Units – Limited Partners distributions	(30,107)	(30,407)	(30,612)
Change in carrying value of Redeemable Limited Partners	21,358	4,214	(1,428)
Adjustment for Limited Partners ownership in Operating Partnership	(18,099)	(11,432)	23,338
Balance, end of year	<u>\$ 202,306</u>	<u>\$ 209,961</u>	<u>\$ 214,094</u>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Balance, beginning of year	\$ (2,547)	\$ (34,272)	\$ (43,666)
Accumulated other comprehensive income (loss) – derivative instruments:			
Unrealized holding gains (losses) arising during the year	4,514	20,654	—
Losses reclassified into earnings from other comprehensive income	3,737	11,071	9,394
Balance, end of year	<u>\$ 5,704</u>	<u>\$ (2,547)</u>	<u>\$ (34,272)</u>
<b>DISTRIBUTIONS</b>			
Distributions declared per Unit outstanding	<u>\$ 2.65</u>	<u>\$ 2.50</u>	<u>\$ 2.41</u>

See accompanying notes

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

	Year Ended December 31,		
	2023	2022	2021
<b>NONCONTROLLING INTERESTS</b>			
<b>NONCONTROLLING INTERESTS – PARTIALLY OWNED PROPERTIES</b>			
Balance, beginning of year	\$ (721)	\$ 18,166	\$ 4,673
Net income attributable to Noncontrolling Interests	6,340	3,774	17,964
Contributions by Noncontrolling Interests	9	603	1,394
Distributions to Noncontrolling Interests	(5,818)	(18,469)	(5,865)
Acquisition of Noncontrolling Interests – Partially Owned Properties	(2,837)	(4,795)	—
Consolidation of previously unconsolidated entities	4,021	—	—
Balance, end of year	<u>\$ 994</u>	<u>\$ (721)</u>	<u>\$ 18,166</u>

See accompanying notes

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

**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 December 31, 2023 owned an approximate 97.0% 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 December 31, 2023, the Company, directly or indirectly through investments in title holding entities, owned all or a portion of 302 properties located in 10 states and the District of Columbia consisting of 80,191 apartment units. The ownership breakdown includes (table does not include any uncompleted development properties):

	<b>Properties</b>	<b>Apartment Units</b>
Wholly Owned Properties	288	77,131
Partially Owned Properties – Consolidated	14	3,060
	302	80,191

**2. Summary of Significant Accounting Policies**

*Basis of Presentation*

Due to the Company’s ability as general partner to control either through ownership or by contract the Operating Partnership and its subsidiaries, the Operating Partnership and each such subsidiary has been consolidated with the Company for financial reporting purposes, except for any unconsolidated properties/entities.

*Real Estate Assets and Depreciation of Investment in Real Estate*

The Company expects that substantially all of its acquisitions will be accounted for as asset acquisitions. In an asset acquisition, the Company is required to capitalize transaction costs and allocate the purchase price on a relative fair value basis (including any identified intangible assets). For the years ended December 31, 2023 and 2022, all acquisitions were considered asset acquisitions.

In making estimates of relative fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property, our own analysis of recently acquired or developed and existing comparable properties in our portfolio and other market data. The Company also considers information obtained about each property as a result of its pre-acquisition due diligence, marketing and leasing activities in estimating the relative fair value of the tangible and intangible assets/liabilities acquired. The Company allocates the purchase price of acquired real estate to various components as follows:

- Land – Based on actual purchase price adjusted to an allocation of the relative fair value (as necessary) if acquired separately or market research/comparables if acquired with an operating property.
- Furniture, Fixtures and Equipment – Based on an estimate of the allocation of the relative fair value of the appliances and fixtures inside an apartment unit. The per-apartment unit amount applied depends on the economic age of the apartment units acquired. Depreciation is calculated on the straight-line method over an estimated useful life of five to ten years.

- Lease Intangibles – The Company considers the value of acquired in-place leases and above/below market leases and the amortization period is the average remaining term of each respective acquired lease.
- Other Intangible Assets – The Company considers whether it has acquired other intangible assets, including any customer relationship intangibles and the amortization period is the estimated useful life of the acquired intangible asset.
- Building – Based on the allocation of the relative fair value determined on an “as-if vacant” basis. Depreciation is calculated on the straight-line method over an estimated useful life of thirty years.
- Long-Term Debt – The Company calculates the allocation of the relative fair value by discounting the remaining contractual cash flows on each instrument at the current market rate for those borrowings.

Replacements inside an apartment unit such as appliances and carpeting are depreciated over an estimated useful life of five to ten years. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred and significant renovations and building improvements that improve and/or extend the useful life of the asset are capitalized over their estimated useful life, generally five to fifteen years. Initial direct leasing costs are expensed as incurred as such expense approximates the deferral and amortization of initial direct leasing costs over the lease terms.

The Company classifies real estate assets as real estate held for sale when it is probable a property will be disposed of. The Company classifies properties under development and/or expansion and properties in the lease-up phase (including land) as construction-in-progress until construction has been completed and certificates of occupancy permits have been obtained.

#### *Impairment of Long-Lived Assets*

At least quarterly, the Company evaluates its long-lived assets, including its investment in real estate, for indicators of impairment. The judgments regarding the existence of impairment indicators are based on factors such as operational performance, market conditions, legal, regulatory and environmental concerns, the Company’s intent and ability to hold the related asset, as well as any significant cost overruns on development properties. Future events could occur which would cause the Company to conclude that impairment indicators exist and an impairment loss is warranted. If an impairment indicator exists, the Company performs the following:

- For long-lived operating assets to be held and used, the Company compares the expected future undiscounted cash flows for the long-lived asset against the carrying amount of that asset. If the sum of the estimated undiscounted cash flows is less than the carrying amount of the asset, the Company would make an estimate of the fair value for the particular asset and would record an impairment loss for the difference between the estimated fair value and the carrying amount of the asset. In determining the future undiscounted cash flows or the estimated fair value of an asset there is judgment in estimating the expected future rental revenues, operating expenses and discount and capitalization rates.
- For long-lived non-operating assets (projects under development and land held for development), management evaluates major cost overruns, market conditions that could affect lease-up projections, intent and ability to hold the asset, and any other indicators of impairment. If any of the indicators were to suggest impairment was present, a recoverability analysis would be performed and the carrying value of the asset would be adjusted accordingly to fair value.
- For long-lived assets to be disposed of, an impairment loss is recognized when the estimated fair value of the asset, less the estimated cost to sell, is less than the carrying amount of the asset measured at the time that the Company has determined it is probable that the asset will be disposed of. Long-lived assets held for sale and the related liabilities are separately reported, with the long-lived assets reported at the lower of their carrying amounts or their estimated fair values, less their costs to sell, and are not depreciated after reclassification to real estate held for sale.

See Note 4 for further discussion of the Company’s impairment charge on a land parcel in 2021.

#### *Impairment of Investments in Unconsolidated Entities and Other Investments*

At least quarterly, the Company evaluates its investments in unconsolidated entities and other investments for indicators of other than temporary impairment, considering whether there has been a change to events or circumstances that would impact recoverability of the Company’s investment as well as any changes with regards to the Company’s intent and ability to hold the investment to recover its carrying value.

#### *Cost Capitalization*

See the *Real Estate Assets and Depreciation of Investment in Real Estate* section for a discussion of the Company’s policy with respect to capitalization vs. expensing of fixed asset/repair and maintenance costs. For all development, capital and renovation projects,

the Company uses its professional judgment in determining whether such costs meet the criteria for capitalization or must be expensed as incurred. The Company capitalizes interest, real estate taxes and insurance, as well as payroll for those individuals directly responsible for and who spend their time on the execution and supervision of development activities. Additionally, the Company capitalizes payroll for those individuals directly responsible for and who spend their time on the execution and supervision of major capital and/or renovation projects. Capitalization ends when the asset, or a portion of the asset, is substantially completed and ready for its intended use. These costs are reflected on the balance sheets as increases to depreciable property and/or construction-in-progress.

During the years ended December 31, 2023 and 2022, the Company capitalized \$15.4 million and \$15.6 million, respectively, of payroll and associated costs of employees directly responsible for and who spend their time on the execution and supervision of development activities as well as major capital and/or renovation projects.

#### *Cash and Cash Equivalents*

The Company considers all demand deposits, money market accounts and investments in certificates of deposit with a maturity of three months or less at the date of purchase to be cash equivalents. The Company maintains its cash and cash equivalents at financial institutions. The combined account balances at one or more institutions typically exceed the Federal Deposit Insurance Corporation ("FDIC") insurance coverage, and, as a result, there is a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage. The Company believes that the risk is not significant, as the Company does not anticipate the financial institutions' non-performance.

#### *Fair Value of Financial Instruments*

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.

The Company has a policy of only entering into derivative contracts with major financial institutions based upon their credit ratings and other factors. When viewed in conjunction with the underlying and offsetting exposure that the derivatives are designed to hedge, the Company has not sustained a material loss from these instruments nor does it anticipate any material adverse effect on its net income or financial position in the future.

The Company recognizes all derivatives as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value. In addition, fair value adjustments will affect either shareholders' equity/partners' capital or net income depending on whether the derivative instruments qualify as a hedge for accounting purposes and, if so, the nature of the hedging activity. When the terms of an underlying transaction are modified, or when the underlying transaction is terminated or completed, all changes in the fair value of the instrument are marked-to-market with changes in value included in net income each period until the instrument matures. Any derivative instrument used for risk management that does not meet the hedging criteria is marked-to-market each period. The Company does not use derivatives for trading or speculative purposes. See Note 10 for additional derivatives discussion.

#### *Leases and Revenue Recognition*

Rental income attributable to residential leases is recorded on a straight-line basis over the term of the lease when reasonably assured they are collectible, which is not materially different than if it were recorded when due from residents and recognized monthly as it was earned. 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. Leases entered into between a resident and a property for the rental of an apartment unit are generally year-to-year, renewable upon consent of both parties on an annual or monthly basis.

Rental income attributable to non-residential leases is also recorded on a straight-line basis over the term of the lease when reasonably assured they are collectible. 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. Non-residential leases generally have five to ten year lease terms with market-based renewal options and consist of ground floor retail spaces and master-leased parking garages that serve as additional amenities for our residents.



The majority of the Company's revenue is derived from residential, non-residential and other lease income. Our revenue streams have the same timing and pattern of revenue recognition across our reportable segments, with consistent allocations between the lease and revenue recognition standards. The Company elected an accounting policy to account for both its lease and non-lease components (specifically common area maintenance charges) as a single lease component under the lease standard.

The Company is a lessor for its residential and non-residential leases and is a lessee for its corporate headquarters and regional offices and ground leases for land underlying current operating properties or projects under development. If applicable, lease agreements must be evaluated to determine the accounting treatment as a finance or operating lease in accordance with the lease standard.

The lease standard also requires lessees to recognize on the balance sheet: (a) a liability for the lease obligation (initially measured at the present value of the future lease payments not yet paid over the lease term); and (b) an asset for its right to use the underlying asset (initially equal to the lease liability). The Company uses estimates and judgments on the discount rate used to calculate the present value of the future lease payments. The Company uses its incremental borrowing rate as the discount rate because the Company typically cannot readily determine the rate implicit in the lease. Since the Company's credit backs the corporate office lease obligations and the lease terms are generally ten years or less, the discount rate range was estimated by using the Company's borrowing rates for actual pricing data. The discount rate range for ground leases takes into account various factors, including the longer life of the ground leases, and was estimated by using the Company's borrowing rates for actual pricing data through 30 years and other long-term market rates.

The Company's income streams that are not accounted for under the lease standard include:

- Parking revenue – The Company's parking revenue, not related to leasing, is derived primarily from monthly and transient daily parking and is accounted for at the point in time when control of the goods or services transfers to the customer and our performance obligation is satisfied.
- Other rental and non-rental related revenue – The Company receives other income, including, but not limited to: (a) ancillary income, such as laundry, renters insurance and cable income; and (b) miscellaneous fee income.
- Fee and asset management revenue and interest income – The Company's fee and asset management revenue and interest income are recorded on an accrual basis.
- Gains or losses on sales of real estate properties – The Company accounts for the sale of real estate properties and any related gain recognition in accordance with the accounting guidance applicable to sales of real estate, which establishes standards for recognition of profit on all real estate sales transactions. The Company recognizes the sale and associated gain or loss from the disposition when control transfers to unrelated third parties, contingencies have been removed and sufficient cash consideration has been received by the Company.

See Note 8 for the Company's rental income detail allocated between the lease and revenue recognition standards.

The Company's allowance for doubtful accounts (which offsets accounts receivable and is included within other assets on the consolidated balance sheets) and bad debts (which reduce rental income on the consolidated statements of operations and comprehensive income) have historically been very modest, particularly in our residential business, given the quality of our resident base and asset class. However, due to the impact of the novel coronavirus ("COVID-19") pandemic and extended eviction moratoriums enacted during the pandemic, the allowance for doubtful accounts and bad debts were elevated in 2021, 2022 and 2023, though gradually declined throughout 2023. In accordance with the lease standard, if we determine the lease payments are not probable of collection (based on known troubled accounts, rent deferral plans granted, historical experience and other currently available evidence), we fully reserve for any unpaid amounts, deferred rent receivable, variable lease payments and straight-line receivable balances and recognize rental income only if cash is received. If we later determine that these lease payments are probable of collection (based on sustained clean payment history, no deferral plans granted and other currently available evidence), we will no longer fully reserve for the respective current receivable balances, we will reinstate the straight-line balances for the respective leases and we will no longer recognize rental income only if cash is received. If the Company's estimates of collectibility differ from the cash received, then the timing and amount of the Company's reported revenue could be impacted. See Note 8 for additional details.

### *Share-Based Compensation*

The Company expenses share-based compensation for employee and trustee grants of restricted shares, restricted units and share options. Any common share of beneficial interest, \$0.01 par value per share (the "Common Shares"), issued pursuant to EQR's incentive equity compensation and employee share purchase plans will result in ERPOP issuing units of partnership interest ("OP Units") to EQR on a one-for-one basis, with ERPOP receiving the net cash proceeds of such issuances. See Note 12 for further discussion.

### *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 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.

The Company's provision for income and other tax expense (benefit) was as follows for the years ended December 31, 2023, 2022 and 2021 (amounts in thousands):

	Year Ended December 31,		
	2023	2022	2021
State and local income, franchise and excise tax (benefit)	\$ 1,148	\$ 900	\$ 915
Income and other tax expense (benefit) (1)	<u>\$ 1,148</u>	<u>\$ 900</u>	<u>\$ 915</u>

(1) All provisions for income tax amounts are current and none are deferred.

During the years ended December 31, 2023, 2022 and 2021, the tax character of the Company's dividends and distributions were as follows:

	Year Ended December 31,		
	2023 (1)	2022 (2)	2021 (3)
Tax character of dividends and distributions:			
Ordinary dividends	\$ 1.85676	\$ 1.75466	\$ 1.40791
Long-term capital gain	0.57857	0.42850	0.73687
Unrecaptured section 1250 gain	0.17717	0.29434	0.26522
Dividends and distributions per			
Common Share/Unit outstanding	<u>\$ 2.61250</u>	<u>\$ 2.47750</u>	<u>\$ 2.41000</u>

- (1) The Company's fourth quarter 2023 dividends and distributions of \$0.6625 per Common Share/Unit outstanding will be included as taxable income in calendar year 2024.
- (2) The Company's fourth quarter 2022 dividends and distributions of \$0.625 per Common Share/Unit outstanding was included as taxable income in calendar year 2023.
- (3) The Company's fourth quarter 2021 dividends and distributions of \$0.6025 per Common Share/Unit outstanding was included as taxable income in calendar year 2022.

The Company issued Internal Revenue Service ("IRS") Form 1099-DIV to shareholders to report the tax character of Company distributions consistent with these amounts. The Company provides additional information to assist shareholders in the preparation of their tax returns. For 2023, the Company reported an Alternative Minimum Tax ("AMT") preference adjustment equal to \$0.01 per share and disclosed amounts defined under Treasury Regulation §1.1061-6(c) as "One Year Amounts Disclosure" and "Three Year Amounts Disclosure" equal to \$0.04101 per share and \$0.04071 per share, respectively.

### *Principles of Consolidation*

The Company may hold an interest in subsidiaries, partnerships, joint ventures and other similar entities and accounts for these interests in accordance with the consolidation guidance. The Company first determines whether to consolidate the entity as a variable interest entity (“VIE”) or voting interest entity, or to account for the interest under the equity method of accounting as an unconsolidated entity. In situations in which we have concluded that an entity qualifies as a VIE, it is generally because the equity investors of VIEs do not have sufficient equity at risk to finance their activities without additional subordinated financial support or do not have substantive voting rights. The Company consolidates an entity when it is considered to be the primary beneficiary of the VIE or when it controls the entity through ownership of a majority voting interest. A primary beneficiary has the power to direct the activities that most significantly impact the VIE’s performance and has the obligation to absorb the expected losses or the right to receive the expected residual returns that could potentially be significant to the VIE. In evaluating whether the entity is a VIE and/or the Company is the primary beneficiary of the entity, the Company considers several factors, including, but not limited to, proportionate share or ownership of the VIE, funding and financing sources, the business purpose of the entity, related parties, developer and property management fees and agreement terms regarding major decisions, participating and voting rights, contributions and distributions.

### *Investments in Unconsolidated Entities*

The Company accounts for investments in unconsolidated entities under the equity method of accounting and measures the investments initially at cost. The Company subsequently adjusts the carrying amount by additional cash and non-cash contributions and distributions and its proportionate share of the earnings and losses of such entities. The proportionate share of the earnings and losses are also recognized in the consolidated statements of operations and comprehensive income. In addition, we may earn fees for providing property management services or construction oversight.

### *Noncontrolling Interests*

A noncontrolling interest in a subsidiary (minority interest) is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements and separate from the parent company’s equity. In addition, consolidated net income is required to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest and the amount of consolidated net income attributable to the parent and the noncontrolling interest are required to be disclosed on the face of the consolidated statements of operations and comprehensive income. See Note 3 for further discussion.

**Operating Partnership:** Net income is allocated to noncontrolling interests based on their respective ownership percentage of the Operating Partnership. The ownership percentage is calculated by dividing the number of OP Units held by the noncontrolling interests by the total OP Units held by the noncontrolling interests and EQR. Issuances and retirements of Common Shares and OP Units changes the ownership interests of both the noncontrolling interests and EQR. Such transactions and the related proceeds/payments are treated as capital transactions.

**Partially Owned Properties:** The Company reflects noncontrolling interests in partially owned properties on the balance sheet for the portion of properties consolidated by the Company that are not wholly owned by the Company. The earnings or losses from those properties attributable to the noncontrolling interests are generally based on ownership percentage and are reflected as noncontrolling interests in partially owned properties in the consolidated statements of operations and comprehensive income.

### *Partners’ Capital*

The “Limited Partners” of ERPOP include various individuals and entities that contributed their properties to ERPOP in exchange for OP Units. The “General Partner” of ERPOP is EQR. Net income is allocated to the Limited Partners based on their respective ownership percentage of ERPOP. The ownership percentage is calculated by dividing the number of OP Units held by the Limited Partners by the total OP Units held by the Limited Partners and the General Partner. Issuances and retirements of Common Shares and OP Units changes the ownership interests of both the Limited Partners and EQR. Such transactions and the related proceeds/payments are treated as capital transactions.

### *Redeemable Noncontrolling Interests – Operating Partnership / Redeemable Limited Partners*

The Company classifies Redeemable Noncontrolling Interests – Operating Partnership / Redeemable Limited Partners in the mezzanine section of the consolidated balance sheets for the portion of OP Units that EQR is required, either by contract or securities law, to deliver registered Common Shares to the exchanging OP Unit holder. The redeemable noncontrolling interest units / redeemable limited partner units 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. See Note 3 for further discussion.

### *Use of Estimates*

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.

### *Recent Accounting Pronouncements*

In December 2023, the Financial Accounting Standards Board ("FASB") issued an amendment to the income tax standards which requires disclosure enhancements and further transparency to certain income tax disclosures, most notably the tax rate reconciliation and income taxes paid. The new standard will be effective for annual periods beginning January 1, 2025 and will be applied on a prospective basis with the option to apply the standard retrospectively. The Company is currently evaluating the impact of adopting the standard on its consolidated results of operations and financial position.

In November 2023, the FASB issued an amendment to the segment reporting standards which requires disclosure for each reportable segment, on an interim and annual basis, the significant expense categories and amounts that are regularly provided to the chief operating decision maker and included in each reported measure of a segment's profit or loss. Additionally, it requires a disclosure of the title and position of the individual or the name of the group or committee identified as the chief operating decision maker. The new standard will be effective for annual periods beginning on January 1, 2024 and interim periods beginning on January 1, 2025 on a retrospective basis. The Company is currently evaluating the impact of adopting the standard on its consolidated results of operations and financial position.

In August 2020, the 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. The new standard was effective for the Company upon issuance and elections could be made through December 31, 2024. The Company elected to apply the hedge accounting expedients and 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.

### *Other*

The Company is the controlling partner in various consolidated partnerships owning 14 properties consisting of 3,060 apartment units having a noncontrolling interest balance of \$1.0 million at December 31, 2023. The Company is required to make certain disclosures regarding noncontrolling interests in consolidated limited-life subsidiaries. Of the consolidated entities described above, the Company is the controlling partner in limited-life partnerships owning two properties having a noncontrolling interest deficit balance of \$3.5 million. These two partnership agreements contain provisions that require the partnerships to be liquidated through the sale of their assets upon reaching a date specified in each respective partnership agreement. The Company, as controlling partner, has an obligation to cause the property owning partnerships to distribute the proceeds of liquidation to the Noncontrolling Interests in these Partially Owned Properties only to the extent that the net proceeds received by the partnerships from the sale of their assets warrant a distribution based on the partnership agreements. As of December 31, 2023, the Company estimates the value of Noncontrolling Interest distributions for these two properties would have been approximately \$49.1 million ("Settlement Value") had the partnerships been liquidated. This Settlement Value is based on estimated third-party consideration realized by the partnerships upon disposition of the two Partially Owned Properties and is net of all other assets and liabilities, including yield maintenance on the mortgages encumbering the properties, that would have been due on December 31, 2023 had those mortgages been prepaid. Due to, among other things, the inherent uncertainty in the sale of real estate assets, the amount of any potential distribution to the Noncontrolling Interests in the Company's Partially Owned Properties is subject to change. To the extent that the partnerships' underlying assets are worth less than the underlying liabilities, the Company has no obligation to remit any consideration to the Noncontrolling Interests in these Partially Owned Properties.

### 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 years ended December 31, 2023, 2022 and 2021:

	2023	2022	2021
<b>Common Shares</b>			
Common Shares outstanding at January 1,	378,429,708	375,527,195	372,302,000
<u>Common Shares Issued:</u>			
Conversion of OP Units	1,013,795	452,532	1,354,208
Issuance of Common Shares	—	1,740,550	—
Exercise of share options	495,690	468,021	1,710,692
Employee Share Purchase Plan (ESPP)	68,136	66,835	70,702
Restricted share grants, net	148,474	174,575	89,593
<u>Common Shares Other:</u>			
Repurchased and retired	(864,386)	—	—
<b>Common Shares outstanding at December 31,</b>	<b>379,291,417</b>	<b>378,429,708</b>	<b>375,527,195</b>
<b>Units</b>			
Units outstanding at January 1,	12,429,737	12,659,027	13,858,073
Restricted unit grants, net	165,364	223,242	155,162
Conversion of OP Units to Common Shares	(1,013,795)	(452,532)	(1,354,208)
<b>Units outstanding at December 31,</b>	<b>11,581,306</b>	<b>12,429,737</b>	<b>12,659,027</b>
<b>Total Common Shares and Units outstanding at December 31,</b>	<b>390,872,723</b>	<b>390,859,445</b>	<b>388,186,222</b>
Units Ownership Interest in Operating Partnership	3.0%	3.2%	3.3%

The following table presents the changes in the Operating Partnership’s issued and outstanding General Partner Units and Limited Partner Units for the years ended December 31, 2023, 2022 and 2021:

	2023	2022	2021
<b>General and Limited Partner Units</b>			
General and Limited Partner Units outstanding at January 1,	390,859,445	388,186,222	386,160,073
<u>Issued to General Partner:</u>			
Issuance of OP Units	—	1,740,550	—
Exercise of EQR share options	495,690	468,021	1,710,692
EQR’s Employee Share Purchase Plan (ESPP)	68,136	66,835	70,702
EQR’s restricted share grants, net	148,474	174,575	89,593
<u>Issued to Limited Partners:</u>			
Restricted unit grants, net	165,364	223,242	155,162
<u>General Partner Other:</u>			
OP Units repurchased and retired	(864,386)	—	—
<b>General and Limited Partner Units outstanding at December 31,</b>	<b>390,872,723</b>	<b>390,859,445</b>	<b>388,186,222</b>
<b>Limited Partner Units</b>			
Limited Partner Units outstanding at January 1,	12,429,737	12,659,027	13,858,073
Limited Partner restricted unit grants, net	165,364	223,242	155,162
Conversion of Limited Partner OP Units to EQR Common Shares	(1,013,795)	(452,532)	(1,354,208)
<b>Limited Partner Units outstanding at December 31,</b>	<b>11,581,306</b>	<b>12,429,737</b>	<b>12,659,027</b>
Limited Partner Units Ownership Interest in Operating Partnership	3.0%	3.2%	3.3%

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 December 31, 2023 and 2022.

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 December 31, 2023 and 2022, the Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners have a redemption value of approximately \$289.2 million and \$318.3 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 years ended December 31, 2023, 2022 and 2021, respectively (amounts in thousands):

	2023	2022	2021
Balance at January 1,	\$ 318,273	\$ 498,977	\$ 338,951
Change in market value	(7,667)	(176,490)	158,598
Change in carrying value	(21,358)	(4,214)	1,428
Balance at December 31,	<u>\$ 289,248</u>	<u>\$ 318,273</u>	<u>\$ 498,977</u>

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 December 31, 2023 and 2022:

	Call Date (1)	Annual Dividend Per Share/Unit (2)	Amounts in thousands	
			December 31, 2023	December 31, 2022
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 December 31, 2023 and 2022	12/10/2026	\$ 4.145	\$ 37,280	\$ 37,280
			<u>\$ 37,280</u>	<u>\$ 37,280</u>

- (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 May 2022 and expires in May 2025. 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 May 2025 and gives us the authority to issue up to 13.0 million shares, all of which remain available for issuance as of December 31, 2023.

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.

During the year ended December 31, 2021 and part of the year ended December 31, 2022, the Company had forward sale agreements outstanding for approximately 1.7 million Common Shares at a weighted average initial forward price per share of \$83.25. During the quarter ended December 31, 2022, the Company settled all of the outstanding forward sale agreements, at a weighted average forward price per share of \$80.22, which is inclusive of adjustments made to reflect the then-current federal funds rate and the amount of dividends paid to holders of the Company's Common Shares, for net proceeds of approximately \$139.6 million. Concurrent with this transaction, ERPOP issued the same amount of OP Units to EQR in exchange for the net proceeds.

During the year ended December 31, 2023, the Company repurchased and subsequently retired approximately \$49.1 million (864,386 shares at a weighted average price per share of \$56.79) of its Common Shares in the open market under its share repurchase program. Concurrent with these transactions, ERPOP repurchased and retired the same amount of OP Units previously issued to EQR. As of December 31, 2023, EQR had remaining authorization to repurchase up to 12,135,614 of its shares. See Note 18 for further discussion.

During the year ended December 31, 2023, ERPOP issued \$0.9 million of 3.00% Series Q Cumulative Redeemable Preference Units (the "Series Q Preference Units") in connection with the buyout of the noncontrolling interest in a consolidated operating property. The 933,454 Series Q Preference Units have a liquidation value of \$1.00 per unit and pay distributions quarterly at the annual rate of

\$0.03 per unit. The Series Q Preference Units can be redeemed for, at EQR's/ERPOP's option, Common Shares, OP Units and/or cash upon the occurrence of specific events laid out in the agreement. If redeemed for Common Shares or OP Units, the number of shares/units issued is based on the Common Share price. The Series Q Preference Units increased the balance of Noncontrolling Interests - Partially Owned Properties in the consolidated balance sheets.

#### 4. Real Estate

The following table summarizes the carrying amounts for the Company's investment in real estate (at cost) as of December 31, 2023 and 2022 (amounts in thousands):

	2023	2022
Land	\$ 5,581,876	\$ 5,580,878
Depreciable property:		
Buildings and improvements	19,809,432	19,471,503
Furniture, fixtures and equipment	2,609,600	2,352,050
In-Place lease intangibles	519,394	510,816
Projects under development:		
Land	3,201	3,201
Construction-in-progress	74,835	109,739
Land held for development:		
Land	82,026	46,160
Construction-in-progress	32,274	14,407
Investment in real estate	28,712,638	28,088,754
Accumulated depreciation	(9,810,337)	(9,027,850)
Investment in real estate, net	<u>\$ 18,902,301</u>	<u>\$ 19,060,904</u>

During the year ended December 31, 2023, the Company acquired the following from unaffiliated parties (purchase price and purchase price allocation in thousands):

	Properties	Apartment Units	Purchase Price (1)	Purchase Price Allocation (1), (2)	
				Land	Depreciable Property
Rental Properties – Consolidated	4	1,183	\$ 366,334	\$ 41,142	\$ 325,611
Total	<u>4</u>	<u>1,183</u>	<u>\$ 366,334</u>	<u>\$ 41,142</u>	<u>\$ 325,611</u>

- (1) Purchase price and purchase price allocation are both net of a mark-to-market discount of approximately \$11.2 million on a mortgage assumed in connection with the purchase of a property.
- (2) Purchase price allocation includes capitalized closing costs.

During the year ended December 31, 2022, the Company acquired the following from unaffiliated parties (purchase price and purchase price allocation in thousands):

	Properties	Apartment Units	Purchase Price	Purchase Price Allocation (1)	
				Land	Depreciable Property
Rental Properties – Consolidated	1	172	\$ 113,000	\$ 25,361	\$ 87,685
Total	<u>1</u>	<u>172</u>	<u>\$ 113,000</u>	<u>\$ 25,361</u>	<u>\$ 87,685</u>

- (1) Purchase price allocation includes capitalized closing costs.

During the year ended December 31, 2023, the Company disposed of the following to unaffiliated parties (sales price and net gain in thousands):

	Properties	Apartment Units	Sales Price	Net Gain
Rental Properties – Consolidated	11	912	\$ 379,893	\$ 282,539
Total	<u>11</u>	<u>912</u>	<u>\$ 379,893</u>	<u>\$ 282,539</u>



During the year ended December 31, 2022, the Company disposed of the following to unaffiliated parties (sales price and net gain in thousands):

	Properties	Apartment Units	Sales Price	Net Gain
Rental Properties – Consolidated	3	945	\$ 746,150	\$ 304,325
Total	3	945	\$ 746,150	\$ 304,325

### Impairment

During the year ended December 31, 2021, the Company recorded an approximate \$16.8 million non-cash asset impairment charge on a land parcel which is included in land held for development on the consolidated balance sheets and included in the non-same store/other segment discussed in Note 17. The charge was the result of an analysis of the parcel's estimated fair value (determined using internally developed models based on market assumptions and potential sales data from the marketing process) compared to its current capitalized carrying value after reassessment of our expected hold period for the parcel. As of December 31, 2023 and 2022, the land parcel's carrying value was \$15.0 million.

## 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 an agreement to dispose of the following (sales price and net book value in thousands):

	Properties	Apartment Units	Sales Price	Net Book Value at December 31, 2023
Rental Properties – Consolidated	2	300	\$ 80,000	\$ 70,533
Total	2	300	\$ 80,000	\$ 70,533

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 18 for discussion of the properties acquired or disposed of, if any, subsequent to December 31, 2023.

## 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 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 December 31, 2023 and 2022:

	Operating Properties (1)		Projects Under Development (2), (3)		Projects Held for Development (3), (4)	
	Properties	Apartment Units	Projects	Apartment Units (5)	Projects	Apartment Units (5)
2023 Consolidated Joint Ventures (VIE)	14	3,060	—	—	1	440
2022 Consolidated Joint Ventures (VIE)	15	3,114	1	312	—	—

- (1) The land parcel under one of the properties in 2023 is subject to a long-term ground lease.
- (2) The land parcel under this project is subject to a long-term ground lease.
- (3) Represents separate consolidated joint ventures for the purpose of developing multifamily rental properties.
- (4) Represents separate consolidated joint ventures that have not yet started.

- (5) Represents the intended number of apartment units to be developed.

The following table provides consolidated assets and liabilities related to the Company's VIEs as of December 31, 2023 and 2022 (amounts in thousands):

	December 31, 2023		December 31, 2022	
Consolidated Assets	\$	599,788	\$	691,880
Consolidated Liabilities	\$	41,153	\$	158,932

During the years ended December 31, 2023 and 2022, the Company completed the following transactions:

#### 2023

- Acquired its joint venture partner's 10% interest in a 200-unit apartment property for \$4.6 million, of which the Company paid \$3.7 million in cash and ERPOP issued \$0.9 million of 3.00% Series Q Preference Units (see Note 3 for additional discussion). The property is now wholly owned. In connection with the buyout, the carrying amount of the Noncontrolling Interests – Partially Owned Properties totaling \$3.7 million was reduced to zero and the remaining \$0.9 million was recorded to paid in capital/General Partner's Capital. The Company also repaid \$64.7 million of mortgage debt at par prior to maturity in conjunction with the buyout;
- Repaid the \$67.9 million outstanding principal balance of the variable rate construction mortgage for one of its consolidated development joint ventures;
- Sold one partially owned property consisting of 166 apartment units for approximately \$60.1 million; and
- Entered into an amended joint venture agreement for one of the unconsolidated projects held for development for the purpose of making the Company the joint venture manager and responsible for funding any further budgeted project costs up to a \$139.0 million commitment as preferred and mezzanine contributions. The project is now consolidated. There was no funding at the closing of the amended joint venture. See the supplemental information in the consolidated statements of cash flows for disclosure of the consolidated amounts.

#### 2022

- Acquired its joint venture partner's 25% interest in a 432-unit apartment property for \$32.2 million, and the property is now wholly owned. In connection with the buyout, the carrying amount of the Noncontrolling Interests – Partially Owned Properties totaling \$4.8 million was reduced to zero and the remaining \$27.4 million was recorded to paid in capital/General Partner's Capital.

The following table and information summarizes the variable rate construction mortgage debt that was non-recourse to the Company at December 31, 2022 (there was no outstanding consolidated construction mortgage debt at December 31, 2023) (aggregate and amounts borrowed under loan commitments in thousands):

	December 31, 2022			
	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)	\$	64,776	\$	44,980

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

### Investments in Unconsolidated Entities

The Company has various equity interests in certain joint ventures that are unconsolidated and accounted for using the equity method of accounting. Most of these have been deemed to be VIEs and the Company is not the VIEs' primary beneficiary. The remaining have been deemed not to be VIEs and the Company does not have a controlling voting interest.

The following table and information summarizes the Company's investments in unconsolidated entities as of December 31, 2023 and 2022 (amounts in thousands except for ownership percentage):

	December 31, 2023	December 31, 2022	Ownership Percentage
Investments in Unconsolidated Entities:			
Various Real Estate Holdings (VIE)	\$ 35,421	\$ 35,974	Varies
Projects Under Development and Land Held for Development (VIE)	220,192	218,043	62% - 95% (1)
Real Estate Technology Funds/Companies (VIE)	26,691	25,249	Varies
Other	(255)	(242)	Varies
Investments in Unconsolidated Entities	<u>\$ 282,049</u>	<u>\$ 279,024</u>	

- (1) 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 December 31, 2023 and 2022:

	Real Estate Holdings (1) Entities	Projects Under Development (2), (5) Projects	Apartment Units (4)	Projects Held for Development (2), (3) Projects	Apartment Units (4)
2023 Unconsolidated Joint Ventures (VIE)	3	6	1,982	4	1,164
2022 Unconsolidated Joint Ventures (VIE)	2	6	1,982	3	966

- (1) Represents entities that hold various real estate investments.  
(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.  
(4) Represents the intended number of apartment units to be developed.  
(5) The land parcel under one of the projects is subject to a long-term ground lease.

### New Development Joint Ventures

The following table provides information on total unconsolidated development joint ventures entered into during the years ended December 31, 2023 and 2022 (amounts in thousands except for number of unconsolidated joint ventures and apartment units):

	December 31, 2023	December 31, 2022
Number of unconsolidated joint ventures (1)	2	3
Apartment units (2)	638	1,019
Investments in unconsolidated entities – acquisitions	\$ 2,800	\$ 49,855

- (1) The entities qualify as VIEs, but the Company is not the primary beneficiary because it does not have the power to direct the activities that most significantly impact the VIE's performance. Therefore, the entities are unconsolidated and recorded using the equity method of accounting. See Note 2 for additional discussion.  
(2) Represents the intended number of apartment units to be developed.

## 7. Restricted Deposits

The following table presents the Company's restricted deposits as of December 31, 2023 and 2022 (amounts in thousands):

	December 31, 2023	December 31, 2022
Mortgage escrow deposits:		
Real estate taxes and insurance	\$ 307	\$ —
Mortgage principal reserves/sinking funds	29,270	25,304
Mortgage escrow deposits	29,577	25,304
Restricted cash:		
Earnest money on pending acquisitions	524	4,500
Restricted deposits on real estate investments	2,181	229
Resident security and utility deposits	40,149	38,432
Replacement reserves	15,571	12,549
Other	1,250	2,289
Restricted cash	59,675	57,999
Restricted deposits	<u>\$ 89,252</u>	<u>\$ 83,303</u>

## 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.

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 years ended December 31, 2023, 2022 and 2021 (amounts in thousands):

Income Type	Year Ended December 31, 2023			Year Ended December 31, 2022			Year Ended December 31, 2021		
	Residential Leases	Non-Residential Leases	Total	Residential Leases	Non-Residential Leases	Total	Residential Leases	Non-Residential Leases	Total
Residential and non-residential rent	\$ 2,578,565	\$ 62,193	\$ 2,640,758	\$ 2,446,516	\$ 63,995	\$ 2,510,511	\$ 2,202,133	\$ 61,033	\$ 2,263,166
Utility recoveries (RUBS income) (1)	86,628	906	87,534	81,140	844	81,984	74,846	723	75,569
Parking rent	44,081	449	44,530	43,335	435	43,770	40,934	565	41,499
Other lease revenue (2)	(25,095)	(142)	(25,237)	(12,637)	(69)	(12,706)	(17,667)	4,027	(13,640)
Total lease revenue	<u>\$ 2,684,179</u>	<u>\$ 63,406</u>	<u>2,747,585</u>	<u>\$ 2,558,354</u>	<u>\$ 65,205</u>	<u>2,623,559</u>	<u>\$ 2,300,246</u>	<u>\$ 66,348</u>	<u>2,366,594</u>
Parking revenue			40,836			37,338			26,789
Other revenue			85,543			74,283			70,614
Total other rental income (3)			126,379			111,621			97,403
Rental income			<u>\$ 2,873,964</u>			<u>\$ 2,735,180</u>			<u>\$ 2,463,997</u>

- (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 (see below for further discussion) and other miscellaneous lease revenue.
- (3) Other rental income is accounted for under the revenue recognition standard and primarily consists of third-party transient parking revenue and ancillary income such as cable and laundry revenue.

The following table presents residential and non-residential accounts receivable and straight-line receivable balances for the Company's properties as of December 31, 2023 and 2022 (amounts in thousands):

Balance Sheet (Other assets):	Residential		Non-Residential	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Resident/tenant accounts receivable balances	\$ 21,477	\$ 35,688	\$ 2,822	\$ 2,820
Allowance for doubtful accounts	(15,846)	(31,405)	(1,849)	(2,152)
Net receivable balances	<u>\$ 5,631</u>	<u>\$ 4,283</u>	<u>\$ 973</u>	<u>\$ 668</u>
Straight-line receivable balances	\$ 9,183	\$ 4,398	\$ 11,915 (1)	\$ 13,795

- (1) During the year ended December 31, 2023, the Company recorded a non-cash write-off of approximately \$1.5 million in straight-line receivables due to the bankruptcy of Rite Aid.

The following table presents residential bad debt for the Company's properties for the years ended December 31, 2023, 2022 and 2021 (amounts in thousands):

Income Statement (Rental income):	Year Ended December 31,		
	2023	2022	2021
Bad debt, net (1)	\$ 38,117	\$ 26,570	\$ 31,485
% of residential rental income	1.4%	1.0%	1.3%

- (1) Bad debt, net benefited from additional resident payments due to governmental rental assistance programs of approximately \$2.8 million, \$34.7 million and \$34.8 million for the years ended December 31, 2023, 2022 and 2021, respectively.

### *Lessee Accounting*

The Company is the lessee under various corporate office and ground leases for which the Company recognizes right-of-use ("ROU") assets and related lease liabilities. The following table presents the Company's ROU assets and related lease liabilities as of December 31, 2023 and 2022 (amounts in thousands):

	2023	2022
Right-of-use assets:		
Corporate office leases (operating)	\$ 38,745	\$ 34,767
Ground leases (finance)	94,091	95,834
Ground leases (operating)	324,430	332,355
Right-of-use assets	<u>\$ 457,266</u>	<u>\$ 462,956</u>
Lease liabilities:		
Corporate office leases (operating)	\$ 40,485	\$ 35,747
Ground leases (finance)	68,143	68,919
Ground leases (operating)	203,012	204,082
Lease liabilities	<u>\$ 311,640</u>	<u>\$ 308,748</u>

### *Corporate office leases*

The Company leases ten corporate offices with lease expiration dates ranging from 2024 through 2042 (inclusive of applicable extension options). During the year ended December 31, 2023, the Company entered into two new corporate office leases which are being accounted for as operating leases and recorded initial lease liabilities and ROU assets of approximately \$7.1 million.

### *Ground leases*

The Company maintains consolidated long-term ground leases for 16 operating properties with lease expiration dates ranging from 2042 through 2118 (inclusive of applicable purchase options). The Company owns the building and improvements.

### *Additional disclosures*

The following tables illustrate the quantitative disclosures for lessees as of and for the years ended December 31, 2023, 2022 and 2021 (amounts in thousands):

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Lease cost:			
Finance lease cost:			
Amortization of right-of-use assets (capitalized)	\$ 146	\$ 351	\$ 351
Amortization of right-of-use assets (expensed)	1,781	1,391	1,391
Interest on lease liabilities (capitalized)	—	—	452
Interest on lease liabilities (expensed)	1,886	1,904	1,464
Operating lease cost:			
Corporate office leases	4,738	4,061	3,581
Ground leases	18,338	18,338	18,338
Variable lease cost:			
Corporate office leases	599	430	1,037
Ground leases	4,338	4,342	2,973
Total lease cost	<u>\$ 31,826</u>	<u>\$ 30,817</u>	<u>\$ 29,587</u>

	December 31, 2023	December 31, 2022	December 31, 2021
Other information:			
Cash paid for amounts included in the measurement of lease liabilities:			
Investing cash flows from finance leases	\$ —	\$ —	\$ 383
Financing cash flows from finance leases	\$ 2,847	\$ 2,463	\$ 1,898
Operating cash flows from operating leases:			
Corporate office leases	\$ 4,576	\$ 4,385	\$ 5,016
Ground leases	\$ 15,911	\$ 15,037	\$ 14,682
Weighted-average remaining lease term – finance leases	23.1 years	24.1 years	25.2 years
Weighted-average remaining lease term – operating leases:			
Corporate office leases	17.7 years	16.1 years	16.8 years
Ground leases	60.7 years	61.2 years	61.8 years
Weighted-average discount rate – finance leases	2.8%	2.8%	2.8%
Weighted-average discount rate – operating leases:			
Corporate office leases	4.3%	3.2%	3.2%
Ground leases	5.1%	5.1%	5.1%

The following table summarizes the Company's undiscounted cash flows for contractual obligations for minimum rent payments/receipts under operating and financing leases for the next five years and thereafter as of December 31, 2023:

(Payments)/Receipts Due by Year (in thousands)							
	2024	2025	2026	2027	2028	Thereafter	Total
Finance Leases:							
Minimum Rent Payments (a)	\$ (2,881)	\$ (2,946)	\$ (2,959)	\$ (2,971)	\$ (2,984)	\$ (82,253)	\$ (96,994)
Operating Leases:							
Minimum Rent Payments (a)	\$ (15,797)	\$ (16,028)	\$ (15,881)	\$ (15,984)	\$ (16,132)	\$ (806,155)	\$ (885,977)
Minimum Rent Receipts (b)	\$ 53,000	\$ 48,410	\$ 44,582	\$ 40,771	\$ 34,709	\$ 112,720	\$ 334,192

- (a) Minimum basic rent due for corporate office leases and base rent due on ground leases where the Company is the lessee.
- (b) Minimum basic rent receipts due for various non-residential space where the Company is the lessor. Excludes residential leases due to their short-term nature.

The following table provides a reconciliation of lease liabilities from our undiscounted cash flows for minimum rent payments as of December 31, 2023 (amounts in thousands):

	2023
Total minimum rent payments	\$ 982,971
Less: Lease discount	(671,331)
Lease liabilities	\$ 311,640

## 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 years ended December 31, 2023 and 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 tables summarize the Company's mortgage notes payable activity for the years ended December 31, 2023 and 2022, respectively (amounts in thousands):

	Mortgage notes payable, net as of December 31, 2022	Proceeds	Assumptions	Lump sum payoffs	Scheduled principal repayments	Amortization of premiums/discounts	Amortization of deferred financing costs, net (1)	Mortgage notes payable, net as of December 31, 2023
Fixed Rate Debt:								
Secured – Conventional	\$ 1,608,838	\$ 550,000	(2)\$ 42,256	(3)\$ (800,000)	(2)\$ —	\$ 601	\$ (3,097)	\$ 1,398,598
Floating Rate Debt:								
Secured – Conventional	108,378	22,896	—	(132,598)	(54)	—	1,378	—
Secured – Tax Exempt	236,222	—	—	—	(3,300)	1,242	140	234,304
Floating Rate Debt	344,600	22,896	—	(132,598)	(3,354)	1,242	1,518	234,304
Total	\$ 1,953,438	\$ 572,896	\$ 42,256	\$ (932,598)	\$ (3,354)	\$ 1,843	\$ (1,579)	\$ 1,632,902

- (1) Represents amortization of deferred financing costs, net of debt financing costs.
- (2) Obtained \$200.0 million of 5.18% fixed rate mortgage debt maturing in September 2033 and \$350.0 million of 5.25% fixed rate mortgage debt maturing in September 2033. The secured notes totaling \$550.0 million have an all-in effective interest rate of approximately 4.7%. The proceeds from these loans were used, along with funding from the Company's commercial paper note program, to repay \$800.0 million of 4.21% fixed rate mortgage debt that was due to mature in November 2023.
- (3) Assumed \$53.5 million of 2.24% fixed rate mortgage debt maturing in September 2030 on one acquired property and recorded an initial discount of approximately \$11.2 million.

	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 December 31, 2022
Fixed Rate Debt:							
Secured – Conventional	\$ 1,896,472	\$ —	\$ (286,461)	\$ (3,311)	\$ 941	\$ 1,197	\$ 1,608,838
Floating Rate Debt:							
Secured – Conventional	59,890	48,054	(2) —	(81)	—	515	108,378
Secured – Tax Exempt	234,839	—	—	—	1,243	140	236,222
Floating Rate Debt	294,729	48,054	—	(81)	1,243	655	344,600
Total	<u>\$ 2,191,201</u>	<u>\$ 48,054</u>	<u>\$ (286,461)</u>	<u>\$ (3,392)</u>	<u>\$ 2,184</u>	<u>\$ 1,852</u>	<u>\$ 1,953,438</u>

- (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 years ended December 31, 2023 and 2022, respectively:

	December 31, 2023	December 31, 2022
Interest Rate Ranges (ending)	0.10% - 5.25%	0.10% - 7.10%
Weighted Average Interest Rate	3.68%	3.46%
Maturity Date Ranges	2029-2061	2023-2061

As of December 31, 2023 and 2022, the Company had \$246.7 million and \$250.0 million, respectively, of secured tax-exempt bonds subject to third-party credit enhancement.

The historical cost, net of accumulated depreciation, of encumbered properties was \$2.1 billion and \$2.5 billion at December 31, 2023 and 2022, respectively.

#### Notes

The following tables summarize the Company's notes activity for the years ended December 31, 2023 and 2022, respectively (amounts in thousands):

	Notes, net as of December 31, 2022	Proceeds	Lump sum payoffs	Amortization of premiums/discounts	Amortization of deferred financing costs, net (1)	Notes, net as of December 31, 2023
Fixed Rate Debt:						
Unsecured – Public	\$ 5,342,329	\$ —	\$ —	\$ 2,248	\$ 3,840	\$ 5,348,417

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

	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 December 31, 2022
Fixed Rate Debt:						
Unsecured – Public	\$ 5,835,222	\$ —	\$ (500,000)	\$ 2,820	\$ 4,287	\$ 5,342,329

(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 years ended December 31, 2023 and 2022, respectively:

	December 31, 2023	December 31, 2022
Interest Rate Ranges (ending)	1.85% - 7.57%	1.85% - 7.57%
Weighted Average Interest Rate	3.51%	3.61%
Maturity Date Ranges	2025-2047	2025-2047

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 both the years ended December 31, 2023 and 2022.

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 May 2022 and expires in May 2025.

#### *Line of Credit and Commercial Paper*

The Company has a \$2.5 billion unsecured revolving credit facility maturing on October 26, 2027. 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 Secured Overnight Financing Rate ("SOFR") plus a spread (currently 0.725%), 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 years ended December 31, 2023 and 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 following table summarizes certain weighted average interest rate, maturity and amounts outstanding information for the commercial paper program as of and for the years ended December 31, 2023 and 2022, respectively:

	December 31, 2023	December 31, 2022
Weighted Average Interest Rate (1)	5.47%	1.52%
Weighted Average Maturity (in days)	14	4
Weighted Average Amounts Outstanding	\$276.0 million	\$156.1 million

(1) The notes bear interest at various floating rates.

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 December 31, 2023 and 2022, respectively (amounts in thousands):

	December 31, 2023	December 31, 2022
Unsecured revolving credit facility commitment	\$ 2,500,000	\$ 2,500,000
Commercial paper balance outstanding	(410,000)	(130,000)
Unsecured revolving credit facility balance outstanding	—	—
Other restricted amounts	(3,415)	(3,463)
Unsecured revolving credit facility availability	<u>\$ 2,086,585</u>	<u>\$ 2,366,537</u>



## Other

The following table summarizes the Company's total debt extinguishment costs recorded as additional expense for the years ended December 31, 2023, 2022 and 2021, respectively (amounts in thousands):

	December 31, 2023	December 31, 2022	December 31, 2021
Write-offs of unamortized deferred financing costs	\$ 1,143	\$ 717	\$ 744
Write-offs of unamortized (premiums)/discounts/OCI	—	3,947	—
Total	<u>\$ 1,143</u>	<u>\$ 4,664</u>	<u>\$ 744</u>

The following table provides a summary of the aggregate payments of principal on all debt for each of the next five years and thereafter as of December 31, 2023 (amounts in thousands):

Year	Total
2024 (1)	\$ 416,200
2025	458,100
2026	601,025
2027	409,800
2028	910,700
Thereafter	4,668,832
Subtotal	7,464,657
Deferred Financing Costs and Unamortized (Discount)	(74,207)
Total	<u>\$ 7,390,450</u>

(1) Includes \$410.0 million in principal outstanding on the Company's commercial paper program.

## 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 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.
Derivatives	Readily observable market parameters such as forward yield curves and credit default swap data.

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 December 31, 2023 and 2022, respectively (amounts in thousands):

	December 31, 2023		December 31, 2022	
	Carrying Value	Estimated Fair Value (Level 2)	Carrying Value	Estimated Fair Value (Level 2)
Mortgage notes payable, net	\$ 1,632,902	\$ 1,509,706	\$ 1,953,438	\$ 1,803,525
Unsecured debt, net	5,757,548	5,346,488	5,472,284	4,874,490
Total debt, net	<u>\$ 7,390,450</u>	<u>\$ 6,856,194</u>	<u>\$ 7,425,722</u>	<u>\$ 6,678,015</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 December 31, 2023 and 2022, respectively (amounts in thousands):

Description	Balance Sheet Location	12/31/2023	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)
<i>Assets</i>					
Supplemental Executive Retirement Plan	Other Assets	\$ 108,478	\$ 108,478	\$ —	\$ —
<i>Liabilities</i>					
Supplemental Executive Retirement Plan	Other Liabilities	\$ 108,478	\$ 108,478	\$ —	\$ —
Redeemable Noncontrolling Interests – Operating Partnership/Redeemable Limited Partners					
	Mezzanine	\$ 289,248	\$ —	\$ 289,248	\$ —

Description	Balance Sheet Location	12/31/2022	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)
<b>Assets</b>					
Derivatives designated as hedging instruments:					
Interest Rate Contracts:					
Forward Starting Swaps	Other Assets	\$ 21,864	\$ —	\$ 21,864	\$ —
Supplemental Executive Retirement Plan	Other Assets	133,245	133,245	—	—
Total		<u>\$ 155,109</u>	<u>\$ 133,245</u>	<u>\$ 21,864</u>	<u>\$ —</u>
<b>Liabilities</b>					
Derivatives designated as hedging instruments:					
Interest Rate Contracts:					
Forward Starting Swaps	Other Liabilities	\$ 1,210	\$ —	\$ 1,210	\$ —
Supplemental Executive Retirement Plan	Other Liabilities	133,245	133,245	—	—
Total		<u>\$ 134,455</u>	<u>\$ 133,245</u>	<u>\$ 1,210</u>	<u>\$ —</u>
Redeemable Noncontrolling Interests –					
Operating Partnership/Redeemable Limited Partners	Mezzanine	\$ 318,273	\$ —	\$ 318,273	\$ —

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 years ended December 31, 2023, 2022 and 2021, respectively (amounts in thousands):

December 31, 2023 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	\$ 4,514	Interest expense	\$ (3,737)
Total	<u>\$ 4,514</u>		<u>\$ (3,737)</u>
December 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	\$ 20,654	Interest expense	\$ (11,071)
Total	<u>\$ 20,654</u>		<u>\$ (11,071)</u>
December 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	\$ (9,394)
Total	<u>\$ —</u>		<u>\$ (9,394)</u>

As of December 31, 2023 and 2022, there were approximately \$5.7 million in deferred gains, net, and \$2.5 million in deferred losses, net, included in accumulated other comprehensive income (loss), respectively, related to previously settled and unsettled derivative instruments, of which an estimated \$2.3 million may be recognized as additional interest expense during the twelve months ending December 31, 2024.

During the year ended December 31, 2023, the Company received a net \$27.1 million to settle nine forward starting swaps in conjunction with the interest rate lock on \$530.0 million of ten-year secured conventional mortgage notes. The Company ultimately closed on \$550.0 million of secured notes. The accrued interest of approximately \$1.9 million was recorded as a decrease to interest expense. The remaining \$25.2 million was initially deferred as a component of accumulated other comprehensive income (loss) and will be recognized as a decrease to interest expense over the first nine years and eight months of the mortgage notes.

#### *Other*

The Company has invested in various equity securities without readily determinable fair values and has elected to measure them using the measurement alternative in accordance with the applicable accounting standards for equity securities. These investments are carried at cost less any impairment and adjusted to fair value if there are observable price changes for an identical or similar investment of the same issuer.

The following table summarizes the Company's real estate technology investment securities included in other assets as of December 31, 2023 and 2022 (amounts in thousands):

	December 31, 2023	December 31, 2022
Real Estate Technology Investments	\$ 19,312	\$ 4,312

During the year ended December 31, 2023, the Company sold a portion of one of these investment securities for proceeds of approximately \$2.5 million and realized a gain on sale of approximately \$1.6 million, which is included in interest and other income in the consolidated statements of operations. During the year ended December 31, 2023, the Company adjusted certain of these investment securities to observable market prices and recorded an unrealized gain of approximately \$13.5 million, which is included in interest and other income in the consolidated statements of operations.

During the year ended December 31, 2021, the Company purchased and sold investment securities with readily determinable fair values and recognized a net gain on sale of \$23.4 million, which is included in interest and other income in the consolidated statements of operations. The Company did not own any of these investment securities at December 31, 2023, 2022 and 2021.

## **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):

	Year Ended December 31,		
	2023	2022	2021
<b>Numerator for net income per share – basic:</b>			
Net income	\$ 868,488	\$ 806,995	\$ 1,396,714
Allocation to Noncontrolling Interests – Operating Partnership	(26,710)	(26,310)	(45,900)
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(6,340)	(3,774)	(17,964)
Preferred distributions	(3,090)	(3,090)	(3,090)
Numerator for net income per share – basic	<u>\$ 832,348</u>	<u>\$ 773,821</u>	<u>\$ 1,329,760</u>
<b>Numerator for net income per share – diluted:</b>			
Net income	\$ 868,488	\$ 806,995	\$ 1,396,714
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(6,340)	(3,774)	(17,964)
Preferred distributions	(3,090)	(3,090)	(3,090)
Numerator for net income per share – diluted	<u>\$ 859,058</u>	<u>\$ 800,131</u>	<u>\$ 1,375,660</u>
<b>Denominator for net income per share – basic and diluted:</b>			
Denominator for net income per share – basic	378,773	376,209	373,833
Effect of dilutive securities:			
OP Units	11,181	11,836	12,263
Long-term compensation shares/units	943	1,402	1,924
ATM forward sales	—	3	69
Denominator for net income per share – diluted	<u>390,897</u>	<u>389,450</u>	<u>388,089</u>
<b>Net income per share – basic</b>	<u>\$ 2.20</u>	<u>\$ 2.06</u>	<u>\$ 3.56</u>
<b>Net income per share – diluted</b>	<u>\$ 2.20</u>	<u>\$ 2.05</u>	<u>\$ 3.54</u>

## 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):

	Year Ended December 31,		
	2023	2022	2021
<b>Numerator for net income per Unit – basic and diluted:</b>			
Net income	\$ 868,488	\$ 806,995	\$ 1,396,714
Net (income) loss attributable to Noncontrolling Interests – Partially Owned Properties	(6,340)	(3,774)	(17,964)
Allocation to Preference Units	(3,090)	(3,090)	(3,090)
Numerator for net income per Unit – basic and diluted	<u>\$ 859,058</u>	<u>\$ 800,131</u>	<u>\$ 1,375,660</u>
<b>Denominator for net income per Unit – basic and diluted:</b>			
Denominator for net income per Unit – basic	389,954	388,045	386,096
Effect of dilutive securities:			
Dilution for Units issuable upon assumed exercise/vesting of the Company’s long-term compensation shares/units	943	1,402	1,924
ATM forward sales	—	3	69
Denominator for net income per Unit – diluted	<u>390,897</u>	<u>389,450</u>	<u>388,089</u>
<b>Net income per Unit – basic</b>	<u>\$ 2.20</u>	<u>\$ 2.06</u>	<u>\$ 3.56</u>
<b>Net income per Unit – diluted</b>	<u>\$ 2.20</u>	<u>\$ 2.05</u>	<u>\$ 3.54</u>

## 12. Share Incentive Plans

Any Common Shares issued pursuant to EQR’s incentive equity compensation and employee share purchase plans will result in ERPOP issuing OP Units to EQR on a one-for-one basis with ERPOP receiving the net cash proceeds of such issuances.

### Overview of Share Incentive Plans

The 2019 Share Incentive Plan (the “2019 Plan”), as approved by the Company’s shareholders on June 27, 2019, expires on June 27, 2029 and reserves 11,331,958 Common Shares for issuance. All future awards will be granted under the 2019 Plan. As of December 31, 2023, 8,213,508 shares were available for future issuance.

Pursuant to the 2019 Plan and the 2011 Share Incentive Plan (the “2011 Plan”) (collectively the “Share Incentive Plans”), officers, trustees, key employees and consultants of the Company and its subsidiaries may be granted share options to acquire Common Shares (“Options”), including non-qualified share options (“NQSOS”), incentive share options (“ISOs”) and share appreciation rights (“SARs”), or may be granted restricted or non-restricted shares/units (including long-term incentive plan awards), subject to conditions and restrictions. Options, SARs, restricted shares and restricted units are sometimes collectively referred to herein as “Awards.”

The 2011 Plan will terminate when all outstanding Awards have expired or have been exercised/vested. The Board of Trustees may at any time amend or terminate the Share Incentive Plans, but termination will not affect Awards previously granted, absent immediate vesting and cash settlement. Any Options which had vested prior to such a termination would remain exercisable by the holder.

## Employee Long-Term Compensation Awards

The following table summarizes the terms of Awards generally granted to employees:

	Options	Restricted Shares	Restricted Units
<b>Overview</b>	Options exercised after vesting result in issuance of new Common Shares.	Restricted shareholders generally have the same voting rights and receive quarterly dividend payments on their shares at the same rate and on the same date as any other Common Share holder (1).	When certain conditions are met, restricted units convert into an equal number of OP Units, which the holder may exchange for Common Shares on a one-for-one basis or at the option of the Company the cash value of such shares. Restricted unitholders receive quarterly distribution payments on their restricted units at the same rate and on the same date as any other OP Unit holder (1).
<b>Grant/Exercise Price</b>	Granted at the fair market value of Common Shares as of the grant date using the Black-Scholes model as described below.	Granted at the fair market value of Common Shares as of the grant date.	Granted at varying discount rates to the fair market value of Common Shares as of the grant date (2).
<b>Vesting Period</b>	In three equal installments over a three-year period from the grant date.	Three years from the grant date.	Three years from the grant date.
<b>Expiration</b>	Ten years from the grant date.	Not applicable.	Ten years from the grant date (2).
<b>Upon Employee Termination</b>	Unvested options are canceled.	Unvested restricted shares are canceled.	Unvested restricted units are canceled.

- (1) Dividends/distributions paid on unvested restricted shares and units are included as a component of retained earnings and Noncontrolling Interest – Operating Partnership/Limited Partners Capital, respectively, and have not been considered in reducing net income available to Common Shares/Units in a manner similar to the Company’s preferred share/preference unit dividends for the earnings per share/Unit calculation.
- (2) A restricted unit will automatically convert to an OP Unit when the capital account of each restricted unit increases (“books-up”) to a specified target. The probability of a book-up occurring within the ten-year contractual life along with the liquidity risk associated with various hold period restrictions are both reflected in the discount. If the capital target is not attained within ten years following the date of issuance, the restricted unit will automatically be canceled and no compensation will be payable to the holder of such canceled restricted unit. If the capital target is attained and the restricted unit is converted to an OP Unit, it will not expire.

## Valuation Method of Share Options

The fair value of the Option grants is recognized over the requisite service/vesting period of the Options. The fair value for the Company’s Options was estimated at the time the Options were granted using the Black-Scholes option pricing model with the primary grant in each year having the following weighted average assumptions:

	2023	2022	2021
Expected volatility (1)	23.8%	21.7%	21.3%
Expected life (2)	5 years	5 years	5 years
Expected dividend yield (3)	3.30%	3.26%	3.23%
Risk-free interest rate (4)	4.04%	1.66%	0.50%
Exercise price per share (5)	\$ 66.59	\$ 91.59	\$ 67.48
Option valuation per share	\$ 12.67	\$ 12.57	\$ 7.96

- (1) Expected volatility – Estimated based on the historical five-year volatility (the period matching the expected life) of EQR’s share price measured on a monthly basis.
- (2) Expected life – Approximates the actual weighted average life of all Options granted since the Company went public in 1993.
- (3) Expected dividend yield – Calculated by averaging the historical annual yield on EQR shares for a period matching the expected life of each grant, with the annual yield calculated by dividing actual regular dividends (excluding any special dividends) by the average price of EQR’s shares in a given year.
- (4) Risk-free interest rate – The most current U.S. Treasury rate available at the grant date for a period matching the expected life of each grant.
- (5) Exercise price per share – The closing share price of the Common Shares on the grant date.

The valuation method and assumptions are the same as those the Company used in accounting for Option expense in its consolidated financial statements. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. This model is only one method of valuing options. Because the Company’s Options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the actual value of the Options to the recipient may be significantly different.

### *Long-Term Incentive Plan*

The Company's executive compensation program allows the Chief Executive Officer and certain other executive officers to earn from 0% to 200% of the target number of long-term incentive ("LTI") awards, payable in the form of restricted shares and/or restricted units. Additionally, the program allowed participation of Samuel Zell, the Company's former Chairman of the Board of Trustees, prior to his death. No payout would be made for any result below 50% of the target performance metric. The Company's Total Shareholder Return ("TSR"), Normalized Funds from Operations ("FFO") and Net Debt to Normalized EBITDAre (Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate) results over a forward-looking three-year performance period determine the restricted shares and/or restricted units awarded and are compared to pre-established quantitative performance metrics. The grant date fair value of the awards is estimated using a Monte Carlo model for the TSR portion of the awards, and the resulting expense is recorded over the service period regardless of whether the TSR performance measures are achieved, while the Normalized FFO and Net Debt to Normalized EBITDAre portions of the awards are adjusted based on the final achievement obtained. If the executive is retirement-eligible, the grant date fair value is amortized into expense over the first year. All other awards are amortized into expense over the three-year performance and vesting period. If employment is terminated prior to vesting, the restricted shares and restricted units are generally canceled, subject to the retirement benefit provisions discussed below as well as the death and disability provisions of the plan.

The LTI participants receive distributions only on restricted units awarded equal to 10% of the quarterly distributions paid on OP Units during the performance period. At the end of the performance period, LTI participants receive dividends/distributions actually earned on restricted shares or restricted units awarded during the performance period, less any distributions already paid on the restricted units.

The grant date fair value of the TSR portion of the LTI awards is estimated using a multifactor Monte Carlo model to determine share prices for a set of relative awards for which the payout of the award depends on the spread of EQR's TSR to the TSR of two indices: (a) the FTSE Nareit Apartment Index; and (b) the FTSE Nareit Equity Index. The absolute Company TSR metric previously included in the TSR portion of the LTI awards for which the payout of the award only depended on EQR's TSR was replaced with a Net Debt to Normalized EBITDAre metric for the 2022 LTI plan and onward, covering a forward-looking three-year performance period. The grant date fair value of the Normalized FFO and Net Debt to Normalized EBITDAre portions of the LTI awards are estimated using the closing price of EQR Common Shares on the grant date for the restricted shares and a discounted closing price of EQR Common Shares on the grant date for the restricted units to reflect the "book-up" and liquidity risk inherent in the units. The individual prices determined above are then weighted to arrive at the final values for each restricted share/unit as follows:

	2023		2022		2021	
Weighted average fair value per restricted share	\$	61.18	\$	96.84	\$	61.73
Weighted average fair value per restricted unit	\$	58.78	\$	93.32	\$	59.82

The valuation method and assumptions are the same as those the Company used in accounting for the LTI award expense in its consolidated financial statements. The Monte Carlo valuation model is only one method of valuing awards. Because the Company's restricted shares/units have characteristics significantly different from those of traded shares/units, and because changes in the subjective input assumptions can materially affect the fair value estimate, the actual value of the restricted shares/units to the recipient may be significantly different.

### *Trustees*

All non-employee Trustees, including the Company's current Chairman, are granted Options, restricted shares and/or restricted units that vest one year from the grant date that corresponds to the term for which he or she has been elected to serve. The Company's former Chairman of the Board of Trustees, Samuel Zell, did not receive these awards. Since 2016, he only received awards under the LTI plan (see further discussion above).

## Retirement Benefits

The Company's Share Incentive Plans provide for certain benefits upon retirement. The following table summarizes the terms of each retirement eligibility category.

	Age 62 for Employees	Rule of 70 for Employees	Age 72 for Trustees
<b>Eligibility</b>	For employees hired prior to January 1, 2009 and who were age 59 or older as of February 1, 2019.	All employees (1).	All non-employee Trustees.
<b>Effect on unvested restricted shares, restricted units and Options</b>	Awards immediately vest, Options continue to be exercisable for the balance of the applicable ten-year option period and restricted units are still subject to the book-up provisions.	Awards continue to vest per the original vesting schedule, subject to certain conditions, Options continue to be exercisable for the balance of the applicable ten-year option period and restricted units are still subject to the book-up provisions.	Awards immediately vest, Options continue to be exercisable for the balance of the applicable ten-year option period and restricted units are still subject to the book-up provisions.
<b>Effect on LTI Plan</b>	Awards are prorated in proportion to the number of days worked in the first year of the three-year performance period and the individual does not receive any payout of shares or units until the final payout is determined at the end of the three-year performance period.		

- (1) The Rule of 70 is met when an employee's years of service with the Company (which must be at least 15 years) plus his or her age (which must be at least 55 years) on the date of termination equals or exceeds 70 years. In addition, the employee must give the Company at least six months' advance written notice of his or her intention to retire along with agreeing to certain other conditions.

Under the Company's definitions of retirement, some of its executive officers, including its Chief Executive Officer, are retirement eligible.

## Compensation Expense and Award Activity

The following tables summarize compensation information regarding the restricted shares, restricted units, Options and Employee Share Purchase Plan ("ESPP") for the three years ended December 31, 2023, 2022 and 2021.

Year Ended December 31, 2023					
	Compensation Expense	Compensation Capitalized	Restricted Units/Options In-Lieu of Bonus (1)	Compensation Equity	Dividends Incurred
Restricted shares	\$ 11,006	\$ 1,480	\$ —	\$ 12,486	\$ 889
Restricted units	15,809	96	525	16,430	904
Options	4,436	192	—	4,628	—
ESPP discount	564	80	—	644	—
Total	<u>\$ 31,815</u>	<u>\$ 1,848</u>	<u>\$ 525</u>	<u>\$ 34,188</u>	<u>\$ 1,793</u>

Year Ended December 31, 2022					
	Compensation Expense	Compensation Capitalized	Restricted Units/Options In-Lieu of Bonus (1)	Compensation Equity	Dividends Incurred
Restricted shares	\$ 10,419	\$ 1,176	\$ —	\$ 11,595	\$ 1,120
Restricted units	16,487	87	2,530	19,104	1,039
Options	1,889	169	263	2,321	—
ESPP discount	718	78	—	796	—
Total	<u>\$ 29,513</u>	<u>\$ 1,510</u>	<u>\$ 2,793</u>	<u>\$ 33,816</u>	<u>\$ 2,159</u>

Year Ended December 31, 2021					
	Compensation Expense	Compensation Capitalized	Restricted Units/Options In-Lieu of Bonus (1)	Compensation Equity	Dividends Incurred
Restricted shares	\$ 7,258	\$ 1,131	\$ —	\$ 8,389	\$ 761
Restricted units	16,689	70	1,038	17,797	1,254
Options	2,980	121	—	3,101	—
ESPP discount	883	108	—	991	—
Total	<u>\$ 27,810</u>	<u>\$ 1,430</u>	<u>\$ 1,038</u>	<u>\$ 30,278</u>	<u>\$ 2,015</u>



- (1) The Company allows eligible officers the ability to receive immediately vested restricted units (subject to the book-up provisions described above and a two-year hold restriction) or immediately vested Options in-lieu of any percentage of their annual cash bonus.

Compensation expense is generally recognized for Awards as follows:

- Restricted shares, restricted units and Options – Straight-line method over the vesting period of the Options, shares or units regardless of cliff or ratable vesting distinctions.
- LTI plan awards – Target amount is recognized under the straight-line method over the vesting period of the shares or units.
- ESPP discount – Immediately upon the purchase of Common Shares each quarter.

The Company accelerates the recognition of compensation expense for all Awards for those individuals approaching or meeting the retirement age criteria discussed above. The total compensation expense related to Awards not yet vested at December 31, 2023 is \$10.7 million (including the accelerated expenses for individuals approaching or meeting the retirement age criteria discussed above), which is expected to be recognized over a weighted average term of 1.34 years.

The table below summarizes the Award activity of the Share Incentive Plans for the three years ended December 31, 2023, 2022 and 2021:

	Common Shares Subject to Options	Weighted Average Exercise Price per Option	Restricted Shares	Weighted Average Fair Value per Restricted Share	Restricted Units	Weighted Average Fair Value per Restricted Unit
Balance at December 31, 2020	5,642,752	\$ 56.91	353,634	\$ 71.81	879,800	\$ 66.78
Awards granted	489,853	\$ 67.58	96,224	\$ 70.46	190,742	\$ 60.71
Awards exercised/vested	(1,710,692)	\$ 50.09	(133,351)	\$ 62.89	(181,531)	\$ 62.01
Awards forfeited	(23,317)	\$ 73.33	(6,631)	\$ 74.31	(35,580)	\$ 59.82
Awards expired	(10,763)	\$ 68.00	—	\$ —	—	\$ —
Balance at December 31, 2021	4,387,833	\$ 60.65	309,876	\$ 75.17	853,431	\$ 66.11
Awards granted	164,199	\$ 88.22	182,801	\$ 80.52	223,242	\$ 86.47
Awards exercised/vested	(468,021)	\$ 52.87	(194,533)	\$ 70.91	(122,999)	\$ 66.10
Awards forfeited	(12,968)	\$ 77.29	(8,226)	\$ 82.02	—	\$ —
Awards expired	(9,683)	\$ 60.02	—	\$ —	—	\$ —
Balance at December 31, 2022	4,061,360	\$ 62.60	289,918	\$ 81.21	953,674	\$ 73.57
Awards granted	395,280	\$ 66.56	152,217	\$ 66.93	236,031	\$ 60.38
Awards exercised/vested	(495,690)	\$ 48.52	(118,322)	\$ 80.76	(75,105)	\$ 76.38
Awards forfeited	(1,717)	\$ 66.73	(3,743)	\$ 76.43	(70,667)	\$ 59.14
Awards expired	(981)	\$ 67.50	—	\$ —	—	\$ —
Balance at December 31, 2023	<u>3,958,252</u>	<u>\$ 64.76</u>	<u>320,070</u>	<u>\$ 74.64</u>	<u>1,043,933</u>	<u>\$ 68.56</u>

	Amounts in thousands except per share amounts		
	Year Ended December 31,		
	2023	2022	2021
Weighted average grant date fair value per share for Options granted	\$ 12.61	\$ 12.45	\$ 7.98
Aggregate intrinsic value of Options exercised (1)	\$ 6,023	\$ 14,511	\$ 47,413
Fair value of restricted shares vested	\$ 7,783	\$ 17,353	\$ 9,222
Fair value of restricted units vested	\$ 4,965	\$ 10,662	\$ 12,468

- (1) These values were calculated as the difference between the strike price of the underlying awards and the per share price at which each respective award was exercised.

The following table summarizes information regarding Options outstanding and exercisable at December 31, 2023 (aggregate intrinsic value is in thousands):

	Options	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value (1)
Options Outstanding	3,958,252	4.81	\$ 64.76	\$ 2,889
Options Exercisable	3,342,785	4.12	\$ 63.83	\$ 2,889
Vested and expected to vest	611,238	8.54	\$ 69.80	\$ —

- (1) The aggregate intrinsic values were calculated as the excess, if any, between the Company's closing share price of \$61.16 per share on December 31, 2023 and the strike price of the underlying awards.

As of December 31, 2022 and 2021, 3,549,325 Options (with a weighted average exercise price of \$60.80) and 3,710,888 Options (with a weighted average exercise price of \$58.70) were exercisable, respectively.

### 13. Employee Plans

The Company established an Employee Share Purchase Plan to provide each employee and trustee the ability to annually acquire up to \$100,000 of Common Shares of EQR. The Company registered 7,000,000 Common Shares under the ESPP, of which 2,418,463 Common Shares remained available for purchase at December 31, 2023. The Common Shares may be purchased quarterly at a price equal to 85% of the lesser of: (a) the closing price for a share on the last day of such quarter; and (b) the greater of: (i) the closing price for a share on the first day of such quarter, and (ii) the average closing price for a share for all the business days in the quarter. The following table summarizes information regarding the Common Shares issued under the ESPP with the net proceeds noted below being contributed to ERPOP in exchange for OP Units (amounts in thousands except share and per share amounts):

	Year Ended December 31,		
	2023	2022	2021
Shares issued	68,136	66,835	70,702
Issuance price ranges	\$47.97–\$55.11	\$52.33 – \$72.51	\$53.13 – \$71.04
Issuance proceeds	\$3,517	\$4,178	\$4,265

The Company established a defined contribution plan (the “401(k) Plan”) to provide retirement benefits for employees that meet minimum employment criteria. The Company matches dollar for dollar up to the first 4% of eligible compensation that a participant contributes to the 401(k) Plan for all employees except those defined as highly compensated employees, whose match is 3%. Participants are vested in the Company's contributions over five years. The Company recognized an expense in the amount of \$5.2 million, \$4.8 million and \$4.9 million for the years ended December 31, 2023, 2022 and 2021, respectively.

The Company established the SERP to provide certain officers and trustees an opportunity to defer a portion of their eligible compensation in order to save for retirement. The SERP is restricted to investments in Common Shares, certain marketable securities that have been specifically approved and cash equivalents. The deferred compensation liability represented in the SERP and the securities issued to fund such deferred compensation liability are consolidated by the Company and carried on the Company's balance sheets, and the Company's Common Shares held in the SERP are accounted for as a reduction to paid in capital (included in general partner's capital in the Operating Partnership's financial statements).

### 14. Distribution Reinvestment Plan

On September 30, 2014, the Company filed with the SEC a Form S-3 Registration Statement to register 4,790,000 Common Shares pursuant to a Distribution Reinvestment Plan (the “2014 DRIP”), which included the remaining shares available for issuance under a previous registration. The registration was automatically declared effective the same day and will expire when all 4,790,000 shares have been issued. The Company has 4,619,250 Common Shares available for issuance under the 2014 DRIP at December 31, 2023.

The 2014 DRIP provides holders of record and beneficial owners of Common Shares and Preferred Shares with a simple and convenient method of reinvesting cash dividends/distributions in additional Common Shares. Common Shares purchased under the 2014 DRIP may, at the option of EQR, be directly issued by EQR or purchased by EQR's transfer agent in the open market using participants' funds. The net proceeds from any Common Share issuances are contributed to ERPOP in exchange for OP Units.

### 15. Transactions with Related Parties

The Company leases its corporate headquarters from an entity affiliated with Samuel Zell, who was EQR's Chairman of the Board of Trustees until his death in May 2023. This lease is no longer a related party lease as of December 31, 2023. The lease term expires on November 30, 2032 and contains two five-year extension options. The amount incurred for such office space for the years ended December 31, 2023, 2022 and 2021 were approximately \$1.9 million, \$1.7 million and \$1.7 million, respectively. The Company believes these amounts approximate market rates for such rental space.

## 16. Commitments and Contingencies

### Commitments

#### *Real Estate Development Commitments*

As of December 31, 2023, the Company has both consolidated and unconsolidated real estate projects under development. The following table summarizes the gross remaining total project costs for the Company's projects under development at December 31, 2023 (total project costs remaining in thousands):

	Projects	Apartment Units	Total Project Costs Remaining (1)
<b>Projects Under Development</b>			
Consolidated	1	225	\$ 74,585
Unconsolidated	6	1,982	144,928
<b>Total Projects Under Development</b>	<b>7</b>	<b>2,207</b>	<b>\$ 219,513</b>

- (1) The Company's share of the \$219.5 million in total project costs remaining approximates \$76.6 million, with the balance funded by the Company's joint venture partners (approximately \$0.7 million) and/or applicable construction loans (approximately \$142.2 million).

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.

#### *Other Commitments*

We have entered into, and may continue in the future to enter into, real estate technology and other real estate fund investments. As of December 31, 2023, the Company has invested in ten separate such investments totaling \$38.8 million with aggregate remaining commitments of approximately \$19.2 million.

#### *Employment Agreements*

The Company entered into a retirement benefits agreement with its former Chairman and a deferred compensation agreement with one former executive officer. During the years ended December 31, 2023, 2022 and 2021, the Company recognized compensation expense of \$0.6 million, \$(0.2) million and \$0.1 million, respectively, related to these agreements.

The following table summarizes the Company's contractual obligations for deferred compensation for the next five years and thereafter as of December 31, 2023:

	(Payments) Due by Year (in thousands)						
	2024	2025	2026	2027	2028	Thereafter	Total
Other Long-Term Liabilities:							
Deferred Compensation (1)	\$ (840)	\$ (840)	\$ (840)	\$ (840)	\$ (840)	\$ (3,778)	\$ (7,978)

- (1) Includes payments due to the estate of the Company's former Chairman. As of December 31, 2023, no payments remain due to the Company's former executive officer.

### 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 has been named as a defendant in a number of cases filed in late 2022 and 2023 alleging antitrust violations by RealPage, Inc., a seller of revenue management software products, and various owners and/or operators of multifamily housing, including us, that have utilized these products. The complaints allege collusion among the defendants to illegally fix and inflate the pricing of multifamily rents and seek monetary damages, injunctive relief, fees and costs. All of the cases except for one have been

consolidated into a single putative class action in the United States District Court for the Middle District of Tennessee. On December 28, 2023, motions to dismiss this consolidated action, filed by RealPage, Inc. as well as us and our multifamily co-defendants, were denied by the Court and the case is proceeding. Another case with similar allegations has been filed by the District of Columbia against RealPage, Inc. and a number of multifamily owners and/or operators, including us. We believe these various lawsuits are without merit and we intend to vigorously defend against them. As these proceedings are in the early stages, it is not possible for the Company to predict the outcome nor is it possible to estimate the amount of loss, if any, which may be associated with an adverse decision in any of these cases.

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.

## 17. 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 less than 4.0% of total revenues for the year ended December 31, 2023 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 years ended December 31, 2023, 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 years ended December 31, 2023, 2022 and 2021, respectively (amounts in thousands):

	Year Ended December 31,		
	2023	2022	2021
Rental income	\$ 2,873,964	\$ 2,735,180	\$ 2,463,997
Property and maintenance expense	(514,575)	(483,865)	(453,532)
Real estate taxes and insurance expense	(412,114)	(388,412)	(397,105)
Total operating expenses	(926,689)	(872,277)	(850,637)
Net operating income	<u>\$ 1,947,275</u>	<u>\$ 1,862,903</u>	<u>\$ 1,613,360</u>

The following tables present NOI from our rental real estate for each segment for the years ended December 31, 2023, 2022 and 2021, respectively, as well as total assets and capital expenditures at December 31, 2023 and 2022, respectively (amounts in thousands):

	Year Ended December 31, 2023			Year Ended December 31, 2022			Year Ended December 31, 2021		
	Rental Income	Operating Expenses	NOI	Rental Income	Operating Expenses	NOI	Rental Income	Operating Expenses	NOI
Same store (1)									
Los Angeles	\$ 466,980	\$ 143,983	\$ 322,997	\$ 450,635	\$ 132,858	\$ 317,777	\$ 431,954	\$ 132,274	\$ 299,680
Orange County	130,343	28,699	101,644	122,660	26,511	96,149	109,427	24,986	84,441
San Diego	92,691	20,602	72,089	86,728	19,506	67,222	78,709	18,395	60,314
Subtotal - Southern California	690,014	193,284	496,730	660,023	178,875	481,148	620,090	175,655	444,435
Washington, D C	441,676	140,696	300,980	417,210	138,570	278,640	389,205	129,065	260,140
San Francisco	430,390	129,480	300,910	415,173	124,192	290,981	383,817	118,795	265,022
New York	476,319	193,311	283,008	434,820	187,218	247,602	367,370	182,631	184,739
Seattle	290,894	81,787	209,107	281,959	79,037	202,922	256,988	80,775	176,213
Boston	289,423	85,579	203,844	270,899	82,523	188,376	235,050	76,374	158,676
Denver	71,067	21,328	49,739	67,785	19,569	48,216	39,084	11,209	27,875
Other Expansion Markets	64,928	27,983	36,945	61,897	27,618	34,279	—	—	—
Total same store	2,754,711	873,448	1,881,263	2,609,766	837,602	1,772,164	2,291,604	774,504	1,517,100
Non-same store/other									
Non-same store (2)	100,970	36,836	64,134	74,379	29,758	44,621	59,629	27,691	31,938
Other (3)	18,283	16,405	1,878	51,035	4,917	46,118	112,764	48,442	64,322
Total non-same store/other	119,253	53,241	66,012	125,414	34,675	90,739	172,393	76,133	96,260
Totals	<u>\$ 2,873,964</u>	<u>\$ 926,689</u>	<u>\$ 1,947,275</u>	<u>\$ 2,735,180</u>	<u>\$ 872,277</u>	<u>\$ 1,862,903</u>	<u>\$ 2,463,997</u>	<u>\$ 850,637</u>	<u>\$ 1,613,360</u>

- (1) For the years ended December 31, 2023 and 2022, same store primarily includes all properties acquired or completed that were stabilized prior to January 1, 2022, less properties subsequently sold, which represented 76,297 apartment units. For the year ended December 31, 2021, same store primarily includes all properties acquired or completed that were stabilized prior to January 1, 2021, less properties subsequently sold, which represented 72,872 apartment units.
- (2) For the years ended December 31, 2023 and 2022, non-same store primarily includes properties acquired after January 1, 2022, plus any properties in lease-up and not stabilized as of January 1, 2022, and any properties undergoing major renovations. For the year ended December 31, 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, and any properties undergoing major renovations.
- (3) Other includes development, other corporate operations and operations prior to disposition for properties sold.

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Total Assets	Capital Expenditures	Total Assets	Capital Expenditures
Same store (1)				
Los Angeles	\$ 2,489,180	\$ 54,688	\$ 2,549,606	\$ 35,057
Orange County	343,219	9,888	356,396	7,885
San Diego	231,549	17,137	228,471	8,798
Subtotal - Southern California	3,063,948	81,713	3,134,473	51,740
Washington, D.C.	2,995,509	50,504	3,091,996	34,640
San Francisco	2,972,476	53,963	3,049,771	33,497
New York	3,326,831	21,908	3,421,373	21,636
Seattle	2,075,966	34,011	2,141,346	27,935
Boston	1,748,887	30,852	1,807,629	23,951
Denver	824,264	4,220	857,021	8,561
Other Expansion Markets	782,977	5,674	811,130	2,175
Total same store	17,790,858	282,845	18,314,739	204,135
Non-same store/other				
Non-same store (2)	1,493,139	35,615	1,134,000	15,277
Other (3)	750,567	882	769,523	1,674
Total non-same store/other	2,243,706	36,497	1,903,523	16,951
Totals	<u>\$ 20,034,564</u>	<u>\$ 319,342</u>	<u>\$ 20,218,262</u>	<u>\$ 221,086</u>

- (1) Same store primarily includes all properties acquired or completed that were stabilized prior to January 1, 2022, less properties subsequently sold, which represented 76,297 apartment units.

- (2) Non-same store primarily includes properties acquired after January 1, 2022, plus any properties in lease-up and not stabilized as of January 1, 2022, and any properties undergoing major renovations.
- (3) Other includes development, other corporate operations and capital expenditures for properties sold.

## 18. Subsequent Events

Subsequent to December 31, 2023, the Company:

- Disposed of the following to unaffiliated parties (sales price in thousands):

	Properties	Apartment Units	Sales Price
Rental Properties – Consolidated	3	504	\$ 248,500
Total	3	504	\$ 248,500

- Following the Company's share repurchase activity in 2023, its Board of Trustees approved replenishing the Company's share repurchase program authorization back to its original 13.0 million shares.

**EQUITY RESIDENTIAL**  
**ERP OPERATING LIMITED PARTNERSHIP**  
**Schedule III - Real Estate and Accumulated Depreciation**  
**Overall Summary**  
**December 31, 2023**

	Properties	Apartment Units	Investment in Real Estate, Gross	Accumulated Depreciation	Investment in Real Estate, Net	Encumbrances (1)
Wholly Owned Unencumbered	255	68,916	\$ 24,800,990,957	\$ (8,491,300,503)	\$ 16,309,690,454	\$ —
Wholly Owned Encumbered	33	8,215	3,097,180,778	(1,052,189,478)	2,044,991,300	1,604,630,478
<b>Wholly Owned Properties</b>	288	77,131	27,898,171,735	(9,543,489,981)	18,354,681,754	1,604,630,478
Partially Owned Unencumbered	13	2,792	779,454,558	(244,736,257)	534,718,301	—
Partially Owned Encumbered	1	268	35,011,634	(22,111,181)	12,900,453	28,271,943
<b>Partially Owned Properties</b>	14	3,060	814,466,192	(266,847,438)	547,618,754	28,271,943
Total Unencumbered Properties	268	71,708	25,580,445,515	(8,736,036,760)	16,844,408,755	—
Total Encumbered Properties	34	8,483	3,132,192,412	(1,074,300,659)	2,057,891,753	1,632,902,421
<b>Total Consolidated Investment in Real Estate</b>	<b>302</b>	<b>80,191</b>	<b>\$ 28,712,637,927</b>	<b>\$ (9,810,337,419)</b>	<b>\$ 18,902,300,508</b>	<b>\$ 1,632,902,421</b>

(1) See attached Encumbrances Reconciliation.

**EQUITY RESIDENTIAL**  
**ERP OPERATING LIMITED PARTNERSHIP**  
**Schedule III – Real Estate and Accumulated Depreciation**  
**Encumbrances Reconciliation**  
**December 31, 2023**

<b>Portfolio/Entity Encumbrances</b>	<b>Number of Properties Encumbered by</b>	<b>See Properties With Note:</b>	<b>Amount</b>
Archstone Master Property Holdings LLC	8	H	\$ 546,784,016
<b>Portfolio/Entity Encumbrances</b>	8		546,784,016
<b>Individual Property Encumbrances</b>			1,086,118,405
<b>Total Encumbrances per Financial Statements</b>			<u>\$ 1,632,902,421</u>



**EQUITY RESIDENTIAL**  
**ERP OPERATING LIMITED PARTNERSHIP**  
**Schedule III – Real Estate and Accumulated Depreciation**  
*(Amounts in thousands)*

The changes in total real estate for the years ended December 31, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Balance, beginning of year	\$ 28,088,754	\$ 28,272,906	\$ 27,203,325
Acquisitions and development	500,221	214,903	1,912,579
Improvements	321,082	225,136	152,715
Dispositions and other	(197,419)	(624,191)	(995,713)
Balance, end of year	<u>\$ 28,712,638</u>	<u>\$ 28,088,754</u>	<u>\$ 28,272,906</u>

The changes in accumulated depreciation for the years ended December 31, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Balance, beginning of year	\$ 9,027,850	\$ 8,354,282	\$ 7,859,657
Depreciation	888,709	882,168	838,272
Dispositions and other	(106,222)	(208,600)	(343,647)
Balance, end of year	<u>\$ 9,810,337</u>	<u>\$ 9,027,850</u>	<u>\$ 8,354,282</u>

**EQUITY RESIDENTIAL**  
**ERP OPERATING LIMITED PARTNERSHIP**  
**Schedule III - Real Estate and Accumulated Depreciation**  
**December 31, 2023**

Description	Apartment Name	Location	Non-Residential Components	Date of Construction	Apartment Units	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition (Improvements, net) (E)		Gross Amount Carried at Close of Period 12/31/23		Investment in Real Estate, Net at 12/31/23		Excess balances
						Land	Building & Fixtures	Land	Building & Fixtures	Land	Building & Fixtures (A)	Total (B)	Accumulated Depreciation (C)	
Wholly Owned Unencumbered:														
100 K Apartments (aka 100K Street)	Washington D.C.			2018	222	\$ 15,600,000	\$ 70,296,069	\$ 300,905	\$ 70,596,974	\$ 15,600,000	\$ 70,596,974	\$ 86,196,974	\$ (14,897,778)	\$ 71,299,196
170 Amsterdam	New York, NY		G	2015	236	—	12,096,955	1,078,420	13,175,375	—	13,175,375	13,175,375	(38,535,035)	54,638,340
175 Kent	Brooklyn, NY		G	2011	113	22,037,831	33,962,169	2,941,342	36,801,511	22,037,831	38,742,853	78,411,342	(26,115,799)	52,275,563
180 Bontemps (aka Brooklyn Heights)	Brooklyn, NY		G	1993	193	9,163,238	9,163,238	2,493,462	11,656,700	9,163,238	11,656,700	11,656,700	(10,748,865)	89,227,866
180 Riverside Boulevard	New York, NY		G	1998	516	144,968,550	138,346,428	25,000,194	169,914,622	144,968,550	161,344,725	316,313,275	(107,045,881)	209,269,394
1710 Mass	Washington, D.C.		G	2004	141	9,213,412	36,599,189	6,031,243	42,599,432	9,213,412	42,599,432	51,803,944	(26,263,816)	25,540,128
1401 Jones on Pentagon Row	Arlington, VA		G	2004	326	9,780,000	89,668,165	9,670,778	99,337,943	9,780,000	99,337,943	109,118,943	(51,888,815)	57,230,128
1500 Mass Ave	Washington, D.C.		G	1951	556	54,638,298	40,361,702	18,275,942	58,637,644	54,638,298	58,637,644	113,275,345	(37,775,345)	75,500,000
1800 Oak (aka Roachyn)	Arlington, VA		G	2003	314	31,400,000	109,005,734	3,452,317	112,852,047	31,400,000	112,852,047	144,252,047	(72,136,881)	72,115,166
2201 Pershing Drive	Arlington, VA		G	2012	188	11,321,198	49,674,175	9,735,230	59,405,405	11,321,198	59,405,405	70,726,603	(33,077,594)	37,649,009
2201 Wilson	Arlington, VA		G	2000	219	21,900,000	78,724,663	9,735,230	88,459,893	21,900,000	88,459,893	110,359,893	(73,845,252)	36,514,641
2400 M St	Washington, D.C.		G	2006	359	30,006,993	114,013,785	6,040,872	120,054,657	30,006,993	120,054,657	150,061,250	(73,845,252)	76,215,998
2501 Porter	Washington, D.C.		G	1988	202	13,000,000	75,271,179	8,579,027	83,850,206	13,000,000	83,850,206	96,850,206	(37,053,984)	59,796,222
315 on A	Boston, MA		G	2013	202	14,450,070	115,824,930	2,728,746	118,553,676	14,450,070	118,553,676	133,003,746	(39,985,661)	93,018,085
340 Fremont (aka Rincon Hill)	San Francisco, CA		G	2016	348	42,000,000	248,607,902	1,455,245	250,063,147	42,000,000	250,063,147	292,063,147	(72,136,881)	219,926,266
341 Nevins	Brooklyn, NY		—	(F)	—	3,621,717	308,661	—	308,661	3,621,717	308,661	3,930,378	—	3,930,378
3003 Van Ness (aka Van Ness)	Washington, D.C.		—	1970	625	56,300,000	141,191,580	13,398,348	154,589,928	56,300,000	154,589,928	210,889,928	(65,522,660)	145,367,268
425 Broadway	Santa Monica, CA		G	2001	101	12,600,000	34,394,772	4,177,489	38,572,261	12,600,000	38,572,261	51,172,261	(16,909,293)	34,262,968
425 Mass	Washington, D.C.		G	2009	559	28,150,000	138,600,000	11,286,087	149,886,087	28,150,000	149,886,087	178,036,087	(73,476,449)	104,559,638
455 Eye Street	Washington, D.C.		G	2017	174	11,941,407	61,418,689	474,032	61,892,721	11,941,407	61,892,721	73,834,128	(15,925,044)	57,909,084
4th and Hill	Los Angeles, CA		—	(F)	—	13,131,456	1,868,544	—	1,868,544	13,131,456	1,868,544	15,000,000	—	15,000,000
55 West Fifth I & II (aka Townhouse Plaza and Gardens)	San Mateo, CA		—	1964/1972	241	21,041,710	71,931,323	18,881,207	90,812,530	21,041,710	90,812,530	111,854,240	(43,587,776)	68,266,464
600 Washington	New York, NY		G	2004	135	32,852,000	43,140,551	4,880,600	48,021,151	32,852,000	48,021,151	80,873,151	(29,111,793)	51,761,358
660 Washington (aka Boston Common)	Boston, MA		G	2006	420	106,100,000	166,311,679	19,921,287	186,232,966	106,100,000	186,232,966	292,332,966	(73,269,964)	219,063,002
70 Greene	New York, NY		G	2010	480	28,108,899	236,763,553	7,827,777	244,596,330	28,108,899	244,596,330	272,695,229	(115,268,366)	157,426,863
71 Broadway	New York, NY		G	1997	238	22,611,600	77,492,171	22,156,834	99,649,005	22,611,600	99,649,005	122,260,605	(68,010,311)	54,250,294
77 Blumline	San Francisco, CA		G	2007	102	5,249,124	18,609,876	808,565	19,418,441	5,249,124	19,418,441	24,667,565	(8,843,983)	15,823,582
77 Park Avenue (aka Hoboken)	San Francisco, CA		G	2000	301	27,900,000	168,992,440	11,758,976	180,751,416	27,900,000	180,751,416	208,651,416	(74,020,489)	134,630,927
777 Sixth	New York, NY		G	2002	294	65,352,706	65,747,294	8,483,965	74,231,259	65,352,706	74,231,259	139,583,965	(40,561,987)	99,021,978
88 Hillside	Daly City, CA		G	2011	95	7,786,800	31,387,325	4,738,464	36,325,789	7,786,800	36,325,789	44,112,589	(16,832,809)	27,279,780
855 Brinnan	San Francisco, CA		G	2018	449	41,363,921	282,720,067	1,666,205	284,396,272	41,363,921	284,396,272	325,760,193	(68,753,861)	257,006,332
929 Mass (aka 929 House)	Cambridge, MA		G	1975	127	3,252,993	21,745,595	9,890,575	24,636,170	3,252,993	24,636,170	34,889,163	(24,748,862)	10,140,301
Academy Village	North Hollywood, CA		G	1989	248	25,000,000	23,593,194	14,095,146	37,688,340	25,000,000	37,688,340	62,688,340	(25,487,214)	37,201,126
Acropolis	Pasadena, CA		G	2002	143	3,859,548	29,360,452	2,853,851	32,214,303	3,859,548	32,214,303	38,053,851	(16,729,407)	21,324,444
Aero Apartments	Alameda, CA		G	2011	206	18,077,242	109,259,972	8,175,683	117,433,655	18,077,242	117,433,655	135,510,897	(10,128,873)	125,382,024
Albion Towers	Washington, D.C.		G	1994	226	18,900,000	80,240,307	15,890,000	97,030,307	18,900,000	97,030,307	115,930,307	(6,243,593)	79,686,714
Albion	Boston, MA		G	1996	442	24,310,000	99,714,129	11,057,491	70,271,620	24,310,000	70,271,620	94,581,620	(55,423,390)	39,158,230
Albion Apartments (aka West End Tower)	Boston, MA		G	2021	470	10,424,000	398,034,518	707,600	398,732,118	10,424,000	398,732,118	409,156,118	(33,508,942)	376,647,176
Albion	Boston, MA		G	2004	470	10,424,000	398,034,518	707,600	398,732,118	10,424,000	398,732,118	409,156,118	(33,508,942)	376,647,176
Altitude (aka Village at Howard Hughes, The (Lots 1 & 2))	Seattle, WA		G	2016	162	11,379,497	49,560,503	2,564,761	51,924,264	11,379,497	51,924,264	63,304,761	(18,898,816)	44,405,945
Altitude	Los Angeles, CA		G	2016	545	43,783,485	130,234,305	2,130,013	152,364,318	43,783,485	152,364,318	196,147,803	(45,260,093)	150,887,710
Altun, The (aka Millikan)	Irvine, CA		—	2017	344	11,049,027	96,523,927	896,714	97,420,641	11,049,027	97,420,641	108,469,668	(27,304,190)	81,165,478

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Description	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition (Improvements net)(E)			Gross Amount Carried at Close of Period 12/31/23			Investment in Real Estate, Net at 12/31/23		
	Apartment Name	Location	Non-Residential Components	Date of Construction	Apartment Units	Land	Building & Fixtures	Land	Building & Fixtures(A)	Total(B)	Accumulated Depreciation (C)	Encumbrances
Arbor Terrace	Sunnyvale, CA	177		1979		9,057,300	13,187,247	9,057,300	31,670,889	40,728,189	(24,481,933)	16,246,256
Arches, The	Sunnyvale, CA	410		1974		26,650,000	15,685,977	26,650,000	78,535,977	105,185,977	(34,669,178)	70,516,799
Artisan on Second	Los Angeles, CA	118		2008		8,000,400	2,805,294	8,000,400	38,879,894	46,880,294	(18,009,181)	28,871,113
Artistry Emeryville (fka Emeryville)	Emeryville, CA	267		1994		12,300,000	9,843,817	12,300,000	71,310,084	83,610,084	(32,323,930)	51,286,154
Atelier	Brooklyn, NY	120	G	2015		32,401,680	1,091,757	32,401,680	48,227,188	80,628,869	(15,712,454)	64,916,415
Astler at Shady Grove	Rockville, MD	366		2016		14,745,774	97,267	14,745,774	91,421,398	106,167,172	(24,384,449)	81,782,723
Azure (fka Mission Bay-Block 13)	San Francisco, CA	273		2015		32,855,115	153,568,841	32,855,115	135,736,856	188,591,971	(48,623,946)	139,968,025
Bay Hill	Long Beach, CA	160		2002		7,600,000	4,964,954	7,600,000	32,402,193	40,002,193	(21,835,777)	18,166,416
Beatrice, The	New York, NY	302		2003-2007		114,351,405	163,648,595	114,351,405	169,844,470	283,595,875	(83,555,036)	200,040,839
Bella Vista I, II, III Combined	Woodland Hills, CA	579		2003-2007		31,682,754	15,188,788	31,682,754	136,234,574	167,967,328	(63,555,036)	84,412,292
Belle Arts Condominium Homes, LLC	Bellevue, WA	102		2006		63,158	2,485,197	63,158	32,124,755	41,241,413	(124,113)	26,830,801
Belle Fontaine	Marina Del Rey, CA	102		2003		9,098,808	3,445,656	9,098,808	76,326,191	85,424,999	(32,636,843)	52,788,156
Breakwater	Marina Del Rey, CA	224		1984-1986		71,189,265	3,156,820	71,189,265	85,302,109	106,634,919	(20,585,266)	86,049,653
Brookline (fka 111 Lawrence)	Brooklyn, NY	192		2016		8,639,904	1,763,507	8,639,904	35,110,699	43,750,603	(20,585,266)	23,165,337
Brooklyn, The	Brooklyn, NY	312		2016		9,991,500	22,247,278	9,991,500	81,010,637	89,650,541	(20,585,266)	69,065,275
Brodie, The	Washington, DC	490		2010		40,099,922	791,438,631	40,099,922	227,557,265	267,657,187	(101,708,858)	165,948,329
Casa Pico	Los Angeles, CA	94	G	2014		17,125,766	28,074,234	17,125,766	28,779,002	45,904,768	(9,424,001)	36,480,767
Carle Mill	Alexandria, VA	317		2002		10,000,000	51,367,913	10,000,000	63,933,445	73,933,445	(44,576,313)	29,357,132
Cascade	San Diego, CA	384		1988-1989		2,288,300	20,596,281	2,288,300	41,644,891	43,933,191	(33,112,960)	10,820,231
Centennial (fka Centennial Court & Centennial Tower)	Seattle, WA	477		2017		23,751,564	149,406,957	23,751,564	150,535,982	174,287,546	(38,651,067)	135,636,479
Centre Club Combined	Seattle, WA	408	G	1991/2001		9,700,000	70,080,378	9,700,000	87,658,282	97,358,282	(58,180,900)	39,177,382
Chelona Square	Redmond, WA	412		1994 & 2002		7,436,000	33,014,789	7,436,000	45,666,093	52,902,093	(34,033,011)	18,869,082
Chloe on Madison (fka 1401 E Madison)	Chloe on Union (fka Chloe)	113	G	1991		3,397,100	9,289,074	3,397,100	12,659,750	16,056,850	(10,679,531)	5,377,319
Church Corner	Seattle, WA	117		2010		10,401,958	53,913,565	10,401,958	54,022,736	64,424,694	(9,225,790)	55,198,904
Circa Fitzsimons	Denver, CO	85	G	1987		5,220,000	16,744,643	5,220,000	42,660,723	47,880,723	(11,890,890)	36,000,000
City Gate at Cupertino (fka Cupertino)	Cupertino, CA	280	G	2020		9,241,400	86,070,796	9,241,400	20,561,478	29,802,878	(11,403,217)	18,400,000
City Square Bellevue (fka Bellevue)	Bellevue, WA	311	G	1998		40,400,000	95,937,046	40,400,000	104,897,963	145,297,963	(44,848,845)	100,449,118
Clarendon, The	Arlington, VA	292	G	2005		30,400,340	103,824,660	30,400,340	47,586,630	62,686,630	(20,232,213)	42,454,417
Cleo, The	Los Angeles, CA	92		1989		6,615,467	14,829,335	6,615,467	19,614,628	26,230,096	(51,014,797)	89,095,276
Cleveland House	Washington D.C	214		1953		18,300,000	66,392,414	18,300,000	75,556,634	93,856,634	(31,747,411)	62,109,223
Connecticut Heights	Washington, D.C	518		1974		27,600,000	12,080,368	27,600,000	126,082,663	153,682,663	(53,418,758)	100,263,905
Corcoran House at DuPont Circle (fka DuPont Circle)	Washington, D.C	138	G	1961		26,913,113	5,223,942	26,913,113	32,137,055	45,637,055	(14,041,548)	31,595,507
Courthouse Plaza	Arlington, VA	396	G	1990		13,500,000	87,386,024	13,500,000	96,794,073	110,294,073	(42,702,867)	67,591,206
Crestline (San Mateo)	San Mateo, CA	192		1985		9,606,600	21,193,232	9,606,600	27,610,356	37,216,956	(23,016,852)	14,200,104
Crofton Landing	Waltham, MA	281	G	1998		32,300,000	85,119,324	32,300,000	101,738,035	134,038,035	(44,049,990)	89,988,045
Crytal Place	Arlington, VA	181	G	1986		17,200,000	47,918,975	17,200,000	54,384,439	71,584,439	(23,323,848)	48,260,591
Dalton, The	Alexandria, VA	270	G	2018		22,947,777	95,334,754	22,947,777	95,855,138	118,802,915	(34,569,639)	84,233,276
Deerwood (SD)	San Diego, CA	316		1990		2,082,095	18,739,815	2,082,095	37,476,186	39,558,281	(23,465,530)	16,092,751
Del Mar Ridge	San Diego, CA	181		1998		7,801,824	36,948,176	7,801,824	46,076,855	53,878,679	(23,465,530)	30,413,149
Dele Canyon	Chino Hills, CA	232		1983		1,808,500	13,596,531	1,808,500	29,671,252	31,480,152	(23,465,530)	8,014,622
Edge, The (fka 4885 Edgemoor Lane)	Bethesda, MD	154		2011		16,274,261	75,256,831	16,274,261	72,884,442	89,158,702	(23,465,530)	65,693,172
Edgemont at Bethesda Metro	Bethesda, MD	123		1988		13,092,552	43,807,448	13,092,552	49,895,085	62,907,637	(22,196,226)	40,711,411

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Description	Apartment Name	Location	Non-Residential Components	Date of Construction	Apartment Units	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition (Improvements, net)(E)		Gross Amount Carried at Close of Period 12/31/23		Investment in Real Estate, Net at 12/31/23	
						Land	Building & Fixtures	Land	Building & Fixtures (A)	Total (B)	Accumulated Depreciation (C)	Total (B) Less Accumulated Depreciation (C)	Investment in Real Estate, Net at 12/31/23
	Emerson Place	Boston, MA	G	1962	444	14,855,000	57,566,636	39,564,184	97,130,820	111,985,820	(80,391,213)	31,394,607	31,394,607
	Enclave at Sherman Oaks The	Sherman Oaks CA	—	1988	174	8,700,000	25,446,003	5,534,741	30,980,744	39,680,744	(15,446,990)	24,233,754	24,233,754
	Estancia at Santa Clara (aka Santa Clara)	Santa Clara CA	—	2000	450	—	123,759,804	10,018,382	133,778,186	133,778,186	(54,209,519)	79,568,667	79,568,667
	Eviva on Cherokee	Denver, CO	—	2017	274	10,507,626	100,037,204	2,351,489	102,388,693	112,896,319	(22,757,962)	90,138,357	90,138,357
	Fiera	Austin, TX	—	2019	194	5,733,088	32,343,349	709,561	33,052,910	38,785,998	(6,108,471)	32,677,527	32,677,527
	Fremont Center	Fremont CA	G	2002	322	25,800,000	78,753,114	9,001,771	87,754,885	113,554,885	(37,054,339)	76,500,546	76,500,546
	Gallopersburg Station	Gallopersburg MD	G	2013	400	17,500,000	74,678,917	6,895,451	81,574,368	99,074,368	(32,497,818)	66,576,550	66,576,550
	Gateway at Malden Center	Malden, MA	G	1988	203	9,209,780	25,722,666	19,657,330	45,379,996	54,589,776	(34,108,785)	20,480,991	20,480,991
	Geary Court Yard	San Francisco, CA	165	1990	165	1,722,400	15,471,429	6,820,508	22,291,937	24,014,337	(19,281,906)	4,732,431	4,732,431
	Grand	Boston MA	G	2016	160	—	102,450,328	1,322,917	103,773,245	103,773,245	(26,132,043)	77,641,202	77,641,202
	Hamshire Place	Los Angeles CA	259	1989	259	10,806,000	30,335,330	12,691,799	43,827,129	53,833,129	(26,984,424)	26,848,705	26,848,705
	Harbor Steps	Seattle, WA	G	2000	761	59,403,601	158,829,432	60,387,650	219,217,082	278,620,683	(133,704,499)	144,916,184	144,916,184
	Halfway	Long Beach, CA	385	1987	385	2,512,500	22,611,912	16,834,416	39,446,328	41,958,828	(33,365,015)	8,593,813	8,593,813
	Helios (aka 2nd-Pine)	Seattle WA	G	2017	398	18,061,674	206,762,591	1,391,969	208,154,560	226,216,234	(53,149,822)	173,066,412	173,066,412
	Heritage at Stone Ridge	Burlington MA	180	2005	180	10,800,000	31,808,335	6,898,871	38,707,206	49,507,206	(23,082,304)	26,424,902	26,424,902
	Hesley	Lynnwood WA	—	1999	197	6,895,000	18,983,597	5,865,406	24,849,003	31,744,003	(16,027,471)	15,716,532	15,716,532
	Highlands at South Plainfield	North Hollywood, CA	308	2013	308	23,299,892	102,700,108	3,620,381	106,920,489	129,620,381	(39,156,702)	90,463,679	90,463,679
	Hikari	South Plainfield NJ	—	2000	252	10,080,000	37,526,912	4,075,515	41,602,427	51,682,427	(26,247,074)	25,435,353	25,435,353
	Hudson Crossing	Los Angeles CA	G	2007	128	22,435,760	32,564,240	2,625,378	35,189,618	44,625,378	(18,167,679)	26,457,699	26,457,699
	Hudson Pointe	New York, NY	G	2007	22	22,000,000	69,577,659	3,977,962	75,555,621	85,533,581	(48,391,602)	37,141,979	37,141,979
	Hudson Square	Jersey City, NJ	182	2003	182	5,345,000	4,114,074	8,162,275	13,307,275	15,332,275	(14,460,770)	971,505	971,505
	Indigo at The	San Francisco, CA	137	2018	137	18,775,028	99,136,651	555,115	108,906,794	109,666,794	(8,085,701)	91,881,013	91,881,013
	Indigo at Ellman	Dallas, TX	G	2020	231	12,253,903	63,853,833	901,501	64,755,334	77,008,837	(8,878,139)	68,130,698	68,130,698
	Ivory Wood	Bedford, WA	144	2000	144	2,732,800	13,888,282	5,558,625	19,449,907	22,179,707	(11,427,052)	10,752,655	10,752,655
	Jita (aka Chintown Gateway)	Los Angeles CA	G	2014	200	14,791,831	78,286,423	2,962,875	81,249,298	96,041,129	(33,138,052)	62,902,867	62,902,867
	Junction 47 (aka West Seattle)	Seattle, WA	G	2015	206	11,726,305	56,581,665	1,152,881	57,734,546	69,460,851	(19,405,411)	50,055,440	50,055,440
	Juniper Sandy Springs	Sandy Springs GA	—	2017	230	8,668,700	64,989,813	716,375	65,705,188	74,374,888	(8,984,522)	65,390,366	65,390,366
	Kevin, The (aka Moderna)	Irvine, CA	—	2015	194	15,521,552	64,853,448	1,566,632	66,420,080	81,941,632	(22,771,191)	59,170,441	59,170,441
	Kilby	Frisco, TX	—	2020	258	6,431,940	64,187,474	617,387	64,804,861	71,236,801	(9,248,837)	61,987,964	61,987,964
	Laguna Clara	San Jose CA	—	1972	222	10,441,994	22,572,843	37,440,159	60,013,002	70,454,996	(23,986,326)	46,468,670	46,468,670
	Landings at Port Imperial	San Jose CA	—	(F)	—	3,200,426	74,835,894	—	74,835,894	78,036,320	—	78,036,320	78,036,320
	Lane	W. New York, NJ	—	1999	276	27,246,045	37,741,049	18,166,959	55,908,008	83,154,053	(42,240,676)	40,913,377	40,913,377
	Lex, The	Seattle, WA	G	2019	217	13,142,946	71,942,751	433,093	72,375,844	85,158,790	(13,223,818)	72,294,972	72,294,972
	Liberty Park	San Jose CA	—	2017	387	21,817,512	158,778,598	2,422,042	161,200,640	183,018,152	(33,432,604)	149,585,548	149,585,548
	Liberty Tower	Braintree MA	—	2000	202	5,977,504	26,749,111	9,311,443	36,060,554	42,038,058	(25,793,896)	16,244,162	16,244,162
	Lincoln Heights	Arlington, VA	G	2008	235	16,382,822	83,817,078	9,377,043	93,194,121	109,576,943	(45,138,808)	64,438,135	64,438,135
	Lofts at Kendall Square (aka Kendall Square)	Quincy, MA	336	1991	336	5,928,400	33,595,262	17,591,688	51,186,950	57,115,350	(44,339,403)	12,775,947	12,775,947
	Lofts at Kendall Square II (aka 249 Third Street)	Cambridge MA	—	1998	186	18,696,674	78,445,657	8,634,537	87,080,194	105,776,868	(37,626,154)	68,150,714	68,150,714
	Longacre House	Cambridge MA	G	2019	84	4,603,326	44,187,266	318,540	44,505,806	49,109,132	(7,430,067)	41,679,065	41,679,065
	Longfellow Place	New York, NY	G	2000	293	73,170,045	53,962,510	7,667,753	73,170,045	134,800,308	(34,732,681)	100,067,627	100,067,627
	Luna Upper Westside	Boston, MA	G	1975	710	38,264,917	132,175,915	109,245,678	241,421,593	279,686,510	(191,850,552)	87,835,958	87,835,958
	Madox	Atlanta GA	345	2020	345	14,847,420	108,325,394	593,390	108,918,784	123,766,204	(13,248,308)	110,517,896	110,517,896
		Jersey City, NJ	G	2013	131	9,679,635	64,594,205	1,645,456	66,239,661	75,919,296	(15,369,145)	60,550,151	60,550,151

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Description	Apartment Name	Location	Non-Residential Components	Date of Construction	Apartment Units	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition (Improvements net) (E)		Gross Amount Carried at Close of Period 12/31/23		Investment in Real Estate, Net at 12/31/23		Encumbrances
						Land	Building & Fixtures	Building & Fixtures	Land	Building & Fixtures (A)	Total (B)	Accumulated Depreciation (C)	Investment in Real Estate, Net at 12/31/23	
Mantena		New York, NY	G	2012	98	22,346,513	61,501,158	21,888,992	22,346,513	63,690,130	86,036,663	(26,550,412)	59,486,251	—
Maria Pacific Beach		San Diego, CA	G	2020	172	25,360,682	87,755,429	1,410,014	—	114,526,125	114,526,125	(9,304,461)	105,221,664	—
Marina 41 (fka Marina Del Rey)		Marina Del Rey, CA	—	1973	623	—	168,842,442	12,614,637	—	181,457,079	181,457,079	(78,311,305)	103,145,774	—
Mariposa at Playa Del Rey (fka Playa Del Rey)		Playa Del Rey, CA	—	2004	334	60,900,000	89,311,482	14,223,579	60,900,000	103,535,061	164,437,061	(42,306,058)	121,972,003	—
Market Street Village		San Diego, CA	—	2002	152	15,400,000	40,970,301	3,940,342	15,400,000	44,910,643	60,310,643	(26,272,723)	34,037,920	—
Millbrook (fka Oakwood Crystal City)		Allentown, PA	—	1987	162	15,400,000	32,724,324	6,814,324	15,400,000	44,538,648	59,938,648	(18,198,784)	38,920,864	—
Mill Creek		Mill Creek, CA	G	1925/2004	98	8,125,316	27,778,784	5,530,316	8,125,316	32,999,100	41,024,316	(14,192,666)	26,831,650	—
Mills		Mill Creek, CA	—	1991	516	12,858,693	20,302,965	20,302,965	12,858,693	77,471,468	90,330,161	(53,791,805)	36,538,356	—
Mills at Metro		Denton, CO	—	2020	319	15,957,975	153,331,358	1,631,738	15,957,975	154,963,096	170,921,071	(15,719,277)	155,201,794	—
Mountain View Redevelopment		Mountain View, CA	—	2008	260	—	59,580,898	2,376,256	—	61,957,154	61,957,154	(32,149,923)	29,807,231	—
Murro Hill Tower (fka Murry Hill)		Los Angeles, CA	—	2007	272	8,500,000	52,529,446	5,360,565	8,500,000	57,890,011	66,390,011	(33,745,465)	32,644,546	—
Next on Sixth		New York, NY	G	1974	270	75,800,000	102,705,401	15,903,328	75,800,000	118,608,729	194,408,729	(52,828,918)	141,579,811	—
North Pier at Harborside		Jersey City, NJ	—	2003	398	52,509,906	136,635,650	1,404,646	52,509,906	138,040,296	190,550,202	(29,659,205)	160,890,997	—
Northpark		Valencia, CA	—	1988	234	9,360,000	94,290,590	14,655,270	9,360,000	108,945,860	112,946,019	(69,398,688)	43,547,331	—
Oaks		Burlingame, CA	—	1972	510	38,607,000	77,472,217	20,077,277	38,607,000	97,549,494	136,156,494	(21,634,092)	114,522,402	—
Oak Park Combined		Acorn Hills, CA	—	1989 & 1990	444	3,390,700	30,517,274	13,167,882	3,390,700	43,685,156	47,075,856	(39,386,282)	81,768,852	—
Ocean Crest		Santa Clara, CA	—	2000	520	23,400,000	61,020,438	18,187,526	23,400,000	79,207,964	102,607,964	(50,332,040)	52,275,924	—
Odin (fka Tallman)		Solana Beach, CA	—	1986	146	5,111,200	11,910,438	5,778,689	5,111,200	17,689,127	22,800,327	(14,730,437)	8,069,890	—
Olivia at the Realm		Seattle, WA	—	2015	301	16,807,519	64,519,515	827,649	16,807,519	65,347,164	82,154,683	(21,466,607)	60,688,076	—
One Henry Adams		Lewisville, TX	—	2021	421	14,854,564	109,313,571	1,162,940	14,854,564	110,476,511	125,331,075	(12,312,825)	113,018,250	—
One India Street (fka Oakwood Boston)		San Francisco, CA	G	2016	241	30,224,393	139,704,146	7,294,988	30,224,393	140,990,764	171,215,157	(39,311,777)	131,703,380	—
Osgrey		Boston, MA	G	1901	94	22,200,000	28,672,979	7,294,988	22,200,000	35,967,967	58,167,967	(16,671,590)	41,496,377	—
Pacific Place		Atlanta, GA	G	2020	320	18,121,932	116,950,910	795,010	18,121,932	117,745,920	135,867,852	(13,708,059)	122,159,793	—
Packard Building		Los Angeles, CA	—	2008	430	32,250,000	110,750,000	9,450,100	32,250,000	120,200,100	152,450,100	(46,424,357)	106,025,743	—
Pac 77		Seattle, WA	G	2010	61	5,911,041	19,954,959	1,559,243	5,911,041	21,514,202	27,425,243	(7,229,644)	20,195,599	—
Pac Cameron		New York, NY	G	1903	137	40,504,000	18,025,679	7,970,358	40,504,000	25,996,037	66,500,037	(17,381,457)	48,918,380	—
Pac Coliseum		New York, NY	G	1927	166	37,600,000	9,855,597	8,449,294	37,600,000	18,304,891	55,904,891	(13,479,196)	42,025,695	—
Pac East Towers		New York, NY	G	1910	177	52,654,000	23,045,751	10,770,843	52,654,000	33,816,594	86,470,594	(23,394,106)	63,076,488	—
Pac Connecticut		New York, NY	G	1977	324	102,163,000	108,989,402	15,586,244	102,163,000	124,575,646	228,738,646	(74,316,340)	154,422,306	—
Park Connecticut		Ennerville, NY	G	2015	173	16,667,059	65,473,337	3,310,713	16,667,059	68,784,050	85,451,109	(22,819,414)	62,631,695	—
Park Parkside		Washington, D.C.	—	2000	142	13,700,000	59,087,519	5,912,747	13,700,000	65,000,266	78,700,266	(25,955,262)	52,745,004	—
Park West (CA)		Los Angeles, CA	—	1987/1990	444	3,033,500	27,302,383	15,665,950	3,033,500	42,968,333	46,001,833	(16,329,328)	30,672,505	—
Pearl, The (WA)		Union City, CA	—	1979	208	6,246,700	11,827,453	9,034,696	6,246,700	20,862,149	27,108,849	(9,735,146)	17,373,703	—
Pearl Midk (fka Oakwood Marina Del Rey)		Seattle, WA	G	2008	80	6,972,385	20,387,415	1,490,143	6,972,385	22,872,528	24,362,528	(8,752,143)	15,610,385	—
Pearl Midk (fka Oakwood Marina Del Rey)		Marina Del Rey, CA	G	1996	897	18,094,052	21,385,415	21,385,415	18,094,052	14,136,068	32,230,120	(45,771,843)	87,001,277	—
Pearl Midk (fka Oakwood Marina Del Rey)		Marina Del Rey, CA	G	1949/2003	322	18,094,052	81,905,948	11,486,175	18,094,052	93,392,123	111,486,175	(3,761,263)	107,724,912	—
Pearl Midk (fka Oakwood Marina Del Rey)		Marina Del Rey, CA	G	2023	262	9,942,043	68,917,572	413,300	9,942,043	69,330,872	79,272,915	(3,761,263)	75,511,652	—
Portofino (Val)		Chino Hills, CA	—	1989	176	3,572,400	14,660,994	5,368,196	3,572,400	20,029,190	23,601,590	(16,858,559)	6,743,031	—
Portside Towers		Valencia, CA	—	2016	216	8,640,000	21,487,126	7,133,484	8,640,000	28,620,610	37,260,610	(22,054,016)	15,206,594	—
Portside Towers		Jersey City, NJ	G	1992-1997	527	22,487,006	96,842,913	31,772,570	22,487,006	128,615,483	151,102,489	(108,569,349)	42,733,140	—
Portside 1010		San Francisco, CA	G	2016	453	40,830,011	181,524,463	2,633,921	40,830,011	184,558,384	225,388,395	(56,411,881)	168,976,514	—



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						Land	Building & Fixtures	Building & Fixtures	Land	Building & Fixtures (A)	Total (B)	Accumulated Depreciation (C)	Excess, Net at 12/31/23
	Prado (fla Glendale)	Glendale, CA	—	1988	264	—	67,977,313	7,812,571	—	75,789,884	75,789,884	(32,306,835)	43,483,045
	Prime The	Arlington VA	—	2002	281	34,625,000	77,879,740	11,451,378	34,625,000	89,331,118	123,956,118	(45,403,647)	78,552,471
	Prism at Park Avenue South (fla 400 Park Avenue South)	New York NY	G	2015	265	76,592,169	171,812,112	11,480,769	76,592,169	172,292,881	248,885,050	(38,984,500)	189,600,550
	Providence	Atlanta, GA	—	2001	364	28,200,000	69,795,913	19,178,349	28,200,000	88,974,464	117,174,464	(37,965,755)	59,208,709
	Providence	Portland, OR	—	2006	316	3,570,601	6,955,585	6,955,585	3,570,601	13,526,186	17,096,787	(18,624,385)	12,472,402
	Quarry Hill	Fortney, WA	—	2006	316	2,572,621	84,411,652	7,884,881	26,900,000	97,295,963	124,198,584	(38,624,384)	85,574,200
	Quarry Hill Ridge	Fortney, WA	—	2016	316	7,152,547	63,018,744	769,326	7,352,547	63,782,080	71,134,627	(9,407,462)	61,727,165
	Radon Union	Fortney, CO	—	2017	372	13,644,960	121,898,084	2,684,835	13,644,960	124,583,919	138,228,879	(30,154,484)	108,074,395
	Redwood Court	Bellevue, WA	—	1977	206	10,300,000	33,488,745	5,757,284	10,300,000	39,246,029	49,546,029	(16,909,720)	32,636,309
	Regency Palms	Huntington Beach, CA	—	1969	310	1,857,400	16,713,254	9,767,897	1,857,400	26,482,151	28,339,551	(23,045,040)	5,294,511
	Reserve at Burlington, The	Burlington, MA	—	2019	270	20,250,000	114,476,933	1,192,804	20,250,000	115,669,737	135,919,737	(14,832,668)	121,087,069
	Reserve at Clarendon Centre, The	Arlington, VA	G	2003	252	10,500,000	52,812,935	7,497,244	10,500,000	60,310,179	70,810,179	(41,008,914)	29,801,265
	Reserve at Elmhower, The	Alexandria, VA	—	2002	226	6,500,000	34,585,059	6,366,435	6,500,000	40,951,494	47,451,494	(28,643,944)	18,807,550
	Reserve at Empire Lakes	Rancho Cucamonga, CA	—	2005	467	16,345,000	73,080,670	14,209,264	16,345,000	87,289,934	94,983,869	(57,156,000)	37,827,869
	Reserve at Fairfax Corner	Fairfax, VA	—	2001	652	27,000,000	33,029,605	16,050,762	27,000,000	42,970,370	69,970,370	(20,306,708)	49,663,662
	Reserve at Mountain View (fla Mountain View)	Mountain View, CA	—	1965	180	27,000,000	68,862,641	22,487,722	27,000,000	91,350,363	103,269,280	(61,488,868)	41,780,412
	Reserve at Potomac Yard	Alexandria, VA	—	2002	588	11,918,917	77,623,664	14,491,401	11,918,917	89,115,065	101,033,982	(50,723,769)	50,310,213
	Reserve at Town Center I-III (WA)	Seattle, WA	G	2001/2002	156	4,430,000	29,298,096	4,922,304	4,430,000	34,220,400	38,650,400	(17,048,020)	21,602,380
	Rianm I & II	Seattle, WA	—	2023	344	10,030,008	88,340,263	7,075	10,030,008	88,347,338	98,377,346	(2,992,401)	95,384,945
	Richmond Row	San Diego, CA	—	1997	408	11,809,500	34,004,048	8,600,913	11,809,500	42,604,961	54,414,461	(34,187,275)	20,227,186
	Ridgewood Village I&II	Redwood City, CA	—	1986	304	34,963,355	84,587,658	10,990,949	34,963,355	95,578,607	130,541,962	(42,139,194)	88,402,768
	Riva Terra I (fla Redwood Shores)	Redwood City, CA	—	1986	149	17,136,645	40,536,531	5,308,292	17,136,645	45,844,823	62,981,468	(19,195,628)	43,785,840
	Riva Terra II (fla Harborside)	Redmond, WA	G	2009	321	14,355,000	80,894,049	6,478,677	14,355,000	87,372,726	101,727,726	(39,802,428)	61,925,298
	Riverpark	Hoboken, NJ	—	1999	240	34,340,640	112,112,152	6,247,025	34,340,640	118,359,177	152,699,817	(29,568,763)	123,131,054
	Rivington, The	Hoboken, NJ	—	(F)	—	—	882,999	—	—	882,999	882,999	—	882,999
	Rosecliff II	Quincy, MA	—	2005	130	4,922,840	30,202,160	3,144,895	4,922,840	33,347,055	38,269,895	(15,693,941)	22,575,954
	Sakura Crossing	Los Angeles, CA	G	2009	230	14,641,990	42,838,010	2,295,778	14,641,990	45,133,788	59,795,778	(21,869,195)	37,926,583
	Savanna Nine Mile	Seattle, WA	—	2022	287	9,386,048	98,792,001	3,270,882	9,386,048	108,062,883	117,448,931	(6,144,916)	111,304,015
	Saxton	Seattle, WA	G	2019	325	38,805,400	128,652,023	1,017,507	38,805,400	129,669,530	168,474,930	(24,464,893)	144,010,037
	Sheffield Court	Arlington, VA	—	1986	597	3,342,381	31,337,332	28,451,637	3,342,381	34,793,969	38,136,350	(49,017,026)	14,114,324
	Siena Terrace	Lake Forest, CA	—	1988	356	8,900,000	24,083,024	10,161,947	8,900,000	32,835,965	41,737,965	(25,008,353)	16,729,612
	Skycrest	Valencia, CA	—	1999	264	25,574,457	7,261,508	865,625	14,182,277	102,777,102	116,959,379	(14,711,876)	102,247,503
	Skyhouse South	Atlanta, GA	G	2014	320	14,182,277	101,911,477	7,822,233	14,182,277	108,733,710	122,915,987	(25,008,353)	97,907,634
	Skyhawk	Union City, CA	—	1986	174	1,781,600	16,731,916	6,385,765	1,781,600	22,117,681	24,899,281	(19,266,032)	5,633,249
	Skyview	San Jose, CA	—	1995	260	3,386,000	23,154,583	2,375,386	3,386,000	25,530,969	28,916,969	(12,882,860)	16,034,109
	Solara II	San Francisco, CA	—	(F)	—	—	2,044,507	—	—	2,044,507	2,044,507	—	2,044,507
	Solara II Foodhill Ranch	San Francisco, CA	—	1997	300	7,503,400	24,048,507	7,306,241	7,503,400	31,354,748	38,858,148	(26,411,678)	12,446,470
	Sonoma Foodhill Ranch	San Francisco, CA	—	2007	368	6,936,690	14,324,069	9,166,206	6,936,690	23,490,275	30,426,973	(17,886,037)	12,540,936
	South Station (fla South San Francisco)	Palo Alto, CA	G	1985	100	9,163,667	47,910,981	925,584	9,163,667	48,836,565	58,000,232	(13,738,227)	44,262,005
	Southwood	Seattle, WA	—	2016	136	7,222,544	26,277,456	585,300	7,222,544	26,862,756	34,085,300	(9,806,190)	24,279,110
	Sprinkles	Seattle, WA	G	2014	112	25,326,048	79,976,031	798,002	25,326,048	80,774,033	106,100,081	(17,730,242)	88,369,839
	Square One	Los Angeles, CA	G	2017	237	—	—	—	—	—	—	—	—

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						Land	Building & Fixtures	Land	Building & Fixtures (A)	Total (B)	Accumulated Depreciation (C)	Book Value at 12/31/23	Encumbrances
Ten23 (Rta 500 West 23rd Street)		New York NY	G	2011	111	—	58,881,873	1,884,314	60,766,187	60,766,187	(24,816,731)	35,949,456	—
Teraces, The		San Francisco, CA	G	1975	117	14,087,610	16,314,151	14,087,610	19,718,801	33,806,411	(10,311,675)	23,494,736	—
Theo		Denver, CO	G	2018	275	15,322,045	122,105,822	15,322,049	127,851,334	143,153,383	(14,436,596)	128,716,787	—
Third Square		Cambridge, MA	G	2008/2009	471	26,767,171	218,822,728	14,058,561	232,881,289	259,648,460	(119,293,842)	140,354,618	—
Thre20		Seattle WA	G	2013	134	7,030,766	29,055,762	7,030,766	30,208,931	37,237,697	(11,923,729)	25,313,968	—
Tocana		Irvine, CA	G	1991/1993	563	39,410,000	50,806,072	29,210,951	80,017,023	119,027,023	(39,725,687)	79,301,336	—
Tony Boston		Boston, MA	G	1996	678	34,928,464	141,208,321	8,935,284	166,143,615	200,072,078	(93,725,563)	106,346,514	—
Uptown (Rta Market Street Landing)		Seattle, WA	G	2015	288	14,607,051	71,846,781	14,607,051	86,453,832	101,060,883	(46,730,568)	54,330,315	—
Uwajume Village		Seattle, WA	G	2015	286	17,542,131	71,846,781	4,048,215	79,843,265	92,336,722	(17,483,042)	74,853,680	—
Uwajume Hollywood		Los Angeles, CA	G	2002	176	8,800,000	22,188,288	8,800,000	30,653,889	39,453,889	(22,544,861)	16,909,028	—
Village at the Promenade		Redmond, WA	G	1987	298	42,580,326	56,014,674	4,599,573	103,194,573	103,194,573	(22,544,861)	80,649,712	—
Village at the Promenade		Redmond, WA	G	2009	322	15,322,724	8,572,969	15,322,724	84,749,563	100,072,287	(33,927,756)	66,144,531	—
Verde Condominium Homes (Rta Mission Verde, LLC)		Castle Rock, CO	G	2017	312	8,335,048	83,752,688	1,003,370	84,756,059	93,111,107	(18,349,114)	74,861,993	—
Veridian (Rta Silver Spring)		San Jose, CA	G	1986	108	5,190,705	9,679,109	5,728,363	16,400,072	20,598,172	(12,866,340)	7,731,832	—
Versailles		Silver Spring, MD	G	2009	457	18,539,817	130,407,365	6,431,672	136,839,037	155,378,854	(67,886,445)	87,492,409	—
Versailles (K-Town)		Woodland Hills, CA	G	1991	253	12,650,000	33,656,292	9,427,319	43,083,611	55,733,611	(24,671,051)	33,062,560	—
Vista Solana		Los Angeles, CA	G	2008	225	10,590,975	44,409,025	2,831,899	47,240,924	57,831,898	(22,756,285)	35,075,613	—
Village at Del Mar Heights, The (Rta Del Mar Heights)		San Diego, CA	G	2006	115	10,350,000	35,433,437	5,139,715	40,573,152	50,923,152	(20,011,239)	30,911,913	—
Village at 425 Broadway (Rta Promenade)		Santa Monica, CA	G	1986	168	1,665,100	14,066,677	14,066,723	29,052,400	30,717,500	(26,497,536)	4,219,964	—
Virginia Square		Arlington, VA	G	2002	231	9,000,000	13,961,523	2,140,493	16,102,016	25,102,016	(7,324,017)	17,777,999	—
Vista Del Lago		San Jose, CA	G	2016	554	27,709,329	177,556,948	3,300,163	180,857,111	208,566,440	(39,556,244)	169,010,196	—
Vista 99 (Rta Tasman)		Mission Viejo, CA	G	1986-1988	608	4,525,800	40,736,293	26,012,880	66,749,173	71,274,973	(55,894,410)	15,380,563	—
Walden Park		Cambridge, MA	G	1966	232	12,448,888	52,044,448	5,648,651	57,693,099	70,141,977	(29,126,694)	41,015,293	—
Water Park Towers		Arlington, VA	G	1989	362	34,400,000	108,485,839	16,536,076	125,021,935	159,421,935	(53,904,806)	105,517,129	—
Watertown Square		Watertown, MA	G	2005	134	16,800,000	34,074,056	4,705,823	38,779,879	55,579,879	(15,601,180)	39,978,699	—
Weaver, The		Austin, TX	G	2020	250	25,405,232	69,552,640	942,684	76,151,292	101,557,524	(8,810,968)	92,746,556	—
West 96th		New York NY	G	1987	209	84,800,000	67,055,501	9,095,791	160,951,292	160,951,292	(90,900,140)	70,051,152	—
West End Apartments (Rta Emerson Place/CRP II)		Boston, MA	G	2008	310	469,546	163,123,022	7,092,334	170,215,356	170,684,902	(90,900,140)	79,784,762	—
Westchester at Rockville		Rockville, MD	G	2009	192	10,600,000	44,135,207	2,491,898	46,627,105	57,227,105	(18,960,439)	38,266,666	—
Westmont		Dallas, TX	G	2021	331	11,938,829	79,169,818	808,754	79,978,572	91,937,401	(10,797,996)	81,139,405	—
Westside		New York NY	G	1986	163	64,900,000	61,143,259	8,038,327	69,181,586	134,081,586	(29,972,941)	104,108,645	—
Windridge (CA)		Los Angeles, CA	G	2004	204	34,200,000	56,962,630	4,437,079	61,399,709	95,599,709	(35,333,767)	60,265,942	—
Wisconsin Place		Laguna Niguel, CA	G	1989	344	2,662,900	23,985,497	14,863,783	38,849,280	41,512,180	(71,043,768)	103,471,091	—
Woodleaf		Cherry Chase, MD	G	2009	432	—	172,089,355	2,425,504	174,514,859	174,514,859	(20,333,249)	154,181,610	—
Woodleaf on the Park		Campbell, CA	G	1984	178	8,550,600	16,988,183	7,932,641	24,920,824	33,471,424	(10,350,495)	23,120,929	—
Management Business		Redmond, WA	G	2021	193	15,637,106	89,964,025	508,237	106,109,372	106,109,372	(17,346,461)	88,762,911	—
Other		N/A	(F)	—	—	—	146,500,579	—	146,500,579	146,500,579	(3,336,483)	143,164,096	—
Wholly Owned Unencumbered		N/A	—	—	68,916	4,803,002,687	17,835,391,731	2,162,596,539	19,997,988,970	24,800,990,957	(8,491,300,503)	16,309,690,454	—

**EQUITY RESIDENTIAL**  
**ERP OPERATING LIMITED PARTNERSHIP**  
**Schedule III - Real Estate and Accumulated Depreciation**  
**December 31, 2023**

Description	Non-Residential Components	Date of Construction	Apartment Units	Initial Cost to Company			Gross Amount Carried at Close of Period 12/31/23			Investment in Real Estate, Net at 12/31/23		
				Land	Building & Fixtures	Building & Fixtures	Land	Building & Fixtures (A)	Total (B)	Accumulated Depreciation (C)	Investment in Real Estate, Net at 12/31/23	Encumbrances
<b>Wholly Owned Encumbered:</b>												
1111 Belle Pre (Ria The Madison)	G	2014	360	18,937,702	94,758,679	2,129,011	18,937,702	96,887,690	115,823,392	(38,064,593)	77,760,799	86,423,543
300 East 59th (Ria East 59th)	G	2001	254	48,900,000	96,174,639	8,533,816	48,900,000	104,710,455	153,610,455	(44,008,723)	109,601,732	61,781,539
303 East 59th (Ria Camarque)	G	1976	261	7,400,000	78,222,624	3,469,737	7,400,000	81,722,361	73,192,361	(42,481,186)	130,711,172	(H)
Arlian Square	—	2002	182	12,900,000	18,457,289	3,672,854	12,900,000	22,070,143	30,642,933	(16,876,612)	21,331,510	35,662,079
Avant Apartments	G	1982	162	12,900,000	18,457,289	3,672,854	12,900,000	22,070,143	30,642,933	(16,876,612)	21,331,510	28,072,519
Avant Apartments	G	2009	241	114,321,619	114,321,619	8,511,355	122,833,974	122,833,974	122,833,974	(59,573,694)	70,259,280	850,000
Brier Decatur, The	G	2019	290	11,783,860	70,317,555	146,488	11,783,860	70,464,043	82,247,903	(1,698,478)	70,259,425	42,120,891
City Pointe	G	2004	183	6,863,792	36,476,208	5,969,717	6,863,792	42,446,925	49,308,717	(21,723,926)	27,585,791	39,664,995
Eleve	G	2013	208	14,080,560	56,419,440	1,898,510	14,080,560	58,317,950	72,399,510	(22,068,088)	50,330,422	38,438,100
Fairchase	G	2007	392	23,500,000	87,722,321	4,395,439	23,500,000	92,117,760	115,617,760	(36,947,696)	78,670,151	(H)
Flats at DuPont Circle	—	1967	306	35,200,000	108,768,198	6,119,373	35,200,000	114,887,571	150,087,571	(45,726,981)	104,360,590	(H)
Glo	G	2008	201	16,047,023	48,650,963	4,749,785	16,047,023	53,400,748	69,447,571	(25,591,506)	43,856,262	33,040,681
Heights on Capitol Hill	G	2006	104	5,425,000	21,138,028	2,561,602	5,425,000	23,699,630	29,124,630	(19,504,163)	28,996,269	26,274,230
Keblin Court (Ria Alta Pacific)	—	2008	132	10,752,145	34,846,856	2,901,431	10,752,145	37,748,287	48,500,432	(18,949,257)	24,599,024	25,050,483
Kenwood Mews	—	1991	141	14,100,000	24,662,883	4,645,398	14,100,000	29,308,281	43,408,281	(26,522,851)	19,892,330	37,664,400
La Terraza at Colma Station	G	2005	155	—	41,251,044	5,164,137	—	46,415,181	46,415,181	(14,344,051)	22,086,586	28,071,118
Lindley Apartments	G	2004	129	5,805,000	25,705,000	4,920,637	5,805,000	30,625,637	36,430,637	(27,620,612)	62,419,216	84,568,535
Lofts 590	—	2005	212	20,100,000	67,909,023	2,030,805	20,100,000	69,939,828	90,039,828	(65,938,574)	61,071,364	(H)
Longview Place	—	2004	348	20,880,000	90,255,509	15,894,429	20,880,000	106,149,938	127,029,938	(14,084,735)	60,843,452	21,514,520
Mark on 8th	G	2016	174	23,004,387	51,116,647	807,153	23,004,387	51,923,800	74,928,187	(9,954,415)	15,635,194	61,087,211
Metro on First	G	2002	106	8,540,000	12,209,981	4,839,628	8,540,000	17,049,609	25,589,609	(20,236,076)	32,245,709	(H)
Moda	G	2009	251	12,649,228	36,842,012	2,990,545	12,649,228	39,839,773	52,481,785	(31,866,121)	21,539,094	35,607,063
Monterra (CA)	—	1990	272	8,160,000	29,360,938	15,884,277	8,160,000	45,245,215	53,405,215	(15,844,032)	42,245,842	94,849,343
Notch	G	2020	158	5,463,324	43,490,989	490,130	5,463,324	43,981,119	49,444,443	(7,198,601)	42,245,842	(H)
Old Town Lofts	G	2014	149	7,740,467	44,146,181	1,406,975	7,740,467	45,553,156	53,293,623	(15,844,032)	37,449,591	94,849,343
Olympus Towers	G	2000	328	14,752,034	73,335,425	15,130,891	14,752,034	88,466,316	103,218,350	(60,604,642)	42,613,708	(H)
Park Place at San Mateo (Ria San Mateo)	G	2001	575	71,900,000	211,907,141	22,480,322	71,900,000	234,387,463	306,287,463	(98,109,758)	208,177,705	(H)
Red 160 (Ria Redmond Way)	G	2011	250	15,546,276	65,320,010	4,155,187	15,546,276	69,475,197	85,021,573	(30,161,361)	54,860,012	(H)
Skyhouse Denver	G	2017	361	13,562,331	126,360,318	2,845,618	13,562,331	129,205,936	142,768,267	(30,901,861)	111,866,406	74,364,209
Sola Square Apartments (Ria South Market)	G	1986	410	79,900,000	177,316,977	24,171,007	79,900,000	201,487,984	281,387,984	(84,134,370)	197,253,614	37,940,000
Terrestia	—	2000	440	28,600,000	61,916,670	9,708,402	28,600,000	71,625,072	100,225,072	(44,273,739)	55,951,333	49,187,924
Vintage	G	2005-2007	300	7,059,230	47,677,682	7,292,204	7,059,230	54,970,966	62,030,196	(30,422,125)	31,288,071	40,217,548
West 34th	G	2001	222	60,900,000	48,193,837	5,751,094	60,900,000	53,944,931	114,844,931	(24,620,479)	90,224,452	546,784,016
<b>Portfolio Encumbrances (1)</b>			<b>8,215</b>	<b>709,512,459</b>	<b>2,166,730,519</b>	<b>220,937,800</b>	<b>709,512,459</b>	<b>2,387,668,319</b>	<b>3,097,180,778</b>	<b>(1,052,189,478)</b>	<b>2,044,991,300</b>	<b>1,604,630,478</b>
<b>Wholly Owned Encumbered</b>												



**EQUITY RESIDENTIAL**  
**ERP OPERATING LIMITED PARTNERSHIP**  
**Schedule III - Real Estate and Accumulated Depreciation**  
**December 31, 2023**

Description	Initial Cost to Company					Cost Capitalized Subsequent to Acquisition (Improvements, net) (E)					Gross Amount Carried at Close of Period 12/31/23					Investment in Real Estate, Net at 12/31/23				
	Land		Building & Fixtures		Apartment Units	Land		Building & Fixtures			Land		Building & Fixtures (A)		Total (B)	Accumulated Depreciation (C)	Encumbrances			
Partially Owned Unencumbered:																				
2300 Elliott	Seattle WA		G	1992	92	796,800	7,173,725	8,206,588	796,800	15,380,313	16,177,113	(13,898,731)	2,278,382	(13,898,731)	2,278,382	—	—	—		
Basin The	Wakefield MA		G	(F)	—	35,866,372	15,195,498	—	35,866,372	15,195,498	51,061,870	—	51,061,870	—	51,061,870	—	—	—		
Bellevue Meadows	Bellevue WA		—	1983	180	4,507,100	12,574,814	8,750,894	4,507,100	21,325,708	25,832,808	(16,675,884)	9,156,924	(16,675,884)	9,156,924	—	—	—		
Canyon Ridge	San Diego CA		—	1989	162	4,869,448	11,955,064	4,869,448	4,869,448	17,162,043	22,031,493	(14,449,448)	7,582,043	(14,449,448)	7,582,043	—	—	—		
Country Oaks	Aspen Hills CA		—	1985	256	6,105,000	8,548,710	8,548,710	6,105,000	38,110,575	44,215,575	(28,744,746)	15,970,829	(28,744,746)	15,970,829	—	—	—		
Lantern Cove	Foster City CA		—	1985	232	6,945,000	23,064,976	9,338,195	6,945,000	32,403,171	39,348,171	(24,847,843)	14,500,328	(24,847,843)	14,500,328	—	—	—		
Radius Kensington	Los Angeles CA		—	2014/2016	301	32,494,154	84,645,202	1,545,484	32,494,154	86,190,686	118,684,840	(25,690,360)	93,594,480	(25,690,360)	93,594,480	—	—	—		
Reverb (the 9th and W)	Washington, D.C.		G	2023	312	104,651,437	8,620	—	104,660,057	104,660,057	104,660,057	(2,948,351)	101,711,706	(2,948,351)	101,711,706	—	—	—		
Rosecliff	Quincy MA		—	1990	156	5,460,000	15,721,570	6,063,052	5,460,000	21,784,622	27,244,622	(17,539,132)	9,905,490	(17,539,132)	9,905,490	—	—	—		
Schooner Bay I	Foster City CA		—	1985	168	5,345,000	20,390,618	8,933,453	5,345,000	29,324,071	34,669,071	(21,365,717)	13,303,354	(21,365,717)	13,303,354	—	—	—		
Schooner Bay II	Foster City CA		—	1985	144	4,550,000	18,064,764	8,025,150	4,550,000	26,089,914	30,639,914	(18,942,122)	11,697,792	(18,942,122)	11,697,792	—	—	—		
St Johns West	Austin, TX		—	2020	297	10,097,109	47,928,229	1,280,572	10,097,109	49,208,801	59,305,910	(9,223,103)	50,082,807	(9,223,103)	50,082,807	—	—	—		
Venn at Main	Bellevue WA		G	2016	350	26,626,497	151,520,448	2,293,697	26,626,497	153,814,145	180,440,642	(38,628,437)	141,812,208	(38,628,437)	141,812,208	—	—	—		
Virgil Square	Los Angeles CA		—	1979	142	5,500,000	15,216,613	4,425,861	5,500,000	19,642,474	25,142,474	(13,082,386)	12,060,088	(13,082,386)	12,060,088	—	—	—		
Partially Owned Unencumbered																				
					2,792	149,162,480	557,664,823	72,627,255	149,162,480	630,292,078	779,454,558	(244,736,257)	534,718,301	(244,736,257)	534,718,301	—	—	—		
Partially Owned Encumbered:																				
Canyon Creek (CA)	San Ramon CA		—	1984	268	5,425,000	18,812,121	10,774,513	5,425,000	29,586,634	35,011,634	(22,111,181)	12,900,453	(22,111,181)	12,900,453	28,271,943	—	—		
Partially Owned Encumbered																				
					268	5,425,000	18,812,121	10,774,513	5,425,000	29,586,634	35,011,634	(22,111,181)	12,900,453	(22,111,181)	12,900,453	28,271,943	—	—		
Total Consolidated Investment in Real Estate																				
					80,191	\$ 5,667,102,626	\$ 20,578,599,194	\$ 2,466,936,107	\$ 5,667,102,626	\$ 23,045,535,301	\$ 28,712,637,927	\$ (9,810,337,419)	\$ 18,902,300,508	\$ (9,810,337,419)	\$ 18,902,300,508	\$ 1,632,902,421	—	—		

(1) See attached Encumbrances Reconciliation.

**EQUITY RESIDENTIAL**  
**ERP OPERATING LIMITED PARTNERSHIP**  
**Schedule III - Real Estate and Accumulated Depreciation**  
**December 31, 2023**

**NOTES:**

- (A) The balance of furniture & fixtures included in the total investment in real estate amount was \$2,609,600,391 as of December 31, 2023.
- (B) The cost, net of accumulated depreciation, for Federal Income Tax purposes as of December 31, 2023 was approximately \$12.7 billion (unaudited).
- (C) The life to compute depreciation for building is 30 years, for building improvements ranges from 5 to 15 years, for furniture & fixtures, replacements and renovations is 5 to 10 years and for lease intangibles is the average remaining term of each respective lease.
- (D) This asset consists of costs owned by the Management Business acquired/added at various acquisition dates and largely represents furniture, fixtures and equipment and computer equipment and software costs, which are generally depreciated over periods ranging from 3 to 7 years, and leasehold improvements, which are generally depreciated over the term of each respective lease.
- (E) Primarily represents capital expenditures for building improvements, replacements and renovations incurred subsequent to each property's acquisition date.
- (F) Primarily represents land and/or construction-in-progress on projects either held for future development or projects currently under development.
- (G) A portion of these properties includes and/or will include non-residential components (consisting of retail and/or public parking garage operations).
- (H) See Encumbrances Reconciliation schedule.
- (I) Boot property for Bond Partnership mortgage pool.

# Corporate Data

## Board of Trustees

David J. Neithercut<sup>5,6</sup>  
Chairman of the Board, Equity Residential  
Former President and Chief Executive Officer,  
Equity Residential

Mark J. Parrell<sup>5,6</sup>  
President and Chief Executive Officer,  
Equity Residential

Angela M. Aman<sup>2</sup>  
Chief Executive Officer, Kilroy Realty

Linda Walker Bynoe<sup>2,4</sup>  
President and Chief Executive Officer,  
Telemat Limited LLC

Mary Kay Haben<sup>3,4</sup>  
Former President-North America,  
William Wrigley Jr. Company

Ann C. Hoff<sup>2</sup>  
President and Chief Operating Officer,  
Bellagio and Park MGM at MGM Resorts  
International

Tahsinul Zia Huque<sup>3,4</sup>  
Private Investor

Nina P. Jones<sup>2,4</sup>  
Retired Portfolio Manager, T. Rowe Price

John E. Neal<sup>2,5</sup>  
Retired Partner, Linden LLC

Mark S. Shapiro<sup>3,4</sup>  
President and Chief Operating Officer, Endeavor

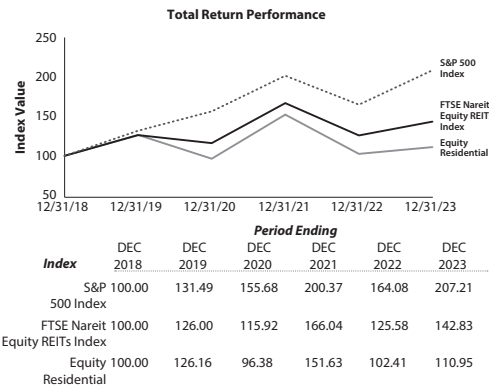
Stephen E. Sterrett<sup>1,2,3,5</sup>  
Former Chief Financial Officer, Simon Property  
Group, Inc.

1 Lead Trustee, 2 Audit Committee, 3 Compensation  
Committee, 4 Corporate Governance Committee,  
5 Executive Committee, 6 Pricing Committee

## Total Shareholder Returns

Performance Graph 2019-2023

The following graph compares our shareholder return (assuming reinvestment of dividends) since December 31, 2018 with the S&P 500 Index and the FTSE Nareit Equity REITs Index. The graph assumes an investment of \$100 in Equity Residential and the two indexes on December 31, 2018. The Nareit Equity REITs index includes all Equity REITs not designated as Timber REITs or Infrastructure REITs.



## Corporate Office

Equity Residential  
Two North Riverside Plaza, Suite 500  
Chicago, Illinois 60606-2609  
Phone: 312.474.1300  
www.equityapartments.com

Available at our website at  
www.equityapartments.com in the Investor  
Section are our Corporate Governance Guidelines,  
Code of Ethics and Business Conduct, Declaration  
of Trust, Bylaws, Committee Charters, Political  
Contributions Policy, Incentive - Based  
Compensation Clawback Policy and our 2023  
Corporate Responsibility Report.

## Executive Officers

Mark J. Parrell  
President and Chief Executive Officer

Barry S. Altshuler  
Executive Vice President-Investments

Alexander Brackenridge  
Executive Vice President and Chief Investment  
Officer

Catherine M. Carraway  
Executive Vice President and Chief Human  
Resources Officer

Scott J. Fenster  
Executive Vice President and General Counsel

Robert A. Garechana  
Executive Vice President and  
Chief Financial Officer

Michael L. Manelis  
Executive Vice President and  
Chief Operating Officer

## Auditor

Ernst & Young LLP  
Chicago, Illinois

## Transfer Agent

To keep securities information up-to-date and to  
ensure that record holders of Equity Residential  
securities receive financial information as soon as  
possible after mailing, please advise the transfer  
agent of your new address or change of name.  
Write to them directly at:

First Class/Registered/Certified Mail:  
Computershare Investor Services  
P.O. Box 43078  
Providence, RI 02940-3078

Courier Services:  
Computershare Investor Services  
150 Royall St., Suite 101  
Canton, MA 02021

Or call, 800.733.5001  
www.computershare.com/investor

## Shareholders

The number of record holders of Equity  
Residential common shares at February 8, 2024  
was approximately 1,710. The number of  
outstanding common shares as of February 8,  
2024 was 379,553,591.

## Form 10-K and Other Reports

Requests for Equity Residential's Form 10-K filed  
with the Securities and Exchange Commission  
(SEC) and any other inquiries from individuals and  
institutional investors should be directed to:

Martin J. McKenna  
First Vice President-Investor and Public Relations  
Equity Residential  
Two North Riverside Plaza, Suite 500  
Chicago, Illinois 60606-2609  
Phone: 888.879.6356  
Email: InvestorRelations@eqr.com

The SEC also maintains a website that contains  
reports, proxy information and statements, and  
other information regarding registrants who file  
electronically with the SEC. The website address is:  
www.sec.gov.

## Distribution Reinvestment Plan

Equity Residential offers a Distribution  
Reinvestment Plan. For an information packet,  
including the plan prospectus and enrollment  
form, please call the Plan Administrator,  
Computershare, at 800.733.5001.

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