



Equity Commonwealth Supplemental Operating and Financial Data

Third Quarter 2018



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TABLE OF CONTENTS

Corporate Information	
Company Profile and Investor Information	<u>3</u>
Financial Information	
Key Financial Data	<u>4</u>
Condensed Consolidated Balance Sheets	<u>5</u>
Additional Balance Sheet Information	<u>6</u>
Condensed Consolidated Statements of Operations	<u>7</u>
Calculation of Same Property Net Operating Income (NOI) and Same Property Cash Basis NOI	<u>8</u>
Same Property Results of Operations	<u>10</u>
Calculation of EBITDA, EBITDAre, and Adjusted EBITDAre	<u>11</u>
Calculation of Funds from Operations (FFO) and Normalized FFO	<u>12</u>
Debt Summary	<u>13</u>
Debt Maturity Schedule	<u>14</u>
Leverage Ratios, Coverage Ratios and Public Debt Covenants	<u>15</u>
Acquisitions and Dispositions	<u>16</u>
Portfolio Information	
Property Detail	<u>17</u>
Leasing Summary	<u>18</u>
Same Property Leasing Summary	<u>19</u>
Capital Summary - Expenditures & Same Property Leasing Commitments	<u>20</u>
Tenants Representing 1.5% or More of Annualized Rental Revenue	<u>21</u>
Same Property Lease Expiration Schedule	<u>22</u>
Disposed Property Detail	<u>23</u>
Additional Support	
Common & Potential Common Shares	<u>24</u>
Definitions	<u>25</u>

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 subsequent quarterly reports on Form 10-Q.

Regulation FD Disclosures

We intend to use any of the following to comply with our disclosure obligations under Regulation FD: press releases, SEC filings, public conference calls, or our website. We routinely post important information on our website at www.eqcre.com, including information that may be deemed to be material. We encourage investors and others interested in the company to monitor these distribution channels for material disclosures.

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
11	5,410	94.0%	91.3%

Senior Unsecured Debt Ratings

Moody's: Baa2
Standard & Poor's: BBB-

NYSE Trading Symbols

Common Stock: EQC
Preferred Stock Series D: EQCPD

Board of Trustees

Sam Zell (Chairman)	David A. Helfand	Kenneth Shea
James S. Corl	Peter Linneman (Lead Independent Trustee)	Gerald A. Spector
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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 ⁽¹⁾

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Green Street Advisors	Daniel Ismail	(949) 640-8780	dismail@greenstreetadvisors.com
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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				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
OPERATING INFORMATION					
Ending property count ⁽¹⁾	11	13	13	16	20
Ending square footage ⁽¹⁾⁽²⁾	5,410	6,341	6,344	8,706	11,031
Percent leased ⁽¹⁾	94.0 %	89.8 %	88.6 %	91.9 %	88.3 %
Percent commenced ⁽¹⁾	91.3 %	87.7 %	83.5 %	89.2 %	85.5 %
Net income (loss) attributable to EQC common shareholders	\$ 30,767	\$ 35,036	\$ 185,602	\$ (23,558)	\$ 31,215
Adjusted EBITDAre ⁽³⁾	30,454	30,561	31,417	37,309	41,325
SAME PROPERTY OPERATING INFORMATION					
Ending square footage	5,410	5,415	5,417	5,417	5,417
Percent leased	94.0 %	91.8 %	90.5 %	91.1 %	91.1 %
Percent commenced	91.3 %	89.9 %	86.7 %	87.1 %	87.5 %
Same Property NOI ⁽³⁾	\$ 25,844	\$ 25,769	\$ 25,099	\$ 24,651	\$ 25,407
Same Property Cash Basis NOI ⁽³⁾	24,724	24,662	24,015	23,459	22,662
Same Property NOI margin	60.8 %	62.9 %	63.3 %	63.3 %	63.4 %
Same Property Cash Basis NOI margin	59.8 %	61.9 %	62.3 %	62.1 %	60.7 %
SHARES OUTSTANDING AND PER SHARE DATA ⁽⁴⁾					
Shares Outstanding at End of Period					
Common stock outstanding - basic ⁽⁵⁾	121,483	121,483	121,457	124,218	124,089
Dilutive restricted share units (RSUs), Operating Partnership Units, and LTIP Units ⁽⁴⁾	1,414	1,235	1,377	673	1,085
Dilutive Series D Convertible Preferred Shares outstanding ⁽⁶⁾	—	—	2,363	—	—
Preferred Stock Outstanding ⁽⁶⁾	4,915	4,915	4,915	4,915	4,915
Weighted Average Shares Outstanding - GAAP					
Basic ⁽⁵⁾	121,845	121,822	123,867	124,293	124,089
Diluted ⁽⁵⁾	122,851	122,649	127,097	124,293	125,175
Distributions Declared Per Common Share	\$ 2.50	\$ —	\$ —	\$ —	\$ —
BALANCE SHEET					
Total assets	\$ 3,813,728	\$ 3,776,874	\$ 4,137,306	\$ 4,236,945	\$ 4,260,289
Total liabilities	644,217	334,565	735,827	936,450	935,590
ENTERPRISE VALUE					
Total debt (book value)	\$ 279,901	\$ 280,012	\$ 678,527	\$ 848,578	\$ 850,576
Less: Cash and cash equivalents	(2,673,328)	(2,507,117)	(2,837,671)	(2,351,693)	(2,233,077)
Plus: Market value of preferred shares	128,451	127,943	127,746	129,462	130,892
Plus: Market value of diluted common shares	3,943,753	3,865,605	3,767,312	3,810,414	3,805,309
Total enterprise value	\$ 1,678,777	\$ 1,766,443	\$ 1,735,914	\$ 2,436,761	\$ 2,553,700
RATIOS					
Net debt / enterprise value	(142.6)%	(126.1)%	(124.4)%	(61.7)%	(54.1)%
Net debt / annualized adjusted EBITDAre ⁽³⁾	(19.6)x	(18.2)x	(17.2)x	(10.1)x	(8.4)x
Adjusted EBITDAre ⁽³⁾ / interest expense	6.0x	4.8x	3.1x	3.5x	3.6x

(1) Excludes properties classified as held for sale and land parcels.

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

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

(6) As of September 30, 2018, we had 4,915 series D preferred shares outstanding that were convertible into 2,363 common shares. The series D preferred shares are dilutive for GAAP EPS for the three months ended March 31, 2018, and are anti-dilutive for GAAP EPS for all other periods presented. 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.

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

	September 30, 2018	December 31, 2017
ASSETS		
Real estate properties:		
Land	\$ 137,329	\$ 191,775
Buildings and improvements	1,000,822	1,555,836
	<u>1,138,151</u>	<u>1,747,611</u>
Accumulated depreciation	(370,854)	(450,718)
	<u>767,297</u>	<u>1,296,893</u>
Assets held for sale	—	97,688
Acquired real estate leases, net	596	23,847
Cash and cash equivalents	2,673,328	2,351,693
Marketable securities	248,838	276,928
Restricted cash	9,708	8,897
Rents receivable, net of allowance for doubtful accounts of \$5,816 and \$4,771, respectively	50,103	93,436
Other assets, net	63,858	87,563
Total assets	\$ 3,813,728	\$ 4,236,945
LIABILITIES AND EQUITY		
Revolving credit facility	\$ —	\$ —
Senior unsecured debt, net	248,258	815,984
Mortgage notes payable, net	31,643	32,594
Liabilities related to properties held for sale	—	1,840
Accounts payable, accrued expenses and other	46,896	74,956
Rent collected in advance	8,182	11,076
Distributions payable	309,238	—
Total liabilities	\$ 644,217	\$ 936,450
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; 121,482,673 and 124,217,616 shares issued and outstanding, respectively	1,215	1,242
Additional paid in capital	4,306,020	4,380,313
Cumulative net income	2,855,557	2,596,259
Cumulative other comprehensive loss	(1,006)	(95)
Cumulative common distributions	(3,418,995)	(3,111,868)
Cumulative preferred distributions	(693,736)	(685,748)
Total shareholders' equity	<u>3,168,318</u>	<u>3,299,366</u>
Noncontrolling interest	1,193	1,129
Total equity	\$ 3,169,511	\$ 3,300,495
Total liabilities and equity	\$ 3,813,728	\$ 4,236,945

ADDITIONAL BALANCE SHEET INFORMATION
(amounts in thousands)

	September 30, 2018	December 31, 2017
Additional Balance Sheet Information		
Straight-line rents receivable, net of allowance for doubtful accounts	\$ 46,575	\$ 87,190
Accounts receivable, net of allowance for doubtful accounts	3,528	6,246
Rents receivable, net of allowance for doubtful accounts	<u>\$ 50,103</u>	<u>\$ 93,436</u>
Capitalized lease incentives, net	\$ 4,245	\$ 6,508
Deferred financing fees, net	538	1,749
Deferred leasing costs, net	50,293	63,539
Other	8,782	15,767
Other assets, net	<u>\$ 63,858</u>	<u>\$ 87,563</u>
Accounts payable	\$ 3,341	\$ 5,175
Accrued interest	1,163	7,517
Accrued taxes	9,270	28,015
Accrued capital expenditures	8,737	7,168
Accrued leasing costs	5,699	3,630
Assumed real estate lease obligations, net	158	1,001
Security deposits	4,088	4,735
Other accrued liabilities	14,440	17,715
Accounts payable and accrued expenses	<u>\$ 46,896</u>	<u>\$ 74,956</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Revenues:				
Rental income	\$ 34,138	\$ 61,091	\$ 112,898	\$ 215,648
Tenant reimbursements and other income	12,735	16,707	41,199	53,300
Total revenues	\$ 46,873	\$ 77,798	\$ 154,097	\$ 268,948
Expenses:				
Operating expenses	\$ 20,257	\$ 32,380	\$ 64,377	\$ 110,751
Depreciation and amortization	11,287	21,133	38,211	71,970
General and administrative	10,905	11,689	35,466	35,727
Loss on asset impairment	—	—	12,087	19,714
Total expenses	\$ 42,449	\$ 65,202	\$ 150,141	\$ 238,162
Operating income	\$ 4,424	\$ 12,596	\$ 3,956	\$ 30,786
Interest and other income, net	12,626	7,596	31,074	17,987
Interest expense (including net amortization of debt discounts, premiums and deferred financing fees of \$559, \$784, \$2,005 and \$2,346, respectively)	(5,085)	(11,510)	(21,550)	(41,387)
Loss on early extinguishment of debt	—	(203)	(6,403)	(266)
Gain on sale of properties, net	20,877	25,080	253,025	44,670
Income before income taxes	32,842	33,559	260,102	51,790
Income tax expense	(65)	(335)	(2,616)	(555)
Net income	\$ 32,777	\$ 33,224	\$ 257,486	\$ 51,235
Net income attributable to noncontrolling interest	(13)	(12)	(90)	(18)
Net income attributable to Equity Commonwealth	\$ 32,764	\$ 33,212	\$ 257,396	\$ 51,217
Preferred distributions	(1,997)	(1,997)	(5,991)	(5,991)
Net income attributable to Equity Commonwealth common shareholders	\$ 30,767	\$ 31,215	\$ 251,405	\$ 45,226
Weighted average common shares outstanding — basic ⁽¹⁾	121,845	124,089	122,504	124,068
Weighted average common shares outstanding — diluted ⁽¹⁾	122,851	125,175	123,389	125,194
Earnings per common share attributable to Equity Commonwealth common shareholders:				
Basic	\$ 0.25	\$ 0.25	\$ 2.05	\$ 0.36
Diluted	\$ 0.25	\$ 0.25	\$ 2.04	\$ 0.36
Distributions declared per common share	\$ 2.50	\$ —	\$ 2.50	\$ —

(1) 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				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Calculation of Same Property NOI and Same Property Cash Basis NOI:					
Rental income	\$ 34,138	\$ 35,211	\$ 43,549	\$ 54,672	\$ 61,091
Tenant reimbursements and other income	12,735	13,425	15,039	16,951	16,707
Operating expenses	(20,257)	(19,521)	(24,599)	(30,674)	(32,380)
NOI	\$ 26,616	\$ 29,115	\$ 33,989	\$ 40,949	\$ 45,418
Straight line rent adjustments	(1,435)	(1,022)	(1,528)	(1,938)	(3,557)
Lease value amortization	(4)	(18)	98	295	388
Lease termination fees	(395)	(1,557)	(965)	(942)	(1,477)
Cash Basis NOI	\$ 24,782	\$ 26,518	\$ 31,594	\$ 38,364	\$ 40,772
Cash Basis NOI from non-same properties ⁽¹⁾	(58)	(1,856)	(7,579)	(14,905)	(18,110)
Same Property Cash Basis NOI	\$ 24,724	\$ 24,662	\$ 24,015	\$ 23,459	\$ 22,662
Non-cash rental income and lease termination fees from same properties	1,120	1,107	1,084	1,192	2,745
Same Property NOI	\$ 25,844	\$ 25,769	\$ 25,099	\$ 24,651	\$ 25,407

Reconciliation of Same Property NOI to GAAP Operating Income:

Same Property NOI	\$ 25,844	\$ 25,769	\$ 25,099	\$ 24,651	\$ 25,407
Non-cash rental income and lease termination fees from same properties	(1,120)	(1,107)	(1,084)	(1,192)	(2,745)
Same Property Cash Basis NOI	\$ 24,724	\$ 24,662	\$ 24,015	\$ 23,459	\$ 22,662
Cash Basis NOI from non-same properties ⁽¹⁾	58	1,856	7,579	14,905	18,110
Cash Basis NOI	\$ 24,782	\$ 26,518	\$ 31,594	\$ 38,364	\$ 40,772
Straight line rent adjustments	1,435	1,022	1,528	1,938	3,557
Lease value amortization	4	18	(98)	(295)	(388)
Lease termination fees	395	1,557	965	942	1,477
NOI	\$ 26,616	\$ 29,115	\$ 33,989	\$ 40,949	\$ 45,418
Depreciation and amortization	(11,287)	(13,021)	(13,903)	(18,738)	(21,133)
General and administrative	(10,905)	(11,222)	(13,339)	(12,033)	(11,689)
Loss on asset impairment	—	—	(12,087)	—	—
Operating Income (Loss)	\$ 4,424	\$ 4,872	\$ (5,340)	\$ 10,178	\$ 12,596

Same Property capitalized external legal costs ⁽²⁾	\$ 14	\$ 53	\$ 100	\$ 213	\$ 142
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(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) We currently capitalize external legal costs incurred when we enter into leases. Beginning in 2019, these external legal leasing costs will be expensed in our financial statements as an operating expense and will result in a reduction to our Cash Basis NOI, NOI and operating income. We do not intend to recast the comparative periods presented when we adopt the new lease accounting standards.

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

For the Nine Months Ended September 30,	
2018	2017

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

Rental income	\$	112,898	\$	215,648
Tenant reimbursements and other income		41,199		53,300
Operating expenses		(64,377)		(110,751)
NOI	\$	89,720	\$	158,197
Straight line rent adjustments		(3,985)		(12,487)
Lease value amortization		76		1,479
Lease termination fees		(2,917)		(4,002)
Cash Basis NOI	\$	82,894	\$	143,187
Cash Basis NOI from non-same properties ⁽¹⁾		(9,493)		(78,164)
Same Property Cash Basis NOI	\$	73,401	\$	65,023
Non-cash rental income and lease termination fees from same properties		3,311		10,011
Same Property NOI	\$	76,712	\$	75,034

Reconciliation of Same Property NOI to GAAP Operating Income:

Same Property NOI	\$	76,712	\$	75,034
Non-cash rental income and lease termination fees from same properties		(3,311)		(10,011)
Same Property Cash Basis NOI	\$	73,401	\$	65,023
Cash Basis NOI from non-same properties ⁽¹⁾		9,493		78,164
Cash Basis NOI	\$	82,894	\$	143,187
Straight line rent adjustments		3,985		12,487
Lease value amortization		(76)		(1,479)
Lease termination fees		2,917		4,002
NOI	\$	89,720	\$	158,197
Depreciation and amortization		(38,211)		(71,970)
General and administrative		(35,466)		(35,727)
Loss on asset impairment		(12,087)		(19,714)
Operating Income	\$	3,956	\$	30,786

Same Property capitalized external legal costs⁽²⁾	\$	167	\$	377
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(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) We currently capitalize external legal costs incurred when we enter into leases. Beginning in 2019, these external legal leasing costs will be expensed in our financial statements as an operating expense and will result in a reduction to our Cash Basis NOI, NOI and operating income. We do not intend to recast the comparative periods presented when we adopt the new lease accounting standards.

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

	As of and for the Three Months Ended September 30,			As of and for the Nine Months Ended September 30,		
	2018	2017	% Change	2018	2017	% Change
Properties	11	11		11	11	
Square Feet ⁽¹⁾	5,410	5,417		5,410	5,417	
% Leased	94.0%	91.1%	2.9%	94.0%	91.1%	2.9%
% Commenced	91.3%	87.5%	3.8%	91.3%	87.5%	3.8%
Rental income	\$ 30,219	\$ 27,388	10.3%	\$ 87,911	\$ 78,060	12.6%
Tenant reimbursements and other income	11,143	9,935	12.2%	31,828	30,088	5.8%
Straight line rent adjustment	1,121	1,620		3,183	8,244	
Lease value amortization	(3)	(7)		(15)	(33)	
Lease termination fees	2	1,132		143	1,800	
Total revenue	42,482	40,068	6.0%	123,050	118,159	4.1%
Operating expenses	(16,638)	(14,661)	13.5%	(46,338)	(43,125)	7.5%
NOI	\$ 25,844	\$ 25,407	1.7%	\$ 76,712	\$ 75,034	2.2%
<i>NOI Margin</i>	60.8%	63.4%		62.3%	63.5%	
Straight line rent adjustment	\$ (1,121)	\$ (1,620)		\$ (3,183)	\$ (8,244)	
Lease value amortization	3	7		15	33	
Lease termination fees	(2)	(1,132)		(143)	(1,800)	
Cash Basis NOI	\$ 24,724	\$ 22,662	9.1%	73,401	65,023	12.9%
<i>Cash Basis NOI Margin</i>	59.8%	60.7%		61.3%	60.1%	
Same Property capitalized external legal costs⁽²⁾						
	\$ 14	\$ 142		\$ 167	\$ 377	

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

(2) We currently capitalize external legal costs incurred when we enter into leases. Beginning in 2019, these external legal leasing costs will be expensed in our financial statements as an operating expense and will result in a reduction to our Cash Basis NOI, NOI and operating income. We do not intend to recast the comparative periods presented when we adopt the new lease accounting standards.

CALCULATION OF EBITDA, EBITDAre, AND ADJUSTED EBITDAre
(amounts in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	\$ 32,777	\$ 33,224	\$ 257,486	\$ 51,235
Interest expense	5,085	11,510	21,550	41,387
Income tax expense	65	335	2,616	555
Depreciation and amortization	11,287	21,133	38,211	71,970
EBITDA	\$ 49,214	\$ 66,202	\$ 319,863	\$ 165,147
Loss on asset impairment	—	—	12,087	19,714
Gain on sale of properties, net	(20,877)	(25,080)	(253,025)	(44,670)
EBITDAre	\$ 28,337	\$ 41,122	\$ 78,925	\$ 140,191
Loss on early extinguishment of debt	—	203	6,403	266
Loss on sale of real estate mortgage receivable	2,117	—	2,117	—
Loss on sale of securities	—	—	4,987	—
Adjusted EBITDAre	\$ 30,454	\$ 41,325	\$ 92,432	\$ 140,457

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Calculation of FFO				
Net income	\$ 32,777	\$ 33,224	\$ 257,486	\$ 51,235
Real estate depreciation and amortization	10,978	20,842	37,298	71,077
Loss on asset impairment	—	—	12,087	19,714
Gain on sale of properties, net	(20,877)	(25,080)	(253,025)	(44,670)
FFO attributable to Equity Commonwealth	22,878	28,986	53,846	97,356
Preferred distributions	(1,997)	(1,997)	(5,991)	(5,991)
FFO attributable to EQC common shareholders and unitholders	\$ 20,881	\$ 26,989	\$ 47,855	\$ 91,365
Calculation of Normalized FFO				
FFO attributable to EQC common shareholders and unitholders	\$ 20,881	\$ 26,989	\$ 47,855	\$ 91,365
Lease value amortization	(4)	388	76	1,479
Straight line rent adjustments	(1,435)	(3,557)	(3,985)	(12,487)
Loss on early extinguishment of debt	—	203	6,403	266
Loss on sale of securities	—	—	4,987	—
Loss on sale of real estate mortgage receivable	2,117	—	2,117	—
Income taxes related to gains on property sales	25	—	2,498	—
Normalized FFO attributable to EQC common shareholders and unitholders	\$ 21,584	\$ 24,023	\$ 59,951	\$ 80,623
Weighted average common shares and units outstanding -- basic ⁽¹⁾	121,891	124,132	122,548	124,105
Weighted average common shares and units outstanding -- diluted ⁽¹⁾	122,897	125,175	123,433	125,194
FFO attributable to EQC common shareholders and unitholders per share and unit -- basic	\$ 0.17	\$ 0.22	\$ 0.39	\$ 0.74
FFO attributable to EQC common shareholders and unitholders per share and unit -- diluted	\$ 0.17	\$ 0.22	\$ 0.39	\$ 0.73
Normalized FFO attributable to EQC common shareholders and unitholders per share and unit -- basic	\$ 0.18	\$ 0.19	\$ 0.49	\$ 0.65
Normalized FFO attributable to EQC common shareholders and unitholders per share and unit -- diluted	\$ 0.18	\$ 0.19	\$ 0.49	\$ 0.64

- (1) Our calculations of FFO and Normalized FFO attributable to EQC common shareholders **and unitholders** per share and unit - basic for the three and nine months ended September 30, 2018 include 46 and 44 LTIP/Operating Partnership Units, respectively, that are excluded from the calculation of basic earnings per common share attributable to EQC **common shareholders (only)**. Our calculations of FFO and Normalized FFO attributable to EQC common shareholders **and unitholders** per share and unit - basic for the three and nine months ended September 30, 2017 include 43 and 37 LTIP/Operating Partnership Units, respectively, that are excluded from the calculation of basic earnings per common share attributable to EQC **common shareholders (only)**. Refer to the schedule of Common & Potential Common Shares for information regarding the components of our weighted average common shares and units outstanding.

DEBT SUMMARY
As of September 30, 2018
(dollars in thousands)

	Interest Rate	Principal Balance	Maturity Date	Open at Par Date	Due at Maturity	Years to Maturity
Unsecured Debt:						
Unsecured Floating Rate Debt:						
Revolving credit facility (LIBOR + 105 bps) ⁽¹⁾	3.31%	\$ —	1/28/2019	Open	\$ —	0.3
Total / weighted average unsecured floating rate debt	3.31%	\$ —			\$ —	0.3
Unsecured Fixed Rate Debt:						
5.875% Senior Unsecured Notes Due 2020	5.88%	\$ 250,000	9/15/2020	3/15/2020	\$ 250,000	2.0
Total / weighted average unsecured fixed rate debt	5.88%	\$ 250,000			\$ 250,000	2.0
Secured Debt:						
Secured Fixed Rate Debt:						
206 East 9th Street	5.69%	\$ 26,138	1/5/2021	7/5/2020	\$ 24,836	2.3
97 Newberry Road	5.71%	5,011	3/1/2026	N/A	—	7.4
Total / weighted average secured fixed rate debt	5.69%	\$ 31,149			\$ 24,836	3.1
Total / weighted average ⁽²⁾	5.86%	\$ 281,149			\$ 274,836	2.1

- (1) Represents amounts outstanding on EQC's \$750,000 revolving credit facility as of September 30, 2018. The interest rate presented is as of September 30, 2018, and equals LIBOR plus 1.05%. We also pay a 20 basis point facility fee annually. The spread over LIBOR and the facility fee vary depending upon EQC's credit rating. The revolving credit facility has a scheduled maturity date of January 28, 2019, which maturity date may be extended for up to two additional periods of six months at our option subject to satisfaction of certain conditions and the payment of an extension fee of 7.5 basis points of the aggregate amount available under the revolving credit facility.
- (2) Total debt outstanding as of September 30, 2018, including net unamortized premiums, discounts, and deferred financing fees was \$279,901. Net unamortized deferred financing fees related to our revolving credit facility of \$538 are included in other assets, net on our condensed consolidated balance sheet as of September 30, 2018.

DEBT MATURITY SCHEDULE
(dollars in thousands)

Scheduled Principal Payments During Period

Year	Unsecured Fixed Rate Debt	Secured Fixed Rate Debt	Total	Weighted Average Interest Rate
2018	\$ —	\$ 272	\$ 272	5.7%
2019	—	1,126	1,126	5.7%
2020	250,000	1,189	251,189	5.9%
2021	—	25,463	25,463	5.7%
2022	—	663	663	5.7%
2023	—	702	702	5.7%
2024	—	743	743	5.7%
2025	—	787	787	5.7%
2026	—	204	204	5.7%
2027	—	—	—	—%
Thereafter	—	—	—	—%
Total	\$ 250,000	\$ 31,149	\$ 281,149 ⁽¹⁾	5.9%

Percent 88.9% 11.1% 100.0%

- (1) Total debt outstanding as of September 30, 2018, including net unamortized premiums, discounts, and deferred financing fees was \$279,901. Net unamortized deferred financing fees related to our revolving credit facility of \$538 are included in other assets, net on our condensed consolidated balance sheet as of September 30, 2018.

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

	As of and for the Three Months Ended				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Leverage Ratios					
Total debt / total assets	7.3 %	7.4 %	16.4 %	20.0 %	20.0 %
Total debt / total market capitalization	6.4 %	6.6 %	14.8 %	17.7 %	17.8 %
Total debt + preferred stock / total market capitalization	9.4 %	9.5 %	17.6 %	20.4 %	20.5 %
Total debt / annualized adjusted EBITDAre ⁽¹⁾	2.3x	2.3x	5.4x	5.7x	5.1x
Total debt + preferred stock / annualized adjusted EBITDAre ⁽¹⁾	3.4x	3.3x	6.4x	6.6x	5.9x
Net debt / enterprise value	(142.6)%	(126.1)%	(124.4)%	(61.7)%	(54.1)%
Net debt + preferred stock / enterprise value	(134.9)%	(118.8)%	(117.0)%	(56.4)%	(49.0)%
Net debt / annualized adjusted EBITDAre ⁽¹⁾	(19.6)x	(18.2)x	(17.2)x	(10.1)x	(8.4)x
Net debt + preferred stock / annualized adjusted EBITDAre ⁽¹⁾	(18.6)x	(17.2)x	(16.2)x	(9.2)x	(7.6)x
Secured debt / total assets	0.8 %	0.8 %	0.8 %	0.8 %	0.8 %
Variable rate debt / total debt	— %	— %	59.0 %	47.1 %	47.0 %
Variable rate debt / total assets	— %	— %	9.7 %	9.4 %	9.4 %
Coverage Ratios					
Adjusted EBITDAre / interest expense ⁽¹⁾	6.0x	4.8x	3.1x	3.5x	3.6x
Adjusted EBITDAre / interest expense + preferred distributions ⁽¹⁾	4.3x	3.7x	2.6x	2.9x	3.1x
Public Debt Covenants					
Debt / adjusted total assets ⁽²⁾ (maximum 60%)	6.8 %	6.8 %	15.2 %	18.2 %	18.0 %
Secured debt / adjusted total assets ⁽²⁾ (maximum 40%)	0.8 %	0.8 %	0.7 %	0.7 %	0.7 %
Consolidated income available for debt service / debt service (minimum 1.5x)	4.6x	4.6x	2.8x	3.3x	3.5x
Total unencumbered assets ⁽²⁾ / unsecured debt (minimum 150% / 200%)	1,629 %	1,624 %	681 %	553 %	567 %

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

(2) 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 ⁽¹⁾	% Leased ⁽¹⁾	Gross Sales Price	Net Book Value ⁽¹⁾	Annualized Rental Revenue ⁽¹⁾
1600 Market Street	Philadelphia	PA	1	825,968	84.7%	\$ 160,000	\$ 76,066	\$ 19,219
600 West Chicago Avenue ⁽²⁾	Chicago	IL	1	1,561,477	99.2%	510,000	343,111	53,193
5073, 5075, & 5085 S. Syracuse Street	Denver	CO	1	248,493	100.0%	115,186	52,323	7,601
Total Q1 Dispositions			3	2,635,938	94.7%	\$ 785,186	\$ 471,500	\$ 80,013
1601 Dry Creek Drive	Longmont	CO	1	552,865	100.0%	\$ 68,500	\$ 24,786	\$ 9,115
Total Q2 Dispositions			1	552,865	100.0%	\$ 68,500	\$ 24,786	\$ 9,115
777 East Eisenhower Parkway	Ann Arbor	MI	1	290,530	39.8%	\$ 29,500	\$ 21,652	\$ 2,989
8750 Bryn Mawr Avenue ⁽³⁾	Chicago	IL	1	636,078	95.5%	141,000	91,873	17,041
Total Q3 Dispositions			2	926,608	78.0%	\$ 170,500	\$ 113,525	\$ 20,030
Total Disposed Year-to-Date			6	4,115,411	91.7%	\$ 1,024,186	\$ 609,811	\$ 109,158

The dispositions above resulted in a gain on sale of properties of \$20.9 million and \$253.0 million for the three and nine months ended September 30, 2018, respectively.

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

(2) Proceeds from the sale of 600 West Chicago Avenue were approximately \$488 million after credits for capital, contractual lease costs, and rent abatement.

(3) Proceeds from the sale of 8750 Bryn Mawr Avenue were approximately \$120 million after credits for capital, contractual lease costs, and rent abatement.

PROPERTY DETAIL
As of September 30, 2018
(sorted by annualized rental revenue, dollars in thousands)

Same Property Portfolio⁽¹⁾

Property	City, State	Type	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 ⁽²⁾
1 1735 Market Street	Philadelphia, PA	Office	1	1,286,936	91.0%	83.4%	\$ 36,998	\$ 327,779	\$ 194,248	1998	1990
2 1225 Seventeenth Street	Denver, CO	Office	1	695,372	88.4%	86.4%	23,788	159,719	125,943	2009	1982
3 333 108th Avenue NE	Bellevue, WA	Office	1	435,406	99.3%	99.3%	21,748	153,527	121,300	2009	2008
4 Bridgepoint Square	Austin, TX	Office	5	440,007	91.6%	91.3%	14,436	96,533	52,060	1997	1995
5 Research Park	Austin, TX	Flex	4	1,110,007	98.0%	98.0%	12,040	104,199	67,033	1998	1976
6 109 Brookline Avenue	Boston, MA	Office	1	285,556	94.6%	94.6%	11,117	47,650	26,137	1995	1915
7 1250 H Street, NW	Washington, D.C.	Office	1	196,490	89.7%	84.9%	8,924	74,471	41,758	1998	1992
8 600 108th Avenue NE	Bellevue, WA	Office	1	254,510	94.5%	93.9%	8,740	52,167	35,272	2004	2012
9 Georgetown-Green and Harris Buildings	Washington, D.C.	Office	2	240,475	100.0%	100.0%	6,803	60,023	51,846	2009	2006
10 206 East 9th Street	Austin, TX	Office	1	175,510	92.0%	78.3%	5,721	50,680	43,959	2012	1984
11 97 Newberry Road	East Windsor, CT	Industrial	1	289,386	100.0%	100.0%	1,923	11,403	7,741	2006	1989
Total Same Properties			19	5,409,655	94.0%	91.3%	\$ 152,238	\$ 1,138,151	\$ 767,297	2002	1986

Same Property NOI & Cash Basis NOI Composition	Q3 2018 NOI	% of NOI	Q3 2018 Cash Basis NOI	% of Cash Basis NOI
Top 5 Properties	\$ 17,984	69.6%	\$ 16,540	66.9%
All other properties (6 properties)	7,860	30.4%	8,184	33.1%
Total (11 properties)	\$ 25,844	100.0%	\$ 24,724	100.0%

(1) Excludes properties disposed prior to October 1, 2018.

(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				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Properties ⁽¹⁾	11	13	13	16	20
Total square feet ⁽¹⁾⁽²⁾	5,410	6,341	6,344	8,706	11,031
Percentage leased	94.0 %	89.8 %	88.6 %	91.9 %	88.3 %
Percentage commenced	91.3 %	87.7 %	83.5 %	89.2 %	85.5 %

Total Leases					
Square feet	563	292	117	248	273
Lease term (years)	14.4	9.4	7.8	11.5	7.5
Starting cash rent	\$ 47.36	\$ 39.44	\$ 36.29	\$ 33.36	\$ 33.49
Percent change in cash rent ⁽³⁾	(1.2)%	10.4 %	2.8 %	6.8 %	2.3 %
Percent change in GAAP rent ⁽³⁾	11.0 %	23.6 %	10.8 %	19.0 %	7.8 %
Total TI & LC per square foot ⁽⁴⁾	\$118.03	\$ 59.54	\$ 59.23	\$ 36.91	\$ 40.37
Total TI & LC per sq. ft. per year of lease term ⁽⁴⁾	\$ 8.22	\$ 6.36	\$ 7.56	\$ 3.20	\$ 5.35

Renewal Leases					
Square feet	1	103	71	171	81
Lease term (years)	5.0	5.2	7.2	13.4	4.0
Starting cash rent	\$ 67.85	\$ 39.01	\$ 36.93	\$ 33.06	\$ 35.52
Percent change in cash rent ⁽³⁾	0.0 %	12.0 %	1.7 %	6.2 %	3.7 %
Percent change in GAAP rent ⁽³⁾	17.0 %	20.2 %	9.5 %	20.7 %	10.9 %
Total TI & LC per square foot ⁽⁴⁾	\$ 2.50	\$ 40.07	\$ 55.07	\$ 33.67	\$ 18.00
Total TI & LC per sq. ft. per year of lease term ⁽⁴⁾	\$ 0.50	\$ 7.75	\$ 7.61	\$ 2.52	\$ 4.51

New Leases					
Square feet	562	189	46	77	192
Lease term (years)	14.4	11.6	8.7	7.5	9.0
Starting cash rent	\$ 47.32	\$ 39.67	\$ 35.34	\$ 34.02	\$ 32.63
Percent change in cash rent ⁽³⁾	(1.2)%	9.6 %	6.7 %	9.0 %	1.5 %
Percent change in GAAP rent ⁽³⁾	11.0 %	25.5 %	15.3 %	13.4 %	6.4 %
Total TI & LC per square foot ⁽⁴⁾	\$118.28	\$ 70.12	\$ 65.55	\$ 44.06	\$ 49.75
Total TI & LC per sq. ft. per year of lease term ⁽⁴⁾	\$ 8.23	\$ 6.03	\$ 7.49	\$ 5.88	\$ 5.51

The above leasing summary is based on leases executed during the periods indicated, and excludes leasing activity for assets during the quarter in which the asset was sold or classified as held for sale.

- (1) Excludes properties classified as held for sale and land parcels.
- (2) Changes in total square footage result from property dispositions, reclassifications, and remeasurement.
- (3) Percent change in GAAP and cash rent is a comparison of current 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. Cash rent is calculated before deducting any initial period free rent. 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				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Properties	11	11	11	11	11
Total square feet ⁽¹⁾	5,410	5,415	5,417	5,417	5,417
Percentage leased	94.0 %	91.8 %	90.5 %	91.1 %	91.1 %
Percentage commenced	91.3 %	89.9 %	86.7 %	87.1 %	87.5 %

Total Leases					
Square feet	563	189	51	203	171
Lease term (years)	14.4	5.6	8.0	12.2	6.9
Starting cash rent	\$ 47.36	\$ 42.47	\$ 39.61	\$ 34.56	\$ 38.48
Percent change in cash rent ⁽²⁾	(1.2)%	15.3 %	4.0 %	9.2 %	8.1 %
Percent change in GAAP rent ⁽²⁾	11.0 %	24.8 %	10.4 %	22.9 %	12.7 %
Total TI & LC per square foot ⁽³⁾	\$ 118.03	\$ 47.97	\$ 58.42	\$ 34.02	\$ 44.09
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 8.22	\$ 8.63	\$ 7.32	\$ 2.78	\$ 6.43

Renewal Leases					
Square feet	1	91	34	159	46
Lease term (years)	5.0	5.2	9.4	14.0	4.1
Starting cash rent	\$ 67.85	\$ 40.78	\$ 40.27	\$ 33.63	\$ 43.65
Percent change in cash rent ⁽²⁾	0.0 %	15.6 %	1.3 %	7.2 %	5.7 %
Percent change in GAAP rent ⁽²⁾	17.0 %	23.5 %	7.0 %	22.1 %	9.5 %
Total TI & LC per square foot ⁽³⁾	\$ 2.50	\$ 43.92	\$ 70.44	\$ 34.55	\$ 21.18
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 0.50	\$ 8.45	\$ 7.52	\$ 2.47	\$ 5.21

New Leases					
Square feet	562	98	17	44	125
Lease term (years)	14.4	5.9	5.3	6.0	7.9
Starting cash rent	\$ 47.32	\$ 44.04	\$ 38.31	\$ 37.91	\$ 36.57
Percent change in cash rent ⁽²⁾	(1.2)%	14.9 %	10.2 %	26.8 %	9.2 %
Percent change in GAAP rent ⁽²⁾	11.0 %	26.0 %	18.3 %	28.9 %	14.3 %
Total TI & LC per square foot ⁽³⁾	\$ 118.28	\$ 51.74	\$ 34.90	\$ 32.14	\$ 52.57
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 8.23	\$ 8.78	\$ 6.61	\$ 5.34	\$ 6.67

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, 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. Cash rent is calculated before deducting any initial period free rent. 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 & SAME PROPERTY LEASING COMMITMENTS
(dollars and square feet in thousands)

CAPITAL SUMMARY EXPENDITURES	Three Months Ended				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Tenant improvements	\$ 11,490	\$ 13,773	\$ 10,907	\$ 6,410	\$ 3,015
Leasing costs	11,699	4,909	2,842	3,408	3,070
Building improvements ⁽¹⁾	2,223	2,936	1,951	5,311	8,469
Total capital expenditures	\$ 25,412	\$ 21,618	\$ 15,700	\$ 15,129	\$ 14,554

Average square feet during period ⁽²⁾	5,876	6,619	8,214	10,282	12,722
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Building improvements per average total sq. ft. during period	\$ 0.38	\$ 0.44	\$ 0.24	\$ 0.52	\$ 0.67
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CAPITAL SUMMARY SAME PROPERTY LEASING COMMITMENTS	Three Months Ended September 30, 2018		
	New Leases	Renewal Leases	Total
Square feet leased during the period	562	1	563
Total TI & LC ⁽³⁾	\$ 66,473	\$ 3	\$ 66,476
Total TI & LC per square foot ⁽³⁾	\$ 118.28	\$ 2.50	\$ 118.03
Weighted average lease term by square foot (years)	14.4	5.0	14.4
Total TI & LC per sq. ft. per year of lease term ⁽³⁾	\$ 8.23	\$ 0.50	\$ 8.22

(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 September 30, 2018
(square feet in thousands)

Tenant	Square Feet ⁽¹⁾	% of Total Sq. Ft. ⁽¹⁾	% of Annualized Rental Revenue	Weighted Average Remaining Lease Term
1 Expedia, Inc. ⁽²⁾	427	8.4%	13.9%	1.3
2 Flex Ltd.	1,051	20.7%	7.2%	11.3
3 Ballard Spahr LLP	219	4.3%	5.6%	11.4
4 Georgetown University ⁽³⁾	240	4.7%	4.5%	1.0
5 Beth Israel Deaconess Medical Center, Inc.	117	2.3%	2.5%	4.8
6 Dana-Farber Cancer Institute, Inc.	77	1.5%	2.3%	6.2
7 BT Americas, Inc.	59	1.2%	2.0%	0.8
8 Equinor Energy Services, Inc. ⁽⁴⁾	89	1.7%	1.8%	4.8
9 Aberdeen Asset Management, Inc	58	1.1%	1.7%	1.0
10 KPMG, LLP	66	1.3%	1.7%	4.4
11 Public Financial Management, Inc.	62	1.2%	1.6%	12.7
12 Sunoco, Inc. ⁽⁵⁾	71	1.4%	1.5%	2.0
Total	2,536	49.8%	46.3%	7.1

- (1) Square footage as of September 30, 2018 includes space subject to leases that have commenced, space being fitted out for occupancy pursuant to existing leases, and space which is leased but is not occupied or is being offered for sublease by tenants.
- (2) During the third quarter of 2018, an affiliate of Amazon.com, Inc. entered into a new 16-year lease for 429,012 square feet, including all of the Expedia, Inc. space. The lease commences in 2020.
- (3) Georgetown University's leased space includes 111,600 square feet that are sublet to another tenant. During the fourth quarter of 2017, the other tenant committed to lease this space through September 30, 2037. The lease commences in 2019.
- (4) Formerly known as Statoil Oil & Gas LP.
- (5) 67,063 square feet of Sunoco's leased space has been backfilled by other tenants with a weighted-average expiration in mid-2026. The backfilling leases commence in 2020.

SAME PROPERTY LEASE EXPIRATION SCHEDULE

As of September 30, 2018
(dollars and sq. ft. in thousands)

Year	Number of Tenants Expiring	Leased Sq. Ft. Expiring ⁽¹⁾	% of Leased Sq. Ft. Expiring	Cumulative % of Leased Sq. Ft. Expiring	Annualized Rental Revenue Expiring ⁽²⁾	% of Annualized Rental Revenue Expiring	Cumulative % of Annualized Rental Revenue Expiring
2018	10	54	1.1%	1.1%	\$ 3,029	2.0%	2.0%
2019	47	510	10.0%	11.1%	18,554	12.2%	14.2%
2020	26	403	7.9%	19.0%	9,257	6.1%	20.3%
2021	35	251	4.9%	23.9%	10,892	7.2%	27.5%
2022	26	353	6.9%	30.8%	13,550	8.9%	36.4%
2023	32	398	7.8%	38.6%	16,278	10.7%	47.1%
2024	11	238	4.7%	43.3%	4,598	3.0%	50.1%
2025	9	162	3.2%	46.5%	5,022	3.3%	53.4%
2026	8	125	2.5%	49.0%	4,332	2.8%	56.2%
2027	8	154	3.0%	52.0%	6,129	4.0%	60.2%
Thereafter	26	2,440	48.0%	100.0%	60,597	39.8%	100.0%
Total	<u>238</u>	<u>5,088</u>	<u>100.0%</u>		<u>\$ 152,238</u>	<u>100.0%</u>	
Weighted average remaining lease term (in years)		<u>8.2</u>			<u>7.9</u>		

(1) Square footage as of September 30, 2018 includes space subject to leases that have commenced, space being fitted out for occupancy pursuant to existing leases, and space which is leased but is not occupied or is being offered for sublease by tenants. The year expiring corresponds to the latest-expiring signed lease for a given suite. Thus, backfilled suites expire in the year stipulated by the new lease.

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

DISPOSED PROPERTY DETAIL ⁽¹⁾
(dollars in thousands)

Property	City and State	No. of Bldgs.	Sq. Feet	% Leased	Annualized Rental Revenue	Undepreciated Book Value	Net Book Value	Year Acquired	Weighted Average Year Built or Substantially Renovated ⁽²⁾
1 1600 Market Street	Philadelphia PA	1	825,968	84.7%	\$ 19,219	\$ 138,130	\$ 76,066	1998	1983
2 600 West Chicago Avenue	Chicago IL	2	1,561,477	99.2%	53,193	401,062	343,111	2011	2001
3 5073, 5075, & 5085 S. Syracuse Street	Denver CO	1	248,493	100.0%	7,601	63,610	52,323	2010	2007
Total Q1 2018 Dispositions		4	2,635,938	94.7%	\$ 80,013	\$ 602,802	\$ 471,500	2007	1996
4 1601 Dry Creek Drive	Longmont CO	1	552,865	100.0%	\$ 9,115	\$ 35,479	\$ 24,786	2004	1982
Total Q2 2018 Dispositions		1	552,865	100.0%	\$ 9,115	\$ 35,479	\$ 24,786	2004	1982
5 777 East Eisenhower Parkway	Ann Arbor MI	1	290,530	39.8%	\$ 2,989	\$ 27,969	\$ 21,652	2010	2006
6 8750 Bryn Mawr Avenue	Chicago IL	2	636,078	95.5%	17,041	111,243	91,873	2010	2005
Total Q3 2018 Dispositions		3	926,608	78.0%	\$ 20,030	\$ 139,212	\$ 113,525	2010	2005
Total Disposed Year-to-Date		8	4,115,411	91.7%	\$ 109,158	\$ 777,493	\$ 609,811	2007	1996

(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)

Weighted Average Share Calculation - GAAP EPS	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Weighted average common shares outstanding - basic ⁽¹⁾	121,845	124,089	122,504	124,068
Weighted average dilutive RSUs and LTIP Units ⁽²⁾	1,006	1,086	885	1,126
Weighted average common shares outstanding - diluted ⁽¹⁾	122,851	125,175	123,389	125,194

Weighted Average Share and Unit Calculation - FFO and Normalized FFO per share and unit	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Weighted average EQC common shares outstanding ⁽¹⁾	121,845	124,089	122,504	124,068
Weighted average Operating Partnership Units outstanding ⁽³⁾	1	—	1	—
Weighted average time-based LTIP Units ⁽²⁾⁽³⁾	45	43	43	37
Weighted average common shares and units outstanding - basic ⁽¹⁾	121,891	124,132	122,548	124,105
Weighted average dilutive RSUs and market-based LTIP Units ⁽²⁾	1,006	1,043	885	1,089
Weighted average common shares and units outstanding - diluted ⁽¹⁾	122,897	125,175	123,433	125,194

Rollforward of Share Count to September 30, 2018	Series D Preferred Shares	EQC Common Shares ⁽⁴⁾
Outstanding on December 31, 2017	4,915	124,218
Repurchase of common shares	—	(2,970)
Issuance of restricted shares and shares earned from RSUs, net ⁽⁵⁾	—	235
Outstanding on September 30, 2018	4,915	121,483
Common shares issuable from RSUs, Operating Partnership Units, and LTIP Units as measured on September 30, 2018 ⁽²⁾		1,414
Potential common shares as measured on September 30, 2018 ⁽⁶⁾		122,897

- (1) Weighted average common shares outstanding for the three months ended September 30, 2018 and 2017 includes 362 and 0 unvested, earned RSUs, respectively. Weighted average common shares outstanding for the nine months ended September 30, 2018 and 2017 includes 344 and 0 unvested, earned RSUs, respectively.
- (2) We have granted RSUs and LTIP Units to certain employees, officers, and trustees. RSUs and LTIP Units contain service and market-based vesting components.
- (3) Our calculations of FFO and Normalized FFO attributable to EQC common shareholders **and unitholders** per share and unit - basic include time-based LTIP Units and Operating Partnership Units that are excluded from the calculation of basic earnings per common share attributable to EQC **common shareholders (only)**.
- (4) EQC common shares include unvested restricted shares and unvested earned RSUs.
- (5) This amount is net of forfeitures and shares surrendered to satisfy statutory tax withholding obligations.
- (6) Potential common shares as measured on September 30, 2018, exclude 4,915 series D preferred shares outstanding that were convertible into 2,363 common shares.

DEFINITIONS

Annualized Rental Revenue

Annualized Rental Revenue is annualized contractual rents from our tenants pursuant to leases which have commenced as of September 30, 2018, 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), EBITDAre, and Adjusted EBITDAre

We calculate EBITDA as net income (loss) excluding interest expense, income tax expense, and depreciation and amortization.

We calculate EBITDAre in accordance with standards established by the National Association of Real Estate Investment Trusts (NAREIT). NAREIT defines EBITDAre as net income (loss), calculated in accordance with GAAP, plus interest expense, plus income tax expense, plus depreciation and amortization, plus (minus) losses and gains on the disposition of depreciated property, plus impairment write-downs of depreciated property and investments in unconsolidated joint ventures, plus adjustments to reflect the entity's share of EBITDAre of unconsolidated joint ventures. Our calculation of Adjusted EBITDAre differs from our calculations of EBITDA and EBITDAre because we exclude certain items that we view as nonrecurring or impacting comparability from period to period. EBITDA, EBITDAre, and Adjusted EBITDAre are supplemental non-GAAP financial measures.

We consider EBITDA, EBITDAre and Adjusted EBITDAre to be appropriate measures of our operating performance, along with net income (loss), net income (loss) attributable to EQC common shareholders, operating income (loss) and cash flow from operating activities. We believe that EBITDA, EBITDAre, and Adjusted EBITDAre provide useful information to investors because by excluding the effects of certain historical amounts, such as interest, depreciation and amortization expense, EBITDA, EBITDAre, and Adjusted EBITDAre may facilitate a comparison of current operating performance with our past operating performance. EBITDA, EBITDAre and Adjusted EBITDAre do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss), net income (loss) attributable to EQC common shareholders, operating income (loss) 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 (loss), net income (loss) attributable to EQC common shareholders, operating income (loss) 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, EBITDAre and Adjusted EBITDAre differently than we do.

Annualized Adjusted EBITDAre

Annualized Adjusted EBITDAre is Adjusted EBITDAre for the three months ended September 30, 2018 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 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 (loss), net income (loss) attributable to EQC common shareholders, operating income (loss) and cash flow from operating activities.

DEFINITIONS

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 (loss), net income (loss) attributable to EQC common shareholders, operating income (loss) 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 (loss), net income (loss) attributable to EQC common shareholders, operating income (loss) 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 primarily consist of leasing commissions (LCs) 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 operations 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 quarter-to-date same property versions of these measures include the results of properties continuously owned from July 1, 2017 through September 30, 2018. The year-to-date same property versions of these measures include the results of properties continuously owned from January 1, 2017 through September 30, 2018. 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 (loss) 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 (loss), net income (loss) attributable to EQC common shareholders, operating income (loss) 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 (loss), net income (loss) attributable to EQC common shareholders, operating income (loss) 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, and impairment write-downs, 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).

Operating Partnership Units

Operating Partnership Units are beneficial interests in the Operating Trust.

Percentage Commenced

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

DEFINITIONS

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 quarter-to-date same property portfolio is comprised of those properties continuously owned from July 1, 2017 through September 30, 2018. Our year-to-date same property portfolio is comprised of those properties continuously owned from January 1, 2017 through September 30, 2018. 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.

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.