ESSEX
PROPERTY TRUST, INC.

FOURTH QUARTER 2015
EARNINGS RELEASE & SUPPLEMENTAL FINANCIAL INFORMATION

AVANT
440 UNITS
LOS ANGELES, CA

INVESTOR RELATIONS
Barb Pak
Vice President of Finance & Investor Relations
(650) 655-7800

ESSEX PROPERTY TRUST, INC.
1100 Park Place, Suite 200
San Mateo, CA 94403
(650) 655-7800

ESSEX

PROPERTY TRUST, INC.

Essex Announces Fourth Quarter 2015 Results and 2016 Guidance

Core FFO per Diluted Share Grows 17.4% in the Fourth Quarter

San Mateo, California—February 4, 2016—Essex Property Trust, Inc. (NYSE:ESS) announced today its fourth quarter 2015 earnings results and related business activities.

Funds from Operations ("FFO") and Net Income per diluted share for the quarter and year ended December 31, 2015 are detailed below. The Company had no merger and integration related expenses in the fourth quarter 2015 and $3.8 million for the year, compared to $7.1 million and $53.5 million of expenses in the prior year periods, respectively. Core FFO excludes merger and integration expenses, acquisition and investment related costs and non-routine items.

	Three Months Ended December 31,		%	Year Ended December 31,		%
	2015	2014	Change	**2015**	2014	Change
Per Diluted Share						
Total FFO	**$2.53**	$2.29	10.5%	**$9.72**	$7.89	23.2%
Core FFO	**$2.63**	$2.24	17.4%	**$9.82**	$8.54	15.0%
Net Income	**$1.22**	$0.63	93.7%	**$3.49**	$2.06	69.4%

Fourth Quarter and Full-Year Highlights:

- Grew Core FFO per diluted share by 17.4% compared to Q4 2014 and 15.0% for the full-year, which exceeded the high end of the Company's guidance range.
- Achieved same-property gross revenues and net operating income ("NOI") growth of 7.5% and 9.2%, respectively, compared to Q4 2014. For the full-year, achieved same-property revenue and NOI growth of 8.0% and 10.7%, respectively.
- Realized a sequential quarterly increase in same-property revenue growth of 1.4%. Adjusted for occupancy, the legacy ESS same-property portfolio had the same sequential revenue growth as the fourth quarter of 2014.
- Completed the sale of Sharon Green Apartments in Menlo Park, CA for $245.0 million ($828,000/apartment home). The property was built in 1970. The proceeds were used to acquire two newly developed apartment communities in the fourth quarter for a total contract price of $166.0 million ($441,000/apartment home).
- For the full-year, the Company acquired seven communities for a total contract price of $638.1 million.
- Achieved a Debt to Total Market Capitalization ratio of 24.6% at year-end, the lowest level for this metric since 2007.

"We are pleased with our fourth quarter results, concluding an exceptional year with growth of 17.4% in Core FFO per share. Growth for the full-year was driven by an 8.0% increase in same-property revenue, the highest level achieved in the last 15 years. The results emanated from the focused contribution from all segments of the business including acquisitions and development deliveries, exceptional effort from our property operations team, and significant expansion of our redevelopment effort. I am very grateful for the effort and skill of the Essex team in generating these great results," commented Michael Schall, President and CEO of the Company. Mr. Schall continued, "Considering recent market volatility, we remain confident that we will carry forward last year's positive momentum and vibrant housing fundamentals into 2016, leading to another year of sector-leading results."

SAME-PROPERTY OPERATIONS

Essex same-property operating results include all properties acquired in the merger with BRE that were stabilized as of April 1, 2014 and exclude any properties that are not comparable for the periods presented. The table below illustrates the percentage change in same-property gross revenues for the quarter ended December 31, 2015 compared to the quarter ended December 31, 2014, and the sequential percentage change for the quarter ended December 31, 2015 versus the quarter ended September 30, 2015 by submarket for the Company:

	Q4 2015 vs. Q4 2014	Q4 2015 vs. Q3 2015	% of Total
	Gross Revenues	**Gross Revenues**	**Q4 2015 Revenues**
Southern California			
Los Angeles County	6.5%	1.6%	17.2%
Orange County	4.8%	0.8%	13.2%
San Diego County	5.8%	2.1%	9.2%
Ventura County	5.8%	0.8%	5.5%
Other Southern California	6.7%	10.6%	1.1%
Total Southern California	**5.8%**	**1.6%**	**46.2%**
Northern California			
Santa Clara County	9.5%	1.2%	15.4%
Alameda County	10.6%	1.4%	7.1%
San Mateo County	9.4%	1.2%	4.7%
Contra Costa County	9.0%	1.2%	5.7%
San Francisco MSA	8.9%	2.4%	2.3%
Other Northern California	16.0%	8.5%	0.3%
Total Northern California	**9.6%**	**1.4%**	**35.5%**
Seattle Metro	**7.7%**	**1.2%**	**18.3%**
Same-Property Portfolio	**7.5%**	**1.4%**	**100.0%**

	Year Over Year Growth Q4 2015 compared to Q4 2014			Year Over Year Growth YTD 2015 compared to YTD 2014		
	Gross Revenues	Operating Expenses	NOI	Gross Revenues	Operating Expenses	NOI
Southern California	5.8%	3.5%	6.9%	6.0%	1.0%	8.4%
Northern California	9.6%	3.5%	12.2%	10.5%	3.2%	13.4%
Seattle Metro	7.7%	4.3%	9.4%	7.7%	2.8%	10.2%
Same-Property Portfolio	**7.5%**	**3.7%**	**9.2%**	**8.0%**	**2.1%**	**10.7%**

	Sequential Growth Q4 2015 compared to Q3 2015		
	Gross Revenues	Operating Expenses	NOI
Southern California	1.6%	-0.3%	2.5%
Northern California	1.4%	1.0%	1.5%
Seattle Metro	1.2%	-1.2%	2.4%
Same-Property Portfolio	**1.4%**	**-0.1%**	**2.1%**

	Financial Occupancies Quarter Ended		
	12/31/2015	9/30/2015	12/31/2014
Southern California	96.1%	95.8%	96.4%
Northern California	96.1%	96.3%	96.3%
Seattle Metro	96.2%	96.1%	95.9%
Same-Property Portfolio	**96.1%**	**96.0%**	**96.3%**

INVESTMENT ACTIVITY

In December, the Company acquired Phase II of Avant located in Downtown Los Angeles, CA, for a total contract price of $73.0 million. Completed in 2015, Phase II has 193 apartment homes and is located adjacent to Phase I, which was acquired in June of 2015. Both phases of the property are fully stabilized.

In December, the Company acquired Enso Apartments in San Jose, CA for a contract price of $93.0 million. Built in 2014, the community has 183 apartment homes and is located in close proximity to numerous high paying tech employers and within walking distance to public transportation.

Subsequent to quarter-end, the Company acquired Mio, a luxury community with 103 apartment homes located in San Jose, CA for a total contract price of $51.3 million. Mio was built in 2015 and is conveniently located near employment and entertainment venues near downtown San Jose and is walking distance to public transit.

DISPOSITIONS

During the fourth quarter, the Company disposed of Sharon Green Apartments located in Menlo Park, CA for $245.0 million, or $828,000 per apartment home. The property was built in 1970 and has 296 apartment homes. Total gain on the sale was $40.2 million, which has been excluded from the calculation of FFO. The unlevered IRR was 17%.

In January 2016, the Company sold The Heights, owned by BEXAEW, LLC. The Company has a 50% ownership interest in the BEXAEW, LLC joint venture. Total proceeds from the sale were $93.8 million, of which $50.3 million were used to repay the loan on the property. The apartment community had 332 apartment homes located in Chino Hills, CA. The unlevered IRR was 13% (excludes promoted interest).

In January 2016, the Company sold its former headquarters office building located in Palo Alto, CA for total proceeds of $18.0 million.

DEVELOPMENT ACTIVITY

The table below represents the development communities in lease-up during the fourth quarter and the current leasing status as of February 1, 2016.

Project Name	Location	Total Apartment Homes	ESS Ownership	% Leased as of 2/1/16	Status
One South Market	San Jose, CA	312	55%	98%	Stabilized
Epic Phase III	San Jose, CA	200	55%	91%	In Lease-Up
MB360 Phase II	San Francisco, CA	172	100%	83%	In Lease-Up
Total/Average % Leased		**684**		**92%**	

LIQUIDITY AND BALANCE SHEET

Common Stock

During the fourth quarter, the Company issued 107,098 shares of common stock through its equity distribution program at an average price of $228.61 for net proceeds of $24.3 million. For 2015, the Company issued 1,481,737 shares of common stock through its equity distribution program at an average price of $226.46 for net proceeds of $332.3 million. Subsequent to quarter-end, no additional shares of common stock have been issued.

Balance Sheet

During the quarter, the Company refinanced $142.9 million of Fannie Mae credit enhanced bonds. These bonds now have a variable interest rate of 70 basis points over the SIFMA index. The Company expects to realize $1.4 million in savings annually over the seven year term. The Company incurred $6.1 million of loss on early retirement of debt, of which $4.3 million was non-cash. The loss on early retirement of debt has been excluded from Core FFO.

Subsequent to quarter-end, the Company repaid $150.0 million in private placement unsecured bonds that matured in the first quarter of 2016 and had an interest rate of 4.36%.

In January 2016, the Company extended the maturity date on its $1.0 billion unsecured line of credit to December 2019 with one 18-month extension, exercisable at the Company's option. The pricing on the line was reduced by 5 basis points to LIBOR plus 90 basis points. As of January 31, 2016, the Company had over $800 million in undrawn capacity on its unsecured credit facilities.

Guidance

For the fourth quarter, the Company exceeded the midpoint of the guidance range previously provided in its third quarter 2015 earnings release by $0.08 per share; $0.05 of the favorable variance relates to one-time items, which are not expected to reoccur in the first quarter of 2016.

The following table provides a reconciliation of fourth quarter Core FFO per share to the midpoint of the guidance as provided in the third quarter 2015 earnings release distributed in October 2015.

		Per Diluted Share
Projected midpoint of Core FFO per share for Q4 2015	$	2.55
NOI from consolidated communities		0.05
Interest income and other		0.03
Core FFO per share for Q4 2015, reported	$	**2.63**

2016 GUIDANCE ASSUMPTIONS

Per Diluted Share	Range
Total FFO	$10.64 - $11.05
Core FFO	$10.72 - $11.12
U.S. Economic Assumptions	
GDP Growth	2.8%
Job Growth	2.0%
ESS Markets Economic Assumptions	
Job Growth	2.5%
Market Rent Growth	6.0%

Estimated Same-Property Portfolio Growth Based on 45,517 Apartment Homes:

Southern California	5.25% - 6.25%
Northern California	8.50% - 9.50%
Seattle Metro	6.00% - 7.00%
Gross Revenue	**6.50% - 7.50%**
Operating Expense	**3.25% - 4.25%**
Net Operating Income	**7.50% - 9.50%**

Other Key Assumptions:

- Acquisitions of $400-$600 million to be financed with proceeds from dispositions, joint venture capital, as well as match funding with a combination of debt and equity.
- Dispositions of $200-$300 million.
- The Company plans to start three new developments in 2016. Total development spending is expected to be $330 million, with $230 million at the Company's pro rata share.
- Revenue generating capital expenditures is expected to be $130 million at the Company's pro rata share.
- Redemption of the Series H Preferred Stock outstanding with the assumption that a similar amount of preferred stock will be issued. The redemption is expected to result in a $2.5 million non-cash charge to Total FFO but will be excluded from Core FFO.

For additional details regarding our 2016 assumptions, please see page S-14 of the Supplemental Financial Information. For the first quarter of 2016, the Company has established a range for Core FFO per diluted share of $2.55 to $2.65.

CONFERENCE CALL WITH MANAGEMENT

The Company will host an earnings conference call with management to discuss its quarterly results on Friday, February 5, 2016 at 11 a.m. PT (2 p.m. ET), which will be broadcast live via the Internet at www.essex.com, and accessible via phone by dialing toll-free, (877) 407-0784, or toll/international, (201) 689-8560. No passcode is necessary.

A rebroadcast of the live call will be available online for 90 days and digitally for 7 days. To access the replay online, go to www.essex.com and select the fourth quarter earnings link. To access the replay digitally, dial (877) 870-5176 using the replay pin number 13627431. If you are unable to access the information via the Company's website, please contact the Investor Relations Department at investors@essex.com or by calling (650) 655-7800.

CORPORATE PROFILE

Essex Property Trust, Inc., an S&P 500 company, is a fully integrated real estate investment trust (REIT) that acquires, develops, redevelops, and manages multifamily residential properties in selected West Coast markets. Essex currently has ownership interests in 246 apartment communities with an additional 8 properties in various stages of active development. Additional information about Essex can be found on the Company's web site at www.essex.com.

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

FUNDS FROM OPERATIONS ("FFO") RECONCILIATION

FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), is generally considered by industry analysts as an appropriate measure of performance of an equity REIT. Generally, FFO adjusts the net income of equity REITs for non-cash charges such as depreciation and amortization of rental properties, impairment charges, gains/losses on sales of real estate and extraordinary items. Management considers FFO and FFO which excludes merger, integration and acquisition costs and items that are not routine or not related to the Company's core business activities, which is referred to as "Core FFO", to be useful financial performance measurements of an equity REIT because, together with net income and cash flows, FFO and Core FFO provide investors with an additional basis to evaluate the operating performance and ability of a REIT to incur and service debt and to fund acquisitions and other capital expenditures and the ability to pay dividends.

FFO does not represent net income or cash flows from operations as defined by U.S. generally accepted accounting principles ("GAAP") and are not intended to indicate whether cash flows will be sufficient to fund cash needs. It should not be considered as an alternative to net income as an indicator of the REIT's operating performance or to cash flows as a measure of liquidity. FFO does not measure whether cash flow is sufficient to fund all cash needs including principal amortization, capital improvements and distributions to shareholders. FFO also does not represent cash flows generated from operating, investing or financing activities as defined under GAAP. Management has consistently applied the NAREIT definition of FFO to all periods presented. However, there is judgment involved and other REITs' calculation of FFO may vary from the NAREIT definition for this measure, and thus their disclosures of FFO may not be comparable to the Company's calculation.

The following table sets forth the Company's calculation of diluted FFO and Core FFO for the three months and year ended December 31, 2015 and 2014:

	Three Months Ended December 31,		Year Ended December 31,	
Funds from Operations attributable to common stockholders and unitholders (In thousands)	**2015**	2014	**2015**	2014
Net income available to common stockholders	**$79,624**	$40,175	**$226,865**	$116,859
Adjustments:				
Depreciation and amortization	**116,477**	106,703	**453,423**	360,592
Gains not included in FFO	**(40,221)**	(8,399)	**(81,347)**	(50,064)
Depreciation add back from unconsolidated co-investments	**13,004**	10,915	**49,826**	33,975
Noncontrolling interest related to Operating Partnership units	**2,710**	1,469	**7,824**	4,911
Insurance reimbursements	**-**	-	**(1,751)**	-
Depreciation attributable to third party ownership and other	**(28)**	(335)	**(781)**	(1,331)
Funds from Operations attributable to common stockholders and unitholders	**$171,566**	$150,528	**$654,059**	$464,942
Merger and integration expenses	**-**	7,116	**3,798**	53,530
Acquisition and investment related costs	**1,057**	1,109	**2,414**	1,878
Gain on sale of marketable securities, note prepayment, and other investments	**-**	-	**(598)**	(886)
Gain on sale of land	**-**	(2,133)	**-**	(2,533)
Loss on early retirement of debt	**6,114**	268	**6,114**	268
Co-investment promote income	**-**	(5,736)	**(192)**	(10,640)
Income from early redemption of preferred equity investments	**-**	(5,250)	**(1,954)**	(5,250)
Insurance reimbursements	**-**	-	**(2,319)**	-
Other non-core adjustments	**(444)**	1,142	**(651)**	1,852
Core Funds from Operations attributable to common stockholders and unitholders	**$178,293**	$147,044	**$660,671**	$503,161

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

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include statements in the "Fourth Quarter Highlights" on page 1 regarding positive trends in 2016 and 2016 being another sector-leading year; statement in the “Balance Sheet” section on page 4 regarding expected savings on bonds; statements and estimates in "2016 Guidance Assumptions" on page 5 regarding 2016 amounts for the following: FFO, Core FFO, U.S. economic assumptions, Essex markets economic assumptions, same-property expense growth, acquisitions and developments, dispositions, redemptions and issuances of preferred stocks and revenue generating capital expenditures; and statements and estimates set forth under the captions “Development Pipeline—December 31, 2015” and “Redevelopment Pipeline—December 31, 2015” on pages S-11 and S-12 of the Company’s Supplemental Financial Information Package, which accompanies this press release, regarding estimated costs of property development and redevelopment and regarding the anticipated timing of redevelopments and of the construction start, initial occupancy and stabilization of property development and the various financial projections and assumptions, including those regarding 2016 NOI, FFO and Core FFO, set forth in the columns “2016 Guidance Range” on page S-14 of the Company’s Supplemental Financial Information Package and the forecasts, set forth on page S-16 of the Company’s Supplemental Financial Information Package, of residential supply, jobs, and rent growth in various areas. The Company's actual results may differ materially from those projected in such forward-looking statements. Factors that might cause such a difference include, but are not limited to, changes in market demand for rental units and the impact of competition and competitive pricing, unforeseen consequences from cyber-intrusion, changes in economic conditions, unexpected delays in the development and stabilization of development projects, unexpected difficulties in leasing of development projects, total costs of development investments exceeding the Company’s projections and other risks detailed in the Company's filings with the Securities and Exchange Commission (SEC). All forward-looking statements are made as of today, and the Company assumes no obligation to update this information. For more details relating to risk and uncertainties that could cause actual results to differ materially from those anticipated in our forward-looking statements, and risks to our business in general, please refer to our SEC filings, including the Company’s Report on Form 10-K for the year ended December 31, 2014.

Contact Information

Barb Pak
Vice President of Finance & Investor Relations
(650) 655-7800
bpak@essex.com

Q4 2015 Supplemental
Table of Contents

E S S E X P R O P E R T Y T R U S T, I N C.

Consolidated Operating Results *(Dollars in thousands, except share and per share amounts)*	Three Months Ended December 31, **2015**	2014 (1)	Twelve Months Ended December 31, **2015**	2014 (1)
Revenues:				
Rental and other property	**$ 308,646**	$ 276,778	**$ 1,185,498**	$ 961,591
Management and other fees	**2,100**	2,490	**8,909**	9,347
	310,746	279,268	**1,194,407**	970,938
Expenses:				
Property operating	**92,141**	88,621	**363,508**	312,546
Depreciation and amortization	**116,477**	106,703	**453,423**	360,592
General and administrative	**8,867**	12,256	**40,090**	40,878
Merger and integration expenses	**-**	7,116	**3,798**	53,530
Acquisition and investment related costs	**1,057**	1,109	**2,414**	1,878
	218,542	215,805	**863,233**	769,424
Earnings from operations	**92,204**	63,463	**331,174**	201,514
Interest expense, net (2)	**(50,771)**	(47,529)	**(199,172)**	(164,551)
Interest and other income	**4,323**	3,126	**19,143**	11,811
Equity income from co-investments	**5,899**	18,828	**21,861**	39,893
Loss on early retirement of debt	**(6,114)**	(268)	**(6,114)**	(268)
Gain on sale of real estate and land	**40,221**	7,185	**47,333**	46,039
Gain on remeasurement of co-investment	**-**	-	**34,014**	-
Net income	**85,762**	44,805	**248,239**	134,438
Net income attributable to noncontrolling interest	**(4,824)**	(3,316)	**(16,119)**	(12,288)
Net income attributable to controlling interest	**80,938**	41,489	**232,120**	122,150
Dividends to preferred stockholders	**(1,314)**	(1,314)	**(5,255)**	(5,291)
Net income available to common stockholders	**$ 79,624**	$ 40,175	**$ 226,865**	$ 116,859
Net income per share - basic	**$ 1.22**	$ 0.63	**$ 3.50**	$ 2.07
Shares used in income per share - basic	**65,336,773**	63,362,624	**64,871,717**	56,546,959
Net income per share - diluted	**$ 1.22**	$ 0.63	**$ 3.49**	$ 2.06
Shares used in income per share - diluted	**65,519,438**	63,544,534	**65,061,685**	56,696,525

(1) Due to subsequent purchase price allocation adjustments made to the opening balance sheet for the BRE Merger on April 1, 2014, certain amounts do not match prior reported results.

(2) Interest expense, net includes items such as gains on derivatives and the amortization of deferred charges.

E S S E X P R O P E R T Y T R U S T, I N C.

Consolidated Operating Results **Selected Line Item Detail** *(Dollars in thousands)*	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014
Rental and other property				
Rental	**$ 288,119**	$ 258,995	**$ 1,108,758**	$ 896,278
Other property	**20,527**	17,783	**76,740**	65,313
Rental and other property	**$ 308,646**	$ 276,778	**$ 1,185,498**	$ 961,591
Property operating expenses				
Real estate taxes	**$ 30,734**	$ 30,421	**$ 128,555**	$ 107,873
Administrative and insurance	**18,765**	19,551	**74,868**	69,931
Maintenance and repairs	**20,352**	17,792	**73,002**	60,234
Utilities	**15,988**	15,659	**62,196**	55,718
Property management	**6,302**	5,198	**24,887**	18,790
Property operating expenses	**$ 92,141**	$ 88,621	**$ 363,508**	$ 312,546
Interest and other income				
Marketable securities and other interest income	**$ 4,323**	$ 3,126	**$ 14,475**	$ 10,925
Gain from sale of marketable securities, note prepayment, and other investments	**-**	-	**598**	886
Insurance reimbursements	**-**	-	**4,070**	-
Interest and other income	**$ 4,323**	$ 3,126	**$ 19,143**	$ 11,811
Equity income from co-investments				
Equity income from co-investments	**$ 3,541**	$ 778	**$ 9,716**	$ 2,356
Income from preferred equity investments	**2,358**	3,717	**9,999**	15,089
Gain on sale of co-investment communities	**-**	3,347	**-**	6,558
Co-investment promote income	**-**	5,736	**192**	10,640
Income from early redemption of preferred equity investments	**-**	5,250	**1,954**	5,250
Equity income from co-investments	**$ 5,899**	$ 18,828	**$ 21,861**	$ 39,893
Noncontrolling interest				
Limited partners of Essex Portfolio, L.P.	**$ 2,710**	$ 1,469	**$ 7,824**	$ 4,911
DownREIT limited partners' distributions	**1,297**	1,142	**5,191**	4,705
Third-party ownership interest	**817**	705	**3,104**	2,672
Noncontrolling interest	**$ 4,824**	$ 3,316	**$ 16,119**	$ 12,288

E S S E X P R O P E R T Y T R U S T, I N C.

Consolidated Funds From Operations *(Dollars in thousands, except share and per share amounts and in footnotes)*	Three Months Ended December 31, 2015	2014	% Change	Twelve Months Ended December 31, 2015	2014	% Change
Funds from operations attributable to common stockholders and unitholders (FFO)						
Net income available to common stockholders	**$ 79,624**	$ 40,175		**$ 226,865**	$ 116,859	
Adjustments:						
Depreciation and amortization	**116,477**	106,703		**453,423**	360,592	
Gains not included in FFO	**(40,221)**	(8,399)		**(81,347)**	(50,064)	
Depreciation add back from unconsolidated co-investments	**13,004**	10,915		**49,826**	33,975	
Noncontrolling interest related to Operating Partnership units	**2,710**	1,469		**7,824**	4,911	
Insurance reimbursements [1]	**-**	-		**(1,751)**	-	
Depreciation attributable to third party ownership and other [2]	**(28)**	(335)		**(781)**	(1,331)	
Funds from operations attributable to common stockholders and unitholders	**$ 171,566**	$ 150,528		**$ 654,059**	$ 464,942	
FFO per share-diluted	**$ 2.53**	$ 2.29	10.5%	**$ 9.72**	$ 7.89	23.2%
Components of the change in FFO						
Non-core items:						
Merger and integration expenses	**$ -**	7,116		**$ 3,798**	53,530	
Acquisition and investment related costs	**1,057**	1,109		**2,414**	1,878	
Gain on sale of marketable securities, note prepayment, and other investments	**-**	-		**(598)**	(886)	
Gain on sale of land	**-**	(2,133)		**-**	(2,533)	
Loss on early retirement of debt	**6,114**	268		**6,114**	268	
Co-investment promote income	**-**	(5,736)		**(192)**	(10,640)	
Income from early redemption of preferred equity investments	**-**	(5,250)		**(1,954)**	(5,250)	
Insurance reimbursments	**-**	-		**(2,319)**	-	
Other non-core adjustments	**(444)**	1,142		**(651)**	1,852	
Core funds from operations attributable to common stockholders and unitholders	**178,293**	147,044		**660,671**	503,161	
Core FFO per share-diluted	**$ 2.63**	$ 2.24	17.4%	**$ 9.82**	$ 8.54	15.0%
Changes in core items:						
Same-property NOI	**$ 15,164**			**$ 114,324**		
Non-same property NOI	**12,854**			**58,527**		
Management and other fees, net	**(390)**			**(313)**		
FFO from co-investments	**3,441**			**18,040**		
Interest and other income	**1,197**			**3,550**		
Interest expense	**(3,242)**			**(34,621)**		
General and administrative	**2,185**			**(1,665)**		
Other items, net	**40**			**(332)**		
	$ 31,249			**$ 157,510**		
Weighted average number of shares outstanding diluted [3]	**67,785,975**	65,740,227		**67,310,148**	58,921,232	

[1] Insurance reimbursements for replacement costs related to a flood at one of our properties.

[2] The Company consolidates Hidden Valley and Hillsdale Garden Apartments. Noncontrolling interest's share of net operating income in these investments for the three and twelve months ended December 31, 2015 was $1.0 million and $3.9 million, respectively.

[3] Assumes conversion of all outstanding operating partnership interests in the Operating Partnership and excludes 744,346 DownREIT units for which the Operating Partnership has the ability and intention to redeem the DownREIT limited partnership units for cash and does not consider them to be common stock equivalents.

E S S E X P R O P E R T Y T R U S T, I N C.

Consolidated Balance Sheets
(Dollars in thousands)

	December 31, 2015	December 31, 2014
Real Estate:		
Land and land improvements	$ 2,522,842	$ 2,424,930
Buildings and improvements	9,808,627	8,819,751
	12,331,469	11,244,681
Less: accumulated depreciation	(1,949,892)	(1,564,806)
	10,381,577	9,679,875
Real estate under development	242,326	429,096
Co-investments	1,036,047	1,042,423
Real estate held for sale, net	26,879	56,300
	11,686,829	11,207,694
Cash and cash equivalents	123,055	95,749
Marketable securities and other investments	137,485	117,240
Notes and other receivables	19,285	24,923
Acquired in-place lease value, net	2,857	47,748
Prepaid expenses and other assets	35,580	33,378
Total assets	$ 12,005,091	$ 11,526,732
Unsecured debt, net	$ 3,088,680	$ 2,603,548
Mortgage notes payable, net	2,215,077	2,234,317
Lines of credit, net	11,707	242,824
Other liabilities	307,152	286,719
Total liabilities	5,622,616	5,367,408
Redeemable noncontrolling interest	45,452	23,256
Equity:		
Common stock	6	6
Cumulative redeemable preferred stock, liquidation value	73,750	73,750
Additional paid-in capital	7,003,317	6,651,165
Distributions in excess of accumulated earnings	(797,329)	(650,797)
Accumulated other comprehensive loss, net	(42,011)	(51,452)
Total stockholders' equity	6,237,733	6,022,672
Noncontrolling interest	99,290	113,396
Total equity	6,337,023	6,136,068
Total liabilities and equity	$ 12,005,091	$ 11,526,732

See Company's 10-K and 10-Q for additional disclosures

E S S E X P R O P E R T Y T R U S T, I N C.

Debt Summary - December 31, 2015
(Dollars in thousands, except in footnotes)

	Balance Outstanding	Weighted Average Interest Rate	Weighted Average Maturity In Years
Unsecured Debt, net			
Bonds private - fixed rate	465,000	4.5%	3.2
Bonds public - fixed rate	2,400,000	3.5%	6.7
Term loan (1)	225,000	2.4%	0.9
Unamortized net premiums and debt issuance costs	(1,320)	-	-
	3,088,680	3.6%	5.8
Mortgage Notes Payable, net			
Fixed rate - secured	$ 1,866,558	4.9%	3.6
Variable rate - secured (2)	291,709	1.2%	22.6
Unamortized premiums and debt issuance costs	56,810	-	-
Total mortgage notes payable	**2,215,077**	4.4%	6.1
Unsecured Lines of Credit, net			
Line of credit (3)	15,000	1.9%	
Line of credit (4)	-	-	
Unamortized debt issuance costs	(3,293)	-	
Total lines of credit (5)	**11,707**	1.9%	
Total debt, net	**$ 5,315,464**	**3.9%**	

Scheduled principal payments, unamortized premiums (discounts) and (debt issuance costs) are as follows - excludes lines of credit:

	Unsecured	Secured	Unamortized premiums (discounts) and (debt issuance costs)	Total	Weighted Average Interest Rate	Percentage of Total Debt
2016	$ 350,000	$ 29,714	24,803	$ 404,517	3.3%	7.6%
2017	365,000	199,180	16,324	580,504	3.2%	11.0%
2018	-	320,622	13,246	333,868	5.4%	6.3%
2019	75,000	586,212	8,654	669,866	4.3%	12.6%
2020	-	693,088	3,323	696,411	5.0%	13.1%
2021	500,000	50,764	(3,430)	547,334	4.3%	10.3%
2022	300,000	774	(3,873)	296,901	3.7%	5.6%
2023	600,000	846	(1,603)	599,243	3.6%	11.3%
2024	400,000	925	(899)	400,026	4.0%	7.6%
2025	500,000	14,611	(212)	514,399	3.5%	9.7%
2026	-	1,106	(102)	1,004	1.1%	0.0%
Thereafter	-	260,425	(741)	259,684	1.2%	4.9%
Total	$ 3,090,000	$ 2,158,267	$ 55,490	$ 5,303,757	3.9%	100.0%

Capitalized interest for the three and twelve months ended December 31, 2015 was approximately $3.4 million and $15.6 million, respectively.

(1) The unsecured term loan has a variable interest rate of LIBOR plus 1.05%. The Company has entered into interest rate swap contracts with a notional amount totaling $225 million, which effectively converts the interest rate on of the term loan to a fixed rate of 2.4%.

(2) $281.7 million of $291.7 million of variable rate debt is tax exempt to the note holders and $267.3 million is subject to interest rate protection agreements or total return swap contracts.

(3) The unsecured line of credit facility aggregates to $1 billion. In January 2016, the line maturity was extended to December 2019 with one 18-month extension, exercisable at the Company's option. The underlying interest rate on this line is based on a tiered rate structure tied to the Company's corporate ratings and is currently at LIBOR plus 0.90%.

(4) The unsecured line of credit facility is $25 million. In January 2016, the maturity was extended to January 2018. The underlying interest rate on this line is based on a tiered rate structure tied to the Company's corporate ratings and is currently at LIBOR plus 0.90%.

Capitalization Data, Public Bond Covenants, Credit Ratings and Selected Credit Ratios - December 31, 2015

(Dollars and shares in thousands, except per share amounts)

Capitalization Data		
Total debt, net	$	5,315,464
Common stock and potentially dilutive securities		
Common stock outstanding		65,379
Limited partnership units [1]		2,295
Options-treasury method		238
Total shares of common stock and potentially dilutive securities		67,912
Common stock price per share as of December 31, 2015	$	239.41
Market value of common stock and potentially dilutive securities	$	16,258,812
Preferred stock	$	73,750
Total equity capitalization	$	16,332,562
Total market capitalization	$	21,648,026
Ratio of debt to total market capitalization		24.6%

[1] Assumes conversion of all outstanding operating partnership interests in the Operating Partnership into shares of the Company's common stock.

Credit Ratings

Rating Agency	Rating	Outlook
Fitch	BBB+	Stable
Moody's	Baa2	Positive
Standard & Poor's	BBB	Positive

Public Bond Covenants	Actual	Requirement
Debt to Total Assets:	38%	< 65%
Secured Debt to Total Assets:	16%	< 40%
Interest Coverage:	357%	> 150%
Unsecured Debt Ratio [1] :	292%	> 150%

Selected Credit Ratios	Actual
Net Indebtedness Divided by Adjusted EBITDA [2] [3]:	5.8
Unencumbered NOI to Total NOI:	66%

[1] Unsecured Debt Ratio is unsecured assets (excluding investments in co-investments) divided by unsecured indebtedness.

[2] Net Indebtedness is total debt less unamortized premiums, discounts, debt issuance costs, unrestricted cash and cash equivalents, and marketable securities.

[3] Adjusted EBITDA annualizes the proforma NOI for current quarter acquisitions and excludes non-routine items in earnings.

E S S E X P R O P E R T Y T R U S T, I N C.

Portfolio Summary as of December 31, 2015

	Apartment Homes				Average Monthly Rental Rate [1]			Percent of NOI [2]		
Region - County	**Consolidated [3]**	**Unconsolidated Co-investments [4]**	**Apartment Homes in Development [5]**	**Total**	**Consolidated**	**Unconsolidated Co-investments [6]**	**Total [7]**	**Consolidated**	**Unconsolidated Co-investments [6]**	**Total [7]**
Southern California										
Los Angeles County	9,438	1,618	-	11,056	$ 2,212	$ 1,878	$ 2,185	20.1%	14.1%	19.5%
Orange County	5,786	1,144	-	6,930	1,951	1,654	1,924	11.3%	8.5%	11.0%
San Diego County	4,962	616	-	5,578	1,709	1,561	1,700	8.2%	4.2%	7.8%
Ventura County	2,898	373	-	3,271	1,610	2,017	1,635	4.8%	3.3%	4.7%
Other Southern CA	623	581	-	1,204	1,516	1,628	1,552	0.9%	4.4%	1.3%
Total Southern California	23,707	4,332	-	28,039	1,949	1,752	1,932	45.3%	34.5%	44.3%
Northern California										
Santa Clara County	6,057	2,477	376	8,910	2,558	2,615	2,568	16.2%	26.1%	17.2%
Alameda County	3,138	1,293	-	4,431	2,340	2,220	2,319	7.2%	13.9%	7.9%
San Mateo County	1,830	197	599	2,626	2,677	2,708	2,679	5.2%	2.7%	4.9%
Contra Costa County	2,270	-	555	2,825	2,139	-	2,139	5.1%	-	4.6%
San Francisco MSA	1,341	463	545	2,349	3,011	3,503	3,089	3.5%	8.0%	3.9%
Other Northern CA	230	-	-	230	2,054	-	2,054	0.5%	-	0.4%
Total Northern California	14,866	4,430	2,075	21,371	2,495	2,603	2,510	37.7%	50.7%	38.9%
Seattle Metro	10,239	1,958	-	12,197	1,599	1,478	1,589	17.0%	14.8%	16.8%
Total	48,812	10,720	2,075	61,607	$ 2,040	$ 2,065	$ 2,043	100.0%	100.0%	100.0%

(1) Average monthly rental rate is defined as the total potential monthly rental revenue (actual rent for occupied apartment homes plus market rent for vacant apartment homes) divided by the number of apartment homes.

(2) Actual NOI for the quarter ended December 31, 2015.

(3) Includes all apartment communities with rents including one development community in lease-up which consists of 172 apartment homes, excluding commercial space.

(4) Includes one rental income producing development community in lease-up which consists of 200 apartment homes.

(5) Includes development communities with no rental income.

(6) Co-investment amounts weighted for Company's pro rata share.

(7) At Company's pro rata share.

Operating Income by Quarter [1]
(Dollars in thousands, except in footnotes)

	Apartment Homes	Q4 '15	Q3 '15	Q2 '15	Q1 '15	Q4 '14
Rental and other property revenues:						
Same-property [2]	42,734	**$ 257,824**	$ 254,157	$ 248,287	$ 242,759	$ 239,873
Acquisitions [3]	3,791	**24,445**	23,099	20,255	14,269	12,579
Development [4]	1,503	**12,482**	12,038	11,273	9,753	8,146
Redevelopment	680	**4,293**	4,214	4,078	3,979	4,134
Non-Residential/Other, net [5]	104	**9,602**	9,014	10,208	9,469	12,046
Total rental and other property revenues	48,812	**308,646**	302,522	294,101	280,229	276,778
Property operating expenses:						
Same-property [2]		**78,627**	78,682	76,068	74,883	75,840
Acquisitions [3]		**8,526**	8,003	7,256	4,867	4,166
Development [4]		**3,651**	4,024	3,868	3,355	3,167
Redevelopment		**1,653**	1,611	1,534	1,539	1,515
Non-Residential/Other, net [5] [6]		**(316)**	1,799	1,351	2,527	3,933
Total property operating expenses		**92,141**	94,119	90,077	87,171	88,621
Net operating income (NOI):						
Same-property [2]		**179,197**	175,475	172,219	167,876	164,033
Acquisitions [3]		**15,919**	15,096	12,999	9,402	8,413
Development [4]		**8,831**	8,014	7,405	6,398	4,979
Redevelopment		**2,640**	2,603	2,544	2,440	2,619
Non-Residential/Other, net [5]		**9,918**	7,215	8,857	6,942	8,113
Total NOI		**$ 216,505**	$ 208,403	$ 204,024	$ 193,058	$ 188,157
Same-property metrics						
Operating margin		**70%**	69%	69%	69%	68%
Annualized turnover [7]		**44%**	60%	55%	44%	45%
Financial occupancy [8]		**96.1%**	96.0%	96.1%	96.1%	96.3%

(1) Includes consolidated communities only.
(2) Same-property includes BRE properties acquired April 1, 2014.
(3) Acquisitions include properties acquired which did not have comparable stabilized results as of April 1, 2014.
(4) Development includes properties developed which did not have comparable stabilized results as of April 1, 2014.
(5) Other real estate assets consists mainly of retail space, commercial properties, boat slips, held for sale properties, and disposition properties.
(6) Includes other expenses and intercompany eliminations pertaining to self-insurance. In Q4'15 there were $1.9 million in reductions to operating expenses related to changes in prior period property tax estimates.
(7) Annualized turnover is defined as the number of apartment homes turned over during the quarter, annualized, divided by the total number of apartment homes.
(8) Financial occupancy is defined as the percentage resulting from dividing actual rental revenue by total potential rental revenue (actual rent for occupied apartment homes plus market rent for vacant apartment homes).

E S S E X P R O P E R T Y T R U S T, I N C.

Same-Property Revenue Results by County - Fourth Quarter 2015 vs. Fourth Quarter 2014 and Third Quarter 2015 [1]

(Dollars in thousands, except average monthly rental rates)

			Average Monthly Rental Rate			Financial Occupancy			Gross Revenues			Sequential Gross Revenues	
Region - County	**Apartment Homes**	**Q4 '15 % of Actual NOI**	**Q4 '15**	**Q4 '14**	**% Change**	**Q4 '15**	**Q4 '14**	**% Change**	**Q4 '15**	**Q4 '14**	**% Change**	**Q3 '15**	**% Change**
Southern California													
Los Angeles County	6,844	16.7%	$ 2,138	$ 2,020	5.8%	96.0%	95.9%	0.1%	$ 44,007	$ 41,331	6.5%	$ 43,303	1.6%
Orange County	5,786	13.0%	1,951	1,849	5.5%	96.2%	96.7%	-0.5%	34,103	32,532	4.8%	33,835	0.8%
San Diego County	4,583	8.7%	1,694	1,597	6.1%	96.0%	96.5%	-0.5%	23,696	22,400	5.8%	23,202	2.1%
Ventura County	2,898	5.6%	1,610	1,514	6.3%	96.0%	96.4%	-0.4%	14,288	13,500	5.8%	14,170	0.8%
Other Southern CA	623	1.1%	1,516	1,407	7.7%	99.0%	98.8%	0.2%	2,959	2,773	6.7%	2,676	10.6%
Total Southern California	20,734	45.1%	1,895	1,789	5.9%	96.1%	96.4%	-0.3%	119,053	112,536	5.8%	117,186	1.6%
Northern California													
Santa Clara County	5,228	16.5%	2,504	2,285	9.6%	96.1%	96.2%	-0.1%	39,530	36,112	9.5%	39,078	1.2%
Alameda County	2,613	7.1%	2,309	2,048	12.7%	95.2%	96.8%	-1.7%	18,184	16,438	10.6%	17,935	1.4%
San Mateo County	1,566	4.9%	2,560	2,344	9.2%	96.4%	96.1%	0.3%	12,242	11,186	9.4%	12,098	1.2%
Contra Costa County	2,270	5.9%	2,139	1,954	9.5%	96.6%	96.1%	0.5%	14,799	13,574	9.0%	14,625	1.2%
San Francisco MSA	816	2.2%	2,394	2,219	7.9%	96.1%	95.5%	0.6%	5,884	5,405	8.9%	5,745	2.4%
Other Northern CA	126	0.4%	2,232	1,899	17.5%	99.3%	98.8%	0.5%	857	739	16.0%	790	8.5%
Total Northern California	12,619	37.0%	2,395	2,176	10.1%	96.1%	96.3%	-0.2%	91,496	83,454	9.6%	90,271	1.4%
Seattle Metro	9,381	17.9%	1,594	1,483	7.5%	96.2%	95.9%	0.3%	47,275	43,883	7.7%	46,700	1.2%
Total Same-Property	42,734	100.0%	$ 1,977	$ 1,836	7.7%	96.1%	96.3%	-0.2%	$ 257,824	$ 239,873	7.5%	$ 254,157	1.4%

[1] Same-property includes BRE properties acquired April 1, 2014, excluding properties held for sale.

E S S E X P R O P E R T Y T R U S T, I N C.

Same-Property Revenue Results by County - Twelve months ended December 31, 2015 vs. Twelve months ended December 31, 2014 [1]

(Dollars in thousands, except average monthly rental rates)

Region - County	Apartment Homes	YTD 2015 % of Actual NOI	Average Monthly Rental Rate YTD 2015	Average Monthly Rental Rate YTD 2014	Average Monthly Rental Rate % Change	Financial Occupancy YTD 2015	Financial Occupancy YTD 2014	Financial Occupancy % Change	Gross Revenues YTD 2015	Gross Revenues YTD 2014	Gross Revenues % Change
Southern California											
Los Angeles County	4,400	16.4%	$ 2,036	$ 1,920	6.0%	96.1%	96.2%	-0.1%	$ 108,467	$ 102,540	5.8%
Orange County	2,887	10.7%	2,061	1,941	6.2%	96.3%	96.1%	0.2%	72,093	67,604	6.6%
San Diego County	2,067	5.1%	1,397	1,308	6.8%	96.1%	96.4%	-0.3%	35,716	33,747	5.8%
Ventura County	2,898	8.5%	1,569	1,481	5.9%	96.3%	96.5%	-0.2%	56,011	53,077	5.5%
Other Southern CA	623	1.5%	1,464	1,365	7.3%	96.8%	96.8%	0.0%	11,148	10,445	6.7%
Total Southern California	12,875	42.2%	1,806	1,701	6.2%	96.2%	96.3%	-0.1%	283,435	267,413	6.0%
Northern California											
Santa Clara County	4,279	20.3%	2,402	2,173	10.5%	96.2%	96.1%	0.1%	124,408	112,406	10.7%
Alameda County	1,542	6.1%	2,086	1,848	12.9%	96.3%	96.9%	-0.6%	39,506	35,478	11.4%
San Mateo County	768	3.6%	2,470	2,235	10.5%	96.8%	96.6%	0.2%	23,442	21,232	10.4%
Contra Costa County	1,720	6.6%	2,029	1,842	10.2%	96.6%	96.3%	0.3%	42,681	38,686	10.3%
San Francisco MSA	645	2.5%	2,277	2,116	7.6%	95.0%	94.7%	0.3%	17,314	16,025	8.0%
Other Northern CA	126	0.5%	2,058	1,848	11.4%	97.6%	97.8%	-0.2%	3,127	2,852	9.6%
Total Northern California	9,080	39.6%	2,270	2,052	10.6%	96.3%	96.2%	0.1%	250,478	226,679	10.5%
Seattle Metro	6,558	18.2%	1,493	1,388	7.6%	96.2%	96.0%	0.2%	124,143	115,219	7.7%
Total Same-Property	28,513	100.0%	$ 1,882	$ 1,741	8.1%	96.2%	96.2%	0.0%	$ 658,056	$ 609,311	8.0%

[1] Same-property excludes BRE properties acquired April 1, 2014, and properties held for sale.

E S S E X P R O P E R T Y T R U S T, I N C.

Same-Property Operating Expenses - Quarter and Year to Date as of December 31, 2015 and 2014
(Dollars in thousands)

	Based on 42,734 apartment homes [1]				Based on 28,513 apartment homes [2]			
	Q4 '15	**Q4 '14**	**% Change**	**% of Op. Ex.**	**YTD 2015**	**YTD 2014**	**% Change**	**% of Op. Ex.**
Same-property operating expenses:								
Real estate taxes	**$ 25,729**	$ 25,170	2.2%	32.7%	**$ 56,891**	$ 55,147	3.2%	29.4%
Maintenance and repairs	**17,379**	15,722	10.5%	22.1%	**42,104**	40,431	4.1%	21.8%
Administrative	**14,212**	14,487	-1.9%	18.1%	**38,584**	38,285	0.8%	19.9%
Utilities	**13,395**	13,463	-0.5%	17.0%	**36,068**	35,946	0.3%	18.6%
Management fees [3]	**5,342**	4,518	18.2%	6.8%	**13,084**	12,751	2.6%	6.8%
Insurance	**2,570**	2,480	3.6%	3.3%	**6,792**	6,950	-2.3%	3.5%
Total same-property operating expenses	**$ 78,627**	$ 75,840	3.7%	100.0%	**$ 193,523**	$ 189,510	2.1%	100.0%

[1] Same-property includes BRE properties acquired starting April 1, 2014.
[2] Same-property excludes BRE properties.
[3] During 2015, the Company changed its allocation to property management fees.

E S S E X P R O P E R T Y T R U S T, I N C.

Development Pipeline - December 31, 2015

(Dollars in millions, except per apartment home amounts in thousands and except in footnotes)

Project Name	Location	Ownership %	Estimated Apartment Homes	Estimated Commercial sq. feet	Incurred to Date	Remaining Costs	Estimated Total Cost	Essex Est. Total Cost [1]	Cost per Apartment Home [2]	Average % Occupied	% Leased	Construction Start	Initial Occupancy	Stabilized Operations
Development Projects - Consolidated [3]														
MB 360 Phase II [4]	San Francisco, CA	100%	172	11,500	$ 119	$ 16	$ 135	$ 135	$ 744	21.3%	66.0%	Q3 2014	Q4 2015	Q2 2016
Station Park Green	San Mateo, CA	100%	599	35,000	83	271	354	354	567	0.0%	0.0%	Q3 2015	Q3 2017	Q4 2018
Total Development Projects - Consolidated			**771**	**46,500**	**202**	**287**	**489**	**489**	**634**					
Land Held for Future Development - Consolidated														
Other Projects	Various	100%			40	-	40	40						
Total Development Pipeline - Consolidated			**771**	**46,500**	**242**	**287**	**529**	**529**						
Development Projects/Land Held for Future Development - Joint Venture [3]														
Epic - Phase III	San Jose, CA	55%	200	-	84	8	92	51	460	75.3%	82.0%	Q3 2013	Q3 2015	Q1 2016
Agora [5]	Walnut Creek, CA	51%	49	32,188	84	11	95	48	1,140	0.0%	0.0%	Q3 2013	Q1 2016	Q2 2016
Owens	Pleasanton, CA	55%	255	5,729	55	34	89	49	341	0.0%	0.0%	Q3 2014	Q2 2016	Q2 2017
Hacienda	Pleasanton, CA	55%	251	-	37	49	86	47	343	0.0%	0.0%	Q1 2015	Q3 2016	Q3 2017
Century Towers	San Jose, CA	50%	376	2,006	93	79	172	86	456	0.0%	0.0%	Q3 2014	Q1 2017	Q1 2018
500 Folsom [6]	San Francisco, CA	50%	545	6,000	62	319	381	191	691	0.0%	0.0%	Q4 2015	Q4 2018	Q2 2020
Total Development Projects - Joint Venture			**1,676**	**45,923**	**415**	**500**	**915**	**472**	**$ 517**					
Grand Total - Development Pipeline			**2,447**	**92,423**	**$ 657**	**$ 787**	**$ 1,444**	**1,001**						
Essex Cost Incurred to Date								**(459)**						
Essex Remaining Commitment								**$ 542**						

(1) The Company's share of the estimated total costs of the project.

(2) Net of the estimated allocation to the retail component of the project.

(3) For the fourth quarter of 2015, the Company's cost includes $3.2 million of capitalized interest, $0.2 million of capitalized overhead and $0.8 million of development fees (such development fees reduced G&A expenses).

(4) To date the Company has received $43.9 million of the expected $45.0 million of insurance proceeds for constructions costs related to the fire that occurred in March 2014.

(5) Apartment homes are built to condominium standards and average approximately 1,600 square feet.

(6) Estimated total cost is net of a projected value for low income housing tax credit proceeds and tax exempt bonds.

Redevelopment Pipeline - December 31, 2015

(Dollars in thousands, except per apartment home amounts and in footnotes)

Region/Project Name [1]	Apartment Homes	Total Incurred To Date	Estimated Remaining Cost	Estimated Total Cost	Project Start Date	NOI For the year ended 2015 [4]	NOI For the year ended 2014 [4]
Same-property - Redevelopment Projects [2] [3]							
Northern California							
Summerhill Park	100	$ 7,300	$ 2,600	9,900	Q4 2014		
Southern California							
Hamptons	215	7,200	16,400	23,600	Q1 2014		
Monterras	292	20,300	6,100	26,400	Q1 2014		
Seattle Metro							
Park Highland	250	7,600	4,900	12,500	Q4 2014		
Total Same-property - Redevelopment Projects	857	$ 42,400	$ 30,000	$ 72,400		$ 13,557	$ 11,544
Non-same property - Redevelopment Projects							
Southern California							
Bunker Hill Towers	456	$ 34,900	$ 52,500	$ 87,400	Q3 2013		
Total Non-same property - Redevelopment Projects	456	$ 34,900	$ 52,500	$ 87,400		$ 5,893	$ 5,656

(1) The Company incurred $0.2 million of capitalized interest, $2.4 million of capitalized overhead and $0.2 million of co-investment redevelopment fees related to redevelopment in Q4 2015.

(2) Redevelopment activities are ongoing at these communities, but the communities have stabilized operations, therefore results are classified in same-property results.

(3) During the three and twelve months ended December 31, 2015, the Company completed the redevelopment of interiors totaling 618 and 2,370 apartment homes for the same-property portfolio and 704 and 2,996 apartment homes for the total portfolio, respectively.

(4) Park Highland was acquired on April 1, 2014. As a result, the NOI for the twelve months ended December 31, 2014 reflects three quarters of NOI, amounting to $2.0 million, as opposed to the NOI for the twelve months ended December 31, 2015, which reflects four quarters of NOI, amounting to $2.9 million.

Co-investments - December 31, 2015 *(Dollars in thousands)*	**Essex Ownership Percentage**	**Apartment Homes**	**Total Undepreciated Book Value**	**Debt Amount**	**Essex Book Value**	**Weighted Average Borrowing Rate**	**Remaining Term of Debt (in Years)**	**For the Three Months Ended December 31, 2015**	**For the Twelve Months Ended December 31, 2015**
Operating Non-Consolidated Joint Ventures								**NOI**	
Wesco I, LLC	50.0%	2,275	$ 558,009	$ 297,181	$ 102,476	3.9%	9.3	$ 9,206	$ 36,183
Wesco III, LLC	50.0%	993	237,690	129,599	53,009	3.3%	4.7	3,672	13,647
Wesco IV, LLC	50.0%	1,116	300,474	155,000	63,417	3.9%	5.2	4,495	17,267
BEXAEW, LLC	50.0%	2,723	525,540	321,778	88,850	3.0%	5.2	8,183	31,550
CPPIB	55.0%	1,728	614,651	-	329,723	-	-	9,254	32,266
Palm Valley	50.0%	1,098	370,832	227,011	68,525	2.5%	1.1	4,943	19,979
Other	28.2% - 55.0%	587	200,147	134,741	32,927	2.0%	2.6	2,349	7,020
Total Operating Non-Consolidated Joint Ventures		**10,520**	**$ 2,807,343**	**$ 1,265,310**	**$ 738,927**	**3.2%**	**5.1**	**$ 42,102**	**$ 157,912**
Development Non-Consolidated Joint Ventures [1]	50.0% - 55.0%	1,676	414,950	24,808	190,808	3.3%	1.7	531	611
Total Non-Consolidated Joint Ventures		**12,196**	**$ 3,222,293**	**$ 1,290,118**	**$ 929,735**			**$ 42,633**	**$ 158,523**

	Essex Portion of NOI and Expenses	
NOI	$ 21,880	$ 81,265
Depreciation	(13,004)	(49,826)
Interest expense and other	(5,335)	(21,723)
Promote income	-	192
Net income from operating co-investments	**$ 3,541**	**$ 9,908**

		Weighted Average Preferred Return	**Weighted Average Expected Term**	**Income from Preferred Equity Investments** For the Three Months Ended December 31, 2015	**Income from Preferred Equity Investments** For the Twelve Months Ended December 31, 2015
Income from preferred equity investments				$ 2,358	$ 9,999
Income from early redemption of preferred equity investments				-	1,954
Preferred Equity Investments [2]	**$ 106,312**	**9.8%**	**2.9**	**$ 2,358**	**$ 11,953**
Total Co-investments	**$ 1,036,047**			**$ 5,899**	**$ 21,861**

[1] The Company has interests in six development co-investments, which are detailed on S-11.
[2] As of December 31, 2015 the Company has invested in eight preferred equity investments.

E S S E X P R O P E R T Y T R U S T, I N C.

Assumptions for 2016 FFO Guidance Range

Q4 2015 Earnings Results Supplement

($'s in thousands, except share and per share data) [1]	YTD Actuals	2016 Guidance Range Low End	High End
Net Operating Income ("NOI")			
Total NOI from consolidated communities	$ 821,990	**$ 889,900**	**$ 908,100**
Management Fees	8,534	**7,900**	**8,900**
Interest Expense			
Interest expense, before capitalized interest	(214,574)	**(219,600)**	**(215,600)**
Forecasted interest capitalized	15,570	**12,800**	**14,800**
Net interest expense	(199,004)	**(206,800)**	**(200,800)**
Recurring Income and Expenses			
Interest and other income	14,476	**16,600**	**17,600**
FFO from co-investments	69,540	**78,800**	**81,700**
General and administrative expense	(40,534)	**(41,500)**	**(43,500)**
Preferred dividends and non-controlling interest	(14,331)	**(14,000)**	**(13,600)**
Total recurring income and expenses	29,151	**39,900**	**42,200**
Non-Core Income and Expenses			
Promote income from co-investment	192		
Gains on sales of marketable securities and land	598		
Income from early redemption of preferred equity investment	1,954		
Loss on early retirement of debt and redemption costs	(6,114)	**(3,000)**	**(2,000)**
Merger and integration expenses	(3,798)		
Acquisition and investment related costs	(2,414)	**(2,000)**	**(3,000)**
Other non-core adjustments	2,970		
Total non-core income and expenses	(6,612)	**(5,000)**	**(5,000)**
Funds from Operations attributable to common stockholders and unitholders	$ 654,059	**$ 725,900**	**$ 753,400**
Funds from Operations per diluted share	$ 9.72	**$ 10.64**	**$ 11.05**
% Change - Funds from Operations	23.2%	**9.5%**	**13.7%**
Core Funds from Operations attributable to common stockholders and unitholders	$ 660,671	**$ 730,900**	**$ 758,400**
Core Funds from Operations per diluted share	$ 9.82	**$ 10.72**	**$ 11.12**
% Change - Core Funds from Operations	15.0%	**9.2%**	**13.3%**
Weighted average shares outstanding	67,310	**68,200**	**68,200**

[1] All non-core items are excluded from the YTD actuals and included in the non-core income and expense section of the FFO reconciliation.

Summary of Apartment Community Acquisitions and Dispositions Activity

Year to date as of December 31, 2015

(Dollars in thousands, except average rent amounts and in footnotes)

Acquisitions Property Name	Location	Apartment Homes	Essex Ownership Percentage	Entity	Date	Purchase Price	Price per Apartment Home	Average Rent
8th & Hope	Los Angeles, CA	290	100.0%	EPLP	Feb-15	$ 200,000	$ 690	$ 3,708
The Huxley [1]	Los Angeles, CA	187	100.0%	EPLP	Mar-15	48,784	522	2,439
The Dylan [1]	Los Angeles, CA	184	100.0%	EPLP	Mar-15	51,266	557	2,646
	Q1 2015	661				$ 300,050	$ 605	
Reveal [2]	Woodland Hills, CA	438	99.75%	EPLP	Apr-15	$ 73,013	$ 337	$ 1,936
Avant	Los Angeles, CA	247	100.0%	EPLP	Jun-15	99,000	401	2,281
	Q2 2015	685				$ 172,013	$ 360	
Avant II	Los Angeles, CA	193	100.0%	EPLP	Dec-15	$ 73,000	$ 378	$ 2,302
Enso	San Jose, CA	183	100.0%	EPLP	Dec-15	93,000	508	2,817
	Q4 2015	376				$ 166,000	$ 441	
	2015 Total	1,722				$ 638,063	$ 472	

Dispositions [3] Property Name	Location	Apartment Homes	Essex Ownership Percentage	Entity	Date	Sales Price	Price per Apartment Home
Pinnacle South Mountain	Phoenix, AZ	552	100.0%	EPLP	Jan-15	$ 63,750	$ 115
	Q1 2015	552				$ 63,750	$ 115
Sharon Green	Menlo Park, CA	296	100.0%	EPLP	Dec-15	$ 245,000	$ 828
	Q4 2015	296				$ 245,000	$ 828
	2015 Total	848				$ 308,750	$ 364

(1) In March 2015, the Company purchased the joint venture partner's remaining membership interest in The Huxley and The Dylan co-investments for a purchase price of $100.1 million. The properties are now consolidated.

(2) In April 2015, the Company purchased the joint venture partner's 49.5% membership interest in the Reveal co-investment for a purchase price of $73.0 million.

(3) In March 2015, the Company sold two commercial buildings aggregating 120,000 square feet located in Emeryville, CA for $13.0 million.

E S S E X P R O P E R T Y T R U S T, I N C.

2016 MSA Level Forecast: Supply, Jobs, and Apartment Market Conditions

	Residential Supply [1]					Job Forecast [2]		Market Forecast [3]
Market	New MF Supply	New SF Supply	Total Supply	% of MF Supply to MF Stock	% of Total Supply to Total Stock	Est. New Jobs	% Growth	Economic Rent Growth
Los Angeles	10,000	5,700	15,700	0.6%	0.4%	94,600	2.2%	5.4%
Orange	2,850	3,800	6,650	0.7%	0.6%	33,600	2.2%	5.2%
San Diego	3,300	3,800	7,100	0.7%	0.6%	34,500	2.5%	4.9%
Ventura	150	700	850	0.2%	0.3%	5,350	1.8%	5.4%
So. Cal.	**16,300**	**14,000**	**30,300**	**0.6%**	**0.5%**	**168,050**	**2.2%**	**5.2%**
San Francisco	4,400	650	5,050	1.1%	0.7%	34,700	3.0%	7.8%
Oakland	1,600	4,300	5,900	0.5%	0.6%	29,300	2.7%	7.0%
San Jose	5,250	2,100	7,350	2.0%	1.1%	31,300	3.0%	7.7%
No. Cal.	**11,250**	**7,050**	**18,300**	**1.3%**	**0.8%**	**95,300**	**2.9%**	**7.5%**
Seattle	**8,450**	**7,600**	**16,050**	**1.7%**	**1.3%**	**43,100**	**2.7%**	**4.9%**
Weighted Average [4]	**36,000**	**28,650**	**64,650**	**1.1%**	**0.8%**	**306,450**	**2.5%**	**6.0%**

All data are based on Essex Property Trust, Inc. forecasts.

U.S. Economic Assumptions: 2016 G.D.P. Growth: 2.8%, 2016 Job Growth: 2.0%

[1] **New Residential Supply:** MF reflects Company's internal estimate of actual multifamily deliveries; SF is based on 12 month single family trailing permits reported by the US Census Bureau.

[2] **Job Forecast:** refers to the difference between total non-farm industry employment (not seasonally adjusted) projected 4Q over 4Q, expressed as total new jobs and growth rates.

[3] **Market Forecast:** the estimated rent growth represents the forecasted change in effective market rents for full year 2016 vs 2015 (excludes submarkets not targeted by Essex).

[4] **Weighted Average:** markets weighted by scheduled rent in the Company's Portfolio.