



**Equity  
Commonwealth**



# Supplemental Operating and Financial Data

First Quarter 2017

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### Forward-Looking Statements

Some of the statements contained in this presentation constitute forward-looking statements within the meaning of the federal securities laws. Any forward-looking statements contained in this presentation are intended to be made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, all of our statements regarding anticipated growth in our funds from operations and anticipated market conditions are forward-looking statements. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in this presentation reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause our future results to differ materially from any forward-looking statements, see the sections entitled “Risk Factors” in our most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q.

## COMPANY PROFILE AND INVESTOR INFORMATION

Equity Commonwealth (NYSE: EQC) is an internally managed and self-advised real estate investment trust (REIT) with commercial office properties throughout the United States.

### Same Property Statistics

No. of Properties	Sq. Feet	% Leased	% Commenced
28	14,593	89.0%	86.3%

### Senior Unsecured Debt Ratings

Moody's: Baa3  
Standard & Poor's: BBB-

### NYSE Trading Symbols

Common Stock: EQC  
Preferred Stock Series D: EQCPD  
5.75% Senior Notes due 2042: EQCO

### Board of Trustees

Sam Zell (Chairman)	David A. Helfand	Kenneth Shea
James S. Corl	Peter Linneman (Lead Independent Trustee)	Gerald A. Spector
Martin L. Edelman	James L. Lozier, Jr.	James A. Star
Edward A. Glickman	Mary Jane Robertson	

### Senior Management

David A. Helfand President and Chief Executive Officer	David S. Weinberg Executive Vice President and Chief Operating Officer	
Adam S. Markman Executive Vice President, Chief Financial Officer and Treasurer	Orrin S. Shifrin Executive Vice President, General Counsel and Secretary	

### Equity Research Coverage <sup>(1)</sup>

<b>Bank of America / Merrill Lynch</b>	James Feldman	(646) 855-5808	james.feldman@baml.com
<b>Citigroup</b>	Michael Bilerman	(212) 816-1383	michael.bilerman@citi.com
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<b>JMP Securities</b>	Mitch Germain	(212) 906-3546	mgermain@jmpsecurities.com
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<b>Standard &amp; Poor's</b>	Anita Ogbara	(212) 438-5077	anita.ogbara@standardandpoors.com

*Certain terms are defined in the definitions section of this document.*

- (1) Any opinions, estimates or forecasts regarding EQC's performance made by these analysts or agencies do not represent opinions, forecasts or predictions of EQC or its management. EQC does not by its reference to the analysts and agencies above imply its endorsement of or concurrence with any information, conclusions or recommendations provided by any of these analysts or agencies.

**KEY FINANCIAL DATA**  
(amounts in thousands, except per share data)

	As of and for the Three Months Ended				
	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
<b>OPERATING INFORMATION</b>					
Ending property count <sup>(1)</sup>	28	33	37	45	60
Ending square footage <sup>(1)(2)</sup>	14,593	16,053	16,710	20,675	23,037
Percent leased <sup>(1)</sup>	89.0 %	91.1 %	91.2 %	90.3 %	91.4 %
Total revenues	\$ 99,551	\$ 103,546	\$ 114,632	\$ 145,367	\$ 137,135
Net income	23,822	12,260	86,388	87,844	46,402
Net income attributable to EQC common shareholders	21,817	10,263	84,391	71,254	39,421
NOI <sup>(3)</sup>	58,464	60,804	65,319	93,974	79,877
Cash Basis NOI <sup>(3)</sup>	52,939	55,963	61,422	74,809	76,856
Adjusted EBITDA <sup>(3)</sup>	50,758	52,461	54,917	84,036	69,634
NOI margin	58.7 %	58.7 %	57.0 %	64.6 %	58.2 %
Cash Basis NOI margin	56.3 %	56.7 %	55.5 %	59.3 %	57.3 %
FFO attributable to EQC common shareholders and unitholders <sup>(3)</sup>	33,273	28,077	31,129	45,679	38,799
Normalized FFO attributable to EQC common shareholders and unitholders <sup>(3)</sup>	29,459	29,601	28,919	53,591	37,314
<b>SHARES OUTSTANDING AND PER SHARE DATA <sup>(4)</sup></b>					
<b>Shares Outstanding at End of Period</b>					
Common stock outstanding - basic (includes unvested restricted shares)	124,064	123,994	125,533	125,533	125,503
Dilutive restricted share units ("RSUs") and LTIP Units <sup>(4)</sup>	1,165	1,027	1,035	1,429	1,754
Dilutive Series D Convertible Preferred Shares outstanding <sup>(5)</sup>	—	—	—	—	—
Preferred Stock outstanding <sup>(5)(6)</sup>	4,915	4,915	4,915	4,915	15,915
<b>Weighted Average Shares Outstanding - GAAP</b>					
Weighted average common shares outstanding - basic	124,047	125,021	125,533	125,508	125,840
Weighted average common shares outstanding - diluted	125,150	126,048	126,568	126,937	127,522
Net income attributable to EQC common shareholders - basic	\$ 0.18	\$ 0.08	\$ 0.67	\$ 0.57	\$ 0.31
Net income attributable to EQC common shareholders - diluted	0.17	0.08	0.67	0.56	0.31
Normalized FFO <sup>(3)</sup> attributable to EQC common shareholders and unitholders - diluted	0.24	0.23	0.23	0.42	0.29
<b>BALANCE SHEET</b>					
Total assets	\$ 4,518,756	\$ 4,526,075	\$ 4,965,767	\$ 4,911,775	\$ 5,103,149
Total liabilities	1,232,231	1,265,628	1,676,727	1,713,137	1,715,778
<b>ENTERPRISE VALUE</b>					
Total debt (book value)	\$ 1,141,628	\$ 1,141,667	\$ 1,557,260	\$ 1,557,557	\$ 1,557,839
Less: Cash and cash equivalents	(1,888,537)	(2,094,674)	(2,405,174)	(1,772,337)	(1,742,128)
Plus: Market value of preferred shares (at end of period)	125,632	125,731	133,202	128,434	402,991
Plus: Market value of diluted common shares (at end of period)	3,909,662	3,780,649	3,824,864	3,698,408	3,591,179
Total enterprise value	\$ 3,288,385	\$ 2,953,373	\$ 3,110,152	\$ 3,612,062	\$ 3,809,881
<b>RATIOS</b>					
Net debt / enterprise value	(22.7)%	(32.3)%	(27.3)%	(5.9)%	(4.8)%
Net debt / annualized adjusted EBITDA <sup>(3)</sup>	(3.7)x	(4.5)x	(3.9)x	(0.6)x	(0.7)x
Adjusted EBITDA <sup>(3)</sup> / interest expense	3.4x	2.7x	2.6x	3.9x	3.1x

(1) Excludes properties classified as held for sale. As of December 31, 2016, land parcels are excluded from the property count.

(2) Changes in total square footage result from remeasurement and property dispositions and reclassifications.

(3) Non-GAAP financial measures are defined and reconciled to the most directly comparable GAAP measure, herein.

(4) Restricted share units ("RSUs") and LTIP Units are equity awards that contain both service and market-based vesting components. None of the RSUs or LTIP Units have vested. Refer to the schedule of Common & Potential Common Shares for information regarding RSUs and LTIP Units and their impact on weighted average shares outstanding.

(5) As of March 31, 2017, we had 4,915 series D preferred shares outstanding that were convertible into 2,363 common shares. We exclude these shares from dilutive shares outstanding on March 31, 2017, given this conversion ratio relative to our current common stock price. Refer to the schedule of Common & Potential Common Shares for information regarding the series D preferred shares and their impact on diluted weighted average shares outstanding for EPS, FFO per share and Normalized FFO per share.

(6) On May 15, 2016, we redeemed all of our 11,000,000 outstanding series E preferred shares at a price of \$25.00 per share, plus any accrued and unpaid dividends. The redemption payment occurred on May 16, 2016 (the first business day following the redemption date).

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(amounts in thousands, except share data)

	March 31, 2017	December 31, 2016
<b>ASSETS</b>		
Real estate properties:		
Land	\$ 269,062	\$ 286,186
Buildings and improvements	2,395,748	2,570,704
	<u>2,664,810</u>	<u>2,856,890</u>
Accumulated depreciation	(705,000)	(755,255)
	<u>1,959,810</u>	<u>2,101,635</u>
Properties held for sale	64,396	—
Acquired real estate leases, net	45,482	48,281
Cash and cash equivalents	1,888,537	2,094,674
Marketable securities	275,597	—
Restricted cash	6,155	6,532
Rents receivable, net of allowance for doubtful accounts of \$4,593 and \$5,105, respectively	152,081	152,031
Other assets, net	126,698	122,922
<b>Total assets</b>	<b>\$ 4,518,756</b>	<b>\$ 4,526,075</b>
<b>LIABILITIES AND EQUITY</b>		
Revolving credit facility	\$ —	\$ —
Senior unsecured debt, net	1,064,450	1,063,950
Mortgage notes payable, net	77,178	77,717
Liabilities related to properties held for sale	1,013	—
Accounts payable and accrued expenses	62,518	95,395
Assumed real estate lease obligations, net	1,630	1,946
Rent collected in advance	18,485	18,460
Security deposits	6,957	8,160
<b>Total liabilities</b>	<b>\$ 1,232,231</b>	<b>\$ 1,265,628</b>
Shareholders' equity:		
Preferred shares of beneficial interest, \$0.01 par value: 50,000,000 shares authorized;		
Series D preferred shares; 6 1/2% cumulative convertible; 4,915,196 shares issued and outstanding, aggregate liquidation preference of \$122,880	\$ 119,263	\$ 119,263
Common shares of beneficial interest, \$0.01 par value: 350,000,000 shares authorized; 124,064,195 and 123,994,465 shares issued and outstanding, respectively	1,240	1,240
Additional paid in capital	4,367,190	4,363,177
Cumulative net income	2,590,417	2,566,603
Cumulative other comprehensive loss	(1,002)	(208)
Cumulative common distributions	(3,111,868)	(3,111,868)
Cumulative preferred distributions	(679,757)	(677,760)
Total shareholders' equity	<u>3,285,483</u>	<u>3,260,447</u>
Noncontrolling interest	1,042	—
<b>Total equity</b>	<b>\$ 3,286,525</b>	<b>\$ 3,260,447</b>
<b>Total liabilities and equity</b>	<b>\$ 4,518,756</b>	<b>\$ 4,526,075</b>

**ADDITIONAL BALANCE SHEET INFORMATION**  
(amounts in thousands)

	March 31, 2017	December 31, 2016
<b>Additional Balance Sheet Information</b>		
Straight-line rents receivable, net of allowance for doubtful accounts	\$ 141,768	\$ 141,637
Accounts receivable, net of allowance for doubtful accounts	10,313	10,394
Rents receivable, net of allowance for doubtful accounts	<u>\$ 152,081</u>	<u>\$ 152,031</u>
Capitalized lease incentives, net	\$ 7,585	\$ 7,664
Deferred financing fees, net	2,961	3,365
Deferred leasing costs, net	88,212	92,623
Other	27,940	19,270
Other assets, net	<u>\$ 126,698</u>	<u>\$ 122,922</u>
Accounts payable	\$ 8,915	\$ 5,159
Accrued interest	7,281	15,265
Accrued taxes	18,031	26,819
Accrued capital expenditures	6,872	11,138
Accrued leasing costs	3,494	10,828
Other accrued liabilities	17,925	26,186
Accounts payable and accrued expenses	<u>\$ 62,518</u>	<u>\$ 95,395</u>

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(amounts in thousands, except per share data)

	Three Months Ended March 31,	
	2017	2016
Revenues:		
Rental income	\$ 80,205	\$ 109,888
Tenant reimbursements and other income	19,346	27,247
<b>Total revenues</b>	<b>\$ 99,551</b>	<b>\$ 137,135</b>
Expenses:		
Operating expenses	\$ 41,087	\$ 57,258
Depreciation and amortization	26,915	36,251
General and administrative <sup>(1)</sup>	12,078	13,312
Loss on asset impairment	1,286	—
<b>Total expenses</b>	<b>\$ 81,366</b>	<b>\$ 106,821</b>
<b>Operating income</b>	<b>\$ 18,185</b>	<b>\$ 30,314</b>
Interest and other income	4,372	1,967
Interest expense (including net amortization of debt discounts, premiums and deferred financing fees of \$713 and \$983, respectively)	(15,014)	(22,347)
Loss on early extinguishment of debt	—	(118)
Foreign currency exchange loss	—	(5)
Gain on sale of properties, net	16,454	36,666
Income before income taxes	23,997	46,477
Income tax expense	(175)	(75)
<b>Net income</b>	<b>\$ 23,822</b>	<b>\$ 46,402</b>
Net income attributable to noncontrolling interest	(8)	—
<b>Net income attributable to Equity Commonwealth</b>	<b>\$ 23,814</b>	<b>\$ 46,402</b>
Preferred distributions	(1,997)	(6,981)
<b>Net income attributable to Equity Commonwealth common shareholders</b>	<b>\$ 21,817</b>	<b>\$ 39,421</b>
Weighted average common shares outstanding — basic <sup>(2)</sup>	124,047	125,840
Weighted average common shares outstanding — diluted <sup>(2)</sup>	125,150	127,522
Earnings per common share attributable to Equity Commonwealth common shareholders:		
Basic	\$ 0.18	\$ 0.31
Diluted	\$ 0.17	\$ 0.31

(1) 2016 General and administrative includes transition related expenses of \$1.1 million. Transition related expenses are primarily related to the shareholder-approved liability for the reimbursement of expenses incurred by Related Fund Management, LLC and Corvex Management LP (Related/Corvex) beginning in February 2013 in connection with their consent solicitations to remove the former Trustees, elect the new Board of Trustees and engage in related litigation. Approximately \$16.7 million was reimbursed to Related/Corvex during 2014, and in August 2016 and 2015, we reimbursed \$8.2 million and \$8.4 million, respectively, to Related/Corvex under the terms of the shareholder-approved agreement. No transition related expenses were incurred during 2017. There is no future obligation to pay any amounts under the shareholder-approved agreement to Related/Corvex.

(2) Refer to the schedule of Common & Potential Common Shares for information regarding the components of our weighted average common shares outstanding.

**CALCULATION OF SAME PROPERTY NET OPERATING INCOME (NOI) AND SAME PROPERTY CASH BASIS NOI**  
(amounts in thousands)

For the Three Months Ended March 31,	
2017	2016

**Calculation of Same Property NOI and Same Property Cash Basis NOI:**

Rental income	\$ 80,205	\$ 109,888
Tenant reimbursements and other income	19,346	27,247
Operating expenses	(41,087)	(57,258)
<b>NOI</b>	<b>\$ 58,464</b>	<b>\$ 79,877</b>
Straight line rent adjustments	(4,387)	(3,831)
Lease value amortization	573	1,121
Lease termination fees	(1,711)	(311)
<b>Cash Basis NOI</b>	<b>\$ 52,939</b>	<b>\$ 76,856</b>
Cash Basis NOI from non-same properties <sup>(1)</sup>	(3,160)	(27,004)
<b>Same Property Cash Basis NOI</b>	<b>\$ 49,779</b>	<b>\$ 49,852</b>
Non-cash rental income and lease termination fees from same properties	4,057	2,215
<b>Same Property NOI</b>	<b>\$ 53,836</b>	<b>\$ 52,067</b>

**Reconciliation of Same Property NOI to GAAP Operating Income:**

<b>Same Property NOI</b>	<b>\$ 53,836</b>	<b>\$ 52,067</b>
Non-cash rental income and lease termination fees from same properties	(4,057)	(2,215)
<b>Same Property Cash Basis NOI</b>	<b>\$ 49,779</b>	<b>\$ 49,852</b>
Cash Basis NOI from non-same properties <sup>(1)</sup>	3,160	27,004
<b>Cash Basis NOI</b>	<b>\$ 52,939</b>	<b>\$ 76,856</b>
Straight line rent adjustments	4,387	3,831
Lease value amortization	(573)	(1,121)
Lease termination fees	1,711	311
<b>NOI</b>	<b>\$ 58,464</b>	<b>\$ 79,877</b>
Depreciation and amortization	(26,915)	(36,251)
General and administrative <sup>(2)</sup>	(12,078)	(13,312)
Loss on asset impairment	(1,286)	—
<b>Operating Income</b>	<b>\$ 18,185</b>	<b>\$ 30,314</b>

- (1) Cash Basis NOI from non-same properties for all periods presented includes the operations of properties disposed or classified as held for sale and land parcels.
- (2) 2016 General and administrative includes transition related expenses of \$1.1 million. Transition related expenses are primarily related to the shareholder-approved liability for the reimbursement of expenses incurred by Related/Corvex beginning in February 2013 in connection with their consent solicitations to remove the former Trustees, elect the new Board of Trustees and engage in related litigation. Approximately \$16.7 million was reimbursed to Related/Corvex during 2014, and in August 2016 and 2015, we reimbursed \$8.2 million and \$8.4 million, respectively, to Related/Corvex under the terms of the shareholder-approved agreement. No transition related expenses were incurred during 2017. There is no future obligation to pay any amounts under the shareholder-approved agreement to Related/Corvex.



**SAME PROPERTY RESULTS OF OPERATIONS**  
(dollars and square feet in thousands)

	As of and for the Three Months Ended March 31,		
	2017	2016	% Change
Properties	28	28	
Square Feet <sup>(1)</sup>	14,593	14,578	
% Leased	89.0%	91.6%	(2.6)%
% Commenced	86.3%	88.0%	(1.7)%
Rents, tenant reimbursements and other income	\$ 88,214	\$ 86,730	1.7 %
Straight line rent adjustment	4,529	2,729	
Lease value amortization	(574)	(627)	
Lease termination fees	102	113	
Total revenue	92,271	88,945	3.7 %
Operating expenses	(38,435)	(36,878)	4.2 %
<b>NOI</b>	<b>\$ 53,836</b>	<b>\$ 52,067</b>	<b>3.4 %</b>
<i>NOI Margin</i>	58.3%	58.5%	
Straight line rent adjustment	\$ (4,529)	\$ (2,729)	
Lease value amortization	574	627	
Lease termination fees	(102)	(113)	
<b>Cash Basis NOI</b>	<b>\$ 49,779</b>	<b>\$ 49,852</b>	<b>(0.1)%</b>
<i>Cash Basis NOI Margin</i>	56.4%	57.5%	

(1) The change in total square footage results from remeasurement.

**CALCULATION OF EBITDA AND ADJUSTED EBITDA**  
(amounts in thousands)

	For the Three Months Ended March 31,	
	2017	2016
<b>Net income</b>	<b>\$ 23,822</b>	<b>\$ 46,402</b>
Interest expense	15,014	22,347
Income tax expense	175	75
Depreciation and amortization	26,915	36,251
<b>EBITDA</b>	<b>\$ 65,926</b>	<b>\$ 105,075</b>
Loss on asset impairment	1,286	—
Loss on early extinguishment of debt	—	118
Transition-related expenses	—	1,102
Gain on sale of properties	(16,454)	(36,666)
Foreign currency exchange loss	—	5
<b>Adjusted EBITDA</b>	<b>\$ 50,758</b>	<b>\$ 69,634</b>

**CALCULATION OF FUNDS FROM OPERATIONS (FFO) AND NORMALIZED FFO**  
(amounts in thousands, except per share data)

	Three Months Ended March 31,	
	2017	2016
<b>Calculation of FFO</b>		
Net income	\$ 23,822	\$ 46,402
Real estate depreciation and amortization	26,616	36,044
Loss on asset impairment	1,286	—
Gain on sale of properties	(16,454)	(36,666)
FFO attributable to Equity Commonwealth	35,270	45,780
Preferred distributions	(1,997)	(6,981)
<b>FFO attributable to EQC common shareholders and unitholders</b>	<b>\$ 33,273</b>	<b>\$ 38,799</b>
<b>Calculation of Normalized FFO</b>		
FFO attributable to EQC common shareholders and unitholders	\$ 33,273	\$ 38,799
Lease value amortization	573	1,121
Straight line rent adjustments	(4,387)	(3,831)
Loss on early extinguishment of debt	—	118
Transition related expenses <sup>(1)</sup>	—	1,102
Foreign currency exchange loss	—	5
<b>Normalized FFO attributable to EQC common shareholders and unitholders</b>	<b>\$ 29,459</b>	<b>\$ 37,314</b>
Weighted average common shares and units outstanding -- basic <sup>(2)</sup>	<u>124,076</u>	<u>125,840</u>
Weighted average common shares and units outstanding -- diluted <sup>(2)</sup>	<u>125,150</u>	<u>127,522</u>
FFO attributable to EQC common shareholders and unitholders per share -- basic	<u>\$ 0.27</u>	<u>\$ 0.31</u>
FFO attributable to EQC common shareholders and unitholders per share -- diluted	<u>\$ 0.27</u>	<u>\$ 0.30</u>
Normalized FFO attributable to EQC common shareholders and unitholders per share -- basic	<u>\$ 0.24</u>	<u>\$ 0.30</u>
Normalized FFO attributable to EQC common shareholders and unitholders per share -- diluted	<u>\$ 0.24</u>	<u>\$ 0.29</u>

- (1) Transition related expenses are primarily related to the shareholder-approved liability for the reimbursement of expenses incurred by Related/Corvex beginning in February 2013 in connection with their consent solicitations to remove the former Trustees, elect the new Board of Trustees and engage in related litigation. Approximately \$16.7 million was reimbursed to Related/Corvex during 2014, and in August 2016 and 2015, we reimbursed \$8.2 million and \$8.4 million, respectively, to Related/Corvex under the terms of the shareholder-approved agreement. No transition related expenses were incurred during 2017. There is no future obligation to pay any amounts under the shareholder-approved agreement to Related/Corvex.
- (2) Refer to the schedule of Common & Potential Common Shares for information regarding the components of our weighted average common shares outstanding.

**DEBT SUMMARY**  
As of March 31, 2017  
(dollars in thousands)

	Interest Rate	Principal Balance	Maturity Date	Open at Par Date	Due at Maturity	Years to Maturity
<b>Unsecured Debt:</b>						
<b>Unsecured Floating Rate Debt:</b>						
Revolving credit facility (LIBOR + 125 bps) <sup>(1)</sup>	2.23%	\$ —	1/28/2019	Open	\$ —	1.8
Term loan (LIBOR + 140 bps) <sup>(2)</sup>	2.38%	200,000	1/28/2020	Open	200,000	2.8
Term loan (LIBOR + 180 bps) <sup>(2)</sup>	2.78%	200,000	1/28/2022	Open	200,000	4.8
<b>Total / weighted average unsecured floating rate debt</b>	<b>2.58%</b>	<b>\$ 400,000</b>			<b>\$ 400,000</b>	<b>3.8</b>
<b>Unsecured Fixed Rate Debt:</b>						
6.65% Senior Unsecured Notes Due 2018	6.65%	\$ 250,000	1/15/2018	7/15/2017	\$ 250,000	0.8
5.875% Senior Unsecured Notes Due 2020	5.88%	250,000	9/15/2020	3/15/2020	250,000	3.5
5.75% Senior Unsecured Notes Due 2042 <sup>(3)</sup>	5.75%	175,000	8/1/2042	8/1/2017	175,000	25.4
<b>Total / weighted average unsecured fixed rate debt</b>	<b>6.13%</b>	<b>\$ 675,000</b>			<b>\$ 675,000</b>	<b>8.1</b>
<b>Secured Debt:</b>						
<b>Secured Fixed Rate Debt:</b>						
Parkshore Plaza <sup>(4)</sup>	5.67%	\$ 41,275	5/1/2017	12/1/2016	\$ 41,275	0.1
206 East 9th Street	5.69%	26,912	1/5/2021	7/5/2020	24,836	3.8
33 Stiles Lane	6.75%	2,318	3/1/2022	12/1/2021	—	4.9
97 Newberry Road	5.71%	5,781	3/1/2026	None	—	8.9
<b>Total / weighted average secured fixed rate debt</b>	<b>5.71%</b>	<b>\$ 76,286</b>			<b>\$ 66,111</b>	<b>2.2</b>
<b>Total / weighted average <sup>(5)</sup></b>	<b>4.87%</b>	<b>\$ 1,151,286</b>			<b>\$ 1,141,111</b>	<b>6.3</b>

- (1) Represents amounts outstanding on EQC's \$750,000 revolving credit facility as of March 31, 2017. The interest rate presented is as of March 31, 2017, and equals LIBOR plus 1.25%. We also pay a 25 basis point facility fee annually. The spread over LIBOR and the facility fee vary depending upon EQC's credit rating.
- (2) Represents amounts outstanding on EQC's term loans as of March 31, 2017. The interest rate presented is as of March 31, 2017, and equals LIBOR plus 1.4% for the loan maturing on January 28, 2020, and LIBOR plus 1.8% for the loan maturing January 28, 2022. The spreads over LIBOR vary depending upon EQC's credit rating. We entered into an interest rate cap with coverage effective April 1, 2016 that caps LIBOR at 2.5% until March 1, 2019.
- (3) The 5.75% senior unsecured notes due 2042 are callable at par on or after August 1, 2017.
- (4) As of March 31, 2017, the Company guaranteed \$2.3 million of this non-recourse loan. In April 2017, we repaid at par \$41.3 million of mortgage debt at Parkshore Plaza in connection with the sale of the property.
- (5) Total debt outstanding as of March 31, 2017, including net unamortized premiums, discounts, and deferred financing fees was \$1,141,628. Net unamortized deferred financing fees related to our revolving credit facility of \$2,961 are included in other assets, net on our condensed consolidated balance sheets as of March 31, 2017.

**DEBT MATURITY SCHEDULE**  
(dollars in thousands)

**Scheduled Principal Payments During Period**

Year	Unsecured Floating Rate Debt	Unsecured Fixed Rate Debt	Secured Fixed Rate Debt	Total	Weighted Average Interest Rate
2017	\$ —	\$ —	\$ 42,328 <sup>(1)</sup>	\$ 42,328	5.7%
2018	—	250,000	1,487	251,487	6.6%
2019	—	—	1,580	1,580	6.0%
2020	200,000 <sup>(2)</sup>	250,000	1,674	451,674	4.3%
2021	—	—	25,982	25,982	5.7%
2022	200,000 <sup>(2)</sup>	—	799	200,799	2.8%
2023	—	—	702	702	5.7%
2024	—	—	743	743	5.7%
2025	—	—	787	787	5.7%
2026	—	—	204	204	5.7%
Thereafter	—	175,000 <sup>(3)</sup>	—	175,000	5.8%
<b>Total</b>	<b>\$ 400,000</b>	<b>\$ 675,000</b>	<b>\$ 76,286</b>	<b>\$ 1,151,286 <sup>(4)</sup></b>	<b>4.9%</b>

Percent 34.7% 58.6% 6.6% 100.0%

- (1) In April 2017, we repaid at par \$41.3 million of mortgage debt at Parkshore Plaza in connection with the sale of the property.
- (2) Represents amounts outstanding on EQC's term loans as of March 31, 2017. The interest rate presented is as of March 31, 2017, and equals LIBOR plus 1.4% for the loan maturing on January 28, 2020, and LIBOR plus 1.8% for the loan maturing January 28, 2022. The spreads over LIBOR vary depending upon EQC's credit rating. We entered into an interest rate cap with coverage effective April 1, 2016 that caps LIBOR at 2.5% until March 1, 2019.
- (3) The 5.75% senior unsecured notes due 2042 are callable at par on or after August 1, 2017.
- (4) Total debt outstanding as of March 31, 2017, including net unamortized premiums, discounts, and deferred financing fees was \$1,141,628. Net unamortized deferred financing fees related to our revolving credit facility of \$2,961 are included in other assets, net on our condensed consolidated balance sheets as of March 31, 2017.

**LEVERAGE RATIOS, COVERAGE RATIOS AND PUBLIC DEBT COVENANTS**  
(dollars in thousands)

	As of and for the Three Months Ended				
	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
<b>Leverage Ratios</b>					
Total debt / total assets	25.3 %	25.2 %	31.4 %	31.7 %	30.5 %
Total debt / total market capitalization	22.1 %	22.6 %	28.2 %	28.9 %	28.1 %
Total debt + preferred stock / total market capitalization	24.5 %	25.1 %	30.7 %	31.3 %	35.3 %
Total debt / annualized adjusted EBITDA <sup>(1)</sup>	5.6x	5.4x	7.1x	4.6x	5.6x
Total debt + preferred stock / annualized adjusted EBITDA <sup>(1)</sup>	6.2x	6.0x	7.7x	5.0x	7.0x
Net debt / enterprise value	(22.7)%	(32.3)%	(27.3)%	(5.9)%	(4.8)%
Net debt + preferred stock / enterprise value	(18.9)%	(28.0)%	(23.0)%	(2.4)%	5.7 %
Net debt / annualized adjusted EBITDA <sup>(1)</sup>	(3.7)x	(4.5)x	(3.9)x	(0.6)x	(0.7)x
Net debt + preferred stock / annualized adjusted EBITDA <sup>(1)</sup>	(3.1)x	(3.9)x	(3.3)x	(0.3)x	0.8x
Secured debt / total assets	1.7 %	1.7 %	4.9 %	5.0 %	4.8 %
Variable rate debt <sup>(2)</sup> / total debt	35.0 %	35.0 %	25.7 %	25.7 %	25.7 %
Variable rate debt <sup>(2)</sup> / total assets	8.9 %	8.8 %	8.1 %	8.1 %	7.8 %
<b>Coverage Ratios</b>					
Adjusted EBITDA / interest expense <sup>(1)</sup>	3.4x	2.7x	2.6x	3.9x	3.1x
Adjusted EBITDA / interest expense + preferred distributions <sup>(1)</sup>	3.0x	2.5x	2.3x	3.0x	2.4x
<b>Public Debt Covenants</b>					
Debt / adjusted total assets <sup>(3)</sup> (maximum 60%)	22.3 %	21.9 %	27.6 %	27.2 %	26.4 %
Secured debt / adjusted total assets <sup>(3)</sup> (maximum 40%)	1.5 %	1.5 %	4.3 %	4.3 %	4.1 %
Consolidated income available for debt service / debt service (minimum 1.5x)	3.2x	3.3x	2.3x	3.0x	3.1x
Total unencumbered assets <sup>(3)</sup> / unsecured debt (minimum 150% / 200%)	468.3 %	475.9 %	392.0 %	399.2 %	412.7 %

(1) Refer to the calculation of EBITDA and Adjusted EBITDA for a reconciliation of these measures to Net income.

(2) We entered into an interest rate cap with coverage effective April 1, 2016 that caps LIBOR at 2.5% until March 1, 2019.

(3) Adjusted total assets and total unencumbered assets includes original cost of real estate assets plus capital improvements, both calculated in accordance with GAAP, and excludes depreciation and amortization, accounts receivable, other intangible assets and impairment write downs, if any.

**ACQUISITIONS AND DISPOSITIONS**  
(dollars in thousands)

**Acquisitions**

None

**Dispositions**

Property/Portfolio	City	State	No. of Properties	Sq. Feet <sup>(1)</sup>	% Leased <sup>(1)</sup>	Gross Sales Price	Net Book Value <sup>(1)</sup>	Annualized Rental Revenue <sup>(1)</sup>
111 Market Place	Baltimore	MD	1	589,380	95.4%	\$ 60,100 <sup>(2)</sup>	\$ 44,199	\$ 12,583
Seton Center	Austin	TX	2	237,824	95.6%	52,450	27,141	6,295
Cabot Business Park Land	Mansfield	MA	—	—	—%	575	575	—
<b>Total Q1 Dispositions</b>			<b>3</b>	<b>827,204</b>	<b>95.4%</b>	<b>\$ 113,125</b>	<b>\$ 71,915</b>	<b>\$ 18,878</b>

The dispositions above resulted in a gain on sale of properties of \$16.5 million for the three months ended March 31, 2017.

(1) As of the quarter-ended preceding each sale.

(2) Proceeds from the sale of 111 Market Place were \$44.1 million net of credits for contractual lease costs, capital and rent abatements.

**TOP PROPERTIES BY ANNUALIZED RENTAL REVENUE <sup>(1)</sup>**  
**As of March 31, 2017**  
**(sorted by annualized rental revenue, dollars in thousands)**

Property	City	State	No. of Buildings	Square Feet	% Leased	% Commenced	Annualized Rental Revenue	Undepreciated Book Value	Net Book Value	Year Acquired	Weighted Average Year Built or Substantially Renovated <sup>(2)</sup>	
1	600 West Chicago Avenue	Chicago	IL	2	1,511,887	96.7%	96.7%	\$ 49,480	\$ 395,899	\$ 347,029	2011	2001
2	1500 Market Street	Philadelphia	PA	1	1,759,193	91.2%	82.7%	39,017	309,800	218,954	2002	1974
3	1735 Market Street	Philadelphia	PA	1	1,286,936	74.7%	64.9%	26,985	303,529	183,298	1998	1990
4	1225 Seventeenth Street	Denver	CO	1	672,573	80.9%	78.3%	21,282	157,827	130,514	2009	1982
5	333 108th Avenue NE	Bellevue	WA	1	440,565	100.0%	100.0%	20,840	153,433	126,730	2009	2008
6	1600 Market Street	Philadelphia	PA	1	825,968	85.3%	85.3%	19,758	135,860	76,683	1998	1983
7	6600 North Military Trail	Boca Raton	FL	3	639,825	100.0%	100.0%	16,994	145,808	125,525	2011	2008
8	8750 Bryn Mawr Avenue	Chicago	IL	2	638,928	95.0%	83.9%	15,373	94,245	79,133	2010	2005
9	Bridgepoint Square	Austin	TX	5	439,970	93.0%	93.0%	13,711	91,693	51,273	1997	1995
10	Research Park	Austin	TX	4	1,110,007	98.0%	98.0%	11,853	93,453	60,496	1998	1976
11	Foster Plaza	Pittsburgh	PA	8	727,743	84.4%	82.5%	11,788	76,341	54,178	2005	1993
12	109 Brookline Avenue	Boston	MA	1	285,556	99.7%	99.7%	10,785	47,878	27,283	1995	1915
13	1250 H Street, NW	Washington	DC	1	196,489	94.2%	90.0%	9,137	74,043	45,032	1998	1992
14	1601 Dry Creek Drive	Longmont	CO	1	552,865	97.0%	97.0%	8,973	34,550	24,319	2004	1982
15	600 108th Avenue NE	Bellevue	WA	1	256,830	96.2%	96.2%	8,106	50,797	36,740	2004	2012
<b>Subtotal (15 properties)</b>			<b>33</b>	<b>11,345,335</b>	<b>91.0%</b>	<b>87.6%</b>	<b>\$284,082</b>	<b>\$ 2,165,156</b>	<b>\$ 1,587,187</b>			
<b>All other properties (13 properties)</b>			<b>23</b>	<b>3,248,089</b>	<b>81.9%</b>	<b>81.7%</b>	<b>53,174</b>	<b>499,654</b>	<b>372,623</b>			
<b>Total (28 properties)</b>			<b>56</b>	<b>14,593,424</b>	<b>89.0%</b>	<b>86.3%</b>	<b>\$337,256</b>	<b>\$ 2,664,810</b>	<b>\$ 1,959,810</b>			

Same Property NOI & Cash Basis NOI Composition	Q1 2017 NOI	% of NOI	Q1 2017 Cash Basis NOI	% of Cash Basis NOI
Top 15 Properties	\$ 44,377	82.4%	\$ 39,808	80.0%
All other properties (13 properties)	9,459	17.6%	9,971	20.0%
<b>Total (28 properties)</b>	<b>\$ 53,836</b>	<b>100.0%</b>	<b>\$ 49,779</b>	<b>100.0%</b>

(1) Excludes properties classified as held for sale.

(2) Weighted based on square feet.



**LEASING SUMMARY**  
(dollars and square feet in thousands, except per square foot data)

	As of and for the Three Months Ended				
	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
Properties <sup>(1)</sup>	28	33	37	45	60
Total square feet <sup>(1)(2)</sup>	14,593	16,053	16,710	20,675	23,037
Percentage leased	89.0 %	91.1 %	91.2 %	90.3 %	91.4 %

<b>Total Leases</b>					
Square feet	331	1,411	237	802	1,853
Lease term (years)	11.8	10.3	7.4	8.4	7.8
Starting cash rent	\$ 32.69	\$ 16.98	\$ 27.28	\$ 25.73	\$ 29.48
Percent change in cash rent <sup>(3)</sup>	(4.9)%	7.3 %	(5.8)%	(3.7)%	(1.3)%
Percent change in GAAP rent <sup>(3)</sup>	21.6 %	20.2 %	9.0 %	6.9 %	11.2 %
Total TI & LC per square foot <sup>(4)</sup>	\$ 28.88	\$ 32.52	\$ 47.05	\$ 48.85	\$ 25.44
Total TI & LC per sq. ft. per year of lease term <sup>(4)</sup>	\$ 2.44	\$ 3.16	\$ 6.38	\$ 5.84	\$ 3.27

<b>Renewal Leases</b>					
Square feet	264	1,190	46	307	1,569
Lease term (years)	13.0	9.6	4.9	5.5	7.4
Starting cash rent	\$ 31.68	\$ 13.89	\$ 37.77	\$ 23.56	\$ 28.92
Percent change in cash rent <sup>(3)</sup>	(7.2)%	3.9 %	14.6 %	(1.0)%	0.3 %
Percent change in GAAP rent <sup>(3)</sup>	22.8 %	16.2 %	24.1 %	9.3 %	13.2 %
Total TI & LC per square foot <sup>(4)</sup>	\$ 25.58	\$ 21.14	\$ 24.13	\$ 18.68	\$ 17.33
Total TI & LC per sq. ft. per year of lease term <sup>(4)</sup>	\$ 1.97	\$ 2.19	\$ 4.92	\$ 3.42	\$ 2.33

<b>New Leases</b>					
Square feet	67	221	191	495	284
Lease term (years)	7.4	13.8	8.0	10.2	9.7
Starting cash rent	\$ 36.74	\$ 33.61	\$ 24.76	\$ 27.08	\$ 32.55
Percent change in cash rent <sup>(3)</sup>	8.4 %	15.8 %	(12.6)%	(5.4)%	(8.9)%
Percent change in GAAP rent <sup>(3)</sup>	15.8 %	30.9 %	3.4 %	5.5 %	1.9 %
Total TI & LC per square foot <sup>(4)</sup>	\$ 42.02	\$ 93.85	\$ 52.57	\$ 67.56	\$ 69.13
Total TI & LC per sq. ft. per year of lease term <sup>(4)</sup>	\$ 5.70	\$ 6.79	\$ 6.59	\$ 6.64	\$ 7.15

*The above leasing summary is based on leases executed during the periods indicated.*

- (1) Excludes properties classified as held for sale. As of December 31, 2016, land parcels are excluded from the property count.
- (2) Changes in total square footage result from remeasurement and property dispositions and reclassifications.
- (3) Percent change in GAAP and cash rent is a comparison of current rent (rent before deducting any initial period free rent), including tenant expense reimbursements, if any, to the rent, including tenant expense reimbursements, if any, last received for the same space on a GAAP and cash basis, respectively. New leasing in suites vacant longer than 2 years was excluded from the calculation.
- (4) Includes tenant improvements (TI) and leasing commissions (LC).

**SAME PROPERTY LEASING SUMMARY**  
(dollars and square feet in thousands, except per square foot data)

	As of and for the Three Months Ended				
	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
Properties	28	28	28	28	28
Total square feet <sup>(1)</sup>	14,593	14,588	14,578	14,578	14,578
Percentage leased	89.0 %	91.3 %	90.6 %	90.8 %	91.6 %
Percentage commenced	86.3 %	88.6 %	87.5 %	87.4 %	88.0 %
<b>Total Leases</b>					
Square feet	331	1,411	111	300	986
Lease term (years)	11.8	10.3	4.3	8.2	5.0
Starting cash rent	\$ 32.69	\$ 16.98	\$ 33.69	\$ 30.82	\$ 40.21
Percent change in cash rent <sup>(2)</sup>	(4.9)%	7.3 %	4.1 %	0.4 %	(3.5)%
Percent change in GAAP rent <sup>(2)</sup>	21.6 %	20.2 %	10.4 %	8.1 %	5.9 %
Total TI & LC per square foot <sup>(3)</sup>	\$ 28.88	\$ 32.52	\$ 27.72	\$ 53.67	\$ 27.17
Total TI & LC per sq. ft. per year of lease term <sup>(3)</sup>	\$ 2.44	\$ 3.16	\$ 6.44	\$ 6.57	\$ 5.44
<b>Renewal Leases</b>					
Square feet	264	1,190	46	105	773
Lease term (years)	13.0	9.6	4.9	7.1	3.4
Starting cash rent	\$ 31.68	\$ 13.89	\$ 37.77	\$ 27.22	\$ 41.53
Percent change in cash rent <sup>(2)</sup>	(7.2)%	3.9 %	14.6 %	(1.0)%	(1.3)%
Percent change in GAAP rent <sup>(2)</sup>	22.8 %	16.2 %	24.1 %	8.8 %	7.7 %
Total TI & LC per square foot <sup>(3)</sup>	\$ 25.58	\$ 21.14	\$ 24.13	\$ 29.85	\$ 11.95
Total TI & LC per sq. ft. per year of lease term <sup>(3)</sup>	\$ 1.97	\$ 2.19	\$ 4.92	\$ 4.23	\$ 3.56
<b>New Leases</b>					
Square feet	67	221	65	195	213
Lease term (years)	7.4	13.8	3.9	8.8	11.0
Starting cash rent	\$ 36.74	\$ 33.61	\$ 30.79	\$ 32.75	\$ 35.44
Percent change in cash rent <sup>(2)</sup>	8.4 %	15.8 %	(8.1)%	1.2 %	(12.2)%
Percent change in GAAP rent <sup>(2)</sup>	15.8 %	30.9 %	(5.7)%	7.7 %	(1.7)%
Total TI & LC per square foot <sup>(3)</sup>	\$ 42.02	\$ 93.85	\$ 30.27	\$ 66.44	\$ 82.43
Total TI & LC per sq. ft. per year of lease term <sup>(3)</sup>	\$ 5.70	\$ 6.79	\$ 7.81	\$ 7.58	\$ 7.53

*The above leasing summary is based on leases executed during the periods indicated.*

- (1) Changes in total square footage result from remeasurement.
- (2) Percent change in GAAP and cash rent is a comparison of current rent (rent before deducting any initial period free rent), including tenant expense reimbursements, if any, to the rent, including tenant expense reimbursements, if any, last received for the same space on a GAAP and cash basis, respectively. New leasing in suites vacant longer than 2 years was excluded from the calculation.
- (3) Includes tenant improvements (TI) and leasing commissions (LC).

**CAPITAL SUMMARY  
EXPENDITURES & LEASING COMMITMENTS**  
(dollars and square feet in thousands)

CAPITAL SUMMARY EXPENDITURES	Three Months Ended				
	3/31/2017	12/31/2016	9/30/2016	6/30/2016	3/31/2016
Tenant improvements	\$ 9,427	\$ 15,636	\$ 20,411	\$ 19,537	\$ 25,391
Leasing costs	4,617	11,663	2,292	10,609	9,765
Building improvements <sup>(1)</sup>	4,785	6,571	8,942	7,713	6,541
<b>Total capital expenditures</b>	<b>\$ 18,829</b>	<b>\$ 33,870</b>	<b>\$ 31,645</b>	<b>\$ 37,859</b>	<b>\$ 41,697</b>

Average square feet during period <sup>(2)</sup>	15,639	16,382	19,454	22,637	23,590
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<b>Building improvements per average total sq. ft. during period</b>	<b>\$ 0.31</b>	<b>\$ 0.40</b>	<b>\$ 0.46</b>	<b>\$ 0.34</b>	<b>\$ 0.28</b>
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CAPITAL SUMMARY LEASING COMMITMENTS	Three Months Ended March 31, 2017		
	New Leases	Renewals	Total
Rentable square feet leased during the period	67	264	331
Total TI & LC <sup>(3)</sup>	\$ 2,910	\$ 6,759	\$ 9,669
Total TI & LC per square foot <sup>(3)</sup>	\$ 42.02	\$ 25.58	\$ 28.88
Weighted average lease term by square foot (years)	7.4	13.0	11.8
Total TI & LC per sq. ft. per year of lease term <sup>(3)</sup>	\$ 5.70	\$ 1.97	\$ 2.44

(1) Tenant-funded capital expenditures are excluded.

(2) Average square feet during each period includes properties held for sale at the end of each period.

(3) Includes tenant improvements (TI) and leasing commissions (LC).

**TENANTS REPRESENTING 1.5% OR MORE OF ANNUALIZED RENTAL REVENUE**  
**As of March 31, 2017**  
**(square feet in thousands)**

Tenant <sup>(1)</sup>	Square Feet <sup>(2)</sup>	% of Total Sq. Ft. <sup>(2)</sup>	% of Annualized Rental Revenue	Weighted Average Remaining Lease Term
1 Expedia, Inc.	427	2.9%	6.0%	2.7
2 Office Depot, Inc.	651	4.5%	5.1%	6.5
3 Groupon, Inc. <sup>(3)</sup>	376	2.6%	3.6%	8.8
4 PNC Financial Services Group	363	2.5%	3.3%	9.7
5 Flextronics International Ltd.	1,051	7.2%	3.2%	12.8
6 Ballard Spahr LLP	217	1.5%	2.4%	12.9
7 RE/MAX Holdings, Inc.	248	1.7%	2.2%	11.1
8 University of Pennsylvania Health System	267	1.8%	2.1%	8.6
9 Georgetown University	240	1.6%	1.9%	2.5
10 Willis Towers Watson	251	1.7%	1.9%	3.1
11 Echo Global Logistics, Inc.	226	1.5%	1.8%	10.5
12 West Corporation	336	2.3%	1.7%	11.9
13 Wm. Wrigley Jr. Company	150	1.0%	1.7%	4.8
<b>Total</b>	<b>4,803</b>	<b>32.8%</b>	<b>36.9%</b>	<b>8.7</b>

(1) Tenants located in properties classified as held for sale are excluded.

(2) Square footage as of March 31, 2017 includes space subject to leases that have commenced, space being fitted out for occupancy pursuant to existing leases, and space which is leased but not occupied or is being offered for sublease by tenants.

(3) Groupon, Inc. statistics include 207,536 square feet that are sublet from Bankers Life and Casualty Company.

**SAME PROPERTY LEASE EXPIRATION SCHEDULE**  
**As of March 31, 2017**  
**(dollars and sq. ft. in thousands)**

Year	Number of Tenants Expiring	Leased Sq. Ft. Expiring <sup>(1)</sup>	% of Leased Sq. Ft. Expiring	Cumulative % of Leased Sq. Ft. Expiring	Annualized Rental Revenue Expiring <sup>(2)</sup>	% of Annualized Rental Revenue Expiring	Cumulative % of Annualized Rental Revenue Expiring
2017	87	464	3.6%	3.6%	\$ 12,253	3.6%	3.6%
2018	75	557	4.3%	7.9%	17,469	5.2%	8.8%
2019	85	1,230	9.5%	17.4%	36,342	10.8%	19.6%
2020	77	2,144	16.5%	33.9%	50,940	15.1%	34.7%
2021	63	1,053	8.1%	42.0%	31,770	9.4%	44.1%
2022	42	693	5.3%	47.3%	25,598	7.6%	51.7%
2023	42	1,459	11.2%	58.5%	44,024	13.1%	64.8%
2024	15	217	1.7%	60.2%	7,264	2.2%	67.0%
2025	20	758	5.8%	66.0%	20,238	6.0%	73.0%
2026	13	677	5.2%	71.2%	22,593	6.7%	79.7%
Thereafter	64	3,739	28.8%	100.0%	68,765	20.3%	100.0%
Total	<u>583</u>	<u>12,991</u>	<u>100.0%</u>		<u>\$ 337,256</u>	<u>100.0%</u>	
Weighted average remaining lease term (in years)		<u>6.8</u>			<u>6.2</u>		

(1) Square footage as of March 31, 2017 includes space subject to leases that have commenced, space being fitted out for occupancy pursuant to existing leases, and space which is leased but not occupied or is being offered for sublease by tenants.

(2) Excludes the Annualized Rental Revenue of space that is leased but not commenced.

**PROPERTY DETAIL <sup>(1)</sup>**  
**As of March 31, 2017**  
(sorted by geographic location, dollars in thousands)

**Office Properties**

Property	City and State	No. of Bldgs.	Sq. Feet	% Leased	% Commenced	Annualized Rental Revenue	Undepreciated Book Value	Net Book Value	Year Acquired <sup>(2)</sup>	Weighted Average Year Built or Substantially Renovated <sup>(2)</sup>		
1	1225 Seventeenth Street	Denver	CO	1	672,573	80.9%	78.3%	21,282	157,827	130,514	2009	1982
2	5073, 5075, & 5085 S. Syracuse Street	Denver	CO	1	248,493	100.0%	100.0%	7,379	63,610	53,427	2010	2007
3	1601 Dry Creek Drive	Longmont	CO	1	552,865	97.0%	97.0%	8,973	34,550	24,319	2004	1982
4	1250 H Street, NW	Washington	DC	1	196,489	94.2%	90.0%	9,137	74,043	45,032	1998	1992
5	Georgetown-Green and Harris Buildings	Washington	DC	2	240,475	100.0%	100.0%	6,514	60,023	53,198	2009	2006
6	802 Delaware Avenue	Wilmington	DE	1	240,780	100.0%	100.0%	4,291	43,496	18,997	1998	1986
7	6600 North Military Trail	Boca Raton	FL	3	639,825	100.0%	100.0%	16,994	145,808	125,525	2011	2008
8	600 West Chicago Avenue	Chicago	IL	2	1,511,887	96.7%	96.7%	49,480	395,899	347,029	2011	2001
9	8750 Bryn Mawr Avenue	Chicago	IL	2	638,928	95.0%	83.9%	15,373	94,245	79,133	2010	2005
10	109 Brookline Avenue	Boston	MA	1	285,556	99.7%	99.7%	10,785	47,878	27,283	1995	1915
11	820 W. Diamond	Gaithersburg	MD	1	134,933	88.7%	88.7%	3,087	33,681	20,582	1997	1995
12	Danac Stiles Business Park	Rockville	MD	3	276,637	86.1%	86.1%	7,031	65,718	44,313	2004	2002
13	East Eisenhower Parkway	Ann Arbor	MI	2	421,349	50.2%	48.0%	6,079	56,472	47,916	2010	2006
14	4700 Belleview Avenue	Kansas City	MO	1	80,615	69.0%	69.0%	1,147	7,213	5,860	2008	1986
15	Cherrington Corporate Center	Moon Township	PA	7	454,700	61.4%	61.4%	6,061	71,966	48,843	1998; 1999	1997
16	1500 Market Street	Philadelphia	PA	1	1,759,193	91.2%	82.7%	39,017	309,800	218,954	2002	1974
17	1600 Market Street	Philadelphia	PA	1	825,968	85.3%	85.3%	19,758	135,860	76,683	1998	1983
18	1735 Market Street	Philadelphia	PA	1	1,286,936	74.7%	64.9%	26,985	303,529	183,298	1998	1990
19	Foster Plaza	Pittsburgh	PA	8	727,743	84.4%	82.5%	11,788	76,341	54,178	2005	1993
20	206 East 9th Street	Austin	TX	1	175,510	78.3%	78.3%	6,253	49,435	44,250	2012	1984
21	Bridgepoint Square	Austin	TX	5	439,970	93.0%	93.0%	13,711	91,693	51,273	1997	1995
22	Research Park	Austin	TX	4	1,110,007	98.0%	98.0%	11,853	93,453	60,496	1998	1976
23	333 108th Avenue NE	Bellevue	WA	1	440,565	100.0%	100.0%	20,840	153,433	126,730	2009	2008
24	600 108th Avenue NE	Bellevue	WA	1	256,830	96.2%	96.2%	8,106	50,797	36,740	2004	2012
<b>Subtotal Office Properties</b>			<b>52</b>	<b>13,618,827</b>	<b>88.8%</b>	<b>85.9%</b>	<b>\$ 331,924</b>	<b>\$ 2,616,770</b>	<b>\$ 1,924,573</b>	<b>2004</b>	<b>1990</b>	

**Industrial/Flex Properties**

Property	City and State	No. of Bldgs.	Sq. Feet	% Leased	% Commenced	Annualized Rental Revenue	Undepreciated Book Value	Net Book Value	Year Acquired <sup>(2)</sup>	Weighted Average Year Built or Substantially Renovated <sup>(2)</sup>		
25	97 Newberry Road	East Windsor	CT	1	289,386	100.0%	100.0%	\$ 1,837	\$ 15,350	\$ 12,097	2006	1989
26	33 Stiles Lane	North Haven	CT	1	175,301	52.0%	52.0%	657	9,802	7,400	2006	2002
27	2250 Pilot Knob Road	Mendota Heights	MN	1	87,183	100.0%	100.0%	931	6,531	3,572	1998	1995
28	411 Farwell Avenue	South St. Paul	MN	1	422,727	100.0%	100.0%	1,907	16,357	12,168	2004	1970
<b>Subtotal Industrial/Flex</b>			<b>4</b>	<b>974,597</b>	<b>91.4%</b>	<b>91.4%</b>	<b>\$ 5,332</b>	<b>\$ 48,040</b>	<b>\$ 35,237</b>	<b>2004</b>	<b>1984</b>	
<b>Total Same Properties</b>			<b>56</b>	<b>14,593,424</b>	<b>89.0%</b>	<b>86.3%</b>	<b>\$ 337,256</b>	<b>\$ 2,664,810</b>	<b>\$ 1,959,810</b>	<b>2004</b>	<b>1990</b>	
625 Crane Street (Land)			Aurora	IL	—	—	—%	—%	—	—	2007	—

**PROPERTY DETAIL <sup>(1)</sup>**  
**As of March 31, 2017**  
(sorted by geographic location, dollars in thousands)

<b>Properties Held for Sale as of March, 31 2017</b>
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Property	City and State	No. of Bldgs.	Sq. Feet	% Leased	Annualized Rental Revenue	Undepreciated Book Value	Net Book Value	Year Acquired <sup>(2)</sup>	Weighted Average Year Built or Substantially Renovated <sup>(2)</sup>
29 Parkshore Plaza <sup>(3)</sup>	Folsom CA	4	271,072	73.1%	\$ 4,280	\$ 45,578	\$ 38,494	2011	1999
30 25 S. Charles Street <sup>(4)</sup>	Baltimore MD	1	359,254	94.2%	\$ 8,746	\$ 37,218	\$ 23,335	2004	1972
<b>Total Held for Sale</b>		<b>5</b>	<b>630,326</b>	<b>85.1%</b>	<b>\$ 13,026</b>	<b>\$ 82,796</b>	<b>\$ 61,829</b>	<b>2007</b>	<b>1984</b>
<b>Total Portfolio</b>		<b>61</b>	<b>15,223,750</b>	<b>88.8%</b>	<b>\$ 350,282</b>	<b>\$ 2,747,606</b>	<b>\$ 2,021,639</b>	<b>2004</b>	<b>1990</b>

(1) Excludes properties disposed prior to April 1, 2017.

(2) Weighted based on square feet.

(3) Parkshore Plaza was sold in April of 2017 for \$40.0 million, excluding closing costs.

(4) 25 S. Charles Street was sold in April of 2017 for \$24.5 million, excluding closing costs.

**DISPOSED PROPERTY DETAIL <sup>(1)</sup>**  
(dollars in thousands)

Property	City and State/ Country		No. of Bldgs.	Sq. Feet	% Leased	Annualized Rental Revenue	Undepreciated Book Value	Net Book Value	Year Acquired <sup>(2)</sup>	Weighted Average Year Built or Substantially Renovated <sup>(2)</sup>
1 111 Market Place	Baltimore	MD	1	589,380	95.4%	\$ 12,583	\$ 71,555	\$ 44,199	2003	1990
2 4515 Seton Center Parkway	Austin	TX	1	117,265	98.9%	3,650	23,130	13,381	1999	1996
3 4516 Seton Center Parkway	Austin	TX	1	120,559	92.3%	2,645	24,257	13,760	1999	1998
<b>Subtotal Seton Center</b>			<b>2</b>	<b>237,824</b>	<b>95.6%</b>	<b>6,295</b>	<b>47,387</b>	<b>27,141</b>	<b>1999</b>	<b>1997</b>
4 Cabot Business Park Land	Mansfield	MA	—	—	—%	—	575	575	2003	—
<b>Total Q1 2017 Dispositions</b>			<b>3</b>	<b>827,204</b>	<b>95.4%</b>	<b>\$ 18,878</b>	<b>\$ 119,517</b>	<b>\$ 71,915</b>	<b>2002</b>	<b>1992</b>

(1) Statistics for disposed properties are presented as of the quarter-ended preceding each sale.

(2) Weighted based on square feet.



**COMMON & POTENTIAL COMMON SHARES**  
(share amounts in thousands)

	Three Months Ended	
	March 31,	
<b>Weighted Average Share Calculation</b>	<b>2017</b>	<b>2016</b>
Weighted average EQC common shares outstanding	123,140	124,964
Weighted average restricted shares outstanding	907	876
<b>Weighted average common shares outstanding - basic - GAAP EPS<sup>(1)</sup></b>	<b>124,047</b>	<b>125,840</b>
Weighted average number of dilutive RSUs and LTIP Units <sup>(2)</sup>	1,103	1,682
<b>Weighted average common shares outstanding - diluted - GAAP EPS, FFO, &amp; Normalized FFO</b>	<b>125,150</b>	<b>127,522</b>

	Series D Preferred Shares <sup>(3)</sup>	EQC Common Shares <sup>(4)</sup>
<b>Rollforward of Share Count to March 31, 2017</b>		
Outstanding on December 31, 2016	4,915	123,994
Issuance of restricted shares, net of forfeitures	—	70
<b>Outstanding on March 31, 2017</b>	<b>4,915</b>	<b>124,064</b>
Series D preferred shares convertible into common shares on March 31, 2017 <sup>(3)</sup>		2,363
Common shares issuable from RSUs and LTIP Units as measured on March 31, 2017 <sup>(2)</sup>		1,165
<b>Potential common shares as measured on March 31, 2017</b>		<b>127,592</b>

(1) Our calculations of FFO and Normalized FFO attributable to EQC common shareholders and unitholders per share - basic for the three months ended March 31, 2017 includes 29 LTIP Units that are excluded from the calculation of basic GAAP EPS.

(2) As of March 31, 2017, we had granted RSUs and LTIP Units to certain employees, officers, and the Chairman of the Board of Trustees. The RSUs and LTIP Units contain service and market-based vesting components. None of the RSUs or LTIP Units have vested. If the market-based vesting component of these awards was measured as of March 31, 2017, and 2016, 1,165 and 1,754 common shares would be issued, respectively. Using a weighted average basis, 1,103 and 1,682 common shares are reflected in diluted earnings per share, diluted FFO per common share, and diluted Normalized FFO per common share for the three months ended March 31, 2017 and 2016, respectively.

(3) As of March 31, 2017, we had 4,915 series D preferred shares outstanding that were convertible into 2,363 common shares. The series D preferred shares are anti-dilutive for GAAP EPS, FFO per common share and Normalized FFO per common share for all periods presented.

(4) EQC common shares include unvested restricted shares.

## DEFINITIONS

### **Annualized Rental Revenue**

Annualized Rental Revenue is annualized contractual rents from our tenants pursuant to leases which have commenced as of March 31, 2017, plus estimated recurring expense reimbursements; includes triple net lease rents and excludes lease value amortization, straight line rent adjustments, abated (“free”) rent periods and parking revenue. We calculate annualized rental revenue by aggregating the recurring billings outlined above for the most recent month during the quarter reported, adding abated rent, and multiplying the sum by 12 to provide an estimation of near-term potentially-recurring revenues. The annualized rental revenue of disposed properties is presented for the quarter-ended preceding each disposition.

Annualized rental revenue is a forward-looking non-GAAP measure. Annualized rental revenue cannot be reconciled to a comparable GAAP measure without unreasonable efforts, primarily due to the fact that it is calculated from the billings of tenants in the most recent month at the most recent rental rates during the quarter reported, whereas historical GAAP measures include billings from a potentially different group of tenants over multiple months at potentially different rental rates.

### **Building Improvements**

Building improvements are expenditures to replace obsolete building components or extend the useful life of existing assets.

### **Consolidated Income Available for Debt Service**

Consolidated income available for debt service is earnings from operations excluding interest expense, depreciation and amortization, taxes, and certain items that we view as nonrecurring or impacting comparability from period to period, determined together with debt service on a pro forma basis for the four consecutive fiscal quarters most recently ended.

### **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA**

We calculate EBITDA as net income (loss) excluding 1) interest expense, 2) income tax expense, and 3) depreciation and amortization. Our calculation of Adjusted EBITDA differs from our calculation of EBITDA because we exclude certain items that we view as nonrecurring or impacting comparability from period to period. EBITDA and Adjusted EBITDA are supplemental non-GAAP financial measures.

We consider EBITDA and Adjusted EBITDA to be appropriate measures of our operating performance, along with net income, net income attributable to EQC common shareholders, operating income and cash flow from operating activities. We believe that EBITDA and Adjusted EBITDA provide useful information to investors because by excluding the effects of certain historical amounts, such as interest, depreciation and amortization expense, EBITDA and Adjusted EBITDA may facilitate a comparison of current operating performance with our past operating performance. EBITDA and Adjusted EBITDA do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income, net income attributable to EQC common shareholders, operating income or cash flow from operating activities, determined in accordance with GAAP, or as indicators of our financial performance or liquidity, nor are these measures necessarily indicative of sufficient cash flow to fund all of our needs. These measures should be considered in conjunction with net income, net income attributable to EQC common shareholders, operating income and cash flow from operating activities as presented in our condensed consolidated statements of operations, condensed consolidated statements of comprehensive income (loss) and condensed consolidated statements of cash flows. Other REITs and real estate companies may calculate EBITDA and Adjusted EBITDA differently than we do.

### **Annualized Adjusted EBITDA**

Annualized Adjusted EBITDA is Adjusted EBITDA for the three months ended March 31, 2017 multiplied by four.

### **Enterprise Value**

Enterprise value is net debt plus the market value of our preferred shares plus the market value of our common shares.

### **Funds from Operations (FFO) and Normalized FFO**

We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts (NAREIT). NAREIT defines FFO as net income (loss), calculated in accordance with GAAP, excluding real estate depreciation and amortization, gains (or losses) from sales of depreciable property, impairment of depreciable real estate, and our portion of these items related to equity investees and noncontrolling interests. Our calculation of Normalized FFO differs from NAREIT’s definition of FFO because we exclude certain items that we view as nonrecurring or impacting comparability from period to period. FFO and Normalized FFO are supplemental non-GAAP financial measures. We consider FFO and Normalized FFO to be appropriate measures of operating performance for a REIT, along with net income, net income attributable to Equity Commonwealth common shareholders, operating income and cash flow from operating activities.

We believe that FFO and Normalized FFO provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation expense, FFO and Normalized FFO may facilitate a comparison of our operating performance between periods and with other REITs. FFO and Normalized FFO do not represent cash generated by operating activities in accordance with GAAP and should not be considered as alternatives to net income, net income attributable to Equity Commonwealth common shareholders, operating income or cash flow from operating activities, determined in accordance with GAAP, or as indicators of our financial performance or liquidity, nor are these measures necessarily indicative of sufficient cash

## DEFINITIONS

flow to fund all of our needs. These measures should be considered in conjunction with net income, net income attributable to Equity Commonwealth common shareholders, operating income and cash flow from operating activities as presented in our condensed consolidated statements of operations, condensed consolidated statements of comprehensive income and condensed consolidated statements of cash flows. Other REITs and real estate companies may calculate FFO and Normalized FFO differently than we do.

### **Leasing Costs**

Leasing costs are primarily costs such as leasing commissions ("LC"s) and related legal expenses.

### **LTIP Units**

LTIP Units are a class of beneficial interests in EQC Operating Trust (the "Operating Trust") that may be issued to employees, officers, or trustees of the Operating Trust, EQC, or their subsidiaries.

### **Net Debt**

Net debt is total debt minus cash and cash equivalents.

### **Net Operating Income (NOI), Same Property NOI, Cash Basis NOI, and Same Property Cash Basis NOI**

NOI is income from our real estate including lease termination fees received from tenants less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions and corporate level expenses. Cash Basis NOI is NOI excluding the effects of straight line rent adjustments, lease value amortization, and lease termination fees. The same property versions of these measures include the results of properties continuously owned from January 1, 2016 through March 31, 2017. Land parcels and properties classified as held for sale within our condensed consolidated balance sheets are excluded from the same property versions of these measures.

We consider these supplemental non-GAAP financial measures to be appropriate supplemental measures to net income because they help to understand the operations of our properties. We use these measures internally to evaluate property level performance, and we believe that they provide useful information to investors regarding our results of operations because they reflect only those income and expense items that are incurred at the property level and may facilitate comparisons of our operating performance between periods and with other REITs. Cash Basis NOI is among the factors considered with respect to acquisition, disposition and financing decisions. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered as an alternative to net income, net income attributable to Equity Commonwealth common shareholders, operating income or cash flow from operating activities, determined in accordance with GAAP, or as indicators of our financial performance or liquidity, nor are these measures necessarily indicative of sufficient cash flow to fund all of our needs. These measures should be considered in conjunction with net income, net income attributable to Equity Commonwealth common shareholders, operating income and cash flow from operating activities as presented in our condensed consolidated statements of operations, condensed consolidated statements of comprehensive income and condensed consolidated statements of cash flows. Other REITs and real estate companies may calculate these measures differently than we do.

### **Net Book Value**

Net book value represents the carrying value of real estate properties after depreciation and amortization, purchase price allocations, impairment write-downs, and currency adjustments, if any.

### **NOI Margin**

NOI Margin is NOI (or the same property or cash basis derivations of NOI defined above) divided by the total revenues used to calculate NOI (or its derivation).

### **Percentage Commenced**

Percentage commenced includes space subject to leases that have commenced, whether or not the tenant is in a free rent period.

### **Percentage Leased**

Percentage leased includes space subject to leases that have commenced, space being fitted out for occupancy pursuant to existing leases, and space which is leased but not occupied or is being offered for sublease by tenants.

### **Same Properties**

Our same property portfolio is comprised of those properties continuously owned from January 1, 2016 through March 31, 2017. Land parcels and properties classified as held for sale within our condensed consolidated balance sheets are excluded.

### **Tenant Improvements**

Tenant improvements are capital expenditures to improve tenant spaces.

## DEFINITIONS

### **Total Debt**

Total debt is the aggregate balance of the following line items on our condensed consolidated balance sheets: revolving credit facility, senior unsecured debt, net, and mortgage notes payable, net.

### **Undepreciated Book Value**

Undepreciated book value represents the carrying value of real estate properties after purchase price allocations, impairment write-downs, and currency adjustments, if any.