ESSEX

PROPERTY TRUST, INC.

ESSEX ANNOUNCES SECOND QUARTER 2021 RESULTS AND INCREASES FULL-YEAR 2021 GUIDANCE

San Mateo, California—July 29, 2021—Essex Property Trust, Inc. (NYSE: ESS) (the "Company") announced today its second quarter 2021 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, 2021 are detailed below.

	Three Months Ended June 30,		%	Six Months Ended June 30,		%
	2021	2020	Change	**2021**	2020	Change
Per Diluted Share						
Net Income	**$1.00**	$1.29	-22.5%	**$3.59**	$6.07	-40.9%
Total FFO	**$3.09**	$3.21	-3.7%	**$6.33**	$6.65	-4.8%
Core FFO	**$3.04**	$3.16	-3.8%	**$6.12**	$6.64	-7.8%

Second Quarter 2021 Highlights:

- Reported Net Income per diluted share for the second quarter of 2021 of $1.00, compared to $1.29 in the second quarter of 2020. The decrease is largely attributed to a gain on sale recorded in the prior-year period.

- Reported Core FFO per diluted share of $3.04, exceeding the high-end of the Company's guidance range due to better-than-expected operating results.

- Same-property revenues and net operating income ("NOI") declined by 3.0% and 4.2%, respectively, compared to the second quarter of 2020.

- Raised the midpoint of full-year same-property revenues to the high-end of the prior guidance range. This represents a 0.5% increase at the midpoint to -1.4%. NOI increased 0.8% at the midpoint to -3.0%.

- Increased full-year Net Income per diluted share guidance range to $5.42 to $5.66. Provided Net Income guidance range for the third quarter of 2021 of $0.85 to $0.97 per diluted share.

- Raised full-year Core FFO per diluted share guidance by $0.09 per share at the midpoint to a range of $12.21 to $12.45. Provided Core FFO guidance range for the third quarter of 2021 of $2.98 to $3.10 per diluted share.

- As of July 27, 2021, the Company's immediately available liquidity is approximately $1.3 billion.

“We are pleased with our second quarter results, with both Core FFO and same-property revenues exceeding our expectations, leading us to believe the worst of the pandemic is behind us. We experienced strong economic growth in the second quarter, as Covid-19 restrictions were gradually lifted. The momentum in rent growth continued in July, and we have now achieved net effective market rents for the Essex portfolio that are slightly ahead of pre-pandemic levels. While pandemic-related uncertainty will continue, we remain confident in the West Coast economies and strength of our housing markets,” 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 revenues for the quarter ended June 30, 2021 compared to the quarter ended June 30, 2020, and the sequential percentage change for the quarter ended June 30, 2021 compared to the quarter ended March 31, 2021, by submarket for the Company:

	Q2 2021 vs. Q2 2020	**Q2 2021 vs. Q1 2021**	**% of Total**
	Revenue Change	**Revenue Change**	**Q2 2021 Revenues**
Southern California			
Los Angeles County	-2.4%	-2.3%	18.1%
Orange County	6.1%	2.0%	11.7%
San Diego County	4.3%	1.7%	9.0%
Ventura County	6.8%	1.3%	4.3%
Total Southern California	**2.0%**	**0.0%**	**43.1%**
Northern California			
Santa Clara County	-10.9%	-4.3%	17.7%
Alameda County	-6.9%	-2.7%	6.6%
San Mateo County	-10.4%	-2.9%	5.0%
Contra Costa County	2.4%	0.7%	5.9%
San Francisco	-12.1%	-1.0%	2.9%
Total Northern California	**-8.4%**	**-2.8%**	**38.1%**
Seattle Metro	**-2.3%**	**1.1%**	**18.8%**
Same-Property Portfolio	**-3.0%**	**-0.9%**	**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		Q2 2021 vs. Q2 2020 $ Amount (in Millions)	Q2 2021 vs. Q2 2020 % Contribution		YTD 2021 vs. YTD 2020 $ Amount (in Millions)	YTD 2021 vs. YTD 2020 % Contribution
Prior-Period Same-Property Revenues	$	324.7		$	670.3	
Scheduled Rents		-12.1	-3.7%		-23.2	-3.5%
Delinquencies		2.6	0.8%		-2.9	-0.4%
Cash Concessions		-8.5	-2.6%		-18.9	-2.8%
Vacancy		6.3	1.9%		6.4	0.9%
Other Income		1.9	0.6%		1.1	0.2%
2021 Same-Property Revenues/Change	**$**	**314.9**	**-3.0%**	**$**	**632.8**	**-5.6%**

	Year-Over-Year Change Q2 2021 compared to Q2 2020			Year-Over-Year Change YTD 2021 compared to YTD 2020		
	Revenues	Operating Expenses	NOI	Revenues	Operating Expenses	NOI
Southern California	2.0%	0.3%	2.8%	-2.0%	0.3%	-3.0%
Northern California	-8.4%	2.0%	-12.3%	-9.7%	3.3%	-14.3%
Seattle Metro	-2.3%	-5.0%	-1.0%	-4.7%	0.6%	-7.1%
Same-Property Portfolio	**-3.0%**	**-0.2%**	**-4.2%**	**-5.6%**	**1.5%**	**-8.4%**

	Sequential Change Q2 2021 compared to Q1 2021		
	Revenues	Operating Expenses	NOI
Southern California	0.0%	0.0%	0.0%
Northern California	-2.8%	-1.5%	-3.4%
Seattle Metro	1.1%	-4.9%	4.1%
Same-Property Portfolio	**-0.9%**	**-1.6%**	**-0.6%**

	Financial Occupancies Quarter Ended		
	6/30/2021	3/31/2021	6/30/2020
Southern California	97.0%	96.7%	94.6%
Northern California	96.2%	96.6%	95.0%
Seattle Metro	96.7%	96.6%	95.3%
Same-Property Portfolio	**96.6%**	**96.7%**	**94.9%**

INVESTMENT ACTIVITY

Real Estate

In the second quarter of 2021, the Company acquired its joint venture partner's 50.0% interest in The Village at Toluca Lake, a 145-apartment home community located in Burbank, CA for a contract price of $31.8 million. Concurrent with the closing of the acquisition, $29.5 million in mortgage debt encumbering the property was repaid. As a result of the acquisition, the Company reported a remeasurement gain of $2.3 million in the second quarter, which is excluded from Total and Core FFO.

Other Investments

In the second quarter of 2021, the Company received cash proceeds of $36.5 million, including prepayment penalties, from the full redemption of a subordinated loan investment originated in the second quarter of 2020. The Company recorded $4.7 million of income from prepayment penalties as a result of the early redemption, which has been excluded from Core FFO.

DEVELOPMENT ACTIVITY

During the second quarter of 2021 the Company's developments, Mylo in Santa Clara, CA and Patina at Midtown in San Jose, CA, reached stabilization.

The Company's sole development property in lease-up, Wallace on Sunset in Hollywood, CA, is 60.5% leased as of July 27, 2021.

LIQUIDITY AND BALANCE SHEET

Common Stock

In the second quarter of 2021, the Company did not issue any shares of common stock through its equity distribution program or repurchase any shares through its stock repurchase plan.

Balance Sheet

In June 2021, the Company issued $300.0 million of 10-year senior unsecured notes due in June 2031 bearing an interest rate per annum of 2.55% and an effective yield of 2.62%. The proceeds were used to fund the redemption of the Company's outstanding 3.375% senior unsecured notes due in January 2023. The Company incurred $16.5 million in prepayment penalties and write-offs of unamortized costs in the second quarter related to this debt repayment, which has been excluded from Core FFO.

Subsequent to quarter end, Wesco I, LLC, a joint venture in which the Company owns 57.7% interest, refinanced five apartment communities with a new $275.6 million secured term loan. The loan is priced at LIBOR + 1.35% and matures in 2026.

As of July 27, 2021, the Company has approximately $1.3 billion in liquidity via undrawn capacity on its unsecured credit facilities, cash, and marketable securities.

Guidance

For the second quarter of 2021, the Company exceeded the midpoint of the guidance range provided in its June 2021 Investor Presentation for Core FFO by $0.08 per diluted share.

The following table provides a reconciliation of second quarter 2021 Core FFO per diluted share to the midpoint of the guidance provided in the Company's June 2021 Investor Presentation.

		Per Diluted Share
Projected midpoint of Core FFO per diluted share for Q2 2021	$	2.96
NOI from consolidated communities		0.06
FFO from Co-Investments		0.01
G&A and other income		0.01
Core FFO per diluted share for Q2 2021 reported	**$**	**3.04**

The table below provides key changes to the Company's 2021 full-year assumptions for Net Income, Total FFO, Core FFO per diluted share, and same-property growth. For additional details regarding the Company's 2021 assumptions, please see page S-14 of the accompanying supplemental financial information. For the third quarter of 2021, the Company has established a range for Core FFO per diluted share of $2.98 to $3.10.

2021 Full-Year Guidance

	Previous Range	Previous Midpoint	**Revised Range**	**Revised Midpoint**	***Change at the Midpoint***
Per Diluted Share					
Net Income	$4.95 - $5.39	$5.17	**$5.42 - $5.66**	**$5.54**	***$0.37***
Total FFO	$12.00 - $12.44	$12.22	**$12.42 - $12.66**	**$12.54**	***$0.32***
Core FFO	$12.02 - $12.46	$12.24	**$12.21 - $12.45**	**$12.33**	***$0.09***
Same-Property Growth					
Revenues	-2.4% to -1.4%	-1.9%	**-1.6% to -1.2%**	**-1.4%**	***0.5%***
Operating Expenses	2.0% to 3.0%	2.5%	**2.0% to 2.5%**	**2.3%**	***-0.3%***
NOI	-4.7% to -2.8%	-3.8%	**-3.3% to -2.6%**	**-3.0%**	***0.8%***

CONFERENCE CALL WITH MANAGEMENT

The Company will host an earnings conference call with management to discuss its quarterly results on Friday, July 30, 2021 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 2021 earnings link. To access the replay, dial

(844) 512-2921 using the replay pin number 13721047. 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 3 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, 2021 and 2020 (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	**2021**	2020	**2021**	2020
Net income available to common stockholders	**$ 64,846**	$ 84,458	**$ 233,290**	$ 399,464
Adjustments:				
Depreciation and amortization	**128,736**	133,609	**257,323**	265,168
Gains not included in FFO	**(2,260)**	(16,597)	**(102,356)**	(251,291)
Depreciation and amortization from unconsolidated co-investments	**14,819**	12,764	**29,548**	25,308
Noncontrolling interest related to Operating Partnership units	**2,288**	2,964	**8,235**	13,950
Depreciation attributable to third party ownership and other	**(138)**	(139)	**(267)**	(273)
Funds from Operations attributable to common stockholders and unitholders	**$ 208,291**	$ 217,059	**$ 425,773**	$ 452,326
FFO per share – diluted	**$ 3.09**	$ 3.21	**$ 6.33**	$ 6.65
Expensed acquisition and investment related costs	**$ 41**	$ 15	**$ 56**	$ 102
Deferred tax expense on unrealized gain on unconsolidated co-investment (1)	**1,842**	1,636	**2,350**	1,636
Loss (gain) on sale of marketable securities	**112**	(46)	**(2,499)**	(33)
Unrealized (gains) losses on marketable securities	**(10,405)**	(7,623)	**(16,681)**	1,073
Provision for credit losses	**(145)**	147	**(107)**	97
Equity income from non-core co-investments (2)	**(6,771)**	(4,696)	**(8,398)**	(4,586)
Loss on early retirement of debt, net	**16,465**	5,027	**18,982**	4,706
(Gain) loss on early retirement of debt from unconsolidated co-investment	**-**	(38)	**3**	(38)
Co-investment promote income	**-**	-	**-**	(6,455)
Income from early redemption of preferred equity investments and notes receivable	**(4,747)**	-	**(8,260)**	(210)
General and administrative and other, net	**256**	2,312	**513**	3,132
Insurance reimbursements, legal settlements, and other, net	**(4)**	(106)	**(186)**	(63)
Core Funds from Operations attributable to common stockholders and unitholders	**$ 204,935**	$ 213,687	**$ 411,546**	$ 451,687
Core FFO per share – diluted	**$ 3.04**	$ 3.16	**$ 6.12**	$ 6.64
Weighted average number of shares outstanding diluted (3)	**67,331,877**	67,682,034	**67,299,655**	68,017,414

(1) Represents deferred tax expense related to net unrealized gains on technology co-investments.

(2) Represents the Company's share of co-investment income from technology co-investments.

(3) 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,	
	2021	2020	**2021**	2020
Earnings from operations	**$ 93,381**	$ 119,736	**$ 290,762**	$ 250,573
Adjustments:				
Corporate-level property management expenses	**9,105**	8,646	**18,052**	17,405
Depreciation and amortization	**128,736**	133,609	**257,323**	265,168
Management and other fees from affiliates	**(2,221)**	(2,348)	**(4,470)**	(4,965)
General and administrative	**12,222**	14,952	**22,034**	28,934
Expensed acquisition and investment related costs	**41**	15	**56**	102
Gain on sale of real estate and land	**-**	(16,597)	**(100,096)**	(16,597)
NOI	**241,264**	258,013	**483,661**	540,620
Less: Non-same property NOI	**(22,621)**	(29,815)	**(45,037)**	(61,649)
Same-Property NOI	**$ 218,643**	$ 228,198	**$ 438,624**	$ 478,971

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.

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