

ESSEX

PROPERTY TRUST, INC.

ESSEX ANNOUNCES FOURTH QUARTER AND FULL-YEAR 2020 RESULTS AND 2021 GUIDANCE

San Mateo, California—February 4, 2021—Essex Property Trust, Inc. (NYSE:ESS) announced today its fourth quarter and full-year 2020 earnings results and related business activities.

Net Income and Funds from Operations (“FFO”) per diluted share for the quarter ended and year ended December 31, 2020 are detailed below.

| | Three Months Ended December 31, | | | Year Ended December 31, | | |
|--------------------------|------------------------------------|--------|-------------|----------------------------|---------|-------------|
| | 2020 | 2019 | % Change | 2020 | 2019 | % Change |
| <u>Per Diluted Share</u> | | | | | | |
| Net Income | \$1.47 | \$1.95 | -24.6% | \$8.69 | \$6.66 | 30.5% |
| Total FFO | \$3.24 | \$3.54 | -8.5% | \$12.78 | \$13.73 | -6.9% |
| Core FFO | \$3.02 | \$3.45 | -12.5% | \$12.82 | \$13.38 | -4.2% |

Fourth Quarter and Full-Year Highlights:

- Reported Net Income per diluted share for the fourth quarter of 2020 of \$1.47, compared to \$1.95 in the fourth quarter of 2019 and \$1.13 in the third quarter of 2020. For the full-year, the Company reported Net Income per diluted share of \$8.69.
- Core FFO per diluted share declined by 12.5% compared to the fourth quarter of 2019 and 4.2% for the full-year 2020.
- Core FFO per diluted share declined by \$0.13 as compared to the third quarter of 2020. The impact of straight-line rent concessions accounted for \$0.16 of the decline.
- Same-property gross revenue and net operating income (“NOI”) declined by 8.0% and 12.7%, respectively, compared to the fourth quarter of 2019. For the full-year, same-property gross revenue and NOI declined by 3.9% and 6.8%, respectively.
- On a sequential basis, same-property gross revenue and NOI improved by 0.3% and 1.0%, respectively, compared to the third quarter of 2020.
- Disposed of one community during the fourth quarter for a total contract price of \$60.0 million. For the full-year, the Company disposed of four apartment communities for a total contract price of \$343.5 million.
- Committed \$206.0 million in structured finance investments in the fourth quarter of 2020. For the full-year, the Company committed \$352.1 million in structured finance investments, partially financed with \$175.2 million in redemptions for the year.
- Repurchased 211,681 shares of common stock in the fourth quarter, totaling \$46.3 million at an average price per share of \$218.84 under the stock buyback program. For the full-year, the Company repurchased 1,197,190 shares of common stock totaling \$269.3 million at an average price per share of \$224.96.

“As expected, our fourth quarter and full-year results reflect the extraordinary challenges arising from the Covid-19 pandemic, including severe lockdowns which resulted in unprecedented job losses and declining effective rents for most of the year. With that backdrop, our fourth quarter results provided signs of stabilization, with a partial recovery of lost jobs and modestly improved same-property revenues on a sequential basis. Given difficult comparisons to one year ago, we expect year-over-year results to remain challenged through the second quarter of 2021, followed by a steady economic recovery and resurgence in rental demand assuming a widespread distribution of vaccines. The Company’s strong balance sheet, well-covered dividend, and technology platform position Essex to emerge from the pandemic an even stronger company,” commented Michael J. 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 December 31, 2020 compared to the quarter ended December 31, 2019, and the sequential percentage change for the quarter ended December 31, 2020 compared to the quarter ended September 30, 2020, by submarket for the Company:

| | Q4 2020 vs. Q4 2019 | Q4 2020 vs. Q3 2020 | % of Total Q4 2020 Revenues |
|----------------------------------|--------------------------------|--------------------------------|--|
| Southern California | | | |
| Los Angeles County | -13.0% | 2.4% | 18.1% |
| Orange County | -3.5% | 1.3% | 11.4% |
| San Diego County | -1.4% | 2.4% | 8.9% |
| Ventura County | -1.3% | 1.2% | 4.3% |
| Total Southern California | -7.2% | 2.0% | 42.7% |
| Northern California | | | |
| Santa Clara County | -10.0% | -1.5% | 18.7% |
| Alameda County | -11.5% | 0.5% | 6.8% |
| San Mateo County | -12.0% | -0.2% | 4.9% |
| Contra Costa County | -4.2% | 1.6% | 5.1% |
| San Francisco | -17.3% | -0.7% | 3.0% |
| Total Northern California | -10.4% | -0.5% | 38.5% |
| Seattle Metro | -4.9% | -1.7% | 18.8% |
| Same-Property Portfolio | -8.0% | 0.3% | 100.0% |

The table below illustrates the components that drove the change in Same-Property Revenues on a year-over-year basis for the fourth quarter and full-year 2020.

| Same-Property Revenue Components | Q4 2020 vs. Q4 2019 | | YTD 2020 vs. YTD 2019 | |
|---|----------------------------|-------------------|----------------------------|-------------------|
| | \$ Amount (in Millions) | % Contribution | \$ Amount (in Millions) | % Contribution |
| Prior-Period Same-Property Revenues | \$ 340.7 | | \$ 1,338.7 | |
| Scheduled Rents | -6.3 | -1.9% | 9.0 | 0.7% |
| Delinquencies | -7.9 | -2.3% | -23.5 | -1.8% |
| Cash Concessions | -11.8 | -3.5% | -31.8 | -2.4% |
| Vacancy | -1.6 | -0.5% | -8.1 | -0.6% |
| Other Income | 0.2 | 0.1% | 2.4 | 0.2% |
| 2020 Same-Property Revenues/Change | \$ 313.3 | -8.0% | \$ 1,286.7 | -3.9% |

| | Year-Over-Year Change | | | Year-Over-Year Change | | |
|--------------------------------|-----------------------------|--------------------|---------------|-------------------------------|--------------------|--------------|
| | Q4 2020 compared to Q4 2019 | | | YTD 2020 compared to YTD 2019 | | |
| | Gross Revenues | Operating Expenses | NOI | Gross Revenues | Operating Expenses | NOI |
| Southern California | -7.2% | 3.6% | -11.3% | -4.4% | 2.9% | -7.3% |
| Northern California | -10.4% | 4.2% | -15.5% | -4.9% | 3.2% | -7.7% |
| Seattle Metro | -4.9% | 7.8% | -9.9% | -0.6% | 7.8% | -4.0% |
| Same-Property Portfolio | -8.0% | 4.6% | -12.7% | -3.9% | 3.9% | -6.8% |

| | Sequential Change | | |
|--------------------------------|-----------------------------|--------------------|-------------|
| | Q4 2020 compared to Q3 2020 | | |
| | Gross Revenues | Operating Expenses | NOI |
| Southern California | 2.0% | -2.3% | 4.0% |
| Northern California | -0.5% | 0.2% | -0.8% |
| Seattle Metro | -1.7% | -1.3% | -1.9% |
| Same-Property Portfolio | 0.3% | -1.2% | 1.0% |

| | Financial Occupancies | | |
|--------------------------------|-----------------------|--------------|--------------|
| | Quarter Ended | | |
| | 12/31/2020 | 9/30/2020 | 12/31/2019 |
| Southern California | 96.8% | 95.9% | 97.0% |
| Northern California | 96.5% | 96.2% | 97.2% |
| Seattle Metro | 95.8% | 95.9% | 97.1% |
| Same-Property Portfolio | 96.5% | 96.0% | 97.1% |

INVESTMENT ACTIVITY

Dispositions

In October 2020, the Company sold a community located in Glendale, CA containing 115 apartment homes, for a total contract price of \$60.0 million. The Company recognized a \$25.7 million gain on sale in the quarter, which has been excluded from Core FFO.

Other Investments

In the fourth quarter of 2020, the Company originated six structured finance investments totaling \$206.0 million. The investments have a weighted average return of 10.1% with most of the proceeds expected to be funded by early 2021.

In the fourth quarter of 2020, the Company received cash proceeds of \$84.0 million from the full redemption of two structured finance investments and the maturity of an investment in a mortgage backed security.

DEVELOPMENT ACTIVITY

The table below represents the development communities in lease-up and the current leasing status as of February 1, 2021.

| Project Name | Location | Total Apartment Homes | ESS Ownership | % Leased as of 02/01/21 | Status |
|-------------------------------|-------------------|--------------------------------------|--------------------------|------------------------------------|---------------|
| 500 Folsom | San Francisco, CA | 537 | 50% | 91.8% | In Lease-Up |
| Mylo | Santa Clara, CA | 476 | 100% | 72.9% | In Lease-Up |
| Patina at Midtown | San Jose, CA | 269 | 50% | 50.9% | In Lease-Up |
| Total/Average % Leased | | 1,282 | | 76.2% | |

LIQUIDITY AND BALANCE SHEET

Common Stock

In the fourth quarter of 2020, the Company repurchased 211,681 shares of its common stock totaling \$46.3 million, including commissions, at an average price of \$218.84 per share. For the full-year ending December 31, 2020, the Company repurchased 1,197,190 shares of its common stock totaling \$269.3 million, including commissions, at an average price of \$224.96 per share.

In December 2020, the Board of Directors approved the replenishment of the stock repurchase plan such that the Company had \$250.0 million of purchase authority remaining under the stock repurchase plan. As of February 1, 2021, the Company had \$214.4 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 fourth quarter or full-year 2020.

Balance Sheet

In the fourth quarter of 2020, the Company repaid \$328.2 million of secured and unsecured debt due to mature in 2021 with a weighted average effective rate of 4.2%.

Subsequent to quarter end, the Company repaid \$100.0 million of unsecured debt due to mature in 2021 at an effective rate of 4.3%.

As of February 1, 2021, the Company has approximately \$1.2 billion in liquidity via undrawn capacity on its unsecured credit facilities and cash and marketable securities.

2021 Full-Year Guidance and Key Assumptions

| <u>Per Diluted Share</u> | <u>Range</u> | <u>Midpoint</u> |
|--------------------------|-------------------|-----------------|
| Net Income | \$3.30 - \$3.90 | \$3.60 |
| Total FFO | \$11.86 - \$12.46 | \$12.16 |
| Core FFO | \$11.86 - \$12.46 | \$12.16 |

| <u>Estimated Same-Property Portfolio Change based on 47,090 Apartment Homes</u> | | |
|---|-------------------------|--------------|
| Gross Revenue | -3.50% to -1.50% | -2.5% |
| Operating Expense | 2.00% to 3.00% | 2.5% |
| Net Operating Income | -6.25% to -3.00% | -4.6% |

2021 Core FFO Per Diluted Share Guidance Range versus Full-Year 2020

The table below provides a summary of income statement changes between the Company's 2020 Core FFO per diluted share and its 2021 Core FFO per diluted share guidance range.

| 2021 Core FFO Per Diluted Share Guidance versus 2020 | Low-End | High-End |
|--|-----------------|-----------------|
| 2020 Core FFO Per Diluted Share | \$ 12.82 | \$ 12.82 |
| NOI from Consolidated Communities, Excluding Straight-Line Concessions | (0.99) | (0.44) |
| Change in Straight-Line Concessions from Consolidated Communities | (0.41) | (0.56) |
| Net Interest Expense | 0.18 | 0.26 |
| Interest and Other Income | 0.10 | 0.12 |
| FFO from Co-Investments | 0.09 | 0.17 |
| G&A and Other | (0.01) | 0.01 |
| Impact from Weighted Average Shares Outstanding | 0.08 | 0.08 |
| 2021 Core FFO Per Diluted Share Guidance | \$ 11.86 | \$ 12.46 |

OTHER KEY ASSUMPTIONS

- The impact of recording lease concessions on a straight-line basis is expected to be a reduction to 2021 Core FFO by (\$6.0 million) to (\$16.0 million), as compared to \$21.9 million recorded in 2020. As such, this non-cash item will negatively impact year-over-year Core FFO per diluted share by (\$0.41) to (\$0.56).
- Acquisitions and dispositions of \$300 - \$500 million, subject to market conditions and cost of capital.
- Preferred equity commitments of \$100 - \$150 million, to be funded by redemptions.
- Total development spending in 2021 for existing projects under construction is expected to be approximately \$60 million at the Company's pro rata share. The Company does not currently plan to start any new developments during 2021.
- Revenue generating capital expenditures are expected to be approximately \$25 million at the Company's pro rata share.

For additional details regarding the Company's 2021 FFO guidance range, please see page S-14 of the supplemental financial information. For the first quarter of 2021, the Company has established a guidance range of Core FFO per diluted share of \$2.96 to \$3.10.

CONFERENCE CALL WITH MANAGEMENT

The Company will host an earnings conference call with management to discuss its quarterly results on Friday, February 5, 2021 at 9 a.m. PT (12 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 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 fourth quarter 2020 earnings link. To access the replay digitally, dial (844) 512-2921 using the replay pin number 13714536. 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 246 apartment communities comprising approximately 60,000 apartment homes with an additional 6 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 investors@essex.com or by calling (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 months and years ended December 31, 2020 and 2019 (dollars in thousands, except for share and per share amounts):

| | Three Months Ended | | Year Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | December 31, | | December 31, | |
| | 2020 | 2019 | 2020 | 2019 |
| Funds from Operations attributable to common stockholders and unitholders | | | | |
| Net income available to common stockholders | \$ 95,745 | \$ 128,818 | \$ 568,870 | \$ 439,286 |
| Adjustments: | | | | |
| Depreciation and amortization | 130,127 | 122,908 | 525,497 | 483,750 |
| Gains not included in FFO | (25,716) | (47,063) | (301,886) | (79,468) |
| Impairment loss | 1,825 | 7,105 | 1,825 | 7,105 |
| Impairment loss from unconsolidated co-investments | - | 11,484 | - | 11,484 |
| Depreciation and amortization from unconsolidated co-investments | 13,403 | 15,351 | 51,594 | 60,655 |
| Noncontrolling interest related to Operating Partnership units | 3,369 | 4,480 | 19,912 | 15,343 |
| Depreciation attributable to third party ownership and other | (132) | (1,097) | (539) | (1,805) |
| Funds from operations attributable to common stockholders and unitholders | \$ 218,621 | \$ 241,986 | \$ 865,273 | \$ 936,350 |
| FFO per share – diluted | \$ 3.24 | \$ 3.54 | \$ 12.78 | \$ 13.73 |
| Expensed acquisition and investment related costs | \$ 1,487 | \$ 99 | \$ 1,591 | \$ 168 |
| Deferred tax (income) expense on unrealized gain on unconsolidated co-investment ⁽¹⁾ | (105) | - | 1,531 | 1,457 |
| Gain on sale of marketable securities | (2,007) | (534) | (2,131) | (1,271) |
| Unrealized gains on marketable securities | (10,300) | (1,430) | (12,515) | (5,710) |
| Provision for credit losses | 587 | - | 687 | - |
| Equity (income) loss from non-core co-investment ⁽²⁾ | (916) | 418 | (5,289) | (4,143) |
| Interest rate hedge ineffectiveness ⁽³⁾ | - | - | - | 181 |
| (Gain) loss on early retirement of debt, net | (937) | 3,426 | 22,883 | (3,717) |
| Gain on early retirement of debt from unconsolidated co-investment | - | - | (38) | - |
| Co-investment promote income | - | - | (6,455) | (809) |
| Income from early redemption of preferred equity investments | - | (1,031) | (210) | (3,562) |
| Accelerated interest income from maturity of investment in mortgage backed security | (11,753) | (7,032) | (11,753) | (7,032) |
| General and administrative and other, net | 9,316 | 1,181 | 14,958 | 1,181 |
| Insurance reimbursements, legal settlements, and other, net | (150) | (595) | (81) | (858) |
| Core Funds from operations attributable to common stockholders and unitholders | \$ 203,843 | \$ 236,488 | \$ 868,451 | \$ 912,235 |
| Core FFO per share – diluted | \$ 3.02 | \$ 3.45 | \$ 12.82 | \$ 13.38 |
| Weighted average number of shares outstanding diluted ⁽⁴⁾ | 67,398,487 | 68,449,008 | 67,725,692 | 68,198,785 |

(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.

(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 December 31, | | Year Ended December 31, | |
|---|------------------------------------|-------------------|----------------------------|-------------------|
| | <u>2020</u> | 2019 | <u>2020</u> | 2019 |
| Earnings from operations | \$ 111,931 | \$ 116,818 | \$ 491,441 | \$ 481,112 |
| Adjustments: | | | | |
| Corporate-level property management expenses | 8,549 | 8,616 | 34,573 | 34,067 |
| Depreciation and amortization | 130,127 | 122,908 | 525,497 | 483,750 |
| Management and other fees from affiliates | (2,286) | (2,504) | (9,598) | (9,527) |
| General and administrative | 23,144 | 15,531 | 65,388 | 54,262 |
| Expensed acquisition and investment related costs | 1,487 | 99 | 1,591 | 168 |
| Impairment loss | 1,825 | 7,105 | 1,825 | 7,105 |
| (Gain) Loss on sale of real estate and land | (25,716) | 3,164 | (64,967) | 3,164 |
| NOI | <u>249,061</u> | <u>271,737</u> | <u>1,045,750</u> | <u>1,054,101</u> |
| Less: Non-same property NOI | <u>(31,988)</u> | <u>(22,995)</u> | <u>(140,782)</u> | <u>(82,644)</u> |
| Same-Property NOI | \$ <u>217,073</u> | \$ <u>248,742</u> | \$ <u>904,968</u> | \$ <u>971,457</u> |

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 continued impact of the COVID-19 pandemic on the Company’s business, financial condition and results of operations and the impact of any additional 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 and governmental measures intended to prevent its spread, 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 continued impact of the COVID-19 pandemic, which remains inherently uncertain as to duration and severity, and any additional governmental measures taken to limit its spread and other potential future outbreaks of infectious diseases or other health concerns, could continue to 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; the 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-18.1 through S-18.4, "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

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