

EQUITY RESIDENTIAL  
Form 10-Q  
May 08, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended MARCH 31, 2008

OR

**o 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**

(Exact Name of Registrant as Specified in its Charter)

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**Maryland**

(State or Other Jurisdiction of Incorporation or Organization)

**13-3675988**

(I.R.S. Employer Identification No.)

**Two North Riverside Plaza, Chicago, Illinois**

(Address of Principal Executive Offices)

**60606**

(Zip Code)

**(312) 474-1300**

(Registrant's Telephone Number, Including Area Code)

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. Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of Common Shares of Beneficial Interest, \$0.01 par value, outstanding on March 31, 2008 was 270,502,249.

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## EQUITY RESIDENTIAL

## CONSOLIDATED BALANCE SHEETS

(Amounts in thousands except for share amounts)

(Unaudited)

	March 31, 2008	December 31, 2007
<b>ASSETS</b>		
Investment in real estate		
Land	\$ 3,613,965	\$ 3,607,305
Depreciable property	13,541,364	13,556,681
Projects under development	811,616	812,339
Land held for development	368,525	357,025
Investment in real estate	18,335,470	18,333,350
Accumulated depreciation	(3,245,919)	(3,170,125)
Investment in real estate, net	15,089,551	15,163,225
Cash and cash equivalents	502,649	50,831
Investments in unconsolidated entities	3,429	3,547
Deposits restricted	216,213	253,276
Escrow deposits mortgage	19,912	20,174
Deferred financing costs, net	57,325	56,271
Other assets	121,866	142,453
<b>Total assets</b>	<b>\$ 16,010,945</b>	<b>\$ 15,689,777</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Liabilities:		
Mortgage notes payable	\$ 4,096,357	\$ 3,605,971
Notes, net	5,767,075	5,763,762
Lines of credit		139,000
Accounts payable and accrued expenses	154,323	109,385
Accrued interest payable	78,697	124,717
Other liabilities	288,234	322,975
Security deposits	63,186	62,159
Distributions payable	141,379	141,244
<b>Total liabilities</b>	<b>10,589,251</b>	<b>10,269,213</b>
<i>Commitments and contingencies</i>		
Minority Interests:		
Operating Partnership	323,645	331,626
Preference Interests and Units	184	184
Partially Owned Properties	24,917	26,236
<b>Total Minority Interests</b>	<b>348,746</b>	<b>358,046</b>
Shareholders' equity:		
Preferred Shares of beneficial interest, \$0.01 par value; 100,000,000 shares authorized; 1,980,975 shares issued and outstanding as of March 31, 2008 and 1,986,475 shares issued and outstanding as of December 31, 2007	209,524	209,662
Common Shares of beneficial interest, \$0.01 par value; 1,000,000,000 shares authorized; 270,502,249 shares issued and outstanding as of March 31, 2008 and 269,554,661 shares issued and outstanding as of December 31, 2007	2,705	2,696
Paid in capital	4,279,587	4,266,538
Retained earnings	606,045	599,504

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Accumulated other comprehensive loss	(24,913)	(15,882)
<b>Total shareholders equity</b>	<b>5,072,948</b>	<b>5,062,518</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 16,010,945</b>	<b>\$ 15,689,777</b>

See accompanying notes

## EQUITY RESIDENTIAL

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands except per share data)

(Unaudited)

	Quarter Ended March 31,	
	2008	2007
<b>REVENUES</b>		
Rental income	\$ 520,518	\$ 473,582
Fee and asset management	2,294	2,267
Total revenues	522,812	475,849
<b>EXPENSES</b>		
Property and maintenance	137,491	126,781
Real estate taxes and insurance	55,925	52,420
Property management	21,168	24,842
Fee and asset management	2,183	2,341
Depreciation	146,598	138,932
General and administrative	12,481	9,369
Impairment	119	236
Total expenses	375,965	354,921
Operating income	146,847	120,928
Interest and other income	3,368	2,438
Interest:		
Expense incurred, net	(117,247)	(110,656)
Amortization of deferred financing costs	(2,161)	(2,221)
Income before income and other taxes, allocation to Minority Interests, loss from investments in unconsolidated entities and discontinued operations	30,807	