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 March 31, 2021

OR

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

For the transition period from ________to _________

001-13106 (Essex Property Trust, Inc.)
333-44467-01 (Essex Portfolio, L.P.)
(Commission File Number)

ESSEX PROPERTY TRUST, INC.
ESSEX PORTFOLIO, L.P.

(Exact name of Registrant as Specified in its Charter)

Maryland	**77-0369576**
(Essex Property Trust, Inc.)	**(Essex Property Trust, Inc.)**
California	**77-0369575**
(Essex Portfolio, L.P.)	**(Essex Portfolio, L.P.)**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

1100 Park Place, Suite 200
San Mateo, California 94403
(Address of Principal Executive Offices, Including Zip Code)

(650) 655-7800
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.0001 par value (Essex Property Trust, Inc.)	ESS	New York Stock Exchange

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 such reports), and (2) has been subject to such filing requirements for the past 90 days.

Essex Property Trust, Inc. Yes ☒ No ☐ Essex Portfolio, L.P. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

Essex Property Trust, Inc. Yes ☒ No ☐ Essex Portfolio, L.P. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Essex Property Trust, Inc.:

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐
			Emerging growth company ☐

Essex Portfolio, L.P.:

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐
			Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Essex Property Trust, Inc. ☐ Essex Portfolio, L.P. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Essex Property Trust, Inc. Yes ☐ No ☒ Essex Portfolio, L.P. 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: 64,998,910 shares of Common Stock ($.0001 par value) of Essex Property Trust, Inc. were outstanding as of April 26, 2021.

EXPLANATORY NOTE

This report combines the reports on Form 10-Q for the three month period ended March 31, 2021 of Essex Property Trust, Inc., a Maryland corporation, and Essex Portfolio, L.P., a Delaware limited partnership of which Essex Property Trust, Inc. is the sole general partner.

Unless stated otherwise or the context otherwise requires, references to the "Company," "we," "us" or "our" mean collectively Essex Property Trust, Inc. and those entities/subsidiaries owned or controlled by Essex Property Trust, Inc., including Essex Portfolio, L.P., and references to the "Operating Partnership" mean Essex Portfolio, L.P. and those entities/subsidiaries owned or controlled by Essex Portfolio, L.P. Unless stated otherwise or the context otherwise requires, references to "Essex" mean Essex Property Trust, Inc., not including any of its subsidiaries.

Essex operates as a self-administered and self-managed real estate investment trust ("REIT"), and is the sole general partner of the Operating Partnership. As the sole general partner of the Operating Partnership, Essex has exclusive control of the Operating Partnership's day-to-day management.

The Company is structured as an umbrella partnership REIT ("UPREIT") and Essex contributes all net proceeds from its various equity offerings to the Operating Partnership. In return for those contributions, Essex receives a number of Operating Partnership limited partnership units ("OP Units," and the holders of such OP Units, "Unitholders") equal to the number of shares of common stock it has issued in the equity offerings. Contributions of properties to the Company can be structured as tax-deferred transactions through the issuance of OP Units, which is one of the reasons why the Company is structured in the manner outlined above. Based on the terms of the Operating Partnership's partnership agreement, OP Units can be exchanged into Essex common stock on a one-for-one basis. The Company maintains a one-for-one relationship between the OP Units issued to Essex and shares of common stock.

The Company believes that combining the reports on Form 10-Q of Essex and the Operating Partnership into this single report provides the following benefits:

- enhances investors' understanding of Essex and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the disclosure applies to both Essex and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

Management operates Essex and the Operating Partnership as one business. The management of Essex consists of the same members as the management of the Operating Partnership.

All of the Company's property ownership, development, and related business operations are conducted through the Operating Partnership and Essex has no material assets, other than its investment in the Operating Partnership. Essex's primary function is acting as the general partner of the Operating Partnership. As general partner with control of the Operating Partnership, Essex consolidates the Operating Partnership for financial reporting purposes. Therefore, the assets and liabilities of Essex and the Operating Partnership are the same on their respective financial statements. Essex also issues equity from time to time and guarantees certain debt of the Operating Partnership, as disclosed in this report. The Operating Partnership holds substantially all of the assets of the Company, including the Company's ownership interests in its co-investments. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity offerings by the Company, which are contributed to the capital of the Operating Partnership in exchange for OP Units (on a one-for-one share of common stock per OP Unit basis), the Operating Partnership generates all remaining capital required by the Company's business. These sources of capital include the Operating Partnership's working capital, net cash provided by operating activities, borrowings under its revolving credit facilities, the issuance of secured and unsecured debt and equity securities and proceeds received from disposition of certain properties and co-investments.

The Company believes it is important to understand the few differences between Essex and the Operating Partnership in the context of how Essex and the Operating Partnership operate as a consolidated company. Stockholders' equity, partners' capital and noncontrolling interest are the main areas of difference between the condensed consolidated financial statements of Essex and those of the Operating Partnership. The limited partners of the Operating Partnership are accounted for as partners' capital in the Operating Partnership's condensed consolidated financial statements and as noncontrolling interest in Essex’s condensed consolidated financial statements. The noncontrolling interest in the Operating Partnership's condensed consolidated financial statements include the interest of unaffiliated partners in various consolidated partnerships and co-investment partners. The noncontrolling interest in Essex's condensed consolidated financial statements include (i) the same noncontrolling interest as presented in the Operating Partnership's condensed consolidated financial statements and (ii) OP Unitholders. The differences between stockholders' equity and partners' capital result from differences in the equity issued at Essex and Operating Partnership levels.

To help investors understand the significant differences between Essex and the Operating Partnership, this report on Form 10-Q provides separate condensed consolidated financial statements for Essex and the Operating Partnership; a single set of consolidated notes to such financial statements that includes separate discussions of stockholders' equity or partners' capital, and earnings per share/unit, as applicable; and a combined Management's Discussion and Analysis of Financial Condition and Results of Operations.

This report on Form 10-Q also includes separate Part I, Item 4. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of Essex and the Operating Partnership in order to establish that the requisite certifications have been made and that Essex and the Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. §1350.

In order to highlight the differences between Essex and the Operating Partnership, the separate sections in this report on Form 10-Q for Essex and the Operating Partnership specifically refer to Essex and the Operating Partnership. In the sections that combine disclosure of Essex and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company. Although the Operating Partnership is generally the entity that directly or indirectly enters into contracts and co-investments and holds assets and debt, reference to the Company is appropriate because the Company is one business and the Company operates that business through the Operating Partnership. The separate discussions of Essex and the Operating Partnership in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

The information furnished in the accompanying unaudited condensed consolidated balance sheets, statements of income and comprehensive income, equity, capital, and cash flows of the Company and the Operating Partnership reflect 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, 2020.

ESSEX PROPERTY TRUST, INC.
ESSEX PORTFOLIO, L.P.
FORM 10-Q
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Part I – Financial Information

Item 1. Condensed Consolidated Financial Statements

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)
(In thousands, except parenthetical and share amounts)

ASSETS	March 31, 2021	December 31, 2020
Real estate:		
Rental properties:		
Land and land improvements	$ 2,902,401	$ 2,929,009
Buildings and improvements	12,075,518	12,132,736
	14,977,919	15,061,745
Less: accumulated depreciation	(4,259,148)	(4,133,959)
	10,718,771	10,927,786
Real estate under development	404,496	386,047
Co-investments	962,625	1,018,010
Real estate held for sale	—	57,938
	12,085,892	12,389,781
Cash and cash equivalents-unrestricted	103,442	73,629
Cash and cash equivalents-restricted	9,918	10,412
Marketable securities, net of allowance for credit losses of zero as of both March 31, 2021 and December 31, 2020	165,265	147,768
Notes and other receivables, net of allowance for credit losses of $0.9 million and $0.8 million as of March 31, 2021 and December 31, 2020, respectively (includes related party receivables of $57.6 million and $4.7 million as of March 31, 2021 and December 31, 2020, respectively)	266,896	195,104
Operating lease right-of-use assets	71,347	72,143
Prepaid expenses and other assets	87,444	47,340
Total assets	$ 12,790,204	$ 12,936,177
LIABILITIES AND EQUITY		
Unsecured debt, net	$ 5,454,290	$ 5,607,985
Mortgage notes payable, net	642,419	643,550
Accounts payable and accrued liabilities	158,673	152,855
Construction payable	34,852	31,417
Dividends payable	142,822	141,917
Operating lease liabilities	73,201	74,037
Liabilities associated with real estate held for sale	—	29,845
Other liabilities	36,694	39,140
Total liabilities	6,542,951	6,720,746
Commitments and contingencies		
Redeemable noncontrolling interest	36,322	32,239
Equity:		
Common stock; $0.0001 par value, 670,000,000 shares authorized; 64,998,910 and 64,999,015 shares issued and outstanding, respectively	6	6
Additional paid-in capital	6,864,185	6,876,326
Distributions in excess of accumulated earnings	(828,625)	(861,193)
Accumulated other comprehensive loss, net	(10,390)	(14,729)
Total stockholders' equity	6,025,176	6,000,410
Noncontrolling interest	185,755	182,782
Total equity	6,210,931	6,183,192
Total liabilities and equity	$ 12,790,204	$ 12,936,177

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income and Comprehensive Income
(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2021	**2020**
Revenues:		
Rental and other property	$ 352,876	$ 389,750
Management and other fees from affiliates	2,249	2,617
	355,125	392,367
Expenses:		
Property operating, excluding real estate taxes	65,151	64,131
Real estate taxes	45,328	43,012
Corporate-level property management expenses	8,947	8,759
Depreciation and amortization	128,587	131,559
General and administrative	9,812	13,982
Expensed acquisition and investment related costs	15	87
	257,840	261,530
Gain on sale of real estate and land	100,096	—
Earnings from operations	197,381	130,837
Interest expense	(51,649)	(55,147)
Total return swap income	2,844	1,984
Interest and other income (loss)	14,387	(5,221)
Equity income from co-investments	17,011	21,297
Deferred tax expense on unrealized gain on unconsolidated co-investment	(508)	—
(Loss) gain on early retirement of debt, net	(2,517)	321
Gain on remeasurement of co-investment	—	234,694
Net income	176,949	328,765
Net income attributable to noncontrolling interest	(8,505)	(13,759)
Net income available to common stockholders	$ 168,444	$ 315,006
Comprehensive income	$ 181,441	$ 319,678
Comprehensive income attributable to noncontrolling interest	(8,658)	(13,452)
Comprehensive income attributable to controlling interest	$ 172,783	$ 306,226
Per share data:		
Basic:		
Net income available to common stockholders	$ 2.59	$ 4.77
Weighted average number of shares outstanding during the period	64,989,620	66,043,831
Diluted:		
Net income available to common stockholders	$ 2.59	$ 4.76
Weighted average number of shares outstanding during the period	65,114,933	66,195,415

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Equity for the three months ended March 31, 2021 and 2020
(Unaudited)
(In thousands)

Three months ended March 31, 2021	Common stock Shares	Common stock Amount	Additional paid-in capital	Distributions in excess of accumulated earnings	Accumulated other comprehensive loss, net	Noncontrolling interest	Total
Balances at December 31, 2020	64,999	$ 6	$ 6,876,326	$ (861,193)	$ (14,729)	$ 182,782	$ 6,183,192
Net income	—	—	—	168,444	—	8,505	176,949
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	4,257	150	4,407
Change in fair value of marketable debt securities, net	—	—	—	—	82	3	85
Issuance of common stock under:							
Stock option and restricted stock plans, net	39	—	(3,744)	—	—	—	(3,744)
Equity based compensation costs	—	—	5,028	—	—	54	5,082
Retirement of common stock, net	(40)	—	(9,172)	—	—	—	(9,172)
Changes in the redemption value of redeemable noncontrolling interest	—	—	(4,178)	—	—	95	(4,083)
Contributions from noncontrolling interest	—	—	—	—	—	1,900	1,900
Distributions to noncontrolling interest	—	—	—	—	—	(7,554)	(7,554)
Redemptions of noncontrolling interest	1	—	(75)	—	—	(180)	(255)
Common stock dividends ($2.09 per share)	—	—	—	(135,876)	—	—	(135,876)
Balances at March 31, 2021	64,999	$ 6	$ 6,864,185	$ (828,625)	$ (10,390)	$ 185,755	$ 6,210,931

Three months ended March 31, 2020	Common stock Shares	Common stock Amount	Additional paid-in capital	Distributions in excess of accumulated earnings	Accumulated other comprehensive loss, net	Noncontrolling Interest	Total
Balances at December 31, 2019	66,092	$ 7	$7,121,927	$ (887,619)	$ (13,888)	$ 183,077	$6,403,504
Net income	—	—	—	315,006	—	13,759	328,765
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(8,486)	(296)	(8,782)
Change in fair value of marketable debt securities, net	—	—	—	—	(294)	(11)	(305)
Issuance of common stock under:							
Stock option and restricted stock plans, net	89	—	8,665	—	—	—	8,665
Sale of common stock, net	—	—	(70)	—	—	—	(70)
Equity based compensation costs	—	—	1,619	—	—	79	1,698
Retirement of common stock, net	(776)	—	(176,311)	—	—	—	(176,311)
Cumulative effect upon adoption of ASU No. 2016-13	—	—	—	(190)	—	—	(190)
Changes in the redemption value of redeemable noncontrolling interest	—	—	4,741	—	—	26	4,767
Changes in noncontrolling interest from acquisition	—	—	—	—	—	1,349	1,349
Distributions to noncontrolling interest	—	—	—	—	—	(7,879)	(7,879)
Redemptions of noncontrolling interest	7	—	(1,048)	—	—	(320)	(1,368)
Common stock dividends ($2.0775 per share)	—	—	—	(135,894)	—	—	(135,894)
Balances at March 31, 2020	65,412	$ 7	$6,959,523	$ (708,697)	$ (22,668)	$ 189,784	$6,417,949

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands, except parenthetical amounts)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Cash flows from operating activities:		
Net income	$ 176,949	$ 328,765
Adjustments to reconcile net income to net cash provided by operating activities:		
Straight-lined rents	3,087	(208)
Depreciation and amortization	128,587	131,559
Amortization of discount on marketable securities	—	(2,394)
Amortization of discount and debt financing costs, net	2,132	2,297
(Gain) loss on sale of marketable securities	(2,611)	13
Provision for credit losses	38	(50)
Unrealized (gains) losses on equity securities recognized through income	(6,276)	8,696
Earnings from co-investments	(17,011)	(21,297)
Operating distributions from co-investments	46,355	19,388
Accrued interest from notes and other receivables	(4,201)	(355)
Gain on the sale of real estate and land	(100,096)	—
Equity-based compensation	1,386	1,405
Loss (gain) on early retirement of debt, net	2,517	(321)
Gain on remeasurement of co-investment	—	(234,694)
Changes in operating assets and liabilities:		
Prepaid expenses, receivables, operating lease right-of-use assets, and other assets	(41,060)	36
Accounts payable, accrued liabilities, and operating lease liabilities	4,976	32,808
Other liabilities	494	1,278
Net cash provided by operating activities	195,266	266,926
Cash flows from investing activities:		
Additions to real estate:		
Acquisitions of real estate and acquisition related capital expenditures, net of cash acquired	(1,203)	(458,302)
Redevelopment	(9,274)	(18,296)
Development acquisitions of and additions to real estate under development	(19,629)	(25,681)
Capital expenditures on rental properties	(16,720)	(17,151)
Investments in notes receivable	(69,885)	—
Collections of notes and other receivables	—	98,711
Proceeds from insurance for property losses	102	457
Proceeds from dispositions of real estate	243,365	—
Contributions to co-investments	(49,974)	(21,905)
Changes in refundable deposits	11	96
Purchases of marketable securities	(23,296)	(10,731)
Sales and maturities of marketable securities	14,772	165
Non-operating distributions from co-investments	78,600	7,000
Net cash provided by (used in) investing activities	146,869	(445,637)
Cash flows from financing activities:		
Proceeds from unsecured debt and mortgage notes	447,404	498,140
Payments on unsecured debt and mortgage notes	(600,858)	(102,563)
Proceeds from lines of credit	204,794	1,038,426
Repayments of lines of credit	(204,794)	(743,426)
Retirement of common stock	(9,172)	(176,311)
Additions to deferred charges	(3,434)	(5,172)

	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
Payments related to debt prepayment penalties		(2,132)		—
Net proceeds from issuance of common stock		—		(70)
Net proceeds from stock options exercised		1,701		14,329
Payments related to tax withholding for share-based compensation		(5,445)		(5,664)
Contributions from noncontrolling interest		1,900		—
Distributions to noncontrolling interest		(7,461)		(7,478)
Redemption of noncontrolling interest		(255)		(1,368)
Common stock dividends paid		(135,064)		(128,879)
Net cash (used in) provided by financing activities		(312,816)		379,964
Net increase in unrestricted and restricted cash and cash equivalents		29,319		201,253
Unrestricted and restricted cash and cash equivalents at beginning of period		84,041		81,094
Unrestricted and restricted cash and cash equivalents at end of period	$	113,360	$	282,347
Supplemental disclosure of cash flow information:				
Cash paid for interest (net of $2.1 million and $4.8 million capitalized in 2021 and 2020, respectively)	$	55,213	$	52,487
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$	1,738	$	1,715
Supplemental disclosure of noncash investing and financing activities:				
Transfers between real estate under development and rental properties, net	$	267	$	131,841
Transfer from real estate under development to co-investments	$	747	$	824
Reclassifications to (from) redeemable noncontrolling interest to/from additional paid in capital and noncontrolling interest	$	4,083	$	(4,767)

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)
(In thousands, except parenthetical and unit amounts)

ASSETS	March 31, 2021	December 31, 2020
Real estate:		
Rental properties:		
Land and land improvements	$ 2,902,401	$ 2,929,009
Buildings and improvements	12,075,518	12,132,736
	14,977,919	15,061,745
Less: accumulated depreciation	(4,259,148)	(4,133,959)
	10,718,771	10,927,786
Real estate under development	404,496	386,047
Co-investments	962,625	1,018,010
Real estate held for sale, net	—	57,938
	12,085,892	12,389,781
Cash and cash equivalents-unrestricted	103,442	73,629
Cash and cash equivalents-restricted	9,918	10,412
Marketable securities, net of allowance for credit losses of zero as of both March 31, 2021 and December 31, 2020	165,265	147,768
Notes and other receivables, net of allowance for credit losses of $0.9 million and $0.8 million as of March 31, 2021 and December 31, 2020, respectively (includes related party receivables of $57.6 million and $4.7 million as of March 31, 2021 and December 31, 2020, respectively)	266,896	195,104
Operating lease right-of-use assets	71,347	72,143
Prepaid expenses and other assets	87,444	47,340
Total assets	$ 12,790,204	$ 12,936,177
LIABILITIES AND CAPITAL		
Unsecured debt, net	$ 5,454,290	$ 5,607,985
Mortgage notes payable, net	642,419	643,550
Accounts payable and accrued liabilities	158,673	152,855
Construction payable	34,852	31,417
Distributions payable	142,822	141,917
Operating lease liabilities	73,201	74,037
Liabilities associated with real estate held for sale	—	29,845
Other liabilities	36,694	39,140
Total liabilities	6,542,951	6,720,746
Commitments and contingencies		
Redeemable noncontrolling interest	36,322	32,239
Capital:		
General Partner:		
Common equity (64,998,910 and 64,999,015 units issued and outstanding, respectively)	6,035,566	6,015,139
	6,035,566	6,015,139
Limited Partners:		
Common equity (2,293,760 and 2,294,760 units issued and outstanding, respectively)	59,328	58,184
Accumulated other comprehensive loss	(6,811)	(11,303)
Total partners' capital	6,088,083	6,062,020
Noncontrolling interest	122,848	121,172
Total capital	6,210,931	6,183,192
Total liabilities and capital	$ 12,790,204	$ 12,936,177

See accompanying notes to the unaudited condensed consolidated financial statements.

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ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Condensed Consolidated Statements of Income and Comprehensive Income
(Unaudited)
(In thousands, except unit and per unit amounts)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Revenues:		
Rental and other property	$ 352,876	$ 389,750
Management and other fees from affiliates	2,249	2,617
	355,125	392,367
Expenses:		
Property operating, excluding real estate taxes	65,151	64,131
Real estate taxes	45,328	43,012
Corporate-level property management expenses	8,947	8,759
Depreciation and amortization	128,587	131,559
General and administrative	9,812	13,982
Expensed acquisition and investment related costs	15	87
	257,840	261,530
Gain on sale of real estate and land	100,096	—
Earnings from operations	197,381	130,837
Interest expense	(51,649)	(55,147)
Total return swap income	2,844	1,984
Interest and other income (loss)	14,387	(5,221)
Equity income from co-investments	17,011	21,297
Deferred tax expense on unrealized gain on unconsolidated co-investment	(508)	—
(Loss) gain on early retirement of debt, net	(2,517)	321
Gain on remeasurement of co-investment	—	234,694
Net income	176,949	328,765
Net income attributable to noncontrolling interest	(2,558)	(2,773)
Net income available to common unitholders	$ 174,391	$ 325,992
Comprehensive income	$ 181,441	$ 319,678
Comprehensive income attributable to noncontrolling interest	(2,558)	(2,773)
Comprehensive income attributable to controlling interest	$ 178,883	$ 316,905
Per unit data:		
Basic:		
Net income available to common unitholders	$ 2.59	$ 4.77
Weighted average number of common units outstanding during the period	67,283,424	68,344,012
Diluted:		
Net income available to common unitholders	$ 2.59	$ 4.76
Weighted average number of common units outstanding during the period	67,408,737	68,495,596

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES

Condensed Consolidated Statements of Capital for the three months ended March 31, 2021 and 2020
(Unaudited)
(In thousands)

	General Partner		Limited Partners				
	Common Equity		Common Equity				
Three months ended March 31, 2021	Units	Amount	Units	Amount	Accumulated other comprehensive loss, net	Noncontrolling interest	Total
Balances at December 31, 2020	64,999	$ 6,015,139	2,295	$ 58,184	$ (11,303)	$ 121,172	$ 6,183,192
Net income	—	168,444	—	5,947	—	2,558	176,949
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	4,407	—	4,407
Change in fair value of marketable debt securities, net	—	—	—	—	85	—	85
Issuance of common units under:							
General partner's stock based compensation, net	39	(3,744)	—	—	—	—	(3,744)
Equity based compensation costs	—	5,028	—	54	—	—	5,082
Retirement of common units, net	(40)	(9,172)	—	—	—	—	(9,172)
Changes in the redemption value of redeemable noncontrolling interest	—	(4,178)	—	73	—	22	(4,083)
Contributions from noncontrolling interest	—	—	—	—	—	1,900	1,900
Distributions to noncontrolling interest	—	—	—	—	—	(2,760)	(2,760)
Redemptions	1	(75)	(1)	(136)		(44)	(255)
Distributions declared ($2.09 per unit)	—	(135,876)	—	(4,794)	—	—	(140,670)
Balances at March 31, 2021	64,999	$ 6,035,566	2,294	$ 59,328	$ (6,811)	$ 122,848	$ 6,210,931

Three months ended March 31, 2020	General Partner Common Equity Units	General Partner Common Equity Amount	Limited Partners Common Equity Units	Limited Partners Common Equity Amount	Accumulated other comprehensive loss, net	Noncontrolling interest	Total
Balances at December 31, 2019	66,092	$ 6,234,315	2,302	$ 57,359	$ (10,432)	$ 122,262	$ 6,403,504
Net income	—	315,006	—	10,986	—	2,773	328,765
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(8,782)	—	(8,782)
Change in fair value of marketable debt securities, net	—	—	—	—	(305)	—	(305)
Issuance of common units under:							
General partner's stock based compensation, net	89	8,665	—	—	—	—	8,665
Sale of common stock by general partner, net	—	(70)	—	—	—	—	(70)
Equity based compensation costs	—	1,619	2	79	—	—	1,698
Retirement of common units, net	(776)	(176,311)	—	—	—	—	(176,311)
Cumulative effect upon adoption of ASU No. 2016-13	—	(190)	—	—	—	—	(190)
Changes in redemption value of redeemable noncontrolling interest	—	4,741	—	(18)	—	44	4,767
Changes in noncontrolling interest from acquisition	—	—	—	—	—	1,349	1,349
Distributions to noncontrolling interest	—	—	—	—	—	(3,107)	(3,107)
Redemptions	7	(1,048)	(8)	(84)	—	(236)	(1,368)
Distributions declared ($2.0775 per unit)	—	(135,894)	—	(4,772)	—	—	(140,666)
Balances at March 31, 2020	65,412	$ 6,250,833	2,296	$ 63,550	$ (19,519)	$ 123,085	$ 6,417,949

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands, except parenthetical amounts)

	Three Months Ended March 31,	
	2021	2020
Cash flows from operating activities:		
Net income	$ 176,949	$ 328,765
Adjustments to reconcile net income to net cash provided by operating activities:		
Straight-lined rents	3,087	(208)
Depreciation and amortization	128,587	131,559
Amortization of discount on marketable securities	—	(2,394)
Amortization of discount and debt financing costs, net	2,132	2,297
(Gain) loss on sale of marketable securities	(2,611)	13
Provision for credit losses	38	(50)
Unrealized (gains) losses on equity securities recognized through income	(6,276)	8,696
Earnings from co-investments	(17,011)	(21,297)
Operating distributions from co-investments	46,355	19,388
Accrued interest from notes and other receivables	(4,201)	(355)
Gain on the sale of real estate and land	(100,096)	—
Equity-based compensation	1,386	1,405
Loss (gain) on early retirement of debt, net	2,517	(321)
Gain on remeasurement of co-investment	—	(234,694)
Changes in operating assets and liabilities:		
Prepaid expenses, receivables, operating lease right-of-use assets, and other assets	(41,060)	36
Accounts payable, accrued liabilities, and operating lease liabilities	4,976	32,808
Other liabilities	494	1,278
Net cash provided by operating activities	195,266	266,926
Cash flows from investing activities:		
Additions to real estate:		
Acquisitions of real estate and acquisition related capital expenditures, net of cash acquired	(1,203)	(458,302)
Redevelopment	(9,274)	(18,296)
Development acquisitions of and additions to real estate under development	(19,629)	(25,681)
Capital expenditures on rental properties	(16,720)	(17,151)
Investments in notes receivable	(69,885)	—
Collections of notes and other receivables	—	98,711
Proceeds from insurance for property losses	102	457
Proceeds from dispositions of real estate	243,365	—
Contributions to co-investments	(49,974)	(21,905)
Changes in refundable deposits	11	96
Purchases of marketable securities	(23,296)	(10,731)
Sales and maturities of marketable securities	14,772	165
Non-operating distributions from co-investments	78,600	7,000
Net cash provided by (used) in investing activities	146,869	(445,637)
Cash flows from financing activities:		
Proceeds from unsecured debt and mortgage notes	447,404	498,140
Payments on unsecured debt and mortgage notes	(600,858)	(102,563)
Proceeds from lines of credit	204,794	1,038,426
Repayments of lines of credit	(204,794)	(743,426)
Retirement of common units	(9,172)	(176,311)
Additions to deferred charges	(3,434)	(5,172)

	Three Months Ended March 31,	
	2021	2020
Payments related to debt prepayment penalties	(2,132)	—
Net proceeds from issuance of common units	—	(70)
Net proceeds from stock options exercised	1,701	14,329
Payments related to tax withholding for share-based compensation	(5,445)	(5,664)
Contributions from noncontrolling interest	1,900	—
Distributions to noncontrolling interest	(2,114)	(2,016)
Redemption of noncontrolling interests	(255)	(1,368)
Common units distributions paid	(140,411)	(134,341)
Net cash (used in) provided by financing activities	(312,816)	379,964
Net increase in unrestricted and restricted cash and cash equivalents	29,319	201,253
Unrestricted and restricted cash and cash equivalents at beginning of period	84,041	81,094
Unrestricted and restricted cash and cash equivalents at end of period	$ 113,360	$ 282,347
Supplemental disclosure of cash flow information:		
Cash paid for interest (net of $2.1 million and $4.8 million capitalized in 2021 and 2020, respectively)	$ 55,213	$ 52,487
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 1,738	$ 1,715
Supplemental disclosure of noncash investing and financing activities:		
Transfers between real estate under development and rental properties, net	$ 267	$ 131,841
Transfer from real estate under development to co-investments	$ 747	$ 824
Reclassifications to (from) redeemable noncontrolling interest to/from general and limited partner capital and noncontrolling interest	$ 4,083	$ (4,767)

See accompanying notes to the unaudited condensed consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
March 31, 2021 and 2020
(Unaudited)

(1) Organization and Basis of Presentation

The accompanying unaudited condensed consolidated financial statements present the accounts of Essex Property Trust, Inc. ("Essex" or the "Company"), which include the accounts of the Company and Essex Portfolio, L.P. and its subsidiaries (the "Operating Partnership," which holds the operating assets of the Company), prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") 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. 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, 2020.

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

The unaudited condensed consolidated financial statements for the three months ended March 31, 2021 and 2020 include the accounts of the Company and the Operating Partnership. Essex is the sole general partner of the Operating Partnership, with a 96.6% general partnership interest as of both March 31, 2021 and December 31, 2020. Total Operating Partnership limited partnership units ("OP Units," and the holders of such OP Units, "Unitholders") outstanding were 2,293,760 and 2,294,760 as of March 31, 2021 and December 31, 2020, respectively, and the redemption value of the units, based on the closing price of the Company's common stock totaled approximately $623.5 million and $544.8 million as of March 31, 2021 and December 31, 2020, respectively.

As of March 31, 2021, the Company owned or had ownership interests in 244 operating apartment communities, aggregating 60,175 apartment homes, excluding the Company's ownership interest in preferred interest co-investments, loan investments, one operating commercial building, and a development pipeline comprised of three consolidated projects and two unconsolidated joint venture projects. The operating apartment communities are located in Southern California (primarily Los Angeles, Orange, San Diego, and Ventura counties), Northern California (the San Francisco Bay Area) and the Seattle metropolitan areas.

Accounting Pronouncements Adopted in the Current Year

In January 2021, the FASB issued ASU No. 2021-01 "Reference Rate Reform (Topic 848): Scope." The amendments in ASU No. 2021-01 provide optional expedients to the current guidance on contract modifications and hedge accounting from the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. The guidance generally can be applied to applicable contract modifications through December 31, 2022. The Company adopted this new guidance in January 2021 on a prospective basis.This adoption did not have a material impact on the Company's consolidated results of operations or financial position.

Revenues and Gains on Sale of Real Estate

Revenues from tenants renting or leasing apartment homes are recorded when due from tenants and are recognized monthly as they are earned which generally approximates a straight-line basis, else, adjustments are made to conform to a straight-line basis. Apartment homes are rented under short-term leases (generally, lease terms of 9 to 12 months). Revenues from tenants leasing commercial space are recorded on a straight-line basis over the life of the respective lease. See Note 3, Revenues, for additional information regarding such revenues.

The Company also generates other property-related revenue associated with the leasing of apartment homes, including storage income, pet rent, and other miscellaneous revenue. Similar to rental income, such revenues are recorded when due from tenants and recognized monthly as they are earned.

Apart from rental and other property-related revenue, revenues from contracts with customers are recognized as control of the promised services is passed to the customer. For customer contracts related to management and other fees from affiliates (which includes asset management and property management), the transaction price and amount of revenue to be recognized is determined each quarter based on the management fee calculated and earned for that month or quarter. The contract will contain a description of the service and the fee percentage for management services. Payments from such services are one month or one quarter in arrears of the service performed.

The Company recognizes any gains on sales of real estate when it transfers control of a property and when it is probable that the Company will collect substantially all of the related consideration.

Marketable Securities

The Company reports its equity securities and available for sale debt securities at fair value, based on quoted market prices (Level 1 for the common stock and investment funds and Level 2 for the unsecured debt, as defined by the FASB standard for fair value measurements). As of March 31, 2021 and December 31, 2020, $2.4 million and $2.5 million, respectively, of equity securities presented within common stock and stock funds in the tables below, represent investments measured at fair value, using net asset value as a practical expedient, and are not categorized in the fair value hierarchy.

Any unrealized gain or loss in debt securities classified as available for sale is recorded as other comprehensive income. Unrealized gains and losses in equity securities, realized gains and losses in debt securities, interest income, and amortization of purchase discounts are included in interest and other income (loss) on the condensed consolidated statements of income and comprehensive income.

As of March 31, 2021 and December 31, 2020, equity securities and available for sale debt securities consisted primarily of investment-grade unsecured debt, and common stock and stock funds.

As of March 31, 2021 and December 31, 2020, marketable securities consist of the following ($ in thousands):

	March 31, 2021		
	Cost	Gross Unrealized Gain (Loss)	Carrying Value
Equity securities:			
Investment funds - debt securities	$ 61,430	$ (647)	$ 60,783
Common stock and stock funds	80,425	22,909	103,334
Debt securities:			
Available for sale			
Investment-grade unsecured debt	1,051	97	1,148
Total - Marketable securities	$ 142,906	$ 22,359	$ 165,265

	December 31, 2020		
	Cost	Gross Unrealized Gain (Loss)	Carrying Value
Equity securities:			
Investment funds - debt securities	$ 49,646	$ 985	$ 50,631
Common stock and stock funds	81,074	15,001	96,075
Debt securities:			
Available for sale			
Investment-grade unsecured debt	1,050	12	1,062
Total - Marketable securities	$ 131,770	$ 15,998	$ 147,768

The Company uses the specific identification method to determine the cost basis of a debt security sold and to reclassify amounts from accumulated other comprehensive income for such securities.

For the three months ended March 31, 2021 and 2020, the proceeds from sales and maturities of marketable securities totaled $14.8 million and $0.2 million, respectively, which resulted in $2.6 million in realized gains and $13 thousand in realized losses, respectively, for such periods.

For the three months ended March 31, 2021 and 2020, the portion of equity security unrealized gains or losses that were recognized in income totaled $6.3 million in gains and $8.7 million in losses, respectively, and were included in interest and other income (loss) on the Company's condensed consolidated statements of income and comprehensive income.

Variable Interest Entities

In accordance with accounting standards for consolidation of variable interest entities ("VIEs"), the Company consolidated the Operating Partnership, 18 DownREIT entities (comprising nine communities), and six co-investments as of March 31, 2021. As of December 31, 2020, the Company consolidated the Operating Partnership, 17 DownREIT entities (comprising nine communities) and five co-investments. The Company consolidates these entities because it is deemed the primary beneficiary. The Company has no assets or liabilities other than its investment in the Operating Partnership. The consolidated total assets and liabilities related to the above consolidated co-investments and DownREIT entities, net of intercompany eliminations, were approximately $900.6 million and $323.7 million, respectively, as of March 31, 2021 and $898.5 million and $326.8 million, respectively, as of December 31, 2020. Noncontrolling interests in these entities were $122.5 million and $120.8 million as of March 31, 2021 and December 31, 2020, respectively. The Company's financial risk in each VIE is limited to its equity investment in the VIE. As of March 31, 2021 and December 31, 2020, the Company did not have any VIEs of which it was not deemed to be the primary beneficiary.

Equity-based Compensation

The cost of share- and unit-based compensation awards is measured at the grant date based on the estimated fair value of the awards. The estimated fair value of stock options and restricted stock granted by the Company are being amortized over the vesting period. The estimated grant date fair values of the long term incentive plan units (discussed in Note 14, "Equity Based Compensation Plans," in the Company’s annual report on Form 10-K for the year ended December 31, 2020) are being amortized over the expected service periods.

Fair Value of Financial Instruments

Management believes that the carrying amounts of the outstanding balances under its lines of credit, and notes and other receivables approximate fair value as of March 31, 2021 and December 31, 2020, because interest rates, yields, and other terms for these instruments are consistent with interest rates, yields, and other terms currently available for similar instruments. Management has estimated that the fair value of the Company's fixed rate debt with a carrying value of $5.8 billion and $5.5 billion at March 31, 2021 and December 31, 2020, respectively, was approximately $6.1 billion and $6.0 billion, respectively. Management has estimated that the fair value of the Company's $324.0 million and $775.1 million of variable rate debt at March 31, 2021 and December 31, 2020, respectively, was approximately $322.2 million and $770.1 million, respectively, based on the terms of existing mortgage notes payable, unsecured debt, 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 March 31, 2021 and December 31, 2020 due to the short-term maturity of these instruments. Marketable securities are carried at fair value as of March 31, 2021 and December 31, 2020.

Capitalization of Costs

The Company's capitalized internal costs related to development and redevelopment projects were comprised primarily of interest and employee compensation and totaled $6.4 million and $9.9 million during the three months ended March 31, 2021 and 2020, respectively. The Company capitalizes leasing commissions associated with the lease-up of development communities and amortizes the costs over the life of the leases. The amounts capitalized for leasing commissions are immaterial for all periods presented.

Co-investments

The Company owns investments in joint ventures in which it has significant influence, but its ownership interest does not meet the criteria for consolidation in accordance with U.S. GAAP. Therefore, the Company accounts for co-investments using the equity method of accounting. Under the equity method of accounting, the investment is carried at the cost of assets contributed, plus the Company's equity in earnings less distributions received and the Company's share of losses. The significant accounting policies of the Company's co-investment entities are consistent with those of the Company in all material respects.

Upon the acquisition of a controlling interest of a co-investment, the co-investment entity is consolidated and a gain or loss is recognized upon the remeasurement of co-investments in the consolidated statement of income equal to the amount by which the fair value of the Company's previously owned co-investment interest exceeds its carrying value. A majority of the co-investments, excluding most preferred equity investments, compensate the Company for its asset management services and some of these investments may provide promote income if certain financial return benchmarks are achieved. Asset management fees are recognized when earned, and promote fees are recognized when the earnings events have occurred and the amount is determinable and collectible. Any promote fees are reflected in equity income from co-investments.

Changes in Accumulated Other Comprehensive Loss, Net by Component

Essex Property Trust, Inc.
($ in thousands):

	Change in fair value and amortization of swap settlements	Unrealized gain on available for sale securities	Total
Balance at December 31, 2020	$ (14,771)	$ 42	$ (14,729)
Other comprehensive income before reclassification	4,255	82	4,337
Amounts reclassified from accumulated other comprehensive loss	2	—	2
Other comprehensive income	4,257	82	4,339
Balance at March 31, 2021	$ (10,514)	$ 124	$ (10,390)

Essex Portfolio, L.P.
($ in thousands):

	Change in fair value and amortization of swap settlements	Unrealized gain/(loss) on available for sale securities	Total
Balance at December 31, 2020	$ (11,346)	$ 43	$ (11,303)
Other comprehensive income before reclassification	4,405	85	4,490
Amounts reclassified from accumulated other comprehensive loss	2	—	2
Other comprehensive income	4,407	85	4,492
Balance at March 31, 2021	$ (6,939)	$ 128	$ (6,811)

Amounts reclassified from accumulated other comprehensive loss in connection with derivatives are recorded in interest expense on the condensed consolidated statements of income and comprehensive income. Realized gains and losses on available for sale debt securities are included in interest and other income on the condensed consolidated statements of income and comprehensive income.

Redeemable Noncontrolling Interest

The carrying value of redeemable noncontrolling interest in the accompanying condensed consolidated balance sheets was $36.3 million and $32.2 million as of March 31, 2021 and December 31, 2020, respectively. The limited partners may redeem their noncontrolling interests for cash in certain circumstances.

The changes to the redemption value of redeemable noncontrolling interests for the three months ended March 31, 2021 is as follows ($ in thousands):

Balance at December 31, 2020	$ 32,239
Reclassification due to change in redemption value and other	4,083
Redemptions	—
Balance at March 31, 2021	$ 36,322

Cash, Cash Equivalents and Restricted Cash

Highly liquid investments with original maturities of three months or less when purchased are classified as cash equivalents. Restricted cash balances relate primarily to reserve requirements for capital replacement at certain communities in connection with the Company's mortgage debt.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows ($ in thousands):

	March 31, 2021	December 31, 2020	March 31, 2020	December 31, 2019
Cash and cash equivalents - unrestricted	$ 103,442	$ 73,629	$ 271,877	$ 70,087
Cash and cash equivalents - restricted	9,918	10,412	10,470	11,007
Total unrestricted and restricted cash and cash equivalents shown in the condensed consolidated statement of cash flows	$ 113,360	$ 84,041	$ 282,347	$ 81,094

Accounting Estimates

The preparation of condensed consolidated financial statements, in accordance with U.S. GAAP, 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 portfolio, 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.

(2) Significant Transactions During the Three Months Ended March 31, 2021 and Subsequent Events

Significant Transactions

Dispositions

In February 2021, the Company sold Hidden Valley, a 324 apartment home community located in Simi Valley, CA, for a total contract price of $105.0 million. The Company recognized a $69.2 million gain on sale. In conjunction with the sale, $29.7 million of mortgage debt that encumbered the property was repaid.

In February 2021, the Company sold Park 20, a 197 apartment home community located in San Mateo, CA, for a total contract price of $113.0 million. The Company recognized an immaterial gain on sale.

In February 2021, the Company sold Axis 2300, a 115 apartment home community located in Irvine, CA, for a total contract price of $57.5 million. The Company recognized a $30.8 million gain on sale.

Co-Investments

Preferred Equity Investments

In January 2021, the Company originated a preferred equity investment totaling $20.0 million in one multifamily community located in Washington. The investment has an initial preferred return of 10.0% and is scheduled to mature in January 2026.

In March 2021, the Company received cash of $10.0 million for the full redemption of a preferred equity investment in a joint venture that holds property located in Southern California.

In March 2021, the Company received cash of $110.2 million, including an early redemption fee of $3.5 million for the full redemption of a preferred equity investment in a joint venture that holds property located in Southern California.

Notes Receivable

In March 2021, the Company provided a $52.5 million related party bridge loan to Wesco I, LLC ("Wesco I") in connection with the payoff of a debt related to one of its properties located in Southern California. The note receivable accrued interest at 2.55% and is scheduled to mature in July 2021. The bridge loan is classified within notes and other receivables in the accompanying condensed consolidated balance sheets.

Common Stock

During the three months ended March 31, 2021, the Company repurchased and retired 40,000 shares totaling $9.2 million, including commissions. As a result, as of March 31, 2021, the Company had $214.5 million of purchase authority remaining under its $250.0 million stock repurchase plan.

Senior Unsecured Debt

In March 2021, the Operating Partnership issued $450.0 million of senior unsecured notes due on March 1, 2028 with a coupon rate of 1.700% per annum (the "2028 Notes"), which are payable on March 1 and September 1 of each year, beginning on September 1, 2021. The 2028 Notes were offered to investors at a price of 99.423% of par value. The 2028 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are unconditionally guaranteed by Essex. The Company used the net proceeds of this offering to repay upcoming debt maturities, including all or a portion of certain unsecured term loans, and for general corporate and working capital purposes.

Subsequent Events

None.

(3) Revenues

Disaggregated Revenue

The following table presents the Company’s revenues disaggregated by revenue source ($ in thousands):

	Three Months Ended March 31,	
	2021	2020
Rental income	$ 347,305	$ 383,498
Other property	5,571	6,252
Management and other fees from affiliates	2,249	2,617
Total revenues	$ 355,125	$ 392,367

The following table presents the Company’s rental and other property revenues disaggregated by geographic operating segment ($ in thousands):

	Three Months Ended March 31,	
	2021	2020
Southern California	$ 143,012	$ 151,895
Northern California	146,690	158,456
Seattle Metro	58,633	63,044
Other real estate assets [1]	4,541	16,355
Total rental and other property revenues	$ 352,876	$ 389,750

[1] Other real estate assets consist of revenues generated from retail space, commercial properties, held for sale properties, disposition properties and straight-line rent adjustments for concessions. Executive management does not evaluate such operating performance geographically.

The following table presents the Company's rental and other property revenues disaggregated by current property category status ($ in thousands):

	Three Months Ended March 31,	
	2021	**2020**
Same-property [1]	$ 317,806	$ 345,652
Acquisitions [2]	13,673	12,558
Development [3]	6,930	4,075
Redevelopment	4,590	5,401
Non-residential/other, net [4]	13,246	22,064
Straight line rent concession [5]	(3,369)	—
Total rental and other property revenues	$ 352,876	$ 389,750

[1] Properties that have comparable stabilized results as of January 1, 2020 and are consolidated by the Company for the three months ended March 31, 2021 and 2020. A community is generally considered to have reached stabilized operations once it achieves an initial occupancy of 90%.
[2] Acquisitions includes properties acquired which did not have comparable stabilized results as of January 1, 2020.
[3] Development includes properties developed which did not have stabilized results as of January 1, 2020.
[4] Non-residential/other, net consists of revenues generated from retail space, commercial properties, held for sale properties, disposition properties, student housing, properties undergoing significant construction activities that do not meet our redevelopment criteria, and three communities located in the California counties of Riverside, Santa Barbara, and Santa Cruz, which the Company does not consider its core markets.
[5] Same-property revenues reflect concessions on a cash basis. Total rental and other property revenues reflect concessions on a straight-line basis in accordance with U.S. GAAP.

Deferred Revenues and Remaining Performance Obligations

When cash payments are received or due in advance of the Company's performance of contracts with customers, deferred revenue is recorded. The total deferred revenue balance related to such contracts was $3.0 million and $3.1 million as of March 31, 2021 and December 31, 2020, respectively, and was included in accounts payable and accrued liabilities within the accompanying condensed consolidated balance sheets. The amount of revenue recognized for the three months ended March 31, 2021 that was included in the December 31, 2020 deferred revenue balance was $0.1 million, which was included in interest and other income within the condensed consolidated statements of income and comprehensive income.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in the revenue recognition accounting standard. As of March 31, 2021, the Company had $3.0 million of remaining performance obligations. The Company expects to recognize approximately 19% of these remaining performance obligations in 2021, an additional 48% through 2023, and the remaining balance thereafter.

(4) Co-investments

The Company has joint ventures and preferred equity investments in co-investments which are accounted for under the equity method. The co-investments, including BEXAEW, BEX II, BEX III, BEX IV, 500 Folsom, Wesco I, Wesco III, LLC ("Wesco III"), Wesco IV, LLC ("Wesco IV"), and Wesco V, LLC ("Wesco V"), own, operate, and develop apartment communities. The carrying values of the Company's co-investments as of March 31, 2021 and December 31, 2020 are as follows ($ in thousands, except parenthetical amounts):

	Weighted Average Company Ownership Percentage [1]	March 31, 2021	December 31, 2020
Ownership interest in:			
Wesco I, Wesco III, Wesco IV, and Wesco V	51 %	178,071	178,322
BEXAEW, BEX II, BEX III, BEX IV, and 500 Folsom [2]	50 %	294,737	152,309
Other	47 %	28,680	27,635
Total operating and other co-investments, net		501,488	358,266
Total predevelopment and development co-investments	50 %	22,237	157,433
Total preferred interest co-investments (includes related party investments of $83.3 million and $81.4 million as of March 31, 2021 and December 31, 2020, respectively)		438,900	502,311
Total co-investments, net		$ 962,625	$ 1,018,010

[1] Weighted average Company ownership percentages are as of March 31, 2021.
[2] 500 Folsom had not stabilized as of December 31, 2020. Its carrying value was included in the predevelopment and development co-investments balance as of December 31, 2020.

The combined summarized financial information of co-investments is as follows ($ in thousands):

	March 31, 2021	December 31, 2020
Combined balance sheets: [1]		
Rental properties and real estate under development	$ 4,054,459	$ 4,242,611
Other assets	224,288	200,777
Total assets	$ 4,278,747	$ 4,443,388
Debt	$ 2,496,205	$ 2,611,365
Other liabilities	189,046	189,515
Equity	1,593,496	1,642,508
Total liabilities and equity	$ 4,278,747	$ 4,443,388
Company's share of equity	$ 962,625	$ 1,018,010

	Three Months Ended March 31,	
	2021	2020
Combined statements of income: [1]		
Property revenues	$ 71,759	$ 77,369
Property operating expenses	(27,331)	(25,715)
Net operating income	44,428	51,654
Interest expense	(16,700)	(20,853)
General and administrative	(4,281)	(4,083)
Depreciation and amortization	(32,709)	(28,437)
Net loss	$ (9,262)	$ (1,719)
Company's share of net income [2]	$ 17,011	$ 21,297

[1] Includes preferred equity investments held by the Company.
[2] Includes the Company's share of equity income from joint ventures and preferred equity investments, gain on sales of co-investments, co-investment promote income and income from early redemption of preferred equity investments. Includes related party income of $2.3 million and $2.1 million for the three months ended March 31, 2021 and 2020, respectively.

(5) Notes and Other Receivables

Notes and other receivables consist of the following as of March 31, 2021 and December 31, 2020 ($ in thousands):

	March 31, 2021	December 31, 2020
Note receivable, secured, bearing interest at 9.90%, due November 2021 (Originated November 2018)	14,577	14,216
Notes receivable, secured, bearing interest at 10.50%, due February 2023 (Originated March 2020)	15,715	15,299
Note receivable, secured, bearing interest at 11.00%, due October 2023 (Originated April 2020)	30,761	25,461
Notes receivable, secured, bearing interest at 9.00%, due December 2023 (Originated November 2020)	81,766	79,827
Notes receivable, secured, bearing interest at 11.50%, due November 2024 (Originated November 2020)	27,175	15,423
Related party note receivable, secured, bearing interest at 2.55%, due July 2021 (Originated March 2021)[1]	52,500	—
Notes and other receivables from affiliates [2]	5,116	4,744
Straight line rent receivables[3]	22,115	25,214
Other receivables	18,047	15,671
Allowance for credit losses	(876)	(751)
Total notes and other receivables	$ 266,896	$ 195,104

[1] See Note 6, Related Party Transactions, for additional details.
[2] These amounts consist of short-term loans outstanding and due from various joint ventures as of March 31, 2021 and December 31, 2020. See Note 6, Related Party Transactions, for additional details.
[3] These amounts are receivables from lease concessions recorded on a straight-line basis for the Company's operating properties.

The following table presents the activity in the allowance for credit losses for notes and other receivables by loan type ($ in thousands):

	Mezzanine Loans	Bridge Loans	Total
Balance at December 31, 2020	$ 751	$ —	$ 751
Provision for credit losses	99	26	125
Balance at March 31, 2021	$ 850	$ 26	$ 876

No loans were placed on nonaccrual status or charged off during the three months ended March 31, 2021 or 2020.

(6) Related Party Transactions

The Company charges certain fees relating to its co-investments for asset management, property management, development and redevelopment services. These fees from affiliates totaled $2.2 million and $3.1 million during the three months ended March 31, 2021 and 2020, respectively. All of these fees are net of intercompany amounts eliminated by the Company. The Company netted development and redevelopment fees of approximately zero and $0.4 million against general and administrative expenses for the three months ended March 31, 2021 and 2020, respectively.

The Company's Chairman and founder, Mr. George M. Marcus, is the Chairman of the Marcus & Millichap Company ("MMC"), which is a parent company of a diversified group of real estate service, investment, and development firms. Mr. Marcus is also the Co-Chairman of Marcus & Millichap, Inc. ("MMI"), and Mr. Marcus owns a controlling interest in MMI, a national brokerage firm listed on the New York Stock Exchange. For the three months ended March 31, 2021 and 2020, the Company paid brokerage commissions totaling zero and $0.2 million, respectively, to MMC and its affiliates related to real estate transactions.

In March 2021, the Company provided a $52.5 million related party bridge loan to Wesco I in connection with the payoff of a debt related to one of its properties located in Southern California. The note receivable accrued interest at 2.55% and is scheduled to mature in July 2021. The bridge loan is classified within notes and other receivables in the accompanying condensed consolidated balance sheets and had an outstanding balance of $52.5 million as of March 31, 2021.

In November 2019, the Company provided an $85.5 million related party bridge loan to Wesco V in connection with the acquisition of Velo and Ray. The note receivable accrued interest at LIBOR plus 1.30% and was scheduled to mature in February 2020, but was paid off in January 2020. The bridge loan was classified within notes and other receivables in the accompanying condensed consolidated balance sheets.

In June 2019, the Company acquired Brio, a 300 unit apartment home community located in Walnut Creek, CA. The Company issued DownREIT units to an affiliate of MMC, based on a contract price of $164.9 million. The property was encumbered by $98.7 million of mortgage debt which was assumed by the Company at the time of acquisition. As a result of this transaction, the Company consolidated the property, based on a VIE analysis performed by the Company.

In February 2019, the Company funded a $24.5 million preferred equity investment in an entity whose sponsor is an affiliate of MMC, which owns a multifamily development community located in Mountain View, CA. The investment has an initial preferred return of 11.0% and is scheduled to mature in February 2024.

In October 2018, the Company funded a $18.6 million preferred equity investment in an entity whose sponsor is an affiliate of MMC. The entity wholly owns a 268 apartment home community development located in Burlingame, CA. This investment accrues interest based on an initial 12.0% preferred return. The investment is scheduled to mature in April 2024.

In May 2018, the Company made a commitment to fund a $26.5 million preferred equity investment in an entity whose sponsors include an affiliate of MMC. The entity wholly owns a 400 apartment home community located in Ventura, CA. This investment accrues interest based on a 10.25% preferred return. The investment is scheduled to mature in May 2023. As of March 31, 2021, the Company had funded $23.4 million of the commitment. The remaining committed amount will be funded if and when requested by the sponsors.

In March 2017, the Company converted its existing $15.3 million preferred equity investment in Sage at Cupertino, a 230 apartment home community located in San Jose, CA, into a 40.5% common equity ownership interest in the property. The Company issued DownREIT units to the other members, including an MMC affiliate, based on an estimated property valuation of $90.0 million. At the time of the conversion, the property was encumbered by $52.0 million of mortgage debt. As a result of this transaction, the Company consolidates the property, based on a consolidation analysis performed by the Company.

As described in Note 5, Notes and Other Receivables, the Company has provided short-term loans to affiliates. As of March 31, 2021 and December 31, 2020, $57.6 million and $4.7 million, respectively, of short-term loans remained outstanding due from joint venture affiliates and is classified within notes and other receivables in the accompanying condensed consolidated balance sheets.

(7) Debt

Essex does not have indebtedness as debt is incurred by the Operating Partnership. Essex guarantees the Operating Partnership’s unsecured debt including the revolving credit facilities for the full term of the facilities.

Debt consists of the following ($ in thousands):

	March 31, 2021	December 31, 2020	Weighted Average Maturity In Years as of March 31, 2021
Unsecured bonds private placement - fixed rate	$ 49,989	$ 199,950	0.4
Term loan - variable rate	99,916	549,380	0.9
Bonds public offering - fixed rate	5,304,385	4,858,655	9.0
Unsecured debt, net [1]	5,454,290	5,607,985	
Lines of credit [2]	—	—	
Mortgage notes payable, net [3]	642,419	643,550	9.2
Total debt, net	$ 6,096,709	$ 6,251,535	
Weighted average interest rate on fixed rate unsecured bonds private placement and bonds public offering	3.3 %	3.4 %	
Weighted average interest rate on variable rate term loan	1.1 %	1.7 %	
Weighted average interest rate on lines of credit	1.0 %	1.0 %	
Weighted average interest rate on mortgage notes payable	2.6 %	2.7 %	

(1) Includes unamortized discount of $12.0 million and $10.1 million and unamortized debt issuance costs of $33.7 million and $31.9 million, as of March 31, 2021 and December 31, 2020, respectively.
(2) Lines of credit, related to the Company's two lines of unsecured credit aggregating $1.24 billion as of March 31, 2021, excludes unamortized debt issuance costs of $3.3 million and $3.7 million as of March 31, 2021 and December 31, 2020, respectively. These debt issuance costs are included in prepaid expenses and other assets on the condensed consolidated balance sheets. As of March 31, 2021, the Company’s $1.2 billion credit facility had an interest rate of LIBOR plus 0.825%, which is based on a tiered rate structure tied to the Company’s credit ratings and a scheduled maturity date of December 2023 with one 18-month extension, exercisable at the Company’s option. As of March 31, 2021, the Company’s $35.0 million working capital unsecured line of credit had an interest rate of LIBOR plus 0.825%, which is based on a tiered rate structure tied to the Company’s credit ratings, and a scheduled maturity date of February 2023.
(3) Includes total unamortized premium of $3.5 million and $3.9 million, reduced by unamortized debt issuance costs of $1.7 million and $1.8 million, as of March 31, 2021 and December 31, 2020, respectively.

The aggregate scheduled principal payments of the Company’s outstanding debt, excluding lines of credit, as of March 31, 2021 are as follows ($ in thousands):

Remaining in 2021	$	52,644
2022		143,188
2023		602,945
2024		403,109
2025		633,054
Thereafter		4,305,629
Total	$	6,140,569

(8) Segment Information

The Company's segment disclosures present the measure used by the chief operating decision makers for purposes of assessing each segment's performance. The Company's chief operating decision makers are comprised of several members of its executive management team who use net operating income ("NOI") to assess the performance of the business for the Company's reportable operating segments. NOI represents total property revenues less direct property operating expenses.

The executive management team generally evaluates the Company's operating performance geographically. The Company defines its reportable operating segments as the three geographical regions in which its communities are located: Southern California, Northern California, and Seattle Metro.

Excluded from segment revenues and NOI are management and other fees from affiliates and interest and other income. Non-segment revenues and NOI included in the following schedule also consist of revenues generated from commercial properties and properties that have been sold. Other non-segment assets include items such as real estate under development, co-investments, real estate held for sale, cash and cash equivalents, marketable securities, notes and other receivables, and prepaid expenses and other assets.

The revenues and NOI for each of the reportable operating segments are summarized as follows for the three months ended March 31, 2021 and 2020 ($ in thousands):

	Three Months Ended March 31,	
	2021	2020
Revenues:		
Southern California	$ 143,012	$ 151,895
Northern California	146,690	158,456
Seattle Metro	58,633	63,044
Other real estate assets	4,541	16,355
Total property revenues	$ 352,876	$ 389,750
Net operating income:		
Southern California	$ 99,251	$ 108,289
Northern California	101,625	117,187
Seattle Metro	38,779	44,426
Other real estate assets	2,742	12,705
Total net operating income	242,397	282,607
Management and other fees from affiliates	2,249	2,617
Corporate-level property management expenses	(8,947)	(8,759)
Depreciation and amortization	(128,587)	(131,559)
General and administrative	(9,812)	(13,982)
Expensed acquisition and investment related costs	(15)	(87)
Gain on sale of real estate and land	100,096	—
Interest expense	(51,649)	(55,147)
Total return swap income	2,844	1,984
Interest and other income (loss)	14,387	(5,221)
Equity income from co-investments	17,011	21,297
Deferred tax expense on unrealized gain on unconsolidated co-investment	(508)	—
(Loss) gain on early retirement of debt, net	(2,517)	321
Gain on remeasurement of co-investment	—	234,694
Net income	$ 176,949	$ 328,765

Total assets for each of the reportable operating segments are summarized as follows as of March 31, 2021 and December 31, 2020 ($ in thousands):

	March 31, 2021	December 31, 2020
Assets:		
Southern California	$ 3,956,663	$ 3,993,275
Northern California	5,363,795	5,408,019
Seattle Metro	1,389,142	1,403,678
Other real estate assets	9,171	122,814
Net reportable operating segment - real estate assets	10,718,771	10,927,786
Real estate under development	404,496	386,047
Co-investments	962,625	1,018,010
Real estate held for sale	—	57,938
Cash and cash equivalents, including restricted cash	113,360	84,041
Marketable securities	165,265	147,768
Notes and other receivables	266,896	195,104
Operating lease right-of-use assets	71,347	72,143
Prepaid expenses and other assets	87,444	47,340
Total assets	$ 12,790,204	$ 12,936,177

(9) Net Income Per Common Share and Net Income Per Common Unit

($ in thousands, except share and unit data):

Essex Property Trust, Inc.

	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020		
	Income	Weighted-average Common Shares	Per Common Share Amount	Income	Weighted-average Common Shares	Per Common Share Amount
Basic:						
Net income available to common stockholders	$ 168,444	64,989,620	$ 2.59	$ 315,006	66,043,831	$ 4.77
Effect of Dilutive Securities:						
Stock options	—	31,066		—	57,337	
DownREIT units	197	94,247		196	94,247	
Diluted:						
Net income available to common stockholders	$ 168,641	65,114,933	$ 2.59	$ 315,202	66,195,415	$ 4.76

The table above excludes from the calculations of diluted earnings per share weighted average convertible OP Units of 2,293,804 and 2,300,181, which include vested 2014 Long-Term Incentive Plan Units, and 2015 Long-Term Incentive Plan Units for the three months ended March 31, 2021 and 2020, respectively, because they were anti-dilutive. The related income allocated to these convertible OP Units aggregated $5.9 million and $11.0 million for the three months ended March 31, 2021 and 2020, respectively. Additionally, the table excludes all DownREIT units for which the Operating Partnership has the ability and intention to redeem the units for cash and does not consider them to be common stock equivalents.

Stock options of 349,252 and 116,380 for the three months ended March 31, 2021 and 2020, respectively, were excluded from the calculation of diluted earnings per share because the assumed proceeds per share of such options plus the average unearned compensation were greater than the average market price of the common stock for the periods ended and, therefore, were anti-dilutive.

Essex Portfolio, L.P.

	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020		
	Income	Weighted-average Common Units	Per Common Unit Amount	Income	Weighted-average Common Units	Per Common Unit Amount
Basic:						
Net income available to common unitholders	$ 174,391	67,283,424	$ 2.59	$ 325,992	68,344,012	$ 4.77
Effect of Dilutive Securities:						
Stock options	—	31,066		—	57,337	
DownREIT units	197	94,247		196	94,247	
Diluted:						
Net income available to common unitholders	$ 174,588	67,408,737	$ 2.59	$ 326,188	68,495,596	$ 4.76

Stock options of 349,252 and 116,380 for the three months ended March 31, 2021 and 2020, respectively, were excluded from the calculation of diluted earnings per unit because the assumed proceeds per unit of these options plus the average unearned compensation were greater than the average market price of the common unit for the periods ended and, therefore, were anti-dilutive. Additionally, the table excludes all DownREIT units for which the Operating Partnership has the ability and intention to redeem the units for cash and does not consider them to be common stock equivalents.

(10) Derivative Instruments and Hedging Activities

As of March 31, 2021 and December 31, 2020, the aggregate carrying value of the interest rate swap contracts were a liability of zero and $2.4 million, respectively. As of March 31, 2021 and December 31, 2020, the swap contracts were presented in the condensed consolidated balance sheets as an asset of zero for both periods and a liability of zero and $2.4 million, respectively, and were included in other liabilities on the condensed consolidated balance sheets.

The Company has four total return swap contracts, with an aggregate notional amount of $224.9 million, that effectively convert $224.9 million of mortgage notes payable to a floating interest rate based on the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") plus a spread. The total return swaps provide fair market value protection on the mortgage notes payable to the counterparties during the initial period of the total return swap until the Company's option to call the mortgage notes at par can be exercised. The Company can currently call all of its total return swaps, with $224.9 million of the outstanding debt at par. These derivatives do not qualify for hedge accounting and had a carrying and fair value of zero at both March 31, 2021 and December 31, 2020. These total return swaps are scheduled to mature between November 2022 and December 2024. The realized gains of $2.8 million and $2.0 million for the three months ended March 31, 2021 and 2020, respectively, were reported in the condensed consolidated statements of income and comprehensive income as total return swap income.

(11) Commitments and Contingencies

The Company is subject to various lawsuits in the normal course of its business operations. Such lawsuits have not had a material adverse effect on the Company's financial condition, results of operations or cash flows. While no assurances can be given, the Company does not believe there is any pending or threatened litigation against the Company that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the Company.

The Company is subject to various federal, state, and local environmental and other laws. Compliance by the Company with existing laws has not had a material adverse effect on the Company. However, the Company cannot predict the impact of new or changed laws or regulations on its current portfolio or on other assets that the Company may acquire in the future, including, without limitation, certain eviction moratoriums and other mandates that have been, or may be, enacted in connection with the COVID-19 pandemic. To the extent that an environmental or other matter arises or is identified in the future that has other than a remote risk of having a material impact on the condensed consolidated financial statements, the Company will disclose the estimated range of possible outcomes associated with it, and, if an outcome is probable, accrue an appropriate liability for that matter. The Company will consider whether any such matter results in an impairment of value on the affected property and, if so, impairment will be recognized.

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

The following discussion and analysis 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 2020 annual report on Form 10-K for the year ended December 31, 2020. Capitalized terms not defined in this section have the meaning ascribed to them elsewhere in this Quarterly Report on Form 10-Q. The Company makes statements in this section that are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section in this Form 10-Q entitled "Forward-Looking Statements."

Essex is a self-administered and self-managed REIT that acquires, develops, redevelops, and manages apartment communities in selected residential areas located on the West Coast of the United States. Essex owns all of its interests in its real estate investments, directly or indirectly through the Operating Partnership. Essex is the sole general partner of the Operating Partnership and, as of March 31, 2021, had an approximately 96.6% general partnership interest in the Operating Partnership.

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 acquisition, development, redevelopment, and disposition activities to markets that will optimize the performance of the Company's portfolio.

As of March 31, 2021, the Company owned or had ownership interests in 244 operating apartment communities, comprising 60,175 apartment homes, excluding the Company's ownership interest in preferred equity co-investments, loan investments, one operating commercial building, and a development pipeline comprised of three consolidated projects and two unconsolidated joint venture projects.

The Company's apartment communities are located in the following major regions:

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

As of March 31, 2021, the Company's development pipeline was comprised of three consolidated projects under development, two unconsolidated joint venture projects under development, and various predevelopment projects aggregating 1,316 apartment homes, with total incurred costs of $0.6 billion, and estimated remaining project costs of approximately $136.0 million, $90.0 million of which represents the Company's share of estimated remaining costs, for total estimated project costs of $0.7 billion.

The Company's consolidated apartment communities are as follows:

	As of March 31, 2021		As of March 31, 2020	
	Apartment Homes	%	Apartment Homes	%
Southern California	22,121	43 %	22,675	43 %
Northern California	19,123	37 %	19,748	37 %
Seattle Metro	10,218	20 %	10,343	20 %
Total	51,462	100 %	52,766	100 %

Co-investments, including Wesco I, Wesco III, Wesco IV, Wesco V, BEXAEW, BEX II, BEX III, BEX IV, and 500 Folsom communities, developments under construction, and preferred equity interest co-investment communities are not included in the table presented above for both periods.

Current Material Development – the COVID-19 Pandemic

The United States and other countries around the world are continuing to experience an unprecedented health pandemic related to COVID-19, which has created considerable instability, disruption, and uncertainty. Governmental authorities in impacted regions are taking dramatic and unpredictable actions in an effort to slow COVID-19's spread. Federal, state and local jurisdictions have issued and revised varying forms of "Shelter-in-Place" orders, halted or restricted public gatherings and restricted business to only those that are considered "essential" or requiring businesses to make changes to their operations in a manner that negatively affects profitability, resulting in extraordinary job losses and related financial impacts that will affect future operations to an unknown extent. Moreover, eviction moratoriums and, laws that limit rent increases during times of emergency and prohibit the ability to collect unpaid rent during certain timeframes, have been enacted in various formats at various levels of government, including regions in which Essex's communities are located, impacting Essex properties. The Company is working to comply with the stated intent of local, county, state and federal laws. In that regard, the Company has implemented a wide range of practices to protect and support its employees and residents. Such measures include:

- closing the Company's corporate offices and instituting “work from home” measures for corporate associates;
- closing leasing offices to non-Essex personnel, reducing on-site staff so that hygiene and “social distancing” standards can be effectively managed and applied, and requiring face coverings to be worn;
- transitioning most public interactions with leasing staff to on-line and telephonic communications;
- increasing cleaning practices for common areas and community amenities and temporarily closing common areas and community amenities or opening with limited hours, limited capacity or by reservation only, depending in part on jurisdictional requirements; and
- delaying the response to maintenance orders in certain circumstances in order to promote the protection of our employees and residents.

Due to the COVID-19 pandemic, some of the Company's residents, their health, their employment, and, thus, their ability to pay rent, have been and may continue to be impacted. To support residents, the Company has implemented the following steps, including, but not limited to:

- assembling a Resident Response Team to effectively and efficiently respond to resident needs and concerns with respect to the pandemic;
- structuring payment plans for residents who are unable to pay their rent as a result of the outbreak and waiving late fees for those residents; and
- establishing the Essex Cares fund for the purpose of supporting the Company’s residents and communities that are experiencing financial hardships caused by the COVID-19 pandemic.

The impact of the COVID-19 pandemic on the U.S. and world economies generally, and on the Company's results in particular, has been, and may continue to be significant. The long-term impact will largely depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, when a vaccine is developed and can be safely and widely distributed and whether employees and employers will continue to promote remote work if and when the pandemic concludes. This includes new information which may emerge concerning the severity of COVID-19, the success of actions taken to contain or treat COVID-19, future laws that may be enacted, the impact on job growth and the broader economy, and reactions by consumers, companies, governmental entities and capital markets.

Primarily as a result of the impact of the COVID-19 pandemic, the Company's cash delinquencies as a percentage of scheduled rental income for the Company’s stabilized apartment communities or "Same-Property" (stabilized properties consolidated by the Company for the quarters ended March 31, 2021 and 2020) increased from 0.4% for the three months ended March 31, 2020 to 2.1% for the three months ended March 31, 2021. The Company has executed some payment plans and will continue to work with residents to execute payment plans related to such cash delinquencies. As of March 31, 2021, the increase in delinquencies has not had a material adverse impact on the Company's liquidity position. The Company's average financial occupancy for the Company’s Same-Property portfolio remained consistent at 96.7% for the three months ended March 31, 2021 and 2020.

The COVID-19 pandemic has not negatively impacted the Company's ability to access traditional funding sources on the same or reasonably similar terms as were available in recent periods prior to the pandemic, as demonstrated by the Company's financing activity during the three months ended March 31, 2021 discussed in the "Liquidity and Capital Resources" section below. The Company is not at material risk of not meeting the covenants in its credit agreements and is able to timely service its debt and other obligations.

Comparison of the Three Months Ended March 31, 2021 to the Three Months Ended March 31, 2020

The Company’s average financial occupancy for the Company’s Same-Property portfolio was 96.7% for the three months ended March 31, 2021 and 2020. Financial occupancy is defined as the percentage resulting from dividing actual rental income by total scheduled rental income. Actual rental income represents contractual rental income pursuant to leases without considering delinquency and concessions. Total scheduled rental income represents the value of all apartment homes, with occupied apartment homes valued at contractual rental rates pursuant to leases and vacant apartment homes valued at estimated market rents. The Company believes that financial occupancy is a meaningful measure of occupancy because it considers the value of each vacant apartment home at its estimated market rate.

Market rates are determined using the recently signed effective rates on new leases at the property and are used as the starting point in the determination of the market rates of vacant apartment homes. The Company may increase or decrease these rates based on a variety of factors, including overall supply and demand for housing, concentration of new apartment deliveries within the same submarket which can cause periodic disruption due to greater rental concessions to increase leasing velocity, and rental affordability. Financial occupancy may not completely reflect short-term trends in physical occupancy and financial occupancy rates, and the Company's calculation of financial occupancy may not be comparable to financial occupancy disclosed by other REITs.

The Company does not take into account delinquency and concessions to calculate actual rent for occupied apartment homes and market rents for vacant apartment homes. The calculation of financial occupancy compares contractual rates for occupied apartment homes to estimated market rents for unoccupied apartment homes, and thus the calculation compares the gross value of all apartment homes 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 income, is not considered the best metric to quantify occupancy.

The regional breakdown of the Company's Same-Property portfolio for financial occupancy for the three months ended March 31, 2021 and 2020 is as follows:

	Three Months Ended March 31,	
	2021	2020
Southern California	96.7 %	96.6 %
Northern California	96.6 %	96.9 %
Seattle Metro	96.6 %	96.8 %

The following table provides a breakdown of revenues amounts, including revenues attributable to the Same-Properties:

Property Revenues ($ in thousands)	Number of Apartment Homes	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Dollar Change	Percentage Change
Same-Property Revenues:					
Southern California	20,800	$ 135,461	$ 143,774	$ (8,313)	(5.8) %
Northern California	16,072	123,712	138,834	(15,122)	(10.9) %
Seattle Metro	10,218	58,633	63,044	(4,411)	(7.0) %
Total Same-Property Revenues	47,090	317,806	345,652	(27,846)	(8.1) %
Non-Same Property Revenues		35,070	44,098	(9,028)	(20.5) %
Total Property Revenues		$ 352,876	$ 389,750	$ (36,874)	(9.5) %

Same-Property Revenues decreased by $27.8 million or 8.1% to $317.8 million in the first quarter of 2021 from $345.7 million in the first quarter of 2020. The decrease was primarily attributable to an additional $10.4 million of cash concessions compared to the prior year period and a decrease of 3.3% in average rental rates from $2,368 per apartment home in the first quarter of 2020 to $2,289 per apartment home in the first quarter of 2021. Additionally, delinquencies as a percentage of scheduled rent increased from 0.4% in the first quarter of 2020 to 2.1% in the first quarter of 2021.

Non-Same Property Revenues decreased by $9.0 million or 20.5% to $35.1 million in the first quarter of 2021 from $44.1 million in the first quarter of 2020. The decrease was primarily due to sales in 2020 and the sales of Hidden Valley, Axis 2300, and Park 20 in the first quarter of 2021.

Management and other fees from affiliates decreased by $0.4 million or 15.4% to $2.2 million in the first quarter of 2021 from $2.6 million in the first quarter of 2020. The decrease was primarily due to a decrease in asset management fees resulting from the consolidation of six communities as part of the Company's purchase of CPPIB's 45.0% co-investment interests in the first quarter of 2020, and a decrease in revenues used to calculate management fees.
Property operating expenses, excluding real estate taxes increased $1.1 million or 1.7% to $65.2 million for the first quarter of 2021 compared to $64.1 million for the first quarter of 2020, primarily due to increases of $1.3 million in utilities expenses and

$0.2 million in maintenance and repairs expenses, offset by a decrease of $0.5 million in administrative expenses. Same-Property operating expenses, excluding real estate taxes, increased by $1.1 million or 1.9% to $58.9 million in the first quarter of 2021 compared to $57.8 million in the first quarter of 2020, primarily due to increases of $1.2 million in utilities expenses, $0.5 million in insurance and other expenses, and $0.3 million in maintenance and repairs expenses. These increases were offset by a decrease of $1.0 million in administrative expenses.

Real estate taxes increased $2.3 million or 5.3% to $45.3 million for the first quarter of 2021 compared to $43.0 million for the first quarter of 2020, primarily due to an increase in assessed valuations and tax rates. Same-Property real estate taxes increased by $1.9 million or 5.1% to $39.0 million in the first quarter of 2021 compared to $37.1 million in the first quarter of 2020, primarily due to an increase in assessed valuations and tax rates.

Corporate-level property management expenses increased by $0.1 million or 1.1% to $8.9 million for the first quarter of 2021 compared to $8.8 million for the first quarter of 2020.

Gain on sale of real estate and land of $100.1 million in the first quarter of 2021 was attributable to the sale of Hidden Valley, Axis 2300, and Park 20 apartment home communities.

Depreciation and amortization expense decreased by $3.0 million or 2.3% to $128.6 million for the first quarter of 2021 compared to $131.6 million for the first quarter of 2020, primarily due to decrease in amortization expense resulting from certain lease intangibles becoming fully amortized during 2020 and the sale of Hidden Valley, Axis 2300, and Park 20 apartment home communities.

Interest expense decreased by $3.5 million or 6.4% to $51.6 million for the first quarter of 2021 compared to $55.1 million for the first quarter of 2020, primarily due to a decrease in average outstanding debt primarily as a result of debt that was paid off or matured, regular principal amortization during and after the first quarter of 2020, and lower average interest rates, which resulted in a decrease in interest expense of $13.2 million for the first quarter of 2020. These decreases to interest expense were partially offset by the issuance of $450.0 million of senior unsecured notes due March 1, 2028 in February 2021, $650 million of senior unsecured notes due March 15, 2032 in February and June 2020, and $600 million of senior unsecured notes due January 15, 2031 and September 1, 2050 in August 2020, which resulted in an increase of $7.0 million interest expense for the first quarter of 2021. Additionally, there was a $2.7 million decrease in capitalized interest in the first quarter of 2021, due to a decrease in development activity as compared to the same period in 2020.

Total return swap income of $2.8 million in the first quarter of 2021 consists of monthly settlements related to the Company's total return swap contracts with an aggregate notional amount of $224.9 million.

Interest and other income increased by $19.6 million or 376.9% to $14.4 million in income for the first quarter of 2021 compared to $5.2 million in expense for the first quarter of 2020, primarily due to increases of $15.0 million in unrealized gains on marketable securities, $2.6 million in gain on sale of marketable securities, and $1.9 million in marketable securities and other income.

Equity income from co-investments decreased by $4.3 million or 20.2% to $17.0 million for the first quarter of 2021 compared to $21.3 million for the first quarter of 2020, primarily due to decreases of $6.5 million in co-investment promote income and $4.4 million in equity income from co-investments. The decreases were partially offset by an increase of $4.8 million in income from preferred equity investments including income from early redemptions, and an increase of $1.7 million in equity income from non-core co-investments.

Deferred tax expense on unrealized gain on unconsolidated co-investment of $0.5 million for the first quarter of 2021 resulted from a net unrealized gain on $1.6 million from unconsolidated co-investments.

Loss on early retirement of debt, net of $2.5 million for the first quarter of 2021 was primarily due to the early termination of the Company's five interest rate swap contracts in conjunction with the partial repayment of the Company's unsecured term debt.

Liquidity and Capital Resources

The United States and other countries around the world are experiencing an unprecedented health pandemic related to COVID-19, which has created considerable instability and disruption in the U.S. and world economies. Governmental authorities in affected regions are taking extraordinary steps in an effort to slow down the spread of the virus and mitigate its impact on affected populations.

As of March 31, 2021, the Company had $103.4 million of unrestricted cash and cash equivalents and $165.3 million in marketable securities, all of which were equity securities or available for sale debt securities. The Company believes that cash flows generated by its operations, existing cash and cash equivalents, marketable securities balances and availability under existing lines of credit are sufficient to meet all of its anticipated cash needs during the next twelve months. Additionally, the capital markets continue to be available and the Company is able to generate cash from the disposition of real estate assets to finance additional cash flow needs, including continued development and select acquisitions. In the event that conditions become further exacerbated due to the COVID-19 pandemic and related economic disruptions, the Company may further utilize other resources such as its cash reserves, lines of credit, or decreased investment in redevelopment activities to supplement operating cash flows. The Company is carefully monitoring and managing its cash position in light of ongoing conditions and levels of operations. 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 the Company's plans for acquisitions, dispositions, development and redevelopment activities.

As of March 31, 2021, Moody’s Investor Service, and Standard and Poor's credit agencies rated the Company and the Operating Partnership, Baa1/Stable, and BBB+/Stable, respectively.

As of March 31, 2021, the Company had two unsecured lines of credit aggregating $1.24 billion. As of March 31, 2021, there was no amount outstanding on the Company's $1.2 billion unsecured line of credit. The underlying interest rate is based on a tiered rate structure tied to the Company's credit ratings and was LIBOR plus 0.825% as of March 31, 2021. This facility is scheduled to mature in December 2023, with one 18-month extension, exercisable at the Company's option. As of March 31, 2021, there was no amount outstanding on the Company's $35.0 million working capital unsecured line of credit. The underlying interest rate on the $35.0 million line is based on a tiered rate structure tied to the Company's credit ratings and was LIBOR plus 0.825% as of March 31, 2021. This facility is scheduled to mature in February 2023.

In March 2021, the Operating Partnership issued $450.0 million of senior unsecured notes due on March 1, 2028 with a coupon rate of 1.700% per annum (the "2028 Notes"), which are payable on March 1 and September 1 of each year, beginning on September 1, 2021. The 2028 Notes were offered to investors at a price of 99.423% of par value. The 2028 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are unconditionally guaranteed by Essex. The Company used the net proceeds of this offering to repay upcoming debt maturities, including all or a portion of certain unsecured term loans, and for general corporate and working capital purposes.

In September 2018, the Company entered into an equity distribution agreement pursuant to which the Company may offer and sell shares of its common stock having an aggregate gross sales price of up to $900.0 million (the "2018 ATM Program"). In connection with the 2018 ATM Program, the Company may also enter into related forward sale agreements whereby, at the Company’s discretion, it may sell shares of its common stock under the 2018 ATM Program under forward sales agreements. The use of a forward sale agreement would allow the Company to lock in a share price on the sale of shares of its common stock at the time the agreement is executed but defer receiving the proceeds from the sale of shares until a later date. During the three months ended March 31, 2021, the Company did not issue any shares of common stock through the 2018 ATM Program. As of March 31, 2021, there are no outstanding forward purchase agreements, and $826.6 million of shares remain available to be sold under this program.

In December 2015, the Company’s Board of Directors authorized a stock repurchase plan to allow the Company to acquire shares in an aggregate of up to $250.0 million. In February 2019, the Board of Directors approved the replenishment of the stock repurchase plan such that, as of such date, the Company had $250.0 million of purchase authority remaining under the stock repurchase plan. In each of May and December 2020, the Board of Directors approved the replenishment of the stock repurchase plan such that, as of such date, the Company had $250.0 million of purchase authority remaining under the replenished plan. During the three months ended March 31, 2021, the Company repurchased and retired 40,000 shares of its common stock totaling $9.2 million, including commissions, at an average price of $229.30 per share. As of March 31, 2021, the Company had $214.5 million of purchase authority remaining under the stock repurchase plan.

Essex 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.

Development and Predevelopment Pipeline

The Company defines development projects as new communities that are being constructed or are newly constructed and are in a phase of lease-up and have not yet reached stabilized operations. As of March 31, 2021, the Company’s development pipeline was comprised of three consolidated projects under development, two unconsolidated joint venture projects under development and various consolidated predevelopment projects, aggregating 1,316 apartment homes, with total incurred costs of $0.6 billion, and estimated remaining project costs of approximately $136.0 million, $90.0 million of which represents the Company's share of estimated remaining costs, for total estimated project costs of $0.7 billion.

The Company defines predevelopment projects as proposed communities in negotiation or in the entitlement process with an expected high likelihood of becoming entitled development projects. The Company may also acquire land for future development purposes or sale.

The Company expects to fund the development and predevelopment communities by using a combination of some or all of the following sources: its working capital, amounts available on its lines of credit, construction loans, net proceeds from public and private equity and debt issuances, and proceeds from the disposition of assets, if any.

Derivative Activity

The Company uses interest rate swaps, interest rate caps, and total return swap 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 derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of interest rate swaps and total return swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty’s nonperformance risk in the fair value measurements.

Alternative Capital Sources

The Company utilizes co-investments as an alternative source of capital for acquisitions of both operating and development communities. As of March 31, 2021, the Company had an interest in 533 apartment homes in communities actively under development with joint ventures for total estimated costs of $0.3 billion. Total estimated remaining costs are approximately $94.0 million, of which the Company estimates its remaining investment in these development joint ventures will be approximately $47.8 million. In addition, the Company had an interest in 9,189 apartment homes of operating communities with joint ventures for a total book value of $501.5 million as of March 31, 2021.

Off-Balance Sheet Arrangements

The Company has various unconsolidated interests in certain joint ventures. The Company does not believe that these unconsolidated investments have a materially different impact on its liquidity, cash flows, capital resources, credit or market risk than its consolidated operations. See Note 4, Co-investments, in the Notes to Condensed Consolidated Financial Statements, for carrying values and combined summarized financial information of these unconsolidated investments.

Critical Accounting Policies and Estimates

The preparation of condensed consolidated financial statements, in accordance with U.S. GAAP, 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. The Company defines critical accounting policies as those accounting policies that require the Company’s management to exercise their most difficult, subjective and complex judgments. The Company’s critical accounting policies and estimates relate principally to the following key areas: (i) accounting for the acquisition of investments in real estate (specifically, the allocation between land and buildings); and (ii) evaluation of events and changes in circumstances indicating whether the Company’s rental properties may be impaired. 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 the 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, 2020.

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

While the Company's management believes the assumptions underlying its forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s control, which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company cannot assure the future results or outcome of the matters described in these statements; rather, these statements merely reflect the Company’s current expectations of the approximate outcomes of the matters discussed. Factors that might cause the Company’s actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, but are not limited to, the following: the continued impact of the COVID-19 pandemic, which remains inherently uncertain as to duration and severity, and any additional governmental measures taken to limit its spread and other potential future outbreaks of infectious diseases or other health concerns could continue to adversely affect the Company’s business and its tenants, and cause a significant downturn in general economic conditions, the real estate industry, and the markets in which the Company's communities are located; the Company may fail to achieve its business objectives; the actual completion of development and redevelopment projects may be subject to delays; the stabilization dates of such projects may be delayed; the Company may abandon or defer development or redevelopment projects for a number of reasons, including changes in local market conditions which make development less desirable, increases in costs of development, increases in the cost of capital or lack of capital availability, resulting in losses; the total projected costs of current development and redevelopment projects may exceed expectations; such development and redevelopment projects may not be completed; development and redevelopment projects and acquisitions may fail to meet expectations; estimates of future income from an acquired property may prove to be inaccurate; occupancy rates and rental demand may be adversely affected by competition and local economic and market conditions; there may be increased interest rates and operating costs; the Company may be unsuccessful in the management of its relationships with its co-investment partners; future cash flows may be inadequate to meet operating requirements and/or may be insufficient to provide for dividend payments in accordance with REIT requirements; changes in laws or regulations; the terms of any refinancing may not be as favorable as the terms of existing indebtedness; unexpected difficulties in leasing of development projects; volatility in financial and securities markets; the Company’s failure to successfully operate acquired properties; unforeseen consequences from cyber-intrusion; the Company’s inability to maintain our investment grade credit rating with the rating agencies; government approvals, actions and initiatives, including the need for compliance with environmental requirements; and those further risks, special considerations, and other factors referred to in this quarterly report on Form 10-Q, in the Company's annual report on Form 10-K for the year ended December 31, 2020, 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. Additionally, the risks, uncertainties and other factors set forth above or otherwise referred to in the reports that the Company has filed with the SEC may be further amplified by the global impact of the COVID-19 pandemic. All forward-looking statements are made as of the date hereof, the Company assumes no obligation to update or supplement this information for any reason, and therefore, they may not represent the Company’s estimates and assumptions after the date of this report.

Funds from Operations Attributable to Common Stockholders and Unitholders

Funds from Operations Attributable to Common Stockholders and Unitholders ("FFO") is a financial measure that is commonly used in the REIT industry. The Company presents FFO and FFO excluding non-core items (referred to as "Core FFO") as supplemental operating performance measures. FFO and Core FFO are not used by the Company as, nor should they be considered to be, alternatives to net income computed under U.S. GAAP as an indicator of the Company's operating performance or as alternatives to cash from operating activities computed under U.S. GAAP as an indicator of the Company's ability to fund its cash needs.

FFO and Core FFO are not meant to represent a comprehensive system of financial reporting and do not present, nor do they intend to present, a complete picture of the Company's financial condition and operating performance. The Company believes that net income computed under U.S. GAAP is the primary measure of performance and that FFO and Core FFO are only meaningful when they are used in conjunction with net income.

The Company considers FFO and 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 additional bases to evaluate operating performance and ability of a REIT to incur and service debt and to fund acquisitions and other capital expenditures and to pay dividends. By excluding gains or losses related to sales of depreciated operating properties and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help investors compare the operating performance of a real estate company between periods or as compared to different companies. By further adjusting for items that are not considered part of the Company's core business operations, Core FFO allows investors to compare the core operating performance of the Company to its performance in prior reporting periods and to the operating performance of other real estate companies without the effect of items that by their nature are not comparable from period to period and tend to obscure the Company's actual operating results. The Company believes that its condensed consolidated financial statements, prepared in accordance with U.S. 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 Real Estate Investment Trusts ("NAREIT"), which is the leading REIT industry 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 U.S. 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 U.S. 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 is a reconciliation of net income available to common stockholders to FFO and Core FFO for the three months ended March 31, 2021 and 2020 (in thousands, except share and per share amounts):

Essex Property Trust, Inc.

	Three Months Ended March 31, 2021	2020
Net income available to common stockholders	$ 168,444	$ 315,006
Adjustments:		
Depreciation and amortization	128,587	131,559
Gains not included in FFO attributable to common stockholders and unitholders	(100,096)	(234,694)
Depreciation and amortization from unconsolidated co-investments	14,729	12,544
Noncontrolling interest related to Operating Partnership units	5,947	10,986
Depreciation attributable to third party ownership and other	(129)	(134)
Funds from operations attributable to common stockholders and unitholders	$ 217,482	$ 235,267
Funds from operations attributable to common stockholders and unitholders per share - diluted	$ 3.23	$ 3.44
Non-core items:		
Expensed acquisition and investment related costs	15	87
Deferred tax expense on unrealized gain on unconsolidated co-investment [1]	508	—
(Gain) Loss on sale of marketable securities	(2,611)	13
Unrealized (gains) losses on marketable securities	(6,276)	8,696
Provision for credit losses	38	(50)
Equity (income) loss from non-core co-investment [2]	(1,627)	110
Loss (gain) on early retirement of debt, net	2,517	(321)
Loss on early retirement of debt from unconsolidated co-investment	3	—
Co-investment promote income	—	(6,455)
Income from early redemption of preferred equity investments	(3,513)	(210)
General and administrative and other, net	257	820
Insurance reimbursements, legal settlements, and other, net	(182)	43
Core Funds from Operations attributable to common stockholders and unitholders	$ 206,611	$ 238,000
Core Funds from Operations attributable to common stockholders and unitholders per share-diluted	$ 3.07	$ 3.48
Weighted average number shares outstanding, diluted [3]	67,272,839	68,359,698

[1] Represents deferred tax expense related to net unrealized gains on technology co-investments.
[2] Represents the Company's share of co-investment income from technology co-investments.
[2] Assumes conversion of all outstanding Operating Partnership limited partnership units ("OP Units") into shares of the Company's common stock and excludes all DownREIT units for which the Operating Partnership has the ability and intention to redeem the units for cash and does not consider them to be common stock equivalents.

Net Operating Income

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

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Earnings from operations	$ 197,381	$ 130,837
Adjustments:		
Corporate-level property management expenses	8,947	8,759
Depreciation and amortization	128,587	131,559
Management and other fees from affiliates	(2,249)	(2,617)
General and administrative	9,812	13,982
Expensed acquisition and investment related costs	15	87
Gain on sale of real estate and land	(100,096)	—
NOI	242,397	282,607
Less: Non-Same Property NOI	(22,416)	(31,834)
Same-Property NOI	$ 219,981	$ 250,773

Item 3: Quantitative 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. To accomplish this objective, the Company uses interest rate swaps as part of its cash flow hedging strategy. The Company previously had five interest rate swaps that were designated as cash flow hedges of interest rate risk and were terminated as of March 31, 2021 in conjunction with the partial repayment of the Company's unsecured term debt. As of March 31, 2021, the Company also had $224.9 million of secured variable rate indebtedness.

Additionally, the Company has entered into four total return swap contracts, with an aggregate notional amount of $224.9 million that effectively convert $224.9 million of fixed mortgage notes payable to a floating interest rate based on the SIFMA plus a spread and have a carrying value of zero at March 31, 2021. The Company is exposed to insignificant interest rate risk on these swaps as the related mortgages are callable, at par, by the Company, co-terminus with the termination of any related swap. These derivatives do not qualify for hedge accounting.

Interest Rate Sensitive Liabilities

The Company is exposed to interest rate changes primarily as a result of its lines of credit and long-term debt used to maintain liquidity and fund capital expenditures and expansion of the Company's real estate investment portfolio and operations. 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	2021	2022	2023	2024	2025	Thereafter	Total	Fair value
($ in thousands, except for interest rates)								
Fixed rate debt	$ 52,103	42,408	602,093	402,177	632,035	4,084,849	$ 5,815,665	$ 6,063,439
Average interest rate	4.4 %	3.7 %	3.7 %	4.0 %	3.5 %	3.1 %	3.5 %	
Variable rate debt [1]	$ 541	100,780	852	932	1,019	220,780	$ 324,904	$ 322,154
Average interest rate	1.0 %	1.2 %	1.0 %	1.0 %	1.0 %	0.9 %	1.0 %	

[1] $224.9 million is subject to total return swaps.

The table incorporates only those exposures that exist as of March 31, 2021. It does not consider those exposures or positions that could arise after that date. As a result, the Company's 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

Essex Property Trust, Inc.

As of March 31, 2021, Essex carried out an evaluation, under the supervision and with the participation of management, including Essex’s Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Essex's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based upon that evaluation, Essex’s Chief Executive Officer and Chief Financial Officer concluded that as of March 31, 2021, Essex's disclosure controls and procedures were effective to ensure that the information required to be disclosed by Essex in the reports that Essex files or submits 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 Essex files or submits under the Exchange Act is accumulated and communicated to Essex’s management, including Essex’s Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There were no changes in Essex's internal control over financial reporting, that occurred during the quarter ended March 31, 2021, that have materially affected, or are reasonably likely to materially affect, Essex’s internal control over financial reporting.

Essex Portfolio, L.P.

As of March 31, 2021, the Operating Partnership carried out an evaluation, under the supervision and with the participation of management, including Essex's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Operating Partnership's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of March 31, 2021, the Operating Partnership's disclosure controls and procedures were effective to ensure that the information required to be disclosed by the Operating Partnership in the reports that the Operating Partnership files or submits 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 the Operating Partnership files or submits under the Exchange Act is accumulated and communicated to the Operating Partnership’s management, including Essex's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There were no changes in the Operating Partnership's internal control over financial reporting, that occurred during the quarter ended March 31, 2021, that have materially affected, or are reasonably likely to materially affect, the Operating Partnership’s internal control over financial reporting.

Part II -- Other Information

Item 1: Legal Proceedings

The Company is subject to various lawsuits in the normal course of its business operations. While the resolution of any such matter cannot be predicted with certainty, the Company is not currently a party to any legal proceedings nor is any legal proceeding currently threatened against the Company that the Company believes, individually or in the aggregate, would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Item 1A: Risk Factors

In addition to the other information set forth in this quarterly report on Form 10-Q, you should carefully consider the factors discussed in "Part I. Item 1A. Risk Factors" in the Company's annual report on Form 10-K for the year ended December 31, 2020, which could materially affect the Company's financial condition, results of operations or cash flows. There have been no material changes to the Risk Factors disclosed in Item 1A of the Company's annual report on Form 10-K for the year ended December 31, 2020, as filed with the SEC and available at www.sec.gov. The risks described in the Company's annual report on Form 10-K and subsequent quarterly reports on Form 10-Q are not the only risks facing the Company. Additional risks and uncertainties not currently known or that the Company currently deems to be immaterial may also materially adversely affect the Company's financial condition, results of operations or cash flows.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities; Essex Portfolio, L.P.

During the three months ended March 31, 2021, the Operating Partnership issued OP Units in private placements in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act, in the amounts and for the consideration set forth below:

During the three months ended March 31, 2021, Essex issued an aggregate of 39,895 shares of its common stock upon the exercise of stock options, the vesting of restricted stock awards, and the exchange of OP Units and DownREIT units by limited partners or members into shares of common stock. Essex contributed the net proceeds of $1.7 million from the option exercises during the three months ended March 31, 2021 to the Operating Partnership in exchange for an aggregate of 10,516 OP Units, as required by the Operating Partnership's partnership agreement. Furthermore, for each share of common stock issued by Essex in connection with vesting of restricted stock awards and the exchange of OP Units and DownREIT units, the Operating Partnership issued OP Units to Essex, as required by the partnership agreement. During the three months ended March 31, 2021, 29,379 OP Units were issued to Essex pursuant to this mechanism.

Stock Repurchases

The following table summarizes the Company's purchases of its common stock during the three months ended March 31, 2021.

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program[1]	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program (in millions)[1]
January 1, 2021 - January 31, 2021	40,000	$ 229.30	40,000	$ 214.5
Total	40,000	$ 229.30	40,000	$ 214.5

(1) In December 2020, the Board of Directors approved the replenishment of the Company's stock repurchase plan such that, as of such date, the Company had $250.0 million of purchase authority remaining under the replenished plan.

Item 3: Defaults Upon Senior Securities

None.

Item 4: Mine Safety Disclosures

Not applicable.

Item 5: Other Information

None.

Item 6: Exhibits

A. Exhibits

4.1	Indenture, dated March 1, 2021, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 1.700% Senior Notes due 2028 and the guarantee thereof, attached as Exhibit 4.1 to the Company’s Current Report on Form 8-K filed March 1, 2021, and incorporated herein by reference.
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 Barbara Pak, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3*	Certification of Michael J. Schall, Principal Executive Officer of General Partner, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4*	Certification of Barbara Pak, Principal Financial Officer of General Partner, 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 Barbara Pak, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.3*	Certification of Michael J. Schall, Principal Executive Officer of General Partner, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.4*	Certification of Barbara Pak, Principal Financial Officer of General Partner, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.INS	XBRL Instance Document - the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed or furnished herewith.

** In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

ESSEX PROPERTY TRUST, INC.
(Registrant)

Date: April 28, 2021

By: /s/ BARBARA PAK

Barbara Pak
Executive Vice President, Chief Financial Officer
(Authorized Officer, Principal Financial Officer)

Date: April 28, 2021

By: /s/ JOHN FARIAS

John Farias
Senior Vice President, Chief Accounting Officer

ESSEX PORTFOLIO, L.P.
By Essex Property Trust, Inc., its general partner
(Registrant)

Date: April 28, 2021

By: /s/ BARBARA PAK

Barbara Pak
Executive Vice President, Chief Financial Officer
(Authorized Officer, Principal Financial Officer)

Date: April 28, 2021

By: /s/ JOHN FARIAS

John Farias
Senior Vice President, Chief Accounting Officer

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 controls 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 control 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: April 28, 2021

/s/ Michael J. Schall

Michael J. Schall
Chief Executive Officer and President
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, Barbara Pak, 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 controls 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 control 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: April 28, 2021

/s/ Barbara Pak

Barbara Pak
Executive Vice President, Chief Financial Officer
Essex Property Trust, Inc.

Exhibit 31.3

ESSEX PORTFOLIO, L.P.
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 Portfolio, L.P.;
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 controls 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 control 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: April 28, 2021

/s/ Michael J. Schall

Michael J. Schall
Chief Executive Officer and President
Essex Property Trust, Inc., general partner of
Essex Portfolio, L.P.

Exhibit 31.4

ESSEX PORTFOLIO, L.P.
Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Barbara Pak, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Essex Portfolio, L.P.;
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 controls 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 control 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: April 28, 2021

/s/ Barbara Pak

Barbara Pak
Executive Vice President, Chief Financial Officer
Essex Property Trust, Inc., general partner of
Essex Portfolio, L.P.

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 March 31, 2021 (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.

Date: April 28, 2021

/s/ Michael J. Schall
Michael J. Schall
Chief Executive Officer and President
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, Barbara Pak, hereby certify, to the best of my knowledge, that the Quarterly Report on Form 10-Q for the period ended March 31, 2021 (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.

Date: April 28, 2021

/s/ Barbara Pak
Barbara Pak
Executive Vice President and Chief Financial Officer
Essex Property Trust, Inc.

Exhibit 32.3

ESSEX PORTFOLIO, L.P.
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 March 31, 2021 (the "Form 10-Q") of Essex Portfolio, L.P. 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 Portfolio, L.P.

Date: April 28, 2021

/s/ Michael J. Schall

Michael J. Schall
Chief Executive Officer and President
Essex Property Trust, Inc., general partner of
Essex Portfolio, L.P.

Exhibit 32.4

ESSEX PORTFOLIO, L.P.
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, Barbara Pak, hereby certify, to the best of my knowledge, that the Quarterly Report on Form 10-Q for the period ended March 31, 2021 (the "Form 10-Q") of Essex Portfolio, L.P. 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 Portfolio, L.P.

Date: April 28, 2021	/s/ Barbara Pak
	Barbara Pak Executive Vice President, Chief Financial Officer Essex Property Trust, Inc., general partner of Essex Portfolio, L.P.