UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________to _________

Commission file number 001-13106

ESSEX PROPERTY TRUST, INC.
(Exact name of Registrant as Specified in its Charter)

Maryland	**77-0369576**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

925 East Meadow Drive
Palo Alto, California 94303
(Address of Principal Executive Offices including Zip Code)

(650) 494-3700
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS:
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: **33,817,096 shares of Common Stock as of August 4, 2011.**

ESSEX PROPERTY TRUST, INC.
FORM 10-Q
IND EX

Part I -- Financial Infor matio n

Item 1: Condensed Financial Statements (Unaudited)

"Essex" or the "Company" means Essex Property Trust, Inc., a real estate investment trust incorporated in the State of Maryland, or where the context otherwise requires, Essex Portfolio, L.P., a limited partnership (the "Operating Partnership") in which Essex Property Trust, Inc. is the sole general partner.

The information furnished in the accompanying unaudited condensed consolidated balance sheets, statements of operations, stockholders' equity, noncontrolling interest, and comprehensive income and cash flows of the Company reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the aforementioned condensed consolidated financial statements for the interim periods and are normal and recurring in nature, except as otherwise noted.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the notes to such unaudited condensed consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations herein. Additionally, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2010.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)
(Dollars in thousands, except per share amounts)

Assets	June 30, 2011	December 31, 2010
Real estate:		
Rental properties:		
Land and land improvements	$ 823,629	$ 802,325
Buildings and improvements	3,259,095	3,265,014
	4,082,724	4,067,339
Less accumulated depreciation	(845,566)	(878,331)
	3,237,158	3,189,008
Real estate under development	191,620	217,531
Co-investments	197,364	107,840
	3,626,142	3,514,379
Cash and cash equivalents-unrestricted	8,809	13,753
Cash and cash equivalents-restricted	24,038	21,941
Marketable securities	75,673	92,310
Notes and other receivables	49,956	49,444
Prepaid expenses and other assets	25,444	25,188
Deferred charges, net	15,793	15,872
Total assets	$ 3,825,855	$ 3,732,887
Liabilities and Equity		
Mortgage notes payable	$ 1,779,461	$ 1,832,745
Lines of credit	210,000	426,000
Unsecured bonds	265,000	-
Accounts payable and accrued liabilities	49,577	44,750
Construction payable	11,064	9,023
Dividends payable	37,975	36,405
Derivative liabilities	1,506	5,633
Other liabilities	20,171	18,968
Total liabilities	2,374,754	2,373,524
Commitments and contingencies		
Cumulative convertible preferred stock; $.0001 par value:		
4.875% Series G - 5,980,000 issued and 178,249 outstanding	4,349	4,349
Stockholders' equity and noncontrolling interest:		
Common stock, $.0001 par value, 641,702,178 shares authorized 32,724,235 and 31,324,808 shares issued and outstanding	3	3
Cumulative redeemable preferred stock; $.0001 par value:		
7.125% Series H - 8,000,000 shares authorized, 2,950,000 and 0 issued and outstanding, liquidation value	73,750	-
Cumulative redeemable preferred stock;		
$.0001 par value:7.8125% Series F - 1,000,000 shares authorized, 0 and 1,000,000 issued and outstanding, liquidation value	-	25,000
Additional paid-in capital	1,687,691	1,515,468
Distributions in excess of accumulated earnings	(359,662)	(313,308)
Accumulated other comprehensive (loss) income	(74,918)	(77,217)
Total stockholders' equity	1,326,864	1,149,946
Noncontrolling interest	119,888	205,068
Total stockholders' equity and noncontrolling interest	1,446,752	1,355,014
Total liabilities and equity	$ 3,825,855	$ 3,732,887

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARES
Condensed Consolidated Statements of O p erations
(Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues:				
Rental and other property	$ 115,778	$ 99,163	$ 227,866	198,436
Management and other fees from affiliates	1,420	1,022	2,645	2,500
	117,198	100,185	230,511	200,936
Expenses:				
Property operating, excluding real estate taxes	29,354	25,101	57,569	49,624
Real estate taxes	10,916	9,716	21,595	19,210
Depreciation	37,510	31,156	74,426	61,539
General and administrative	6,371	6,219	12,486	11,837
	84,151	72,192	166,076	142,210
Earnings from operations	33,047	27,993	64,435	58,726
Interest expense before amortization	(22,710)	(20,161)	(44,518)	(39,758)
Amortization expense	(2,736)	(843)	(5,590)	(2,083)
Interest and other income	2,628	7,085	9,616	14,941
Equity income (loss) in co-investments	726	(360)	(647)	(401)
Loss on early retirement of debt	(253)	(10)	(253)	(10)
Income before discontinued operations	10,702	13,704	23,043	31,415
Income from discontinued operations	5,351	165	5,517	313
Net income	16,053	13,869	28,560	31,728
Net income attributable to noncontrolling interest	(2,304)	(3,844)	(5,851)	(8,034)
Net income attributable to controlling interest	13,749	10,025	22,709	23,694
Dividends to preferred stockholders	(1,475)	(543)	(2,017)	(1,085)
Excess of cash paid to redeem preferred stock and units over the carrying value	(1,949)	-	(1,949)	-
Net income available to common stockholders	$ 10,325	$ 9,482	$ 18,743	22,609
Per common share data:				
Basic:				
Income available to common stockholders	$ 0.17	$ 0.32	$ 0.43	$ 0.77
Income from discontinued operations	0.15	-	0.16	0.01
Net income available to common stockholders	$ 0.32	$ 0.32	$ 0.59	0.78
Weighted average number of common shares outstanding during the period	32,040,904	29,329,273	31,754,949	29,149,562
Diluted:				
Income before discontinued operations available to common stockholders	$ 0.17	$ 0.32	$ 0.43	$ 0.76
Income from discontinued operations	0.15	-	0.16	0.01
Net income available to common stockholders	$ 0.32	$ 0.32	$ 0.59	$ 0.77
Weighted average number of common shares outstanding during the period	32,135,064	29,402,635	31,844,002	29,213,613
Dividend per common share	$ 1.040	$ 1.033	$ 2.080	2.066

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity , Noncontrolling Interest, and
Comprehensive Income for the six months ended June 30, 2011
(Unaudited)
(Dollars and shares in thousands)

	Series F Preferred stock		Series H Preferred stock		Common stock		Additional paid-in capital	Distributions in excess of accumulated earnings	Accumulated other comprehensive income (loss)	Noncontrolling Interest	Total
	Shares	Amount	Shares	Amount	Shares	Amount					
Balances at December 31, 2010	1,000	$ 25,000	-	$ -	31,325	$ 3	$ 1,515,468	$ (313,308)	$ (77,217)	$ 205,068	$ 1,355,014
Comprehensive income:											
Net income	-	-	-	-	-	-	-	22,709	-	5,851	28,560
Reversal of unrealized gains upon the sale of marketable securites	-	-	-	-	-	-	-	-	(4,109)	(293)	(4,402)
Change in fair value of cash flow hedges and amortizatio of swap settlements	-	-	-	-	-	-	-	-	4,431	312	4,743
Change in fair value of marketable securities	-	-	-	-	-	-	-	-	1,977	142	2,119
Comprehensive income (loss)											31,020
Issuance of common stock under:											
Stock option and restricted stock plans	-	-	-	-	87	-	6,540	-	-	-	6,540
Sale of common stock	-	-	-	-	1,312	-	168,592	-	-	-	168,592
Equity based compensation costs	-	-	-	-	-	-	-	-	-	560	560
Equity related issuance costs	-	-	-	-	-	-	(652)	-	-	-	(652)
Issuance of Series H Preferred	-	-	2,950	73,750	-	-	(2,323)	-	-	-	71,427
Redemption of Series F Preferred	(1,000)	(25,000)	-	-	-	-	-	-	-	-	(25,000)
Contributions from noncontrolling interest	-	-	-	-			-	-	-	800	800
Distributions to noncontrolling interest	-	-	-	-	-	-	-	-	-	(9,667)	(9,667)
Dividends declared	-	-	-	-	-	-	-	(69,063)	-	-	(69,063)
Redemption of Series B Preferred	-	-	-	-	-	-	1,200	-	-	(80,000)	(78,800)
Redemptions of noncontrolling interest	-	-	-	-	-	-	(1,134)	-	-	(2,885)	(4,019)
Balances at June 30, 2011	-	$ -	2,950	$ 73,750	32,724	$ 3	$ 1,687,691	$ (359,662)	$ (74,918)	$ 119,888	$ 1,446,752

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Dollars in thousands)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Cash flows from operating activities:		
Net Income	$ 28,560	$ 31,728
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of real estate	(5,853)	-
Gain on sale of marketable securities	(4,543)	(9,041)
Loss (gain) on early retirement of debt	253	10
Equity income in co-investments excluding gain on sales of real estate	2,120	401
Amortization of discount on exchangeable bonds	-	41
Amortization of discount on marketable securities	(2,297)	(1,916)
Amortization of deferred interest from settlement of swaps	4,349	97
Amortization of discount on notes receivables	(878)	(363)
Depreciation	74,541	61,748
Amortization of deferred financing costs	1,443	1,628
Stock-based compensation	1,056	1,739
Prepaid expenses and other assets	(697)	(621)
Accounts payable and accrued liabilities	5,097	2,973
Other liabilities	1,200	990
Net cash provided by Operating activities	104,351	89,414
Cash flows from investing activities:		
Additions to real estate:		
Acquisitions	(38,958)	(6,757)
Improvements to recent acquisitions	(11,804)	(725)
Redevelopment expenditures	(16,296)	(6,951)
Revenue generating capital expenditures	(1,220)	(358)
Non-revenue generating capital expenditures	(7,711)	(10,962)
Dispositions of real estate	15,972	-
Additions to real estate under development	(65,695)	(53,414)
Changes in restricted cash and refundable deposits	(3,210)	(5,733)
Purchases of marketable securities	(6,805)	(18,276)
Sales and maturities of marketable securities	27,997	65,919
Purchases of and advances under notes and other receivables	-	(21,227)
Collections of notes and other receivables	368	1,826
Contributions to co-investments	(43,207)	(66,498)
Distributions from co-investments	450	-
Net cash used in investing activities	(150,119)	(123,156)
Cash flows from financing activities:		
Borrowings under mortgage notes payable, lines of credit and bonds	645,419	212,764
Repayment under mortgage notes payable, lines of credit and bonds	(661,193)	(163,817)
Additions to deferred charges	(1,441)	(623)
Retirement of exchangeable bonds	-	(1,842)
Settlement of forward-starting swaps	(2,395)	-
Net proceeds from stock options exercised	5,983	2,212
Net proceeds from issuance of Series H preferred stock	71,427	-
Redemption of Series F preferred stock	(25,000)	-
Retirement of Series B preferred units	(78,800)	-
Net proceeds from issuance of common stock	168,592	63,003
Equity related issuance costs	(591)	-
Contributions from noncontrolling interest	-	3,990
Distributions to noncontrolling interest	(9,667)	(12,337)
Redemptions of noncontrolling interest	(4,019)	(21,065)
Common and preferred stock dividends paid	(67,491)	(60,836)
Net cash provided by financing activities	40,824	21,449
Net decrease in cash and cash equivalents	(4,944)	(12,293)
Cash and cash equivalents at beginning of period	13,753	20,660
Cash and cash equivalents at end of period	$ 8,809	$ 8,367

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Dollars in thousands)

(continued)

Supplemental disclosure of cash flow information:				
Cash paid for interest, net of $4.5 million and $5.8 million capitalized in 2011 and 2010, respectively	$	43,594	$	40,048
Supplemental disclosure of noncash investing and financing activities:				
Change in accrual of dividends	$	1,570	$	874
Change in value of derivative liabilities	$	1,836	$	42,040
Change in unrealized gain of marketable securities	$	2,283	$	5,650
Mortgage notes assumed in connection with purchase of real estate including the loan premiums recorded	$	10,500	$	12,444
Non-cash contribution from noncontrolling interest	$	800		-
Change in construction payable	$	2,041	$	3,746
Transfer of real estate under development to rental properties	$	40,784	$	-
Transfer of real estate under development to co-investments	$	48,886	$	-

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Not es to Condensed Consolidated Financial Statements
June 30, 2011 and 2010
(Unaudited)

(1) Organization and Basis of Presentation

The accompanying unaudited condensed consolidated financial statements present the accounts of Essex Property Trust, Inc. (the “Company”), which include the accounts of the Company and Essex Portfolio, L.P. (the “Operating Partnership,” which holds the operating assets of the Company) and are prepared in accordance with U.S. generally accepted accounting principles for interim financial information and in accordance with the instructions to Form 10-Q. In the opinion of management, all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented have been included and are normal and recurring in nature, except as otherwise noted. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2010.

All significant intercompany balances and transactions have been eliminated in the condensed consolidated financial statements.

The unaudited condensed consolidated financial statements for the three and six months ended June 30, 2011 and 2010 include the accounts of the Company and the Operating Partnership. The Company is the sole general partner in the Operating Partnership, with a 93.6% general partnership interest as of June 30, 2011. Total Operating Partnership units outstanding were 2,228,730 and 2,200,907 as of June 30, 2011 and December 31, 2010, respectively, and the redemption value of the units, based on the closing price of the Company’s common stock totaled $301.5 million and $251.4 million, as of June 30, 2011 and December 31, 2010, respectively.

As of June 30, 2011, the Company owned or had ownership interests in 149 apartment communities, aggregating 30,557 units, excluding the Company’s ownership in preferred interest co-investments, (collectively, the “Communities”, and individually, a “Community”), six commercial buildings and six active development projects (collectively, the “Portfolio”). The Communities are located in Southern California (Los Angeles, Orange, Riverside, Santa Barbara, San Diego, and Ventura counties), Northern California (the San Francisco Bay Area) and the Seattle metropolitan area.

Fund Activities

Essex Apartment Value Fund II, L.P. (“Fund II”) is an investment fund formed by the Company to add value through rental growth and asset appreciation, utilizing the Company’s development, redevelopment and asset management capabilities. Fund II has eight institutional investors, and the Company, with combined partner equity contributions of $265.9 million. The Company contributed $75.0 million to Fund II, which represents a 28.2% interest as general partner and limited partner. Fund II utilized leverage equal to approximately 55% upon the initial acquisition of the underlying real estate. Fund II invested in apartment communities in the Company’s targeted West Coast markets and, as of June 30, 2011, owned 14 apartment communities. The Company records revenue for its asset management, property management, development and redevelopment services when earned, and promote income when realized if Fund II exceeds certain financial return benchmarks.

In 2011, the Company entered into a 50/50 programmatic joint venture, Wesco I, LLC (“Wesco”), with an institutional partner for a total equity commitment of $200 million. Each partner’s equity commitment is $100 million, and Wesco will utilize leverage equal to approximately 50% to 60%. Investments must meet certain criteria to qualify for inclusion in the joint venture and both partners must approve any new acquisitions. The joint venture has an investment period of up to two years. The Company will receive asset and property management fees, and may earn a promoted interest. The Company accounts for this joint venture on the equity method. As discussed below under “Co-investments”, Wesco purchased apartment communities in May and July 2011.

Marketable Securities

The Company reports its available for sale securities at fair value, based on quoted market prices (Level 2 for the unsecured bonds and Level 1 for the common stock and investment funds, as defined by the Financial Accounting Standards Board (“FASB”) standard entitled “ *Fair Value Measurements and Disclosures”*), and any unrealized gain or loss is recorded as other comprehensive income (loss). There were no impairment charges for the three and six months ended June 30, 2011 and 2010, respectively. Realized gains and losses and interest income are included in interest and other income on the condensed consolidated statement of operations. Amortization of purchase discounts are included in interest income.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2011 and 2010
(Unaudited)

As of June 30, 2011, marketable securities consisted primarily of common stock and investments in mortgage backed securities and investment funds that invest in U.S. treasury or agency securities. As of June 30, 2011, the Company classified its investments in mortgage backed securities, which mature in November 2019 and September 2020, as held to maturity, and accordingly, these securities are stated at their amortized cost of $44.3 million. The estimated fair values of the mortgage backed securities (Level 2 securities) are approximately equal to the carrying values.

As of June 30, 2011 the Company classified the following marketable securities as available for sale (dollars in thousands):

	June 30, 2011		
	Amortized Cost	Gross Unrealized Gain/(Loss)	Fair Value
Investment-grade unsecured bonds	$ 3,608	$ 427	$ 4,035
Investment funds - US treasuries	10,549	164	10,713
Common stock	14,513	2,096	16,609
Total	$ 28,670	$ 2,687	$ 31,357

	December 31, 2010		
	Amortized Cost	Gross Unrealized Gain/(Loss)	Fair Value
Investment-grade unsecured bonds	$ 22,243	$ 4,403	$ 26,646
Investment funds - US treasuries	14,345	582	14,927
Common stock	8,638	112	8,750
Total	$ 45,226	$ 5,097	$ 50,323

The Company uses the specific identification method to determine the cost basis of a security sold and to reclassify amounts from accumulated other comprehensive income for securities sold. For the three months ended June 30, 2010, the proceeds from sales of available for sale securities totaled $22.5 million, and for the six months ended June 30, 2011and 2010, the proceeds from sales of available for sale securities totaled $26.8 million and $64.7 million, respectively. These sales all resulted in gains, which totaled $4.0 million for the three months ended June 30, 2010, and $4.5 million and $9.0 million for the six months ended June 30, 2011 and 2010, respectively.

Variable Interest Entities

The Company consolidates 19 DownREIT limited partnerships (comprising twelve communities) since the Company is the primary beneficiary of these variable interest entities ("VIEs"). Total DownREIT units outstanding were 1,072,161 and 1,096,871 as of June 30, 2011 and December 31, 2010, respectively, and the redemption value of the units, based on the closing price of the Company's common stock totaled $145.1 million and $125.3 million, as of June 30, 2011 and December 31, 2010, respectively. The consolidated total assets and liabilities related to these VIEs, net of intercompany eliminations, were approximately $214.6 million and $170.0 million, respectively, as of June 30, 2011 and $217.3 million and $168.0 million, respectively, as of December 31, 2010. Interest holders in VIEs consolidated by the Company are allocated net income equal to the cash payments made to those interest holders or distributions from cash flow. The remaining results of operations are generally allocated to the Company. As of June 30, 2011 and December 31, 2010, the Company did not have any VIE's for which it was not deemed to be the primary beneficiary.

Stock-Based Compensation

The Company accounts for share based compensation using the fair value method of accounting. The estimated fair value of stock options granted by the Company is being amortized over the vesting period of the stock options. The estimated grant date fair values of the long term incentive plan units (discussed in Note 13, "Stock Based Compensation Plans," in the Company's Form 10-K for the year ended December 31, 2010) are being amortized over the expected service periods. Stock-based compensation expense for options and restricted stock totaled $0.4 million and $0.3 million for the three months ended June 30, 2011 and 2010, respectively and $0.7 million and $0.5 million for the six months ended June 30, 2011 and 2010, respectively. The intrinsic value of the stock options exercised during the three months ended June 30, 2011 and 2010 totaled $2.0 million and $0.5 million and $3.0 million and $1.5 million for the six months ended June 30, 2011 and 2010, respectively. As of June 30, 2011, the intrinsic value of the stock options outstanding totaled $10.9 million. As of June 30, 2011, total unrecognized compensation cost related to unvested share-based compensation granted under the stock option and restricted stock plans totaled $4.1 million. The cost is expected to be recognized over a weighted-average period of 1 to 6 years for the stock option plans and is expected to be recognized straight-line over 7 years for the restricted stock awards.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2011 and 2010
(Unaudited)

The Company has adopted an incentive program involving the issuance of Series Z and Series Z-1 Incentive Units (collectively referred to as “Z Units”) of limited partnership interest in the Operating Partnership. Stock-based compensation expense for Z Units totaled $0.3 million and $0.8 million for the three months ended June 30, 2011 and 2010, respectively, and $0.5 million and $1.4 million for the six months ended June 30, 2011 and 2010, respectively. On January 1, 2011, 131,409 Series Z Units were converted into common units of the Operating Partnership.

Stock-based compensation for Z units capitalized totaled $0.1 million and $0.2 million for the three months ended June 30, 2011, and 2010, respectively, and $0.2 million and $0.4 million for the six months ended June 30, 2011 and 2010, respectively. As of June 30, 2011, the intrinsic value of the Z-1 Units subject to future vesting totaled $17.6 million. As of June 30, 2011, total unrecognized compensation cost related to Z-1 Units subject to future vesting totaled $6.5 million. The unamortized cost is expected to be recognized over the next year to fourteen years subject to the achievement of the stated performance criteria.

Fair Value of Financial Instruments

The Company values its financial instruments based on the fair value hierarchy of valuation techniques described in the FASB statement entitled “ *Fair Value Measurements and Disclosures”* . Level 1 inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices observable for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability. The Company uses Level 1 inputs for the fair values of its cash equivalents and its marketable securities except for unsecured bonds and mortgage backed securities. Th Company uses Level 2 inputs for its investments in unsecured bonds, mortgage backed securities, notes receivable, notes payable, and derivative liabilities. These inputs include interest rates for similar financial instruments. The Company’s valuation methodology for the swap related to the multifamily refunding bond for the 101 San Fernando apartment community, is described in more detail in Note 8. The Company does not use Level 3 inputs to estimate fair values of any of its financial instruments. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Management believes that the carrying amounts of its amounts outstanding under lines of credit, notes receivable and notes and other receivables approximate fair value as of June 30, 2011 and December 31, 2010, because interest rates, yields and other terms for these instruments are consistent with yields and other terms currently available for similar instruments. Management has estimated that the fair value of the Company’s $1.79 billion of fixed rate debt, including unsecured bonds, at June 30, 2011 is approximately $1.83 billion and the fair value of the Company’s $256.8 million of variable rate debt, excluding borrowings under the lines of credit, at June 30, 2011 is $234.5 million based on the terms of existing mortgage notes payable, unsecured bonds and variable rate demand notes compared to those available in the marketplace. Management believes that the carrying amounts of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities, construction payables, other liabilities and dividends payable approximate fair value as of June 30, 2011 due to the short-term maturity of these instruments. The fair values of the Company’s investments in mortgage backed securities are approximately equal to amortized cost carrying value of these securities. Marketable securities, and both the note payable and the swap related to multifamily refunding bond for the 101 San Fernando apartment community, are carried at fair value as of June 30, 2011, as discussed above and in Note 8.

Accounting Estimates and Reclassifications

The preparation of condensed consolidated financial statements, in accordance with U.S. generally accepted accounting principles, requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to acquiring, developing and assessing the carrying values of its real estate properties, its investments in and advances to joint ventures and affiliates, its notes receivables and its qualification as a Real Estate Investment Trust (“REIT”). The Company bases its estimates on historical experience, current market conditions, and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may vary from those estimates and those estimates could be different under different assumptions or conditions.

Reclassifications for discontinued operations have been made to prior year statements of operations balances in order to conform to current year presentation. Such reclassifications have no impact on reported earnings, cash flows, total assets or total liabilities.

(2) Significant Transactions During the Second Quarter of 2011 and Subsequent Events

Acquisition

In June, the Company acquired Bellerive, a completed 63-unit vacant condominium project that will be operated as a rental community located in West Los Angeles for $27.0 million. Initial occupancy is expected to occur in the third quarter 2011, and stabilization is expected by the end of the year. This property is included in real estate under development as of June 30, 2011 since the units were not yet available for lease.

Disposition

In April, the Company disposed of Woodlawn Colonial, a 159-unit community located in Chula Vista, California for $16.0 million for a gain of $5.3 million net of internal disposition costs. The property was purchased in 2002 as part of the John M. Sachs, Inc. merger.

Development

The Company entered into a development joint venture with the land owner of a retail site in Santa Clara. The Company invested $9.3 million in this joint venture and the property subject to a $10.5 million mortgage loan due in April 2014 at an interest rate that is currently at 5.0%. The Company has an option to purchase the joint venture partner's interest for $0.8 million during 2011. The plans for this project are to entitle a portion of the site for 494 apartment units. The joint venture partner has an option to purchase the retail parcel upon obtaining entitlements. The site is currently improved with retail space that is 100% leased. The Company consolidates this joint venture and will account for the property as a rental property during the period that is being operated as a retail site.

In July, the Company began development on its West Dublin, California land site which was purchased in late 2009 for $5.0 million. The 309-unit development will consist of a five-story building over two levels of parking and will feature a mix of one and two bedroom units and lofts.

Co-investments

In June 2011, the Company completed a $13.0 million preferred equity investment in an entity owning an apartment community located in downtown Los Angeles. The Company's preferred return is 10% and the Company's investment has a five-year term.

In 2011, the Company entered into a 50/50 programmatic joint venture, Wesco, I LLC ("Wesco"), with an institutional partner for a total equity commitment of $200 million. In May 2011, Wesco acquired Arbors Parc Rose, a 373-unit community located in Oxnard, California for $92.0 million. In July 2011, Wesco acquired Reveal, a 438-unit community located in the Woodland Hills, California for $132.9 million. Wesco obtained a $100.0 million line of credit at a rate of LIBOR + 2.3%, and Wesco obtained secured mortgage loans totaling $59.9 million at 4.7% secured by Arbors Parc Rose for 10 years in June, and $78.7 million at LIBOR + 1.9% secured by Reveal with a maturity of two years with two one year extensions.

In June, the Company entered into a joint venture with the Canada Pension Plan Investment Board ("CPPIB") to develop its Cadence site located in San Jose, California which recently began site demolition. The Company contributed the land to the joint venture, and the Company will account for this joint venture using the equity method. The Company will hold a 55% interest in the joint venture and will earn development, asset, and property management fees. The Company may also earn a promoted interest.

Common Stock, Preferred Stock and Preferred Units

During the quarter, the Company sold 984,982 shares of common stock for $130.2 million, net of commissions, at an average price per share of $133.76. In July, the Company sold 350,112 shares of common stock for $48.3 million, net of commissions, at an average price of $139.64. Year to date through July, the Company sold 1,661,736 shares of common stock for $216.9 million, net of commissions, at an average price of $132.11.

In April, the Company issued 2,950,000 shares of 7.125% Series H Cumulative Redeemable Preferred Stock (“Series H”) at a price of $25.00 per share for net proceeds of $71.4 million, net of costs and original issuance discounts. The Series H has no maturity date and generally may not be called by the Company before April 13, 2016. Net proceeds from the Series H offering were used to redeem all of the 7.875% Series B Cumulative Redeemable Preferred Units of Essex Portfolio, L.P. (“Series B”) with a liquidation value of $80.0 million, which resulted in excess of cash paid of $1.0 million over the carrying value of Series B due to deferred offering costs and original issuance discounts.

In June, the Company redeemed its 7.8125% Series F Preferred Stock (“Series F”) at liquidation value for $25.0 million which resulted in excess of cash paid of $0.9 million over the carrying value of Series F due to deferred offering costs and original issuance discounts.

Mortgage Notes Payable and Construction Loans

During the quarter, the Company paid off the Cairns mortgage loan for $11.3 million at an interest rate of 3.7% and during June and early July two San Marcos mortgage loans totaling $46.5 million at a blended rate of 5.3%.

Unsecured Bonds

During the second quarter, the Company issued $115 million of unsecured bond through private placements, $40.0 million at 4.5% for 6.25 years, and $75.0 million at 4.92% for 8.5 years. The proceeds from the bond offering were used primarily to repay outstanding mortgages, redeem the Series F Preferred Stock, and pay down the Company’s lines of credit.

(3) Co-investments

The Company has joint venture investments in co-investments, which are accounted for under the equity method. The joint ventures own, operate and develop apartment communities.

The following table details the Company's co-investments (dollars in thousands):

	June 30, 2011	December 31, 2010
Investments in joint ventures accounted for under the equity method of accounting:		
Partnership interest in Essex Apartment Value Fund II, L.P ("Fund II")	$ 65,532	$ 66,000
Membership interest in a limited liability company that owns and is developing Cadence	52,407	-
Membership interest in a limited liability company that owns Essex Skyline at MacArthur Place	26,758	29,187
Preferred interests in limited liability companies that own apartment communities in downtown Los Angeles	22,767	-
Membership interest in a limited liability company that owns and is developing Queen Anne	17,000	-
Preferred interest in a related limited liability company that owns Madison Park at Anaheim	12,348	12,014
Membership interest in Wesco I, LLC ("Wesco")	(87)	-
	196,725	107,201
Investments accounted for under the cost method of accounting:		
Series A and B-2 Preferred Stock interests in Multifamily Technology Solutions, Inc.	639	639
Total co-investments	$ 197,364	$ 107,840

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2011 and 2010
(Unaudited)

The combined summarized balance sheet and statements of operations for co-investments, which are accounted for under the equity method, are as follows (dollars in thousands).

	June 30, 2011	December 31, 2010
Balance sheets:		
Rental properties and real estate under development	$ 993,258	$ 750,808
Other assets	36,419	15,864
Total assets	$ 1,029,677	$ 766,672
Mortgage notes	$ 598,435	$ 450,693
Other liabilities	20,773	7,076
Equity	410,469	308,903
Total liabilities and equity	$ 1,029,677	$ 766,672
Company's share of equity	$ 196,725	$ 107,201

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Statements of operations:				
Property revenues	$ 24,084	$ 12,482	$ 42,596	$ 24,810
Property operating expenses	(9,719)	(5,533)	(17,695)	(10,662)
Net property operating income	14,365	6,949	24,901	14,148
Interest expense	(10,549)	(2,950)	(15,410)	(5,911)
General and administrative	(38)	-	(1,022)	-
Depreciation and amortization	(9,943)	(4,756)	(18,006)	(9,209)
Net loss	$ (6,165)	$ (757)	$ (9,537)	$ (972)
Company's share of net income (loss)	$ 726	$ (360)	$ (647)	$ (401)

(4) Notes and Other Receivables

Notes receivable secured by real estate, and other receivables consist of the following as of June 30, 2011 and December 31, 2010 (dollars in thousands):

	June 30, 2011	December 31, 2010
Note receivable, secured, bearing interest at 6.5%, due August 2011	$ 3,221	$ 3,221
Note receivable, secured, bearing interest at 8.0%, due November 2011	971	971
Note receivable, secured, bearing interest at 9.8%, due March 2012	7,331	7,331
Note receivable, secured, bearing interest at 8.8%, due December 2012	10,928	10,930
Note receivable, secured, bearing interest at LIBOR + 8.0%, due December 2012	6,463	6,513
Note receivable, secured, bearing interest at 6.3%, due February 2014	17,261	16,708
Other receivables	3,781	3,770
	$ 49,956	$ 49,444

(5) Related Party Transactions

Management and other fees from affiliates include management, development and redevelopment fees from co-investments of $1.4 million and $1.0 million for the three months ended June 30, 2011 and 2010, respectively, and $2.6 million and $2.0 million for the six months ended June 30, 2011 and 2010, respectively, and a property acquisition fee of $0.5 million from the limited liability company that owns Skyline at MacArthur Place for the six months ended June 30, 2010. All of these fees are net of intercompany amounts eliminated by the Company.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2011 and 2010
(Unaudited)

An Executive Vice President of the Company invested $4.0 million for a 6% limited partnership interest in a partnership with the Company that acquired a 50% interest in a limited liability company that acquired Essex Skyline at MacArthur Place. The Executive Vice President's investment is equal to a pro-rata share of the contributions, and distributions resulting from distributable cash generated by Essex Skyline at MacArthur Place will be calculated in the same manner as the calculation of distributions to the third party investor. The Executive Vice President does not participate in any promote interest or fees paid to the Company by the Essex Skyline at MacArthur Place joint venture.

6) Segment Information

The Company defines its reportable operating segments as the three geographical regions in which its apartment communities are located: Southern California, Northern California and Seattle Metro. Excluded from segment revenues are properties classified in discontinued operations, management and other fees from affiliates, and interest and other income. Non-segment revenues and net operating income included in the following schedule also consist of revenue generated from commercial properties. Other non-segment assets include co-investments, real estate under development, cash and cash equivalents, marketable securities, notes receivable, other assets and deferred charges. The revenues, net operating income, and assets for each of the reportable operating segments are summarized as follows for the three ended June 30, 2011 and 2010 (dollars in thousands):

	Three Months Ended June 30,	
	2011	**2010**
Revenues:		
Southern California	$ 56,081	$ 50,503
Northern California	36,548	29,973
Seattle Metro	20,210	16,717
Other real estate assets	2,939	1,970
Total property revenues	$ 115,778	$ 99,163
Net operating income:		
Southern California	$ 36,590	$ 33,688
Northern California	24,097	19,243
Seattle Metro	12,774	10,124
Other real estate assets	2,047	1,291
Total net operating income	75,508	64,346
Depreciation	(37,510)	(31,156)
Interest expense before amortization	(22,710)	(20,161)
Amortization expense	(2,736)	(843)
Interest and other income	2,628	7,085
General and administrative	(6,371)	(6,219)
Management and other fees from affiliates	1,420	1,022
Equity income (loss) from co-investments	726	(360)
Loss on early retirement of debt	(253)	(10)
Income before discontinued operations	$ 10,702	$ 13,704

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2011 and 2010
(Unaudited)

The revenues, net operating income, and assets for each of the reportable operating segments are summarized as follows for the six ended June 30, 2011 and 2010 (dollars in thousands):

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Revenues:		
Southern California	$ 110,704	$ 100,996
Northern California	71,865	59,961
Seattle Metro	39,966	33,445
Other real estate assets	5,331	4,034
Total property revenues	$ 227,866	$ 198,436
Net operating income:		
Southern California	$ 72,425	$ 67,449
Northern California	47,436	39,043
Seattle Metro	25,331	20,698
Other real estate assets	3,510	2,412
Total net operating income	148,702	129,602
Depreciation	(74,426)	(61,539)
Interest expense before amortization	(44,518)	(39,758)
Amortization expense	(5,590)	(2,083)
General and administrative	(12,486)	(11,837)
Management and other fees from affiliates	2,645	2,500
Loss on early retirement of debt	(253)	(10)
Interest and other income	9,616	14,941
Equity (loss) from co-investments	(647)	(401)
Income before discontinued operations	$ 23,043	$ 31,415

Total assets for each of the reportable operating segments are summarized as follows as of June 30, 2011 and December 31, 2010:

	June 30,2011	December 31,2010
Assets:		
Southern California	$ 1,445,006	$ 1,428,264
Northern California	1,140,907	1,119,555
Seattle Metro	552,372	560,463
Other real estate assets	98,873	80,726
Net reportable operating segments - real estate assets	3,237,158	3,189,008
Real estate under development	191,620	217,531
Cash and cash equivalents	32,847	35,694
Marketable securities	75,673	92,310
Co-investments	197,364	107,840
Notes and other receivables	49,956	49,444
Other non-segment assets	41,237	41,060
Total assets	$ 3,825,855	$ 3,732,887

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2011 and 2010
(Unaudited)

(7) Net Income Per Common Share
(Amounts in thousands, except per share and unit data)

	Three Months Ended June 30, 2011			Three Months Ended June 30, 2010		
	Income	Weighted-average Common Shares	Per Common Share Amount	Income	Weighted-average Common Shares	Per Common Share Amount
Basic:						
Income from operations available to common stockholders	$ 5,337	32,041	$ 0.17	$ 9,329	29,329	$ 0.32
Income from discontinued operations available to common stockholders	4,988	32,041	0.15	153	29,329	-
	10,325		$ 0.32	9,482		$ 0.32
Effect of Dilutive Securities (1)(2)	-	94		-	73	
Diluted:						
Income from continuing operations available to common stockholders	5,337	32,135	$ 0.17	9,329	29,402	$ 0.32
Income from discontinued operations available to common stockholders	4,988	32,135	0.15	153	29,402	-
	$ 10,325		$ 0.32	$ 9,482		$ 0.32

	Six Months Ended June 30, 2011			Six Months Ended June 30, 2010		
	Income	Weighted-average Common Shares	Per Common Share Amount	Income	Weighted-average Common Shares	Per Common Share Amount
Basic:						
Income before discontinued operations available to common stockholders	$ 13,589	31,755	$ 0.43	$ 22,320	29,150	$ 0.77
Income from discontinued operations available to common stockholders	5,154	31,755	0.16	289	29,150	0.01
	18,743		$ 0.59	22,609		$ 0.78
Effect of Dilutive Securities (1)(2)	-	89		-	64	
Diluted:						
Income from continuing operations available to common stockholders (1)	13,589	31,844	0.43	$ 22,320	29,214	0.76
Income from discontinued operations available to common stockholders	5,154	31,844	0.16	289	29,214	0.01
	$ 18,743		$ 0.59	$ 22,609		$ 0.77

(1) Weighted average convertible limited partnership units of 2,230,354 and 2,235,468, which includes vested Series Z incentive units, for the three and six months ended June 30, 2011 and weighted convertible limited partnership units of 2,357,321 and 2,388,406 which includes vested Series Z incentive units, for the three and six months ended June 30, 2010, respectively, were not included in the determination of diluted EPS because they were anti-dilutive. The Company has the ability to redeem DownREIT limited partnership units for cash and does not consider them to be potentially dilutive securities.

Stock options of 29,500 and 131,664 for the three months ended June 30, 2011 and 2010, respectively, and 41,250 and 147,690 for the six months ended June 30, 2011 and 2010, respectively, were not included in the diluted earnings per share calculation because the exercise price of the options were greater than the average market price of the common shares for the three and six months ended and, therefore, were anti-dilutive.

All shares of cumulative convertible preferred stock Series G have been excluded from diluted earnings per share for the three and six months ended June 30, 2011 and 2010, as the effect was anti-dilutive.

(2) Net income allocated to convertible limited partnership units, which includes vested Series Z units, aggregating \$1.0 million and \$0.8 million for the three months ended June 30, 2011 and 2010 respectively, and \$1.6 million and \$1.9 million for the six months ended June 30, 2011 and 2010, respectively, have been excluded from income available to common stock holders for the calculation of net income per common share since these units are excluded from the diluted weighted average common shares for the period as the effect was anti-dilutive.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2011 and 2010
(Unaudited)

(8) Derivative Instruments and Hedging Activities

Currently, the Company uses interest rate cap contracts to manage certain interest rate risks and previously the Company also used forward starting swaps to manage interest rate risks. As of June 30, 2011, there are no outstanding forward starting interest rate swaps. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative.

During July 2010, the Company entered into a swap transaction (the "swap") with respect to $38.0 million of multifamily revenue refunding bonds for the 101 San Fernando apartment community (the "Bonds") with Citibank, N.A. ("Citibank"). This swap is not designated as a hedge; accordingly the change in fair value of the swap is recorded as a gain or loss in the Company's consolidated statement of operations. Under the terms of the Swap, the Company pays a variable amount equal to the SIFMA Index plus a fixed spread on a notional amount that starts at $35.2 million and over the three-year term of the swap increases ratably to $38.0 million. In return, Citibank pays an amount equal to the coupon on the Bonds multiplied by the outstanding par value of the bonds, $38.0 million. The Swap has a termination date of July 12, 2013 and may be terminated by the Company at anytime commencing after July 2012 and by Citibank if certain events occur. Upon termination of the swap, whether early or on the stated termination date, a payment based on the change in value of the Bonds will occur. Should the Bonds decline in value from the $35.2 million estimated value of the Bonds at the inception of the swap, the Company will be obligated to make a payment equal to 100% of the price depreciation. Should the Bonds increase in value, Citibank will be obligated to make a payment equal to approximately 85% of the price appreciation. As of June 30, 2011, the fair value of the swap was a liability of approximately $1.6 million.

As of June 30, 2011 the Company had twelve interest rate cap contracts totaling a notional amount of $191.9 million that qualify for hedge accounting as they effectively limit the Company's exposure to interest rate risk by providing a ceiling on the underlying variable interest rate for the Company's $213.0 million of tax exempt variable rate debt. The aggregate carrying value of the interest rate cap contracts was an asset of $0.1 million. During the first quarter of 2011, the Company settled its remaining $20.0 million of forward starting swaps for a $2.3 million payment to the counterparty. The changes in the fair values of the cash flow hedges are reflected in other comprehensive (loss) income in the Company's condensed consolidated financial statements. The overall fair value of the Company's derivatives changed by $4.1 million during the six months ended June 30, 2011 to a net liability of $1.5 million as of June 30, 2011.

(9) Discontinued Operations

In the normal course of business, the Company will receive offers for sale of its communities, either solicited or unsolicited. For those offers that are accepted, the prospective buyer will usually require a due diligence period before consummation of the transaction. It is not unusual for matters to arise that result in the withdrawal or rejection of the offer during this process. The Company classifies real estate as "held for sale" when the sale is considered to be probable.

The Company sold Woodlawn Colonial, a 159-unit community located in Chula Vista, California for $16.0 million for a gain of $5.3 million net of internal disposition costs. The property was purchased in 2002 as part of the John M. Sachs, Inc. merger.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2011 and 2010
(Unaudited)

The components of discontinued operations are outlined below and include the results of operations for the respective periods that the Company owned such assets, as described above (dollars in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Rental revenues	$ 134	$ 450	$ 595	$ 884
Property operating expenses	(48)	(180)	(228)	(362)
Depreciation and amortization	-	(105)	(115)	(209)
Income from real estate sold	86	165	252	313
Gain on sale	5,854	-	5,854	-
Internal disposition costs	(589)	-	(589)	-
Income from discontinued operations	$ 5,351	$ 165	$ 5,517	$ 313

(10) Commitments and Contingencies

The Company is subject to various lawsuits in the normal course of its business operations. Such lawsuits could, but are not expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the Company's Condensed Consolidated Financial Statements and accompanying Notes thereto included elsewhere herein and with the Company's 2010 Annual Report on Form 10-K for the year ended December 31, 2010.

The Company is a fully integrated Real Estate Investment Trust ("REIT"), and its property revenues are generated primarily from apartment community operations. The Company's investment strategy has two components: constant monitoring of existing markets, and evaluation of new markets to identify areas with the characteristics that underlie rental growth. The Company's strong financial condition supports its investment strategy by enhancing its ability to quickly shift the Company's acquisition, development, and disposition activities to markets that will optimize the performance of the portfolio.

As of June 30, 2011, the Company had ownership interests in 149 apartment communities, comprising 30,557 apartment units, excluding the Company's ownership in preferred interest co-investments. The Company's apartment communities are located in the following major West Coast regions:

Southern California (Los Angeles, Orange, Riverside, Santa Barbara, San Diego and Ventura counties)
Northern California (the San Francisco Bay Area)
Seattle Metro (Seattle metropolitan area)

As of June 30, 2011, the Company also had ownership interests in six commercial buildings with approximately 354,800 square feet.

As of June 30, 2011, the Company's consolidated development pipeline was comprised of four consolidated development projects and four land parcels held for future development or sale aggregating 1,051 units, with total incurred costs of $191.6 million. The estimated remaining project costs are $110.6 million and the total active development project costs are $302.2 million.

The Company has two unconsolidated joint venture development projects, Queen Anne, a 275-unit condominium project, and Cadence. Development is underway for the first of three phases for Cadence. Phase one is a 280-unit project. As of June 30, 2011 total costs incurred are $76.2 million, with estimated remaining project costs of $138.4 million for total estimated costs of $177.7 million.

The Company's consolidated apartment communities are as follows:

	As of June 30, 2011		As of June 30, 2010	
	Apartment Units	%	Apartment Units	%
Southern California	13,068	49%	12,334	51%
Northern California	7,817	29%	6,695	28%
Seattle Metro	5,979	22%	5,249	21%
Total	26,864	100%	24,278	100%

Co-investments accounted for using the equity method including Fund II, Wesco communities, Essex Skyline at MacArthur Place, and preferred equity co-investments communities are not included in the table above for both years presented above.

Comparison of the Three Months Ended June 30, 2011 to the Three Months Ended June 30, 2010

The average financial occupancies for the Company's stabilized apartment communities or "Quarterly Same-Property" (stabilized properties consolidated by the Company for the quarters ended June 30, 2011 and 2010) decreased 30 basis points to 96.9% as of June 30, 2011 from 97.2% as of June 30, 2010. Financial occupancy is defined as the percentage resulting from dividing actual rental revenue by total possible rental revenue. Actual rental revenue represents contractual rental revenue pursuant to leases without considering delinquency and concessions. Total possible rental revenue represents the value of all apartment units, with occupied units valued at contractual rental rates pursuant to leases and vacant units valued at estimated market rents. We believe that financial occupancy is a meaningful measure of occupancy because it considers the value of each vacant unit at its estimated market rate.

Market rates are determined using a variety of factors such as effective rental rates at the property based on recently signed leases and asking rates for comparable properties in the market. The recently signed effective rates at the property are used as the starting point in the determination of the market rates of vacant units. The Company then increases or decreases these rates based on the supply and demand in the apartment community's market. The Company will check the reasonableness of these rents based on its position within the market and compare the rents against the asking rents by comparable properties in the market. Financial occupancy may not completely reflect short-term trends in physical occupancy and financial occupancy rates as disclosed by other REITs may not be comparable to the Company's calculation of financial occupancy.

The Company does not take into account delinquency and concessions to calculate actual rent for occupied units and market rents for vacant units. The calculation of financial occupancy compares contractual rates for occupied units to estimated market rents for unoccupied units, thus the calculation compares the gross value of all apartment units excluding delinquency and concessions. For apartment communities that are development properties in lease-up without stabilized occupancy figures, the Company believes the physical occupancy rate is the appropriate performance metric. While an apartment community is in the lease-up phase, the Company's primary motivation is to stabilize the property which may entail the use of rent concessions and other incentives, and thus financial occupancy which is based on contractual revenue is not considered the best metric to quantify occupancy.

The regional breakdown of the Company's Quarterly Same-Property portfolio for financial occupancy for the quarter ended June 30, 2011 and 2010 is as follows:

	Three months ended June 30,	
	2011	2010
Southern California	96.8%	97.0%
Northern California	97.2%	97.5%
Seattle Metro	96.9%	97.3%

The following table provides a breakdown of revenue amounts, including revenues attributable to the Quarterly Same-Property portfolio:

Property Revenues (dollars in thousands)	Number of Properties	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Dollar Change	Percentage Change
Quarterly Same-Property:					
Southern California	58	$ 51,780	$ 50,503	$ 1,277	2.5%
Northern California	28	31,254	29,898	1,356	4.5
Seattle Metro	23	15,314	14,723	591	4.0
Total Quarterly Same-Property revenues	109	98,348	95,124	3,224	3.4
Quarterly Non-Same Property Revenues (1)		17,430	4,039	13,391	331.5
Total property revenues		$ 115,778	$ 99,163	$ 16,615	16.8%

(1) Includes ten communities acquired after April 1, 2010, two redevelopment communities, five development communities, and four commercial buildings.

Quarterly Same-Property Revenues increased by $3.2 million or 3.4% to $98.3 million in the second quarter of 2011 from $95.1 million in the second quarter of 2010. The increase was primarily attributable to an increase in scheduled rents of $3.2 million as reflected in an increase of 3.4% in average rental rates from $1,307 per unit in the second quarter of 2010 to $1,352 per unit in the second quarter of 2011. Scheduled rents increased in all regions by 2.5%, 4.9%, and 3.7% in Southern California, Northern California, and Seattle Metro, respectively. Also, utility billings income increased $0.3 million and other income increased $0.2 million compared to the second quarter of 2010. The increases related to gross income were partially offset by a decrease in Quarterly Same-Property occupancy of 30 basis points or $0.4 million, from 97.2% for the second quarter of 2010 to 96.9% for the second quarter of 2011. On a sequential basis the Company experienced quarterly same-property revenue growth from the first quarter of 2011 to the second quarter of 2011 of 1.5%, and the Company experienced sequential revenue growth in all regions.

Quarterly Non-Same Property Revenues increased by $13.4 million or 332% to $17.4 million in the second quarter of 2011 from $4.0 million in the second quarter of 2010. The increase was primarily due to revenue generated from five development communities consisting of Joule, Fourth & U, Axis 2300, Allegro, and Muse, ten communities acquired since April 1, 2010 consisting of Elevation, 101 San Fernando, The Commons, Bella Villagio, Family Tree, 416 on Broadway, Anavia, Santee Court, Corbella at Juanita Bay, and Courtyard off Main, and the acquisition of the Santa Clara retail center.

Property operating expenses, excluding real estate taxes increased $4.3 million or 16.9% to $29.4 million in the second quarter of 2011 from $25.1 million in the second quarter of 2010, primarily due to the acquisition of ten communities and one retail center, and the completion of five development properties. Same-Property operating expenses excluding real estate taxes increased by $1.3 million or 5.5% for the second quarter of 2011 compared to the second quarter of 2010, due primarily to an increase of $0.7 million in the timing of maintenance and repair costs and an increase of $0.4 million in administrative costs due mainly to an increase in payroll costs.

Real Estate taxes expense increased by $1.2 million or 12.4% for the second quarter of 2011 compared to the second quarter of 2010 due primarily to the acquisition of ten communities and one retail center, and the completion of development communities which resulted in an increase in property taxes of $1.5 million. Same-Property real estate taxes decreased by $0.3 million for the second quarter of 2011 compared to the second quarter of 2010 due to a reduction in property valuations for select communities located in California, and a decrease in valuations for select properties in the Seattle Metro.

Depreciation expense increased by $6.4 million or 20.4% for the second quarter of 2011 compared to the second quarter of 2010, due to the acquisition of ten communities and one retail center, the completion of five development properties, and the capitalization of approximately $31.0 million in additions to rental properties for the six months ended June 30, 2011 and the capitalization of approximately $52.0 million in additions to rental properties during 2010, including $16.3 million spent on redevelopment and revenue generating capital expenditures.

General and administrative expense increased by $.2 million or 2.4% for the second quarter of 2011 compared to the second quarter of 2010, due primarily to the $0.3 million incurred for organizational costs related to the creation of the Wesco and Cadence joint ventures.

Interest expense before amortization increased by $2.5 million or 12.6% for the second quarter of 2011 compared to the second quarter of 2010, primarily due to the increase in average outstanding debt partially offset by a decrease in the Company's weighted average interest rate. The Company's weighted average interest rate was 4.2% as of June 30, 2011 compared to 4.6% as of June 30, 2010.

Amortization expense increased by $1.9 million for the second quarter of 2011 compared to the second quarter of 2010, primarily due to the amortization of forward swaps that were settled during primarily during the third and fourth quarter of 2010 that were applied to new 10-year secured mortgage loans.

Interest and other income decreased by $4.5 million for the second quarter of 2011 primarily due to decrease of $1.1 million of interest income earned on the marketable securities composed of investment grade unsecured bonds due to the sales of these investments during 2010, and during the second quarter of 2010 the Company sold marketable securities for a gain of $4.0 million compared to no sales of securities in the second quarter of 2011.

Equity income (loss) in co-investments increased by $1.1 million for the second quarter of 2011 compared to the second quarter of 2010, due primarily to the Company's investment of $34.7 million in preferred equity investments in communities located in Southern California that yield between 9% to 13%.

Discontinued operations increased by $5.2 million for the second quarter of 2011 due to the sale of Woodlawn Colonial for $16 million at a gain of $5.3 million, net of internal disposition costs.

Comparison of the Six Months Ended June 30, 2011 to the Six Months Ended June 30, 2010

Our average financial occupancies for the Company's stabilized apartment communities or "2011/2010 Same-Properties" (stabilized properties consolidated by the Company for the six months ended June 30, 2011 and 2010) increased 50 basis points to 96.9% for the six months ended June 30, 2011 from 97.4% for the six months ended June 30, 2010. The regional breakdown of the Company's 2011/2010 Same-Property portfolio for financial occupancy for the six months ended June 30, 2011 and 2010 is as follows:

	Six Months Ended June 30,	
	2011	2010
Southern California	96.7%	97.1%
Northern California	97.1%	97.8%
Seattle Metro	97.0%	97.6%

The following table illustrates a breakdown of revenue amounts, including revenues attributable to 2011/2010 Same-Properties.

	Number of Properties	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Dollar Change	Percentage Change
Property Revenues (dollars in thousands)					
2011/2010 Same-Properties:					
Southern California	58	$ 103,028	$ 100,996	$ 2,032	2.0%
Northern California	28	61,948	59,884	2,064	3.4
Seattle Metro	23	30,310	29,635	675	2.3
Total 2011/2010 Same-Property revenues	109	195,286	190,515	4,771	2.5
2011/2010 Non-Same Property Revenues (1)		32,580	7,921	24,659	311.3
Total property revenues		$ 227,866	$ 198,436	$ 29,430	14.8%

(1) Includes ten communities acquired after January 1, 2009, two redevelopment communities, five development communities, and four commercial buildings.

2011/2010 Same-Property Revenues increased by $4.8 million or 2.5% to $195.3 million for the six months ended June 30, 2011 from $190.5 million for the six months ended June 30, 2010. The increase was primarily attributable to an increase in scheduled rents of $4.8 million as reflected in an increase of 2.6% in average rental rates from $1,308 per unit for the six months ended June 30, 2010 to $1,342 per unit for the six months ended June 30, 2011. Scheduled rents increased in all regions by 1.9%, 3.9%, and 2.3% in Southern California, Northern California, and Seattle Metro, respectively. Also, utility billings income increased $0.6 million and other income increased $0.3 million compared to the six months ended June 30, 2010. The increases related to gross income were partially offset by a decrease in 2011/2010 Same-Property occupancy of 50 basis points or $1.1 million, from 97.4% for the six months ended June 30, 2010 to 96.9% for the six months ended June 30, 2011.

2011/2010 Non-Same Property Revenues increased by $24.7 million or 311% to $32.6 million for the six months ended June 30, 2011 from $7.9 million for the six months ended June 30, 2010. The increase was primarily due to revenue generated from five development communities, ten communities acquired since January 1, 2010 consisting of Elevation, 101 San Fernando, The Commons, Bella Villagio, Family Tree, 416 on Broadway, Anavia, Santee Court, Corbella at Juanita Bay, and Courtyard off Main, and the acquisition of the Santa Clara retail center.

Property operating expenses, excluding real estate taxes increased $7.9 million or 16.0% to $57.6 million for the six months ended June 30, 2011 from $49.6 million for the six months ended June 30, 2010, primarily due to the acquisition of ten communities and one retail center, and the completion of five development properties. 2010/2011 Same-Property operating expenses excluding real estate taxes increased by $1.8 million or 3.9% for the six months ended June 30, 2011 compared to 2010 , due mainly to and increase of $1.0 million in the timing of maintenance and repair costs, $0.3 million increase in turnover costs and $0.5 million or 3.5% increase in utility costs.

Real Estate taxes expense increased by $2.4 million or 12.4% for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to the acquisition of ten communities and one retail center, and the completion of five development properties which resulted in an increase in property taxes of $3.0 million compared to the six months ended June 30, 2010. 2010/2011 Same-property real taxes decreased $0.4 million due to the reduction in property valuations for select communities located in California, and a decrease in valuations for select properties in the Seattle Metro.

Depreciation expense increased by $12.9 million or 20.9% for the six months ended June 30, 2011 compared to the six months ended June 30, 2010, due to the acquisition of ten communities and one retail center, the completion of five development properties, and the capitalization of approximately $31.0 million in additions to rental properties for the six months ended June 30, 2011, $52.0 million in additions to rental properties during 2010, including $16.3 million spent on redevelopment and revenue generating capital expenditures.

Interest expense before amortization increased by $4.8 million or 12.0% for the six months ended June 30, 2011 compared to the six months ended June 30, 2010, primarily due to the increase in average outstanding debt partially offset by a decrease in the Company's weighted average interest rate. The Company's weighted average interest rate was 4.3% as of June 30, 2011 compared to 4.6% as of June 30, 2010.

Amortization expense increased by $3.5 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010, primarily due to the amortization of settlements of forward swaps settled during primarily the third and fourth quarter of 2010 which were applied to new 10-year secured mortgage loans.

Interest and other income decreased by $5.3 million for the six months ended June 30, 2011 primarily due to the fact the Company sold marketable securities for a gain of $4.5 million during the six months ended June 30, 2011 compared $9.0 million in gains generated from the sale of marketable securities for the six months ended June 30, 2010.

Discontinued operations increased by $5.2 million for the second quarter of 2011 due to the sale of Woodlawn Colonial for $16 million at a gain of $5.3 million, net of internal disposition costs.

Liquidity and Capital

June 30, 2011, the Company had $8.8 million of unrestricted cash and cash equivalents and $75.7 million in marketable securities, of which $31.4 million were held available for sale. We believe that cash flows generated by our operations, existing cash, cash equivalents, and marketable securities balances, availability under existing lines of credit, access to capital markets and the ability to generate cash from the disposition of real estate are sufficient to meet all of our reasonably anticipated cash needs during the next twelve months. The timing, source and amounts of cash flows provided by financing activities and used in investing activities are sensitive to changes in interest rates and other fluctuations in the capital markets environment, which can affect our plans for acquisitions, dispositions, development and redevelopment activities.

The Company has three lines of credit aggregating $540.0 million as of June 30, 2011. The Company had a $275.0 million unsecured line of credit with an accordion option to $350.0 million. As of June 30, 2011 there was a $0 balance on this unsecured line. The underlying interest rate on the $275.0 million line is based on a tiered rate structure tied to Fitch and S&P ratings on the credit facility and the rate was LIBOR plus 2.1%. This facility matures in December 2011 with two one-year extensions, exercisable by the Company. The Company also has a $250.0 million credit facility from Freddie Mac, which matures in December 2013. This line is secured by eleven apartment communities. As of June 30, 2011, the Company had $210.0 million outstanding under this line of credit at an average interest rate of 1.1%. The underlying interest rate on this line is between 99 and 150 basis points over the Freddie Mac Reference Rate and the interest rate is subject to change by the lender in November 2011. During the first quarter, the Company entered into a new working capital unsecured line of credit agreement for $15.0 million. As of June 30, 2011 there was no outstanding balance on this unsecured line. The underlying interest rate on the $15.0 million line is based on a tiered rate structure tied to Fitch and S&P ratings on the credit facility of LIBOR plus 2.1%. This facility matures in January 2012 with one one-year extension, exercisable by the Company.

The Company's unsecured line of credit agreements contain debt covenants related to limitations on indebtedness and liabilities and maintenance of minimum levels of consolidated earnings before depreciation, interest and amortization. The Company was in compliance with the line of credit covenants as of June 30, 2011.

During the six months ended June 30, 2011, the Company issued $265.0 million of unsecured bonds through private placement offerings, $150.0 million at 4.4% with a maturity date of March 2016, $40.0 million at 4.5% with a maturity date of September 2017, and $75.0 million at 4.92% with a maturity date of December 2019 . The proceeds from the bond offerings were used primarily to repay outstanding mortgages, redeem the Series F Preferred Stock, and pay down the Company's line of credit.

In January 2011, additional banks entered into equity distribution agreements with the Company including Barclays Capital Inc., BMO Capital Markets Corp., Liquidnet, Inc., and Mitsubishi UFJ Securities (USA), Inc. Pursuant to its equity distribution program with Cantor Fitzgerald & Co, KeyBanc Capital Markets, Inc. and the additional banks, the Company issued 1,311,624 shares of common stock for $168.6 million, net of fees and commissions, during the six months ended June 30, 2011. During July 2011, the Company issued 350,112 shares of common stock for $48.3 million, net of fees and commissions and 1,364,564 shares remain unsold pursuant to the current equity distribution agreements. Under this program, the Company may from time to time sell shares of common stock into the existing trading market at current market prices, and the Company anticipates using the net proceeds to pay down debt, acquire apartment communities and fund the development pipeline.

During March 2010, the Company filed a new shelf registration statement with the SEC, allowing the Company to sell an undetermined number or amount of certain equity and debt securities as defined in the prospectus.

In April, the Company issued 2,950,000 shares of 7.125% Series H Cumulative Redeemable Preferred Stock ("Series H") at a price of $25.00 per share for net proceeds of $71.4 million, net of costs and original issuance discounts. The Series H has no maturity date and generally may not be called by the Company before April 13, 2016. Net proceeds from the Series H offering were used to redeem all of the 7.875% Series B Cumulative Redeemable Preferred Units of Essex Portfolio, L.P. ("Series B") with a liquidation value of $80.0 million, which resulted in excess of cash paid of $1.0 million over the carrying value of Series B due to deferred offering costs and original issuance discounts.

In June, the Company redeemed its 7.8125% Series F Preferred Stock ("Series F") at liquidation value for $25.0 million which resulted in excess of cash paid of $0.9 million over the carrying value of Series F due to deferred offering costs and original issuance discounts.

As of June 30, 2011, the Company's mortgage notes payable totaled $1.8 billion which consisted of $1.5 billion in fixed rate debt with interest rates varying from 3.7% to 7.4% and maturity dates ranging from 2011 to 2021 and $256.8 million of variable rate debt with a weighted average interest rate of 1.9% ($213.0 million of the variable debt is tax-exempt variable rate demand notes). The tax-exempt variable rate demand notes have maturity dates ranging from 2025 to 2039, and $191.9 million are subject to interest rate caps.

The Company pays quarterly dividends from cash available for distribution. Until it is distributed, cash available for distribution is invested by the Company primarily in investment grade securities held available for sale or is used by the Company to reduce balances outstanding under its line of credit.

The Company's current financing activities have been impacted by the instability and tightening in the credit markets which has led to an increase in spreads and pricing of secured and unsecured debt. Our strong balance sheet, the established relationships with our unsecured lines of credit bank group, the secured line of credit with Freddie Mac and access to Fannie Mae and Freddie Mac secured debt financing have provided some insulation to us from the turmoil being experienced by many other real estate companies. The Company has benefited from borrowing from Fannie Mae and Freddie Mac, and there are no assurances that these entities will lend to the Company in the future. The Company has experienced more restrictive loan to value and debt service coverage ratio limits and an expansion in credit spreads.   Continued turmoil in the capital markets could negatively impact the Company's ability to make acquisitions, develop communities, obtain new financing, and refinance existing borrowing at attractive rates.

Derivative Activity

Currently, the Company uses interest rate cap contracts to manage certain interest rate risks. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each interest rate cap.

During July 2010, the Company entered into a swap transaction (the "swap") with respect to $38.0 million of multifamily revenue refunding bonds for the 101 San Fernando apartment community (the "Bonds") with Citibank, N.A. ("Citibank"). This swap is not designated as a hedge; accordingly the change in fair value of the swap is recorded as a gain or loss in the Company's consolidated statement of operations. Under the terms of the Swap, the Company pays a variable amount equal to the SIFMA Index plus a fixed spread on a notional amount that starts at $35.2 million and over the three-year term of the swap increases ratably to $38.0 million. In return, Citibank pays an amount equal to the coupon on the Bonds multiplied by the outstanding par value of the bonds, $38.0 million. The Swap has a termination date of July 12, 2013 and may be terminated by the Company at anytime commencing after July 2012 and by Citibank if certain events occur. Upon termination of the swap, whether early or on the stated termination date, a payment based on the change in value of the Bonds will occur. Should the Bonds decline in value from the $35.2 million estimated value of the Bonds at the inception of the swap, the Company will be obligated to make a payment equal to 100% of the price depreciation. Should the Bonds increase in value, Citibank will be obligated to make a payment equal to approximately 85% of the price appreciation. As of June 30, 2011, the fair value of the swap was a liability of approximately $1.6 million.

As of June 30, 2011 the Company had twelve interest rate cap contracts totaling a notional amount of $191.9 million that qualify for hedge accounting as they effectively limit the Company's exposure to interest rate risk by providing a ceiling on the underlying variable interest rate for the Company's $213.0 million of tax exempt variable rate debt. The aggregate carrying value of the interest rate cap contracts was an asset of $0.1 million. During the first quarter of 2011, the Company settled its remaining $20.0 million of forward starting swaps for a $2.3 million payment to the counterparty. The changes in the fair values of the cash flow hedges are reflected in other comprehensive (loss) income in the Company's condensed consolidated financial statements. The overall fair value of the Company's derivatives changed by $4.1 million during the six months ended June 30, 2011 to a net liability of $1.5 million as of June 30, 2011.

Development and Predevelopment Pipeline

The Company defines development activities as new properties that are being constructed, or are newly constructed and, in the case of development communities, are in a phase of lease-up and have not yet reached stabilized operations. As of June 30, 2011, the Company had four consolidated and two unconsolidated joint venture development projects aggregating 1,284 units for an estimated cost of $434.3 million, of which $249.0 million remains to be expended.

The Company owned four land parcels held for future development or sale aggregating an estimated 322 units as of June 30, 2011. The aggregate carrying value for these four land parcels was $45.6 million as of June 30, 2011. The Company expects to fund the development and predevelopment pipeline by using a combination of some or all of the following sources: its working capital, amounts available on its lines of credit, net proceeds from public and private equity and debt issuances, and proceeds from the disposition of properties, if any.

Redevelopment

The Company defines redevelopment activities as existing properties owned or recently acquired, which have been targeted for additional investment by the Company with the expectation of increased financial returns through property improvement. The Company's redevelopment strategy strives to improve the financial and physical aspects of the Company's redevelopment apartment communities and to target at least an 8 to 10 percent return on the incremental renovation investment. Many of the Company's properties are older and in excellent neighborhoods, providing lower density with large floor plans that represent attractive redevelopment opportunities. During redevelopment, apartment units may not be available for rent and, as a result, may have less than stabilized operations. As of June 30, 2011, the Company had five redevelopment communities aggregating 1,188 apartment units with estimated redevelopment costs of $75.2 million, of which approximately $37.1 million remains to be expended.

Alternative Capital Sources

Fund II has eight institutional investors, and the Company, with combined partner equity contributions of $265.9 million that were fully contributed as of 2008. The Company contributed $75.0 million to Fund II, which represents a 28.2% interest as general partner and limited partner. Fund II utilized leverage equal to approximately 55% upon the initial acquisition of the underlying real estate. Fund II invested in apartment communities in the Company's targeted West Coast markets and, as of June 30, 2011, owned fourteen apartment communities. The Company records revenue for its asset management, property management, development and redevelopment services when earned, and promote income when realized if Fund II exceeds certain financial return benchmarks.

In 2011, the Company entered into a 50/50 programmatic joint venture, Wesco, I LLC ("Wesco"), with an institutional partner for a total equity commitment of $200 million. Each partner's equity commitment is $100 million, and Wesco will utilize leverage equal to approximately 50% to 60%. Investments must meet certain criteria to qualify for inclusion in the joint venture and both partners must approve any new acquisitions. The joint venture has an investment period of up to 2 years. The Company will receive asset and property management fees, and may earn a promoted interest.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements, in accordance with U.S. generally accepted accounting principles requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. We define critical accounting policies as those accounting policies that require our management to exercise their most difficult, subjective and complex judgments. Our critical accounting policies relate principally to the following key areas: (i) consolidation under applicable accounting standards for entities that are not wholly owned; (ii) assessing the carrying values of our real estate properties and investments in and advances to joint ventures and affiliates; (iii) internal cost capitalization; and (iv) qualification as a REIT. The Company bases its estimates on historical experience, current market conditions, and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates made by management.

The Company's critical accounting policies and estimates have not changed materially from information reported in Note 2, "Summary of Critical and Significant Accounting Policies," in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

Forward Looking Statements

Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this quarterly report on Form 10-Q which are not historical facts may be considered forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, including statements regarding the Company's expectations, hopes, intentions, beliefs and strategies regarding the future. Forward looking statements include statements regarding the Company's expectations as to the total projected costs of predevelopment, development and redevelopment projects, the Company's reduced risk of loss from mold cases, beliefs as to our ability to meet our cash needs during the next twelve months and to provide for dividend payments in accordance with REIT requirements, expectations as to the sources for funding the Company's development and redevelopment pipeline and statements regarding the Company's financing activities.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors including, but not limited to, that the Company will fail to achieve its business objectives, that the total projected costs of current predevelopment, development and redevelopment projects exceed expectations, that such development and redevelopment projects will not be completed, that development and redevelopment projects and acquisitions will fail to meet expectations, that estimates of future income from an acquired property may prove to be inaccurate, that future cash flows will be inadequate to meet operating requirements and/or will be insufficient to provide for dividend payments in accordance with REIT requirements, that there may be a downturn in the markets in which the Company's properties are located, that the terms of any refinancing may not be as favorable as the terms of existing indebtedness, and that mold lawsuits will be more costly than anticipated, as well as those risks, special considerations, and other factors referred to in Item 1A, "Risk Factors," in Part II "Other Information" in this current report on Form 10-Q for the quarter ended June 30, 2011 and those referred to in Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended December 31, 2010, and those risk factors and special considerations set forth in the Company's other filings with the Securities and Exchange Commission (the "SEC") which may 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. All forward-looking statements are made as of the date hereof, and the Company assumes no obligation to update this information.

Funds from Operations ("FFO")

FFO is a financial measure that is commonly used in the REIT industry. The Company presents funds from operations as a supplemental operating performance measure. FFO is not used by the Company as, nor should it be considered to be, an alternative to net earnings computed under GAAP as an indicator of the Company's operating performance or as an alternative to cash from operating activities computed under GAAP as an indicator of the Company's ability to fund its cash needs.

FFO is not meant to represent a comprehensive system of financial reporting and does not present, nor does it intend to present, a complete picture of the Company's financial condition and operating performance. The Company believes that net earnings computed under GAAP remain the primary measure of performance and that FFO is only meaningful when it is used in conjunction with net earnings. Further, the Company believes that its consolidated financial statements, prepared in accordance with GAAP, provide the most meaningful picture of its financial condition and its operating performance.

In calculating FFO, the Company follows the definition for this measure published by the National Association of REITs ("NAREIT"), which is a REIT trade association. The Company believes that, under the NAREIT FFO definition, the two most significant adjustments made to net income are (i) the exclusion of historical cost depreciation and (ii) the exclusion of gains and losses from the sale of previously depreciated properties. The Company agrees that these two NAREIT adjustments are useful to investors for the following reasons:

(a) historical cost accounting for real estate assets in accordance with GAAP assumes, through depreciation charges, that the value of real estate assets diminishes predictably over time. NAREIT stated in its White Paper on Funds from Operations "since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves." Consequently, NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time and depreciation charges required by GAAP do not reflect the underlying economic realities.

(b) REITs were created as a legal form of organization in order to encourage public ownership of real estate as an asset class through investment in firms that were in the business of long-term ownership and management of real estate. The exclusion, in NAREIT's definition of FFO, of gains and losses from the sales of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods.

Management believes that it 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 disclosure of FFO may not be comparable to the Company's calculation.

The following table sets forth the Company's calculation of FFO for the three and six months ended June 30, 2011 and 2010 (in thousands except for per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net income available to common stockholders	$ 10,325	$ 9,482	$ 18,743	$ 22,609
Adjustments:				
Depreciation and amortization	37,510	31,261	74,541	61,748
Gains not included in FFO, net of internal disposition costs	(5,265)	-	(5,265)	-
Noncontrolling interest and co-investments (1)	2,684	1,910	5,937	4,040
Funds from operations	$ 45,254	$ 42,653	$ 93,956	$ 88,397
Funds from operations per share - diluted	$ 1.32	$ 1.34	$ 2.76	$ 2.80
Weighted average number shares outstanding diluted (2)	34,365,418	31,759,956	34,079,471	31,602,019

(1) Amount includes the following: (i) noncontrolling interest related to Operating Partnership units, and (ii) add back of depreciation expense from unconsolidated co-investments and less depreciation attributable to third-party ownership of consolidated co-investments.
(2) Assumes conversion of all dilutive outstanding operating partnership interests in the Operating Partnership.

Item 3: Q uantitative and Qualitative Disclosures About Market Risks

Interest Rate Hedging Activities

The Company's objective in using derivatives is to add stability to interest expense and to manage its exposure to interest rate movements or other identified risks. The Company had twelve interest rate cap contracts totaling a notional amount of $191.9 million that qualify for hedge accounting as they effectively limit the Company's exposure to interest rate risk by providing a ceiling on the underlying variable interest rate for the Company's $213.0 million of tax exempt variable rate debt. The interest rate caps are designated as cash flow hedges, and the Company does not have any fair value hedges as of June 30, 2011.

Interest Rate Sensitive Liabilities

The Company is exposed to interest rate changes primarily as a result of its lines of credit and long-term tax exempt variable rate debt. The Company's interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve its objectives the Company borrows primarily at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps and treasury locks in order to mitigate its interest rate risk on a related financial instrument. The Company does not enter into derivative or interest rate transactions for speculative purposes.

The Company's interest rate risk is monitored using a variety of techniques. The table below presents the principal amounts and weighted average interest rates by year of expected maturity to evaluate the expected cash flows.

For the Years Ended	2011	2012	2013	2014	2015	Thereafter		Total	Fair value
(In thousands)									
Fixed rate debt	$18,989	30,564	182,540	77,952	70,967	1,406,591		$1,787,603	$1,831,000
Average interest rate	5.6%	5.4%	5.6%	5.3%	5.2%	5.8%		5.7%	
Variable rate debt	$ -	9,775	34,118	-	-	212,965	**(1)**	$ 256,858	$ 444,469
Average interest rate	0.0%	3.1%	1.7%	0.0%	0.0%	1.8%		1.9%	

(1) $191.9 million subject to interest rate caps.

The table incorporates only those exposures that exist as of June 30, 2011; it does not consider those exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss, with respect to interest rate fluctuations and hedging strategies, would depend on the exposures that arise prior to settlement.

Item 4 : Controls and Procedures

As of June 30, 2011, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2011, our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such disclosure controls and procedures were also effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting, that occurred during the quarter ended June 30, 2011, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II -- Other Information

Item 1: Legal Proceedings

Recently there has been an increasing number of lawsuits against owners and managers of apartment communities alleging personal injury and property damage caused by the presence of mold in residential real estate. Some of these lawsuits have resulted in substantial monetary judgments or settlements. The Company has been sued for mold related matters and has settled some, but not all, of such matters. Insurance carriers have reacted to mold related liability awards by excluding mold related claims from standard policies and pricing mold endorsements at prohibitively high rates. The Company has, however, purchased pollution liability insurance, which includes some coverage for mold. The Company has adopted policies for promptly addressing and resolving reports of mold when it is detected, and to minimize any impact mold might have on residents of the property. The Company believes its mold policies and proactive response to address any known existence, reduces its risk of loss from these cases. There can be no assurances that the Company has identified and responded to all mold occurrences, but the Company promptly addresses all known reports of mold. Liabilities resulting from such mold related matters are not expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows. As of June 30, 2011, no potential liabilities for mold and other environmental liabilities are quantifiable and an estimate of possible loss cannot be made.

The Company carries comprehensive liability, fire, extended coverage and rental loss insurance for each of the Company's communities. Insured risks for comprehensive liability covers claims in excess of $25,000 per incident, and property insurance covers losses in excess of a $5.0 million deductible per incident. There are, however, certain types of extraordinary losses, such as, for example, losses for terrorism and earthquake, for which the Company does not have insurance. Substantially all of the Properties are located in areas that are subject to earthquakes.

The Company is subject to various other lawsuits in the normal course of its business operations. Such lawsuits could, but are not expected to, have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Item 1A: R isk Factors

There were no material changes to the Risk Factors disclosed in Item IA of the Company's Annual Report on Form 10-K for the year ended December 31, 2010 as filed with the SEC and available at www.sec.gov .

Index

Item 6: Exh ibits

A. Exhibits

3.1	Articles Supplementary reclassifying 8,000,000 shares of Common Stock as 8,000,000 shares of 7.125% Series H Cumulative Redeemable Preferred Stock, $0.0001 par value per share (incorporated herein by reference to Exhibit 3.17 of the Company's Registration Statement on Form 8-A filed with the SEC on April 12, 2011).
4.1	Form of global certificate evidencing the 7.125% Series H Cumulative Redeemable Preferred Stock, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed on April 13,2011, and incorporated herein by reference.
10.1	Amended and Restated 2004 Non-Employee Director Equity Award Program, dated May 1, 2011.
10.2	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Essex Portfolio, L.P., dated as of April 13, 2011, attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on April 13, 2011, and incorporated herein by reference.
10.3	Note Purchase Agreement, dated as of June 30, 2011, among Essex Portfolio, L.P., Essex Property Trust, Inc. and the purchasers of the notes party thereto (including the forms of the 4.50% Senior Guaranteed Notes, Series A, due September 30, 2017, and the 4.92% Senior Guaranteed Notes, Series B, due December 30, 2019), attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on July 5, 2011 and incorporated herein by reference. The schedules and certain exhibits to this agreement, as set forth in the agreement, have not filed been filed. Essex agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.
12.1	Ratio of Earnings to Fixed Charges.
31.1	Certification of Michael J. Schall, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Michael T. Dance, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Michael J. Schall, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Michael T. Dance, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATUR E

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ESSEX PROPERTY TRUST, INC.
(Registrant)

Date: August 5, 2011

By: /S/ BRYAN G. HUNT

Bryan G. Hunt
First Vice President, Chief Accounting Officer

By: /S/ MICHAEL T. DANCE

Michael T. Dance
Executive Vice President, Chief Financial Officer
(Authorized Officer, Principal Financial Officer)

Exhibit 10.1

ESSEX PROPERTY TRUST, INC.

Amended and Restated 2004 Non-Employee Director Equity Award Program

May 1, 2011

The undersigned, Michael T. Dance, hereby certifies that:

1. He is the duly elected and acting Executive Vice President, Chief Financial Officer and Assistant Secretary of Essex Property Trust, Inc., a Maryland corporation (the "Company").

2. Effective May 1, 2011, the Company's Amended and Restated 2004 Non-Employee Director Equity Award Program is amended in its entirety to read in full as follows:

Article I

ESTABLISHMENT AND PURPOSE OF THE PROGRAM

1.01 Establishment of Program

The Amended and Restated 2004 Non-Employee Director Equity Award Program (the "Program") is adopted pursuant to the Essex Property Trust, Inc. 2004 Stock Incentive Plan (the "Plan"), and, in addition to the terms and conditions set forth below, is subject to the provisions of the Plan.

1.02 Purpose of Program

The purpose of the Program is to enhance the ability of the Company to attract and retain directors who are not Employees ("Non-Employee Directors") through a program of automatic equity awards.

1.03 Effective Date of the Program

The Program as originally adopted was effective upon approval of the Plan by the stockholders of the Company, and has remained effective as amended since that approval. This amendment and restatement of the Program is effective as of May 1, 2011. Awards made under the Program will be governed by the respective terms of the Program and related Award Agreements that applied on the respective grant dates of the awards, and the provisions of this amendment and restatement shall not affect Awards made prior to May 1, 2011.

Article II

DEFINITIONS

Capitalized terms in this Program, unless otherwise defined herein, have the meanings given to them in the Plan.

2.01 Date of Grant and Number of Shares

(a) Initial Grant. A one-time Non-Qualified Stock Option to purchase shares of Common Stock shall be granted (the "Initial Grant") to each Non-Employee Director upon the date each such Non-Employee Director first becomes a Non-Employee Director (whether by appointment by the Board of Directors or election by stockholders). The Initial Grant shall have a dollar value equal to $80,000 on the grant date, and the number of shares underlying the Initial Grant shall equal $80,000 divided by the Black-Scholes value per share (based on grant date share price, volatility, dividend, risk free rate and term variables) or similar methodology used to determine compensation expense in the Company's financial statements.

(b) Annual Grants. In addition, immediately following each annual meeting of the Company's stockholders and on that meeting date, each Non-Employee Director who continues as a Non-Employee Director following such annual meeting shall be granted an equity award having a dollar value equal to $50,000 on the grant date (a "Subsequent Grant"). Each such Subsequent Grant shall be made on the date of the annual stockholders' meeting in question.

(1) Each Non-Employee Director may elect to receive the Subsequent Grant in the form of a Non-Qualified Stock Option or Restricted Stock Units, under the form of Award Agreement respectively attached to this Program. The Non-Employee Director must make the foregoing election by or immediately after the end of the annual meeting to which the Subsequent Grant relates, in an election form and under related procedures as may from time to time be communicated to the Non-Employee Director prior to the annual meeting. If an election is not timely made for any reason, the Non-Employee Director shall be deemed without further action to have elected a Non-Qualified Stock Option.

(2) If the Subsequent Grant is a Non-Qualified Stock Option, it shall have a dollar value equal to $50,000 on the grant date, and the number of shares underlying the Subsequent Grant shall equal $50,000 divided by the Black-Scholes value per share (based on grant date share price, volatility, dividend, risk free rate and term variables) or similar methodology used to determine compensation expense in the Company's financial statements.

(3) If the Subsequent Grant is in the form of Restricted Stock Units, the number of shares underlying that Award will be equal to $50,000, divided by the Fair Market Value per Share of the Common Stock on the grant date.

2.02 Vesting

Each Initial Grant under the Program will vest and become exercisable as to one-third (1/3) of the shares of Common Stock subject to the Option on each yearly anniversary of the grant date, such that the Option will be fully exercisable three (3) years after the grant date. Each Subsequent Grant, whether an Option or Restricted Stock Units, will fully vest on the first anniversary of the grant date, subject to the Non-Employee Director's Continuous Service as a member of the Board through such date. Unless the Committee determines otherwise, if the Non-Employee Director terminates Continuous Service as a member of the Board for any reason prior to the vesting of the Initial Grant or the Subsequent Grant, the vesting of such Awards shall cease effective as of such termination, the unvested portion of the Awards shall be forfeited immediately upon such termination of Continuous Service as a member of the Board and the Non-Employee Director shall have no further rights with respect thereto.

2.03 Restricted Stock Unit Settlement Date

Each Restricted Stock Unit granted under the Program shall be settled, as soon as reasonably practicable, and in any case within 30 days, following the vesting date.

2.04 Exercise Price of Options

The exercise price per Share of Common Stock of each Option granted under the Program shall be one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

2.05 Term of Options

The term of each Option granted under the Program shall be 10 years from the date of grant of the Option.

2.06 Corporate Transaction/Change in Control

Each Award under the Program shall be subject to the provisions of Section 11 of the Plan relating to the effect on Awards of a Corporate Transaction or Change in Control.

2.07 Capitalization Adjustments

The number of Shares subject to the Awards granted under the Program and the exercise price of Options granted under the Plan shall be subject to the adjustment provision of Section 10 of the Plan.

2.08 Written Grant Agreement; Authority

The grant of Awards under the Program shall be made solely by and subject to the terms set forth in a written agreement in a form to be approved by the Committee and duly executed by the Non-Employee Director and an officer of the Company designated for such purpose by the Committee from time to time. The officer(s) so designated by the Committee shall be authorized to take all actions and execute all documents as necessary or desirable to implement the provisions of the Program, without further action or authorization from the Committee.

2.09 Program Subject to Amendment, Modification and Termination

This Program may be amended, modified or terminated by the Committee in the future at its sole discretion. No Non-Employee Director shall have any rights hereunder unless and until an Award is actually granted. Without limiting the generality of the foregoing, the Committee hereby expressly reserves the authority to terminate this Program during any year up and until the election or appointment of members of the Board.

2.10 Code Section 409A

It is intended that Awards granted under the Program will be exempt from Code Section 409A. In furtherance of this intent, the provisions of this Program will be interpreted, operated, and administered in a manner consistent with these intentions. Notwithstanding anything to the contrary in the Program and without limiting this Section 3.10, in the event that the Committee determines that any payment under the Program may be subject to Section 409A of the Code, the Committee may adopt such amendments to Program or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Non-Employee Director, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related Department of Treasury guidance. In that light, the Company makes no representation or covenant to ensure that the payments under the Program are exempt from or compliant with Section 409A of the Code and will have no liability to a Non-Employee Director or any other party if a payment under the Program that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Committee with respect thereto.

[Remainder of Page Intentionally Left Blank]

IN WITNESS HEREOF, the undersigned has set his hand hereunto as of the date first written above.

/S/ Michael T. Dance

Name: Michael T. Dance
Title: Executive Vice President, Chief Financial Officer and Assistant Secretary

ESSEX PROPERTY TRUST, INC. 2004 STOCK INCENTIVE PLAN

AMENDED AND RESTATED 2004 NON-EMPLOYEE DIRECTOR EQUITY AWARD PROGRAM

NOTICE OF NON-QUALIFIED STOCK OPTION AWARD

Grantee's Name and Address:

____

____

____

You (the "Grantee") have been granted an option to purchase shares of Common Stock, subject to the terms and conditions of this Notice of Stock Option Award (the "Notice"), the Essex Property Trust, Inc. 2004 Stock Incentive Plan (the "Plan"), and the Essex Property Trust, Inc. Amended and Restated 2004 Non-Employee Director Equity Award Program (the "Program"), as amended from time to time, and the Non-Qualified Stock Option Award Agreement (the "Option Agreement") attached hereto, as follows. Unless otherwise defined herein, the terms defined in the Plan and the Program shall have the same defined meanings in this Notice.

Award Number:	______________________
Date of Award:	______________________
Vesting Commencement Date:	______________________
Exercise Price per Share:	$ ______________________
Total Number of Shares Subject to the Option (the "Shares"):	______________________
Total Exercise Price:	$ ______________________
Type of Option:	Non-Qualified Stock Option
Expiration Date:	______________________
Post-Termination Exercise Period:	Three (3) Months

Vesting Schedule :

Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Plan, the Program and the Option Agreement, the Option may be exercised, in whole or in part, in accordance with the following schedule:

100% of the Shares subject to the Option shall vest on the first anniversary of the Vesting Commencement Date.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Option is to be governed by the terms and conditions of this Notice, the Plan, the Program and the Option Agreement.

Essex Property Trust, Inc.,
a Maryland corporation

By: ______________________________

Title ______________________________

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SUBJECT TO THE OPTION SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE (NOT THROUGH THE ACT OF BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER).

The Grantee acknowledges receipt of a copy of the Plan, the Program and the Option Agreement, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Option subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Plan, the Program and the Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice, and fully understands all provisions of this Notice, the Plan, the Program and the Option Agreement. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan, the Program and the Option Agreement shall be resolved by the Administrator in accordance with Section 13 of the Option Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 14 of the Option Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

Dated: ______________________________ Signed: ______________________________

Grantee

Award Number: _________

ESSEX PROPERTY TRUST, INC. 2004 STOCK INCENTIVE PLAN

AMENDED AND RESTATED 2004 NON-EMPLOYEE DIRECTOR EQUITY AWARD PROGRAM

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

1. Grant of Option . Essex Property Trust, Inc., a Maryland corporation (the "Company"), hereby grants to the Grantee (the "Grantee") named in the Notice of Non-Qualified Stock Option Award (the "Notice"), an option (the "Option") to purchase the Total Number of Shares of Common Stock subject to the Option (the "Shares") set forth in the Notice, at the Exercise Price per Share set forth in the Notice (the "Exercise Price") subject to the terms and provisions of the Notice, this Non-Qualified Stock Option Award Agreement (the "Option Agreement"), the Company's 2004 Stock Incentive Plan (the "Plan"), and the Company's Amended and Restated 2004 Non-Employee Director Equity Award Program (the "Program"), as amended from time to time, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan and the Program shall have the same defined meanings in this Option Agreement.

The Option is intended to qualify as a Non-Qualified Stock Option and not as an Incentive Stock Option as defined in Section 422 of the Code.

2. Exercise of Option .

(a) Right to Exercise . The Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice and with the applicable provisions of the Plan, the Program and this Option Agreement. The Option shall be subject to the provisions of Section 11 of the Plan relating to the exercisability or termination of the Option in the event of a Corporate Transaction or a Change in Control. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares.

(b) Method of Exercise . The Option shall be exercisable only by delivery of an Exercise Notice (a form of which is attached as Exhibit A) or by such other procedure as specified from time to time by the Administrator which shall state the election to exercise the Option, the whole number of Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator to the Company accompanied by payment of the Exercise Price. The Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 4(d), below.

(c) Taxes . No Shares will be delivered to the Grantee or other person pursuant to the exercise of the Option until the Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of applicable income tax and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares. Upon exercise of the Option, the Company or the Grantee's employer may offset or withhold (from any amount owed by the Company or the Grantee's employer to the Grantee) or collect from the Grantee or other person an amount sufficient to satisfy such tax withholding obligations.

3. Restrictions on Exercise. The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws.

4. Method of Payment. Payment of the Exercise Price shall be by any of the following, or a combination thereof, at the election of the Grantee; provided, however, that such exercise method does not then violate any Applicable Law:

(a) cash;

(b) check;

(c) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised, provided, however, that Shares acquired under the Plan or any other equity compensation plan or agreement of the Company must have been held by the Grantee for a period of more than six (6) months (and not used for another option exercise by attestation during such period); or

(d) payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (i) shall provide written instructions to a Company-designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (ii) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction.

5. Termination or Change of Continuous Service. In the event the Grantee's Continuous Service terminates, the Grantee may, but only during the Post-Termination Exercise Period, exercise the portion of the Option that was vested at the date of such termination (the "Termination Date"). In no event, however, shall the Option be exercised later than the Expiration Date set forth in the Notice. In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Option shall remain in effect and vesting of the Option shall continue only to the extent determined by the Administrator as of such change in status. Except as provided in Sections 6 and 7 below, to the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the Post-Termination Exercise Period, the Option shall terminate.

6. Disability of Grantee. In the event the Grantee's Continuous Service terminates as a result of his or her Disability, the Grantee may, but only within twelve (12) months from the Termination Date (and in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date. To the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the time specified herein, the Option shall terminate.

7. Death of Grantee. In the event of the termination of the Grantee's Continuous Service as a result of his or her death, or in the event of the Grantee's death during the Post-Termination Exercise Period or during the twelve (12) month period following the Grantee's termination of Continuous Service as a result of his or her Disability, the person who acquired the right to exercise the Option pursuant to Section 8 may exercise the portion of the Option that was vested at the date of termination within twelve (12) months from the date of death (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of death, or if the vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

8. Transferability of Option. The Option may not be transferred in any manner other than by will or by the laws of descent and distribution, provided, however, that the Option may be transferred during the lifetime of the Grantee to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Following the death of the Grantee, the Option, to the extent provided in Section 7, may be exercised (a) by the person or persons designated under the deceased Grantee's beneficiary designation or (b) in the absence of an effectively designated beneficiary, by the Grantee's legal representative or by any person empowered to do so under the deceased Grantee's will or under the then applicable laws of descent and distribution. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

9. Term of Option. The Option must be exercised no later than the Expiration Date set forth in the Notice or such earlier date as otherwise provided herein. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

10. Tax Consequences. Set forth below is a brief summary as of the date of this Option Agreement of some of the federal tax consequences of exercise of the Option and disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

(a) Exercise of Non-Qualified Stock Option. On exercise of a Non- Qualified Stock Option, the Grantee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If the Grantee is an Employee or a former Employee, the Company will be required to withhold from the Grantee's compensation or collect from the Grantee and pay to the applicable taxing authorities an amount in cash equal to a percentage of this compensation income at the time of exercise, and may refuse to honor the exercise and refuse to deliver Shares if such withholding amounts are not delivered at the time of exercise.

(b) Disposition of Shares. In the case of a Non-Qualified Stock Option, if Shares are held for more than one year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

11. Entire Agreement: Governing Law. The Notice, the Plan, the Program and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Program and this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. The Notice, the Plan, the Program and this Option Agreement are to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Should any provision of the Notice, the Plan, the Program or this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. Headings. The captions used in the Notice and this Option Agreement are inserted for convenience and shall not be deemed a part of the Option for construction or interpretation.

13. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan, the Program or this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

14. Venue and Waiver of Jury Trial. The Company, the Grantee, and the Grantee's assignees pursuant to Section 8 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan, the Program or this Option Agreement shall be brought in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of Santa Clara) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

15. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other part.

END OF AGREEMENT

ESSEX PROPERTY TRUST, INC. 2004 STOCK INCENTIVE PLAN

EXERCISE NOTICE

Essex Property Trust, Inc.
925 East Meadow Drive
Palo Alto, California 94303

Attention: Secretary

1. Exercise of Option . Effective as of today, ______________, ___ the undersigned (the "Grantee") hereby elects to exercise the Grantee's option to purchase ___________ shares of the Common Stock (the "Shares") of Essex Property Trust, Inc. (the "Company") under and pursuant to the Company's 2004 Stock Incentive Plan, the Company's 2004 Amended and Restated Non-Employee Director Equity Award Program (the "Program"), as amended from time to time, and the Non-Qualified Stock Option Award Agreement (the "Option Agreement") and Notice of Non-Qualified Stock Option Award (the "Notice") dated ______________, ________. Unless otherwise defined herein, the terms defined in the Plan and the Program shall have the same defined meanings in this Exercise Notice.

2. Representations of the Grantee . The Grantee acknowledges that the Grantee has received, read and understood the Notice, the Plan, the Program and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

3. Rights as Stockholder . Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 10 of the Plan.

4. Delivery of Payment . The Grantee herewith delivers to the Company the full Exercise Price for the Shares, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 4(d) of the Option Agreement.

5. Tax Consultation . The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice

6. Taxes . The Grantee agrees to satisfy all applicable federal, state and local income and employment tax withholding obligations and herewith delivers to the Company the full amount of such obligations or has made arrangements acceptable to the Company to satisfy such obligations.

7. Successors and Assigns . The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this agreement shall inure to the benefit of the successors and assigns of the Company. This Exercise Notice shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

8. Headings. The captions used in this Exercise Notice are inserted for convenience and shall not be deemed a part of this agreement for construction or interpretation.

9. Administration and Interpretation. The Grantee hereby agrees that any question or dispute regarding the administration or interpretation of this Exercise Notice shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Governing Law; Severability. This Exercise Notice is to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Should any provision of this Exercise Notice be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this agreement.

13. Entire Agreement. The Notice, the Plan, the Program, and the Option Agreement are incorporated herein by reference, and together with this Exercise Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Program, the Option Agreement and this Exercise Notice (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties.

Submitted by:	Accepted by:
GRANTEE:	**ESSEX PROPERTY TRUST, INC.**
	By: ______________________
______________________	Title: ______________________
Address:	Address:
______________________ ______________________	925 EAST MEADOW DRIVE PALO ALTO, CALIFORNIA 94303

ESSEX PROPERTY TRUST, INC. 2004 STOCK INCENTIVE PLAN

AMENDED AND RESTATED
2004 NON-EMPLOYEE DIRECTOR EQUITY AWARD PROGRAM

NOTICE OF RESTRICTED STOCK UNIT AWARD

Grantee's Name and Address: ______________________

____

____

Essex Property Trust, Inc., a Maryland corporation (the " **Company** "), pursuant to its Amended and Restated 2004 Non-Employee Director Equity Award Program, as amended from time to time (the " **Director Program** ") and its 2004 Stock Incentive Plan, as amended from time to time (the " **Plan** "), hereby grants to the individual listed below (the " **Grantee** ") an Award for the number of restricted stock units set forth below (the " **Restricted Stock Units** " or " **RSUs** "). This Award of Restricted Stock Units is subject to all of the terms and conditions as set forth in this Notice of Restricted Stock Unit Award (the " **Notice** "), in the Restricted Stock Unit Agreement that is attached hereto (the " **RSU Agreement** "), the Director Program and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Director Program shall have the same defined meanings in this Notice and the RSU Agreement.

Award Number: ______________________

Date of Award: ______________________

Total Number of RSUs: ______________________

Vesting Schedule: This Award of RSUs shall vest in full on the first anniversary of the date of grant that is set forth in the terms of the Director Program (the " **Date of Award** "). Subject to the Grantee's Continuous Service and other limitation set forth in this Notice, the Plan, the Director Program and the RSU Agreement, these RSUs shall vest in accordance with the vesting schedule set forth in the foregoing sentence.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Restricted Stock Unit Award is to be governed by the terms and conditions of this Notice, the Plan, the Director Program and the RSU Agreement.

Essex Property Trust, Inc.,
a Maryland corporation

By: ______________________

Title: ______________________

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE RESTRICTED STOCK UNITS SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE (NOT THROUGH THE ACT OF BEING GRANTED THE RSU OR RECEIVING SHARES HEREUNDER).

THE GRANTEE ACKNOWLEDGES RECEIPT OF A COPY OF THE PLAN, DIRECTOR PROGRAM AND THE RSU AGREEMENT, AND REPRESENTS THAT HE OR SHE IS FAMILIAR WITH THE TERMS AND PROVISIONS THEREOF, AND HEREBY ACCEPTS THE RESTRICTED STOCK UNITS SUBJECT TO ALL OF THE TERMS AND PROVISIONS HEREOF AND THEREOF. THE GRANTEE HAS REVIEWED THIS NOTICE, THE PLAN, THE DIRECTOR PROGRAM AND THE RSU AGREEMENT IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO EXECUTING THIS NOTICE, AND FULLY UNDERSTANDS ALL PROVISIONS OF THIS NOTICE, THE PLAN, DIRECTOR PROGRAM AND THE RSU AGREEMENT. THE GRANTEE HEREBY AGREES THAT ALL QUESTIONS OF INTERPRETATION AND ADMINISTRATION RELATING TO THIS NOTICE, THE PLAN, THE DIRECTOR PROGRAM AND THE RSU AGREEMENT SHALL BE RESOLVED BY THE ADMINISTRATOR IN ACCORDANCE WITH SECTION 12 OF THE RSU AGREEMENT. THE GRANTEE FURTHER AGREES TO THE VENUE SELECTION AND WAIVER OF A JURY TRIAL IN ACCORDANCE WITH SECTION 14 OF THE RSU AGREEMENT. THE GRANTEE FURTHER AGREES TO NOTIFY THE COMPANY UPON ANY CHANGE IN THE RESIDENCE ADDRESS INDICATED IN THIS NOTICE.

Dated: ____________________ Signed : ____________________

Award Number: ______

ESSEX PROPERTY TRUST, INC. 2004 STOCK INCENTIVE PLAN

AMENDED AND RESTATED
2004 NON-EMPLOYEE DIRECTOR EQUITY AWARD PROGRAM

RESTRICTED STOCK UNIT AGREEMENT

1. Award of Restricted Stock Units .

(a) Award . In consideration of the Grantee’s agreement to provide services as a Director of Essex Property Trust, Inc., a Maryland corporation (the “ **Company** ”), and for other good and valuable consideration, the Company hereby grants as of the Date of Award set forth in the Notice of Restricted Stock Unit Award (the “ **Notice** ”) to the Grantee named in the Notice (the “ **Grantee** ”) an Award with respect to the number of Restricted Stock Units set forth in the Notice (the “ **RSUs** ”), subject to the terms and provisions of the Notice, this Restricted Stock Unit Agreement (this “ **Agreement** ”), the Company’s 2004 Stock Incentive Plan, as amended from time to time (the “ **Plan** ”) and the Company’s Amended and Restated 2004 Non-Employee Director Equity Award Program, as amended from time to time (the “ **Director Program** ”). Each RSU represents the right to receive one share of Common Stock of the Company (a “ **Share** ”) on the date the RSUs vest and the restrictions applicable to the RSUs lapse. Unless and until the RSUs are vested in the manner set forth in Section 2 hereof, the Grantee shall have no right to settlement of any such RSUs. Prior to settlement of any vested RSUs, such RSUs represent an unsecured obligation of the Company, payable (if at all) from the general assets of the Company.

(b) Definitions . All capitalized terms used in this Agreement without definition shall have the meanings ascribed in the Director Program and the Notice.

(c) Incorporation of Terms of Director Program and Plan . The Award of RSUs is subject to the terms and conditions of the Director Program and the Plan, each of which is incorporated herein by reference. In the event of any inconsistency between the Director Program, Plan and this Agreement, the terms of the Plan shall control.

2. Vesting and Forfeiture .

(a) Forfeiture . Any RSUs which are not vested as of the date the Grantee ceases to be Director shall thereupon be forfeited immediately and without any further action by the Company; provided, however, that in the event of the Grantee’s change in status from Director to any other status of Employee or Consultant, the Award shall remain in effect and vesting of the RSUs shall continue only to the extent determined by the Administrator as of such change in status. The date of ceasing to be Director shall not be extended to include any notice of termination or similar period and shall be considered ceased on the last active day of service for the purposes of the Plan.

(b) Vesting . Subject to Section 2(a) hereof, the RSUs shall vest in accordance with the vesting schedule set forth on the Notice, provided the Grantee remains in Continuous Service during the entire period commencing on the Date of Award set forth in the Notice and ending on the applicable vesting date.

3. Settlement.

(a) Time and Form of Payment. Subject to the terms of the Director Program, Plan and this Agreement, any RSUs that vest and become nonforfeitable shall be settled in whole Shares, which shall be issued in book-entry form, registered in the Grantee's name. Such payment shall be made as soon as practicable, but no later than 30 days, following the date of vesting. The value of any fractional RSUs shall be paid in cash at the time the Shares are delivered in settlement of the RSUs.

(b) Conditions to Settlement of RSUs. Notwithstanding any other provision of this Agreement (including without limitation Section 2(b)):

(i) No certificates representing Shares shall be delivered to the Grantee or his or her legal representative unless and until the Grantee or his or her legal representative shall have satisfied all applicable tax withholding obligations, if any.

(ii) The Company shall not be required to issue or deliver any certificate or certificates for any Shares prior to the fulfillment of all of the following conditions: (A) the admission of the Shares to listing on all stock exchanges on which such Shares are then listed, (B) the completion of any registration or other qualification of the Shares under any state or federal law or under rulings or regulations of the U.S. Securities and Exchange Commission or other governmental regulatory body, which the Administrator shall, in its sole and absolute discretion, deem necessary and advisable, or if the offering of the Shares is not so registered, a determination by the Company that the issuance of the Shares would be exempt from any such registration or qualification requirements (C) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable and (D) the lapse of any such reasonable period of time following the date the RSUs vest as the Administrator may from time to time establish for reasons of administrative convenience.

4. Tax Obligations. The Grantee is advised to review with his or her own tax advisors the Federal, state, local and, if applicable, non-U.S. tax consequences of the transactions contemplated by the Award of RSUs. The Grantee is relying solely on such advisors and is not relying in any part on any statement or representation of the Company or any of its agents. Neither the Company nor any Related Entity shall be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become legally due by the Grantee in connection with any aspect of the RSUs, including the award of the RSUs, vesting or settlement of the RSUs, or sale of the underlying Shares ("**Tax Obligations**"). The Grantee is solely responsible for timely reporting all income derived from the RSUs on the Grantee's personal tax return and paying all Tax Obligations, and shall indemnify the Company and hold it harmless from and against all claims, damages, losses and expenses, including reasonable fees and expenses of attorneys, relating to any obligation imposed by law on the Company or any Related Entity to pay any Tax Obligations. The Grantee further acknowledges that the Company (1) makes no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the issuance of Shares upon settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any dividend equivalents; and (2) does not commit to and is under no obligation to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate the Grantee's liability for Tax Obligations or achieve any particular tax result.

5. Transferability of RSUs. The RSUs or the interests or rights therein may not be transferred in any manner other than by will or by the laws of descent and distribution, provided, however, that the RSUs may be transferred during the lifetime of the Grantee to the extent and in the manner authorized by the Administrator, and in any event, in accordance with Applicable Law.

6. Rights as Stockholder. Neither the Grantee nor any person claiming under or through the Grantee shall have any of the rights or privileges of a stockholder of the Company in respect of any Shares issuable hereunder unless and until certificates representing such Shares (which may be in uncertificated form) will have been issued and recorded on the books and records of the Company or its transfer agents or registrars, and delivered to the Grantee (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, the Grantee shall have all the rights of a stockholder of the Company, including with respect to the right to vote the Shares and the right to receive any cash or share dividends or other distributions paid to or made with respect to the Shares.

7. Restrictions on Resale. The Grantee hereby agrees not to sell any Shares at a time when Applicable Laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as the Grantee's Continuous Service continues and for such period of time after the termination of the Grantee's Continuous Service as the Company may specify.

8. Adjustments. The number of RSUs awarded pursuant to this Agreement is subject to adjustment as provided in Article 10 of the Plan. The Grantee shall be notified of such adjustment and such adjustment shall be binding upon the Company and the Grantee.

9. NO GUARANTEE OF CONTINUED SERVICE. THE GRANTEE HEREBY ACKNOWLEDGES AND AGREES THAT THE VESTING OF RSUs PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING TO PROVIDE SERVICE AS A DIRECTOR (SUBJECT TO THE PROVISIONS OF SECTION 2(a) HEREOF) AT THE WILL OF THE COMPANY (AND NOT THROUGH THE ACT OF BEING ENGAGED BY THE COMPANY TO PROVIDE SERVICES, BEING AWARDED RSUs, OR RECEIVING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE GRANTEE'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE, AND IN ACCORDANCE WITH APPLICABLE LOCAL LAW.

10. Entire Agreement: Governing Law. The Notice, the Plan, the Director Program and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Director Program and this Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. The Notice, the Plan, the Director Program and this Agreement are to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties.

11. Conformity to Securities Laws. The Grantee acknowledges that the Plan, the Director Program and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act of 1933, as amended, and the Exchange Act, and any and all regulations and rules promulgated thereunder by the U.S. Securities and Exchange Commission, including, without limitation, Rule 16b-3 under the Exchange Act. Notwithstanding anything herein to the contrary, the Plan and the Director Program shall be administered, and the RSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan, the Director Program and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

12. Administration and Interpretation. The Award of RSUs, the vesting of RSUs and the issuance of Shares upon vesting are subject to, and shall be administered in accordance with, the provisions of the Director Program and the Plan, as the same may be amended from time to time. Any question or dispute regarding the administration or interpretation of the Notice, the Plan, the Director Program or this Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

13. Headings. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award of RSUs for construction or interpretation.

14. Venue and Waiver of Jury Trial. The Company, the Grantee, and the Grantee's assignees (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan, the Director Program or this Agreement shall be brought in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of Santa Clara) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

15. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other part.

16. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assign.

17. Severability. Should any provision of the Notice, the Plan, the Director Program or this Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

18. Code Section 409A. The vesting and settlement of RSUs awarded pursuant to this Agreement are intended to qualify for the "short-term deferral" exemption from Section 409A of the Code, and the provisions of this Agreement will be interpreted, operated, and administered in a manner consistent with these intentions. Anything to the contrary in the Plan, the Director Program or this Agreement requiring the consent of the Grantee notwithstanding, the Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Agreement to ensure that the RSUs qualify for exemption from or comply with Section 409A of the Code; provided, however, that the Company makes no representations that the RSUs will be exempt from or comply with Section 409A of the Code, and makes no undertaking to preclude Section 409A of the Code from applying to these RSUs, and the Company will have no liability to a Grantee or any other party if a payment under this Agreement that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Administrator with respect thereto .

19. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan, the Director Program or the Grantee's acquisition or sale of the underlying Shares. The Grantee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan or the Director Program before taking any action related to the Plan or the Director Program.

20. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

21. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan or the Director Program, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

END OF AGREEMENT

Exhibit 12.1

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Schedule of computation of Ratio and Earnings to Fixed Charges and Preferred Stock Dividends
(Dollars in thousands, except ratios)

	Quarter ended June 30,	Years ended December 31				
	2011	**2010 (1)**	**2009 (1)**	**2008 (1)**	**2007 (1)**	**2006 (1)**
Earnings:						
Income before discontinued operations	$ 10,702	$ 50,148	$ 44,473	$ 79,966	$ 56,106	$ 45,569
Gain on sales of real estate	-	-	(103)	(4,578)	-	-
Interest expense	25,446	87,585	86,016	85,063	85,896	78,705
Total earnings	**$ 36,148**	**$ 137,733**	**$ 130,386**	**$ 160,451**	**$ 142,002**	**$ 124,274**
Fixed charges:						
Interest expense	$ 25,446	$ 87,585	$ 86,016	$ 85,063	$ 85,896	$ 78,705
Capitalized interest	2,362	9,486	10,463	10,908	5,134	3,913
Preferred stock dividends	1,475	2,170	4,860	9,241	9,174	5,145
Perpetual preferred unit distributions	75	6,300	6,300	9,909	10,238	10,238
Total fixed charges and preferred stock dividends	**$ 29,358**	**$ 105,541**	**$ 107,639**	**$ 115,121**	**$ 110,442**	**$ 98,001**
Ratio of earnings to fixed charges (excluding preferred stock dividends and preferred unit distributions)	**1.30X**	**1.42X**	**1.35X**	**1.67X**	**1.56X**	**1.50X**
Ratio of earnings to combined fixed charges and preferred stock dividends	**1.23X**	**1.31X**	**1.21X**	**1.39X**	**1.29X**	**1.27X**

(1) The results of operations for 2006-2010 have been reclassified and restated to reflect discontinued operations.

EXHIBIT 31.1

ESSEX PROPERTY TRUST, INC.
Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael J. Schall, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Essex Property Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure control and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2011

/s/ Michael J. Schall
Michael J. Schall
Chief Executive Officer and President, and
Director
Essex Property Trust, Inc.

EXHIBIT 31.2

ESSEX PROPERTY TRUST, INC.
Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael T. Dance, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Essex Property Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure control and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2011

/s/ Michael T. Dance
Michael T. Dance
Chief Financial Officer, Executive Vice President,
Essex Property Trust, Inc.

Exhibit 32.1

ESSEX PROPERTY TRUST, INC.
Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350 as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), I, Michael J. Schall, hereby certify, to the best of my knowledge, that the Quarterly Report on Form 10-Q for the period ended June 30, 2011 (the "Form 10-Q") of Essex Property Trust, Inc. fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Essex Property Trust, Inc. at the dates of and for the periods presented.

Date: August 5, 2011

/s/ Michael J. Schall

Michael J. Schall
Chief Executive Officer and President, and Director,
Essex Property Trust, Inc.

Exhibit 32.2

ESSEX PROPERTY TRUST, INC.
Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350 as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), I, Michael T. Dance, hereby certify, to the best of my knowledge, that the Quarterly Report on Form 10-Q for the period ended June 30 2011(the "Form 10-Q") of Essex Property Trust, Inc. fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Essex Property Trust, Inc. at the dates of and for the periods presented.

Date: August 5, 2011

/s/ Michael T. Dance

Michael T. Dance
Chief Financial Officer, Executive Vice President,
Essex Property Trust, Inc.