

EQUITY RESIDENTIAL  
Form 10-Q  
November 06, 2006

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

**FORM 10-Q**

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

**For the quarterly period ended SEPTEMBER 30, 2006**

**OR**

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

**Commission File Number: 1-12252**

**EQUITY RESIDENTIAL**

(Exact Name of Registrant as Specified in its Charter)

**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, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. Large accelerated filer  Accelerated filer  Non-accelerated filer

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

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The number of Common Shares of Beneficial Interest, \$0.01 par value, outstanding on September 30, 2006 was 292,132,743.

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

	September 30, 2006	December 31, 2005
<b>ASSETS</b>		
Investment in real estate		
Land	\$ 3,118,538	\$ 2,848,601
Depreciable property	13,195,156	13,336,636
Projects under development	335,227	240,980
Land held for development	199,369	164,153
Investment in real estate	16,848,290	16,590,370
Accumulated depreciation	(2,911,481)	(2,888,140)
Investment in real estate, net	13,936,809	13,702,230
Real estate held for sale	646,155	-
Cash and cash equivalents	76,324	88,828
Investments in unconsolidated entities	4,528	6,838
Rents receivable	1,452	789
Deposits restricted	96,567	77,093
Escrow deposits mortgage	32,410	35,225
Deferred financing costs, net	43,957	40,636
Goodwill, net	30,000	30,000
Other assets	101,864	117,306
<b>Total assets</b>	<b>\$ 14,970,066</b>	<b>\$ 14,098,945</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Liabilities:		
Mortgage notes payable	\$ 3,157,088	\$ 3,379,289
Mortgage notes payable, held for sale	196,325	-
Notes, net	4,469,043	3,442,784
Lines of credit	506,000	769,000
Accounts payable and accrued expenses	146,091	108,855
Accrued interest payable	73,174	78,441
Rents received in advance and other liabilities	292,515	302,418
Security deposits	63,901	54,823
Distributions payable	144,758	145,812
<b>Total liabilities</b>	<b>9,048,895</b>	<b>8,281,422</b>
<i>Commitments and contingencies</i>		
Minority Interests:		
Operating Partnership	361,060	345,034
Preference Interests and Units	11,684	60,184
Partially Owned Properties	23,842	16,965
<b>Total Minority Interests</b>	<b>396,586</b>	<b>422,183</b>
Shareholders equity:		
Preferred Shares of beneficial interest, \$0.01 par value; 100,000,000 shares authorized; 2,794,050 shares issued and outstanding as of September 30, 2006 and 3,323,830 shares issued and outstanding as of December 31, 2005	387,351	504,096
Common Shares of beneficial interest, \$0.01 par value; 1,000,000,000 shares authorized; 292,132,743 shares issued and outstanding as of September 30, 2006 and 289,536,344 shares issued and outstanding as of December 31, 2005	2,921	2,895
Paid in capital	5,311,347	5,253,188
Distributions in excess of accumulated earnings	(162,408)	(350,367)
Accumulated other comprehensive loss	(14,626)	(14,472)

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<b>Total shareholders equity</b>	<b>5,524,585</b>	<b>5,395,340</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 14,970,066</b>	<b>\$ 14,098,945</b>

See accompanying notes

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

	Nine Months Ended September 30, 2006		Quarter Ended September 30, 2006	
	2006	2005	2006	2005
<b>REVENUES</b>				
Rental income	\$ 1,470,705	\$ 1,237,279	\$ 511,794	\$ 428,357
Fee and asset management	6,878	7,763	2,071	2,401
Total revenues	1,477,583	1,245,042	513,865	430,758
<b>EXPENSES</b>				
Property and maintenance	390,732	338,810	138,285	121,562
Real estate taxes and insurance	148,604	136,813	51,525	50,181
Property management	70,081	63,351	23,417	21,944
Fee and asset management	6,477	6,358	2,151	2,182
Depreciation	415,179	323,608	143,255	111,370
General and administrative	37,638			