ESSEX

PROPERTY TRUST, INC.

ESSEX ANNOUNCES SECOND QUARTER 2020 RESULTS

San Mateo, California—August 3, 2020—Essex Property Trust, Inc. (NYSE: ESS) (the "Company") announced today its second quarter 2020 earnings results and related business activities.

Net Income, Funds from Operations ("FFO"), and Core FFO per diluted share for the three and six months ended June 30, 2020 are detailed below.

	Three Months Ended June 30,		%	Six Months Ended June 30,		%
	2020	2019	Change	**2020**	2019	Change
Per Diluted Share						
Net Income	**$1.29**	$1.40	-7.9%	**$6.07**	$3.21	89.1%
Total FFO	**$3.21**	$3.36	-4.5%	**$6.65**	$6.69	-0.6%
Core FFO	**$3.16**	$3.33	-5.1%	**$6.64**	$6.57	1.1%

Second Quarter 2020 Highlights:

- Reported Net Income per diluted share for the second quarter of 2020 of $1.29, compared to $1.40 in the second quarter of 2019.
- Core FFO per diluted share declined by 5.1% compared to the second quarter of 2019.
- Same-property gross revenue and net operating income ("NOI") declined by 3.8% and 7.4%, respectively, compared to the second quarter of 2019. The Company recorded an additional $9.7 million of delinquencies in the second quarter compared to the prior year period. Excluding these delinquencies, same-property revenue and NOI would have declined 0.9% and 3.5%, respectively.
- Same-property operating expenses increased 6.0% compared to the second quarter of 2019. The increase is largely due to a 9.6% increase in real estate taxes, driven by higher taxes in Seattle.
- Disposed of two apartment communities during the second quarter for a total contract price of $232.0 million.
- Repurchased 87,988 shares of common stock totaling $20.1 million at an average price per share of $228.36 under the stock buyback program.
- In June 2020, the Company issued $150.0 million of 12-year senior unsecured notes due in March 2032 bearing an interest rate per annum of 2.65% and an effective yield of 2.09%.
- As of July 31, 2020, the Company's immediately available liquidity exceeded $1.4 billion.

"The second quarter of 2020 proved to be one of the most challenging environments in company history and we are proud of how the Essex team responded to the COVID-19 pandemic, providing compassionate service, emphasizing safety, and complying with an unprecedented regulatory regime. Following a sharp decline in rental demand early in the quarter as a result of the COVID-19 pandemic and shelter-in-place ordinances, we saw employment trends significantly improve at the end of the quarter and we are cautiously optimistic that these trends will continue. The Company is well positioned with a strong balance sheet and ample liquidity, providing opportunity to create value for our shareholders through these unprecedented economic times," commented Michael Schall, President and CEO of the Company.

SAME-PROPERTY OPERATIONS

Same-property operating results exclude any properties that are not comparable for the periods presented. The table below illustrates the percentage change in same-property gross revenues for the quarter ended June 30, 2020 compared to the quarter ended June 30, 2019, and the sequential percentage change for the quarter ended June 30, 2020 compared to the quarter ended March 31, 2020, by submarket for the Company:

	Q2 2020 vs. Q2 2019	Q2 2020 vs. Q1 2020	% of Total
	Gross Revenues	**Gross Revenues**	**Q2 2020 Revenues**
Southern California			
Los Angeles County	-8.6%	-10.2%	18.3%
Orange County	-4.3%	-6.5%	11.0%
San Diego County	-2.0%	-4.5%	8.4%
Ventura County	-3.2%	-5.3%	4.4%
Total Southern California	**-5.7%**	**-7.7%**	**42.1%**
Northern California			
Santa Clara County	-1.5%	-3.9%	19.3%
Alameda County	-4.9%	-6.5%	6.9%
San Mateo County	-4.6%	-7.3%	5.0%
Contra Costa County	-5.3%	-6.7%	4.8%
San Francisco	-6.5%	-7.8%	3.3%
Total Northern California	**-3.4%**	**-5.5%**	**39.3%**
Seattle Metro	**-0.2%**	**-3.7%**	**18.6%**
Same-Property Portfolio	**-3.8%**	**-6.1%**	**100.0%**

The table below illustrates the components that drove the change in Same-Property Revenues on a year-over-year basis.

Same-Property Revenue Components		**$ Amount (in millions)**	**% Contribution to Growth/(Decline)**
Q2 2019 Same-Property Revenue	$	336.5	
Scheduled Rents		6.7	2.0%
Delinquencies		(9.7)	-2.9%
Concessions		(3.4)	-1.0%
Vacancy		(5.9)	-1.7%
Other Income		(0.5)	-0.1%
Q2 2020 Same-Property Revenues/Growth	**$**	**323.7**	**-3.8%**

	Year-Over-Year Growth Q2 2020 compared to Q2 2019			Year-Over-Year Growth YTD 2020 compared to YTD 2019		
	Gross Revenues	Operating Expenses	NOI	Gross Revenues	Operating Expenses	NOI
Southern California	-5.7%	3.1%	-9.1%	-1.5%	2.8%	-3.2%
Northern California	-3.4%	3.9%	-5.9%	-0.2%	2.8%	-1.2%
Seattle Metro	-0.2%	17.2%	-7.0%	2.2%	7.2%	0.1%
Same-Property Portfolio	**-3.8%**	**6.0%**	**-7.4%**	**-0.3%**	**3.6%**	**-1.8%**

	Sequential Growth Q2 2020 compared to Q1 2020		
	Gross Revenues	Operating Expenses	NOI
Southern California	-7.7%	0.1%	-10.7%
Northern California	-5.5%	0.9%	-7.6%
Seattle Metro	-3.7%	8.1%	-8.6%
Same-Property Portfolio	**-6.1%**	**1.9%**	**-9.1%**

	Financial Occupancies Quarter Ended		
	6/30/2020	3/31/2020	6/30/2019
Southern California	94.5%	96.6%	96.6%
Northern California	95.0%	96.9%	96.6%
Seattle Metro	95.4%	96.8%	96.4%
Same-Property Portfolio	**94.9%**	**96.8%**	**96.6%**

INVESTMENT ACTIVITY

Dispositions

In June 2020, the Company completed a portfolio sale which consisted of two apartment communities, One South Market and Museum Park, both located in San Jose, CA for a total contract price of $232.0 million. Combined, the two communities contain 429 apartment homes and approximately 6,534 sq. ft of retail. The Company recognized a $16.6 million gain on sale, which has been excluded from Core FFO.

Subsequent to quarter end, the Company sold a 126-unit apartment community located in Redmond, WA, at a total contract price of $51.5 million. The community was originally acquired in 2011 at a total contract price of $30.1 million.

Other Investments

In April 2020, the Company originated a subordinated loan investment totaling $29.2 million to fund the development of a multifamily community located in Northern California. The investment has an initial preferred return of 11.0% and matures in 2023. As of June 30, 2020, the Company had funded $6.7 million, with the full commitment expected to be funded by the second quarter of 2021.

DEVELOPMENT ACTIVITY

In the second quarter of 2020, the Company entered into a joint venture to develop Scripps Mesa Apartments, a 264-unit apartment community located in the Scripps Ranch area of San Diego, CA. The Company has a 50.5% ownership in the development, which has a total projected cost of $102.0 million. The project will be financed with $89.3 million of tax-exempt bonds that mature in 2060. The joint venture has entered into a total return swap, converting the tax-exempt bonds to a variable rate of SIFMA + 0.75%. Construction on the project commenced in July 2020 with a projected opening in the fourth quarter of 2022.

The table below represents the development communities in lease-up and the current leasing status as of July 31, 2020.

Project Name	Location	Total Apartment Homes	ESS Ownership	% Leased as of 07/31/20	Status
Station Park Green – Phase III	San Mateo, CA	172	100%	88.4%	In Lease-Up
500 Folsom	San Francisco, CA	537	50%	73.4%	In Lease-Up
Mylo	Santa Clara, CA	476	100%	45.8%	In Lease-Up
Patina at Midtown	San Jose, CA	269	50%	9.3%	In Lease-Up
Total/Average % Leased		**1,454**		**54.3%**	

LIQUIDITY AND BALANCE SHEET

Common Stock

In the second quarter of 2020, the Company repurchased 87,988 shares of its common stock totaling $20.1 million, including commissions, at an average price of $228.36 per share. Year-to-date through July 31, 2020, the Company repurchased 985,509 shares of its common stock totaling $223.0 million, including commissions, at an average price of $226.27 per share. As of July 31, 2020, the Company had $203.3 million of purchase authority remaining under the stock repurchase plan.

The Company did not issue any shares of common stock through its equity distribution program in the second quarter of 2020.

Balance Sheet

In April 2020, the Company originated a $200.0 million unsecured term loan, priced at LIBOR + 1.20% with a one-year maturity and two 12-month extension options, exercisable at the Company's option. The proceeds were used to repay all remaining consolidated debt maturing in 2020.

In June 2020, the Company issued $150.0 million of 12-year senior unsecured notes due in March 2032 bearing an interest rate per annum of 2.65% and an effective yield of 2.09%. The notes were issued as additional notes pursuant to the notes previously issued in February 2020. The proceeds were used to repay indebtedness under the Company's unsecured credit facilities and for other general corporate and working capital purposes.

As of July 31, 2020, the Company had $1.2 billion in undrawn capacity on its unsecured credit facilities.

COVID-19 UPDATE

The Company has established the Essex Cares fund to support the Company's residents and stakeholders that are experiencing financial hardships caused by the COVID-19 pandemic. Initially funded by donations from the Company's employees, officers and directors, the Company intends to distribute up to $3.0 million dollars in financial assistance to those in need.

Due to the uncertain nature of the COVID-19 pandemic and evolving economic re-opening plans, the Company is not reinstating full-year 2020 guidance. Instead, the Company continues to provide additional disclosures related to its operations on page S-15 of the supplemental financial information.

CONFERENCE CALL WITH MANAGEMENT

The Company will host an earnings conference call with management to discuss its quarterly results on Tuesday, August 4, 2020 at 10 a.m. PT (1 p.m. ET), which will be broadcast live via the Internet at www.essex.com, and accessible via phone by dialing toll-free, (877) 407-0784, or toll/international, (201) 689-8560. No passcode is necessary.

A rebroadcast of the live call will be available online for 30 days and digitally for 7 days. To access the replay online, go to www.essex.com and select the second quarter 2020 earnings link. To access the replay, dial (844) 512-2921 using the replay pin number 13706365. If you are unable to access the information via the Company's website, please contact the Investor Relations Department at investors@essex.com or by calling (650) 655-7800.

CORPORATE PROFILE

Essex Property Trust, Inc., an S&P 500 company, is a fully integrated real estate investment trust (REIT) that acquires, develops, redevelops, and manages multifamily residential properties in selected West Coast markets. Essex currently has ownership interests in 247 apartment communities comprising approximately 60,000 apartment homes with an additional 7 properties in various stages of active development. Additional information about the Company can be found on the Company's website at www.essex.com.

This press release and accompanying supplemental financial information has been furnished to the Securities and Exchange Commission electronically on Form 8-K and can be accessed from the Company's website at www.essex.com. If you are unable to obtain the information via the Web, please contact the Investor Relations Department at (650) 655-7800.

FFO RECONCILIATION

FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), is generally considered by industry analysts as an appropriate measure of performance of an equity REIT. Generally, FFO adjusts the net income of equity REITs for non-cash charges such as depreciation and amortization of rental properties, impairment charges, gains on sales of real estate and extraordinary items. Management considers FFO and FFO which excludes non-core items, which is referred to as "Core FFO," to be useful supplemental operating performance measures of an equity REIT because, together with net income and cash flows, FFO and Core FFO provide investors with additional bases to evaluate the operating performance and ability of a REIT to incur and service debt and to fund acquisitions and other capital expenditures and to pay dividends. By excluding gains or losses related to sales of depreciated operating properties and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help investors compare the operating performance of a real estate company between periods or as compared to different companies. By further adjusting for items that are not considered part of the Company’s core business operations, Core FFO allows investors to compare the core operating performance of the Company to its performance in prior reporting periods and to the operating performance of other real estate companies without the effect of items that by their nature are not comparable from period to period and tend to obscure the Company’s actual operating results. FFO and Core FFO do not represent net income or cash flows from operations as defined by U.S. generally accepted accounting principles (“GAAP”) and are not intended to indicate whether cash flows will be sufficient to fund cash needs. These measures should not be considered as alternatives to net income as an indicator of the REIT's operating performance or to cash flows as a measure of liquidity. FFO and Core FFO do not measure whether cash flow is sufficient to fund all cash needs including principal amortization, capital improvements and distributions to stockholders. FFO and Core FFO also do not represent cash flows generated from operating, investing or financing activities as defined under GAAP. Management has consistently applied the NAREIT definition of FFO to all periods presented. However, there is judgment involved and other REITs’ calculation of FFO may vary from the NAREIT definition for this measure, and thus their disclosures of FFO may not be comparable to the Company’s calculation.

The following table sets forth the Company's calculation of diluted FFO and Core FFO for the three and six months ended June 30, 2020 and 2019 (in thousands, except for share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
Funds from Operations attributable to common stockholders and unitholders	**2020**	2019	**2020**	2019
Net income available to common stockholders	**$ 84,458**	$ 92,275	**$ 399,464**	$ 211,133
Adjustments:				
Depreciation and amortization	**133,609**	119,465	**265,168**	240,033
Gains not included in FFO	**(16,597)**	(870)	**(251,291)**	(32,405)
Depreciation and amortization from unconsolidated co-investments	**12,764**	14,631	**25,308**	29,821
Noncontrolling interest related to Operating Partnership units	**2,964**	3,228	**13,950**	7,399
Depreciation attributable to third party ownership and other	**(139)**	(236)	**(273)**	(466)
Funds from Operations attributable to common stockholders and unitholders	**$ 217,059**	$ 228,493	**$ 452,326**	$ 455,515
FFO per share – diluted	**$ 3.21**	$ 3.36	**$ 6.65**	$ 6.69
Expensed acquisition and investment related costs	**$ 15**	$ 24	**$ 102**	$ 56
Deferred tax expense on unrealized gain on unconsolidated co-investment [1]	**1,636**	-	**1,636**	-
Gain on sale of marketable securities	**(46)**	(556)	**(33)**	(498)
Unrealized (gains) losses on marketable securities	**(7,623)**	56	**1,073**	(4,454)
Provision for credit losses	**147**	-	**97**	-
Equity income from non-core co-investment [2]	**(4,696)**	-	**(4,586)**	(314)
Interest rate hedge ineffectiveness [3]	**-**	-	**-**	181
Loss (gain) on early retirement of debt, net	**5,027**	(332)	**4,706**	(1,668)
Gain on early retirement of debt from unconsolidated co-investment	**(38)**	-	**(38)**	-
Co-investment promote income	-	-	**(6,455)**	(809)
Income from early redemption of preferred equity investments	**-**	(732)	**(210)**	(832)
General and administrative and other, net	**2,312**	-	**3,132**	-
Insurance reimbursements, legal settlements, and other, net	**(106)**	(38)	**(63)**	(248)
Core Funds from Operations attributable to common stockholders and unitholders	**$ 213,687**	$ 226,915	**$ 451,687**	$ 446,929
Core FFO per share – diluted	**$ 3.16**	$ 3.33	**$ 6.64**	$ 6.57
Weighted average number of shares outstanding diluted [4]	**67,682,034**	68,079,855	**68,017,414**	68,063,937

(1) A deferred tax expense was recorded during the second quarter of 2020 related to the $4.7 million net unrealized gain on the Real Estate Technology Ventures, L.P. co-investment.

(2) Represents the Company's share of co-investment income from Real Estate Technology Ventures, L.P. Income for the second quarter of 2020 includes a net unrealized gain of $4.7 million.

(3) On January 1, 2019, the Company adopted ASU No. 2017-12 "Derivatives and Hedging - Targeted Improvements to Accounting for Hedging Activities," which resulted in a cumulative effect adjustment of approximately $181,000 from interest expense to accumulated other comprehensive income. As a result of the adoption of this standard, the Company recognizes qualifying hedge ineffectiveness through accumulated other comprehensive income as opposed to current earnings.

(4) Assumes conversion of all outstanding limited partnership units in Essex Portfolio, L.P. (the "Operating Partnership") into shares of the Company's common stock and excludes all DownREIT limited partnership

units for which the Operating Partnership has the ability and intention to redeem the units for cash and does not consider them to be common stock equivalents.

NET OPERATING INCOME ("NOI") AND SAME-PROPERTY NOI RECONCILIATIONS

NOI and Same-Property NOI are considered by management to be important supplemental performance measures to earnings from operations included in the Company's consolidated statements of income. The presentation of same-property NOI assists with the presentation of the Company's operations prior to the allocation of depreciation and any corporate-level or financing-related costs. NOI reflects the operating performance of a community and allows for an easy comparison of the operating performance of individual communities or groups of communities. In addition, because prospective buyers of real estate have different financing and overhead structures, with varying marginal impacts to overhead by acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or group of assets. The Company defines same-property NOI as same-property revenues less same-property operating expenses, including property taxes. Please see the reconciliation of earnings from operations to NOI and same-property NOI, which in the table below is the NOI for stabilized properties consolidated by the Company for the periods presented (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	**2020**	2019
Earnings from operations	**$ 119,736**	$ 124,560	**$ 250,573**	$ 240,255
Adjustments:				
Corporate-level property management expenses	**8,646**	8,469	**17,405**	16,898
Depreciation and amortization	**133,609**	119,465	**265,168**	240,033
Management and other fees from affiliates	**(2,348)**	(2,260)	**(4,965)**	(4,595)
General and administrative	**14,952**	13,927	**28,934**	27,386
Expensed acquisition and investment related costs	**15**	24	**102**	56
Gain on sale of real estate and land	**(16,597)**	-	**(16,597)**	-
NOI	**258,013**	264,185	**540,620**	520,033
Less: Non-same property NOI	**(30,333)**	(18,217)	**(62,445)**	(33,088)
Same-Property NOI	**$ 227,680**	$ 245,968	**$ 478,175**	$ 486,945

SAFE HARBOR STATEMENT UNDER THE PRIVATE LITIGATION REFORM ACT OF 1995:

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements which are not historical facts, including statements regarding the Company's expectations, estimates, assumptions, hopes, intentions, beliefs and strategies regarding the future. Words such as "expects," "assumes," "anticipates," "may," "will," "intends," "plans," "projects," "believes," "seeks," "future," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements include, among other things, statements regarding the Company's expectations related to the impact of the COVID-19 pandemic on the Company's business, financial condition and results of operations and the impact of any measures taken to mitigate the impact of the pandemic, the Company's intent, beliefs or expectations with respect to the timing of completion of current development and redevelopment projects and the stabilization of such projects, the timing of lease-up and occupancy of its apartment communities, the anticipated operating performance of its apartment communities, the total projected costs of development and redevelopment projects, co-investment activities, qualification as a REIT under the Internal Revenue Code of 1986, as amended, the real estate markets in the geographies in which the Company's properties are located and in the United States in general, the adequacy of future cash flows to meet anticipated cash needs, its financing activities and the use of proceeds from such activities, the availability of debt and equity financing, general economic conditions including the potential impacts from such economic conditions, including as a result of the COVID-19 pandemic, trends affecting the Company's financial condition or results of operations, changes to U.S. tax laws and regulations in general or specifically related to REITs or real estate, changes to laws and regulations in jurisdictions in which communities the Company owns are located, and other information that is not historical information.

While the Company's management believes the assumptions underlying its forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company cannot assure the future results or outcome of the matters described in these statements; rather, these statements merely reflect the Company's current expectations of the approximate outcomes of the matters discussed. Factors that might cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, but are not limited to, the following: the impact of the COVID-19 pandemic, which remains inherently uncertain as the situation is unprecedented and continuously evolving, and other potential future outbreaks of infectious diseases or other health concerns, and measures taken to limit their impact, could adversely affect the Company's business and its tenants, and cause a significant downturn in general economic conditions, the real estate industry, and the markets in which the Company's communities are located; the Company may fail to achieve its business objectives; the actual completion of development and redevelopment projects may be subject to delays; the stabilization dates of such projects may be delayed; the Company may abandon or defer development or redevelopment projects for a number of reasons, including changes in local market conditions which make development less desirable, increases in costs of development, increases in the cost of capital or lack of capital availability, resulting in losses; the total projected costs of current development and redevelopment projects may exceed expectations; such development and redevelopment projects may not be completed; development and redevelopment projects and acquisitions may fail to meet expectations; estimates of future income from an acquired property may prove to be inaccurate; occupancy rates and rental demand may be adversely affected by competition and local economic and market conditions; there may be increased interest rates and operating costs; the Company may be unsuccessful in the management of its relationships with its co-investment partners; future cash flows may be inadequate to meet operating requirements and/or may be insufficient to provide for dividend payments in accordance with REIT requirements; changes in laws or regulations; the terms of any refinancing may not be as favorable as the terms of existing indebtedness; unexpected difficulties in leasing of development projects; volatility in financial and securities market; Company's failure to successfully operate acquired properties; unforeseen consequences from cyber-intrusion; the Company's inability to maintain our investment grade credit rating with the rating agencies; government approvals, actions and initiatives, including the need for compliance with environmental requirements; and those further risks, special considerations, and other factors referred to in the Company's annual report on Form 10-K, quarterly reports on Form 10-Q, and other reports that the Company files with the SEC from time to time. Additionally, the risks, uncertainties and other factors set forth above or otherwise referred to in the reports that the Company has filed with the SEC may be further amplified by the global impact of the COVID-19 pandemic. All forward-looking statements are made as of the date hereof, the Company assumes no obligation to update or supplement this information for any reason, and therefore, they may not represent the Company's estimates and assumptions after the date of this press release.

DEFINITIONS AND RECONCILIATIONS

Non-GAAP financial measures and certain other capitalized terms, as used in this earnings release, are defined and further explained on pages S-16.1 through S-16.4, "Reconciliations of Non-GAAP Financial Measures and Other Terms," of the accompanying supplemental financial information. The supplemental financial information is available on the Company's website at www.essex.com.

Contact Information

Rylan Burns
Vice President of Finance & Investor Relations
(650) 655-7800
rburns@essex.com