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

FORM 10-K

(MARK ONE)

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

For the fiscal year ended December 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

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Essex Property Trust, Inc. Yes ☒ No ☐ Essex Portfolio, L.P. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Essex Property Trust, Inc. Yes ☐ No ☒ Essex Portfolio, L.P. Yes ☐ No ☒

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.

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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 Act).

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

As of June 30, 2021, the aggregate market value of the voting stock held by non-affiliates of Essex Property Trust, Inc. was $19,372,879,492. The aggregate market value was computed with reference to the closing price on the New York Stock Exchange on the last trading day preceding such date. Shares of common stock held by executive officers, directors and holders of more than ten percent of the outstanding common stock have been excluded from this calculation because such persons may be deemed to be affiliates. This exclusion does not reflect a determination that such persons are affiliates for any other purposes. There is no public trading market for the common units of Essex Portfolio, L.P. As a result, the aggregate market value of the common units held by non-affiliates of Essex Portfolio, L.P. cannot be determined.

As of February 23, 2022, 65,278,686 shares of common stock ($.0001 par value) of Essex Property Trust, Inc. were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the definitive Proxy Statement to be filed with the Securities and Exchange Commission (the "SEC") pursuant to Regulation 14A in connection with the 2022 annual meeting of stockholders of Essex Property Trust, Inc. are incorporated by reference in Part III of this Annual Report on Form 10-K. Such Proxy Statement will be filed with the SEC within 120 days of December 31, 2021.

Auditor Name: KPMG LLP Location: San Francisco, California PCAOB ID: 185

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 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," or "EPLP" 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 of December 31, 2021, Essex owned approximately 96.6% of the ownership interest in the Operating Partnership with the remaining 3.4% interest owned by limited partners. 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-K 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 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 consolidated financial statements and as noncontrolling interest in Essex's consolidated financial statements. The noncontrolling interest in the Operating Partnership's consolidated financial statements include the interest of unaffiliated partners in various consolidated partnerships and co-investment partners. The noncontrolling interest in Essex's

consolidated financial statements include (i) the same noncontrolling interest as presented in the Operating Partnership's 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-K provides separate 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-K also includes separate Part II, Item 9A. 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-K 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 consolidated balance sheets, statements of income, 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 consolidated financial statements for the periods and are normal and recurring in nature, except as otherwise noted.

The accompanying consolidated financial statements should be read in conjunction with the notes to such consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations herein.

ESSEX PROPERTY TRUST, INC.
ESSEX PORTFOLIO, L.P.
2021 ANNUAL REPORT ON FORM 10-K

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PART I

Forward-Looking Statements

- This Form 10-K contains 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. Such forward-looking statements are described in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, "Forward-Looking Statements." Actual results could differ materially from those set forth in each forward-looking statement. Certain factors that might cause such a difference are discussed in this report, including in Item 1A, Risk Factors of this Form 10-K.

Risk Factors Summary

The following is a summary of the principal risks that could adversely affect our business, operating results, cash flows and financial conditions.

Risks Related to Our Real Estate Investments and Operations

- General real estate investment risks may adversely affect property income and values.
- Short-term leases expose us to the effects of declining market rents, and the Company may be unable to renew leases or relet units as leases expire.
- National and regional economic environments can negatively impact the Company's liquidity and operating results.
- Rent control, or other changes in applicable laws, or noncompliance with applicable laws, could adversely affect the Company's operations, property values or expose us to liability.
- The current COVID-19 pandemic, or the future outbreak of other highly infectious or contagious diseases could materially and adversely affect our business, financial condition and results of operations.
- Acquisition of communities as well as development and redevelopment activities each involve various risks and may be delayed, not completed, and/or not achieve expected results.
- The geographic concentration of the Company's communities and fluctuations in local markets may adversely impact the Company's financial condition and operating results.
- The Company may experience various increased costs, including increased property taxes or costs associated with complying with legislation, to own and maintain its properties.
- Competition in the apartment community market and other housing alternatives may adversely affect operations and the rental demand for the Company's communities.
- Investments in mortgages, mezzanine loans, subordinated debt, other real estate, and other marketable securities could adversely affect the Company's cash flow from operations.
- The Company's ownership of co-investments could limit the Company's ability to control such communities and may restrict our ability to finance, sell or otherwise transfer our interests in these properties and expose us to loss of the properties if such agreements are breached by us or terminated.
- We may pursue acquisitions of other REITs and real estate companies, which may not yield anticipated results and could adversely affect our results of operations.
- Real estate investments are relatively illiquid and, therefore, the Company's ability to vary its portfolio promptly in response to changes in economic or other conditions may be limited.
- The Company may not be able to lease its retail/commercial space consistent with its projections or at market rates.
- Climate change may adversely affect our business.
- Accidental death or severe injuries at our communities due to fires, floods, other natural disasters or hazards could adversely affect our business and results of operations.
- Adverse changes in laws may adversely affect the Company's liabilities and/or operating costs relating to its properties and its operations.
- Failure to succeed in new markets may limit the Company's growth.
- Our business and reputation depend on our ability to continue providing high quality housing and consistent operation of our communities, the failure of which could adversely affect our business, financial condition and results of operations.
- We rely on information technology in our operations, and any material failure, inadequacy, interruption or breach of the Company's privacy or information security systems, or those of our vendors or other third parties, could materially adversely affect the Company's business and financial condition.
- Reliance on third party software providers to host systems critical to our operations and to provide the Company with data.

Risks Relating to Our Indebtedness and Financings

- Capital and credit market conditions may affect the Company's access to sources of capital and/or the cost of capital, which could negatively affect the Company's business, stock price, results of operations, cash flows and financial condition. Debt financing has inherent risks.
- The indentures governing our notes and other financing arrangements contain restrictive covenants that limit our operating flexibility.
- A downgrade in the Company's investment grade credit rating could materially and adversely affect its business and financial condition.
- The Company could be negatively impacted by the condition of Fannie Mae or Freddie Mac and by changes in government support for multifamily housing.

Risks Related to Personnel

- The Company depends on its key personnel, whose continued service is not guaranteed.
- The Company's Chairman is involved in other real estate activities and investments, which may lead to conflicts of interest.
- The influence of executive officers, directors and significant stockholders may be detrimental to holders of common stock.

Risks Related to Taxes and REIT Status

- Failure to generate sufficient revenue or other liquidity needs could limit cash flow available for distributions to Essex's stockholders or the Operating Partnership's unitholders.
- The Maryland Business Combination Act and the Company's governing documents may delay, defer or prevent a transaction or change in control of the Company that might involve a premium price for the Company's stock or otherwise be in the best interest of our stockholders.
- Loss of the Company's REIT status would have significant adverse consequences to the Company and the value of the Company's common stock.
- The tax imposed on REITs engaging in "prohibited transactions" may limit the Company's ability to engage in transactions which would be treated as sales for federal income tax purposes.
- Dividends payable by REITs may be taxed at higher rates than dividends of non-REIT corporations, which could reduce the net cash received by stockholders and may be detrimental to the Company's ability to raise additional funds through any future sale of its stock.

Item 1. Business

OVERVIEW

Essex Property Trust, Inc. ("Essex"), a Maryland corporation, is an S&P 500 company that operates as a self-administered and self-managed real estate investment trust ("REIT"). Essex owns all of its interest in its real estate and other investments directly or indirectly through Essex Portfolio, L.P. (the "Operating Partnership" or "EPLP"). Essex is the sole general partner of the Operating Partnership and as of December 31, 2021, had an approximately 96.6% general partnership interest in the Operating Partnership. In this report, the terms the "Company," "we," "us," and "our" also refer to Essex Property Trust, Inc., the Operating Partnership and those entities/subsidiaries owned or controlled by Essex and/or the Operating Partnership.

Essex has elected to be treated as a REIT for federal income tax purposes, commencing with the year ended December 31, 1994. Essex completed its initial public offering on June 13, 1994. In order to maintain compliance with REIT tax rules, the Company utilizes taxable REIT subsidiaries for various revenue generating or investment activities. All taxable REIT subsidiaries are consolidated by the Company for financial reporting purposes.

The Company is engaged primarily in the ownership, operation, management, acquisition, development and redevelopment of predominantly apartment communities, located along the West Coast of the United States. As of December 31, 2021, the Company owned or had ownership interests in 252 operating apartment communities, aggregating 61,911 apartment homes, excluding the Company's ownership in preferred equity co-investments, loan investments, three operating commercial buildings, and a development pipeline comprised of one consolidated project and one unconsolidated joint venture project aggregating 371 apartment homes (collectively, the "Portfolio").

The Company’s website address is http://www.essex.com. The Company’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports, and the Proxy Statement for its Annual Meeting of Stockholders are available, free of charge, on its website as soon as practicable after the Company files the reports with the U.S. Securities and Exchange Commission ("SEC"). The information contained on the Company's website shall not be deemed to be incorporated into this report.

BUSINESS STRATEGIES

The following is a discussion of the Company’s business strategies in regards to real estate investment and management.

Business Strategies

Research Driven Approach to Investments – The Company believes that successful real estate investment decisions and portfolio growth begin with extensive regional economic research and local market knowledge. The Company continually assesses markets where the Company operates, as well as markets where the Company considers future investment opportunities by evaluating markets and focusing on the following strategic criteria:

- Major metropolitan areas that have regional population in excess of one million;
- Constraints on new supply driven by: (i) low availability of developable land sites where competing housing could be economically built; (ii) political growth barriers, such as protected land, urban growth boundaries, and potential lengthy and expensive development permit processes; and (iii) natural limitations to development, such as mountains or waterways;
- Rental demand enhanced by affordability of rents relative to costs of for-sale housing; and
- Housing demand based on job growth, proximity to jobs, high median incomes and the quality of life including related commuting factors.

Recognizing that all real estate markets are cyclical, the Company regularly evaluates the results of its regional economic, and local market research, and adjusts the geographic focus of its portfolio accordingly. The Company seeks to increase its portfolio allocation in markets projected to have the strongest local economies and to decrease allocations in markets projected to have declining economic conditions. Likewise, the Company also seeks to increase its portfolio allocation in markets that have attractive property valuations and to decrease allocations in markets that have inflated valuations and low relative yields.

Property Operations – The Company manages its communities by focusing on activities that may generate above-average rental growth, tenant retention/satisfaction and long-term asset appreciation. The Company intends to achieve this by utilizing the strategies set forth below:

- *Property Management* – Oversee delivery and quality of the housing provided to our tenants and manage the properties financial performance.
- *Capital Preservation* – The Company's asset management services are responsible for the planning, budgeting and completion of major capital improvement projects at the Company's communities.
- *Business Planning and Control* – Comprehensive business plans are implemented in conjunction with significant investment decisions. These plans include benchmarks for future financial performance based on collaborative discussions between on-site managers, the operations leadership team, and senior management.
- *Development and Redevelopment* – The Company focuses on acquiring and developing apartment communities in supply constrained markets, and redeveloping its existing communities to improve the financial and physical aspects of the Company's communities.

CURRENT BUSINESS ACTIVITIES

Acquisitions of Real Estate Interests

Acquisitions are an important component of the Company's business plan. The tables below summarize acquisition activity for the year ended December 31, 2021 ($ in millions):

For the year ended December 31, 2021, the Company purchased or increased its interests in six communities consisting of 1,033 apartment homes and two commercial properties for approximately $432.3 million.

Property Name [1]	Location	Apartment Homes	Essex Ownership Percentage	Ownership	Quarter in 2021	Purchase Price
The Village at Toluca Lake [2]	Burbank, CA	145	100 %	EPLP	Q2	$ 31.8
Martha Lake Apartments	Lynwood, WA	155	50 %	Wesco VI	Q3	53.0 [3]
Monterra in Mill Creek	Mill Creek, WA	139	50 %	Wesco VI	Q4	55.0 [3]
The Rexford	Fremont, CA	203	50 %	Wesco VI	Q4	112.5 [3]
Silver [4]	San Jose, CA	268	58 %	GR Block C	Q4	132.4 [3]
Canvas	Seattle, WA	123	100 %	EPLP	Q4	47.6
Total 2021		1,033				$ 432.3

[1] In November 2021, the Company purchased a managing interest in a single asset entity owning a 179-unit apartment home community located in Vista, CA, for a contract price of $44.0 million, at the Company's pro rata share.

[2] In June 2021, the Company purchased the joint venture partner's 50.0% membership interest in the BEX III, LLC co-investment that owned The Village at Toluca Lake based on a property valuation of $63.5 million. In conjunction with the acquisition, $29.5 million of mortgage debt that encumbered the property was paid off.

[3] Represents the contact price for the entire property, not the Company's share.

[4] In November 2021, the Company converted its existing $11.0 million preferred equity investment in Silver into a 58.0% equity ownership interest in the property. Based on a consolidation analysis, the Company accounts for this investment under the equity method investment.

For the year ended December 31, 2021, the Company purchased two fully-leased commercial properties for approximately $86.0 million.

Property Name	Location	Ownership	Quarter in 2021	Purchase Price
7 South Linden	South San Francisco, CA	EPLP	Q3	$ 33.5
Third & Broad	Seattle, WA	EPLP	Q3	52.5
Total 2021				$ 86.0

Dispositions of Real Estate

As part of its strategic plan to own quality real estate in supply-constrained markets, the Company continually evaluates all of its communities and sells those which no longer meet its strategic criteria. The Company may use the capital generated from the dispositions to invest in higher-return communities, other real estate investments or to fund other commitments. The Company believes that the sale of these communities will not have a material impact on its future results of operations or cash flows nor will their sale materially affect its ongoing operations. In general, the Company seeks to offset the dilutive impact on long-term earnings and funds from operations from these dispositions through the positive impact of reinvestment of proceeds.

For the year ended December 31, 2021, the Company sold four communities consisting of 912 apartment homes for approximately $330.0 million.

Property Name	Location	Apartment Homes	Ownership	Quarter in 2021	Sales Price (in millions)	
Hidden Valley	Simi Valley, CA	324	EPLP	Q1	$ 105.0	(1)
Park 20	San Mateo, CA	197	EPLP	Q1	113.0	(2)
Axis 2300	Irvine, CA	115	EPLP	Q1	57.5	(3)
Devonshire Apartments	Hemet, CA	276	EPLP	Q3	54.5	(4)
Total 2021		912			$ 330.0	

(1) The Company recognized a $69.2 million gain on sale. In conjunction with the sale, the Company repaid $29.7 million of mortgage debt that encumbered the property.
(2) The Company recognized an immaterial gain on sale.
(3) The Company recognized a $30.8 million gain on sale.
(4) The Company recognized a $42.9 million gain on sale.

Development 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 December 31, 2021, the Company's development pipeline was comprised of one consolidated project under development and one unconsolidated joint venture project under development aggregating 371 apartment homes, with total incurred costs of $156.0 million, and estimated remaining project costs of approximately $61.0 million, $32.6 million of which represents the Company's share of estimated remaining costs, for total estimated project costs of $217.0 million.

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. As of December 31, 2021, the Company had various consolidated predevelopment projects. The Company may also acquire land for future development purposes or sale.

The following table sets forth information regarding the Company's development pipeline ($ in millions):

Development Pipeline	Location	Essex Ownership%	Estimated Apartment Homes	As of 12/31/2021 Incurred Project Cost [1]	As of 12/31/2021 Estimated Project Cost[1]
Development Projects - Consolidated					
Station Park Green - Phase IV	San Mateo, CA	100%	107	$ 91	$ 94
Total Development Projects - Consolidated			107	91	94
Development Projects - Joint Venture					
Scripps Mesa Apartments [2]	San Diego, CA	51%	264	44	102
Total Development Projects - Joint Venture			264	44	102
Predevelopment Projects - Consolidated					
Other Projects	Various	100%	—	21	21
Total - Consolidated Predevelopment Projects			—	21	21
Grand Total - Development and Predevelopment Pipeline			371	$ 156	$ 217

(1) Includes costs related to the entire project, including both the Company's and joint venture partners' costs. Includes incurred costs and estimated costs to complete these development projects. For predevelopment projects, only incurred costs are included in estimated costs.

(2) Incurred project cost and estimated project cost are net of a projected value for low income housing tax credit proceeds and the value of the tax-exempt bond structure.

Long Term Debt

During 2021, the Company made regularly scheduled principal payments and loan payoffs of $3.5 million to its secured mortgage notes payable at an average interest rate of 2.9%.

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 June 2021, the Operating Partnership issued $300.0 million of senior unsecured notes due on June 15, 2031 with a coupon rate of 2.550% per annum (the "2031 Notes"), which are payable on June 15 and December 15 of each year, beginning on December 15, 2021. The 2031 Notes were offered to investors at a price of 99.367% of par value. The 2031 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 to fund the redemption of $300.0 million aggregate principal amount (plus the make-whole amount and accrued and unpaid interest) of its outstanding 3.375% senior unsecured notes due January 2023, and for other general corporate and working capital purposes.

Bank Debt

As of December 31, 2021, Moody's Investor Service and Standard and Poor's ("S&P") credit agencies rated Essex Property Trust, Inc. and Essex Portfolio, L.P. Baa1/Stable and BBB+/Stable, respectively.

At December 31, 2021, the Company had two unsecured lines of credit aggregating $1.24 billion. The Company's $1.2 billion credit facility had an interest rate of LIBOR plus 0.775%, with a scheduled maturity date in September 2025 with three 6-month extensions, exercisable at the Company's option. The Company's $35.0 million working capital unsecured line of credit had an interest rate of LIBOR plus 0.775%, with a scheduled maturity date in February 2023.

Equity Transactions

In September 2021, the Company entered into a new 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 "2021 ATM Program"). In connection with the 2021 ATM Program, the Company may also enter into related forward sale agreements, and may sell shares of its common stock pursuant to these 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 receipt of the proceeds from the sale of shares until a later date should the Company elect to settle such forward sale agreement, in whole or in part, in shares of its common stock.

The 2021 ATM Program replaces the Company's prior equity distribution agreement entered into in September 2018 (the "2018 ATM Program"), which was terminated upon the establishment of the 2021 ATM Program. During the year ended December 31, 2021, the Company did not issue any shares of common stock through the 2021 ATM Program or through the 2018 ATM Program. As of December 31, 2021, there were no outstanding forward sale agreements, and $900.0 million of shares remain available to be sold under the 2021 ATM Program.

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

Co-investments

The Company has entered into, and may continue in the future to enter into, joint ventures or partnerships (including limited liability companies) through which we own an indirect economic interest in less than 100% of the community or land or other investments owned directly by the joint venture or partnership. For each joint venture the Company holds a non-controlling interest in the venture and earns customary management fees and may earn development fees, asset property management fees, and a promote interest.

The Company has also made, and may continue in the future to make, preferred equity investments in various multifamily development projects. The Company earns a preferred rate of return on these investments.

HUMAN CAPITAL MANAGEMENT

Company Overview and Values

The Company is headquartered in San Mateo, CA, and has regional offices in Woodland Hills, CA; Irvine, CA and Bellevue, WA. As of December 31, 2021, the Company had 1,757 employees, ninety-nine percent (99%) of which were full-time employees, and of which 1,382 employees worked in operations and 375 were employed in the corporate offices. The Company's mission is to create quality communities in premier locations and it is critical to the Company's mission that it attracts, trains and retains a talented and diverse team by providing a better place to work and significant opportunities for professional growth. The Company's culture supports its mission and is guided by its core values: to act with integrity, to care about what matters, to do right with urgency, to lead at every level and to seek fairness. The Company seeks to reinforce those values within its workforce.

Workplace Diversity

The Company believes it has one of the most diverse workforces among its peers in the real estate industry. The Company believes that its robust and integrated diversity, equity, and inclusion strategy, which utilizes training programs, employee committees, and executive sponsorships to strengthen and promote diversity, equal opportunity, and fair treatment for all Company associates. As of December 31, 2021, the Company's workforce was approximately 43% Hispanic or Latino, 29% White, 12% Asian, 8% Black or African American, 1% Native Hawaiian or other Pacific Islander, 1% American Indian or Alaska Native, and 5% two or more races. 1% of employees chose to not disclose their race. As of December 31, 2021, the Company's workforce was 42% female and 58% male, of which corporate associates were 56% female and on-site operational associates were 38% female. The Company had 308 females in positions of manager or higher, representing 65% of managerial positions. Additionally, 50% of the Company's executive officers are female and 56% of the Company's senior executives are female. The tables below detail the Company's gender representation by position and the age diversity of its workforce.

The Company has a Diversity, Equity, and Inclusion ("DEI") Committee which directs the overarching goal setting, implementation, and follow-up for DEI initiatives and whose chairperson reports directly to the CEO on the Committee's

activities. The Company supports the employee-led affinity groups, Women at Essex and the LGBTQ+ focused Rainbow Alliance, which foster a sense of community and inclusion for a diverse mix of associates at the Company through discussions and activities that are intended to engage, educate, enable, and empower the Company's employees. All associates are offered training aimed at preventing workplace harassment, including harassment based on age, gender or ethnicity, and all managers are required to complete harassment training. In 2021, the Company provided 2,878 hours of training for all its employees covering the foundations of DEI and awareness of unconscious bias in the workplace.

The Company is committed to pay equity and conducts a pay equity analysis on an annual basis. The Company's pay equity analysis for 2021 indicated a zero percent (0%) pay gap between men and women.

Gender Representation by Position [1]	**December 31, 2021**			
	Male # [2]	**Female #** [2]	**Male %**	**Female %**
Corporate - Top Executives, VPs, Assistant VPs, Directors, & Managers	70 [3]	66 [3]	**51%**	**49%**
Corporate - Below manager position	94	145	**39%**	**61%**
Field - Regional Directors/Managers, Community Managers and Assistant Managers	96	242	**28%**	**72%**
Field - Leasing Specialists, Leasing Managers, Relationship Reps, Bookkeepers	119	194	**38%**	**62%**
Field - Maintenance Supervisors and Techs	534	10	**98%**	**2%**
Field - Porter, Landscaper, Painter, Security Guard, Amenities Attendant	103	82	**56%**	**44%**

[1] Table excludes two employees that did not declare gender.
[2] Gender is labeled as how respondents elected to be self-identified.
[3] Includes one Field - VP Property Management position that oversees Operations.

Total Workforce by Age Group	**December 31, 2021**	
	#	**%**
<= 25	172	10%
26-35	534	30%
36-45	417	24%
46-55	349	20%
56-65	248	14%
> 65	37	2%

Training and Development

The Company values leadership at every level and demonstrates such value with respect to its associates by providing opportunities for all associates to develop personal and professional skills and by offering programs to encourage employee retention and advancement. In 2021, over 36,000 hours of training and development programs were provided to associates, with our investment in training totaling almost $375,000. These programs include: leadership training, communication training, individual learning plans, Community Manager and Maintenance Manager training, and mentorship programs. Additionally, the Company provides its associates with outside educational benefits by offering an annual $3,000 tuition reimbursement to further support professional growth. To identify, retain and reward top performers, the Company offers a tenure program, which involves a cash gift for every five years of service, as well as excellence awards and a spot bonus recognition program to reward associates for good teamwork, good ideas and good service. The Company encourages internal promotions and hiring for open positions. In 2021, the Company promoted 16% of its employees to higher positions in the Company. Additionally, the Company engages in succession planning for its leadership and managerial positions and its executive team identifies and mentors the Company's top talent in order to ensure strong leadership at the Company for the future.

Employee Well-Being

The Company's compensation and benefits program and safety practices further reinforce its commitment to investing in the well-being of its associates while ensuring that its employees are fairly incentivized to ensure fulfillment of the Company’s mission. The Company offers competitive compensation and a standard suite of benefits, including health insurance, a retirement plan with a $6,000 annual matching potential benefit, life and disability coverage, and commuter benefits.

Additionally, the Company offers a housing discount for associates that live at Company communities, and additionally offers retirement support, associate discount programs, and health benefit credits for participation in wellness programs. In 2021, the Company revised its wellness program to ensure associates had increased ability to rest and recharge including additional days off and resources to encourage physical, mental, and financial well-being. The Company engages in an annual compensation study to ensure that its compensation is aligned with market standards and that the Company is appropriately compensating its top performers.

Providing a safe working environment and ensuring employee safety is imperative to the Company. The Company has safety policies in place that coincide with an Injury & Illness Prevention Program, which seeks to prevent workplace accidents and protect the health and safety of the Company's associates. In 2021, the Company provided safety training to Community Managers, Maintenance Supervisors, and Maintenance Technicians on topics including Industrial Safety and Health, Confined Space Awareness, Electrical Safety and Protection, Active Shooter Event, Fire Extinguishing, Safety Data Sheets, Safe Lifting the E-Way, Ladder Safety, and Heat Stress in the Workplace.

As an essential business operating in 2021, the Company's on-site teams supported its residents by providing administrative, operational and maintenance assistance during the COVID-19 pandemic. Since the beginning of the COVID-19 pandemic, in order to best protect and support the Company's associates working on-site, the Company and its affiliates spent over $5.0 million on new COVID-19 related protocols and other costs. The Company undertook various COVID-19 safety measures, including implementing work from home where possible, purchasing personal protective equipment and establishing physical distancing and other health safety procedures for its on-site employees, providing paid leave to employees affected by COVID-19, increasing cleaning protocols at its sites and offices, prohibiting all non-essential work-related travel, requiring masks to be worn at all offices and when entering resident homes, and providing regular communication about COVID-19 impacts and protocols to its associates. Keeping the Company's associates healthy and safe continues to be critical, and the Company hopes its actions contributed toward minimizing the impact of the COVID-19 pandemic.

Community and Social Impact

The Company believes volunteering can create positive change in the communities where our associates live and work and that the Company's commitment to giving back helps it attract and retain associates. The Company's Volunteer Program is aimed at supporting and encouraging eligible associates to become actively involved in their communities through the Company's support of charity initiatives and offering paid hours for volunteer time. Additionally, in 2020 the Company established the Essex Cares program to provide direct aid to the Company’s residents, associates, and local communities. The programs created within Essex Cares provide assistance for in-need segments of the community, including those who have experienced financial hardships caused by the COVID-19 pandemic.

Employee Engagement

In order to engage and promote communication with our associates and solicit meaningful feedback on our efforts to create a positive work environment, the Company issues engagement pulse surveys to all associates annually. The results of the 2021 survey indicate that 94% of surveyed associates consider that their day-to-day work directly impacts the Company’s mission and vision, 94% believe that their opinions and ideas matter at Essex, and 94% feel that the Company supports diversity, equity and inclusion in the workplace.

INSURANCE

The Company purchases general liability and property insurance coverage, including loss of rent, for each of its communities. The Company also purchases limited earthquake, terrorism, environmental and flood insurance. There are certain types of losses which may not be covered or could exceed coverage limits. The insurance programs are subject to deductibles and self-insured retentions in varying amounts. The Company utilizes a wholly owned insurance subsidiary, Pacific Western Insurance LLC ("PWI") to self-insure certain earthquake and property losses. As of December 31, 2021, PWI had cash and marketable securities of approximately $198.1 million, and is consolidated in the Company's financial statements.

All of the Company's communities are located in areas that are subject to earthquake activity. The Company evaluates its financial loss exposure to seismic events by using actuarial loss models developed by the insurance industry and in most cases property vulnerability analysis based on structural evaluations by seismic consultants. The Company manages this exposure, where considered appropriate, desirable, and cost-effective, by upgrading properties to increase their resistance to forces caused by seismic events, by considering available funds and coverages provided by PWI and/or by purchasing seismic insurance. In most cases the Company also purchases limited earthquake insurance for certain properties owned by the Company's co-investments.

In addition, the Company carries other types of insurance coverage related to a variety of risks and exposures.

Based on market conditions, the Company may change or potentially eliminate insurance coverages, or increase levels of self-insurance. Further, the Company may incur losses, which could be material, due to uninsured risks, deductibles and self-insured retentions, and/or losses in excess of coverage limits.

COMPETITION

There are numerous housing alternatives that compete with the Company's communities in attracting tenants. These include other apartment communities, condominiums and single-family homes. If the demand for the Company's communities is reduced or if competitors develop and/or acquire competing housing, rental rates and occupancy may drop which may have a material adverse effect on the Company's financial condition and results of operations.

The Company faces competition from other REITs, businesses and other entities in the acquisition, development and operation of apartment communities. Some competitors are larger and have greater financial resources than the Company. This competition may result in increased costs of apartment communities the Company acquires and/or develops.

WORKING CAPITAL

The Company believes that cash flows generated by its operations, existing cash and cash equivalents, marketable securities balances, availability under existing lines of credit, access to capital markets and the ability to generate cash from the disposition of real estate are sufficient to meet all of its reasonably anticipated cash needs during 2022.

The timing, source and amounts of cash flows provided by financing activities and used in investing activities are sensitive to changes in interest rates, stock price, and other fluctuations in the capital markets environment, which can affect the Company's plans for acquisitions, dispositions, development and redevelopment activities.

ENVIRONMENTAL CONSIDERATIONS

As a real estate owner and operator, we are subject to various federal, state and local environmental laws, regulations and ordinances and may be subject to liability and the costs of removal or remediation of certain potentially hazardous materials that may be present in our communities. See the discussion under the caption, "Risks Related to Real Estate Investments and Our Operations - *The Company's Portfolio may have environmental liabilities"* in Item 1A, Risk Factors, for information concerning the potential effect of environmental regulations on its operations, which discussion is incorporated by reference into this Item 1.

OTHER MATTERS

Certain Policies of the Company

The Company intends to continue to operate in a manner that will not subject it to regulation under the Investment Company Act of 1940. The Company may in the future (i) issue securities senior to its common stock, (ii) fund acquisition activities with borrowings under its line of credit and (iii) offer shares of common stock and/or units of limited partnership interest in the Operating Partnership or affiliated partnerships as partial consideration for property acquisitions. The Company from time to time acquires partnership interests in partnerships and joint ventures, either directly or indirectly through subsidiaries of the Company, when such entities' underlying assets are real estate.

The Company invests primarily in apartment communities that are located in predominantly coastal markets within Southern California, Northern California, and the Seattle metropolitan area. The Company currently intends to continue to invest in apartment communities in such regions. However, these practices may be reviewed and modified periodically by management.

ITEM 1A: RISK FACTORS

For purposes of this section, the term "stockholders" means the holders of shares of Essex Property Trust, Inc.'s common stock. Set forth below are the risks that we believe are material to Essex Property Trust, Inc.'s stockholders and Essex Portfolio, L.P.'s unitholders. You should carefully consider the following factors in evaluating our Company, our properties and our business.

Our business, operating results, cash flows and financial condition are subject to various risks and uncertainties, including, without limitation, those set forth below, any one of which could cause our actual operating results to vary materially from recent results or from our anticipated future results.

Risks Related to Our Real Estate Investments and Operations

General real estate investment risks may adversely affect property income and values. Real estate investments are subject to a variety of risks. If the communities and other real estate investments, including development and redevelopment properties, do not generate sufficient income to meet operating expenses, including debt service and capital expenditures, cash flow and the ability to make distributions to Essex's stockholders or the Operating Partnership's unitholders will be adversely affected. Income from the communities may be further adversely affected by, among other things, the following factors, in addition to the other risk factors listed in this Item 1A:

- changes in the general or local economic climate, including layoffs, plant closings, industry slowdowns, relocations of significant local employers, changing demographics, increased worker locational flexibility from teleconferencing and video-conferencing technology, and other events negatively impacting local employment rates. wages and the local economy;
- local economic conditions in which the communities are located, such as oversupply of housing or a reduction in demand for rental housing;
- adverse economic, regulatory, or market conditions due to the COVID-19 pandemic leading to (1) a temporary or permanent move by tenants and/or prospective tenants from locations in which our communities are located, (2) increased costs or government limitations on revenue, and/or (3) delinquency due to various eviction moratoria;
- inflationary environments in which the costs to operate and maintain communities increase at a rate greater than our ability to increase rents, or deflationary environments where we may be exposed to declining rents more quickly under our short-term leases; and
- the appeal and desirability of our communities to tenants, including, without limitation, the size and amenity offerings of our apartment homes, the safety and convenience of their locations, our technology offerings and our ability to identify and cost effectively implement new, relevant technologies,.

Short-term leases expose us to the effects of declining market rents, and the Company may be unable to renew leases or relet units as leases expire. If the Company is unable to promptly renew the in place short-term leases or relet the units, or if the rental rates upon renewal or reletting are significantly lower than expected rates, then the Company's results of operations and financial condition will be adversely affected. With these short-term leases, our rental revenues are impacted by declines in market rents more quickly than if our leases were for longer terms.

National and regional economic environments can negatively impact the Company's liquidity and operating results. The Company's forecast for the national economy assumes growth of the GDP of the national economy and the economies of the west coast states. In the event of a recession or other negative economic effects the Company could incur reductions in rental and occupancy rates, property valuations and increases in operating costs such as advertising and turnover expenses. Any such recession or similar event may affect consumer confidence and spending and negatively impact the volume and pricing of real estate transactions, which could negatively affect the Company's liquidity and its ability to vary its portfolio promptly in response to changes to the economy. Furthermore, if residents do not experience increases in their income, they may be unable or unwilling to pay rent increases, and delinquencies in rent payments and rent defaults may increase.

Rent control, or other changes in applicable laws, or noncompliance with applicable laws, could adversely affect the Company's operations, property values or expose us to liability. The Company must own, operate, manage, acquire, develop and redevelop its properties in compliance with numerous federal, state and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, rent control or stabilization laws, governmental emergency orders, laws benefiting disabled persons, including, without limitation, the Americans with Disabilities Act of 1990, federal, state and local tax laws, landlord tenant laws, environmental laws, employment laws, immigration laws and other laws regulating housing, including, without limitation, the Fair Housing Amendment Act of 1988, or that are generally applicable to the Company's business and operations. Noncompliance with laws could expose the Company to liability, including fines to government authorities or damage awards to private litigants, reduced income or increased costs in order to comply with such requirements. These

requirements may change, or new requirements may be imposed. Changes in, or noncompliance with, these regulatory requirements could require the Company to make significant unanticipated expenditures to address noncompliance.

Rent control or rent stabilization laws, and new such laws that may be implemented, and other regulatory restrictions may limit our ability to increase rents and pass through new or increased operating costs to our tenants. These initiatives and any other future enactments of rent control or rent stabilization laws or other laws regulating multifamily housing, as well as any lawsuits against the Company arising from such rent control or other laws, may reduce rental revenues or increase operating costs. Such laws and regulations limit our ability to charge market rents, increase rents, evict tenants or recover increases in our operating expenses and could reduce the value of our communities or make it more difficult for us to dispose of properties in certain circumstances. Expenses associated with our investment in these communities, such as debt service, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in rental income from the community. Furthermore, such regulations may negatively impact our ability to attract higher-paying tenants to such communities.

The COVID-19 pandemic, or the future outbreak of other highly contagious diseases, could materially affect our business, financial condition and results of operations. Uncertainty still surrounds COVID-19, and the potential short-term and long-term effects, including but not limited to shifts in consumer housing demand based on geography, affordability, housing type and unit type, mainly resulting from the paradigm shift of work culture, as well as economic uncertainty, volatility and increased regulation. As a result, our ability to make distributions to Essex's stockholders and the Operating Partnership's unitholders may be compromised and we could experience volatility with respect to the market value of our properties and common stock and Operating Partnership units. In some cases, we are subject to eviction moratoria or may be legally required to or otherwise agree to restructure tenants' rent obligations and may not be able to do so on terms as favorable to us as those currently in place. Furthermore, various city, county and state laws restricting rent increases in times of emergency have come into effect in connection with the COVID-19 pandemic, and numerous state, local, federal and industry-initiated efforts have and may continue to affect our ability to collect rent or enforce remedies for the failure to pay rent, including, among others, limitations or prohibitions on evicting tenants unwilling or unable to pay rent and prohibitions on the ability to collect unpaid rent during certain timeframes. In the event of tenant nonpayment, default or bankruptcy, we may incur costs in protecting our investment and re-leasing our property and have limited ability to renew existing leases or sign new leases at projected rents.

Our properties may also incur significant costs or losses related to legislative mandates which may result in a negative impact on our occupancy levels. For example, many companies initially required, and now are continuing to allow or require, employees to "work from home" for an extended period of time, causing some tenants to move away from the urban centers temporarily or permanently. Some businesses many have permanently closed due to deteriorating economic conditions, which has contributed to the temporary, or possibly permanent, deterioration of neighborhoods in and around some of our urban communities, which may be further worsened by increases in homelessness and crime. There may also be an increased risk of material litigation due to the effects of the COVID-19 pandemic, including litigation brought by our residents or employees.

Market fluctuations as a result of the COVID-19 pandemic may affect our ability to obtain necessary funds for our operations, acquisitions, or re-financings. In addition, macro-economic factors have caused some worker shortages and construction delays which could increase costs and lower profitability. Market fluctuations and construction delays experienced by the Company's third-party mezzanine loan borrowers and preferred equity investment sponsors may also negatively impact their ability to repay the Company. Further, while the Company carries general liability, pollution, and property insurance along with other insurance policies that may provide some coverage for any losses or costs incurred in connection with the COVID-19 pandemic, given the novelty of the issue and the scale of losses incurred throughout the world, there is no guarantee that we will be able to recover all or any portion of our losses and costs under these policies. We may be additionally impacted by changes in legislation relating to insurance coverages with respect to the pandemic, including, but not limited to, workers' compensation. The occurrence of any of the foregoing events or any other related matters could have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

Acquisitions of communities involve various risks and uncertainties and may fail to meet expectations. The Company intends to continue to acquire apartment communities. However, there are risks that acquisitions will fail to meet the Company's expectations. The Company's estimates of future income, expenses and the costs of improvements or redevelopment that are necessary to allow the Company to market an acquired apartment community as originally intended may prove to be inaccurate. In addition, following an acquisition, the value and operational performance of an apartment community may be diminished if obsolescence or neighborhood changes occur before we are able to redevelop or sell the community. Also, in connection with such acquisitions, we may assume unknown or contingent liabilities, which could ultimately lead to material costs for us that we did not expect to incur and for which the Company may have no recourse, or only limited recourse, against the sellers due to limited and no indemnification requirements for a breach of representations and warranties. In addition, the total amount of costs and expenses that may be incurred with respect to liabilities associated with apartment communities may exceed our expectations, and we may experience other unanticipated adverse effects, all of which may adversely affect our business, financial condition and results of operations. The Company expects to finance future acquisitions under various forms of secured or unsecured financing or through the issuance of partnership units by the Operating Partnership or related partnerships

or joint ventures or additional equity by the Company. The use of equity financing for future developments or acquisitions could dilute the interest of the Company's existing stockholders. If the Company finances new acquisitions under existing lines of credit, there is a risk that, unless the Company obtains substitute financing, the Company may not be able to undertake additional borrowing for further acquisitions or developments or such borrowing may be not available on advantageous terms.

Development and redevelopment activities may be delayed, not completed, and/or not achieve expected results. The Company pursues development and redevelopment projects. 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, and redevelopment projects as existing properties owned or recently acquired that have been targeted for additional investment by the Company with the expectation of increased financial returns through property improvement. As of December 31, 2021, the Company had one consolidated development project and one unconsolidated joint venture development project comprised of 371 apartment homes for an estimated cost of $217.0 million, of which $61.0 million remains to be expended, and $32.6 million is the Company's share.

The Company's development and redevelopment activities generally entail certain risks, including, among others:

- funds may be expended and management's time devoted to projects that may not be completed on time or at all;
- construction costs of a project may exceed original estimates possibly making the project economically unfeasible;
- projects may be delayed due to, without limitation, adverse weather conditions, labor or material shortage, municipal office closures and staff shortages, government recommended or mandated work stoppages due to health concerns, or environmental remediation;
- occupancy rates and rents at a completed project may be less than anticipated;
- expenses at completed development or redevelopment projects may be higher than anticipated, including, without limitation, due to costs of litigation over construction contracts by general contractors, environmental remediation or increased costs for labor, materials and leasing;
- we may be unable to obtain, or experience a delay in obtaining, necessary zoning, occupancy, or other required governmental or third party permits and authorizations, which could result in increased costs or delay or abandonment of opportunities;
- we may be unable to obtain financing with favorable terms, or at all, for the proposed development or redevelopment of a community, which may cause us to delay or abandon an opportunity; and
- we may incur liabilities to third parties during the development process, for example, in connection with managing existing improvements on the site prior to tenant terminations and demolition (such as commercial space) or in connection with providing services to third parties (such as the construction of shared infrastructure or other improvements.)

These risks may reduce the funds available for distribution to Essex's stockholders and the Operating Partnership's unitholders.

The geographic concentration of the Company's communities and fluctuations in local markets may adversely impact the Company's financial condition and operating results. The Company generated significant amounts of rental revenues for the year ended December 31, 2021, from the Company's communities concentrated in Southern California (primarily Los Angeles, Orange, San Diego, and Ventura counties), Northern California (the San Francisco Bay Area), and the Seattle metropolitan area. For the year ended December 31, 2021, 83% of the Company's rental revenues were generated from communities located in California. This geographic concentration could present risks if local property market performance falls below expectations. Factors that may adversely affect local market and economic conditions include regional specific acts of nature (e.g., earthquakes, fires, floods, etc.) and those other factors listed in the risk factor titled "*General real estate investment risks may adversely affect property income and values*" and elsewhere in this Item 1A.

Because the Company's communities are geographically concentrated, the Company is exposed to greater economic concentration risks than if it owned a more geographically diverse portfolio. The Company is susceptible to adverse developments in California and Washington economic and regulatory environments, such as increases in real estate and other taxes, and increased costs of complying with governmental regulations. In addition, the State of California is generally regarded as more litigious and more highly regulated and taxed than many states, which may reduce demand for the Company's communities. California has also experienced increased relocation out of the state. Any adverse developments in the economy or real estate markets in California or Washington, or any decrease in demand for the Company's communities resulting from the California or Washington regulatory or business environments, could have an adverse effect on the Company's business and results of operations.

The Company may experience various increased costs, including increased property taxes, to own and maintain its properties. Real property taxes on our properties may increase as our properties are reassessed by taxing authorities or as property tax rates change. Our real estate taxes in Washington could increase as a result of property value reassessments or

increased property tax rates in that state. A California law commonly referred to as Proposition 13 generally limits annual real estate tax increases on California properties to 2% of assessed value. However, under Proposition 13, property tax reassessment generally occurs as a result of a "change in ownership" of a property, as specially defined for purposes of those rules. Because the property taxing authorities may not determine whether there has been a "change in ownership" or the actual reassessed value of a property for a period of time after a transaction has occurred, we may not know the impact of a potential reassessment for a considerable amount of time following a particular transaction. Therefore, the amount of property taxes we are required to pay could increase substantially from the property taxes we currently pay or have paid in the past, including on a retroactive basis. In addition, from time to time voters and lawmakers have announced initiatives to repeal or amend Proposition 13 to eliminate its application to commercial and industrial property, increase the permitted annual real estate tax increases, and/or introduce split tax roll legislation. Such initiatives, if successful, could increase the assessed value and/or tax rates applicable to commercial property in California, including our apartment communities. Further, changes in U.S. federal tax law could cause state and local governments to alter their taxation of real property.

The Company may experience increased costs associated with capital improvements and routine property maintenance, such as repairs to the foundation, exterior walls, and rooftops of its properties, as its properties advance through their life-cycles. In some cases, we may spend more than budgeted amounts to make necessary improvements or maintenance. Increases in the Company's expenses to own and maintain its properties could adversely impact the Company's financial condition and results of operations.

Competition in the apartment community market and other housing alternatives may adversely affect operations and the rental demand for the Company's communities. There are numerous housing alternatives that compete with the Company's communities in attracting tenants. These include other apartment communities, condominiums and single-family homes that are available for rent or for sale in the markets in which our communities are located. Competitive housing in a particular area and fluctuations in cost of owner-occupied single- and multifamily homes caused by a decrease in housing prices, mortgage interest rates and/or government programs to promote home ownership or create additional rental and/or other types of housing, or an increase in desire for more space due to work from home needs or increased time spent at home, could adversely affect the Company's ability to retain its tenants, lease apartment homes and increase or maintain rents. If the demand for the Company's communities is reduced or if competitors develop and/or acquire competing apartment communities, rental rates may drop, which may have a material adverse effect on the Company's financial condition and results of operations. The Company also faces competition from other companies, REITs, businesses and other entities in the acquisition, development and operation of apartment communities. This competition may result in an increase in prices and costs of apartment communities that the Company acquires and/or develops.

Investments in mortgages, mezzanine loans, subordinated debt, other real estate, and other marketable securities could adversely affect the Company's cash flow from operations. The Company may purchase or otherwise invest in securities issued by entities which own real estate and/or invest in mortgages or unsecured debt obligations. Such mortgages may be first, second or third mortgages, and these mortgages and/or other investments may not be insured or otherwise guaranteed. The Company may make or acquire mezzanine loans, which take the form of subordinated loans secured by second mortgages on the underlying property or loans secured by a pledge of the ownership interests of either the entity owning the property or a pledge of the ownership interests of the entity or entities that owns the interest in the entity owning the property. In general, investing in mortgages may pose some risk, including but not limited to the value of mortgaged property may be less than the amounts owed, causing realized or unrealized losses; the borrower may not pay indebtedness under the mortgage when due, requiring the Company to foreclose, and the amount recovered in connection with the foreclosure may be less than the amount owed; that interest rates payable on the mortgages may be lower than the Company's cost of funds; in the case of junior mortgages, that foreclosure of a senior mortgage could eliminate the junior mortgage; delays in the collection of principal and interest if a borrower claims bankruptcy; possible senior lender default or overconcentration of senior lenders in portfolio; and unanticipated early prepayments may limit the Company's expected return on its investment. If any of the above were to occur, it could adversely affect the Company's cash flows from operations.

The Company's ownership of co-investments, including joint ventures and joint ownership of communities, its ownership of properties with shared facilities with a homeowners' association or other entity, its ownership of properties subject to a ground lease and its preferred equity investments and its other partial interests in entities that own communities, could limit the Company's ability to control such communities and may restrict our ability to finance, sell or otherwise transfer our interests in these properties and expose us to loss of the properties if such agreements are breached by us or terminated. The Company has entered into, and may continue in the future to enter into, certain co-investments, including joint ventures or partnerships through which it owns an indirect economic interest in less than 100% of the community or land or other investments owned directly by the joint venture or partnership. As of December 31, 2021, the Company had, through several joint ventures, an interest in 10,257 apartment homes in stabilized operating communities for a total book value of $565.3 million.

Joint venture partners often have shared control over the development and operation of the joint venture assets. Therefore, it is possible that a joint venture partner in an investment might become bankrupt, or have economic or business interests or goals that are inconsistent with the Company's business interests or goals, or be in a position to take action contrary to the Company's instructions or requests, or its policies or objectives. Consequently, a joint venture partner's actions might subject property owned by the joint venture to additional risk. Although the Company seeks to maintain sufficient influence over any joint venture to achieve its objectives, the Company may be unable to take action without its joint venture partners' approval. Should a joint venture partner become bankrupt, the Company could become liable for such partner's share of joint venture liabilities. In some instances, the Company and the joint venture partner may each have the right to trigger a buy-sell arrangement, which could cause the Company to sell its interest, or acquire a partner's interest, at a time when the Company otherwise would not have initiated such a transaction.

From time to time, the Company, through the Operating Partnership, makes certain co-investments in the form of preferred equity investments in third-party entities that have been formed for the purpose of acquiring, developing, financing, or managing real property. With preferred equity investments and certain other co-investments, the Operating Partnership's interest in a particular entity is typically less than a majority of the outstanding voting interests of that entity. Therefore, the Operating Partnership's ability to control the daily operations of such co-investment may be limited. The Operating Partnership may not be able to dispose of its interests in such co-investment. In the event that such co-investment or the partners in such co-investment become insolvent or bankrupt or fail to develop or operate the property in the manner anticipated and expected, the Operating Partnership may not receive the expected return in its expected timeframe or at all and may lose up to its entire investment in, and any advances to, the co-investment. Additionally, the preferred return negotiated on these co-investments may be lower than the Company's cost of funds. The Company may also incur losses if any guarantees or indemnifications were made by the Company.

The Company also owns properties indirectly under "DownREIT" structures. The Company has entered into, and in the future may enter into, transactions that could require the Company to pay the tax liabilities of partners that contribute assets into DownREITs, joint ventures or the Operating Partnership, in the event that certain taxable events, which are within the Company's control, occur. Although the Company plans to hold the contributed assets or, if such assets consist of real property, defer recognition of gain on sale of such assets pursuant to the like-kind exchange rules under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), the Company can provide no assurance that the Company will be able to do so and if such tax liabilities were incurred they could have a material impact on its financial position.

Also, from time to time, the Company invests in properties which may be subject to certain shared facilities agreements with homeowners' associations and other entities and/or invests in properties subject to ground leases where a subtenant may have certain similar rights to that of a party under such a shared facilities agreement and the Company's ability to control expenditures, make necessary repairs and control certain decisions may adversely affect the Company's business, financial condition and results of operations.

We may pursue acquisitions of other REITs and real estate companies, which may not yield anticipated results and could adversely affect our results of operations. We may make acquisitions of and/or investments in other REITs and real estate companies that offer properties and communities to augment our market coverage or enhance our property offerings. We may also enter into strategic alliances or joint ventures to achieve these goals. There can be no assurance that we will be able to identify suitable acquisition, investment, alliance or joint venture opportunities, that we will be able to consummate any such transactions or relationships on terms and conditions acceptable to us, or that such transactions or relationships will be successful. In addition, our original estimates and assumptions used in assessing any acquisition may be inaccurate, and we may not realize the expected financial or strategic benefits of any such acquisition.
These transactions or any other acquisitions involve risks and uncertainties. In addition, the integration of acquired businesses or other acquisitions may not be successful and could result in disruption to other parts of our business. To integrate acquired businesses or other acquisitions, we must implement our management information systems, operating systems and internal controls, and assimilate and manage the personnel of the acquired operations. There can be no assurance that all pre-acquisition property due diligence will have identified all material issues that might arise with respect to such acquired business and its properties or as to any such other acquisitions. Any future acquisitions we make may also require significant additional debt or equity financing, which, in the case of debt financing, would increase our leverage and potentially affect our credit ratings and, in the case of equity or equity-linked financing, could be dilutive to Essex's stockholders and the Operating Partnership's unitholders. Additionally, the value of these investments could decline for a variety of reasons. These and other factors could affect our ability to achieve anticipated levels of profitability at acquired operations or realize other anticipated benefits of an acquisition, and could adversely affect our business, financial condition and results of operations.

Real estate investments are relatively illiquid and, therefore, the Company's ability to vary its portfolio promptly in response to changes in economic or other conditions may be limited. Real estate investments are illiquid and, in our markets, can at times be difficult to sell at prices we find acceptable. These potential difficulties in selling real estate in our markets may limit our ability to change or reduce the apartment communities in our portfolio promptly in response to changes in economic or other conditions, which could have a material adverse effect on our financial condition and results of operations.

The Company may not be able to lease its retail/commercial space consistent with its projections or at market rates. The Company has retail/commercial space in its portfolio, which represents approximately 2% of our total revenue. We may not be able to lease new space for rents that are consistent with our projections or at market rates, and the longer-term leases for existing space could result in below market rents over time. Also, when leases for our existing retail/commercial space expire, the space may not be relet on a timely basis, or at all, or the terms of reletting, including the cost of allowances and concessions to tenants, may be less favorable than the current lease terms.

The Company's portfolio may have environmental liabilities. Under various federal, state and local environmental and public health laws, regulations and ordinances, we have been required, and may be required in the future, regardless of our knowledge or responsibility, to investigate and remediate the effects of hazardous or toxic substances or petroleum product releases at our properties (including in some cases naturally occurring substances such as methane and radon gas). We may be held liable under these laws or common law to a governmental entity or to third parties for response costs, property damage, personal injury or natural resources damages and for investigation and remediation costs incurred as a result of the impacts resulting from such releases. While the Company is unaware of any such response action required or damage claims associated with its existing properties which individually or in aggregate would have a material adverse effect on our business, assets, financial condition or results of operations, potential future costs and damage claims may be substantial and could exceed any insurance coverage we may have for such events or such coverage may not exist. Further, the presence of such substances, or the failure to properly remediate any such impacts, may adversely affect our ability to borrow against, develop, sell or rent the affected property. In addition, some environmental laws create or allow a government agency to impose a lien on the impacted property in favor of the government for damages and costs it incurs as a result of responding to hazardous or toxic substance or petroleum product releases.

Investments in real property create a potential for environmental liabilities on the part of the owner of such real property. The Company carries certain limited insurance coverage for this type of environmental risk as to its properties; however, such coverage is not fully available for all properties and, as to those properties for which limited coverage is fully available, it may not apply to certain claims arising from known conditions present on those properties. In general, in connection with the ownership (direct or indirect), operation, financing, management and development of its communities, the Company could be considered as the owner or operator of such properties or as having arranged for disposal or treatment of hazardous substances present there and therefore may be potentially liable for removal or clean-up costs, as well as certain other costs and environmental liabilities. The Company may also be subject to governmental fines, costs related to injuries to third parties and/or damage to a third party's property.

Properties which we plan to acquire undergo a pre-acquisition Phase I environmental site assessment, which is intended to afford the Company protection against so-called "owner liability" under the primary federal environmental law, as well as further environmental assessment, which may involve invasive techniques such as soil or ground water sampling where conditions warranting such further assessment are identified and seller’s consent is obtained. Despite these assessments, no assurance can be given that all environmental conditions present on or beneath or emanating from a given property will be discovered or that the full nature and extent of those conditions which are discovered will be adequately ascertained and quantified.

In connection with our ownership, operation and development of communities, from time to time we undertake remedial action in response to the presence of subsurface or other contaminants, including contaminants in soil, groundwater and soil vapor beneath or affecting our buildings. The Company does so pursuant to appropriate environmental regulatory requirements with the objective of obtaining regulatory closure or a no further action determination that will allow for future use, development and sale of any impacted community.

Certain environmental laws impose liability for release of asbestos-containing materials ("ACMs") into the air or exposure to lead-based paint ("LBP"), and third parties may seek recovery from owners or operators of apartment communities for personal injury associated with ACMs or LBP.

Mold growth may occur when excessive moisture accumulates in buildings or on building materials, particularly if the moisture problem remains undiscovered or is not addressed in a timely manner. Although the occurrence of mold at multifamily and other structures, and the need to remediate such mold, is not a new phenomenon, there has been increased awareness in recent

years that certain molds may in some instances lead to adverse health effects, including allergic or other reactions. The Company has adopted policies for promptly addressing and resolving reports of mold when it is detected, and to minimize any impact mold might have on tenants of the affected property, however, no assurance can be provided that the Company has identified and responded to all mold occurrences.

California has enacted legislation, commonly referred to as "Proposition 65," requiring that covered businesses provide "clear and reasonable" warnings before knowingly exposing persons to chemicals known to the State of California to cause cancer or reproductive toxicity, including tobacco smoke. The legislation allows private persons to sue to enforce this warning requirement and recover their legal fees and costs for doing so. Although the Company has sought to comply with Proposition 65 requirements where it appears applicable, we cannot assure you that the Company will not be adversely affected by private enforcement litigation relating to Proposition 65.

Methane gas is a naturally-occurring gas that is commonly found below the surface in several areas, particularly in the Southern California coastal areas. Methane is a non-toxic gas, but is flammable and can be explosive at sufficient concentrations when in confined spaces and exposed to an ignition source. Naturally-occurring methane gas is regulated at the state and federal level as a greenhouse gas but is not otherwise regulated as a hazardous substance; however, some local governments, such as Los Angeles County, require that new buildings constructed in areas designated methane gas zones install detection and/or venting systems. Radon is also a naturally-occurring gas that is found below the surface and can pose a threat to human health requiring abatement action if present in sufficient concentration within occupied areas. The Company cannot assure that it will not be adversely affected by costs related to its compliance with methane or radon gas related requirements or litigation costs related to methane or radon gas. However, the Company is unaware of any pending or threatened alleged claim resulting from such matters which would have a material adverse effect on the Company’s financial condition, results of operations or cash flows.

The Company may incur general uninsured losses or may experience market conditions that impact the procurement of certain insurance policies. The Company purchases general liability and property, including loss of rent, insurance coverage for each of its communities. The Company may also purchase limited earthquake, terrorism, environmental and flood insurance for some of its communities. However, there are types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, pollution, environmental matters or extreme weather conditions such as hurricanes, fires and floods that are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. The Company utilizes a wholly owned insurance subsidiary, Pacific Western Insurance LLC ("PWI"), to self-insure certain earthquake and property losses for some of the communities in its portfolio. As of December 31, 2021, PWI, which is consolidated in the Company's financial statements, had cash and marketable securities of approximately $198.1 million. The value of the marketable securities of PWI could decline and adversely affect PWI’s ability to cover all or any portion of the amount of any insured losses.

All of our communities are located in areas that are subject to earthquake activity. The Company evaluates its financial loss exposure to seismic events by using actuarial loss models developed by the insurance industry and property vulnerability analyses based on structural evaluations by seismic consultants. The Company manages this exposure, where considered appropriate, desirable, and cost-effective, by upgrading properties to increase their resistance to seismic events, by considering available funds and coverages provided by PWI and/or, in some cases, by purchasing seismic insurance. Purchasing seismic insurance coverage can be costly and such seismic insurance is in limited supply. As a result, the Company may experience a shortage in desired coverage levels if market conditions are such that insurance is not available, or not economically practical. The Company may purchase limited earthquake insurance for certain high-density properties and, in most cases, properties owned by the Company's co-investments.

The Company carries other types of insurance coverage related to a variety of risks and exposures, including cyber risk insurance. There has been a reduction in the number of insurance companies in the market offering certain types of insurance the Company has previously purchased and premiums have materially increased for certain types of insurance coverage. Based on market conditions, the Company may change or potentially eliminate insurance coverages, or increase levels of self-insurance. Further, we cannot assure you that the Company will not incur losses, which could be material, due to uninsured risks, deductibles and self-insured retentions, and/or losses in excess of coverage limits.

We have significant investments in large metropolitan markets, such as the metropolitan markets in Southern California, Northern California, and Seattle. These markets may in the future be the target of actual or threatened terrorist attacks. Future terrorist attacks in these markets could directly or indirectly damage our communities, both physically and financially, or cause losses that exceed our insurance coverage. Our communities could also directly or indirectly be the location or target of actual or threatened terrorist attacks, crimes, shootings, other acts of violence or other incidents beyond our control, the occurrence of which could directly impact the value of our communities through damage, destruction, loss or increased security costs, as well as operational losses due to reduction of traffic and rental demand for our communities, and the availability of insurance for such acts may be limited or may be subject to substantial costs. If such an incident were to occur at one of our communities, we

may also be subject to significant liability claims. Such events and losses could significantly affect our ability to operate those communities and materially impair our ability to achieve our expected results. Additionally, we may be obligated to continue to pay any mortgage indebtedness and other obligations relating to affected properties.

Although the Company may carry insurance for potential losses associated with its communities, employees, tenants, and compliance with applicable laws, it may still incur losses due to uninsured risks, deductibles, copayments or losses in excess of applicable insurance coverage and those losses may be material. In the event of a substantial loss, insurance coverage may not be able to cover the full replacement cost of the Company's lost investment, or the insurance carrier may become insolvent and not be able to cover the full amount of the insured losses. Changes in building codes and ordinances, environmental considerations and other factors might also affect the Company's ability to replace or renovate an apartment community after it has been damaged or destroyed. In addition, certain causalities and/or losses incurred may expose the Company in the future to higher insurance premiums.

Climate change may adversely affect our business. To the extent that climate change does occur, we may experience extreme weather and changes in precipitation, temperature and wild fire exposure, all of which may result in physical damage or a decrease in demand for our communities located in these areas or affected by these conditions. Should the impact of climate change be material in nature or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected, and may negatively impact the types and pricing of insurance the Company is able to procure.

Our properties are located along the West Coast of the United States. To the extent climate change causes changes in weather patterns, the regions where our communities are located could experience increases in storm intensity, wild fires, rising sea levels and/or drought frequency. Over time, such conditions could result in reduced demand for housing in areas where our communities are located and increased costs related to further developing our communities to mitigate the effects of climate change or repairing damage related to the effects of climate change that may or may not be fully covered by insurance.

In addition, changes in federal, state and local legislation and regulation on climate change could result in increased operating costs (for example, increased utility costs) and/or increased capital expenditures to improve the energy efficiency of our existing communities and could also require us to spend more on our new development communities without a corresponding increase in revenue. Further, the impact of climate change may increase the cost of, or make unavailable, property insurance or other hazard insurance on terms we find acceptable or necessary to adequately protect our properties.

Accidental death or severe injuries at our communities due to fires, floods, other natural disasters or hazards could adversely affect our business and results of operations. Our insurance coverage may not cover all losses associated with such events, and we may experience difficulty marketing communities where any such events have occurred, which could have a material adverse effect on our business and results of operations.

Adverse changes in laws may adversely affect the Company's liabilities and/or operating costs relating to its properties and its operations. Increases in real estate taxes and income, service and transfer taxes cannot always be passed through to tenants or users in the form of higher rents, and may adversely affect the Company's cash available for distribution and its ability to make distributions to Essex's stockholders or the Operating Partnership's unitholders and pay amounts due on its debts. Additionally, ongoing political volatility may increase the likelihood of significant changes in laws, such as repeal of Proposition 13, that could affect the Company's overall strategy. Changes in laws increasing the potential liability of the Company and/or its operating costs on a range of issues, including those regarding potential liability for other environmental conditions existing on properties or increasing the restrictions on discharges or other conditions, as well as changes in laws affecting development, construction and safety requirements, may result in significant unanticipated expenditures, including without limitation, those related to structural or seismic retrofit or more costly operational safety systems and programs, which could have a material adverse effect on the Company.

Failure to succeed in new markets may limit the Company's growth. The Company may make acquisitions or commence development activity outside of its existing market areas if appropriate opportunities arise. The Company may be exposed to a variety of risks if it chooses to enter new markets. These risks include but are not limited to an inability to evaluate accurately local apartment market conditions and local economies; an inability to identify appropriate acquisition opportunities or to obtain land for development; an inability to hire and retain key personnel; and lack of familiarity with local governmental and permitting procedures.

Our business and reputation depend on our ability to continue providing high quality housing and consistent operation of our communities, the failure of which could adversely affect our business, financial condition and results of operations. We also provide tenants with reliable services, including water and electric power, along with the consistent operation of our communities, including a wide variety of amenities such as covered parking, pools, gyms, playgrounds, and similar features.

Public utilities, especially those that provide water and electric power, are fundamental for the consistent operation of our communities. The delayed delivery or any prolonged interruption of these services may cause tenants to terminate their leases or may result in a reduction of rents and/or increase in our costs or other issues. In addition, we may fail to provide quality housing and continuous access to amenities as a result of other factors, including government mandated closures, mechanical failure, power outage, human error, vandalism, physical or electronic security breaches, war, terrorism or similar events. Such events may also expose us to additional liability claims and damage our reputation and brand and could cause tenants to terminate or not renew their leases, or prospective tenants to seek housing elsewhere. Any such failures could impair our ability to continue providing quality housing and consistent operation of our communities, which could adversely affect our business, financial condition and results of operations.

The Company's real estate assets may be subject to impairment charges. The Company continually evaluates the recoverability of the carrying value of its real estate assets under U.S. generally accepted accounting principles ("U.S. GAAP"). Factors considered in evaluating impairment of the Company's existing multifamily real estate assets held for investment include significant declines in property operating profits, recurring property operating losses and other significant adverse changes in general market conditions that are considered permanent in nature. Generally, a multifamily real estate asset held for investment is not considered impaired if the undiscounted, estimated future cash flows of the asset over its estimated holding period are in excess of the asset's net book value at the balance sheet date. Assumptions used to estimate annual and residual cash flow and the estimated holding period of such assets require the judgment of management. There can be no assurance that the Company will not take charges in the future related to the impairment of the Company's assets. Any future impairment charges could have a material adverse effect on the Company's results of operations.

We face risks associated with land holdings and related activities. We hold land for future development and may in the future acquire additional land holdings. The risks inherent in purchasing, owning and developing land increase as demand for apartments, or rental rates, decrease. Real estate markets are highly uncertain and, as a result, the value of undeveloped land may fluctuate significantly. In addition, carrying costs can be significant and can result in losses or reduced profitability. As a result, we hold certain land, and may, in the future acquire additional land, in our development pipeline at a cost we may not be able to fully recover or at a cost which may preclude our developing a profitable multifamily community. If there are subsequent changes in the fair value of our land holdings which we determine is less that the carrying basis of our land holdings reflected in our financial statements plus estimated costs to sell, we may be required to take future impairment changes which could have a material adverse effect on our results of operations.

We rely on information technology in our operations, and any material failure, inadequacy, interruption or breach of the Company's privacy or information security systems, or those of our vendors or other third parties, could materially adversely affect the Company's business and financial condition. We rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, personally identifiable information, and tenant and lease data. Our business requires us, including some of our vendors, to use and store personally identifiable and other sensitive information of our tenants and employees. The collection and use of personally identifiable information is governed by federal and state laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. The Company endeavors to comply with all such laws and regulations, including by providing required disclosures, promptly responding to consumer requests for data, and seeking vendor compliance with applicable privacy and information security laws. Compliance with all such laws and regulations may increase the Company's operating costs and adversely impact the Company's ability to market the Company's properties and services.

Although we have taken steps to abide by privacy and security laws, and to protect the security of our information systems and maintain confidential tenant, prospective tenant and employee information, the compliance and security measures put in place by the Company, and such vendors, cannot guarantee perfect compliance or provide absolute security, and the Company and our vendors' compliance systems and/or information technology infrastructure may be vulnerable to criminal cyber-attacks or data security incidents, including, ransom of data, such as, without limitation, tenant and/or employee information, due to employee error, malfeasance, or other vulnerabilities. Any such incident could compromise the Company's or such vendors' networks (or the networks or systems of third parties that facilitate the Company's or such vendors' business activities), and the information stored by the Company or such vendors could be accessed, misused, publicly disclosed, corrupted, lost, or stolen, resulting in fraud, including wire fraud related to Company assets, or other harm. Moreover, if there is a compliance failure, or if a data security incident or breach affects the Company's systems or such vendors' systems, whether through a breach of the Company's systems or a breach of the systems of third parties, or results in the unauthorized release of personally identifiable information, the Company's reputation and brand could be materially damaged, which could increase our costs in attracting and retaining tenants, and other serious consequences may result. Such potential other consequences include, without limitation, that the Company may be exposed to a risk of litigation, including, without limitation, government enforcement actions, private

litigation or criminal penalties; and that the Company may be exposed to a risk of loss including, without limitation, loss related to the fact that agreements with such vendors, or such vendors' financial condition, may not allow the Company to recover all costs related to a cyber breach for which they alone or they and the Company should be jointly responsible for, which could result in a material adverse effect on the Company's business, results of operations, and financial condition.

Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies, such as ransomware, and the increased sophistication and activities of perpetrators of cyber-attacks. We maintain cyber risk insurance which may provide some coverage for certain risks arising out of cyber breaches. However, there can be no assurance that our cyber risk insurance will be sufficient in the event of a cyber incident.

In the future, the Company may expend additional resources to continue to enhance the Company's information security measures to investigate and remediate any information security vulnerabilities and/or to further ensure compliance with privacy and information security laws. Despite these steps, there can be no assurance that the Company will not suffer a significant data security incident in the future, that unauthorized parties will not gain access to sensitive data stored on the Company's systems, or that any such incident will be discovered in a timely manner. Any failure in or breach of the Company's information security systems, those of third party service providers, or a breach of other third party systems that ultimately impacts the operational or information security systems of the Company as a result of cyber-attacks or information security breaches could result in a wide range of potentially serious harm to our business and results of operations. Further, the techniques used by criminals to obtain unauthorized access to sensitive data, such as phishing are increasing in sophistication and are often novel or change frequently; accordingly, the Company may be unable to anticipate these techniques or implement adequate preventative measures.

Reliance on third party software providers to host systems critical to our operations and to provide the Company with data. We rely on certain key software vendors to support business practices critical to our operations, including the collection of rent and ancillary income and communication with our tenants, and to provide us with data, including data we use to set our rents and predict occupancies. The market is currently experiencing a consolidation of these software vendors particularly in the multi-family space, which may negatively impact the Company's choice of vendor and pricing options. Moreover, if any of these key vendors were to terminate our relationship or access to data, or to fail, we could suffer losses while we sought to replace the services and information provided by the vendors.

Risks Related to Our Indebtedness and Financings

Capital and credit market conditions and volatility may affect the Company's access to sources of capital and/or the cost of capital, which could negatively affect the Company's business, stock price, results of operations, cash flows and financial condition. Our current balance sheet, the debt capacity available on the unsecured line of credit with a diversified bank group, access to the public and private placement debt markets and secured debt financing providers such as Fannie Mae and Freddie Mac provide some insulation from volatile capital markets. We primarily use external financing, including sales of debt and equity securities, to fund acquisitions, developments, and redevelopments and to refinance indebtedness as it matures. If sufficient sources of external financing are not available to us on cost effective terms, we could be forced to limit our acquisition, development and redevelopment activity and/or take other actions to fund our business activities and repayment of debt, such as selling assets, reducing our cash dividend or distributing less than 100% of our REIT taxable income. In general, to the extent that the Company's access to capital and credit is at a higher cost than the Company has experienced in recent years (reflected in higher interest rates for debt financing or a lower stock price for equity financing without a corresponding change to investment cap rates) the Company's ability to make acquisitions, develop or redevelop communities, obtain new financing, and refinance existing borrowing at competitive rates could be adversely affected, which would impact the Company's financial standing and related credit rating. In addition, if our ability to obtain financing is adversely affected, the Company's stock price may be adversely affected, and we may be unable to satisfy scheduled maturities on existing financing through other sources of our liquidity, which, in the case of secured financings, could result in lender foreclosure on the apartment communities securing such debt.

Debt financing has inherent risks. At December 31, 2021, the Company had approximately $6.3 billion of indebtedness (including $565.6 million of variable rate indebtedness). Where appropriate, the Company intends to continue to use leverage to increase the rate of return on the Company's investments and to provide for additional investments that the Company could not otherwise make. The Company is subject to the risks normally associated with debt financing, including, but not limited to cash flow may not be sufficient to meet required payments of principal and interest and the REIT distribution requirements of the Code; inability to renew, repay, or refinance maturing indebtedness on encumbered apartment communities on favorable terms or at all, possibly requiring the Company to sell a property or properties on disadvantageous terms; inability to comply with debt covenants could trigger cash management provisions limiting our ability to control cash flows, cause defaults, or an acceleration of maturity dates; and paying debt before the scheduled maturity date could result in prepayment penalties. Any of these risks might result in losses that could have an adverse effect on the Company and its ability to make distributions to

Essex's stockholders or the Operating Partnership's unitholders and pay amounts due on its debt. Our ability to make payments on and to refinance our indebtedness and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash in the future. There is a risk that we may not be able to refinance existing indebtedness or that a refinancing will not be done on as favorable terms, which in either case could have an adverse effect on our financial condition, results of operations and cash flows.

As of December 31, 2021, the Company had 12 consolidated communities encumbered by debt. With respect to such communities, all of them are secured by deeds of trust relating solely to those communities. The holders of this indebtedness will have rights with respect to these communities and, if debt payment obligations are not met, lenders may seek foreclosure of communities, or may appoint a receiver and exercise rights under an assignment of rents and leases, or pursue other remedies which would reduce the Company's income and net asset value, and its ability to service other debt. Foreclosures could also create taxable income without accompanying cash proceeds, thereby hindering our ability to meet REIT distribution requirements.

Compliance requirements of tax-exempt financing and below market rent requirements may limit income from certain communities. At December 31, 2021, the Company had approximately $224.4 million of variable rate tax-exempt financing. This tax-exempt financing provides for certain deed restrictions and restrictive covenants. The Company expects to engage in tax-exempt financings in the future. If the compliance requirements of the tax-exempt financing restrict our ability to increase our rental rates to low or moderate income tenants, or eligible/qualified tenants, then our income from these properties may be limited. While we generally believe that the interest rate benefit attendant to properties with tax-exempt bonds more than outweigh any loss of income due to restrictive covenants or deed restrictions, this may not always be the case. Some of these requirements are complex and our failure to comply with them may subject us to material fines or liabilities. Certain state and local authorities may impose additional rental restrictions. These restrictions may limit income from the tax-exempt financed communities if the Company is required to decrease its rental rates to attract tenants who satisfy the median income test. If the Company does not reserve the required number of apartment homes for tenants satisfying these income requirements, the tax-exempt status of the bonds may be terminated, the obligations under the bond documents may be accelerated and the Company may be subject to additional contractual liability. Notwithstanding the limitations due to tax-exempt financing requirements, the income from certain communities may be limited due to below market rent requirements imposed by local authorities in connection with the original development of the community.

The indentures governing our notes and other financing arrangements contain restrictive covenants that limit our operating flexibility. The indentures that govern our publicly registered notes contain financial and operating covenants that, among other things, restrict our ability to take specific actions, even if we believe them to be in our best interests, including restrictions on our ability to consummate a merger, consolidation or sale of all or substantially all of our assets; and incur additional secured and unsecured indebtedness. The instruments governing our other unsecured indebtedness require us to meet specified financial covenants, including covenants relating to net worth, fixed charge coverage, debt service coverage, the amounts of total indebtedness and secured indebtedness, leverage and certain investment limitations. These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these provisions and those contained in the indentures governing the notes, may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events adversely impacting us. The breach of any of these covenants, including those contained in our indentures, could result in a default under our indebtedness, which could cause those and other obligations to become due and payable. If any of our indebtedness is accelerated, we may not be able to repay it.

Uncertainty relating to the LIBOR calculation process and potential phasing out of LIBOR after 2021 may materially adversely affect us. The interest rate on certain of the Company's secured and unsecured debt obligations, including the Company's two unsecured lines of credit, is based on the LIBOR. In July 2017, the United Kingdom regulator that regulates LIBOR announced its intention to phase out LIBOR rates by the end of 2021. On March 5, 2021, the United Kingdom regulator confirmed its intentions to cease the publication of the one week and two month U.S. dollar LIBOR immediately following the December 31, 2021 publications, and the remaining U.S. dollar LIBOR tenors immediately following the June 30, 2023 publications. At this time, no consensus exists as to what rate or rates may become accepted alternatives to LIBOR, and it is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom, the United States or elsewhere. Any changes in the method used for determining LIBOR may result in a sudden or prolonged increase or decrease in LIBOR. If a published U.S. dollar LIBOR rate is unavailable after June 2023, the interest rates on certain of the Company's debt obligations could change. Uncertainty as to the nature of such potential changes, phase out, alternative reference rates or other reforms may adversely affect the trading market for LIBOR-based securities. Any of these proposals or consequences could have a material adverse effect on our financing costs, and as a result, our financial condition and results of operations.

Interest rate hedging arrangements may result in losses. The Company from time to time uses interest rate swaps and interest rate caps contracts to manage certain interest rate risks. Although these agreements may partially protect against rising interest rates, they also may reduce the benefits to the Company if interest rates decline. If a hedging arrangement is not indexed to the same rate as the indebtedness that is hedged, the Company may be exposed to losses to the extent that the rate governing the indebtedness and the rate governing the hedging arrangement change independently of each other. Finally, nonperformance by the other party to the hedging arrangement may subject the Company to increased credit risks. In order to minimize counterparty credit risk, the Company enters into hedging arrangements only with investment grade financial institutions.

A downgrade in the Company's investment grade credit rating could materially and adversely affect its business and financial condition. The Company plans to manage its operations to maintain its investment grade credit rating with a capital structure consistent with its current profile, but there can be no assurance that it will be able to maintain its current credit ratings. Any downgrades in terms of ratings or outlook by any of the rating agencies could have a material adverse impact on the Company's cost and availability of capital, which could in turn have a material adverse impact on its financial condition, results of operations and liquidity, as well as the Company's stock price.

Changes in the Company's financing policy may lead to higher levels of indebtedness. The Company's organizational documents do not limit the amount or percentage of indebtedness that may be incurred. The Company has adopted a policy of maintaining a limit on debt financing consistent with the existing covenants required to maintain the Company's unsecured line of credit bank facility, unsecured debt and senior unsecured bonds. Although pursuant to this policy the Company manages its debt to be in compliance with the debt covenants, the Company may increase the amount of outstanding debt at any time without a concurrent improvement in the Company's ability to service the additional debt. Accordingly, the Company could become more leveraged, resulting in an increased risk of default on its debt covenants or on its debt obligations and in an increase in debt service requirements. Any covenant breach or significant increase in the Company's leverage could materially adversely affect the Company's financial condition and ability to access debt and equity capital markets in the future.

If the Company or any of its subsidiaries defaults on an obligation to repay outstanding indebtedness when due, the default could trigger a cross-default or cross-acceleration under other indebtedness. A default under the agreements governing the Company's or its subsidiaries' indebtedness, including a default under mortgage indebtedness, lines of credit, bank term loan, or the indenture for the Company's outstanding senior notes, that is not waived by the required lenders or holders of outstanding notes, could trigger cross-default or cross-acceleration provisions under one or more agreements governing the Company's indebtedness, which could cause an immediate default or allow the lenders to declare all funds borrowed thereunder to be due and payable.

The Company could be negatively impacted by the condition of Fannie Mae or Freddie Mac and by changes in government support for multifamily housing. Historically, the Company has utilized borrowing from Fannie Mae and Freddie Mac. There are no assurances that these entities will lend to the Company in the future. The Company primarily utilizes unsecured debt and repays secured debt at or near its respective maturity and places less reliance on agency mortgage debt financing. Potential options have been proposed for the future of agency mortgage finance in the United States that could involve the phase out of Fannie Mae and Freddie Mac. While we believe Fannie Mae and Freddie Mac will continue to provide liquidity to our sector, should they discontinue doing so, have their mandates changed or reduced or be disbanded or reorganized by the government or if there is reduced government support for multifamily housing more generally, it may adversely affect interest rates, capital availability, development of multifamily communities and the value of multifamily residential real estate and, as a result, may adversely affect the Company and its growth and operations.

Risks Related to Personnel

The Company depends on its personnel, whose continued service is not guaranteed. The Company's success depends on its ability to attract, train and retain executive officers, senior officers and company managers. There is substantial competition for qualified personnel in the real estate industry and the departure of any of the Company's key personnel could have an adverse effect on the Company. While the Company engages in regular succession planning for key positions, the Company's plans may be impacted and therefore adjusted due to the departure of any key personnel. Additionally, the Company must continue to recruit and train qualified operational staff at its properties. While the Company offers competitive pay and benefits, it may be difficult to appropriately staff our properties in a highly competitive job market.

The Company's Chairman is involved in other real estate activities and investments, which may lead to conflicts of interest. The Company's Chairman, George M. Marcus, is not an employee of the Company, and is involved in other real estate activities and investments, which may lead to conflicts of interest. Mr. Marcus owns interests in various other real estate-related businesses and investments. He 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. MMI is a national brokerage firm listed on the NYSE that underwent its initial public offering in 2013.

Mr. Marcus has agreed not to divulge any confidential or proprietary information that may be received by him in his capacity as Chairman of the Company to any of his affiliated companies and that he will absent himself from any and all discussions by Essex's Board of Directors regarding any proposed acquisition and/or development of an apartment community where it appears that there may be a conflict of interest with any of his affiliated companies. Notwithstanding this agreement, Mr. Marcus and his affiliated entities may potentially compete with the Company in acquiring and/or developing apartment communities, which competition may be detrimental to the Company. In addition, due to such potential competition for real estate investments, Mr. Marcus and his affiliated entities may have a conflict of interest with the Company, which may be detrimental to the interests of Essex's stockholders and the Operating Partnership's unitholders.

The influence of executive officers, directors, and significant stockholders may be detrimental to holders of common stock. As of December 31, 2021, Mr. Marcus wholly or partially owned approximately 1.9 million shares of common stock (including shares issuable upon exchange of limited partnership interests in the Operating Partnership and certain other partnerships, indirectly held shares of common stock). Mr. Marcus currently does not have majority control over the Company. However, he currently has, and likely will continue to have, significant influence with respect to the election of directors and approval or disapproval of significant corporate actions. Consequently, his influence could result in decisions that do not reflect the interests of all the Company’s stockholders.

Under the partnership agreement of the Operating Partnership, the consent of the holders of limited partnership interests is generally required for certain amendments of the agreement and for certain extraordinary actions. Through their ownership of limited partnership interests and their positions with the Company, the Company’s directors and executive officers, including Mr. Marcus, have substantial influence on the Company. Consequently, their influence could result in decisions that do not reflect the interests of all stockholders.

Our related party guidelines may not adequately address all of the issues that may arise with respect to related party transactions. The Company has adopted "Related Party Transaction Approval Process Guidelines" that provide generally that any transaction in which a director or executive officer has an interest must have the prior approval of the Audit Committee of Essex’s Board of Directors. The review and approval procedures in these guidelines are intended to determine whether a particular related party transaction is fair, reasonable and serves the interests of the Company’s stockholders. Pursuant to these guidelines, related party transactions have been approved from time to time. There is no assurance that this policy will be adequate for determining whether a particular related party transaction is suitable and fair for the Company. Also, the policy’s procedures may not identify and address all the potential issues and conflicts of interests with a related party transaction.

Employee theft or fraud could result in loss. Certain of our employees have access to, or signature authority with respect to, bank accounts or other Company assets, which exposes us to the risk of fraud or theft. In addition, certain employees have access to key information technology ("IT") infrastructure and to tenant and other information that is commercially valuable. Should any employee compromise our IT systems, or misappropriate tenant or other information, we could incur losses, including significant financial or reputational harm, from which full recovery cannot be assured. We also may not have insurance that covers any losses in full or that covers losses from particular criminal acts. Potential liabilities for theft or fraud are not quantifiable and an estimate of possible loss cannot be made.

Risks Related to Taxes and Status as a REIT

Failure to generate sufficient rental revenue or other liquidity needs and impacts of economic conditions could limit cash flow available for dividend distributions, as well as the form and timing of such distributions, to Essex's stockholders or the Operating Partnership's unitholders. Significant expenditures associated with each community such as debt service payments, if any, real estate taxes, insurance and maintenance costs are generally not reduced when circumstances cause a reduction in income from a community. The form, timing and/or amount of dividend distributions will be declared at the discretion of the Board of Directors and will depend on actual cash from operations, our financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and other factors as the Board of Directors may consider relevant. The Board of Directors may modify our dividend policy from time to time.

Essex may choose to pay dividends in its own stock, in which case stockholders may be required to pay tax in excess of the cash they receive. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, the trading price of

Essex's stock would experience downward pressure if a significant number of our stockholders sell shares of Essex's stock in order to pay taxes owed on dividends.

The Maryland Business Combination Act may delay, defer or prevent a transaction or change in control of the Company that might involve a premium price for the Company's stock or otherwise be in the best interest of our stockholders. Under the Maryland General Corporation Law, certain "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as any person (and certain affiliates of such person) who beneficially owns ten percent or more of the voting power of the then-outstanding voting stock of the corporation. The law also requires a two supermajority stockholder votes for such transactions. This means that the transaction must be approved by at least 80% of the votes entitled to be cast by holders of outstanding voting shares; and two-thirds of the votes entitled to be cast by holders of outstanding voting shares other than shares held by the interested stockholder with whom the business combination is to be effected.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors prior to the time that the interested stockholder becomes an interested stockholder. These voting provisions do not apply if the stockholders receive a minimum price, as defined under the Maryland General Corporation Law. As permitted by the statute, the Board of Directors of Essex irrevocably has elected to exempt any business combination among the Company, George M. Marcus, who is the chairman of the Company, and MMC or any entity owned or controlled by Mr. Marcus and MMC. Consequently, the five-year prohibition and supermajority vote requirements described above will not apply to any business combination between the Company, Mr. Marcus, or MMC. As a result, the Company may in the future enter into business combinations with Mr. Marcus and MMC, without compliance with the supermajority vote requirements and other provisions of the Maryland Business Combination Act.

Certain provisions contained in the Operating Partnership agreement, Charter and Bylaws, and certain provisions of the Maryland General Corporation Law could delay, defer or prevent a change in control. While the Company is the sole general partner of the Operating Partnership, and generally has full and exclusive responsibility and discretion in the management and control of the Operating Partnership, certain provisions of the Operating Partnership agreement place limitations on the Company’s power to act with respect to the Operating Partnership. Such limitations could delay, defer or prevent a transaction or a change in control that might involve a premium price for the Company’s stock or otherwise be in the best interests of its stockholders or that could otherwise adversely affect their interests. The partnership agreement provides that if the limited partners own at least 5% of the outstanding units of partnership interest in the Operating Partnership, the Company may not, without first obtaining the consent of a majority in interest of the limited partners in the Operating Partnership, transfer all or any portion of the Company’s general partner interest in the Operating Partnership to another entity. Such limitations on the Company’s power to act may result in the Company’s being precluded from taking action that the Board of Directors otherwise believes is in the best interests of the Company or its stockholders.

The Company’s Charter authorizes the issuance of additional shares of common stock or preferred stock and the setting of the preferences, rights and other terms of such stock without the approval of the holders of the common stock. The Company may establish one or more classes or series of stock that could delay, defer or prevent a transaction or a change in control. Such a transaction might involve a premium price for the Company’s stock or otherwise be in the best interests of the holders of common stock. Also, such a class or series of stock could have dividend, voting or other rights that could adversely affect the interests of holders of common stock.

The Company’s Charter contains provisions limiting the transferability and ownership of shares of capital stock, which may delay, defer or prevent a transaction or a change in control. For example, subject to receiving an exemption from the Board of Directors, potential acquirers may not purchase more than 6% in value of the stock (other than qualified pension trusts which can acquire 9.9%). This may discourage tender offers that may be attractive to the holders of common stock and limit the opportunity for stockholders to receive a premium for their shares of common stock.

The Maryland General Corporation Law restricts the voting rights of holders of shares deemed to be "control shares." Under the Maryland General Corporation Law, "control shares" are those which, when aggregated with any other shares held by the acquirer, entitle the acquirer to exercise voting power within specified ranges. Although the Bylaws exempt the Company from the control share provisions of the Maryland General Corporation Law, the Board of Directors may amend or eliminate the provisions of the Bylaws at any time in the future. Moreover, any such amendment or elimination of such provision of the Bylaws may result in the application of the control share provisions of the Maryland General Corporation Law not only to control shares which may be acquired in the future, but also to control shares previously acquired. If the provisions of the Bylaws are amended or eliminated, the control share provisions of the Maryland General Corporation Law could delay, defer or

prevent a transaction or change in control that might involve a premium price for the stock or otherwise be in the best interests of the Company's stockholders.

The Company's Charter and Bylaws as well as Maryland General Corporation Law also contain other provisions that may impede various actions by stockholders without approval of Essex's Board of Directors, and that in turn may delay, defer or prevent a transaction, including a change in control that might involve a premium price for the stock or otherwise be in the best interests of the Company's stockholders. Those provisions include, among others, directors may be removed by stockholders, without cause, only upon the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of the directors, and with cause, only upon the affirmative vote of a majority of the votes entitled to be cast generally in the election of the directors; Essex's Board of Directors can fix the number of directors and fill vacant directorships upon the vote of a majority of the directors and Essex's Board of Directors can classify the board such that the entire board is not up for re-election annually; stockholders must give advance notice to nominate directors or propose business for consideration at a stockholders' meeting; and for stockholders to call a special meeting, the meeting must be requested by not less than a majority of all the votes entitled to be cast at the meeting.

Loss of the Company's REIT status would have significant adverse consequences to the Company and the value of the Company's common stock. The Company has elected to be taxed as a REIT under the Code. The Company's qualification as a REIT requires it to satisfy various annual and quarterly requirements, including income, asset and distribution tests, established under highly technical and complex Code provisions for which there are only limited judicial or administrative interpretations. Although the Company intends that its current organization and method of operation enable it to qualify as a REIT, it cannot assure you that it so qualifies or that it will be able to remain so qualified in the future. If the Company fails to qualify as a REIT in any taxable year, the Company would be subject to U.S. federal corporate income tax on the Company's taxable income (and the Company could be subject to the federal alternative minimum tax for taxable years prior to 2018), and the Company would not be allowed to deduct dividends paid to its stockholders in computing its taxable income. The Company would also be disqualified from treatment as a REIT for the four taxable years following the year in which the Company failed to qualify, unless we are entitled to relief under statutory provisions. The additional tax liability would reduce its net earnings available for investment or distribution to Essex stockholders and Operating Partnership unitholders, and the Company would no longer be required to make distributions to its stockholders for the purpose of maintaining REIT status. As a result of all these factors, the Company's failure to qualify as a REIT also could impair its ability to expand its business and raise capital, and could adversely affect the value and market price of the Company's common stock.

Complying with REIT requirements may affect our profitability and may force us to liquidate or forgo otherwise attractive investments. To qualify as a REIT, we must continually satisfy tests concerning, among other things, the nature and diversification of our assets, the sources of our income and the amounts we distribute to our stockholders. We may be required to liquidate or forgo otherwise attractive investments in order to satisfy the asset and income tests or to qualify under certain statutory relief provisions. We also may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. As a result, having to comply with the distribution requirement could cause us to: (1) sell assets in adverse market conditions; (2) borrow on unfavorable terms; or (3) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt. Accordingly, satisfying the REIT requirements could materially and adversely affect us. Moreover, if we are compelled to liquidate our investments to meet any of these asset, income or distribution tests, or to repay obligations to our lenders, we may be unable to comply with one or more of the requirements applicable to REITs or may be subject to a 100% tax on any resulting of debt. Accordingly, satisfying the REIT requirements could materially and adversely affect us. Moreover, if we are compelled to liquidate our investments to meet any of these asset, income or distribution tests, or to repay obligations to our lenders, we may be unable to comply with one or more of the requirements applicable to REITs or may be subject to a 100% tax on any resulting gain if such sales constitute prohibited transactions.

Legislative or other actions affecting REITs could have a negative effect on the Company or its stockholders. The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Department of the Treasury. Changes to the tax laws, with or without retroactive legislation, could adversely affect the Company or its stockholders. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect the Company's ability to qualify as a REIT, the federal income tax consequences of such qualification, or the federal income tax consequences of an investment in the Company. Also, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT.

The Company's ownership of taxable REIT subsidiaries ("TRSs") is subject to certain restrictions, and it will be required to pay a 100% penalty tax on certain income or deductions if transactions with the Company's TRSs are not conducted on arm's length terms. The Company has established several TRSs. The TRSs must pay U.S. federal income tax on their taxable income as a regular C corporation. While the Company will attempt to ensure that its dealings with its TRSs do not adversely

affect its REIT qualification, it cannot provide assurances that it will successfully achieve that result. Furthermore, the Company may be subject to a 100% penalty tax, to the extent dealings between the Company and its TRSs are not deemed to be arm's length in nature. The Company intends that its dealings with its TRSs will be on an arm's length basis. No assurances can be given, however, that the Internal Revenue Service will not assert a contrary position.

Failure of one or more of the Company's subsidiaries to qualify as a REIT could adversely affect the Company's ability to qualify as a REIT. The Company owns interests in multiple subsidiary REITs that have elected to be taxed as REITs under the Code. These subsidiary REITs are subject to the various REIT qualification requirements and other limitations that are applicable to the Company. If any of the Company's subsidiary REITs were to fail to qualify as a REIT, then (i) the subsidiary REIT would become subject to federal income tax and (ii) the Company's ownership of shares in such subsidiary REIT would cease to be a qualifying asset for purposes of the asset tests applicable to REITs. If any of the Company's subsidiary REITs were to fail to qualify as REITs, it is possible that the Company could also fail to qualify as a REIT.

The tax imposed on REITs engaging in "prohibited transactions" may limit the Company's ability to engage in transactions which would be treated as sales for federal income tax purposes. From time to time, the Company may transfer or otherwise dispose of some of its properties. Under the Code, unless certain exceptions apply, any gain resulting from transfers of properties that the Company holds as inventory or primarily for sale to customers in the ordinary course of business could be treated as income from a prohibited transaction subject to a 100% penalty tax from the gain on the sale of the community, which could potentially adversely impact our status as a REIT unless we own the community through one of our TRSs. Since the Company acquires properties for investment purposes, it does not believe that its occasional transfers or disposals of property should be treated as prohibited transactions. However, whether property is held for investment purposes depends on all the facts and circumstances surrounding the particular transaction. The Internal Revenue Service may contend that certain transfers or disposals of properties by the Company are prohibited transactions. If the Internal Revenue Service were to argue successfully that a transfer or disposition of property constituted a prohibited transaction, then the Company would be required to pay a 100% penalty tax on any gain allocable to it from the prohibited transaction, and the Company's ability to retain proceeds from real property sales may be jeopardized.

Dividends payable by REITs may be taxed at higher rates than dividends of non-REIT corporations, which could reduce the net cash received by stockholders and may be detrimental to the Company's ability to raise additional funds through any future sale of its stock. Dividends paid by REITs to U.S. stockholders that are individuals, trusts or estates are generally not eligible for the reduced tax rate applicable to qualified dividends received from non-REIT corporations. U.S. stockholders that are individuals, trusts and estates generally may deduct 20% of ordinary dividends from a REIT for taxable years beginning after December 31, 2017 and before January 1, 2026. Although this deduction reduces the effective tax rate applicable to certain dividends paid by REITs, such tax rate is still higher than the tax rate applicable to regular corporate qualified dividends. This may cause investors to view REIT investments as less attractive than investments in non-REIT corporations, which in turn may adversely affect the value of stock in REITs, including the Company's stock.

We may face risks in connection with Section 1031 exchanges. From time to time we dispose of real properties in transactions intended to qualify as "like-kind exchanges" under Section 1031 of the Code. If a transaction intended to qualify as a Section 1031 exchange is later determined to be taxable, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of real properties on a tax deferred basis.

If the Operating Partnership failed to qualify as a partnership for federal income tax purposes, the Company could cease to qualify as a REIT and suffer other adverse consequences. The Company believes that the Operating Partnership will continue to be treated as a partnership for U.S. federal income tax purposes. As a partnership, the Operating Partnership is not subject to U.S. federal income tax on its income. Instead, each of its partners is required to pay tax on the partner's allocable share of the income of the Operating Partnership. No assurances can be given, however, that the Internal Revenue Service will not challenge the Operating Partnership's status as a partnership for U.S. federal income tax purposes, or that a court would not sustain such a challenge. If the Internal Revenue Service were successful in treating the Operating Partnership as a corporation for U.S. federal income tax purposes, the Company could fail to meet the income tests and/or the asset tests applicable to REITs and, accordingly, cease to qualify as a REIT. Also, the failure of the Operating Partnership to qualify as a partnership would cause it to become subject to federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and distribution to its partners, including us.

Partnership tax audit rules could have a material adverse effect on us. Under current federal partnership tax audit rules, subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and a partner's allocable share thereof) is determined, and taxes, interest, and penalties attributable thereto are assessed and collected, at the partnership level. Unless the partnership makes an election or takes certain steps to require the partners to pay their tax on their allocable shares of the adjustment, it is possible that partnerships in which we directly or indirectly invest would be

required to pay additional taxes, interest, and penalties as a result of an audit adjustment. We, as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties even though Essex, as a REIT, may not otherwise have been required to pay additional corporate-level taxes had we owned the assets of the partnership directly. The partnership tax audit rules apply to Essex Portfolio, L.P. and its subsidiaries that are classified as partnerships for U.S. federal income tax purposes. There can be no assurance that these rules will not have a material adverse effect on us.

General Risks

We may from time to time be subject to litigation, which could have a material adverse effect on our business, financial condition and results of operations. Some of these claims may result in defense costs, settlements, fines or judgments against us, some of which are not, or cannot be, covered by insurance. Payment of any such costs, settlements, fines or judgments that are not insured could have an adverse impact on our financial position and results of operations. In addition, certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could adversely impact our reputation, our results of operations and cash flow, expose us to increased risks that would be uninsured.

Rising interest rates may affect the Company's costs of capital and financing activities and results of operation and otherwise adversely affect the market price of our common stock. Interest rates could increase, which could result in higher interest expense on the Company's variable rate indebtedness or increase interest rates when refinancing maturing fixed rate debt. Prolonged interest rate increases could negatively impact the Company's ability to make acquisitions and develop apartment communities with positive economic returns on investment and the Company's ability to refinance existing borrowings. In addition, an increase in market interest rates may lead purchasers of our common stock to demand a greater annual dividend yield, which could adversely affect the market price of our common stock.

The soundness of financial institutions could adversely affect us. We maintain cash and cash equivalent balances, including significant cash amounts at our wholly owned insurance subsidiary, PWI, as well as 401(k) plan assets in a limited number of financial institutions. Our cash balances are generally in excess of federally insured limits. The failure or collapse of one or more of these financial institutions may materially adversely affect our ability to recover our cash balances or the 401(k) assets. Certain financial institutions are lenders under our credit facilities, and, from time to time, we execute transactions with counterparties in the financial services industry. In the event that the volatility of the financial markets adversely affects these financial institutions or counterparties, we or other parties to the transactions with us may be unable to complete transactions as intended, which could adversely affect our business and results of operations. Additionally, certain of our tax-exempt bond financing documents require us to obtain a guarantee from a financial institution of payment of the principal and interest on the bonds. The guarantee may take the form of a letter of credit, surety bond, guarantee agreement or other additional collateral. If the financial institution defaults in its guarantee obligations, or if we are unable to renew the applicable guarantee or otherwise post satisfactory collateral, a default will occur under the applicable tax-exempt bonds and the community could be foreclosed upon if we do not redeem the bonds.

The price per share of the Company's stock may fluctuate significantly. The market price per share of the Company's common stock may fluctuate significantly in response to many factors, including without limitation:

- regional, national and global economic conditions;
- actual or anticipated variations in the Company's quarterly operating results or dividends;
- changes in the Company's funds from operations or earnings estimates;
- publication of research reports about the Company or the real estate industry;
- the general reputation of REITs and the attractiveness of their equity securities in comparison to other equity securities (including securities issued by other real estate based companies);
- general stock and bond market conditions, including changes in interest rates on fixed income securities, that may lead prospective purchasers of the Company's stock to demand a higher annual yield from dividends;
- shifts in our investor base to a higher concentration of passive investors such as exchange traded fund and index funds, which may adversely affect our ability to communicate effectively with our investors;
- the resale of substantial amounts of the Company's stock, or the anticipation of such resale, by large holders of our securities;
- availability of capital markets and cost of capital;
- a change in analyst ratings or the Company's credit ratings;
- terrorist activity, armed conflict or geopolitical impacts adversely affecting the markets in which the Company's securities trade, possibly increasing market volatility and causing erosion of business and consumer confidence and spending;
- hazards such as natural disasters like earthquakes, wildfires, landslides or flooding; terrorism; an active shooter at a property or corporate office; an incident involving multiple key members of the executive team; or an epidemic or pandemic;

- changes in public policy and tax law; and
- those other factors discussed in this Item 1A.

Many of the factors listed above are beyond the Company's control. These factors may cause the market price of shares of the Company's common stock to decline, regardless of the Company's financial condition, results of operations, or business prospects.

The Company's future issuances of common stock, preferred stock or convertible debt securities could be dilutive to current stockholders and adversely affect the market price of the Company's common stock. In order to finance the Company's acquisition and development activities, the Company could issue and sell common stock, preferred stock and convertible debt securities, including pursuant to its equity distribution program. In 2021, the Company filed a new shelf registration statement with the SEC, allowing the Company to sell an undetermined number of equity and debt securities as defined in the prospectus. Future sales of common stock, preferred stock or convertible debt securities may dilute stockholder ownership in the Company and could adversely affect the market price of the common stock. Additionally, the perception that such issuances might occur could adversely affect the market price of the common stock.

Stockholders have limited control over changes in our policies and operations. Essex's Board of Directors determines our major policies, including our policies regarding investments, financing, growth, debt capitalization, REIT qualification and distributions. Essex's Board of Directors may amend or revise these and other policies without a vote of the stockholders. In addition, pursuant to Maryland law, all matters other than the election or removal of a director must be declared advisable by Essex's Board of Directors prior to a stockholder vote.

Our score or rating by proxy advisory firms or other corporate governance consultants advising institutional investors could have an adverse effect on the perception of our corporate governance, and thereby negatively impact the market price of our common stock. Various proxy advisory firms and other corporate governance consultants advising institutional investors provide scores or ratings of our governance measures, nominees for election as directors, executive compensation practices, environmental, social and governance ("ESG") matters, and other matters that may be submitted to stockholders for consideration at our annual meetings. From time to time certain matters that we propose for approval may not receive a favorable score or rating, or may result in a recommendation against the nominee or matter proposed. These unfavorable scores or ratings may lead to rejected proposals or a loss of stockholder confidence in our corporate governance measures, which could adversely affect the market price of our common stock.

We continuously review our corporate governance measures, including our ESG business practices, and consider implementing changes that we believe are responsive to concerns that have been raised, but there may be times where we decide not to implement recommendations by proxy advisors or other corporate governance consultants that we believe are contrary to the best interests of our stockholders, notwithstanding the adverse effect this decision may have on our scores or ratings or the perception of our corporate governance, thereby negatively impacting the market price of our common stock.

Corporate responsibility, specifically related to ESG factors, may impose additional costs and expose us to new risks. The Company and many of its investors and potential investors are focused on corporate responsibility, specifically related to ESG factors. Some investors may use ESG factors to guide their investment strategies. Many investment funds focus on positive ESG business practices and sustainability scores when making investments and may consider a company's sustainability efforts and/or score when making an investment decision. In addition, investors, particularly institutional investors, may use ESG or sustainability scores to benchmark companies against their peers. Although the Company makes ESG disclosures and undertakes sustainability and diversity initiatives, there can be no assurance that the Company will score highly on ESG matters in the future. In addition, the criteria by which companies are rated may change, which could cause the Company to perform differently or worse than it has in the past. The Company may face reputational damage in the event its corporate responsibility procedures or standards do not meet the standards set by various constituencies. The occurrence of any of the foregoing could have an adverse effect on the price of the Company's stock and the Company's business, financial condition and results of operations, including increased development costs, capital expenditures and operating expenses.

We could face adverse consequences as a result of actions of activist investors. Campaigns by stockholders to effect changes at publicly traded companies are sometimes led by investors seeking to increase short-term stockholder value through actions such as financial restructuring, increased debt, special dividends, stock repurchases or sales of assets or the entire company. Responding to stockholder activism or engaging in a process or proxy contest may be costly and time-consuming, disrupt our operations and divert the attention of our management team and our employees from executing our business plan, which could adversely affect our business and results of operations.

Expanding social media vehicles present new risks. The use of social media could cause us to suffer brand damage or information leakage. Negative posts or comments about us on any social networking website could damage our reputation. In addition, employees or others might disclose non-public sensitive information relating to our business through external media channels. The continuing evolution of social media will present us with new challenges and risks.

Any material weaknesses identified in the Company's internal control over financial reporting could have an adverse effect on the Company's stock price. Section 404 of the Sarbanes-Oxley Act of 2002 requires the Company to evaluate and report on its internal control over financial reporting. If the Company identifies one or more material weaknesses in its internal control over financial reporting, the Company could lose investor confidence in the accuracy and completeness of its financial reports, which in turn could have an adverse effect on the Company's stock price.

Item 1B. Unresolved Staff Comments

None**.**

Item 2. Properties

The Company's portfolio as of December 31, 2021 (including communities owned by unconsolidated joint ventures, but excluding communities underlying preferred equity investments) was comprised of 252 stabilized operating apartment communities (comprising 61,911 apartment homes), of which 26,245 apartment homes are located in Southern California, 23,141 apartment homes are located in Northern California, and 12,525 apartment homes are located in the Seattle metropolitan area. The Company's apartment communities accounted for 99.3% of the Company's revenues for the year ended December 31, 2021.

Occupancy Rates

Financial occupancy is defined as the percentage resulting from dividing actual rental income by total scheduled rental income. 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. When calculating actual rents for occupied apartment homes and market rents for vacant apartment homes, delinquencies and concessions are not taken into account. The Company believes that financial occupancy is a meaningful measure of occupancy because it considers the value of each vacant unit at its estimated market rate. 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 as disclosed by other REITs. 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.

For 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 a 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.

Communities

The Company's communities are primarily urban and suburban high density wood frame communities comprising of three to seven stories above grade construction with structured parking situated on 1-10 acres of land with densities averaging between 30-80+ units per acre. As of December 31, 2021, the Company's communities include 104 garden-style, 138 mid-rise, and 10 high-rise communities. Garden-style communities are generally defined as on-grade properties with two and/or three-story buildings with no structured parking while mid-rise communities are generally defined as properties with three to seven story buildings and some structured parking. High-rise communities are typically defined as properties with buildings that are greater than seven stories, are steel or concrete framed, and frequently have structured parking. The communities have an average of approximately 246 apartment homes, with a mix of studio, one-, two- and some three-bedroom apartment homes. A wide variety of amenities are available at the Company's communities, including covered parking, fireplaces, swimming pools, clubhouses with fitness facilities, playground areas and dog parks.

The Company hires, trains and supervises on-site service and maintenance personnel. The Company believes that the following primary factors enhance the Company's ability to retain tenants:

- located near employment centers;
- attractive communities that are well maintained; and
- proactive customer service.

Commercial Buildings

The Company owns three commercial buildings with approximately 281,000 square feet located in California and Washington, of which the Company occupied approximately 14,000 square feet as of December 31, 2021. Furthermore, as of December 31, 2021, the commercial buildings' physical occupancy rate was 98% consisting of 7 tenants, including the Company.

Operating Portfolio

The table below describes the Company's operating portfolio as of December 31, 2021. (See Note 8, "Mortgage Notes Payable" to the Company's consolidated financial statements included in Part IV, Item 15 of this Annual Report on Form 10-K for more

information about the Company's secured mortgage debt and Schedule III thereto for a list of secured mortgage loans related to the Company's portfolio.)

Communities [1]	Location	Type	Apartment Homes	Year Built	Year Acquired	Occupancy[2]
Southern California						
Alpine Village	Alpine, CA	Garden	301	1971	2002	98%
Anavia	Anaheim, CA	Mid-rise	250	2009	2010	96%
Barkley, The [3][4]	Anaheim, CA	Garden	161	1984	2000	98%
Park Viridian	Anaheim, CA	Mid-rise	320	2008	2014	97%
Bonita Cedars	Bonita, CA	Garden	120	1983	2002	98%
The Village at Toluca Lake	Burbank, CA	Mid-rise	145	1974	2017	98%
Camarillo Oaks	Camarillo, CA	Garden	564	1985	1996	98%
Camino Ruiz Square	Camarillo, CA	Garden	159	1990	2006	98%
Pinnacle at Otay Ranch I & II	Chula Vista, CA	Mid-rise	364	2001	2014	97%
Mesa Village	Clairemont, CA	Garden	133	1963	2002	94%
Villa Siena	Costa Mesa, CA	Garden	272	1974	2014	97%
Emerald Pointe	Diamond Bar, CA	Garden	160	1989	2014	98%
Regency at Encino	Encino, CA	Mid-rise	75	1989	2009	96%
The Havens [5]	Fountain Valley, CA	Garden	440	1969	2014	97%
Valley Park	Fountain Valley, CA	Garden	160	1969	2001	98%
Capri at Sunny Hills [4]	Fullerton, CA	Garden	102	1961	2001	97%
Haver Hill [6]	Fullerton, CA	Garden	264	1973	2012	98%
Pinnacle at Fullerton	Fullerton, CA	Mid-rise	192	2004	2014	97%
Wilshire Promenade	Fullerton, CA	Mid-rise	149	1992	1997	97%
Montejo Apartments	Garden Grove, CA	Garden	124	1974	2001	98%
The Henley I	Glendale, CA	Mid-rise	83	1974	1999	97%
The Henley II	Glendale, CA	Mid-rise	132	1970	1999	97%
CBC and The Sweeps	Goleta, CA	Garden	239	1962	2006	95%
Huntington Breakers	Huntington Beach, CA	Mid-rise	342	1984	1997	96%
The Huntington	Huntington Beach, CA	Garden	276	1975	2012	97%
Hillsborough Park [7]	La Habra, CA	Garden	235	1999	1999	98%
Village Green	La Habra, CA	Garden	272	1971	2014	97%
The Palms at Laguna Niguel	Laguna Niguel, CA	Garden	460	1988	2014	98%
Trabuco Villas	Lake Forest, CA	Mid-rise	132	1985	1997	99%
Marbrisa	Long Beach, CA	Mid-rise	202	1987	2002	97%
Pathways at Bixby Village	Long Beach, CA	Garden	296	1975	1991	97%
5600 Wilshire	Los Angeles, CA	Mid-rise	284	2008	2014	97%
Alessio	Los Angeles, CA	Mid-rise	624	2001	2014	95%
Ashton Sherman Village	Los Angeles, CA	Mid-rise	264	2014	2016	96%
Avant	Los Angeles, CA	Mid-rise	440	2014	2015	95%
The Avery	Los Angeles, CA	Mid-rise	121	2014	2014	97%
Bellerive	Los Angeles, CA	Mid-rise	63	2011	2011	95%
Belmont Station	Los Angeles, CA	Mid-rise	275	2009	2009	95%
Bunker Hill	Los Angeles, CA	High-rise	456	1968	1998	95%
Catalina Gardens	Los Angeles, CA	Mid-rise	128	1987	2014	95%
Cochran Apartments	Los Angeles, CA	Mid-rise	58	1989	1998	96%
Emerson Valley Village	Los Angeles, CA	Mid-rise	144	2012	2016	96%
Gas Company Lofts [6]	Los Angeles, CA	High-rise	251	2004	2013	95%
The Blake LA	Los Angeles, CA	Mid-rise	196	1979	1997	96%

Communities [1]	Location	Type	Apartment Homes	Year Built	Year Acquired	Occupancy[2]
Marbella	Los Angeles, CA	Mid-rise	60	1991	2005	96%
Pacific Electric Lofts [8]	Los Angeles, CA	High-rise	314	2006	2012	95%
Park Catalina	Los Angeles, CA	Mid-rise	90	2002	2012	96%
Park Place	Los Angeles, CA	Mid-rise	60	1988	1997	96%
Regency Palm Court [6]	Los Angeles, CA	Mid-rise	116	1987	2014	94%
Santee Court	Los Angeles, CA	High-rise	165	2004	2010	96%
Santee Village	Los Angeles, CA	High-rise	73	2011	2011	96%
Tiffany Court	Los Angeles, CA	Mid-rise	101	1987	2014	98%
Wallace on Sunset	Los Angeles, CA	Mid-rise	200	2021	2021	96%
Wilshire La Brea	Los Angeles, CA	Mid-rise	478	2014	2014	95%
Windsor Court [6]	Los Angeles, CA	Mid-rise	95	1987	2014	95%
Windsor Court	Los Angeles, CA	Mid-rise	58	1988	1997	96%
Aqua at Marina Del Rey	Marina Del Rey, CA	Mid-rise	500	2001	2014	96%
Marina City Club [9]	Marina Del Rey, CA	Mid-rise	101	1971	2004	96%
Mirabella	Marina Del Rey, CA	Mid-rise	188	2000	2000	97%
Mira Monte	Mira Mesa, CA	Garden	354	1982	2002	98%
Hillcrest Park	Newbury Park, CA	Garden	608	1973	1998	97%
Fairway Apartments at Big Canyon [10]	Newport Beach, CA	Mid-rise	74	1972	1999	98%
Muse	North Hollywood, CA	Mid-rise	152	2011	2011	97%
Country Villas	Oceanside, CA	Garden	180	1976	2002	99%
Mission Hills	Oceanside, CA	Garden	282	1984	2005	97%
Renaissance at Uptown Orange	Orange, CA	Mid-rise	460	2007	2014	97%
Mariner's Place	Oxnard, CA	Garden	105	1987	2000	98%
Monterey Villas	Oxnard, CA	Garden	122	1974	1997	99%
Tierra Vista	Oxnard, CA	Mid-rise	404	2001	2001	98%
Arbors at Parc Rose [8]	Oxnard, CA	Mid-rise	373	2001	2011	98%
The Hallie	Pasadena, CA	Mid-rise	292	1972	1997	96%
The Stuart	Pasadena, CA	Mid-rise	188	2007	2014	97%
Villa Angelina	Placentia, CA	Garden	256	1970	2001	96%
Fountain Park	Playa Vista, CA	Mid-rise	705	2002	2004	95%
Highridge [4]	Rancho Palos Verdes, CA	Mid-rise	255	1972	1997	97%
Cortesia	Rancho Santa Margarita, CA	Garden	308	1999	2014	98%
Pinnacle at Talega	San Clemente, CA	Mid-rise	362	2002	2014	97%
Allure at Scripps Ranch	San Diego, CA	Mid-rise	194	2002	2014	97%
Bernardo Crest	San Diego, CA	Garden	216	1988	2014	98%
Cambridge Park	San Diego, CA	Mid-rise	320	1998	2014	97%
Carmel Creek	San Diego, CA	Garden	348	2000	2014	98%
Carmel Landing	San Diego, CA	Garden	356	1989	2014	97%
Carmel Summit	San Diego, CA	Mid-rise	246	1989	2014	97%
CentrePointe	San Diego, CA	Garden	224	1974	1997	98%
Esplanade [5]	San Diego, CA	Garden	616	1986	2014	96%
Form 15	San Diego, CA	Mid-rise	242	2014	2016	95%
Montanosa	San Diego, CA	Garden	472	1990	2014	96%
Summit Park	San Diego, CA	Garden	300	1972	2002	98%
Essex Skyline [11]	Santa Ana, CA	High-rise	350	2008	2010	97%
Fairhaven Apartments [4]	Santa Ana, CA	Garden	164	1970	2001	98%
Parkside Court [5]	Santa Ana, CA	Mid-rise	210	1986	2014	97%

Communities [1]	Location	Type	Apartment Homes	Year Built	Year Acquired	Occupancy[2]
Pinnacle at MacArthur Place	Santa Ana, CA	Mid-rise	253	2002	2014	97%
Hope Ranch	Santa Barbara, CA	Garden	108	1965	2007	98%
Bridgeport Coast [12]	Santa Clarita, CA	Mid-rise	188	2006	2014	97%
Meadowood [7]	Simi Valley, CA	Garden	320	1986	1996	98%
Shadow Point	Spring Valley, CA	Garden	172	1983	2002	98%
The Fairways at Westridge [12]	Valencia, CA	Mid-rise	234	2004	2014	98%
The Vistas of West Hills [12]	Valencia, CA	Mid-rise	220	2009	2014	98%
Allegro	Valley Village, CA	Mid-rise	97	2010	2010	97%
Lofts at Pinehurst, The	Ventura, CA	Garden	118	1971	1997	99%
Pinehurst [13]	Ventura, CA	Garden	28	1973	2004	99%
Woodside Village	Ventura, CA	Garden	145	1987	2004	99%
Passage Buena Vista [14]	Vista, CA	Garden	179	2020	2021	97%
Walnut Heights	Walnut, CA	Garden	163	1964	2003	98%
The Dylan	West Hollywood, CA	Mid-rise	184	2014	2014	96%
The Huxley	West Hollywood, CA	Mid-rise	187	2014	2014	96%
Reveal	Woodland Hills, CA	Mid-rise	438	2010	2011	96%
Avondale at Warner Center	Woodland Hills, CA	Mid-rise	446	1970	1999	97%
			26,245			**97%**
Northern California						
Belmont Terrace	Belmont, CA	Mid-rise	71	1974	2006	97%
Fourth & U	Berkeley, CA	Mid-rise	171	2010	2010	95%
The Commons	Campbell, CA	Garden	264	1973	2010	97%
Pointe at Cupertino	Cupertino, CA	Garden	116	1963	1998	97%
Connolly Station	Dublin, CA	Mid-rise	309	2014	2014	97%
Avenue 64	Emeryville, CA	Mid-rise	224	2007	2014	95%
The Courtyards at 65th Street [15]	Emeryville, CA	Mid-rise	331	2004	2019	95%
Emme	Emeryville, CA	Mid-rise	190	2015	2015	95%
Foster's Landing	Foster City, CA	Garden	490	1987	2014	96%
Stevenson Place	Fremont, CA	Garden	200	1975	2000	96%
Mission Peaks	Fremont, CA	Mid-rise	453	1995	2014	96%
Mission Peaks II	Fremont, CA	Garden	336	1989	2014	96%
Paragon Apartments	Fremont, CA	Mid-rise	301	2013	2014	96%
Boulevard	Fremont, CA	Garden	172	1978	1996	96%
Briarwood [8]	Fremont, CA	Garden	160	1978	2011	98%
The Woods [8]	Fremont, CA	Garden	160	1978	2011	97%
The Rexford [16]	Fremont, CA	Garden	203	1973	2021	100%
City Centre [12]	Hayward, CA	Mid-rise	192	2000	2014	97%
City View	Hayward, CA	Garden	572	1975	1998	96%
Lafayette Highlands	Lafayette, CA	Garden	150	1973	2014	95%
777 Hamilton [17]	Menlo Park, CA	Mid-rise	195	2017	2019	97%
Apex	Milpitas, CA	Mid-rise	367	2014	2014	96%
Regency at Mountain View [6]	Mountain View, CA	Mid-rise	142	1970	2013	96%
Bridgeport [7]	Newark, CA	Garden	184	1987	1987	96%
The Landing at Jack London Square	Oakland, CA	Mid-rise	282	2001	2014	96%
The Grand	Oakland, CA	High-rise	243	2009	2009	97%
The Galloway	Pleasanton, CA	Mid-rise	506	2016	2016	97%
Radius	Redwood City, CA	Mid-rise	264	2015	2015	96%

Communities [1]	Location	Type	Apartment Homes	Year Built	Year Acquired	Occupancy[2]
Township	Redwood City, CA	Mid-rise	132	2014	2019	95%
San Marcos	Richmond, CA	Mid-rise	432	2003	2003	96%
500 Folsom [14]	San Francisco, CA	High-rise	537	2021	2021	100%
Bennett Lofts	San Francisco, CA	Mid-rise	164	2004	2012	92%
Fox Plaza	San Francisco, CA	High-rise	445	1968	2013	94%
MB 360	San Francisco, CA	Mid-rise	360	2014	2014	96%
Park West	San Francisco, CA	Mid-rise	126	1958	2012	97%
101 San Fernando	San Jose, CA	Mid-rise	323	2001	2010	95%
360 Residences [15]	San Jose, CA	Mid-rise	213	2010	2017	95%
Bella Villagio	San Jose, CA	Mid-rise	231	2004	2010	97%
Century Towers [14]	San Jose, CA	High-rise	376	2017	2017	97%
Enso	San Jose, CA	Mid-rise	183	2014	2015	97%
Epic	San Jose, CA	Mid-rise	769	2013	2013	97%
Esplanade	San Jose, CA	Mid-rise	278	2002	2004	97%
Fountains at River Oaks	San Jose, CA	Mid-rise	226	1990	2014	97%
Marquis	San Jose, CA	Mid-rise	166	2015	2016	97%
Meridian at Midtown [15]	San Jose, CA	Mid-rise	218	2015	2018	96%
Mio	San Jose, CA	Mid-rise	103	2015	2016	96%
Palm Valley	San Jose, CA	Mid-rise	1,100	2008	2014	96%
Patina at Midtown [14]	San Jose, CA	Mid-rise	269	2021	2021	80%
Sage at Cupertino [4]	San Jose, CA	Garden	230	1971	2017	93%
Silver [14]	San Jose, CA	Mid-rise	268	2019	2021	91%
The Carlyle [7]	San Jose, CA	Garden	132	2000	2000	95%
The Waterford	San Jose, CA	Mid-rise	238	2000	2000	97%
Willow Lake	San Jose, CA	Mid-rise	508	1989	2012	96%
Lakeshore Landing	San Mateo, CA	Mid-rise	308	1988	2014	96%
Hillsdale Garden [14]	San Mateo, CA	Garden	697	1948	2006	94%
Station Park Green - Phases I, II, and III	San Mateo, CA	Mid-rise	492	2018	2018	95%
Deer Valley	San Rafael, CA	Garden	171	1996	2014	97%
Bel Air	San Ramon, CA	Garden	462	1988	1995	97%
Canyon Oaks	San Ramon, CA	Mid-rise	250	2005	2007	98%
Crow Canyon	San Ramon, CA	Mid-rise	400	1992	2014	97%
Foothill Gardens	San Ramon, CA	Garden	132	1985	1997	97%
Mill Creek at Windermere	San Ramon, CA	Mid-rise	400	2005	2007	96%
Twin Creeks	San Ramon, CA	Garden	44	1985	1997	97%
1000 Kiely	Santa Clara, CA	Garden	121	1971	2011	97%
Le Parc	Santa Clara, CA	Garden	140	1975	1994	96%
Marina Cove [18]	Santa Clara, CA	Garden	292	1974	1994	96%
Mylo	Santa Clara, CA	Mid-rise	476	2021	2021	96%
Riley Square [8]	Santa Clara, CA	Garden	156	1972	2012	96%
Villa Granada	Santa Clara, CA	Mid-rise	270	2010	2014	97%
Chestnut Street Apartments	Santa Cruz, CA	Garden	96	2002	2008	99%
Bristol Commons	Sunnyvale, CA	Garden	188	1989	1995	97%
Brookside Oaks [4]	Sunnyvale, CA	Garden	170	1973	2000	97%
Lawrence Station	Sunnyvale, CA	Mid-rise	336	2012	2014	97%
Magnolia Lane [19]	Sunnyvale, CA	Garden	32	2001	2007	97%
Magnolia Square [4]	Sunnyvale, CA	Garden	156	1963	2007	97%

Communities [1]	Location	Type	Apartment Homes	Year Built	Year Acquired	Occupancy[2]
Montclaire	Sunnyvale, CA	Mid-rise	390	1973	1988	97%
Reed Square	Sunnyvale, CA	Garden	100	1970	2011	96%
Solstice	Sunnyvale, CA	Mid-rise	280	2014	2014	97%
Summerhill Park	Sunnyvale, CA	Garden	100	1988	1988	97%
Via	Sunnyvale, CA	Mid-rise	284	2011	2011	97%
Windsor Ridge	Sunnyvale, CA	Mid-rise	216	1989	1989	96%
Vista Belvedere	Tiburon, CA	Mid-rise	76	1963	2004	96%
Verandas [12]	Union City, CA	Mid-rise	282	1989	2014	97%
Agora	Walnut Creek, CA	Mid-rise	49	2016	2016	97%
Brio [4]	Walnut Creek, CA	Mid-rise	300	2015	2019	96%
			23,141			**96%**
Seattle, Washington Metropolitan Area						
Belcarra	Bellevue, WA	Mid-rise	296	2009	2014	96%
BellCentre	Bellevue, WA	Mid-rise	249	2001	2014	96%
Cedar Terrace	Bellevue, WA	Garden	180	1984	2005	96%
Courtyard off Main	Bellevue, WA	Mid-rise	110	2000	2010	95%
Ellington	Bellevue, WA	Mid-rise	220	1994	2014	94%
Emerald Ridge	Bellevue, WA	Garden	180	1987	1994	97%
Foothill Commons	Bellevue, WA	Mid-rise	394	1978	1990	96%
Palisades, The	Bellevue, WA	Garden	192	1977	1990	97%
Park Highland	Bellevue, WA	Mid-rise	250	1993	2014	96%
Piedmont	Bellevue, WA	Garden	396	1969	2014	96%
Sammamish View	Bellevue, WA	Garden	153	1986	1994	97%
Woodland Commons	Bellevue, WA	Garden	302	1978	1990	96%
Bothell Ridge [5]	Bothell, WA	Garden	214	1988	2014	96%
Canyon Pointe	Bothell, WA	Garden	250	1990	2003	97%
Inglenook Court	Bothell, WA	Garden	224	1985	1994	96%
Pinnacle Sonata	Bothell, WA	Mid-rise	268	2000	2014	96%
Salmon Run at Perry Creek	Bothell, WA	Garden	132	2000	2000	97%
Stonehedge Village	Bothell, WA	Garden	196	1986	1997	98%
Highlands at Wynhaven	Issaquah, WA	Mid-rise	333	2000	2008	96%
Park Hill at Issaquah	Issaquah, WA	Garden	245	1999	1999	97%
Wandering Creek	Kent, WA	Garden	156	1986	1995	97%
Ascent	Kirkland, WA	Garden	90	1988	2012	96%
Bridle Trails	Kirkland, WA	Garden	108	1986	1997	97%
Corbella at Juanita Bay	Kirkland, WA	Garden	169	1978	2010	97%
Evergreen Heights	Kirkland, WA	Garden	200	1990	1997	97%
Slater 116	Kirkland, WA	Mid-rise	108	2013	2013	96%
Montebello	Kirkland, WA	Garden	248	1996	2012	97%
Martha Lake Apartments [16]	Lynwood, WA	Mid-rise	155	1991	2021	97%
Aviara [19]	Mercer Island, WA	Mid-rise	166	2013	2014	96%
Laurels at Mill Creek	Mill Creek, WA	Garden	164	1981	1996	98%
Monterra in Mill Creek [16]	Mill Creek, WA	Garden	139	2003	2021	97%
Parkwood at Mill Creek	Mill Creek, WA	Garden	240	1989	2014	97%
The Elliot at Mukilteo [4]	Mukilteo, WA	Garden	301	1981	1997	96%
Castle Creek	Newcastle, WA	Garden	216	1998	1998	98%
Elevation	Redmond, WA	Garden	158	1986	2010	96%

Communities [1]	Location	Type	Apartment Homes	Year Built	Year Acquired	Occupancy[2]
Pure Redmond	Redmond, WA	Mid-rise	105	2016	2019	96%
Redmond Hill [8]	Redmond, WA	Garden	442	1985	2011	96%
Shadowbrook	Redmond, WA	Garden	418	1986	2014	95%
The Trails of Redmond	Redmond, WA	Garden	423	1985	2014	95%
Vesta [8]	Redmond, WA	Garden	440	1998	2011	96%
Brighton Ridge	Renton, WA	Garden	264	1986	1996	96%
Fairwood Pond	Renton, WA	Garden	194	1997	2004	98%
Forest View	Renton, WA	Garden	192	1998	2003	97%
Pinnacle on Lake Washington	Renton, WA	Mid-rise	180	2001	2014	97%
8th & Republican [15]	Seattle, WA	Mid-rise	211	2016	2017	96%
Annaliese	Seattle, WA	Mid-rise	56	2009	2013	97%
The Audrey at Belltown	Seattle, WA	Mid-rise	137	1992	2014	96%
The Bernard	Seattle, WA	Mid-rise	63	2008	2011	96%
Cairns, The	Seattle, WA	Mid-rise	99	2006	2007	95%
Collins on Pine	Seattle, WA	Mid-rise	76	2013	2014	96%
Canvas	Seattle, WA	Mid-rise	123	2014	2021	100%
Domaine	Seattle, WA	Mid-rise	92	2009	2012	97%
Expo [14]	Seattle, WA	Mid-rise	275	2012	2012	93%
Fountain Court	Seattle, WA	Mid-rise	320	2000	2000	95%
Patent 523	Seattle, WA	Mid-rise	295	2010	2010	96%
Taylor 28	Seattle, WA	Mid-rise	197	2008	2014	96%
Velo and Ray [15]	Seattle, WA	Mid-rise	308	2014	2019	96%
Vox Apartments	Seattle, WA	Mid-rise	58	2013	2013	95%
Wharfside Pointe	Seattle, WA	Mid-rise	155	1990	1994	97%
			12,525			**96%**
Total/Weighted Average			**61,911**			**96%**

Footnotes to the Company's Portfolio Listing as of December 31, 2021

(1) Unless otherwise specified, the Company consolidates each community in accordance with U.S. GAAP.
(2) For communities, occupancy rates are based on financial occupancy for the year ended December 31, 2021, except for communities that were stabilized during the year, in which case occupancy as of December 31, 2021 was used. For an explanation of how financial occupancy is calculated, see "Occupancy Rates" in this Item 2.
(3) The community is subject to a ground lease, which, unless extended, will expire in 2083.
(4) Each of these communities is part of a DownREIT structure in which the Company is the general partner or manager and the other limited partners or members are granted rights of redemption for their interests.
(5) This community is owned by BEXAEW. The Company has a 50% interest in BEXAEW, which is accounted for using the equity method of accounting.
(6) This community is owned by Wesco III, LLC ("Wesco III"). The Company has a 50% interest in Wesco III, which is accounted for using the equity method of accounting.
(7) This community is owned by BEX II, LLC ("BEX II"). The Company has a 50% interest in BEX II, which is accounted for using the equity method of accounting.
(8) This community is owned by Wesco I, LLC ("Wesco I"). The Company has a 58% interest in Wesco I, which is accounted for using the equity method of accounting.
(9) This community is subject to a ground lease, which, unless extended, will expire in 2067.
(10) This community is subject to a ground lease, which, unless extended, will expire in 2027.
(11) The Company has a 97% interest and a former Executive Vice President of the Company has a 3% interest in this community.
(12) This community is owned by Wesco IV, LLC ("Wesco IV") The Company has a 50% interest in Wesco IV, which is accounted for using the equity method of accounting.

(13) This community is subject to a ground lease, which, unless extended, will expire in 2028.
(14) The Company has an interest in a single asset entity owning this community.
(15) This community is owned by Wesco V, LLC ("Wesco V"). The Company has a 50% interest in Wesco V, which is accounted for using the equity method of accounting.
(16) This community is owned by Wesco VI, LLC ("Wesco VI"). The Company has a 50% interest in Wesco VI, which is accounted for using the equity method of accounting.
(17) This community is owned by BEX IV, LLC ("BEX IV"). The Company has a 50.1% interest in BEX IV, which is accounted for using the equity method of accounting.
(18) A portion of this community on which 84 apartment homes are presently located is subject to a ground lease, which, unless extended, will expire in 2028.
(19) The community is subject to a ground lease, which, unless extended, will expire in 2070.

Item 3. Legal Proceedings

The information regarding lawsuits, other proceedings and claims, set forth in Note 17, "Commitments and Contingencies", to our consolidated financial statements included in Part IV, Item 15 of this Annual Report on Form 10-K is incorporated by reference into this Item 3. In addition to such matters referred to in Note 17, the Company is subject to various other legal and/or regulatory proceedings arising in the course of its business operations. We believe that, with respect to such matters that we are currently a party to, the ultimate disposition of any such matter will not result in a material adverse effect on the Company’s financial condition, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not Applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The shares of the Company's common stock are traded on the New York Stock Exchange under the symbol ESS.

There is no established public trading market for the Operating Partnership's limited partnership units ("OP Units").

Holders

The approximate number of holders of record of the shares of Essex's common stock was 1,121 as of February 23, 2022. This number does not include stockholders whose shares are held in investment accounts by other entities. Essex believes the actual number of stockholders is greater than the number of holders of record.

As of February 23, 2022, there were 65 holders of record of OP Units, including Essex.

Return of Capital

Under provisions of the Code, the portion of the cash dividend, if any, that exceeds earnings and profits is considered a return of capital. The return of capital is generated due to a variety of factors, including the deduction of non-cash expenses, primarily depreciation, in the determination of earnings and profits.

The status of the cash dividends distributed for the years ended December 31, 2021, 2020, and 2019 related to common stock are as follows:

	2021	2020	2019
Common Stock			
Ordinary income	70.92 %	85.23 %	83.81 %
Capital gain	22.07 %	10.68 %	13.78 %
Unrecaptured section 1250 capital gain	7.01 %	4.09 %	2.41 %
	100.00 %	100.00 %	100.00 %

Dividends and Distributions

Future dividends/distributions by Essex and the Operating Partnership will be at the discretion of the Board of Directors of Essex and will depend on the actual cash flows from operations of the Company, its financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code, applicable legal restrictions and such other factors as the Board of Directors deems relevant. There are currently no contractual restrictions on Essex's and the Operating Partnership's present or future ability to pay dividends and distributions, and we do not anticipate that our ability to pay dividends/distributions will be impaired; however, there can be no assurances in that regard.

The Board of Directors declared a dividend/distribution for the fourth quarter of 2021 of $2.09 per share. The dividend/distribution was paid on January 14, 2022 to stockholders/unitholders of record as of January 3, 2022.

Dividend Reinvestment and Share Purchase Plan

Essex has adopted a dividend reinvestment and share purchase plan designed to provide holders of common stock with a convenient and economical means to reinvest all or a portion of their cash dividends in shares of common stock and to acquire additional shares of common stock through voluntary purchases. Computershare, LLC, which serves as Essex's transfer agent, administers the dividend reinvestment and share purchase plan. For a copy of the plan, contact Computershare, LLC at (312) 360-5354.

Securities Authorized for Issuance under Equity Compensation Plans

The information required by this section is incorporated herein by reference from our Proxy Statement, relating to our 2022 Annual Meeting of Shareholders, under the headings "Equity Compensation Plan Information," to be filed with the SEC within 120 days of December 31, 2021.

Issuance of Registered Equity Securities

In September 2021, the Company entered into the 2021 ATM Program, a new 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. In connection with the 2021 ATM Program, the Company may also enter into related forward sale agreements, and may sell shares of its common stock pursuant to these 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 receipt of the proceeds from the sale of shares until a later date should the Company elect to settle such forward sale agreement, in whole or in part, in shares of its common stock.

During the year ended December 31, 2021, the Company did not issue any shares of common stock under the 2021 ATM Program or the 2018 ATM Program. As of December 31, 2021, there were no outstanding forward sale agreements, and $900.0 million of shares remain available to be sold under the 2021 ATM Program.

Issuer Purchases of Equity Securities

In December 2015, Essex's Board of Directors authorized a stock repurchase plan to allow Essex 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 each such date, Essex had $250.0 million of purchase authority remaining under the replenished plan. During the year ended December 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. All of such purchases occurred during the three months ended March 31, 2021, and the Company did not repurchase any shares in 2021 subsequent to March 31, 2021. As of December 31, 2021, the Company had $214.5 million of purchase authority remaining under the stock repurchase plan.

Performance Graph

The line graph below compares the cumulative total stockholder return on Essex's common stock for the last five years with the cumulative total return on the S&P 500 and the NAREIT All Equity REIT index over the same period. This comparison assumes that the value of the investment in the common stock and each index was $100 on December 31, 2016 and that all dividends were reinvested.

	Period Ending					
Index	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**	**12/31/2020**	**12/31/2021**
Essex Property Trust, Inc.	$ 100.00	$ 106.82	$ 111.98	$ 141.00	$ 115.49	$ 176.01
NAREIT All Equity REIT Index	$ 100.00	$ 108.67	$ 104.28	$ 134.17	$ 127.30	$ 179.87
S&P 500 Index	$ 100.00	$ 121.83	$ 116.49	$ 153.17	$ 181.35	$ 233.41

(1) Common stock performance data is provided by S&P Global Market Intelligence.

The graph and other information furnished under the above caption "Performance Graph" in this Part II Item 5 of this Form 10-K shall not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of the Exchange Act.

Unregistered Sales of Equity Securities

During the years ended December 31, 2021 and 2020, 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 years ended December 31, 2021 and 2020, Essex issued an aggregate of 248,725 and 70,802 shares of its common stock upon the exercise of stock options, respectively. Essex contributed the proceeds from the option exercises of $58.5 million and $14.9 million to the Operating Partnership in exchange for an aggregate of 248,725 and 70,802 OP Units, as required by the Operating Partnership's partnership agreement, during the years ended December 31, 2021 and 2020, respectively.

During the years ended December 31, 2021 and 2020, Essex issued an aggregate of 30,360 and 24,666 shares of its common stock in connection with restricted stock awards for no cash consideration, respectively. For each share of common stock issued by Essex in connection with such awards, the Operating Partnership issued OP Units to Essex as required by the Operating

Partnership's partnership agreement, for an aggregate of 30,360 and 24,666 OP Units during the years ended December 31, 2021 and 2020, respectively.

During the years ended December 31, 2021 and 2020, Essex issued an aggregate of 10,293 and 8,783 shares of its common stock in connection with the exchange of OP Units by limited partners into shares of common stock. For each share of common stock issued by Essex in connection with such exchange, the Operating Partnership issued OP Units to Essex as required by the Operating Partnership's partnership agreement, for an aggregate of 10,293 and 8,783 OP Units during the year ended December 31, 2021 and 2020, respectively.

Essex may sell shares through its equity distribution program, then contribute the net proceeds from these share issuances to the Operating Partnership in exchange for OP Units as required by the Operating Partnership's partnership agreement. During the year ended December 31, 2021 and 2020, the Company did not issue or sell any shares of common stock pursuant to the 2021 ATM Program or the 2018 ATM Program. As of December 31, 2021, there were no outstanding forward sale agreements.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and notes thereto. These consolidated financial statements include all adjustments which are, in the opinion of management, necessary to reflect a fair statement of the results and all such adjustments are of a normal recurring nature.

OVERVIEW

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 December 31, 2021, had an approximately 96.6% general partner 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 December 31, 2021, the Company owned or had ownership interests in 252 operating apartment communities, comprising 61,911 apartment homes, excluding the Company's ownership in preferred equity co-investments, loan investments, three operating commercial buildings, and a development pipeline comprised of one consolidated project and one unconsolidated joint venture project.

The Company's apartment communities are predominately 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 December 31, 2021, the Company's development pipeline was comprised of one consolidated project under development, one unconsolidated joint venture project under development, and various predevelopment projects aggregating 371 apartment homes, with total incurred costs of $156.0 million, and estimated remaining project costs of approximately $61.0 million, $32.6 million of which represents the Company's estimated remaining costs, for total estimated project costs of $217.0 million.

As of December 31, 2021, the Company also had an ownership interest in three operating commercial buildings (totaling approximately 281,000 square feet).

By region, the Company's operating results for 2021 and 2020 and projection for 2022 new housing supply (defined as new multifamily apartment homes and single family homes, excluding developments with fewer than 50 apartment homes as well as student, senior and 100% affordable housing), projection for 2022 job growth, and 2022 estimated Same-Property revenue growth are as follows:

Southern California Region: As of December 31, 2021, this region represented 43% of the Company's consolidated operating apartment homes. Revenues for "2021 Same-Properties" (as defined below), or "Same-Property revenues," increased 3.2% in 2021 as compared to 2020. In 2022, the Company projects new residential supply of 31,750 apartment homes and single family homes, which represents 0.5% of the total housing stock. The Company projects an increase of 310,000 jobs or 4.0% in the Southern California region.

Northern California Region: As of December 31, 2021, this region represented 37% of the Company's consolidated operating apartment homes. Same-Property revenues decreased 5.6% in 2021 as compared to 2020. In 2022, the Company projects new residential supply of 18,250 apartment homes and single family homes, which represents 0.8% of the total housing stock. The Company projects an increase of 157,000 jobs or 4.7% in the Northern California region.

Seattle Metro Region**:** As of December 31, 2021, this region represented 20% of the Company's consolidated operating apartment homes. Same-Property revenues decreased 1.7% in 2021 as compared to 2020. In 2022, the Company projects new residential supply of 14,800 apartment homes and single family homes, which represents 1.1% of the total housing stock. The Company projects an increase of 63,000 jobs or 3.6% in the Seattle Metro region.

In total, the Company projects an increase in 2022 Same-Property revenues of between 7.0% to 8.5%. Same-Property operating expenses are projected to increase in 2022 by 3.5% to 4.5%.

The Company's consolidated operating communities are as follows:

	As of December 31, 2021		As of December 31, 2020	
	Apartment Homes	%	Apartment Homes	%
Southern California	22,190	43 %	22,560	43 %
Northern California	19,123	37 %	19,319	37 %
Seattle Metro	10,341	20 %	10,217	20 %
Total	51,654	100 %	52,096	100 %

Co-investments, including Wesco I, Wesco III, Wesco IV, Wesco V, Wesco VI, BEXAEW, BEX II, 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. A community previously held in the BEX III co-investment was consolidated in the second quarter of 2021 and is excluded from the December 31, 2020 table but included in the December 31, 2021 table.

The COVID-19 Pandemic

The United States and other countries around the world are continuing to experience impacts related to the COVID-19 pandemic and its related variants which has created considerable instability, disruption, and uncertainty. Governmental authorities in impacted regions are taking extraordinary steps in an effort to slow down the spread of the viruses and mitigate its impact on affected populations. Federal, state and local jurisdictions have implemented varying forms of requirements related to sponsors and patrons of public gatherings and required businesses to make changes to their operations in a manner that negatively affects profitability, resulting in job losses and related financial impacts that may affect future operations to an unknown extent. While the California eviction moratorium sunsetted during the third quarter of 2021, other state and local eviction moratoriums and laws that limit rent increases during times of emergency and prohibit the ability to collect unpaid rent during certain timeframes continue to be in effect in various formats at various regions in which Essex's communities are located, impacting Essex and its 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 instituting a hybrid work model for corporate associates to work at the Company's corporate offices and remotely, and transitioning many public interactions with leasing staff to on-line and telephonic communications;

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 where required or applicable 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, 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 and related variants, 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. The labor shortage due partly to various government mandates and vaccine requirements implemented during the COVID-19 pandemic and supply chain disruptions may negatively impact the Company's results of operations.

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 years ended December 31, 2021 and 2020) remained higher than the pre-pandemic period but improved from 2.5% for 2020 to 1.9% for 2021. The Company has executed some payment plans and will continue to work with residents

to collect such cash delinquencies. As a result of continued analysis of the collectability of delinquencies, reported delinquencies as a percentage of scheduled rent for the Company's Same-Property portfolio was 2.0% for the year ended December 31, 2021. As of December 31, 2021, the delinquencies have not had a material adverse impact to the Company's liquidity position.

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 year ended December 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.

RESULTS OF OPERATIONS

Comparison of Year Ended December 31, 2021 to the Year Ended December 31, 2020

The Company's average financial occupancy for the Company's stabilized apartment communities or "2021 Same-Property" (stabilized properties consolidated by the Company for the years ended December 31, 2021 and 2020) increased 40 basis points to 96.4% in 2021 from 96.0% in 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 2021 Same-Property portfolio for financial occupancy for the years ended December 31, 2021 and 2020 is as follows:

	Years ended December 31,	
	2021	**2020**
Southern California	96.8 %	96.0 %
Northern California	96.2 %	96.1 %
Seattle Metro	96.2 %	96.0 %

The following table provides a breakdown of revenue amounts, including the revenues attributable to 2021 Same-Properties.

Property Revenues ($ in thousands)	Number of Apartment Homes	Years Ended December 31, 2021	2020	Dollar Change	Percentage Change
2021 Same-Properties:					
Southern California	20,800	$ 557,906	$ 540,771	$ 17,135	3.2 %
Northern California	16,072	490,513	519,746	(29,233)	(5.6) %
Seattle Metro	10,218	239,819	243,900	(4,081)	(1.7) %
Total 2021 Same-Property Revenues	47,090	1,288,238	1,304,417	(16,179)	(1.2) %
2021 Non-Same Property Revenues		143,180	181,733	(38,553)	(21.2) %
Total Property Revenues		$ 1,431,418	$ 1,486,150	$ (54,732)	(3.7) %

2021 Same-Property Revenues decreased by $16.2 million or 1.2% to $1.3 billion for 2021. The decrease was primarily attributable to an additional $5.3 million of cash concessions and $1.2 million in delinquencies compared to the prior year and due to a decrease of 1.5% in average rental rates from $2,349 for 2020 to $2,313 for 2021.

2021 Non-Same Property Revenues decreased by $38.6 million or 21.2% to $143.2 million in 2021 compared to $181.7 million in 2020. The decrease was primarily due to property dispositions in 2020 and the sale of Hidden Valley, Axis 2300, Park 20, and Devonshire Apartments in 2021 partially offset by the acquisition of The Village at Toluca Lake.

Management and other fees from affiliates decreased by $0.5 million or 5.2% to $9.1 million in 2021 from $9.6 million in 2020. The decrease was primarily due to a decrease in revenues used to calculate management fees as well as a decrease of the management fee rate for one of the joint ventures.

Property operating expenses, excluding real estate taxes increased by $1.5 million or 0.6% to $264.9 million in 2021 compared to $263.4 million in 2020, primarily due to an increase of $3.8 million in utilities expenses offset by a $2.4 million decrease in administrative expenses. 2021 Same-Property operating expenses, excluding real estate taxes, increased by $5.3 million or 2.2% to $241.8 million in 2021 compared to $236.5 million in 2020, primarily due to increases of $4.1 million in utilities expenses, $2.2 million in insurance and other expenses, and $1.2 million in maintenance and repairs expenses, offset by a decrease of $2.2 million in administrative expenses.

Real estate taxes increased by $3.4 million or 1.9% to $180.4 million in 2021 compared to $177.0 million in 2020, primarily due to increases in assessed valuations and tax rates. 2021 Same-Property real estate taxes increased by $3.6 million or 2.4% to $155.0 million in 2021 compared to $151.4 million in 2020 primarily due to increases in assessed valuations and tax rates.

Corporate-level property management expenses increased by $1.6 million or 4.6% to $36.2 million in 2021 compared to $34.6 million in 2020 due to costs pertaining to the centralization of certain property level functions.

Depreciation and amortization expense decreased by $5.4 million or 1.0% to $520.1 million in 2021 compared to $525.5 million in 2020, primarily due to a decrease in amortization expense resulting from certain lease intangibles becoming fully amortized during 2020 and the sale of Hidden Valley, Axis 2300, Park 20, and Devonshire Apartments during 2021.

Gain on sale of real estate and land of $143.0 million in 2021 was attributable to the sale of Hidden Valley, Axis 2300, Park 20, and Devonshire Apartments during 2021. The Company's $65.0 million gain on sale of real estate and land in 2020 was primarily attributable to the portfolio sale of One South Market and Museum Park, and the sales of Delano and 416 on Broadway during 2020.

Interest expense decreased by $17.5 million or 7.9% to $203.1 million in 2021 compared to $220.6 million in 2020, primarily due to various debt that was paid off, matured, or regular principal payments during and after 2020, and lower average interest rates, which resulted in a decrease in interest expense of $49.8 million for 2021. These decreases in interest expense were partially offset by the issuance of new senior unsecured notes which resulted in an increase of $23.8 million interest expense for 2021 as compared to 2020. Additionally, there was a $8.5 million decrease in capitalized interest in 2021, due to a decrease in development activity as compared to the same period in 2020.

Total return swap income of $10.8 million in 2021 consists of monthly settlements related to the Company's four total return swap contracts with an aggregate notional amount of $224.4 million.

Interest and other income increased by $57.7 million or 140.7% to $98.7 million in 2021 compared to $41.0 million in 2020, primarily due to increases of $34.3 million in insurance reimbursements, legal settlements and other driven by a one-time legal settlement claim, $20.6 million in unrealized gains on marketable securities, $7.9 million in marketable securities and other income, $4.9 million in income from early redemption of notes receivable, and $1.3 million in gain on sale of marketable securities. These increases were offset by a $11.8 million decrease in interest income resulting from the maturity of a mortgage backed security investment in 2020.

Equity income from co-investments increased by $45.2 million or 68.0% to $111.7 million in 2021 compared to $66.5 million in 2020, primarily due to increases of $50.3 million in equity income from non-core co-investments and $11.6 million in income from preferred equity investments including income from early redemptions. These increases were offset by decreases of $8.8 million in equity income from co-investments and $6.5 million in co-investment promote income.

Deferred tax expense on unrealized gain on unconsolidated co-investment of $15.7 million in 2021 resulted from a net unrealized gain of $53.7 million from an unconsolidated co-investments.

Loss on early retirement of debt, net of $19.0 million in 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 and the early repayment of $300.0 million of senior unsecured notes.

Gain on remeasurement of co-investment of $2.3 million in 2021 resulted from the Company's purchase of BEX III's 50.0% interest in The Village at Toluca Lake community in the second quarter of 2021. Gain on remeasurement of $234.7 million in 2020 resulted from the Company's purchase of Canada Pension Plan Investment Board's ("CPPIB") 45.0% co-investment interests during the first quarter of 2020.

Comparison of Year Ended December 31, 2020 to the Year Ended December 31, 2019

For the comparison of the years ended December 31, 2020 and December 31, 2019, refer to Part II, Item 7 “Management's Discussion and Analysis of Financial Condition and Results of Operations" on Form 10-K for the fiscal year ended December 31, 2020, filed with the SEC on February 19, 2021 under the subheading "Comparison of Year Ended December 31, 2020 to the Year Ended December 31, 2019."

Liquidity and Capital Resources

The following table sets forth the Company’s cash flows for 2021, 2020 and 2019 ($ in thousands):

	For the year ended December 31,		
	2021	**2020**	**2019**
Cash flow provided by (used in):			
Operating activities	$ 905,259	$ 803,108	$ 919,079
Investing activities	$ (397,397)	$ (416,900)	$ (527,691)
Financing activities	$ (533,265)	$ (383,261)	$ (461,689)

Essex’s business is operated primarily through the Operating Partnership. Essex issues public equity from time to time, but does not otherwise generate any capital itself or conduct any business itself, other than incurring certain expenses from operating as a public company which are fully reimbursed by the Operating Partnership. Essex itself does not hold any indebtedness, and its only material asset is its ownership of partnership interests of the Operating Partnership. Essex’s principal funding requirement is the payment of dividends on its common stock and preferred stock. Essex’s sole source of funding for its dividend payments is distributions it receives from the Operating Partnership.

As of December 31, 2021, Essex owned a 96.6% general partner interest and the limited partners owned the remaining 3.4% interest in the Operating Partnership.

The liquidity of Essex is dependent on the Operating Partnership’s ability to make sufficient distributions to Essex. The primary cash requirement of Essex is its payment of dividends to its stockholders. Essex also guarantees some of the Operating Partnership’s debt, as discussed further in Notes 7 and 8 to our consolidated financial statements included in Part IV, Item 15 of this Annual Report on Form 10-K. If the Operating Partnership fails to fulfill certain of its debt requirements, which trigger Essex’s guarantee obligations, then Essex will be required to fulfill its cash payment commitments under such guarantees. However, Essex’s only significant asset is its investment in the Operating Partnership.

For Essex to maintain its qualification as a REIT, it must pay dividends to its stockholders aggregating annually at least 90% of its REIT taxable income, excluding net capital gains. While historically Essex has satisfied this distribution requirement by making cash distributions to its stockholders, it may choose to satisfy this requirement by making distributions of other property, including, in limited circumstances, Essex's own stock. As a result of this distribution requirement, the Operating Partnership cannot rely on retained earnings to fund its ongoing operations to the same extent that other companies whose parent companies are not REITs can. Essex may need to continue to raise capital in the equity markets to fund the Operating Partnership's working capital needs, acquisitions and developments.

At December 31, 2021, the Company had $48.4 million of unrestricted cash and cash equivalents and $191.8 million in marketable 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 2022. 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 or otherwise, 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 December 31, 2021, the Company had $5.4 billion of fixed rate public bonds outstanding at an average interest rate of 3.3% with maturity dates ranging from 2023 to 2050.

As of December 31, 2021, the Company's mortgage notes payable totaled $639.0 million, net of unamortized premiums and debt issuance costs, which consisted of $415.4 million in fixed rate debt at an average interest rate of 3.5% and maturity dates ranging from 2022 to 2028 and $223.6 million of tax-exempt variable rate demand notes with a weighted average interest rate of 1.1%. The tax-exempt variable rate demand notes have maturity dates ranging from 2027 to 2046. $224.4 million is subject to total return swaps.

As of December 31, 2021, the Company had two unsecured lines of credit aggregating $1.24 billion, including a $1.2 billion unsecured line of credit and a $35.0 million working capital unsecured line of credit. As of December 31, 2021, there was $340.0 million amount outstanding on the $1.2 billion unsecured line of credit. The interest rate is based on a tiered rate structure tied to the Company's credit ratings and was LIBOR plus 0.775% as of December 31, 2021. There was $1.3 million outstanding on the Company's $35.0 million working capital unsecured line of credit as of December 31, 2021. The interest rate on the amended line is based on a tiered rate structure tied to the Company's credit ratings and is currently at LIBOR plus 0.775%.

The Company's unsecured lines of credit and unsecured debt agreements contain debt covenants related to limitations on indebtedness and liabilities and maintenance of minimum levels of consolidated earnings before depreciation, interest and amortization. The Company was in compliance with the debt covenants as of December 31, 2021 and 2020.

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

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.

The Company has four total return swap contracts, with an aggregate notional amount of $224.4 million, that effectively converts $224.4 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 our 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 four of the total return swaps, with $224.4 million of the outstanding debt at par. These derivatives do not qualify for hedge accounting.

As of December 31, 2021 and 2020, the aggregate carrying value of the interest rate swap contracts was a liability of zero and $2.4 million, respectively. As of December 31, 2021 and 2020, the swap contracts were presented in the consolidated balance sheets as a liability of zero and $2.4 million, respectively, and were included in other liabilities on the consolidated balance sheets. The aggregate carrying and fair value of the total return swaps was zero at both December 31, 2021 and 2020.

Hedge ineffectiveness related to cash flow hedges, which is reported in current year income as interest expense, net was zero, zero, and a loss of $0.2 million, for the years ended December 31, 2021, 2020, and 2019, respectively.

Issuance of Common Stock

In September 2021, the Company entered into the 2021 ATM Program, a new 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. In connection with the 2021 ATM Program, the Company may also enter into related forward sale agreements, and may sell shares of its common stock pursuant to these 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 receipt of the proceeds from the sale of shares until a later date should the Company elect to settle such forward sale agreement, in whole or in part, in shares of common stock.

The 2021 ATM Program replaces the prior equity distribution agreement entered into in September 2018 (the "2018 ATM Program"), which was terminated upon the establishment of the 2021 ATM Program. For the year ended December 31, 2021, the Company did not sell any shares of its common stock through the 2021 ATM Program or through the 2018 ATM Program. As of December 31, 2021, there were no outstanding forward purchase agreements, and $900.0 million of shares remain available to be sold under the 2021 ATM Program. For the year ended December 31, 2020, the Company did not issue any shares of its common stock through the 2018 ATM Program. For the year ended December 31, 2019, the Company issued 228,271 shares of common stock through the 2018 ATM Program at an average price of $321.56 per share for proceeds of $73.4 million.

Capital Expenditures

Non-revenue generating capital expenditures are improvements and upgrades that extend the useful life of the property. For the year ended December 31, 2021, non-revenue generating capital expenditures totaled approximately $1,914 per apartment home. These expenditures do not include expenditures for deferred maintenance on acquisition properties, expenditures for property renovations and improvements which are expected to generate additional revenue or cost savings, and do not include expenditures incurred due to changes in government regulations that the Company would not have incurred otherwise, costs related to the COVID-19 pandemic, retail, furniture and fixtures, or expenditures for which the Company expects to be reimbursed. The Company expects that cash from operations and/or its lines of credit will fund such expenditures.

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 December 31, 2021, the Company's development pipeline was comprised of one consolidated project under development, one unconsolidated joint venture project under development and various consolidated predevelopment projects, aggregating 371 apartment homes, with total incurred costs of $156.0 million, and estimated remaining project costs of approximately $61.0 million, $32.6 million of which represents the Company's estimated remaining costs, for total estimated project costs of $217.0 million.

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.

Alternative Capital Sources

The Company utilizes co-investments as an alternative source of capital for acquisitions of both operating and development communities. As of December 31, 2021, the Company had an interest in 264 apartment homes in communities actively under development with joint ventures for total estimated costs of $102.0 million. Total estimated remaining costs total approximately $58.0 million, of which the Company estimates that its remaining investment in these development joint ventures will be approximately $29.6 million. In addition, the Company had an interest in 10,257 apartment homes in operating communities with joint ventures and other investments for a total book value of $565.3 million.

Real Estate and Other Commitments

The following table summarizes the Company's unfunded real estate and other future commitments at December 31, 2021 ($ in thousands):

	Number of Properties	Investment	Remaining Commitment
Joint ventures [1]:			
Preferred equity investments	4	$ 128,000	$ 27,867
Mezzanine loans	2	140,000	52,734
Non-core co-investments	—	37,000	16,020
Consolidated:			
Real estate under development	1	91,162	3,000
		$ 396,162	$ 99,621

[1] Excludes approximately $29.6 million of the Company's share of estimated project costs for Scripps Mesa Apartments which have been fully funded.

At December 31, 2021, the Company had operating lease commitments of $167.4 million for ground, building and garage leases with maturity dates ranging from 2025 to 2083. $7.0 million of this commitment is due within the next twelve months.

Variable Interest Entities

In accordance with accounting standards for consolidation of variable interest entities ("VIEs"), the Company consolidates the Operating Partnership, 18 DownREIT entities (comprising nine communities) and six co-investments as of December 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. Essex 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 $909.3 million and $320.1 million, respectively, as of December 31, 2021, and $898.5 million and $326.8 million, respectively, as of December 31, 2020. Noncontrolling interests in these entities were $122.4 million and $120.8 million as of December 31, 2021 and 2020, respectively. The Company's financial risk in each VIE is limited to its equity investment in the VIE. As of December 31, 2021, the Company did not have any other VIEs of which it was deemed to be the primary beneficiary and did not have any VIEs of which it was not deemed to be the primary beneficiary.

Critical Accounting Estimates

The preparation of 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 estimates as those estimates that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the Company. The Company’s critical accounting 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 during the

year ended December 31, 2020); 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 accounts for its acquisitions of investments in real estate by assessing each acquisition to determine if it meets the definition of a business or if it qualifies as an asset acquisition. We expect that acquisitions of individual operating communities will generally be viewed as asset acquisitions, and result in the capitalization of acquisition costs, and the allocation of purchase price to the assets acquired and liabilities assumed based on the relative fair value of the respective assets and liabilities.

In making estimates of fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent land appraisals which consider comparable market transactions, its own analysis of recently acquired or developed comparable properties in our portfolio for land comparables and building replacement costs, and other publicly available market data. In calculating the fair value of identified intangible assets of an acquired property, the in-place leases are valued based on in-place rent rates and amortized over the average remaining term of all acquired leases. The allocation of the total consideration exchanged for a real estate acquisition between the identifiable assets and liabilities and the depreciation we recognize over the estimated useful life of the asset could be impacted by different assumptions and estimates used in the calculation. The reasonable likelihood that the estimate could have a material impact on the financial condition of the Company is based on the total consideration exchanged for real estate during any given year. The allocation of the value between land and building was a critical accounting estimate during the year ended December 31, 2020 as result of the potential material impact of the Company's acquisition of a land parcel and six communities for a total purchase price of $463.4 million.

The Company periodically assesses the carrying value of its real estate investments for indicators of impairment. The judgments regarding the existence of impairment indicators are based on monitoring investment market conditions and performance for operating properties including the net operating income for the most recent 12 month period, monitoring estimated costs for properties under development, the Company's ability to hold and its intent with regard to each asset, and each property's remaining useful life. Although each of these may result in an impairment indicator, the shortening of an expected holding period due to the potential sale of a property is the most likely impairment indicator. Whenever events or changes in circumstances indicate that the carrying amount of a property held for investment may not be fully recoverable, the carrying amount is evaluated. If the sum of the property's expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the property, then the Company will recognize an impairment loss equal to the excess of the carrying amount over the fair value of the property. Changes in operating and market conditions may result in a change of our intent to hold the property through the end of its useful life and may impact the assumptions utilized to determine the future cash flows of the real estate investment.

The Company bases its accounting estimates on historical experience 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.

Funds from Operations

Funds from Operations ("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 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 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 table below is a reconciliation of net income available to common stockholders to FFO and Core FFO for the years ended December 31, 2021, 2020, and 2019.

	As of and for the years ended December 31,		
	2021	2020	2019
	($ in thousands, except per share amounts)		
OTHER DATA:			
Funds from operations attributable to common stockholders and unitholders:			
Net income available to common stockholders	$ 488,554	$ 568,870	$ 439,286
Adjustments:			
Depreciation and amortization	520,066	525,497	483,750
Gains not included in FFO attributable to common stockholders and unitholders	(145,253)	(301,886)	(79,468)
Impairment loss	—	1,825	7,105
Impairment loss from unconsolidated co-investments	—	—	11,484
Depreciation and amortization from unconsolidated co-investments	61,059	51,594	60,655
Noncontrolling interest related to Operating Partnership units	17,191	19,912	15,343
Depreciation attributable to third party ownership and other	(571)	(539)	(1,805)
Funds from operations attributable to common stockholders and unitholders	$ 941,046	$ 865,273	$ 936,350
Non-core items:			
Expensed acquisition and investment related costs	203	1,591	168
Deferred tax expense on unrealized gain on unconsolidated co-investment [1]	15,668	1,531	1,457
Gain on sale of marketable securities	(3,400)	(2,131)	(1,271)
Unrealized gains on marketable securities	(33,104)	(12,515)	(5,710)
Provision for credit losses	141	687	—
Equity income from non-core co-investment [2]	(55,602)	(5,289)	(4,143)
Interest rate hedge ineffectiveness	—	—	181
Loss (gain) on early retirement of debt, net	19,010	22,883	(3,717)
Loss (gain) on early retirement of debt from unconsolidated co-investment	25	(38)	—
Co-investment promote income	—	(6,455)	(809)
Income from early redemption of preferred equity investments	(8,469)	(210)	(3,562)
Accelerated interest income from maturity of investment in mortgage backed security	—	(11,753)	(7,032)
General and administrative and other, net	1,026	14,958	1,181
Insurance reimbursements, legal settlements, and other, net	(35,234)	(81)	(858)
Core funds from operations attributable to common stockholders and unitholders	$ 841,310	$ 868,451	$ 912,235
Weighted average number of shares outstanding, diluted (FFO) [3]	67,335	67,726	68,199
Funds from operations attributable to common stockholders and unitholders per share - diluted	$ 13.98	$ 12.78	$ 13.73
Core funds from operations attributable to common stockholders and unitholders per share - diluted	$ 12.49	$ 12.82	$ 13.38

(1) Represents deferred tax expense related to net unrealized gains on technology co-investments.
(2) Represents the Company's share of co-investment income from technology co-investments.
(3) Assumes conversion of all outstanding OP Units into shares of the Company's common stock and excludes DownREIT units.

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

	2021	2020	2019
Earnings from operations	$ 529,995	$ 491,441	$ 481,112
Adjustments:			
Corporate-level property management expenses	36,188	34,573	34,067
Depreciation and amortization	520,066	525,497	483,750
Management and other fees from affiliates	(9,138)	(9,598)	(9,527)
General and administrative	51,838	65,388	54,262
Merger and integration expenses	—	—	—
Expensed acquisition and investment related costs	203	1,591	168
Impairment loss	—	1,825	7,105
(Gain) Loss on sale of real estate and land	(142,993)	(64,967)	3,164
NOI	986,159	1,045,750	1,054,101
Less: Non Same-Property NOI	(94,755)	(129,158)	(77,204)
Same-Property NOI	$ 891,404	$ 916,592	$ 976,897

Forward-Looking Statements

Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Annual Report on Form 10-K 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 and related variants 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, 2022 Same-Property revenue and operating expenses generally and in specific regions, 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 and related variants, 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, which 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; uncertainty regarding ongoing hostility between Russia and the Ukraine and the related impact on macroeconomic conditions as a result of such conflict; 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 discussed in Item 1A, Risk Factors, of this Form 10-K, and those risk factors and special considerations set forth in the Company's other filings with 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 this Annual Report on Form 10-K and the other reports that the Company has filed with the SEC may be further amplified by the global impact of the COVID-19 pandemic and related variants. 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.

Item 7A. 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. As of December 31, 2021, the Company had no outstanding interest rate swap contracts.

Additionally, the Company has entered into total return swap contracts, with an aggregate notional amount of $224.4 million that effectively convert $224.4 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 December 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. Management has estimated the fair value of the Company's $5.8 billion of fixed rate debt at December 31, 2021, to be $6.0 billion. Management has estimated the fair value of the Company's $565.6 million of variable rate debt at December 31, 2021, to be $561.7 million based on the

terms of existing mortgage notes payable and variable rate demand notes compared to those available in the marketplace. The following table represents scheduled principal payments ($ in thousands):

($ in thousands, except for interest rates)	For the Years Ended December 31,							
	2022	2023	2024	2025	2026	Thereafter	Total	Fair value
Fixed rate debt	$42,408	$302,093	$402,177	$632,035	$548,291	$3,836,558	$5,763,562	$5,996,335
Average interest rate	3.6%	3.4%	4.0%	3.5%	3.5%	3.2%		
Variable rate debt [1]	$780	$2,109	$932	$1,019	$1,114	$559,666	$565,620	$561,670
Average interest rate	1.2%	1.1%	1.2%	1.2%	1.2%	1.1%		

(1) $224.4 million of variable rate debt is tax exempt to the note holders.

The table incorporates only those exposures that exist as of December 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 8. Financial Statements and Supplementary Data

The response to this item is submitted as a separate section of this Form 10-K. See Item 15.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Essex Property Trust, Inc.

As of December 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 December 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 December 31, 2021, that have materially affected, or are reasonably likely to materially affect, Essex's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Essex's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Essex's management assessed the effectiveness of Essex's internal control over financial reporting as of December 31, 2021. In making this assessment, Essex's management used the criteria set forth in the report entitled "Internal Control-Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Essex's management has concluded that, as of December 31, 2021, its internal control over financial reporting was effective based on these criteria. Essex's independent registered public accounting firm, KPMG LLP, has issued an attestation report over Essex's internal control over financial reporting, which is included herein.

Essex Portfolio, L.P.

As of December 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 December 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 December 31, 2021, that have materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

The Operating Partnership's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). The Operating Partnership's management assessed the effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2021. In making this assessment, the Operating Partnership's management used the criteria set forth in the report entitled "Internal Control-Integrated Framework (2013)" published by COSO. The Operating Partnership's management has concluded that, as of December 31, 2021, its internal control over financial reporting was effective based on these criteria.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2022 Annual Meeting of Stockholders, under the heading "Board and Corporate Governance Matters," to be filed with the SEC within 120 days of December 31, 2021.

Item 11. Executive Compensation

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2022 Annual Meeting of Stockholders, under the headings "Executive Compensation" and "Director Compensation," to be filed with the SEC within 120 days of December 31, 2021.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2022 Annual Meeting of Stockholders, under the heading "Security Ownership of Certain Beneficial Owners and Management," to be filed with the SEC within 120 days of December 31, 2021.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2022 Annual Meeting of Stockholders, under the heading "Certain Relationships and Related Persons Transactions," to be filed with the SEC within 120 days of December 31, 2021.

Item 14. Principal Accounting Fees and Services

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2022 Annual Meeting of Stockholders, under the headings "Report of the Audit Committee" and "Fees Paid to KPMG LLP," to be filed with the SEC within 120 days of December 31, 2021.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(A) Financial Statements

(1) Consolidated Financial Statements of Essex Property Trust, Inc.	**Page**
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(3) Financial Statement Schedule – Schedule III – Real Estate and Accumulated Depreciation as of December 31, 2021	F-58
(4) See the Exhibit Index immediately preceding the signature page and certifications for a list of exhibits filed or incorporated by reference as part of this report.	

(B) Exhibits

The Company hereby files, as exhibits to this Form 10-K, those exhibits listed on the Exhibit Index referenced in Item 15(A)(4) above.

Item 16. Form 10-K Summary

None.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Essex Property Trust, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Essex Property Trust, Inc. and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes and financial statement schedule III (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 25, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of events or changes in circumstances that indicate rental properties may be impaired

As discussed in Note 2 to the consolidated financial statements, the Company evaluates the carrying amount of rental properties for impairment whenever events or changes in circumstances indicate that the carrying amount of a rental property may not be fully recoverable. The Company had $11.0 billion in rental properties as of December 31, 2021.

We identified the evaluation of events or changes in circumstances that indicate rental properties may be impaired as a critical audit matter. Specifically, a high degree of subjective and complex auditor judgment was required to evaluate the intent regarding the expected period the Company will receive cash flows from the rental property. Changes to shorten the expected period the Company will receive cash flows from the rental property could indicate a potential impairment.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to evaluate events or

changes in circumstances that would indicate rental properties may be impaired. This included controls over the process for determining the expected period the Company will receive cash flows from the rental property. We evaluated the Company's assessment by (1) inquiring with the Company about events or changes in circumstances considered by the Company, (2) considering certain factors related to the current economic environment, and (3) reading board of director's minutes and external communications with investors and analysts.

/s/ KPMG LLP

We have served as the Company's auditor since 1994.

San Francisco, California
February 25, 2022

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Essex Property Trust, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Essex Property Trust, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes and financial statement schedule III (collectively, the consolidated financial statements), and our report dated February 25, 2022 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

San Francisco, California
February 25, 2022

Report of Independent Registered Public Accounting Firm

To the Partners of Essex Portfolio, L.P. and the Board of Directors of Essex Property Trust, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Essex Portfolio, L.P. and subsidiaries (the Operating Partnership) as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, capital, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes and financial statement schedule III (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Operating Partnership as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Operating Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Operating Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Operating Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Operating Partnership's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of events or changes in circumstances that indicate rental properties may be impaired

As discussed in Note 2 to the consolidated financial statements, the Operating Partnership evaluates the carrying amount of rental properties for impairment whenever events or changes in circumstances indicate that the carrying amount of a rental property may not be fully recoverable. The Operating Partnership had $11.0 billion in rental properties as of December 31, 2021.

We identified the evaluation of events or changes in circumstances that indicate rental properties may be impaired as a critical audit matter. Specifically, a high degree of subjective and complex auditor judgment was required to evaluate the intent regarding the expected period the Operating Partnership will receive cash flows from the rental property. Changes to shorten the expected period the Operating Partnership will receive cash flows from the rental property could indicate a potential impairment.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Operating Partnership's process to evaluate

events or changes in circumstances that would indicate rental properties may be impaired. This included controls over the process for determining the expected period the Operating Partnership will receive cash flows from the rental property. We evaluated the Operating Partnership's assessment by (1) inquiring with the Operating Partnership about events or changes in circumstances considered by the Operating Partnership, (2) considering certain factors related to the current economic environment, and (3) reading board of director's minutes and external communications with investors and analysts.

/s/ KPMG LLP

We have served as the Operating Partnership's auditor since 2013.

San Francisco, California
February 25, 2022

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2021 and 2020
(Dollars in thousands, except share amounts)

	2021	2020
ASSETS		
Real estate:		
Rental properties:		
Land and land improvements	$ 3,032,678	$ 2,929,009
Buildings and improvements	12,597,249	12,132,736
	15,629,927	15,061,745
Less: accumulated depreciation	(4,646,854)	(4,133,959)
	10,983,073	10,927,786
Real estate under development	111,562	386,047
Co-investments	1,177,802	1,018,010
Real estate held for sale	—	57,938
	12,272,437	12,389,781
Cash and cash equivalents-unrestricted	48,420	73,629
Cash and cash equivalents-restricted	10,218	10,412
Marketable securities, net of allowance for credit losses of zero as of both December 31, 2021 and December 31, 2020	191,829	147,768
Notes and other receivables, net of allowance for credit losses of $0.8 million as of both December 31, 2021 and December 31, 2020 (includes related party receivables of $176.9 million and $4.7 million as of December 31, 2021 and December 31, 2020, respectively)	341,033	195,104
Operating lease right-of-use assets	68,972	72,143
Prepaid expenses and other assets	64,964	47,340
Total assets	$ 12,997,873	$ 12,936,177
LIABILITIES AND EQUITY		
Unsecured debt, net	$ 5,307,196	$ 5,607,985
Mortgage notes payable, net	638,957	643,550
Lines of credit	341,257	—
Accounts payable and accrued liabilities	180,751	152,855
Construction payable	29,136	31,417
Dividends payable	143,213	141,917
Operating lease liabilities	70,675	74,037
Liabilities associated with real estate held for sale	—	29,845
Distributions in excess of investments in co-investments	35,545	—
Other liabilities	39,969	39,140
Total liabilities	6,786,699	6,720,746
Commitments and contingencies		
Redeemable noncontrolling interest	34,666	32,239
Equity:		
Common stock; $0.0001 par value, 670,000,000 shares authorized; 65,248,393 and 64,999,015 shares issued and outstanding, respectively	7	6
Additional paid-in capital	6,915,981	6,876,326
Distributions in excess of accumulated earnings	(916,833)	(861,193)
Accumulated other comprehensive loss, net	(5,552)	(14,729)
Total stockholders' equity	5,993,603	6,000,410
Noncontrolling interest	182,905	182,782
Total equity	6,176,508	6,183,192
Total liabilities and equity	$ 12,997,873	$ 12,936,177

See accompanying notes to consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Income
Years ended December 31, 2021, 2020 and 2019
(Dollars in thousands, except per share and share amounts)

	2021	2020	2019
Revenues:			
Rental and other property	$ 1,431,418	$ 1,486,150	$ 1,450,628
Management and other fees from affiliates	9,138	9,598	9,527
	1,440,556	1,495,748	1,460,155
Expenses:			
Property operating, excluding real estate taxes	264,892	263,389	241,357
Real estate taxes	180,367	177,011	155,170
Corporate-level property management expenses	36,188	34,573	34,067
Depreciation and amortization	520,066	525,497	483,750
General and administrative	51,838	65,388	54,262
Expensed acquisition and investment related costs	203	1,591	168
Impairment loss	—	1,825	7,105
	1,053,554	1,069,274	975,879
Gain (loss) on sale of real estate and land	142,993	64,967	(3,164)
Earnings from operations	529,995	491,441	481,112
Interest expense	(203,125)	(220,633)	(217,339)
Total return swap income	10,774	10,733	8,446
Interest and other income	98,744	40,999	46,298
Equity income from co-investments	111,721	66,512	112,136
Deferred tax expense on unrealized gain on unconsolidated co-investment	(15,668)	(1,531)	(1,457)
(Loss) gain on early retirement of debt, net	(19,010)	(22,883)	3,717
Gain on remeasurement of co-investment	2,260	234,694	31,535
Net income	515,691	599,332	464,448
Net income attributable to noncontrolling interest	(27,137)	(30,462)	(25,162)
Net income available to common stockholders	$ 488,554	$ 568,870	$ 439,286
Per share data:			
Basic:			
Net income available to common stockholders	$ 7.51	$ 8.69	$ 6.67
Weighted average number of shares outstanding during the year	65,051,465	65,454,057	65,840,422
Diluted:			
Net income available to common stockholders	$ 7.51	$ 8.69	$ 6.66
Weighted average number of shares outstanding during the year	65,088,874	65,564,982	65,939,455

See accompanying notes to consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
Years ended December 31, 2021, 2020 and 2019
(Dollars in thousands)

	2021	2020	2019
Net income	$ 515,691	$ 599,332	$ 464,448
Other comprehensive income (loss):			
Change in fair value of derivatives and amortization of swap settlements	9,170	(4,148)	(2,948)
Cash flow hedge losses reclassified to earnings	—	3,338	1,824
Change in fair value of marketable debt securities, net	329	(61)	281
Reversal of unrealized gains upon the sale of marketable debt securities	—	—	(32)
Total other comprehensive income (loss)	9,499	(871)	(875)
Comprehensive income	525,190	598,461	463,573
Comprehensive income attributable to noncontrolling interest	(27,459)	(30,432)	(25,133)
Comprehensive income attributable to controlling interest	$ 497,731	$ 568,029	$ 438,440

See accompanying notes to consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Equity
Years ended December 31, 2021, 2020 and 2019
(Dollars and shares in thousands)

	Common stock		Additional paid-in capital	Distributions in excess of accumulated earnings	Accumulated other comprehensive loss, net	Noncontrolling interest	Total
	Shares	Amount					
Balances at December 31, 2018	65,890	$ 7	$ 7,093,079	$ (812,796)	$ (13,217)	$ 126,771	$ 6,393,844
Net income	—	—	—	439,286	—	25,162	464,448
Reversal of unrealized gains upon the sale of marketable debt securities	—	—	—	—	(31)	(1)	(32)
Cash flow hedge losses reclassified to earnings	—	—	—	—	1,762	62	1,824
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(2,849)	(99)	(2,948)
Change in fair value of marketable debt securities, net	—	—	—	—	272	9	281
Issuance of common stock under:							
Stock option and restricted stock plans, net	195	—	33,779	—	—	—	33,779
Sale of common stock, net	228	—	72,539	—	—	—	72,539
Equity based compensation costs	—	—	11,029	—	—	1,254	12,283
Retirement of common stock, net	(234)	—	(56,989)	—	—	—	(56,989)
Cumulative effect upon adoption of ASU No. 2017-12	—	—	—	—	175	6	181
Changes in the redemption value of redeemable noncontrolling interest	—	—	(3,427)	—	—	1,419	(2,008)
Changes in noncontrolling interest from acquisition	—	—	—	—	—	65,472	65,472
Distributions to noncontrolling interest	—	—	—	—	—	(28,493)	(28,493)
Redemptions of noncontrolling interest	13	—	(28,083)	—	—	(8,485)	(36,568)
Common stock dividends ($7.80 per share)	—	—	—	(514,109)	—	—	(514,109)
Balances at December 31, 2019	66,092	$ 7	$ 7,121,927	$ (887,619)	$ (13,888)	$ 183,077	$ 6,403,504
Net income	—	—	—	568,870	—	30,462	599,332
Cash flow hedge losses reclassified to earnings	—	—	—	—	3,225	113	3,338
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(4,007)	(141)	(4,148)
Change in fair value of marketable debt securities, net	—	—	—	—	(59)	(2)	(61)
Issuance of common stock under:							
Stock option and restricted stock plans, net	95	—	9,201	—	—	—	9,201
Sale of common stock, net	—	—	(296)	—	—	—	(296)

Equity based compensation costs	—	—	12,453	—	—	460	12,913
Retirement of common stock, net	(1,197)	(1)	(269,314)	—	—	—	(269,315)
Cumulative effect upon adoption of ASU No. 2016-13	—	—	—	(190)	—	—	(190)
Changes in the redemption value of redeemable noncontrolling interest	—	—	4,375	—	—	(76)	4,299
Changes in noncontrolling interest from acquisition	—	—	—	—	—	1,349	1,349
Distributions to noncontrolling interest	—	—	—	—	—	(31,367)	(31,367)
Redemptions of noncontrolling interest	9	—	(2,020)	—	—	(1,093)	(3,113)
Common stock dividends ($8.31 per share)	—	—	—	(542,254)	—	—	(542,254)
Balances at December 31, 2020	64,999	$ 6	$ 6,876,326	$ (861,193)	$ (14,729)	$ 182,782	$ 6,183,192
Net income				488,554		27,137	515,691
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	8,859	311	9,170
Change in fair value of marketable debt securities, net	—	—	—	—	318	11	329
Issuance of common stock under:							
Stock option and restricted stock plans, net	279	1	53,051	—	—	—	53,052
Sale of common stock, net	—	—	(455)	—	—	—	(455)
Equity based compensation costs	—	—	11,286	—	—	397	11,683
Retirement of common stock, net	(40)	—	(9,172)	—	—	—	(9,172)
Changes in the redemption value of redeemable noncontrolling interest	—	—	(7,489)	—	—	599	(6,890)
Contributions from noncontrolling interest	—	—	—	—	—	1,900	1,900
Distributions to noncontrolling interest	—	—	—	—	—	(29,341)	(29,341)
Redemptions of noncontrolling interest	10	—	(7,566)	—	—	(891)	(8,457)
Common stock dividends ($8.36 per share)	—	—	—	(544,194)	—	—	(544,194)
Balances at December 31, 2021	65,248	$ 7	$ 6,915,981	$ (916,833)	$ (5,552)	$ 182,905	$ 6,176,508

See accompanying notes to consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended December 31, 2021, 2020 and 2019
(Dollars in thousands)

	2021	2020	2019
Cash flows from operating activities:			
Net income	$ 515,691	$ 599,332	$ 464,448
Adjustments to reconcile net income to net cash provided by operating activities:			
Straight-lined rents	9,672	(19,426)	(1,218)
Depreciation and amortization	520,066	525,497	483,750
Amortization of discount on marketable securities	—	(19,075)	(28,491)
Amortization of discount and debt financing costs, net	9,538	6,674	5,689
Gain on sale of marketable securities	(3,400)	(2,131)	(1,271)
Income from early redemption of notes receivable	(4,939)	—	—
Provision for credit losses	141	687	—
Unrealized gains on equity securities recognized through income	(33,104)	(12,515)	(5,710)
Company's share of gain on the sales of co-investments	—	(2,225)	(51,097)
Earnings from co-investments	(111,721)	(64,287)	(61,039)
Operating distributions from co-investments	104,833	74,419	99,277
Accrued interest from notes and other receivables	(15,902)	(3,683)	(6,012)
Impairment loss	—	1,825	7,105
(Gain) loss on the sale of real estate and land	(142,993)	(64,967)	3,164
Equity-based compensation	7,308	8,157	7,010
Loss (gain) on early retirement of debt, net	19,010	22,883	(3,717)
Gain on remeasurement of co-investment	(2,260)	(234,694)	(31,535)
Changes in operating assets and liabilities:			
Prepaid expenses, receivables, operating lease right-of-use assets, and other assets	4,878	(3,730)	6,969
Accounts payable, accrued liabilities, and operating lease liabilities	22,298	(10,382)	29,551
Other liabilities	6,143	749	2,206
Net cash provided by operating activities	905,259	803,108	919,079
Cash flows from investing activities:			
Additions to real estate:			
Acquisitions of real estate and acquisition related capital expenditures, net of cash acquired	(153,481)	(460,421)	(133,825)
Redevelopment	(61,671)	(48,980)	(70,295)
Development acquisitions of and additions to real estate under development	(49,784)	(108,781)	(158,234)
Capital expenditures on rental properties	(121,195)	(90,085)	(101,689)
Investments in notes receivable	(245,144)	(135,343)	(231,400)
Collections of notes and other receivables	104,405	98,711	168,720
Proceeds from insurance for property losses	879	723	3,734
Proceeds from dispositions of real estate	297,454	339,165	23,214
Contributions to co-investments	(306,266)	(114,017)	(402,284)
Changes in refundable deposits	(9,486)	96	5
Purchases of marketable securities	(23,805)	(83,379)	(46,458)
Sales and maturities of marketable securities	16,577	113,465	147,531
Non-operating distributions from co-investments	154,120	71,946	273,290

Net cash used in investing activities	(397,397)	(416,900)	(527,691)
Cash flows from financing activities:			
Proceeds from unsecured debt and mortgage notes	745,505	1,452,808	1,045,290
Payments on unsecured debt and mortgage notes	(1,053,501)	(916,209)	(1,026,616)
Proceeds from lines of credit	1,050,589	1,038,426	1,939,213
Repayments of lines of credit	(709,332)	(1,093,426)	(1,884,213)
Retirement of common stock	(9,172)	(269,315)	(56,989)
Additions to deferred charges	(8,350)	(13,772)	(10,898)
Payments related to debt prepayment penalties	(18,342)	(19,605)	(1,406)
Net proceeds from issuance of common stock	(455)	(296)	72,539
Net proceeds from stock options exercised	58,497	14,865	37,467
Payments related to tax withholding for share-based compensation	(5,445)	(5,664)	(3,688)
Contributions from noncontrolling interest	1,900	—	—
Distributions to noncontrolling interest	(29,379)	(30,990)	(27,993)
Redemption of noncontrolling interest	(8,457)	(3,113)	(36,568)
Redemption of redeemable noncontrolling interest	(4,463)	(872)	(73)
Common stock dividends paid	(542,860)	(536,098)	(507,754)
Net cash used in financing activities	(533,265)	(383,261)	(461,689)
Net (decrease) increase in unrestricted and restricted cash and cash equivalents	(25,403)	2,947	(70,301)
Unrestricted and restricted cash and cash equivalents at beginning of period	84,041	81,094	151,395
Unrestricted and restricted cash and cash equivalents at end of period	$ 58,638	$ 84,041	$ 81,094
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of capitalized interest	$ 194,203	$ 211,732	$ 194,418
Interest capitalized	$ 6,153	$ 14,615	$ 24,169
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 6,963	$ 6,892	$ 6,811
Supplemental disclosure of noncash investing and financing activities:			
Issuance of DownREIT units in connection with acquisition of real estate	$ —	$ —	$ 65,472
Transfers between real estate under development and rental properties, net	$ 328,393	$ 253,039	$ 19,812
Transfer from real estate under development to co-investments	$ 3,068	$ 1,739	$ 671
Reclassifications to (from) redeemable noncontrolling interest from additional paid in capital and noncontrolling interest	$ 6,890	$ (4,299)	$ 2,008
Initial recognition of operating lease right-of-use assets	$ —	$ —	$ 77,645
Initial recognition of operating lease liabilities	$ —	$ —	$ 79,693
Debt assumed in connection with acquisition	$ —	$ —	$ 143,006

See accompanying notes to consolidated financial statements

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2021 and 2020
(Dollars in thousands, except per unit amounts)

	2021	2020
ASSETS		
Real estate:		
Rental properties:		
Land and land improvements	$ 3,032,678	$ 2,929,009
Buildings and improvements	12,597,249	12,132,736
	15,629,927	15,061,745
Less: accumulated depreciation	(4,646,854)	(4,133,959)
	10,983,073	10,927,786
Real estate under development	111,562	386,047
Co-investments	1,177,802	1,018,010
Real estate held for sale	—	57,938
	12,272,437	12,389,781
Cash and cash equivalents-unrestricted	48,420	73,629
Cash and cash equivalents-restricted	10,218	10,412
Marketable securities, net of allowance for credit losses of zero as of both December 31, 2021 and December 31, 2020	191,829	147,768
Notes and other receivables, net of allowance for credit losses of $0.8 million as of both December 31, 2021 and December 31, 2020 (includes related party receivables of $176.9 million and $4.7 million as of December 31, 2021 and December 31, 2020, respectively)	341,033	195,104
Operating lease right-of-use assets	68,972	72,143
Prepaid expenses and other assets	64,964	47,340
Total assets	$ 12,997,873	$ 12,936,177
LIABILITIES AND CAPITAL		
Unsecured debt, net	$ 5,307,196	$ 5,607,985
Mortgage notes payable, net	638,957	643,550
Lines of credit	341,257	—
Accounts payable and accrued liabilities	180,751	152,855
Construction payable	29,136	31,417
Distributions payable	143,213	141,917
Operating lease liabilities	70,675	74,037
Liabilities associated with real estate held for sale	—	29,845
Distributions in excess of investments in co-investments	35,545	—
Other liabilities	39,969	39,140
Total liabilities	6,786,699	6,720,746
Commitments and contingencies		
Redeemable noncontrolling interest	34,666	32,239
Capital:		
General Partner:		
Common equity (65,248,393 and 64,999,015 units issued and outstanding, respectively)	5,999,155	6,015,139
	5,999,155	6,015,139
Limited Partners:		
Common equity (2,282,464 and 2,294,760 units issued and outstanding, respectively)	56,502	58,184
Accumulated other comprehensive loss	(1,804)	(11,303)
Total partners' capital	6,053,853	6,062,020
Noncontrolling interest	122,655	121,172
Total capital	6,176,508	6,183,192
Total liabilities and capital	$ 12,997,873	$ 12,936,177

See accompanying notes to consolidated financial statements

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Statements of Income
Years ended December 31, 2021, 2020, and 2019
(Dollars in thousands, except per unit and unit amounts)

	2021	2020	2019
Revenues:			
Rental and other property	$ 1,431,418	$ 1,486,150	$ 1,450,628
Management and other fees from affiliates	9,138	9,598	9,527
	1,440,556	1,495,748	1,460,155
Expenses:			
Property operating, excluding real estate taxes	264,892	263,389	241,357
Real estate taxes	180,367	177,011	155,170
Corporate-level property management expenses	36,188	34,573	34,067
Depreciation and amortization	520,066	525,497	483,750
General and administrative	51,838	65,388	54,262
Expensed acquisition and investment related costs	203	1,591	168
Impairment loss	—	1,825	7,105
	1,053,554	1,069,274	975,879
Gain (loss) on sale of real estate and land	142,993	64,967	(3,164)
Earnings from operations	529,995	491,441	481,112
Interest expense	(203,125)	(220,633)	(217,339)
Total return swap income	10,774	10,733	8,446
Interest and other income	98,744	40,999	46,298
Equity income from co-investments	111,721	66,512	112,136
Deferred tax expense on unrealized gain on unconsolidated co-investment	(15,668)	(1,531)	(1,457)
(Loss) gain on early retirement of debt, net	(19,010)	(22,883)	3,717
Gain on remeasurement of co-investment	2,260	234,694	31,535
Net income	515,691	599,332	464,448
Net income attributable to noncontrolling interest	(9,946)	(10,550)	(9,819)
Net income available to common unitholders	$ 505,745	$ 588,782	$ 454,629
Per unit data:			
Basic:			
Net income available to common unitholders	$ 7.51	$ 8.69	$ 6.67
Weighted average number of common units outstanding during the year	67,340,856	67,750,665	68,140,900
Diluted:			
Net income available to common unitholders	$ 7.51	$ 8.69	$ 6.66
Weighted average number of common units outstanding during the year	67,378,265	67,861,590	68,239,933

See accompanying notes to consolidated financial statements

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2021, 2020, and 2019
(Dollars in thousands)

	2021	2020	2019
Net income	$ 515,691	$ 599,332	$ 464,448
Other comprehensive income (loss):			
Change in fair value of derivatives and amortization of swap settlements	9,170	(4,148)	(2,948)
Cash flow hedge losses reclassified to earnings	—	3,338	1,824
Change in fair value of marketable debt securities, net	329	(61)	281
Reversal of unrealized gains upon the sale of marketable debt securities	—	—	(32)
Total other comprehensive income (loss)	9,499	(871)	(875)
Comprehensive income	525,190	598,461	463,573
Comprehensive income attributable to noncontrolling interest	(9,946)	(10,550)	(9,819)
Comprehensive income attributable to controlling interest	$ 515,244	$ 587,911	$ 453,754

See accompanying notes to consolidated financial statements.

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Statements of Capital
Years ended December 31, 2021, 2020, and 2019
(Dollars and units in thousands)

	General Partner		Limited Partners		Accumulated other comprehensive loss, net	Noncontrolling interest	Total
	Common Equity		Common Equity				
	Units	Amount	Units	Amount			
Balances at December 31, 2018	65,890	$ 6,280,290	2,305	$ 59,061	$ (9,738)	$ 64,231	$ 6,393,844
Net income	—	439,286	—	15,343	—	9,819	464,448
Reversal of unrealized gains upon the sale of marketable debt securities	—	—	—	—	(32)	—	(32)
Cash flow hedge losses reclassified to earnings	—	—	—	—	1,824	—	1,824
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(2,948)	—	(2,948)
Change in fair value of marketable debt securities, net	—	—	—	—	281	—	281
Issuance of common units under:							
General partner's stock based compensation, net	195	33,779	—	—	—	—	33,779
Sale of common stock by general partner, net	228	72,539	—	—	—	—	72,539
Equity based compensation costs	—	11,029	10	1,254	—	—	12,283
Retirement of common units, net	(234)	(56,989)	—	—	—	—	(56,989)
Cumulative effect upon adoption of ASU No. 2017-12	—	—	—	—	181	—	181
Changes in the redemption value of redeemable noncontrolling interest	—	(3,427)	—	109	—	1,310	(2,008)
Changes in noncontrolling interest from acquisition	—	—	—	—	—	65,472	65,472
Distributions to noncontrolling interest	—	—	—	—	—	(10,521)	(10,521)
Redemptions	13	(28,083)	(13)	(436)	—	(8,049)	(36,568)
Distributions declared ($7.80 per unit)	—	(514,109)	—	(17,972)	—	—	(532,081)
Balances at December 31, 2019	66,092	$ 6,234,315	2,302	$ 57,359	$ (10,432)	$ 122,262	$ 6,403,504
Net income	—	568,870	—	19,912	—	10,550	599,332
Cash flow hedge losses reclassified to earnings	—	—	—	—	3,338	—	3,338
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(4,148)	—	(4,148)
Change in fair value of marketable debt securities, net	—	—	—	—	(61)	—	(61)
Issuance of common units under:							
General partner's stock based compensation, net	95	9,201	—	—	—	—	9,201
Sale of common stock by general partner, net	—	(296)	—	—	—	—	(296)

Equity based compensation costs	—	12,453	2	460	—	—	12,91
Retirement of common units, net	(1,197)	(269,315)	—	—	—	—	(269,31
Cumulative effect upon adoption of ASU No. 2016-13	—	(190)	—	—	—	—	(19
Changes in the redemption value of redeemable noncontrolling interest	—	4,375	—	(197)	—	121	4,29
Changes in noncontrolling interest from acquisition	—	—	—	—	—	1,349	1,34
Distributions to noncontrolling interest	—	—	—	—	—	(12,292)	(12,29
Redemptions	9	(2,020)	(9)	(275)	—	(818)	(3,11
Distributions declared ($8.31 per unit)	—	(542,254)	—	(19,075)	—	—	(561,32
Balances at December 31, 2020	64,999	$ 6,015,139	2,295	$ 58,184	$ (11,303)	$ 121,172	$ 6,183,19
Net income	—	488,554	—	17,191	$ —	9,946	515,69
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	9,170	—	9,17
Change in fair value of marketable debt securities, net	—	—	—	—	329	—	32
Issuance of common units under:							
General partner's stock based compensation, net	279	53,052	—	—	—	—	53,05
Sale of common stock by general partner, net	—	(455)	—	—	—	—	(45
Equity based compensation costs	—	11,286	—	397	—	—	11,68
Retirement of common units, net	(40)	(9,172)	—	—	—	—	(9,17
Changes in the redemption value of redeemable noncontrolling interest	—	(7,489)	—	152	—	447	(6,89
Contributions from noncontrolling interest	—	—	—	—	—	1,900	1,90
Distributions to noncontrolling interest	—	—	—	—	—	(10,215)	(10,21
Redemptions	10	(7,566)	(13)	(296)	—	(595)	(8,45
Distributions declared ($8.36 per unit)	—	(544,194)	—	(19,126)	—	—	(563,32
Balances at December 31, 2021	65,248	$ 5,999,155	2,282	$ 56,502	$ (1,804)	$ 122,655	$ 6,176,50

See accompanying notes to consolidated financial statements

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended December 31, 2021, 2020, and 2019
(Dollars in thousands)

	2021	2020	2019
Cash flows from operating activities:			
Net income	$ 515,691	$ 599,332	$ 464,448
Adjustments to reconcile net income to net cash provided by operating activities:			
Straight-lined rents	9,672	(19,426)	(1,218)
Depreciation and amortization	520,066	525,497	483,750
Amortization of discount on marketable securities	—	(19,075)	(28,491)
Amortization of discount and debt financing costs, net	9,538	6,674	5,689
Gain on sale of marketable securities	(3,400)	(2,131)	(1,271)
Income from early redemption of notes receivable	(4,939)	—	—
Provision for credit losses	141	687	—
Unrealized gains on equity securities recognized through income	(33,104)	(12,515)	(5,710)
Company's share of gain on the sales of co-investments	—	(2,225)	(51,097)
Earnings from co-investments	(111,721)	(64,287)	(61,039)
Operating distributions from co-investments	104,833	74,419	99,277
Accrued interest from notes and other receivables	(15,902)	(3,683)	(6,012)
Impairment loss	—	1,825	7,105
(Gain) loss on the sale of real estate and land	(142,993)	(64,967)	3,164
Equity-based compensation	7,308	8,157	7,010
Loss (gain) on early retirement of debt, net	19,010	22,883	(3,717)
Gain on remeasurement of co-investment	(2,260)	(234,694)	(31,535)
Changes in operating assets and liabilities:			
Prepaid expenses, receivables, operating lease right-of-use assets, and other assets	4,878	(3,730)	6,969
Accounts payable, accrued liabilities, and operating lease liabilities	22,298	(10,382)	29,551
Other liabilities	6,143	749	2,206
Net cash provided by operating activities	905,259	803,108	919,079
Cash flows from investing activities:			
Additions to real estate:			
Acquisitions of real estate and acquisition related capital expenditures, net of cash acquired	(153,481)	(460,421)	(133,825)
Redevelopment	(61,671)	(48,980)	(70,295)
Development acquisitions of and additions to real estate under development	(49,784)	(108,781)	(158,234)
Capital expenditures on rental properties	(121,195)	(90,085)	(101,689)
Investments in notes receivable	(245,144)	(135,343)	(231,400)
Collections of notes and other receivables	104,405	98,711	168,720
Proceeds from insurance for property losses	879	723	3,734
Proceeds from dispositions of real estate	297,454	339,165	23,214
Contributions to co-investments	(306,266)	(114,017)	(402,284)
Changes in refundable deposits	(9,486)	96	5
Purchases of marketable securities	(23,805)	(83,379)	(46,458)
Sales and maturities of marketable securities	16,577	113,465	147,531
Non-operating distributions from co-investments	154,120	71,946	273,290

Net cash used in investing activities	(397,397)	(416,900)	(527,6
Cash flows from financing activities:			
Proceeds from unsecured debt and mortgage notes	745,505	1,452,808	1,045,2
Payments on unsecured debt and mortgage notes	(1,053,501)	(916,209)	(1,026,6
Proceeds from lines of credit	1,050,589	1,038,426	1,939,2
Repayments of lines of credit	(709,332)	(1,093,426)	(1,884,2
Retirement of common units	(9,172)	(269,315)	(56,9
Additions to deferred charges	(8,350)	(13,772)	(10,8
Payments related to debt prepayment penalties	(18,342)	(19,605)	(1,4
Net proceeds from issuance of common units	(455)	(296)	72,5
Net proceeds from stock options exercised	58,497	14,865	37,4
Payments related to tax withholding for share-based compensation	(5,445)	(5,664)	(3,6
Contributions from noncontrolling interest	1,900	—	
Distributions to noncontrolling interest	(8,369)	(8,409)	(7,2
Redemption of noncontrolling interests	(8,457)	(3,113)	(36,5
Redemption of redeemable noncontrolling interests	(4,463)	(872)	(
Common units distributions paid	(563,870)	(558,679)	(528,4
Net cash used in financing activities	(533,265)	(383,261)	(461,6
Net (decrease) increase in unrestricted and restricted cash and cash equivalents	(25,403)	2,947	(70,3
Unrestricted and restricted cash and cash equivalents at beginning of period	84,041	81,094	151,3
Unrestricted and restricted cash and cash equivalents at end of period	$ 58,638	$ 84,041	$ 81,0
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of capitalized interest	$ 194,203	$ 211,732	$ 194,4
Interest capitalized	$ 6,153	$ 14,615	$ 24,1
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 6,963	$ 6,892	$ 6,8
Supplemental disclosure of noncash investing and financing activities:			
Issuance of DownREIT units in connection with acquisition of real estate	$ —	$ —	$ 65,4
Transfers between real estate under development and rental properties, net	$ 328,393	$ 253,039	$ 19,8
Transfer from real estate under development to co-investments	$ 3,068	$ 1,739	$ 6
Reclassifications to (from) redeemable noncontrolling interest from general and limited partner capital and noncontrolling interest	$ 6,890	$ (4,299)	$ 2,0
Initial recognition of operating lease right-of-use assets	$ —	$ —	$ 77,6
Initial recognition of operating lease liabilities	$ —	$ —	$ 79,6
Debt assumed in connection with acquisition	$ —	$ —	$ 143,0

See accompanying notes to consolidated financial statements

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021, 2020, and 2019

(1) Organization

The accompanying 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). Unless otherwise indicated, the notes to consolidated financial statements apply to both the Company and the Operating Partnership.

Essex is the sole general partner of the Operating Partnership with a 96.6% general partner interest and the limited partners owned a 3.4% interest as of December 31, 2021. The limited partners may convert their Operating Partnership units into an equivalent number of shares of Essex common stock. Total Operating Partnership limited partnership units ("OP Units," and the holders of such OP Units, "Unitholders") outstanding were 2,282,464 and 2,294,760 as of December 31, 2021 and 2020, respectively, and the redemption value of the units, based on the closing price of the Company’s common stock, totaled approximately $804.0 million and $544.8 million, as of December 31, 2021 and 2020, respectively. The Company has reserved shares of common stock for such conversions.

As of December 31, 2021, the Company owned or had ownership interests in 252 operating apartment communities, comprising 61,911 apartment homes, excluding the Company's ownership interests in preferred interest co-investments, loan investments, three operating commercial building, and a development pipeline comprised of one consolidated project and one unconsolidated joint venture project. 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.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021, 2020, and 2019

(2) Summary of Critical and Significant Accounting Policies

(a) Principles of Consolidation and Basis of Presentation

The accounts of the Company, its controlled subsidiaries and the variable interest entities ("VIEs") in which it is the primary beneficiary are consolidated in the accompanying financial statements and prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). 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. All significant inter-company accounts and transactions have been eliminated.

Noncontrolling interest includes the 3.4% limited partner interests in the Operating Partnership not held by the Company at both December 31, 2021 and 2020. These percentages include the Operating Partnership's vested long-term incentive plan units (see Note 14).

(b) Recently Adopted Accounting Pronouncements

In January 2021, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("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.

(c) Recent Accounting Pronouncements

In August 2020, the FASB issued ASU No. 2020-06 "Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity." The amendments in ASU No. 2020-06 modifies the if-converted method of calculating diluted EPS. For instruments that may be settled in cash or shares, and are not classified as liability, the guidance requires entities to include the effect of potential share settlement in the diluted EPS calculation, if the effect is more dilutive. ASU No. 2020-06 is effective for the Company on January 1, 2022 and will be applied on a prospective basis. The Company does not expect this adoption to have a material impact on its consolidated results of operations or financial position.

(d) Real Estate Rental Properties

Significant expenditures, which improve or extend the life of an asset and have a useful life of greater than one year, are capitalized. Operating real estate assets are stated at cost and consist of land and land improvements, buildings and improvements, furniture, fixtures and equipment, and other costs incurred during their development, redevelopment and acquisition. Expenditures for maintenance and repairs are charged to expense as incurred.

The depreciable life of various categories of fixed assets is as follows:

Computer software and equipment	3 - 5 years
Interior apartment home improvements	5 years
Furniture, fixtures and equipment	5 - 10 years
Land improvements and certain exterior components of real property	10 years
Real estate structures	30 years

The Company capitalizes all costs incurred with the predevelopment, development or redevelopment of real estate assets or are associated with the construction or expansion of real property. Such capitalized costs include land, land improvements, allocated costs of the Company's project management staff, construction costs, as well as interest and related loan fees, property taxes and insurance. Capitalization begins for predevelopment, development, and redevelopment projects when activity commences. Capitalization ends when the apartment home is completed and the property is available for a new tenant or if the development activities cease.

The Company allocates the purchase price of real estate on a fair value basis to land and building including personal property, and identifiable intangible assets, such as the value of above, below and in-place leases. In making estimates of relative fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent land and building appraisals which consider comparable market transactions, its own analysis of recently acquired or developed comparable properties in our portfolio for land comparables and building replacement costs, and other publicly available market data. In calculating the fair value of identified intangible assets of an acquired property, the in-place leases are valued based on in-place rent rates and amortized over the average remaining term of all acquired leases.

The values of the above and below market leases are amortized and recorded as either a decrease (in the case of above market leases) or an increase (in the case of below market leases) to rental revenue over the remaining term of the associated leases acquired. The value of acquired in-place leases are amortized to expense over the average remaining term of the leases acquired. The net carrying value of acquired in-place leases is $8.9 million and $4.7 million as of December 31, 2021 and 2020, respectively, and are included in prepaid expenses and other assets on the Company's consolidated balance sheets.

The Company periodically assesses the carrying value of its real estate investments for indicators of impairment. The judgments regarding the existence of impairment indicators are based on monitoring investment market conditions and performance compared to budget for operating properties including the net operating income for the most recent 12 month period, monitoring estimated costs for properties under development, the Company's ability to hold and its intent with regard to each asset, and each property's remaining useful life. Whenever events or changes in circumstances indicate that the carrying amount of a property held for investment may not be fully recoverable, the carrying amount is evaluated. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount (including intangible assets) of a property held for investment, then the Company will recognize an impairment loss equal to the excess of the carrying amount over the fair value of the property. Fair value of a property is determined using conventional real estate valuation methods, such as discounted cash flow, the property’s unleveraged yield in comparison to the unleveraged yields and/or sales prices of similar communities that have been recently sold, and other third party information, if available. Communities held for sale are carried at the lower of cost or fair value less estimated costs to sell. As of December 31, 2021, no properties were classified as held for sale. As of December 31, 2020, two properties were classified as held for sale. The Company did not record an impairment charge for the year ended December 31, 2021. The Company recorded an impairment charge of $1.8 million for the year ended December 31, 2020 related to one of the Company's consolidated properties as a result of a change in the Company's intent to hold the property for its remaining useful life. The Company recorded an impairment charge of $7.1 million for the year ended December 31, 2019 on a parcel of land that was part of a consolidated co-investment with Canada Pension Plan Investment Board ("CPPIB" or "CPP"). The impairment charge resulted from the Company's acquisition of CPPIB's 45% interest in the co-investment. The impairment analysis over the parcel’s fair value was determined using internally developed models based on market assumptions.

In the normal course of business, the Company will receive purchase offers for its communities, either solicited or unsolicited. For those offers that are accepted, the prospective buyer will usually require a due diligence period before consummation of the transaction. It is not unusual for matters to arise that result in the withdrawal or rejection of the offer during this process. The Company classifies real estate as "held for sale" when the Company has obtained necessary management approvals to sell a property and the sale of the property is expected to be completed within a year. Evaluating solicited or unsolicited offers generally does not cause properties to be classified as held for sale.

(e) 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.

The Company recorded an other-than-temporary impairment charge of $11.5 million for the year ended December 31, 2019 on an unconsolidated co-investment with CPPIB which held Agora, a 49-unit apartment home community located in Walnut Creek, CA. The other-than-temporary impairment charge resulted from the Company's acquisition of CPPIB's 45% interest in the co-investment. The impairment analysis over the co-investments fair value was determined using internally developed models based on market assumptions. The impairment is reflected in equity income from co-investments on the consolidated statements of income. No other-than-temporary impairment charges were recorded for the years ended December 31, 2021 or 2020.

(f) Revenues and Gains on Sale of Real Estate and Land

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 4, Revenues, and Note 10, Lease Agreements - Company as Lessor, 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.

(g) 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 consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows ($ in thousands):

	2021	2020	2019
Cash and cash equivalents - unrestricted	$ 48,420	$ 73,629	$ 70,087
Cash and cash equivalents - restricted	10,218	10,412	11,007
Total unrestricted and restricted cash and cash equivalents shown in the consolidated statements of cash flows	$ 58,638	$ 84,041	$ 81,094

(h) 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, Level 2 for the unsecured debt and Level 3, as defined by the FASB standard for fair value measurements as discussed later in Note 2). As of December 31, 2021 and 2020, $0.8 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. There were no other than temporary impairment charges for the years ended December 31, 2021, 2020, and 2019. 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 on the consolidated statements of income.

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

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

	December 31, 2021		
	Amortized Cost	Gross Unrealized (Loss) Gain	Carrying Value
Equity securities:			
Investment funds - debt securities	$ 62,192	$ (502)	$ 61,690
Common stock and stock funds	79,155	49,592	128,747
Debt securities:			
Available for sale			
Investment-grade unsecured debt	1,051	341	1,392
Total - Marketable securities	$ 142,398	$ 49,431	$ 191,829

	December 31, 2020		
	Amortized Cost	Gross Unrealized Gain	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 years ended December 31, 2021, 2020 and 2019, the proceeds from sales and maturities of marketable securities totaled $16.6 million, $113.5 million and $147.5 million, respectively. For the years ended December 31, 2021, 2020 and 2019, these sales resulted in gains of $3.4 million, $2.1 million, and $1.3 million, respectively.

For the years ended December 31, 2021 and 2020, the portion of equity security unrealized gains recognized in income totaled $33.1 million and $12.5 million in gains, respectively, and were included in interest and other income on the Company's consolidated statements of income and comprehensive income.

(i) Notes Receivable

Notes receivable relate to real estate financing arrangements including mezzanine and bridge loans. Interest is recognized over the life of the note as interest income.

Each note is analyzed to determine if it is impaired. A note is impaired if it is probable that the Company will not collect all contractually due principal and interest. The Company does not accrue interest when a note is considered impaired and an allowance is recorded for any principal and previously accrued interest that are not believed to be collectible. All cash receipts on impaired notes are applied to reduce the principal amount of such notes until the principal has been recovered and, thereafter, are recognized as interest income. As of December 31, 2021 and 2020, no notes were impaired.

In the normal course of business, the Company originates and holds two types of loans: mezzanine loans issued to entities that are pursuing apartment development and short-term bridge loans issued to joint ventures with the Company.

The Company categorizes development project mezzanine loans into risk categories based on relevant information about the ability of the borrowers to service their debt, such as: current financial information, credit documentation, public information, and previous experience with the borrower. The Company initially analyzes each mezzanine loan individually to classify the credit risk of the loan. On a periodic basis the Company evaluates and performs site visits of the development projects associated with the mezzanine loans to confirm whether they are on budget and whether there are any delays in development that could impact the Company's assessment of credit loss.

All bridge loans that the Company issues are, by their nature, short-term and meant only to provide time for the Company’s joint ventures to obtain long-term funding for newly acquired communities. As the Company is a partner in the joint ventures that are borrowing such funds and has performed a detailed review of each community as part of the acquisition process, there is little to no credit risk associated with such loans. As such, the Company does not review credit quality indicators for bridge loans on an ongoing basis.

The Company estimates the allowance for credit losses for each loan type using relevant available information from internal and external sources, relating to past events, current conditions, and reasonable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made, if necessary, for differences in current loan-specific risk characteristics. For example, in the case of mezzanine loans, adjustments may be made due to differences in track record and experience of the mezzanine loan sponsor as well as the percent of equity that the sponsor has contributed to the project.

(j) Capitalization Policy

The Company capitalizes all direct and certain indirect costs, including interest, employee compensation costs, real estate taxes and insurance, incurred during development and redevelopment activities. Interest is capitalized on real estate assets that require a period of time to get them ready for their intended use. The amount of interest capitalized is based upon the average amount of accumulated development expenditures during the reporting period. Included in capitalized costs are management’s estimates of the direct and incremental personnel costs and indirect project costs associated with the Company's development and redevelopment activities. Indirect project costs consist primarily of personnel costs associated with construction administration and development, including accounting, legal fees, and various corporate and community onsite costs that clearly relate to projects under development. Those costs, inclusive of capitalized interest, as well as capitalized development and redevelopment fees totaled $23.6 million, $31.4 million and $42.1 million for the years ended December 31, 2021, 2020 and 2019, respectively, most of which relates to development projects. The Company capitalizes leasing costs associated with the lease-up of development communities and amortizes the costs over the life of the leases. The amounts capitalized are immaterial for all periods presented.

(k) Fair Value of Financial Instruments

The Company values its financial instruments based on the fair value hierarchy of valuation techniques described in the FASB’s accounting standard for fair value measurements. Level 1 inputs are unadjusted, quoted prices in active markets for identical

assets or liabilities at the measurement date. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices observable for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability. The Company uses Level 1 inputs for the fair values of its cash equivalents and its marketable securities except for unsecured bonds and mortgage backed securities. The Company uses Level 2 inputs for its investments in unsecured debt, notes receivable, notes payable, and derivative assets/liabilities. These inputs include interest rates for similar financial instruments. The Company's valuation methodology for derivatives is described in Note 9. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Management believes that the carrying amounts of the outstanding balances under its lines of credit, and notes and other receivables approximate fair value as of December 31, 2021 and 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 fixed rate debt with a carrying value of $5.7 billion and $5.5 billion at December 31, 2021 and 2020, respectively, to be $6.0 billion at both December 31, 2021 and 2020. Management has estimated the fair value of the Company's $564.9 million and $775.1 million of variable rate debt at December 31, 2021 and 2020, respectively, to be $561.7 million and $770.1 million at December 31, 2021 and 2020, 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 December 31, 2021 and 2020 due to the short-term maturity of these instruments. Marketable securities are carried at fair value as of December 31, 2021 and 2020.

(l) Interest Rate Protection, Swap, and Forward Contracts

The Company uses interest rate swaps, interest rate caps, and total return swap contracts to manage interest rate risks. 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 records all derivatives on its consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and the resulting designation. Derivatives used to hedge the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives used to hedge the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

For derivatives designated for accounting purposes as fair value hedges, changes in the fair value of the derivative and the hedged item related to the hedged risk are recognized in earnings. For derivatives designated for accounting purposes as cash flow hedges, the effective portion of changes in the fair value of the derivative is initially reported in other comprehensive income (outside of earnings) and subsequently reclassified to earnings when the hedged transaction affects earnings, and the ineffective portion of changes in the fair value of the derivative is recognized directly in earnings. The Company assesses the initial and ongoing effectiveness of each hedging relationship by comparing the changes in fair value or cash flows of the derivative hedging instrument with the changes in fair value or cash flows of the designated hedged item or transaction.

For derivatives not designated for accounting purposes as cash flow hedges, changes in fair value are recognized in earnings. All of the Company's interest rate swaps are considered cash flow hedges.

(m) Income Taxes

Generally in any year in which Essex qualifies as a real estate investment trust ("REIT") under the Internal Revenue Code (the "IRC"), it is not subject to federal income tax on that portion of its income that it distributes to stockholders. No provision for federal income taxes, other than the taxable REIT subsidiaries discussed below, has been made in the accompanying consolidated financial statements for each of the years in the three-year period ended December 31, 2021 as Essex has elected to be and believes it qualifies under the IRC as a REIT and has made distributions during the periods in amounts to preclude Essex from paying federal income tax.

In order to maintain compliance with REIT tax rules, the Company utilizes taxable REIT subsidiaries for various revenue generating or investment activities. The taxable REIT subsidiaries are consolidated by the Company. In general, the activities and tax related provisions, assets and liabilities are not material.
As a partnership, the Operating Partnership is not subject to federal or state income taxes, except that in order to maintain Essex's compliance with REIT tax rules that are applicable to Essex, the Operating Partnership utilizes taxable REIT subsidiaries for various revenue generating or investment activities. The taxable REIT subsidiaries are consolidated by the Operating Partnership.

The status of cash dividends distributed for the years ended December 31, 2021, 2020, and 2019 related to common stock are classified for tax purposes as follows:

	2021	2020	2019
Common Stock			
Ordinary income	70.92 %	85.23 %	83.81 %
Capital gain	22.07 %	10.68 %	13.78 %
Unrecaptured section 1250 capital gain	7.01 %	4.09 %	2.41 %
	100.00 %	100.00 %	100.00 %

(n) 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) are being amortized over the expected service periods.

(o) Changes in Accumulated Other Comprehensive Loss, by Component

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	8,843	318	9,161
Amounts reclassified from accumulated other comprehensive loss	16	—	16
Other comprehensive income	8,859	318	9,177
Balance at December 31, 2021	$ (5,912)	$ 360	$ (5,552)

Changes in Accumulated Other Comprehensive Loss, by Component
Essex Portfolio, L.P. ($ in thousands)

	Change in fair value and amortization of swap settlements	Unrealized gain on available for sale securities	Total
Balance at December 31, 2020	$ (11,346)	$ 43	$ (11,303)
Other comprehensive income before reclassification	9,153	329	9,482
Amounts reclassified from accumulated other comprehensive loss	17	—	17
Other comprehensive income	9,170	329	9,499
Balance at December 31, 2021	$ (2,176)	$ 372	$ (1,804)

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

(p) Redeemable Noncontrolling Interest

The carrying value of redeemable noncontrolling interest in the accompanying balance sheets was $34.7 million and $32.2 million as of December 31, 2021 and 2020, respectively. The limited partners may redeem their noncontrolling interests for cash in certain circumstances.

The changes in the redemption value of redeemable noncontrolling interests for the years ended December 31, 2021, 2020, and 2019 are as follows:

	2021	2020	2019
Balance at January 1,	$ 32,239	$ 37,410	$ 35,475
Reclassifications due to change in redemption value and other	6,890	(4,299)	2,008
Redemptions	(4,463)	(872)	(73)
Balance at December 31,	$ 34,666	$ 32,239	$ 37,410

(q) Accounting Estimates

The preparation of 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 ongoing 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, and its notes receivable. 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.

(r) Variable Interest Entities

In accordance with accounting standards for consolidation of VIEs, the Company consolidated the Operating Partnership, 18 DownREIT entities (comprising nine communities), and six co-investments as of December 31, 2021. The Company consolidated the Operating Partnership, 17 DownREIT entities (comprising nine communities), and five co-investments as of December 31, 2020. 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 $909.3 million and $320.1 million, respectively, as of December 31, 2021, and $898.5 million and $326.8 million, respectively, as of December 31, 2020. Noncontrolling interests in these entities were $122.4 million and $120.8 million as of December 31, 2021 and 2020, respectively. The Company's financial risk in each VIE is limited to its equity investment in the VIE.

The DownREIT VIEs collectively own nine apartment communities in which the Company is the general partner or manager of the DownREIT entity, the Operating Partnership is a special limited partner or member, and the other limited partners or members were granted rights of redemption for their interests. Such limited partners or members can request to be redeemed and the Company, subject to certain restrictions, can elect to redeem their rights for cash or by issuing shares of its common stock on a one share per unit basis. Conversion values will be based on the market value of the Company's common stock at the time of redemption multiplied by the number of units stipulated under various arrangements, as noted above. The other limited partners or members receive distributions based on the Company's current dividend rate times the number of units held. Total DownREIT units outstanding were 978,854 and 1,017,460 as of December 31, 2021 and 2020, respectively, and the redemption value of the units, based on the closing price of the Company's common stock totaled approximately $344.8 million and $241.6 million, as of December 31, 2021 and 2020, respectively. The carrying value of redeemable noncontrolling interest in the accompanying balance sheets was $34.7 million and $32.2 million as of December 31, 2021 and 2020, respectively. Of these amounts, $7.7 million and $11.9 million as of December 31, 2021 and 2020, respectively, represent units of limited partners' or members' interests in DownREIT VIEs as to which it is outside of the Company's control to redeem the DownREIT units with Company common stock and may potentially be redeemed for cash, and are presented at either their redemption value or historical cost, depending on the limited partner's or members' right to redeem their units as of the balance sheet date. The carrying value of DownREIT units as to which it is within the control of the Company to redeem the units with its common stock was $97.4 million as of both December 31, 2021 and 2020, and is classified within noncontrolling interests in the accompanying consolidated balance sheets.

Interest holders in VIEs consolidated by the Company are allocated a priority of net income equal to the cash payments made to those interest holders or distributions from cash flow. The remaining results of operations are generally allocated to the Company.

As of December 31, 2021 and 2020, the Company did not have any other VIEs of which it was deemed to be the primary beneficiary and did not have any VIEs of which it was not deemed to be the primary beneficiary.

(3) Real Estate Investments

***(a)* Acquisitions of Real Estate**

The table below summarizes acquisition activity for the year ended December 31, 2021 ($ in millions):

For the year ended December 31, 2021, the Company purchased two communities consisting of 268 apartment homes and two commercial properties for approximately $165.4 million.

Property Name	Location	Apartment Homes	Essex Ownership Percentage	Quarter in 2021	Purchase Price
The Village at Toluca Lake [1]	Burbank, CA	145	100 %	Q2	$ 31.8
7 South Linden [2]	South San Francisco, CA	—	100 %	Q3	33.5
Third & Broad [3]	Seattle, WA	—	100 %	Q3	52.5
Canvas	Seattle, WA	123	100 %	Q4	47.6
Total 2021		268			$ 165.4

[1] In June 2021, the Company purchased its joint venture partner's 50.0% membership interest in the BEX III, LLC co-investment that owned The Village at Toluca Lake based on a property valuation of $63.5 million. In conjunction with the acquisition, $29.5 million of mortgage debt that encumbered the property was paid off.
[2] The commercial property is fully-leased to two commercial tenants. The Company is currently pursuing entitlements to construct an apartment community on the property.
[3] The Company will hold the fully-leased commercial property for future apartment development.

The consolidated fair value of the acquisitions listed above was included on the Company's consolidated balance sheet were as follows: $103.3 million was included in land and land improvements, $90.2 million was included in buildings and improvements, $5.4 million was included in prepaid expenses and other assets, within the Company's consolidated balance sheets.

For the year ended December 31, 2020, the Company purchased CPPIB's 45.0% interest in each of a land parcel and six communities totaling 2,020 apartment homes, valued at $1.0 billion on a gross basis, for approximately $463.4 million. As a result of this acquisition, the Company realized a gain on remeasurement of its existing co-investment of $234.7 million. Furthermore, the Company recognized $6.5 million in promote income as a result of the transaction, which is included in equity income from co-investments on the consolidated statements of income. The consolidated fair value of this acquisition was included on the Company's consolidated balance sheet as follows: $189.0 million was included in land and land improvements, $846.0 million was included in buildings and improvements, $10.0 million was included in prepaid expenses and other assets, within the Company's consolidated balance sheets.

(b) Sales of Real Estate Investments

The table below summarizes the disposition activity for the year ended December 31, 2021 ($ in millions):

Property Name	Location	Apartment Homes	Ownership	Quarter in 2021	Sales Price	
Hidden Valley	Simi Valley, CA	324	EPLP	Q1	$ 105.0	(1)
Park 20	San Mateo, CA	197	EPLP	Q1	113.0	(2)
Axis 2300	Irvine, CA	115	EPLP	Q1	57.5	(3)
Devonshire Apartments	Hemet, CA	276	EPLP	Q3	54.5	(4)
Total 2021		912			$ 330.0	

(1) The Company recognized a $69.2 million gain on sale. In conjunction with the sale, the Company repaid $29.7 million of mortgage debt that encumbered the property.
(2) The Company recognized an immaterial gain on sale.
(3) The Company recognized a $30.8 million gain on sale.
(4) The Company recognized a $42.9 million gain on sale.

For the year ended December 31, 2020, the Company sold four apartment communities consisting of 670 apartment homes for $343.5 million, resulting in gains of $65.0 million.

For the year ended December 31, 2019, the Company sold two land parcels for $23.3 million and recorded an immaterial gain on the sale of one land parcel and a loss of $3.2 million on the other land parcel.

(c) Real Estate Assets Held for Sale

As of December 31, 2021, the Company had no assets classified as held for sale. As of December 31, 2020, the Company had two communities totaling 439 apartment homes that were classified as held for sale.

(d) Co-investments

The Company has joint ventures which are accounted for under the equity method. The co-investments' accounting policies are similar to the Company's accounting policies. The co-investments own, operate, and develop apartment communities.

In September 2021, the Company formed a new joint venture entity, Wesco VI, LLC ("Wesco VI") with an institutional partner. Each partner has a 50.0% ownership interest in the joint venture and an initial equity commitment of $150.0 million. The joint venture is unconsolidated for financial reporting purposes. Also, in September 2021, Wesco VI acquired Martha Lake Apartments, a 155-unit apartment home community located in Lynwood, WA, for a total contract price of $53.0 million. The property is encumbered by a $29.2 million related party bridge loan from the Company, with an interest rate of 2.15% and was

scheduled to mature in December 2021. In December 2021, the scheduled maturity date for the related party bridge loan was extended to March 2022. See Note 6, Related Party Transactions, for additional details.

In October 2021, Wesco VI acquired Monterra in Mill Creek, a 139-unit apartment home community located in Mill Creek, WA, for a total contract price of $55.0 million. The property was encumbered by a $30.3 million related party bridge loan from the Company, with an interest rate of 2.30% and a maturity date of January 2022. In December 2021, the maturity date of the related party bridge loan was extended to April 2022. See Note 6, Related Party Transactions, for additional details.

In November 2021, the Company purchased a managing interest in a single asset entity owning a 179-unit apartment home community located in Vista, CA for a total contract price of $44.0 million, at the Company's pro rata share. The property was encumbered by a $48.4 million related party bridge loan from the Company, with an interest rate of 2.36% and a maturity date of February 2022. See Note 6, Related Party Transactions, for additional details.

In November 2021, Wesco VI acquired The Rexford, a 203-unit apartment home community located in Fremont, CA, for a total contract price of $112.5 million. The property was encumbered by a $61.9 million related party bridge loan from the Company, with an interest rate of 2.36% and a maturity date of February 2022. See Note 6, Related Party Transactions, for additional details.

In November 2021, the Company converted $11.0 million of its existing preferred equity investment in Silver, a 268-unit apartment home community located in San Jose, CA into a 58.0% equity ownership interest in the property. The Company will retain its remaining $13.5 million preferred equity investment in the property at a preferred return of 8.0%. The property is encumbered by $100.0 million of mortgage debt at a rate of 3.15%. Based on a consolidation analysis, the Company continues to account for its investment in this limited liability company under the equity method.

The carrying values of the Company’s co-investments as of December 31, 2021 and 2020 are as follows ($ in thousands, except in parenthetical):

	Weighted Average Essex Ownership Percentage [1]	December 31, 2021	December 31, 2020
Ownership interest in:			
Wesco I [2], Wesco III, Wesco IV, Wesco V and Wesco VI	52 %	$ 168,198	$ 178,322
BEXAEW, BEX II, BEX III [3], BEX IV and 500 Folsom [4]	50 %	270,550	152,309
Other [5]	52 %	126,503	27,635
Total operating and other co-investments, net		565,251	358,266
Total development co-investments	50 %	11,076	157,433
Total preferred interest co-investments (includes related party investments of $71.1 million and $81.4 million as of December 31, 2021 and December 31, 2020, respectively - Note 6 - Related Party Transactions for further discussion)		565,930	502,311
Total co-investments, net		$ 1,142,257	$ 1,018,010

(1) Weighted average Company ownership percentages are as of December 31, 2021.
(2) As of December 31, 2021, the Company's investment in Wesco I was classified as a liability of $35.3 million due to distributions received in excess of the Company's investment.
(3) In June 2021, the Company purchased the additional 50% interest in BEX III.
(4) 500 Folsom had not stabilized as of December 31, 2020. Its carrying value was included in the development co-investments balance as of December 31, 2020.
(5) As of December 31, 2021, the Company's investment in Expo was classified as a liability of $0.2 million due to distributions received in excess of the Company's investment. The weighted average Essex ownership percentage excludes our investments in non-core technology co-investments which are carried at fair value..

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

	December 31,	
	2021	2020
Combined balance sheets: [1]		
Rental properties and real estate under development	$ 4,603,465	$ 4,242,611
Other assets	278,411	200,777
Total assets	$ 4,881,876	$ 4,443,388
Debt	$ 3,046,765	$ 2,611,365
Other liabilities	200,129	189,515
Equity	1,634,982	1,642,508
Total liabilities and equity	$ 4,881,876	$ 4,443,388
Company's share of equity	$ 1,142,257	$ 1,018,010

	Years ended December 31,		
	2021	2020	2019
Combined statements of income: [1]			
Property revenues	$ 289,680	$ 300,624	$ 336,922
Property operating expenses	(115,023)	(108,682)	(115,658)
Net operating income	174,657	191,942	221,264
Gain on sale of real estate	—	—	112,918
Interest expense	(65,172)	(78,962)	(65,665)
General and administrative	(17,885)	(17,079)	(9,575)
Depreciation and amortization	(133,787)	(117,836)	(121,006)
Net income	$ (42,187)	$ (21,935)	$ 137,936
Company's share of net income [2]	$ 111,721	$ 66,512	$ 112,136

[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 $9.1 million, $8.6 million, and $7.5 million for the years ended December 31, 2021, 2020, and 2019, respectively.

Operating Co-investments

As of December 31, 2021 and 2020, the Company, through several joint ventures, owned 10,257 and 8,652 apartment homes, respectively, in operating communities. The Company’s book value of these co-investments was $565.3 million and $358.3 million at December 31, 2021 and 2020, respectively.

Predevelopment and Development Co-investments

As of December 31, 2021 and 2020, the Company, through several joint ventures, owned 264 and 1,070 apartment homes in predevelopment and development communities, respectively. The Company’s book value of these co-investments was $11.1 million and $157.4 million at December 31, 2021 and 2020, respectively.

In 2020, the Company entered into a joint venture to develop Scripps Mesa Apartments, a multifamily community comprised of 264 apartment homes located in San Diego, CA. The Company has a 51% ownership interest in the development which has a projected total cost of $102.0 million. Construction began in the third quarter of 2020. The property is projected to commence

initial occupancy in the fourth quarter of 2022 and is projected to be fully stabilized in the third quarter of 2023. The Company has a $5.9 million preferred equity investment in the project, which accrues an annualized preferred return of 10.0% until it is redeemed.

Preferred Equity Investments

As of December 31, 2021 and 2020, the Company held preferred equity investment interests in several joint ventures which own real estate. The Company's book value of these preferred equity investments was $565.9 million and $502.3 million at December 31, 2021 and 2020, respectively, and is included in the co-investments line in the accompanying consolidated balance sheets.

During 2021, the Company made commitments to fund $67.2 million of preferred equity investment in four real estate ventures. The investments have initial preferred returns ranging from 10.0% - 12.5%, with maturities ranging from January 2026 to December 2026. As of December 31, 2021, the Company had funded $51.3 million of the $67.2 million commitments.

During 2020, the Company made commitments to fund $191.3 million of preferred equity investment in seven preferred equity investments. The investments have initial preferred returns ranging from 9.0%-11.5%, with maturities ranging from March 2022 to February 2030. As of December 31, 2021, the Company had funded $182.3 million of the $191.3 million of commitments.

During 2019, the Company made commitments to fund $141.7 million of preferred equity investment in five preferred equity investments, some of which include related party sponsors. See Note 6, Related Party Transactions, for additional details. The investments have initial preferred returns ranging from 10.15%-11.3%, with maturities ranging from July 2022 to October 2024. As of December 31, 2021, the Company had fully funded $141.7 million of the commitments.

During 2018, the Company made commitments to fund $45.1 million of preferred equity investment in two preferred equity investments, some of which include related party sponsors. See Note 6, Related Party Transactions, for additional details. The investments have initial preferred returns ranging from 10.25%-12.0%, with maturities ranging from May 2023 to April 2024. As of December 31, 2021, the Company had funded $42.1 million of the $45.1 million of commitments. The remaining committed amount is expected to be funded when requested by the sponsors.

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.

In August 2021, the Company received cash of $21.6 million for the partial redemption of a preferred equity investment in a joint venture that holds property located in Northern California.

In November 2021, the Company received $18.3 million, for the partial redemption of a preferred equity investment in a joint venture that holds property located in Southern California.

In November 2021, the Company converted $11.0 million of its existing preferred equity investment in Silver, a 268-unit apartment home community located in San Jose, CA, into a 58.0% common equity interest in the property. The Company will retain its remaining $13.5 million preferred equity investment in the property at a preferred return of 8.0%. The property is encumbered by $100.0 million of mortgage debt at a rate of 3.15%.

(e) Real Estate under Development

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 December 31, 2021, the Company's development pipeline was comprised of one consolidated project under development, one unconsolidated joint venture project under development and various predevelopment projects, aggregating 371 apartment homes, with total incurred costs of $156.0 million.

(4) Revenues

Disaggregated Revenue

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

	2021	2020	2019
Rental income	$ 1,410,197	$ 1,462,161	$ 1,425,585
Other property	21,221	23,989	25,043
Management and other fees from affiliates	9,138	9,598	9,527
Total revenues	$ 1,440,556	$ 1,495,748	$ 1,460,155

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

	2021	2020	2019
Southern California	$ 588,381	$ 566,553	$ 593,253
Northern California	584,034	604,348	557,139
Seattle Metro	239,839	243,900	243,060
Other real estate assets [1]	19,164	71,349	57,176
Total rental and other property revenues	$ 1,431,418	$ 1,486,150	$ 1,450,628

[1] Other real estate assets consist of revenue 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):

	2021	2020	2019
Same-property [1]	$ 1,288,238	$ 1,304,417	$ 1,346,394
Acquisitions [2]	57,260	54,415	—
Development [3]	31,268	20,050	7,675
Redevelopment	17,667	19,054	21,058
Non-residential/other, net [4]	47,796	66,358	75,501
Straight line rent concession [5]	(10,811)	21,856	—
Total rental and other property revenues	$ 1,431,418	$ 1,486,150	$ 1,450,628

[1] Properties that have comparable stabilized results as of January 1, 2020 and are consolidated by the Company for the years ended December 31, 2021, 2020, and 2019. A community is generally considered to have reach stabilized operations once it achieves an initial occupancy of 90%.
[2] Acquisitions include 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 revenue 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 two communities located in the California counties of 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 $2.4 million and $3.1 million as of December 31, 2021 and December 31, 2020, respectively, and was included in accounts payable and accrued liabilities within the accompanying consolidated balance sheets. The amount of revenue recognized for the year ended December 31, 2021 that was included in the December 31, 2020 deferred revenue balance was $0.7 million, which was included in interest and other income within the 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 new revenue recognition accounting standard. As of December 31, 2021, the Company had $2.4 million of remaining performance obligations. The Company expects to recognize approximately 31% of these remaining performance obligations in 2022, an additional 56% through 2024, and the remaining balance thereafter.

Practical Expedients

The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less or when variable consideration is allocated entirely to a wholly unsatisfied performance obligation.

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(5) Notes and Other Receivables

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

	2021	2020
Note receivable, secured, bearing interest at 9.90%, due November 2021 (Originated November 2018) [1]	$ —	$ 14,216
Notes receivable, secured, bearing interest at 10.50%, due February 2023 (Originated March 2020)	17,051	15,299
Note receivable, secured, bearing interest at 11.00%, due October 2023 (Originated April 2020) [2]	—	25,461
Note receivable, secured, bearing interest at 9.00%, due December 2023 (Originated November 2020)	87,365	79,827
Note receivable, secured, bearing interest at 11.50%, due November 2024 (Originated November 2020)	29,729	15,423
Related party note receivable, secured, bearing interest at 2.15%, due March 2022 (Originated September 2021) [3]	29,314	—
Related party note receivable, secured, bearing interest at 2.30%, due April 2022 (Originated October 2021) [3]	30,399	—
Related party note receivable, secured, bearing interest at 2.36%, due February 2022 (Originated November 2021) [3]	62,058	—
Related party note receivable, secured, bearing interest at 2.36%, due February 2022 (Originated November 2021) [3]	48,562	—
Notes and other receivables from affiliates [4]	6,556	4,744
Straight line rent receivables [5]	15,523	25,214
Other receivables	15,232	15,671
Allowance for credit losses	(756)	(751)
Total notes and other receivables	$ 341,033	$ 195,104

[1] In November 2021, the Company received cash of $15.7 million, including an early redemption fee of $0.2 million, from the payoff of this note receivable.
[2] In June 2021, the Company received cash of $36.5 million, including an early redemption fee of $4.7 million, from the payoff of this note receivable.
[3] See Note 6, Related Party Transactions, for additional details.
[4] These amounts consist of short-term loans outstanding and due from various joint ventures as of December 31, 2021 and December 31, 2020, respectively. See Note 6, Related Party Transactions, for additional details.
[5] 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	(80)	85	5
Balance at December 31, 2021	$ 671	$ 85	$ 756

No loans were placed on nonaccrual status or charged off during the year ended December 31, 2021 or 2020.

(6) Related Party Transactions

The Company has adopted written related party transaction guidelines that are intended to cover transactions in which the Company (including entities it controls) is a party and in which any "related person" has a direct or indirect interest. A "related person" means any person who is or was (since the beginning of the last fiscal year) a Company director, director nominee, or executive officer, any beneficial owner of more than 5% of the Company's outstanding common stock, and any immediate family member of any of the foregoing persons. A related person may be considered to have an indirect interest in a transaction if he or she (i) is an owner, director, officer or employee of or otherwise associated with another company that is engaging in a transaction with the Company, or (ii) otherwise, through one or more entities or arrangements, has an indirect financial interest in or personal benefit from the transaction.

The related person transaction review and approval process is intended to determine, among any other relevant issues, the dollar amount involved in the transaction; the nature and value of any related person's direct or indirect interest (if any) in the transaction; and whether or not (i) a related person's interest is material, (ii) the transaction is fair, reasonable, and serves the best interest of the Company and its shareholders, and (iii) whether the transaction or relationship should be entered into, continued or ended.

The Company's Chairman and founder, Mr. George 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 NYSE that underwent its initial public offering in 2013. For the year ended December 31, 2021 and 2019, there were no brokerage commission fees paid by the Company to MMC and its affiliates related to real estate transactions. For the year ended December 31, 2020, the Company paid brokerage commissions of $0.2 million to MMC and its affiliates related to real estate 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 $10.3 million, $11.3 million, and $13.8 million for the years ended December 31, 2021, 2020 and 2019, respectively. All of these fees are net of intercompany amounts eliminated by the Company. The Company netted development and redevelopment fees of $1.1 million, $1.7 million, and $4.3 million against general and administrative expenses for the years ended December 31, 2021, 2020 and 2019, respectively.

As described in Note 5, Notes and Other Receivables, the Company has provided short-term loans to affiliates. As of December 31, 2021 and 2020, $6.6 million and $4.7 million, respectively, of short-term loans remained outstanding due from joint venture affiliates and are classified within notes and other receivables in the accompanying consolidated balance sheets. In November 2016, the Company provided a $6.6 million mezzanine loan to a limited liability company in which MMC holds a significant ownership interest through subsidiaries. The mezzanine loan was classified within notes and other receivables in the accompanying consolidated balance sheets and was paid off in October 2019.

In November 2021, the Company provided a $48.4 million related party bridge loan in connection with the purchase of an interest in a single asset entity owning an apartment home community in Vista, CA. The note receivable accrues interest at 2.36% and is scheduled to mature in February 2022. The bridge loan is classified within notes and other receivables in the accompanying consolidated balance sheets and had an outstanding balance of $48.6 million as of December 31, 2021.

In November 2021, the Company provided a $61.9 million related party bridge loan to Wesco VI in connection with the acquisition of The Rexford. The note receivable accrues interest at 2.36% and is scheduled to mature in February 2022. The bridge loan is classified within notes and other receivables in the accompanying consolidated balance sheets and had an outstanding balance of $62.1 million as of December 31, 2021.

In October 2021, the Company provided a $30.3 million related party bridge to Wesco VI in connection with the acquisition of Monterra in Mill Creek. The note receivable accrues interest at 2.30% and is scheduled to mature in April 2022. The bridge loan is classified within notes and other receivables in the accompanying consolidated balance sheets and had an outstanding balance of $30.4 million as of December 31, 2021.

In September 2021, the Company provided a $29.2 million related party bridge loan to Wesco VI in connection with the acquisition of Martha Lake Apartments. The note receivable accrues interest at 2.15% and was scheduled to mature in

December 2021. In December 2021, the maturity date of the note receivable was extended to March 2022. The bridge loan is classified within notes and other receivables in the accompanying consolidated balance sheets and had an outstanding balance of $29.3 million as of December 31, 2021.

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 was paid off in July 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.

In August 2019, the Company provided an $89.0 million related party bridge loan to Wesco V in connection with the acquisition of The Courtyards at 65th Street. The note receivable accrued interest at LIBOR plus 1.30% and was paid off in November 2019.

In August 2019, the Company provided a $44.4 million related party bridge loan to BEX IV in connection with the acquisition of 777 Hamilton. The note receivable accrued interest at 3.25%. In November 2019, the term of the bridge loan was extended to February 2020, but was paid off in December 2019.

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 accrued interest based on a 10.25% initial preferred return. The investment was scheduled to mature in May 2023. In November 2021, the Company received cash of $18.3 million, for the partial redemption of this preferred equity investment, and the maturity of the remaining commitment was extended to December 2028. As of December 31, 2021, the Company had a remaining commitment of $13.0 million. The remaining committed amount is expected to 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.

In 2015, the Company made preferred equity investments totaling $20.0 million in three entities affiliated with MMC that own apartment communities in California. The Company earned a 9.5% preferred return on each such investment. One $5.0 million investment, which was scheduled to mature in 2022, was fully redeemed in 2017. Another $5.0 million investment, which was scheduled to mature in 2022, was fully redeemed in 2018. The remaining investment was fully redeemed in February 2019.

(7) Unsecured Debt

Essex does not have any indebtedness as all debt is incurred by the Operating Partnership. Essex guarantees the Operating Partnership's unsecured debt including the revolving credit facilities up to the maximum amounts and for the full term of the facilities.

Unsecured debt consists of the following as of December 31, 2021 and 2020 ($ in thousands):

	2021	2020	Weighted Average Maturity In Years as of December 31, 2021
Unsecured bonds private placement - fixed rate	$ —	$ 199,950	N/A
Term loan - variable rate	—	549,380	N/A
Bonds public offering - fixed rate	5,307,196	4,858,655	8.7
Unsecured debt, net [1]	5,307,196	5,607,985	
Lines of credit [2]	341,257	—	N/A
Total unsecured debt	$ 5,648,453	$ 5,607,985	
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	— %	1.7 %	
Weighted average interest rate on lines of credit	1.0 %	1.0 %	

(1) Includes unamortized discount, net of premiums, of $9.9 million and $10.1 million and unamortized debt issuance costs of $32.9 million and $31.9 million as of December 31, 2021 and 2020, respectively.

(2) Lines of credit, related to the Company's two lines of unsecured credit aggregating $1.24 billion, excludes unamortized debt issuance costs of $4.4 million and $3.7 million as of December 31, 2021 and 2020, respectively. These debt issuance costs are included in prepaid expenses and other assets on the consolidated balance sheets. As of December 31, 2021, the Company's $1.2 billion credit facility had an interest rate of LIBOR plus 0.775%, which is based on a tiered rate structure tied to the Company's credit ratings and a scheduled maturity date of September 2025 with three six-month extensions, exercisable at the Company's option. As of December 31, 2021, the Company's $35.0 million working capital unsecured line of credit had an interest rate of LIBOR plus 0.775%, which is based on a tiered rate structure tied to the Company's credit ratings, and a scheduled maturity date of February 2023.

As of December 31, 2021 the Company had no amount of private placement unsecured bonds outstanding. As of December 31, 2020, the Company had $200.0 million of private placement unsecured bonds outstanding at an average effective interest rate of 4.4%.

The following is a summary of the Company's unsecured private placement bonds as of December 31, 2021 and 2020 ($ in thousands):

	Maturity	2021	2020	Coupon Rate
Senior unsecured private placement notes	April 2021	$ —	$ 100,000	4.27 %
Senior unsecured private placement notes	June 2021	—	50,000	4.30 %
Senior unsecured private placement notes	August 2021	—	50,000	4.37 %
		$ —	$ 200,000	

As of December 31, 2021 and 2020, the Company's unsecured term loans had no amount outstanding and $550.0 million, respectively, at an average interest rate of none and 1.7%, respectively. These loans are included in the line "Term loan -

variable rate" in the table above, and as of December 31, 2021 and 2020, the carrying value, net of debt issuance costs, was no amount outstanding and $549.4 million, respectively.

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. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, the carrying value of the 2028 Notes, net of discount and debt issuance costs, was $444.4 million.

In June 2021, the Operating Partnership issued $300.0 million of senior unsecured notes due on June 15, 2031 with a coupon rate of 2.550% per annum (the "2031 Notes"), which are payable on June 15 and December 15 of each year, beginning on December 15, 2021. The 2031 Notes were offered to investors at a price of 99.367% of par value. The 2031 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 to fund the redemption of $300.0 million aggregate principal amount (plus the make-whole amount and accrued and unpaid interest) of its outstanding 3.375% senior unsecured notes due January 2023, and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, the carrying value of the 2031 Notes, net of discount and debt issuance costs, was $295.7 million.

In February 2020, the Operating Partnership issued $500.0 million of senior unsecured notes due on March 15, 2032, with a coupon rate of 2.650% (the "2032 Notes"), which are payable on March 15 and September 15 of each year, beginning on September 15, 2020. The 2032 Notes were offered to investors at a price of 99.628% of par value. The 2032 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 indebtedness under its unsecured lines of credit, which had been used to fund the buyout of CPPIB's 45.0% joint venture interests, as well as repay $100.3 million of secured debt during the quarter that ended March 31, 2020. In June 2020, the Operating Partnership issued an additional $150.0 million of the 2032 Notes at a price of 105.660% of par value, plus accrued interest from February 2020 up to, but not including, the date of delivery of the additional notes, with an effective yield of 2.093%. These additional notes have substantially identical terms as the 2032 Notes issued in February 2020. The proceeds were used to repay indebtedness under the Company's unsecured credit facilities and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021, and 2020, the carrying value of the 2032 Notes, net of premiums and debt issuance costs, was $650.6 million and $650.7 million respectively.

In April 2020, the Company obtained a $200.0 million unsecured term loan with a one-year maturity and two 12-month extension options, exercisable at the Company’s option. The unsecured term loan bears a variable interest rate of LIBOR plus 1.20% and the proceeds were used to repay all remaining consolidated debt maturing in 2020.

In August 2020, the Operating Partnership issued $600.0 million of senior unsecured notes, consisting of $300.0 million aggregate principal amount due on January 15, 2031 with a coupon rate of 1.650% (the “2031 Notes”) and $300.0 million aggregate principal amount due on September 1, 2050 with a coupon rate of 2.650% (the “2050 Notes” and together with the 2031 Notes, the “Notes”). The 2031 Notes were offered to investors at a price of 99.035% of par value and the 2050 Notes at 99.691% of par value. Interest is payable on the 2031 Notes semiannually on January 15 and July 15 of each year, beginning on January 15, 2021. Interest is payable on the 2050 Notes semiannually on March 1 and September 1 of each year, beginning on March 1, 2021. The 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 debt maturities, including certain unsecured private placement notes, secured mortgage notes, and to fund the redemption of $300.0 million aggregate principal amount of
its outstanding 3.625% senior unsecured notes due August 2022, and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, the carrying value of the 2031 Notes

and 2050 Notes, net of discount and debt issuance costs was $295.1 million and $295.8 million respectively as of December 31, 2021, and $294.5 million and $295.7 million respectively as of December 31, 2020.

In August 2019, the Operating Partnership issued $400.0 million of senior unsecured notes due on January 15, 2030, with a coupon rate of 3.000% per annum (the "2030 Notes"), which are payable on January 15 and July 15 of each year, beginning on January 15, 2020. The 2030 Notes were offered to investors at a price of 98.632% of the principal amount thereof. The 2030 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 Property Trust, Inc. In October 2019, the Operating Partnership issued an additional $150.0 million of the 2030 notes at a price of 101.685% of the principal amount thereof. These additional notes have substantially identical terms as the 2030 Notes issued in August 2019. The Company used the net proceeds of these offerings to prepay, with no prepayment penalties, certain secured indebtedness under outstanding mortgage notes, to repay indebtedness under its unsecured lines of credit and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021, and 2020, the carrying value of the 2030 Notes, net of discount and debt issuance costs, was $543.9 million and $543.1 million, respectively.

In February 2019, the Operating Partnership issued $350.0 million of senior unsecured notes due on March 1, 2029, with a coupon rate of 4.000% per annum (the "2029 Notes"), which are payable on March 1 and September 1 of each year, beginning on September 1, 2019. The 2029 Notes were offered to investors at a price of 99.188% of the principal amount thereof. The 2029 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 Property Trust, Inc. In March 2019, the Operating Partnership issued an additional $150.0 million of the 2029 Notes at a price of 100.717% of the principal amount thereof. These additional notes have substantially identical terms as the 2029 Notes issued in February 2019. The Company used the net proceeds of these offerings to repay indebtedness under its unsecured lines of credit and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021, and 2020, the carrying value of the 2029 Notes, net of discount and debt issuance costs was $495.4 million and $494.8 million, respectively.

In March 2018, the Operating Partnership issued $300.0 million of senior unsecured notes due on March 15, 2048 with a coupon rate of 4.500% per annum and are payable on March 15 and September 15 of each year, beginning on September 15, 2018 (the "2048 Notes"). The 2048 Notes were offered to investors at a price of 99.591% of par value. The 2048 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 fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021 and 2020, the carrying value of the 2048 Notes, net of discount and debt issuance costs was $295.9 million and $295.8 million, respectively.

In April 2017, the Operating Partnership issued $350.0 million of senior unsecured notes due on May 1, 2027 with a coupon rate of 3.625% per annum and are payable on May 1 and November 1 of each year, beginning on November 1, 2017 (the "2027 Notes"). The 2027 Notes were offered to investors at a price of 99.423% of par value. The 2027 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 fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021 and 2020, the carrying value of the 2027 Notes, net of discount and debt issuance costs was $347.3 million and $346.8 million, respectively.

In April 2016, the Operating Partnership issued $450.0 million of senior unsecured notes due on April 15, 2026 with a coupon rate of 3.375% per annum and are payable on April 15th and October 15th of each year, beginning October 15, 2016 (the "2026 Notes"). The 2026 Notes were offered to investors at a price of 99.386% of par value. The 2026 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 fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021 and 2020, the carrying value of the 2026 Notes, net of discount and debt issuance costs was $447.1 million and $446.4 million, respectively.

In March 2015, the Operating Partnership issued $500.0 million of senior unsecured notes due on April 1, 2025 with a coupon rate of 3.5% per annum and are payable on April 1st and October 1st of each year, beginning October 1, 2015 (the "2025

Notes"). The 2025 Notes were offered to investors at a price of 99.747% of par value. The 2025 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 fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021 and 2020, the carrying value of the 2025 Notes, net of discount and debt issuance costs was $498.2 million and $497.6 million, respectively.

In April 2014, the Company assumed $900.0 million aggregate principal amount of BRE Property Inc.'s 5.500% senior notes due 2017; 5.200% senior notes due 2021; and 3.375% senior notes due 2023 (together the "BRE Notes"). These notes are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021, the BRE Notes had no amount outstanding. As of December 31, 2020, the carrying value of the BRE Notes, plus unamortized premium was $296.8 million. In March 2017, the Company paid off $300.0 million of 5.500% senior notes, at maturity. In December 2020, the Company paid off $300.0 million of 5.200% senior notes. In June 2021, the Company paid off the remaining $300.0 million of 3.375% senior notes due 2023.

In April 2014, the Operating Partnership issued $400.0 million of senior unsecured notes due on May 1, 2024 with a coupon rate of 3.875% per annum and are payable on May 1st and November 1st of each year, beginning November 1, 2014 (the "2024 Notes"). The 2024 Notes were offered to investors at a price of 99.234% of par value. The 2024 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 fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021 and 2020, the carrying value of the 2024 Notes, net of discount and debt issuance costs was $398.5 million and $397.8 million, respectively.

In April 2013, the Operating Partnership issued $300.0 million of senior unsecured notes due on May 1, 2023 with a coupon rate of 3.25% per annum and are payable on May 1st and November 1st of each year, beginning November 1, 2013 (the "2023 Notes"). The 2023 Notes were offered to investors at a price of 99.152% of par value. The 2023 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 fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2021 and 2020, the carrying value of the 2023 Notes, net of discount and debt issuance costs was $299.3 million and $298.7 million, respectively.

The following is a summary of the Company's senior unsecured notes as of December 31, 2021 and 2020 ($ in thousands):

	Maturity	2021	2020	Coupon Rate
Senior notes	January 2023	$ —	$ 300,000	3.375 %
Senior notes	May 2023	300,000	300,000	3.250 %
Senior notes	May 2024	400,000	400,000	3.875 %
Senior notes	April 2025	500,000	500,000	3.500 %
Senior notes	April 2026	450,000	450,000	3.375 %
Senior notes	May 2027	350,000	350,000	3.625 %
Senior notes	March 2028	450,000	—	1.700 %
Senior notes	March 2029	500,000	500,000	4.000 %
Senior notes	January 2030	550,000	550,000	3.000 %
Senior notes	January 2031	300,000	300,000	1.650 %
Senior notes	June 2031	300,000	—	2.550 %
Senior notes	March 2032	650,000	650,000	2.650 %
Senior notes	March 2048	300,000	300,000	4.500 %
Senior notes	September 2050	300,000	300,000	2.650 %
		$ 5,350,000	$ 4,900,000	

The aggregate scheduled principal payments of unsecured debt payable, excluding lines of credit, at December 31, 2021 are as follows ($ in thousands):

2022	$ —
2023	300,000
2024	400,000
2025	500,000
2026	450,000
Thereafter	3,700,000
	$ 5,350,000

As of December 31, 2021, the Company had two unsecured lines of credit aggregating $1.24 billion, including a $1.2 billion unsecured line of credit and a $35.0 million working capital unsecured line of credit. As of December 31, 2021, there was $340.0 million outstanding on the $1.2 billion unsecured line of credit. As of December 31, 2020, there was no amount outstanding on this line. The interest rate is based on a tiered rate structure tied to the Company's credit ratings and was LIBOR plus 0.775% as of December 31, 2021. The $1.2 billion unsecured line of credit has a scheduled maturity date in September 2025 with three 6-month extensions, exercisable at the Company's option. As of December 31, 2021, there was $1.3 million outstanding on the Company's $35.0 million working capital unsecured line of credit. As of December 31, 2020, there was no amount outstanding on this line. The interest rate on the amended line is based on a tiered rate structure tied to the Company's credit ratings and is currently at LIBOR plus 0.775%.

The Company’s unsecured lines of credit and unsecured debt agreements contain debt covenants related to limitations on indebtedness and liabilities, and maintenance of minimum levels of consolidated earnings before depreciation, interest and amortization. The Company was in compliance with the debt covenants as of December 31, 2021 and 2020.

(8) Mortgage Notes Payable

Essex does not have any indebtedness as all debt is incurred by the Operating Partnership. Mortgage notes payable consist of the following as of December 31, 2021 and 2020 ($ in thousands):

	2021	2020
Fixed rate mortgage notes payable	$ 415,350	$ 419,323
Variable rate mortgage notes payable [1]	223,609	224,227
Total mortgage notes payable [2]	$ 638,959	$ 643,550
Number of properties securing mortgage notes	12	12
Remaining terms	1-25 years	1-26 years
Weighted average interest rate	2.7 %	2.7 %

The aggregate scheduled principal payments of mortgage notes payable at December 31, 2021 are as follows ($ in thousands):

2022	$ 43,188
2023	2,945
2024	3,109
2025	133,054
2026	99,405
Thereafter	356,224
	$ 637,925

[1] Variable rate mortgage notes payable, including $224.4 million in bonds that have been converted to variable rate through total return swap contracts, consists of multifamily housing mortgage revenue bonds secured by deeds of trust on rental properties and guaranteed by collateral pledge agreements, payable monthly at a variable rate as defined in the Loan Agreement (approximately 1.1% at December 2021 and 1.2% at December 2020) including credit enhancement and

underwriting fees. Among the terms imposed on the properties, which are security for the bonds, is a requirement that 20% of the apartment homes are subject to tenant income criteria. Once the bonds have been repaid, the properties may no longer be obligated to comply with such tenant income criteria. Principal balances are due in full at various maturity dates from December 2027 through December 2046. The Company had no interest rate cap agreements as of December 31, 2021 and 2020, respectively.

(2) Includes total unamortized premium, net of discounts, of $2.5 million and $3.9 million and reduced by unamortized debt issuance costs of $1.5 million and $1.8 million as of December 31, 2021 and 2020, respectively.

For the Company's mortgage notes payable as of December 31, 2021, monthly interest expense and principal amortization, excluding balloon payments, totaled approximately $2.3 million and $0.3 million, respectively. Second deeds of trust accounted for none of the mortgage notes payable balance as of both December 31, 2021 and 2020. Repayment of debt before the scheduled maturity date could result in prepayment penalties. The prepayment penalty on the majority of the Company's mortgage notes payable are computed by the greater of (a) 1% of the amount of the principal being prepaid or (b) the present value of the principal being prepaid multiplied by the difference between the interest rate of the mortgage note and the stated yield rate on a U.S. treasury security which generally has an equivalent remaining term as the mortgage note.

(9) Derivative Instruments and Hedging Activities

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.

In November 2016, the Company replaced its $225.0 million term loan with a $350.0 million five-year term loan with a delayed draw feature that carries a variable interest rate of LIBOR plus 95 basis points. In 2016, the Company entered into four forward starting interest rate swaps (settlement payments commenced in March 2017) and in 2017, the Company entered into one forward starting interest rate swap (settlement payments commenced in March 2017) all related to the $350.0 million term loan. These five swaps, with a total notional amount of $175.0 million were terminated during the year-ended December 31, 2021.

As of December 31, 2021 and 2020, the Company had no interest rate caps.

As of December 31, 2021 and 2020, the aggregate carrying value of the interest rate swap contracts were a liability of zero and an asset of $2.4 million, respectively. As of December 31, 2021 and 2020, the swap contracts were presented in the consolidated balance sheets as a liability of zero and $2.4 million, respectively, and were included in other liabilities on the consolidated balance sheets. The Company had no interest rate caps on the balance sheets as of December 31, 2021 and 2020.

Hedge ineffectiveness related to cash flow hedges, which is included in interest expense on the consolidated statements of income, was zero, zero, and a loss of $0.2 million for the years ended December 31, 2021, 2020, and 2019 respectively.

The Company has four total return swap contracts, with an aggregate notional amount of $224.4 million, that effectively convert $224.4 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 our 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 four of the total return swaps with $224.4 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 December 31, 2021 and 2020, respectively. These total return swaps are scheduled to mature between November 2022 and December 2024. The realized gains of $10.8 million, $10.7 million, and $8.4 million as of December 31, 2021, 2020, and 2019, respectively, were reported on the consolidated statements of income as total return swap income.

(10) Lease Agreements - Company as Lessor

As of December 31, 2021, the Company is a lessor of apartment homes at all of its consolidated operating and lease-up communities, three commercial buildings, and commercial portions of mixed use communities. The apartment homes are rented under short-term leases (generally, lease terms of 9 to 12 months) while commercial lease terms typically range from 5 to 20 years. All such leases are classified as operating leases.

Although the majority of the Company's apartment home and commercial leasing income is derived from fixed lease payments, some lease agreements also allow for variable payments. The primary driver of variable leasing income comes from utility reimbursements from apartment home leases and common area maintenance reimbursements from commercial leases. A small number of commercial leases contain provisions for lease payments based on a percentage of gross retail sales over set hurdles.

At the end of the term of apartment home leases, unless the lessee decides to renew the lease with the Company at the market rate or gives notice not to renew, the lease will be automatically renewed on a month-to-month term. Apartment home leases include an option to terminate the lease, however the lessee must pay the Company for expected or actual downtime to find a new tenant to lease the space or a lease-break fee specified in the lease agreement. Most commercial leases include options to renew, with the renewal periods extending the term of the lease for no greater than the same period of time as the original lease term. The initial option to renew for commercial leases will typically be based on a fixed price while any subsequent renewal options will generally be based on the current market rate at the time of the renewal. Certain commercial leases contain lease termination options that would require the lessee to pay termination fees based on the expected amount of time it would take the Company to re-lease the space.

The Company's apartment home and commercial lease agreements do not contain residual value guarantees. As the Company is the lessor of real estate assets which tend to either hold their value or appreciate, residual value risk is not deemed to be substantial. Furthermore, the Company carries comprehensive liability, fire, extended coverage, and rental loss insurance for each of its communities as well as limited insurance coverage for certain types of extraordinary losses, such as, for example, losses from terrorism or earthquakes.

A maturity analysis of undiscounted future minimum non-cancelable base rent to be received under the above operating leases as of December 31, 2021 is summarized as follows ($ in thousands):

	Future Minimum Rent
2022	$ 681,245
2023	23,932
2024	18,749
2025	16,293
2026	12,934
Thereafter	34,016
	$ 787,169

Practical Expedients

The Company has elected to account for operating lease (e.g., fixed payments including rent) and non-lease components (e.g., utility reimbursements and common-area maintenance costs) as a single combined lease component under ASC 842 "Leases" as the lease components are the predominant elements of the combined components.

(11) Lease Agreements - Company as Lessee

As of December 31, 2021, the Company is a lessee of corporate office space, ground leases and a parking lease associated with various consolidated properties, and equipment. Lease terms for the Company's office leases, in general, range between 5 to 10 years while ground leases and the parking lease have terms typically ranging from 20 to 85 years. The corporate office leases occasionally contain renewal options of approximately five years while certain ground leases contain renewal options that can extend the lease term from approximately 10 to 39 years.

A majority of the Company's ground leases and the parking lease are subject to changes in the Consumer Price Index ("CPI"). Furthermore, certain of the Company's ground leases include rental payments based on a percentage of gross or net income. While lease liabilities are not remeasured as a result of changes in the CPI or percentage of gross or net income, such changes are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred.

The Company's lease agreements do not contain any residual value guarantees or restrictive covenants.

Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Because most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

As of December 31, 2021 and 2020, the Company had no material finance leases.

Supplemental consolidated balance sheet information related to leases as of December 31, 2021 and 2020 is as follows ($ in thousands):

	Classification	December 31, 2021	December 31, 2020
Assets			
Operating lease right-of-use assets	Operating lease right-of-use assets	$ 68,972	$ 72,143
Total leased assets		$ 68,972	$ 72,143
Liabilities			
Operating lease liabilities	Operating lease liabilities	$ 70,675	$ 74,037
Total lease liabilities		$ 70,675	$ 74,037

The components of lease expense for the years ended December 31, 2021 and 2020 were as follows ($ in thousands):

	December 31, 2021	December 31, 2020
Operating lease cost	$ 6,729	$ 6,749
Variable lease cost	1,639	1,436
Short-term lease cost	287	432
Sublease income	(438)	(438)
Total lease cost	$ 8,217	$ 8,179

A maturity analysis of lease liabilities as of December 31, 2021 is as follows ($ in thousands):

	Operating Leases
2022	$ 6,987
2023	6,962
2024	6,690
2025	6,310
2026	4,440
Thereafter	135,977
Total lease payments	$ 167,366
Less: Imputed interest	(96,691)
Present value of lease liabilities	$ 70,675

Lease term and discount rate information for leases at December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Weighted-average of remaining lease terms (years)		
Operating Leases	40	39
Weighted-average of discount rates		
Operating Leases	5.01 %	5.00 %

Practical Expedients

Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company recognizes the lease expense for such leases on a straight-line basis over the lease term.

The Company has elected to account for lease components (e.g., fixed payments including rent) and non-lease components (e.g., common-area maintenance costs) as a single combined lease component as the lease components are the predominant elements of the combined components.

(12) Equity Transactions

Common Stock Offerings

In September 2021, the Company entered into a new 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 "2021 ATM Program"). In connection with the 2021 ATM Program, the Company may also enter into related forward sale agreements, and may sell shares of its common stock pursuant to these 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 receipt of the proceeds from the sale of shares until a later date should the Company elect to settle such forward sale agreement, in whole or in part, in shares of its common stock.

The 2021 ATM Program replaces the Company's prior equity distribution agreement entered into in September 2018 ("the "2018 ATM Program") which was terminated upon the establishment of the 2021 ATM Program.

For the year ended December 31, 2021, the Company did not sell any shares of its common stock through the 2021 ATM Program or through the 2018 ATM Program. For the year ended December 31, 2020, the Company did not sell any shares of its common stock through the 2018 ATM Program. For the year ended December 31, 2019, the Company issued 228,271 shares of common stock through the 2018 ATM Program at an average price of $321.56 per share for proceeds of $73.4 million. As of December 31, 2021, there are no outstanding forward sale agreements, and $900.0 million of shares remain available to be sold under the 2021 ATM Program.

Operating Partnership Units and Long-Term Incentive Plan ("LTIP") Units

As of December 31, 2021 and 2020, the Operating Partnership had outstanding 2,176,327 and 2,188,623 OP Units respectively. As of both December 31, 2021 and 2020 the Operating Partnership had 106,137 vested LTIP units. The Operating Partnership's general partner, Essex, owned 96.6% of the partnership interests in the Operating Partnership as of both December 31, 2021 and 2020, and Essex is responsible for the management of the Operating Partnership's business. As the general partner of the Operating Partnership, Essex effectively controls the ability to issue common stock of Essex upon a limited partner's notice of redemption. Essex has generally acquired OP Units upon a limited partner's notice of redemption in exchange for shares of its common stock. The redemption provisions of OP Units owned by limited partners that permit Essex to settle in either cash or common stock at the option of Essex were further evaluated in accordance with applicable accounting guidance to determine whether temporary or permanent equity classification on the balance sheet is appropriate. The Operating Partnership evaluated this guidance, including the requirement to settle in unregistered shares, and determined that, with few exceptions, these OP Units meet the requirements to qualify for presentation as permanent equity.

LTIP units represent an interest in the Operating Partnership for services rendered or to be rendered by the LTIP unitholder in its capacity as a partner, or in anticipation of becoming a partner, in the Operating Partnership. Upon the occurrence of specified

events, LTIP units may over time achieve full parity with common units of the Operating Partnership for all purposes. Upon achieving full parity, LTIP units will be exchanged for an equal number of the OP Units.

The collective redemption value of OP Units and LTIP units owned by the limited partners, not including Essex, was approximately $804.0 million and $544.8 million based on the closing price of Essex's common stock as of December 31, 2021 and 2020, respectively.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
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(13) Net Income Per Common Share and Net Income Per Common Unit

Essex Property Trust, Inc.

Basic and diluted income per share is calculated as follows for the years ended December 31 ($ in thousands, except share and per share amounts):

	2021			2020			2019		
	Income	Weighted-average Common Shares	Per Common Share Amount	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	$ 488,554	65,051,465	$ 7.51	$ 568,870	65,454,057	$ 8.69	$ 439,286	65,840,422	$ 6.67
Effect of Dilutive Securities									
Stock options	—	37,409		—	16,678		—	99,033	
DownREIT units	—	—		783	94,247		—	—	
Diluted:									
Net income available to common stockholders	$ 488,554	65,088,874	$ 7.51	$ 569,653	65,564,982	$ 8.69	$ 439,286	65,939,455	$ 6.66

The table above excludes from the calculations of diluted earnings per share weighted average convertible OP Units of 2,289,391, 2,296,608 and 2,300,478, which include vested Series Z-1 Incentive Units, 2014 Long-Term Incentive Plan Units, and 2015 Long-Term Incentive Plan Units, for the years ended December 31, 2021, 2020 and 2019, respectively, because they were anti-dilutive. The related income allocated to these convertible OP Units aggregated $17.2 million, $20.0 million and $15.3 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Stock options of 116,380, 403,458, and 115,066 for the years ended December 31, 2021, 2020, and 2019, 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 years ended and, therefore, were anti-dilutive.

Essex Portfolio, L.P.

Basic and diluted income per unit is calculated as follows for the years ended December 31 ($ in thousands, except unit and per unit amounts):

	2021			2020			2019		
	Income	Weighted-average Common Units	Per Common Unit Amount	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	$ 505,745	67,340,856	$ 7.51	$ 588,782	67,750,665	$ 8.69	$ 454,629	68,140,900	$ 6.67
Effect of Dilutive Securities									
Stock options	—	37,409		—	16,678		—	99,033	
DownREIT units	—	—		783	94,247		—	—	
Diluted:									
Net income available to common unitholders	$ 505,745	67,378,265	$ 7.51	$ 589,565	67,861,590	$ 8.69	$ 454,629	68,239,933	$ 6.66

Stock options of 116,380, 403,458, and 115,066, for the years ended December 31, 2021, 2020, and 2019, 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 years ended and, therefore, were anti-dilutive.

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(14) Equity Based Compensation Plans

Stock Options and Restricted Stock

In May 2018, stockholders approved the Company's 2018 Stock Award and Incentive Compensation Plan ("2018 Plan"). The 2018 Plan serves as the successor to the Company's 2013 Stock Incentive Plan (the "2013 Plan"). The Company's 2018 Plan provides incentives to attract and retain officers, directors and key employees. The 2018 Plan provides for the grant of stock-based awards to employees, directors and consultants of the Company and its affiliates. The aggregate number of shares of the Company's common stock available for issuance pursuant to awards granted under the 2018 Plan is 2,000,000 shares, plus the number of shares authorized for grants and available for issuance under the 2013 Plan as of the effective date of the 2018 Plan and the number of shares subject to outstanding awards under the 2013 Plan that are forfeited or otherwise not issued under such awards. No further awards will be granted under the 2013 Plan and the shares that remained available for future issuance under the 2013 Plan as of the effective date of the 2018 Plan will be available for issuance under the 2018 Plan. In connection with the adoption of the 2018 Plan, the Board delegated to the Compensation Committee of the Board the authority to administer the 2018 Plan.

Equity-based compensation costs for options and restricted stock under the fair value method totaled $11.7 million, $12.9 million, and $11.4 million for years ended December 31, 2021, 2020 and 2019, respectively. For each of the years ended December 31, 2021, 2020 and 2019 equity-based compensation costs included $3.5 million related to restricted stock for bonuses awarded based on asset dispositions, which is recorded as a cost of real estate and land sold, respectively. Stock-based compensation for options and restricted stock related to recipients who are direct and incremental to projects under development were capitalized and totaled $0.9 million, $1.3 million, and $1.6 million for the years ended December 31, 2021, 2020 and 2019, respectively. The intrinsic value of the options exercised totaled $25.7 million, $7.4 million, and $18.7 million, for the years ended December 31, 2021, 2020, and 2019 respectively. The intrinsic value of the options exercisable totaled $22.5 million and $3.4 million as of December 31, 2021 and 2020, respectively.

Total unrecognized compensation cost related to unvested stock options totaled $3.9 million as of December 31, 2021 and the unrecognized compensation cost is expected to be recognized over a period of 2.2 years.

The average fair value of stock options granted for the years ended December 31, 2021, 2020 and 2019 was $24.68, $20.69 and $24.02, respectively. Certain stock options granted in 2021, 2020, and 2019 included a $100 cap, $100 cap, and, $125 cap on the appreciation of the market price over the exercise price. The fair value of stock options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants:

	2021	2020	2019
Stock price	$ 329.71	$ 244.74	$ 304.85
Risk-free interest rates	1.22 %	0.83 %	2.01 %
Expected lives	6 years	6 years	6 years
Volatility	27.00 %	25.72 %	19.56 %
Dividend yield	2.90 %	2.93 %	2.72 %

A summary of the status of the Company's stock option plans as of December 31, 2021, 2020, and 2019 and changes during the years ended on those dates is presented below:

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	2021		2020		2019	
	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price
Outstanding at beginning of year	613,109	$ 255.86	572,971	$ 251.10	612,954	$ 224.57
Granted	99,479	329.71	149,020	244.74	148,147	304.85
Exercised	(248,725)	231.37	(70,802)	208.57	(182,817)	205.25
Forfeited and canceled	—	—	(38,080)	228.64	(5,313)	257.87
Outstanding at end of year	463,863	284.82	613,109	255.86	572,971	251.10
Options exercisable at year end	274,244	270.11	361,985	245.83	305,379	223.90

The following table summarizes information about restricted stock outstanding as of December 31, 2021, 2020 and 2019 and changes during the years ended:

	2021		2020		2019	
	Shares	Weighted-average grant price	Shares	Weighted-average grant price	Shares	Weighted-average grant price
Unvested at beginning of year	132,603	$ 214.34	114,877	$ 197.62	91,058	$ 180.99
Granted	50,349	337.52	45,196	248.16	41,643	235.93
Vested	(22,387)	229.90	(15,116)	170.61	(13,222)	143.56
Forfeited and canceled	(1,164)	219.30	(12,354)	184.11	(4,602)	158.06
Unvested at end of year	159,401	251.03	132,603	214.34	114,877	197.62

The unrecognized compensation cost related to unvested restricted stock totaled $14.4 million as of December 31, 2021 and is expected to be recognized over a period of 1.8 years.

Long-Term Incentive Plans – LTIP Units

On December 9, 2014, the Operating Partnership issued 44,750 LTIP units under the 2015 Long-Term Incentive Plan Award agreements to executives of the Company. The 2015 Long-Term Incentive Plan Units (the "2015 LTIP Units") are subject to forfeiture based on performance-based and service based conditions. An additional 24,000 LTIP units were granted subject only to performance-based criteria and were fully vested on the date granted. The 2015 LTIP Units, that are subject to vesting, vested at 20% per year on each of the first five anniversaries of the initial grant date. The 2015 LTIP Units performance conditions measurement ended on December 9, 2015 and 95.75% of the units awarded were earned by the recipients. 2015 LTIP Units not earned based on the performance-based criteria were automatically forfeited by the recipients. The 2015 LTIP Units are convertible one-for-one into OP Units which, in turn, are convertible into common stock of the Company subject to a ten-year liquidity restriction.

In December 2013, the Operating Partnership issued 50,500 LTIP units under the 2014 Long-Term Incentive Plan Award agreements to executives of the Company. The 2014 Long-Term Incentive Plan Units (the "2014 LTIP Units") were subject to forfeiture based on performance-based conditions and are currently subject to service based vesting. The 2014 LTIP Units vested 25% per year on each of the first four anniversaries of the initial grant date. In December 2014, the Company achieved the performance criteria and all of the 2014 LTIP Units awarded were earned by the recipients, subject to satisfaction of service based vesting conditions. The 2014 LTIP Units are convertible one-for-one into OP Units which, in turn, are convertible into common stock of the Company subject to a ten year liquidity restriction.

The estimated fair value of the 2015 LTIP Units and 2014 LTIP Units were determined on the grant date using Monte Carlo simulations under a risk-neutral premise and considered Essex's stock price on the date of grant, the unpaid dividends on unvested units and the discount factor for ten years of illiquidity.

Prior to 2013, the Company issued Series Z Incentive Units and Series Z-1 Incentive Units (collectively referred to as "Z Units") of limited partnership interest in the Operating Partnership. Vesting in the Z Units is based on performance criteria established in the plan. The criteria can be revised by the Compensation Committee of the Board of Directors if the Committee deems that the plan's criterion is unachievable for any given year. The sale of Z Units is contractually prohibited. Z Units are convertible into Operating Partnership units which are exchangeable for shares of the Company's common stock that have marketability restrictions. The estimated fair value of Z Units were determined on the grant date and considered the Company's stock price on the date of grant, the dividends that are not paid on unvested units and a marketability discount for the 8 to 15 years of illiquidity. Compensation expense is calculated by multiplying estimated vesting increases for the period by the estimated fair value as of the grant date.

During 2011 and 2010, the Operating Partnership issued 154,500 Series Z-1 Incentive Units (the "Z-1 Units") of limited partner interest to executives of the Company. The Z-1 Units are convertible one-for-one into common units of the Operating Partnership (which, in turn, are convertible into common stock of the Company) upon the earlier to occur of 100 percent vesting of the units or the year 2026. The conversion ratchet (accounted for as vesting) of the Z-1 Units into common units, is to increase consistent with the Company's annual FFO growth, but is not to be less than zero or greater than 14 percent. Z-1 Unitholders are entitled to receive distributions, on vested units, that are now equal to dividends distributed to common stockholders.

Equity-based compensation costs for LTIP and Z Units under the fair value method totaled approximately zero, zero and $0.9 million for the years ended December 31, 2021, 2020 and 2019, respectively. Equity-based compensation costs related to LTIP Units attributable to recipients who are direct and incremental to these projects was capitalized to real estate under development and totaled approximately zero, zero, and $0.2 million, for the years ended December 31, 2021, 2020, and 2019, respectively. The intrinsic value of the vested and unvested LTIP Units totaled $37.4 million as of December 31, 2021. Total unrecognized compensation cost related to the unvested LTIP Units under the LTIP Units plans was zero as of December 31, 2021.

The following table summarizes information about the LTIP Units outstanding as of December 31, 2021:

	Long-Term Incentive Plan - LTIP Units				
	Total Vested Units	Total Unvested Units	Total Outstanding Units	Weighted-average Grant-date Fair Value	Weighted-average Remaining Contractual Life (years)
Balance, December 31, 2018	134,081	11,161	145,242	$ 75.03	6.5
Granted	—	—	—		
Vested	9,176	(9,176)	—		
Converted	—	—	—		
Cancelled	—	(95)	(95)		
Balance, December 31, 2019	143,257	1,890	145,147	$ 75.03	5.2
Granted	—	—	—		
Vested	1,890	(1,890)	—		
Converted	(39,010)	—	(39,010)		
Cancelled	—	—	—		
Balance, December 31, 2020	106,137	—	106,137	$ 84.47	3.6
Granted	—	—	—		
Vested	—	—	—		
Converted	—	—	—		
Cancelled	—	—	—		
Balance, December 31, 2021	106,137	—	106,137	$ 84.47	2.6

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(15) 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.

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The revenues and NOI for each of the reportable operating segments are summarized as follows for the years ended December 31, 2021, 2020, and 2019 ($ in thousands):

	Years Ended December 31,		
	2021	2020	2019
Revenues:			
Southern California	$ 588,381	$ 566,553	$ 593,253
Northern California	584,034	604,348	557,139
Seattle Metro	239,839	243,900	243,060
Other real estate assets	19,164	71,349	57,176
Total property revenues	$ 1,431,418	$ 1,486,150	$ 1,450,628
Net operating income:			
Southern California	$ 408,207	$ 391,095	$ 423,177
Northern California	401,862	431,124	412,706
Seattle Metro	160,954	166,847	172,601
Other real estate assets	15,136	56,684	45,617
Total net operating income	986,159	1,045,750	1,054,101
Management and other fees from affiliates	9,138	9,598	9,527
Corporate-level property management expenses	(36,188)	(34,573)	(34,067)
Depreciation and amortization	(520,066)	(525,497)	(483,750)
General and administrative	(51,838)	(65,388)	(54,262)
Expensed acquisition and investment related costs	(203)	(1,591)	(168)
Impairment loss	—	(1,825)	(7,105)
Gain (loss) on sale of real estate and land	142,993	64,967	(3,164)
Interest expense	(203,125)	(220,633)	(217,339)
Total return swap income	10,774	10,733	8,446
Interest and other income	98,744	40,999	46,298
Equity income from co-investments	111,721	66,512	112,136
Deferred tax expense on unrealized gain on unconsolidated co-investment	(15,668)	(1,531)	(1,457)
(Loss) gain on early retirement of debt, net	(19,010)	(22,883)	3,717
Gain on remeasurement of co-investment	2,260	234,694	31,535
Net income	$ 515,691	$ 599,332	$ 464,448

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

	As of December 31,	
	2021	2020
Assets:		
Southern California	$ 4,018,839	$ 3,981,650
Northern California	5,460,701	5,405,102
Seattle Metro	1,407,033	1,403,678
Other real estate assets	96,500	137,356
Net reportable operating segments - real estate assets	10,983,073	10,927,786
Real estate under development	111,562	386,047
Co-investments	1,177,802	1,018,010
Real estate held for sale	—	57,938
Cash and cash equivalents, including restricted cash	58,638	84,041
Marketable securities	191,829	147,768
Notes and other receivables	341,033	195,104
Operating lease right-of-use assets	68,972	72,143
Prepaid expenses and other assets	64,964	47,340
Total assets	$ 12,997,873	$ 12,936,177

(16) 401(k) Plan

The Company has a 401(k) benefit plan (the "Plan") for all eligible employees. Employee contributions are limited by the maximum allowed under Section 401(k) of the Internal Revenue Code. The Company matches 50% of the employee contributions up to a specified maximum. Company contributions to the Plan were approximately $3.3 million, $2.7 million, and $2.4 million for the years ended December 31, 2021, 2020, and 2019, respectively.

(17) Commitments and Contingencies

The Company's total minimum lease payment commitments, underground leases, parking leases, and operating leases are disclosed in Note 11, Lease Agreements - Company as Lessee.

To the extent that an environmental matter arises or is identified in the future that has other than a remote risk of having a material impact on the 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, the impairment will be recognized.

The Company has no way of determining the magnitude of any potential liability to which it may be subject arising out of unknown environmental conditions with respect to the communities currently or formerly owned by the Company. No assurance can be given that: existing environmental assessments conducted with respect to any of these communities have revealed all environmental conditions or potential liabilities associated with such conditions; any prior owner or operator of a property did not create any material environmental condition not known to the Company; or a material unknown environmental condition does not otherwise exist as to any one or more of the communities. The Company has limited insurance coverage for some of the types of environmental conditions and associated liabilities described above.

The Company has entered into transactions that may require the Company to pay the tax liabilities of the partners or members in the Operating Partnership or in the DownREIT entities. These transactions are within the Company’s control. Although the Company plans to hold the contributed assets or defer recognition of gain on their sale pursuant to like-kind exchange rules under Section 1031 of the Internal Revenue Code, the Company can provide no assurance that it will be able to do so and if such tax liabilities were incurred they may have a material impact on the Company’s financial position.

There continue to be lawsuits against owners and managers of certain of the Company's apartment communities alleging personal injury and property damage caused by the presence of mold in the residential units and common areas of those communities. Some of these lawsuits have resulted in substantial monetary judgments or settlements in the past. The Company has been sued for mold related matters and has settled some, but not all, of such suits. Insurance carriers have reacted to the increase in mold related liability awards by excluding mold related claims from standard general liability policies and pricing mold endorsements at prohibitively high rates. The Company has, however, purchased pollution liability insurance which includes coverage for some mold claims. The Company has also adopted policies intended to promptly address and resolve reports of mold and to minimize any impact mold might have on tenants of its properties. The Company believes its mold policies and proactive response to address reported mold exposures reduces its risk of loss from mold claims. While no assurances can be given that the Company has identified and responded to all mold occurrences, the Company promptly addresses and responds to all known mold reports. Liabilities resulting from such mold related matters are not expected to have a material adverse effect on the Company’s financial condition, results of operations or cash flows. As of December 31, 2021, potential liabilities for mold and other environmental liabilities are not quantifiable and an estimate of possible loss cannot be made.

The Company carries comprehensive liability, fire, extended coverage and rental loss insurance for each of the communities. There are, however, certain types of extraordinary losses, such as, for example, losses from terrorism or earthquakes, for which the Company has limited insurance coverage. Substantially all of the communities are located in areas that are subject to earthquake activity. The Company has established a wholly-owned insurance subsidiary, Pacific Western Insurance LLC ("PWI"). Through PWI, the Company is self-insured for earthquake related losses. Additionally, since January 2008, PWI has provided property and casualty insurance coverage for the first $5.0 million of the Company’s property level insurance claims per incident. As of December 31, 2021, PWI has cash and marketable securities of approximately $198.1 million. These assets are consolidated in the Company’s financial statements. Beginning in 2013, the Company has obtained limited third party seismic insurance on selected assets in the Company's co-investments.

The Company is subject to various other legal and/or regulatory proceedings arising in the course of its business operations. The Company believes that, with respect to such matters that it is currently a party to, the ultimate disposition of any such matter will not result in a material adverse effect on the Company’s financial condition, results of operations or cash flows.

(18) Subsequent Events

In January 2022, Wesco VI acquired Vela on Ox, a 379-unit apartment home community located in Woodland Hills, CA for a total contract price of $183.0 million. The property was encumbered by a $100.7 million bridge loan from the Company, with an interest rate of 2.64% and was paid off in January 2022.

In January 2022, the Company received cash of $121.3 million to pay off the outstanding principal balance of related party bridge loans to Wesco VI.

Subsequent to year end, the Company received cash of $87.9 million for the full redemption of two preferred equity investments in joint ventures that hold property in Southern California and $17.6 million for the partial redemption of a preferred equity investment in a joint venture that holds property in Northern California.

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Property	Apartment Homes	Location	Encumbrance	Initial cost: Land	Initial cost: Buildings and improvements	Costs capitalized subsequent to acquisition	Gross amount carried at close of period: Land and improvements	Gross amount carried at close of period: Buildings and improvements	Gross amount carried at close of period: Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
Encumbered communities													
Belmont Station	275	Los Angeles, CA	29,753	8,100	66,666	8,524	8,267	75,023	83,290	(36,537)	2009	Mar-09	3-30
Brio	300	Walnut Creek, CA	96,310	16,885	151,741	2,703	16,885	154,444	171,329	(14,287)	2015	Jun-19	3-30
Form 15	242	San Diego, CA	40,865	24,510	72,221	12,459	25,540	83,650	109,190	(17,211)	2014	Mar-16	3-30
Fountain Park	705	Playa Vista, CA	82,775	25,073	94,980	38,986	25,203	133,836	159,039	(86,456)	2002	Feb-04	3-30
Highridge	255	Rancho Palos Verdes, CA	69,380	5,419	18,347	34,262	6,073	51,955	58,028	(43,677)	1972	May-97	3-30
Magnolia Square/Magnolia Lane [2]	188	Sunnyvale, CA	52,335	8,190	24,736	18,868	8,191	43,603	51,794	(28,268)	1963	Sep-07	3-30
Marquis	166	San Jose, CA	44,382	20,495	47,823	337	20,495	48,160	68,655	(4,939)	2015	Dec-18	3-30
Sage at Cupertino	230	San Jose, CA	51,792	35,719	53,449	11,506	35,719	64,955	100,674	(12,988)	1971	Mar-17	3-30
The Barkley [3]	161	Anaheim, CA	14,890	—	8,520	8,261	2,353	14,428	16,781	(10,973)	1984	Apr-00	3-30
The Dylan	184	West Hollywood, CA	58,145	19,984	82,286	1,938	19,990	84,218	104,208	(21,208)	2015	Mar-15	3-30
The Huxley	187	West Hollywood, CA	52,936	19,362	75,641	2,028	19,371	77,660	97,031	(19,851)	2014	Mar-15	3-30
Township	132	Redwood City, CA	45,394	19,812	70,619	1,456	19,812	72,075	91,887	(5,814)	2014	Sep-19	3-30
	3,025		$ 638,957	$ 203,549	$ 767,029	$ 141,328	$ 207,899	$ 904,007	$ 1,111,906	$ (302,209)			
Unencumbered Communities													
Agora	49	Walnut Creek, CA	—	4,932	60,423	296	4,934	60,717	65,651	(4,084)	2016	Jan-20	3-30
Alessio	624	Los Angeles, CA	—	32,136	128,543	15,445	32,136	143,988	176,124	(44,124)	2001	Apr-14	5-30
Allegro	97	Valley Village, CA	—	5,869	23,977	3,227	5,869	27,204	33,073	(12,316)	2010	Oct-10	3-30
Allure at Scripps Ranch	194	San Diego, CA	—	11,923	47,690	2,901	11,923	50,591	62,514	(14,257)	2002	Apr-14	5-30
Alpine Village	301	Alpine, CA	—	4,967	19,728	10,820	4,982	30,533	35,515	(19,816)	1971	Dec-02	3-30
Anavia	250	Anaheim, CA	—	15,925	63,712	10,627	15,925	74,339	90,264	(28,240)	2009	Dec-10	3-30
Annaliese	56	Seattle, WA	—	4,727	14,229	936	4,726	15,166	19,892	(4,754)	2009	Jan-13	3-30
Apex	367	Milpitas, CA	—	44,240	103,251	7,635	44,240	110,886	155,126	(27,525)	2014	Aug-14	3-30
Aqua Marina Del Rey	500	Marina Del Rey, CA	—	58,442	175,326	19,162	58,442	194,488	252,930	(60,202)	2001	Apr-14	5-30
Ascent	90	Kirkland, WA	—	3,924	11,862	2,542	3,924	14,404	18,328	(5,432)	1988	Oct-12	3-30
Ashton Sherman Village	264	Los Angeles, CA	—	23,550	93,811	2,126	23,550	95,937	119,487	(17,140)	2014	Dec-16	3-30
Avant	440	Los Angeles, CA	—	32,379	137,940	4,731	32,379	142,671	175,050	(31,839)	2014	Jun-15	3-30
Avenue 64	224	Emeryville, CA	—	27,235	64,403	16,702	27,235	81,105	108,340	(21,921)	2007	Apr-14	5-30
Aviara [4]	166	Mercer Island, WA	—	—	49,813	2,306	—	52,119	52,119	(15,548)	2013	Apr-14	5-30
Avondale at Warner Center	446	Woodland Hills, CA	—	10,536	24,522	27,959	10,601	52,416	63,017	(39,034)	1970	Jan-99	3-30
Bel Air	462	San Ramon, CA	—	12,105	18,252	45,326	12,682	63,001	75,683	(47,118)	1988	Jan-95	3-30

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				Initial cost		Costs capitalized subsequent to acquisition	Gross amount carried at close of period						
Property	Apartment Homes	Location	Encumbrance	Land	Buildings and improvements		Land and improvements	Buildings and improvements	Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
Belcarra	296	Bellevue, WA	—	21,725	92,091	3,756	21,725	95,847	117,572	(26,579)	2009	Apr-14	5-30
Bella Villagio	231	San Jose, CA	—	17,247	40,343	5,204	17,247	45,547	62,794	(18,493)	2004	Sep-10	3-30
BellCentre	249	Bellevue, WA	—	16,197	67,207	6,721	16,197	73,928	90,125	(21,787)	2001	Apr-14	5-30
Bellerive	63	Los Angeles, CA	—	5,401	21,803	1,467	5,401	23,270	28,671	(9,362)	2011	Aug-11	3-30
Belmont Terrace	71	Belmont, CA	—	4,446	10,290	7,531	4,473	17,794	22,267	(11,348)	1974	Oct-06	3-30
Bennett Lofts	164	San Francisco, CA	—	21,771	50,800	32,121	28,371	76,321	104,692	(25,807)	2004	Dec-12	3-30
Bernardo Crest	216	San Diego, CA	—	10,802	43,209	6,290	10,802	49,499	60,301	(14,756)	1988	Apr-14	5-30
Bonita Cedars	120	Bonita, CA	—	2,496	9,913	6,447	2,503	16,353	18,856	(10,534)	1983	Dec-02	3-30
Boulevard	172	Fremont, CA	—	3,520	8,182	14,926	3,580	23,048	26,628	(19,910)	1978	Jan-96	3-30
Brookside Oaks	170	Sunnyvale, CA	—	7,301	16,310	27,812	10,328	41,095	51,423	(28,453)	1973	Jun-00	3-30
Bridle Trails	108	Kirkland, WA	—	1,500	5,930	6,923	1,531	12,822	14,353	(9,891)	1986	Oct-97	3-30
Brighton Ridge	264	Renton, WA	—	2,623	10,800	7,844	2,656	18,611	21,267	(14,331)	1986	Dec-96	3-30
Bristol Commons	188	Sunnyvale, CA	—	5,278	11,853	10,788	5,293	22,626	27,919	(18,121)	1989	Jan-95	3-30
Bunker Hill	456	Los Angeles, CA	—	11,498	27,871	99,814	11,639	127,544	139,183	(89,600)	1968	Mar-98	3-30
Camarillo Oaks	564	Camarillo, CA	—	10,953	25,254	9,169	11,075	34,301	45,376	(28,193)	1985	Jul-96	3-30
Cambridge Park	320	San Diego, CA	—	18,185	72,739	5,616	18,185	78,355	96,540	(22,506)	1998	Apr-14	5-30
Camino Ruiz Square	159	Camarillo, CA	—	6,871	26,119	2,975	6,931	29,034	35,965	(14,907)	1990	Dec-06	3-30
Canvas	123	Seattle, WA	—	10,489	36,924	56	10,489	36,980	47,469	(46)	2014	Dec-21	3-30
Canyon Oaks	250	San Ramon, CA	—	19,088	44,473	7,995	19,088	52,468	71,556	(25,767)	2005	May-07	3-30
Canyon Pointe	250	Bothell, WA	—	4,692	18,288	10,200	4,693	28,487	33,180	(18,548)	1990	Oct-03	3-30
Capri at Sunny Hills	102	Fullerton, CA	—	3,337	13,320	10,017	4,048	22,626	26,674	(16,217)	1961	Sep-01	3-30
Carmel Creek	348	San Diego, CA	—	26,842	107,368	9,452	26,842	116,820	143,662	(34,832)	2000	Apr-14	5-30
Carmel Landing	356	San Diego, CA	—	16,725	66,901	11,985	16,725	78,886	95,611	(23,860)	1989	Apr-14	5-30
Carmel Summit	246	San Diego, CA	—	14,968	59,871	5,485	14,968	65,356	80,324	(18,885)	1989	Apr-14	5-30
Castle Creek	216	Newcastle, WA	—	4,149	16,028	6,116	4,833	21,460	26,293	(16,945)	1998	Dec-98	3-30
Catalina Gardens	128	Los Angeles, CA	—	6,714	26,856	2,749	6,714	29,605	36,319	(8,556)	1987	Apr-14	5-30
CBC Apartments & The Sweeps	239	Goleta, CA	—	11,841	45,320	7,309	11,906	52,564	64,470	(30,261)	1962	Jan-06	3-30
Cedar Terrace	180	Bellevue, WA	—	5,543	16,442	9,084	5,652	25,417	31,069	(15,207)	1984	Jan-05	3-30
CentrePointe	224	San Diego, CA	—	3,405	7,743	22,728	3,442	30,434	33,876	(24,211)	1974	Jun-97	3-30
Chestnut Street Apartments	96	Santa Cruz, CA	—	6,582	15,689	2,356	6,582	18,045	24,627	(8,572)	2002	Jul-08	3-30
City View	572	Hayward, CA	—	9,883	37,670	34,786	10,350	71,989	82,339	(56,516)	1975	Mar-98	3-30
Collins on Pine	76	Seattle, WA	—	7,276	22,226	879	7,276	23,105	30,381	(6,037)	2013	May-14	3-30
Connolly Station	309	Dublin, CA	—	19,949	123,428	3,187	19,949	126,615	146,564	(8,762)	2014	Jan-20	3-30

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				Initial cost		Costs capitalized subsequent to	Gross amount carried at close of period						
Property	Apartment Homes	Location	Encumbrance	Land	Buildings and improvements	acquisition	Land and improvements	Buildings and improvements	Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
Corbella at Juanita Bay	169	Kirkland, WA	—	5,801	17,415	4,364	5,801	21,779	27,580	(9,249)	1978	Nov-10	3-30
Cortesia	308	Rancho Santa Margarita, CA	—	13,912	55,649	4,062	13,912	59,711	73,623	(17,177)	1999	Apr-14	5-30
Country Villas	180	Oceanside, CA	—	4,174	16,583	6,534	4,187	23,104	27,291	(14,946)	1976	Dec-02	3-30
Courtyard off Main	110	Bellevue, WA	—	7,465	21,405	5,208	7,465	26,613	34,078	(11,438)	2000	Oct-10	3-30
Crow Canyon	400	San Ramon, CA	—	37,579	87,685	13,903	37,579	101,588	139,167	(31,438)	1992	Apr-14	5-30
Deer Valley	171	San Rafael, CA	—	21,478	50,116	4,996	21,478	55,112	76,590	(15,897)	1996	Apr-14	5-30
Domaine	92	Seattle, WA	—	9,059	27,177	1,676	9,059	28,853	37,912	(9,441)	2009	Sep-12	3-30
Elevation	158	Redmond, WA	—	4,758	14,285	8,183	4,757	22,469	27,226	(11,902)	1986	Jun-10	3-30
Ellington	220	Bellevue, WA	—	15,066	45,249	4,958	15,066	50,207	65,273	(13,947)	1994	Jul-14	3-30
Emerald Pointe	160	Diamond Bar, CA	—	8,458	33,832	2,837	8,458	36,669	45,127	(10,712)	1989	Apr-14	5-30
Emerald Ridge	180	Bellevue, WA	—	3,449	7,801	7,327	3,449	15,128	18,577	(12,609)	1987	Nov-94	3-30
Emerson Valley Village	144	Los Angeles, CA	—	13,378	53,240	1,623	13,378	54,863	68,241	(9,894)	2012	Dec-16	3-30
Emme	190	Emeryville, CA	—	15,039	80,532	862	15,039	81,394	96,433	(5,594)	2015	Jan-20	3-30
Enso	183	San Jose, CA	—	21,397	71,135	2,269	21,397	73,404	94,801	(15,853)	2014	Dec-15	3-30
Epic	769	San Jose, CA	—	89,111	307,769	1,236	89,111	309,005	398,116	(21,058)	2013	Jan-20	3-30
Esplanade	278	San Jose, CA	—	18,170	40,086	16,663	18,429	56,490	74,919	(35,389)	2002	Apr-04	3-30
Essex Skyline	350	Santa Ana, CA	—	21,537	146,099	14,867	21,537	160,966	182,503	(54,862)	2008	Apr-10	3-30
Evergreen Heights	200	Kirkland, WA	—	3,566	13,395	7,687	3,649	20,999	24,648	(16,769)	1990	Jun-97	3-30
Fairhaven Apartments	164	Santa Ana, CA	—	2,626	10,485	10,846	2,957	21,000	23,957	(14,951)	1970	Nov-01	3-30
Fairway Apartments at Big Canyon [5]	74	Newport Beach, CA	—	—	7,850	8,838	—	16,688	16,688	(13,662)	1972	Jun-99	3-28
Fairwood Pond	194	Renton, WA	—	5,296	15,564	4,968	5,297	20,531	25,828	(12,391)	1997	Oct-04	3-30
Foothill Commons	394	Bellevue, WA	—	2,435	9,821	42,736	2,440	52,552	54,992	(48,909)	1978	Mar-90	3-30
Foothill Gardens/Twin Creeks	176	San Ramon, CA	—	5,875	13,992	12,942	5,964	26,845	32,809	(21,358)	1985	Feb-97	3-30
Forest View	192	Renton, WA	—	3,731	14,530	4,323	3,731	18,853	22,584	(11,443)	1998	Oct-03	3-30
Foster's Landing	490	Foster City, CA	—	61,714	144,000	13,398	61,714	157,398	219,112	(47,256)	1987	Apr-14	5-30
Fountain Court	320	Seattle, WA	—	6,702	27,306	14,395	6,985	41,418	48,403	(31,728)	2000	Mar-00	3-30
Fountains at River Oaks	226	San Jose, CA	—	26,046	60,773	7,233	26,046	68,006	94,052	(20,492)	1990	Apr-14	3-30
Fourth & U	171	Berkeley, CA	—	8,879	52,351	4,549	8,879	56,900	65,779	(23,644)	2010	Apr-10	3-30
Fox Plaza	445	San Francisco, CA	—	39,731	92,706	40,959	39,731	133,665	173,396	(49,126)	1968	Feb-13	3-30
The Henley I/The Henley II	215	Glendale, CA	—	6,695	16,753	29,753	6,733	46,468	53,201	(33,723)	1970	Jun-99	3-30
Highlands at Wynhaven	333	Issaquah, WA	—	16,271	48,932	16,389	16,271	65,321	81,592	(33,737)	2000	Aug-08	3-30
Hillcrest Park	608	Newbury Park, CA	—	15,318	40,601	23,567	15,755	63,731	79,486	(47,883)	1973	Mar-98	3-30

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Property	Apartment Homes	Location	Encumbrance	Land	Buildings and improvements	acquisition	Land and improvements	Buildings and improvements	Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
Hillsdale Garden	697	San Mateo, CA	—	22,000	94,681	35,010	22,000	129,691	151,691	(69,587)	1948	Sep-06	3-30
Hope Ranch	108	Santa Barbara, CA	—	4,078	16,877	3,291	4,208	20,038	24,246	(10,325)	1965	Mar-07	3-30
Huntington Breakers	342	Huntington Beach, CA	—	9,306	22,720	24,559	9,315	47,270	56,585	(37,323)	1984	Oct-97	3-30
Inglenook Court	224	Bothell, WA	—	3,467	7,881	8,968	3,474	16,842	20,316	(14,569)	1985	Oct-94	3-30
Lafayette Highlands	150	Lafayette, CA	—	17,774	41,473	5,714	17,774	47,187	64,961	(13,685)	1973	Apr-14	5-30
Lakeshore Landing	308	San Mateo, CA	—	38,155	89,028	10,707	38,155	99,735	137,890	(30,522)	1988	Apr-14	5-30
Laurels at Mill Creek	164	Mill Creek, WA	—	1,559	6,430	8,812	1,595	15,206	16,801	(12,054)	1981	Dec-96	3-30
Lawrence Station	336	Sunnyvale, CA	—	45,532	106,735	4,742	45,532	111,477	157,009	(34,531)	2012	Apr-14	5-30
Le Parc	140	Santa Clara, CA	—	3,090	7,421	14,363	3,092	21,782	24,874	(18,258)	1975	Feb-94	3-30
Marbrisa	202	Long Beach, CA	—	4,700	18,605	10,670	4,760	29,215	33,975	(20,160)	1987	Sep-02	3-30
Marina City Club [6]	101	Marina Del Rey, CA	—	—	28,167	34,252	—	62,419	62,419	(34,917)	1971	Jan-04	3-30
Marina Cove [7]	292	Santa Clara, CA	—	5,320	16,431	16,681	5,324	33,108	38,432	(29,473)	1974	Jun-94	3-30
Mariner's Place	105	Oxnard, CA	—	1,555	6,103	3,073	1,562	9,169	10,731	(6,703)	1987	May-00	3-30
MB 360	360	San Francisco, CA	—	42,001	212,648	13,804	42,001	226,452	268,453	(58,207)	2014	Apr-14	3-30
Mesa Village	133	Clairemont, CA	—	1,888	7,498	3,068	1,894	10,560	12,454	(6,649)	1963	Dec-02	3-30
Mill Creek at Windermere	400	San Ramon, CA	—	29,551	69,032	9,770	29,551	78,802	108,353	(37,918)	2005	Sep-07	3-30
Mio	103	San Jose, CA	—	11,012	39,982	1,286	11,012	41,268	52,280	(8,583)	2015	Jan-16	3-30
Mirabella	188	Marina Del Rey, CA	—	6,180	26,673	18,074	6,270	44,657	50,927	(29,785)	2000	May-00	3-30
Mira Monte	354	Mira Mesa, CA	—	7,165	28,459	13,643	7,186	42,081	49,267	(28,485)	1982	Dec-02	3-30
Miracle Mile/Marbella	236	Los Angeles, CA	—	7,791	23,075	17,041	7,886	40,021	47,907	(30,850)	1988	Aug-97	3-30
Mission Hills	282	Oceanside, CA	—	10,099	38,778	12,891	10,167	51,601	61,768	(29,576)	1984	Jul-05	3-30
Mission Peaks	453	Fremont, CA	—	46,499	108,498	9,841	46,499	118,339	164,838	(34,708)	1995	Apr-14	5-30
Mission Peaks II	336	Fremont, CA	—	31,429	73,334	9,673	31,429	83,007	114,436	(24,914)	1989	Apr-14	5-30
Montanosa	472	San Diego, CA	—	26,697	106,787	10,525	26,697	117,312	144,009	(33,373)	1990	Apr-14	5-30
Montclaire	390	Sunnyvale, CA	—	4,842	19,776	30,760	4,997	50,381	55,378	(44,965)	1973	Dec-88	3-30
Montebello	248	Kirkland, WA	—	13,857	41,575	9,748	13,858	51,322	65,180	(18,121)	1996	Jul-12	3-30
Montejo Apartments	124	Garden Grove, CA	—	1,925	7,685	5,002	2,194	12,418	14,612	(8,161)	1974	Nov-01	3-30
Monterey Villas	122	Oxnard, CA	—	2,349	5,579	7,515	2,424	13,019	15,443	(9,753)	1974	Jul-97	3-30
Muse	152	North Hollywood, CA	—	7,822	33,436	6,129	7,823	39,564	47,387	(16,657)	2011	Feb-11	3-30
Mylo	476	Santa Clara, CA	—	6,472	206,098	255	6,472	206,353	212,825	(15,746)	2021	Jun-21	3-30
1000 Kiely	121	Santa Clara, CA	—	9,359	21,845	9,120	9,359	30,965	40,324	(15,344)	1971	Mar-11	3-30
Palm Valley	1,100	San Jose, CA	—	133,802	312,205	22,714	133,802	334,919	468,721	(62,857)	2008	Jan-17	3-30
Paragon Apartments	301	Fremont, CA	—	32,230	77,320	2,998	32,230	80,318	112,548	(20,711)	2013	Jul-14	3-30

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				Land	Buildings and improvements		Land and improvements	Buildings and improvements	Total [1]				
Park Catalina	90	Los Angeles, CA	—	4,710	18,839	3,971	4,710	22,810	27,520	(8,980)	2002	Jun-12	3-30
Park Highland	250	Bellevue, WA	—	9,391	38,224	14,401	9,391	52,625	62,016	(19,678)	1993	Apr-14	5-30
Park Hill at Issaquah	245	Issaquah, WA	—	7,284	21,937	12,573	7,284	34,510	41,794	(20,312)	1999	Feb-99	3-30
Park Viridian	320	Anaheim, CA	—	15,894	63,574	5,414	15,894	68,988	84,882	(20,073)	2008	Apr-14	5-30
Park West	126	San Francisco, CA	—	9,424	21,988	13,419	9,424	35,407	44,831	(16,014)	1958	Sep-12	3-30
Parkwood at Mill Creek	240	Mill Creek, WA	—	10,680	42,722	3,840	10,680	46,562	57,242	(13,892)	1989	Apr-14	5-30
Patent 523	295	Seattle, WA	—	14,558	69,417	6,545	14,558	75,962	90,520	(32,488)	2010	Mar-10	3-30
Pathways at Bixby Village	296	Long Beach, CA	—	4,083	16,757	22,439	6,239	37,040	43,279	(33,954)	1975	Feb-91	3-30
Piedmont	396	Bellevue, WA	—	19,848	59,606	15,648	19,848	75,254	95,102	(24,127)	1969	May-14	3-30
Pinehurst [8]	28	Ventura, CA	—	—	1,711	793	—	2,504	2,504	(1,772)	1973	Dec-04	3-24
Pinnacle at Fullerton	192	Fullerton, CA	—	11,019	45,932	5,679	11,019	51,611	62,630	(15,335)	2004	Apr-14	5-30
Pinnacle on Lake Washington	180	Renton, WA	—	7,760	31,041	4,519	7,760	35,560	43,320	(10,763)	2001	Apr-14	5-30
Pinnacle at MacArthur Place	253	Santa Ana, CA	—	15,810	66,401	7,228	15,810	73,629	89,439	(21,501)	2002	Apr-14	5-30
Pinnacle at Otay Ranch I & II	364	Chula Vista, CA	—	17,023	68,093	6,313	17,023	74,406	91,429	(21,532)	2001	Apr-14	5-30
Pinnacle at Talega	362	San Clemente, CA	—	19,292	77,168	4,788	19,292	81,956	101,248	(23,314)	2002	Apr-14	5-30
Pinnacle Sonata	268	Bothell, WA	—	14,647	58,586	7,482	14,647	66,068	80,715	(18,985)	2000	Apr-14	5-30
Pointe at Cupertino	116	Cupertino, CA	—	4,505	17,605	13,270	4,505	30,875	35,380	(22,156)	1963	Aug-98	3-30
Pure Redmond	105	Redmond, WA	—	7,461	31,363	802	7,461	32,165	39,626	(2,388)	2016	Dec-19	3-30
Radius	264	Redwood City, CA	—	11,702	152,336	2,532	11,702	154,868	166,570	(44,224)	2015	Apr-14	3-30
Reed Square	100	Sunnyvale, CA	—	6,873	16,037	8,867	6,873	24,904	31,777	(12,639)	1970	Jan-12	3-30
Regency at Encino	75	Encino, CA	—	3,184	12,737	4,453	3,184	17,190	20,374	(8,439)	1989	Dec-09	3-30
Renaissance at Uptown Orange	460	Orange, CA	—	27,870	111,482	8,293	27,870	119,775	147,645	(34,600)	2007	Apr-14	5-30
Reveal	438	Woodland Hills, CA	—	25,073	121,314	4,512	25,073	125,826	150,899	(32,292)	2010	Apr-15	3-30
Salmon Run at Perry Creek	132	Bothell, WA	—	3,717	11,483	3,175	3,801	14,574	18,375	(10,175)	2000	Oct-00	3-30
Sammamish View	153	Bellevue, WA	—	3,324	7,501	7,819	3,331	15,313	18,644	(13,561)	1986	Nov-94	3-30
101 San Fernando	323	San Jose, CA	—	4,173	58,961	15,936	4,173	74,897	79,070	(33,391)	2001	Jul-10	3-30
San Marcos	432	Richmond, CA	—	15,563	36,204	35,460	22,866	64,361	87,227	(39,572)	2003	Nov-03	3-30
Santee Court/Santee Village	238	Los Angeles, CA	—	9,581	40,317	15,514	9,582	55,830	65,412	(22,674)	2004	Oct-10	3-30
Shadow Point	172	Spring Valley, CA	—	2,812	11,170	5,400	2,820	16,562	19,382	(10,422)	1983	Dec-02	3-30
Shadowbrook	418	Redmond, WA	—	19,292	77,168	6,721	19,292	83,889	103,181	(24,714)	1986	Apr-14	5-30
Slater 116	108	Kirkland, WA	—	7,379	22,138	1,632	7,379	23,770	31,149	(6,962)	2013	Sep-13	3-30
Solstice	280	Sunnyvale, CA	—	34,444	147,262	7,311	34,444	154,573	189,017	(47,229)	2014	Apr-14	5-30

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				Land	Buildings and improvements		Land and improvements	Buildings and improvements	Total [1]				
Station Park Green - Phases I, II, and III	492	San Mateo, CA	—	54,782	314,694	11,710	54,782	326,404	381,186	(38,705)	2018	Mar-18	3-30
Stevenson Place	200	Fremont, CA	—	996	5,582	14,597	1,001	20,174	21,175	(16,780)	1975	Apr-00	3-30
Stonehedge Village	196	Bothell, WA	—	3,167	12,603	10,006	3,201	22,575	25,776	(17,191)	1986	Oct-97	3-30
Summerhill Park	100	Sunnyvale, CA	—	2,654	4,918	11,319	2,656	16,235	18,891	(13,756)	1988	Sep-88	3-30
Summit Park	300	San Diego, CA	—	5,959	23,670	9,528	5,977	33,180	39,157	(21,395)	1972	Dec-02	3-30
Taylor 28	197	Seattle, WA	—	13,915	57,700	4,287	13,915	61,987	75,902	(17,851)	2008	Apr-14	5-30
The Audrey at Belltown	137	Seattle, WA	—	9,228	36,911	2,517	9,228	39,428	48,656	(10,962)	1992	Apr-14	5-30
The Avery	121	Los Angeles, CA	—	6,964	29,922	1,114	6,964	31,036	38,000	(8,214)	2014	Mar-14	3-30
The Bernard	63	Seattle, WA	—	3,699	11,345	954	3,689	12,309	15,998	(4,577)	2008	Sep-11	3-30
The Blake LA	196	Los Angeles, CA	—	4,023	9,527	25,098	4,031	34,617	38,648	(23,033)	1979	Jun-97	3-30
The Cairns	99	Seattle, WA	—	6,937	20,679	2,683	6,939	23,360	30,299	(11,846)	2006	Jun-07	3-30
The Commons	264	Campbell, CA	—	12,555	29,307	10,799	12,556	40,105	52,661	(18,984)	1973	Jul-10	3-30
The Elliot at Mukilteo	301	Mukilteo, WA	—	2,498	10,595	19,215	2,824	29,484	32,308	(24,239)	1981	Jan-97	3-30
The Galloway	506	Pleasanton, CA	—	32,966	184,499	3,632	32,966	188,131	221,097	(12,985)	2016	Jan-20	3-30
The Grand	243	Oakland, CA	—	4,531	89,208	8,096	4,531	97,304	101,835	(44,341)	2009	Jan-09	3-30
The Hallie	292	Pasadena, CA	—	2,202	4,794	55,901	8,385	54,512	62,897	(42,729)	1972	Apr-97	3-30
The Huntington	276	Huntington Beach, CA	—	10,374	41,495	7,703	10,374	49,198	59,572	(17,940)	1975	Jun-12	3-30
The Landing at Jack London Square	282	Oakland, CA	—	33,554	78,292	8,633	33,554	86,925	120,479	(26,682)	2001	Apr-14	5-30
The Lofts at Pinehurst	118	Ventura, CA	—	1,570	3,912	5,833	1,618	9,697	11,315	(7,072)	1971	Jun-97	3-30
The Palisades	192	Bellevue, WA	—	1,560	6,242	14,942	1,565	21,179	22,744	(18,824)	1977	May-90	3-30
The Palms at Laguna Niguel	460	Laguna Niguel, CA	—	23,584	94,334	13,829	23,584	108,163	131,747	(32,672)	1988	Apr-14	5-30
The Stuart	188	Pasadena, CA	—	13,574	54,298	3,987	13,574	58,285	71,859	(16,886)	2007	Apr-14	5-30
The Trails of Redmond	423	Redmond, WA	—	21,930	87,720	7,991	21,930	95,711	117,641	(27,650)	1985	Apr-14	5-30
The Village at Toluca Lake	145	Burbank, CA	—	14,634	48,297	1,028	14,634	49,325	63,959	(946)	1974	Nov-17	3-30
The Waterford	238	San Jose, CA	—	11,808	24,500	18,305	15,165	39,448	54,613	(27,513)	2000	Jun-00	3-30
Tierra Vista	404	Oxnard, CA	—	13,652	53,336	8,926	13,661	62,253	75,914	(36,922)	2001	Jan-01	3-30
Tiffany Court	101	Los Angeles, CA	—	6,949	27,796	2,628	6,949	30,424	37,373	(8,740)	1987	Apr-14	5-30
Trabuco Villas	132	Lake Forest, CA	—	3,638	8,640	4,792	3,890	13,180	17,070	(9,981)	1985	Oct-97	3-30
Valley Park	160	Fountain Valley, CA	—	3,361	13,420	6,898	3,761	19,918	23,679	(13,354)	1969	Nov-01	3-30
Via	284	Sunnyvale, CA	—	22,000	82,270	5,344	22,016	87,598	109,614	(33,896)	2011	Jul-11	3-30
Villa Angelina	256	Placentia, CA	—	4,498	17,962	9,009	4,962	26,507	31,469	(18,042)	1970	Nov-01	3-30
Villa Granada	270	Santa Clara, CA	—	38,299	89,365	2,095	38,299	91,460	129,759	(26,047)	2010	Apr-14	5-30

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
FINANCIAL STATEMENT SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2021
(Dollars in thousands)

Property	Apartment Homes	Location	Encumbrance	Initial cost: Land	Initial cost: Buildings and improvements	Costs capitalized subsequent to acquisition	Gross amount carried at close of period: Land and improvements	Gross amount carried at close of period: Buildings and improvements	Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
Villa Siena	272	Costa Mesa, CA	—	13,842	55,367	10,134	13,842	65,501	79,343	(21,056)	1974	Apr-14	5-30
Village Green	272	La Habra, CA	—	6,488	36,768	4,839	6,488	41,607	48,095	(12,868)	1971	Apr-14	5-30
Vista Belvedere	76	Tiburon, CA	—	5,573	11,901	9,240	5,573	21,141	26,714	(14,041)	1963	Aug-04	3-30
Vox Apartments	58	Seattle, WA	—	5,545	16,635	458	5,545	17,093	22,638	(4,776)	2013	Oct-13	3-30
Wallace on Sunset	200	Los Angeles, CA	—	24,005	80,466	1,388	24,005	81,854	105,859	(7,718)	2021	Dec-21	3-30
Walnut Heights	163	Walnut, CA	—	4,858	19,168	6,113	4,887	25,252	30,139	(15,929)	1964	Oct-03	3-30
Wandering Creek	156	Kent, WA	—	1,285	4,980	5,580	1,296	10,549	11,845	(8,845)	1986	Nov-95	3-30
Wharfside Pointe	155	Seattle, WA	—	2,245	7,020	13,713	2,258	20,720	22,978	(16,922)	1990	Jun-94	3-30
Willow Lake	508	San Jose, CA	—	43,194	101,030	17,866	43,194	118,896	162,090	(43,068)	1989	Oct-12	3-30
5600 Wilshire	284	Los Angeles, CA	—	30,535	91,604	6,477	30,535	98,081	128,616	(27,411)	2008	Apr-14	5-30
Wilshire La Brea	478	Los Angeles, CA	—	56,932	211,998	14,717	56,932	226,715	283,647	(67,716)	2014	Apr-14	5-30
Wilshire Promenade	149	Fullerton, CA	—	3,118	7,385	13,435	3,797	20,141	23,938	(14,239)	1992	Jan-97	3-30
Windsor Ridge	216	Sunnyvale, CA	—	4,017	10,315	17,174	4,021	27,485	31,506	(25,104)	1989	Mar-89	3-30
Woodland Commons	302	Bellevue, WA	—	2,040	8,727	25,794	2,044	34,517	36,561	(25,895)	1978	Mar-90	3-30
Woodside Village	145	Ventura, CA	—	5,331	21,036	6,295	5,341	27,321	32,662	(16,023)	1987	Dec-04	3-30
	48,629		$ —	$ 2,705,854	$ 9,644,002	$ 2,054,750	$ 2,742,712	$ 11,661,894	$ 14,404,606	$ (4,327,622)			

Property	Encumbrance	Initial cost: Land	Initial cost: Buildings and improvements	Costs capitalized subsequent to acquisition	Gross amount carried at close of period: Land and improvements	Gross amount carried at close of period: Buildings and improvements	Total[1]	Accumulated depreciation
Other real estate assets	—	80,706	16,587	16,122	82,067	31,348	113,415	(17,023)
	$ —	$ 80,706	$ 16,587	$ 16,122	$ 82,067	$ 31,348	$ 113,415	$ (17,023)
Total	$ 638,957	$ 2,990,109	$ 10,427,618	$ 2,212,200	$ 3,032,678	$ 12,597,249	$ 15,629,927	$ (4,646,854)

(1) The aggregate cost for federal income tax purposes is approximately $12.2 billion (unaudited).
(2) A portion of land is leased pursuant to a ground lease expiring 2070.
(3) The land is leased pursuant to a ground lease expiring 2083.
(4) The land is leased pursuant to a ground lease expiring 2070.
(5) The land is leased pursuant to a ground lease expiring 2027.
(6) The land is leased pursuant to a ground lease expiring 2067.
(7) A portion of land is leased pursuant to a ground lease expiring in 2028.
(8) The land is leased pursuant to a ground lease expiring in 2028.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
FINANCIAL STATEMENT SCHEDULE III
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2021
(Dollars in thousands)

A summary of activity for rental properties and accumulated depreciation is as follows:

	2021	2020	2019		2021	2020	2019
Rental properties:				Accumulated depreciation:			
Balance at beginning of year	$15,061,745	$14,038,142	$13,366,101	Balance at beginning of year	$4,133,959	$3,689,482	$3,209,548
Acquisition, development, and improvement of real estate	707,267	1,426,505	672,041	Depreciation expense	528,613	518,629	479,934
Disposition of real estate and other	(139,085)	(402,902)	—	Depreciation expense - Disposals and other	(15,718)	(74,152)	—
Balance at the end of year	$15,629,927	$15,061,745	$14,038,142	Balance at the end of year	$4,646,854	$4,133,959	$3,689,482

EXHIBIT INDEX

Exhibit No.	Document
3.1	Articles of Amendment and Restatement of Essex Property Trust, Inc., attached as Exhibit 3.2 to the Company's Current Report on Form 8-K, filed May 23, 2016, and incorporated herein by reference.
3.2	Sixth Amended and Restated Bylaws of Essex Property Trust, Inc. (as of February 21, 2017), attached as Exhibit 3.2 to the Company's Current Report on Form 8-K, filed February 27, 2017, and incorporated herein by reference.
3.3	First Amendment to Sixth Amended and Restated Bylaws of Essex Property Trust, Inc., dated February 20, 2018, attached as Exhibit 3.2 to the Company's Current Report on Form 8-K, filed February 21, 2018, and incorporated herein by reference.
3.4	Certificate of Limited Partnership of Essex Portfolio, L.P. and amendments thereto.
4.1	Indenture, dated April 15, 2013, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 3.25% Senior Notes due 2023 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed April 15, 2013, and incorporated herein by reference.
4.2	Form of Common Stock Certificate of Essex Property Trust, Inc., filed as Exhibit 4.5 to the Company's Form S-4 Registration Statement, filed January 29, 2014, and incorporated herein by reference.
4.3	Indenture, dated April 15, 2014, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 3.875% Senior Notes due 2024 and the guarantee thereof, attached as Exhibit 4.1 to Essex Property Trust, Inc.'s Current Report on Form 8-K, filed April 16, 2014, and incorporated herein by reference.
4.4	Indenture, dated March 17, 2015, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 3.500% Senior Notes due 2025 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed March 17, 2015, and incorporated herein by reference.
4.5	Indenture, dated April 11, 2016, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of the 3.375% Senior Notes due 2026 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed April 11, 2016, and incorporated herein by reference.
4.6	Indenture, dated April 10, 2017, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of the 3.625% Senior Notes due 2027 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed April 10, 2017, and incorporated herein by reference.
4.7	Indenture, dated March 8, 2018, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of the 4.500% Senior Notes due 2048 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed March 8, 2018, and incorporated herein by reference.
4.8	Indenture, dated February 11, 2019, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 4.000% Senior Notes due 2029 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed February 11, 2019, and incorporated herein by reference.
4.9	Indenture, dated August 7, 2019, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 3.000% Senior Notes due 2030 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed August 7, 2019, and incorporated herein by reference.
4.10	Indenture, dated February 11, 2020, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 2.650% Senior Notes due 2032 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed February 11, 2020, and incorporated herein by reference.
4.11	Indenture, dated August 24, 2020, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 1.650% Senior Notes due 2031, the form of 2.650% Senior Notes due 2050 and the guarantees thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed August 24, 2020, and incorporated herein by reference.

4.12	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.
4.13	Indenture, dated June 1, 2021, among Essex Portfolio, L.P., Essex portfolio Trust, Inc. and U.S. Bank National Association, as trustee, including the form of 2.550% Senior Notes due 2031 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 1, 2021, and incorporated herein by reference.
4.14	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, attached as Exhibit 4.14 to the Company's Annual Report on Form 10-K, filed February 20, 2020, and incorporated herein by reference.
10.1	Agreement between Essex Property Trust, Inc. and George M. Marcus, dated March 27, 2003 attached as Exhibit 10.32 to the Company's Form 10-K for the year ended December 31, 2002, and incorporated herein by reference.
10.2	Essex Property Trust, Inc. Deferred Compensation Plan, As Amended and Restated As of January 1, 2021.
10.3	Form of Indemnification Agreement between Essex Property Trust, Inc. and its directors and officers, attached as Exhibit 10.4 to the Company's Annual Report on Form 10-K, filed February 21, 2019, and incorporated herein by reference.*
10.4	Modification Agreement, dated July 30, 2012, attached as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, and incorporated herein by reference.
10.5	Amendment to Agreement, dated as of September 11, 2012, between the Company and George Marcus, attached as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, and incorporated herein by reference.
10.6	Essex Property Trust, Inc. Executive Severance Plan (as Amended and Restated effective March 12, 2013), attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed March 18, 2013, and incorporated herein by reference.*.
10.7	Essex Property Trust, Inc. 2013 Stock Award and Incentive Compensation Plan, attached as Appendix B to the Company's Definitive Proxy Statement on Schedule 14A for the Annual Meeting of Stockholders held May 14, 2013, filed April 1, 2013, and incorporated herein by reference.*
10.8	Essex Property Trust, Inc. 2013 Employee Stock Purchase Plan, attached as Appendix C to the Company's Definitive Proxy Statement on Schedule 14A for the Annual Meeting of Stockholders held May 14, 2013, filed April 1, 2013, and incorporated herein by reference.*
10.9	Forms of equity award agreements for officers under the 2013 Stock Award and Incentive Compensation Plan, attached as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, and incorporated herein by reference.*
10.10	Amended and Restated Non-Employee Director Equity Award Program, dated May 17, 2016, attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed May 23, 2016, and incorporated herein by reference.*
10.11	Fourth Amended and Restated Agreement of Limited Partnership of Essex Portfolio, L.P., dated as of December 20, 2018, attached as Exhibit 10.14 to the Company's Annual Report on Form 10-K, filed February 21, 2019, and incorporated herein by reference.
10.12	Third Modification Agreement, dated as of January 29, 2014 by and among Essex Portfolio, L.P., U.S. Bank National Association, as Administrative Agent and Lender and the other lenders party thereto, attached as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed January 31, 2014, and incorporated herein by reference.
10.13	Forms of Essex Property Trust, Inc., Essex Portfolio L.P., Long-Term Incentive Plan Award Agreements, attached as Exhibit 10.28 to the Company's Annual Report on Form 10-K, filed March 2, 2015, and incorporated herein by reference.*
10.14	Terms Agreement dated as of May 20, 2015, among Essex Property Trust, Inc. and Citigroup Global Markets Inc., attached as Exhibit 1.1 to the Company's Current Report on Form 8-K, filed May 26, 2015, and incorporated herein by reference.
10.15	Essex Property Trust, Inc. 2018 Stock Award and Incentive Compensation Plan, attached as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A for the Annual Meeting of Stockholders held May 15, 2018, filed March 23, 2018, and incorporated herein by reference.*

10.16	Form of Non-Employee Director Restricted Stock Award Agreement, attached as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed August 3, 2018, and incorporated herein by reference.*
10.17	Form of Non-Employee Director Stock Option Award Agreement, attached as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed August 3, 2018, and incorporated herein by reference.*
10.18	Forms of Essex Property Trust, Inc. Long-Term Incentive Award Agreements pursuant to the 2018 Stock Award and Incentive Compensation Plan.*
10.19	Third Amended and Restated Revolving Credit Agreement, dated as of September 30, 2021, among Essex Portfolio, L.P., PNC Bank, National Association, as Administrative Agent and L/C Issuer and other lenders party thereto, attached as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, and incorporated herein by reference.†
10.20	Deferred Compensation Plan for Non-Employee Directors, attached as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed May 7, 2020 and incorporated herein by reference.*
10.21	Executive Transition Services Agreement, dated as of December 22, 2020, by and between Essex Property Trust, Inc. and John Burkart, attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed December 29, 2020 and incorporated herein by reference.*
21.1	List of Subsidiaries of Essex Property Trust, Inc. and Essex Portfolio, L.P.
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
23.2	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
24.1	Power of Attorney (see signature page)
31.1	Certification of Michael J. Schall, Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Barbara Pak, Principal 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, Principal Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Barbara Pak, Principal 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).

* Management contract or compensatory plan or arrangement.

† The schedules and certain exhibits to this agreement, as set forth in the agreement, have not been filed herewith. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, each Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Mateo, State of California, on February 25, 2022.

ESSEX PROPERTY TRUST, INC.

By: /s/ BARBARA PAK
Barbara Pak
Executive Vice President, Chief Financial Officer
(Authorized Officer, Principal Financial Officer)

By: /s/ JOHN FARIAS
John Farias
Senior Vice President, Chief Accounting Officer

ESSEX PORTFOLIO, L.P.
By: Essex Property Trust, Inc., its general partner

By: /s/ BARBARA PAK
Barbara Pak
Executive Vice President, Chief Financial Officer
(Authorized Officer, Principal Financial Officer)

By: /s/ JOHN FARIAS
John Farias
Senior Vice President, Chief Accounting Officer

KNOWN ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael J. Schall and Barbara Pak, and each of them, his or her attorney-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorney-in-fact, or his or her or substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of each Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ GEORGE M. MARCUS George M. Marcus	Director and Chairman of the Board	February 25, 2022
/s/ KEITH R. GUERICKE Keith R. Guericke	Director, and Vice Chairman of the Board	February 25, 2022
/s/ IRVING F. LYONS, III Irving F. Lyons, III	Lead Director	February 25, 2022
/s/ MARIA R. HAWTHORNE Maria R. Hawthorne	Director	February 25, 2022
/s/ AMAL M. JOHNSON Amal M. Johnson	Director	February 25, 2022
/s/ MARY KASARIS Mary Kasaris	Director	February 25, 2022
/s/ THOMAS E. ROBINSON Thomas E. Robinson	Director	February 25, 2022
/s/ MICHAEL J. SCHALL Michael J. Schall	Chief Executive Officer and President, and Director (Principal Executive Officer)	February 25, 2022
/s/ BYRON A. SCORDELIS Byron A. Scordelis	Director	February 25, 2022

Exhibit 3.4

State of California

[Seal]

March Fong Eu

Secretary of State **Form LP-1**

CERTIFICATE OF LIMITED PARTNERSHIP

IMPORTANT-Read Instructions on back before completing this form
This Certificate is presented for filing pursuant to Section 15621, California Corporations Code.

1. NAME OF LIMITED PARTNERSHIP
ESX Partners, L.P.

2. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY AND STATE	ZIP CODE
777 California Street	Palo Alto, California	94304

3. STREET ADDRESS OF CALIFORNIA OFFICE IF EXECUTIVE OFFICE IS IN ANOTHER STATE	CITY	ZIP CODE
	CA	

4. COMPLETE IF LIMITED PARTNERSHIP WAS FORMED PRIOR TO JULY 1, 1984 AND IS IN EXISTENCE ON DATE THIS CERTIFICATE IS EXECUTED. THE ORIGINAL LIMITED PARTNERSHIP CERTIFICATE WAS RECORDED ON _____ 19 _____ WITH THE RECORDER OF _____ COUNTY. FILE OR RECORDATION NUMBER _____

5. NAMES AND ADDRESSES OF ALL GENERAL PARTNERS: (CONTINUE ON SECOND PAGE, IF NECESSARY)

A. NAME: Essex Property Trust, Inc. ADDRESS : 777 California Street CITY: Palo Alto STATE: CA ZIP CODE: 94304	C. NAME: ADDRESS: CITY: STATE: ZIP CODE:
B. NAME: ADDRESS: CITY: STATE: ZIP CODE:	D. NAME: ADDRESS: CITY: STATE: ZIP CODE:

6. NAME AND ADDRESS OF AGENT FOR SERVICE OF PROCESS:

NAME: Keith R. Guericke
ADDRESS: 777 California Street CITY: Palo Alto STATE: CA ZIP CODE: 94304

7. ANY OTHER MATTERS TO BE INCLUDED IN THIS CERTIFICATE MAY BE NOTED ON SEPARATE PAGES AND BY REFERENCE HEREIN ARE A PART OF THIS CERTIFICATE.	8. INDICATE THE NUMBER OF GENERAL PARTNERS SIGNATURES REQUIRED FOR FILING CERTIFICATES OF AMENDMENT, DISSOLUTION, CONTINUATION AND CANCELLATION.
NUMBER OF PAGES ATTACHED: 0	NUMBER OF GENERAL PARTNER(S) SIGNATURE(S) IS/ARE: 1 (PLEASE INDICATE NUMBER ONLY)

9. IT IS HEREBY DECLARED THAT I AM (WE ARE) THE PERSON(s) WHO EXECUTED THIS CERTIFICATE OF LIMITED PARTNERSHIP WHICH EXECUTION IS MY (OUR) ACT AND DEED. (SEE INSTRUCTIONS)

ESSEX PROPERTY TRUST, INC.
By: /s/ Keith R. Guericke

SIGNATURE Keith R. Guericke		SIGNATURE	
President	3/16/94		
POSITION OR TITLE	DATE	POSITION OR TITLE	DATE
SIGNATURE		SIGNATURE	
POSITION OR TITLE	DATE	POSITION OR TITLE	DATE

10. RETURN ACKNOWLEDGEMENT TO:
NAME David S. Fries
ADDRESS Morrison & Foerster
CITY 345 California Street
STATE San Francisco, California 94104-2675

THIS SPACE FOR FILING OFFICER USE

9407700013

FILED
In the office of the Secretary of State of the State of California

MAR 17 1994

TONY MILLER
Acting Secretary of State

By /s/ Tony Miller

ZIP CODE		
SEC/STATE REV. 1/88	FORM LP-1-FILING FEE: $70 Approved by Secretary of State	

[Seal]

State of California

March Fong Eu

Secretary of State

Form LP-2

AMENDMENT TO CERTIFICATE OF LIMITED PARTNERSHIP
IMPORTANT - Read instructions on back before completing this form

This Certificate is presented for filing pursuant to Section 15622, California Corporations Code.

1. SECRETARY OF STATE FILE NO. (ORIGINAL CERTIFICATE-FORM LP-1)
94-07700013

2. NAME OF LIMITED PARTNERSHIP
ESX Partners, L.P.

3. THE CERTIFICATE OF LIMITED PARTNERSHIP IS AMENDED AS FOLLOWS: (COMPLETE APPROPRIATE SUB-SECTION(S) CONTINUE ON SECOND PAGE, IF NECESSARY).

A. THE LIMITED PARTNERSHIP NAME IS CHANGED TO: Essex Portfolio, L.P.

B. PRINCIPAL EXECUTIVE OFFICE ADDRESS CHANGE:

ADDRESS: 777 California Avenue

CITY: Palo Alto STATE: CA ZIP CODE: 94304

C. CALIFORNIA OFFICE ADDRESS CHANGE:

ADDRESS:

CITY: STATE: CA ZIP CODE:

D. GENERAL PARTNER ADDRESS CHANGE:

NAME: Essex Property Trust, Inc.

ADDRESS: 777 California Avenue

CITY: Palo Alto STATE: CA ZIP CODE: 94304

E. GENERAL PARTNER NAME CHANGE:

OLD NAME:

NEW NAME:

F. GENERAL PARTNER(S) WITHDRAWN:

NAME:

NAME:

G. GENERAL PARTNER ADDED:

NAME:

ADDRESS:

CITY: STATE: ZIP CODE:

H. INFORMATION CONCERNING THE AGENT FOR SERVICE OF PROCESS HAS BEEN CHANGED TO:

NAME: Keith R. Guericke
ADDRESS: 777 California Avenue CITY: Palo Alto STATE : CA ZIP CODE: 94304

I. THE NUMBER OF GENERAL PARTNERS REQUIRED TO ACKNOWLEDGE AND FILE CERTIFICATES OF AMENDMENT, DISSOLUTION, CONTINUATION AND CANCELLATION IS CHANGED TO:

☐
(PLEASE INDICATE NUMBER ONLY)

J. OTHER MATTERS TO BE INCLUDED IN THE CERTIFICATE OF LIMITED PARTNERSHIP ARE AMENDED AS INDICATED ON THE ATTCHED PAGE(S).

NUMBER OF PAGES ATTACHED: 0

4. IT IS HEREBY DECLARED THAT I AM (WE ARE) THE PERSON(S) WHO EXECUTED THIS AMENDMENT TO THE IDENTIFIED CERTIFICATE OF LIMITED PARTNERSHIP, WHICH EXECUTION IS MY (OUR) ACT AND DEED. (SEE INSTRUCTIONS)

ESSEX PROPERTY TRUST, INC.

SIGNATURE
By: /s/ Keith R. Guericke
President 4/14/94
POSITION OR TITLE DATE

SIGNATURE
POSITION OR TITLE DATE

SIGNATURE
POSITION OR TITLE DATE

SIGNATURE
POSITION OR TITLE DATE

5. RETURN ACKNOWLEDGEMENT TO:

THIS SPACE FOR FILING OFFICER USE

9407700013

FILED
In the office of the Secretary of State of the State of California

APR 18 1994

/s/ Tony Miller
TONY MILLER
ACTING SECRETARY OF STATE

NAME David S. Fries
ADDRESS Morrison & Foerster
CITY 345 California Street
STATE San Francisco, California 94104-2675
ZIP CODE

SEC/STATE REV. 1/88

FORM LP-2-FILING FEE: $15
Approved by Secretary of State

[Seal] State of California Secretary of State Bill Jones **AMENDMENT TO CERTIFICATE OF LIMITED PARTNERSHIP** **A $30.00 filing fee must accompany this form.** **IMPORTANT- Read Instructions before completing this form.**	**ENDORSED - FILED** **In the Office of the Secretary of State** **of the State of California** **OCT 05 2001** **BILL JONES, Secretary of State** **This Space For Filing Use Only**

1.	SECRETARY OF STATE FILE NUMBER 9407700013	2. NAME OF LIMITED PARTNERSHIP Essex Portfolio, L.P.
3.	COMPLETE ONLY THE BOXES WHERE INFORMATION IS BEING CHANGED. ADDITIONAL PAGES MAY BE ATTACHED, IF NECESSARY.	

A.	LIMITED PARTNERSHIP NAME (END THE NAME WITH THE WORDS "LIMITED PARTNERSHIP" OR THE ABBREVIATION "LP.")		
B.	THE STREET ADDRESS OF THE PRINCIPAL OFFICE ADDRESS 925 East Meadow Drive CITY Palo Alto	STATE California	ZIP CODE 94303
C.	THE STREET ADDRESS IN CALIFORNIA WHERE RECORDS ARE KEPT STREET ADDRESS CITY	STATE CA	ZIP CODE
D.	THE ADDRESS OF GENERAL PARTNER(S) NAME Essex Property Trust, Inc. ADDRESS 925 East Meadow Drive CITY Palo Alto	STATE California	ZIP CODE 94303
E.	NAME CHANGE OF A GENERAL PARTNER	FROM:	TO:
F.	GENERAL PARTNER(S) CESSATION		
G.	GENERAL PARTNER ADDED NAME ADDRESS CITY	STATE	ZIP CODE
H.	THE PERSON(S) AUTHORIZED TO WIND UP AFFAIRS OF THE LIMITED PARTNERSHIP NAME ADDRESS CITY	STATE	ZIP CODE
I.	THE NAME OF THE AGENT FOR SERVICE OF PROCESS Jordan E. Ritter		
J.	IF AN INDIVIDUAL, CALIFORNIA ADDRESS OF THE AGENT FOR SERVICE OF PROCESS ADDRESS 925 East Meadow Drive CITY Palo Alto	STATE CA	ZIP CODE 94303
K.	NUMBER OF GENERAL PARTNERS' SIGNATURES REQUIRED FOR FILING CRETIFICATES OF AMENDMENT, RESTATEMENT, MERGER, DISSOLUTION, CONTINUATION AND CANCELLATION. ☐		
L.	OTHER MATTERS (ATTACH ADDITIONAL PAGES, IF NECESSARY).		

4. TOTAL NUMBER OF PAGES ATTACHED (IF ANY) N/A

5. I CERTIFY THAT THE STATEMENTS CONTAINED IN THIS DOCUMENT ARE TRUE AND CORRECT TO MY OWN KNOWLEDGE. I DECLARE THAT I AM THE PERSON WHO IS EXECUTING THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

/s/ Jordan E. Ritter	Senior Vice President of General Partner, of Essex Property Trust, Inc.	Jordan E. Ritter	10/02/01
SIGNATURE	POSITION OR TITLE	PRINT NAME	DATE
SIGNATURE	POSITION OR TITLE	PRINT NAME	DATE

SEC/STATE (REV. 10/98)

FORM LP-2 - FILING FEE: $30.00
Approved by Secretary of State

LP-2 **Amendment to Certificate of Limited Partnership (LP)**

To change information of record for your LP, fill out this form, and submit for filing along with:
– A **$30** filing fee.
– A separate, non-refundable **$15** service fee also must be included, if you drop off the completed form.
Items 3–7: **Only** fill out the information that is changing. Attach extra pages if you need more space or need to include any other matters.

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Secretary of State
State of California

FEB 17 2016

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1 **LP's File No.** (issued by CA Secretary of State)
199407700013

2 **LP's Exact Name** (on file with CA Secretary of State)
ESSEX PORTFOLIO, L.P.

New LP Name

3 *Proposed New LP Name* — The new LP name: **must** end with: "Limited Partnership," "LP," or "L.P.," and **may not** contain "bank," "insurance," "trust," "trustee," incorporated," "inc.," "corporation," or "corp."

New LP Addresses

4 a. 1100 PARK PLACE, SUITE 200 | SAN MATEO | CA | 94002
Street Address of Designated Office in CA | *City (no abbreviations)* | *State* | *Zip*

b. SAME
Mailing Address of LP, if different from 4a | *City (no abbreviations)* | *State* | *Zip*

New Agent/Address for Service of Process (The agent must be a CA resident or qualified 1505 corporation in CA.)

5 a.
Agent's Name

b. 1100 PARK PLACE, SUITE 200 | SAN MATEO | CA | 94002
*Agent's Street Address (if agent is **not** a corporation)* | *City (no abbreviations)* | *State* | *Zip*

General Partner Changes

6 a. New general partner:
Name | *Address* | *City (no abbreviations)* | *State* | *Zip*

b. Address change: 1100 PARK PLACE, SUITE 200 | SAN MATEO | CA | 94002
Name | *New Address* | *City (no abbreviations)* | *State* | *Zip*

c. Name change: Old name: _____ New name: _____

d. Name of dissociated general partner: _____

Dissolved LP (Either check box a **or** check box b and complete the information. Note: To terminate the LP, also file a Certificate of Cancellation (Form LP-4/7), available at www.sos.ca.gov/business/be/forms.htm.)

7 a. ☐ The LP is dissolved and wrapping up its affairs.

b. ☐ The LP is dissolved and has no general partners. The following person has been appointed to wrap up the affairs of the LP:
Name | *Address* | *City (no abbreviations)* | *State* | *Zip*

Read and sign below: This form must be signed by (**1**) at least one general partner; (**2**) by each person listed in item 6a; and (**3**) by each person listed in item 6d **if** that person has not filed a Certificate of Dissociation (Form LP-101). If item 7b is checked, the person listed must sign. If a trust, association, attorney-in-fact, or any other person not listed above is signing, go to www.sos.ca.gov/business/be/filing-tips.htm for more information. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are part of this amendment. Signing this document affirms under penalty of perjury that the stated facts are true.

	(see attached addendum)	01/14/2016
Sign here	*Print your name here*	*Date*
Sign here	*Print your name here*	*Date*

Make check/money order payable to: **Secretary of State** Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a $5 certification fee.

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Business Entities, P.O. Box 944225
Sacramento, CA 94244-2250

Drop-Off
Secretary of State
1500 11th Street, 3rd Floor
Sacramento, CA 95814

ADDENDUM TO
AMENDMENT TO CERTIFICATE OF LIMITED PARTNERSHIP
ESSEX PORTFOLIO, L.P.

ESSEX PORTFOLIO, L.P.,
A California limited partnership

By: Essex Property Trust, Inc.,
A Maryland corporation,
Its General Partner

By: /s/ Jordan E. Ritter
Name: Jordan E. Ritter
Title: Senior Vice President

LP-2 **Amendment to Certificate of Limited Partnership (LP)**

To change information of record for your LP, fill out this form, and submit for filing along with:
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State of California

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199407700013

2 **LP's Exact Name** (on file with CA Secretary of State)
ESSEX PORTFOLIO, L.P.

New LP Name

3 _____
Proposed New LP Name The new LP name: **must** end with: "Limited Partnership," "LP," or "L.P.," and **may not** contain "bank," "insurance," "trust," "trustee," incorporated," "inc.," "corporation," or "corp."

New LP Addresses

4 a. _____ CA
Street Address of Designated Office in CA *City (no abbreviations)* *State* *Zip*

b. _____
Mailing Address of LP, if different from 4a *City (no abbreviations)* *State* *Zip*

New Agent/Address for Service of Process (The agent must be a CA resident or qualified 1505 corporation in CA.)

5 a. DANIEL J. ROSENBERG
Agent's Name

b. 1100 PARK PLACE, SUITE 200 SAN MATEO CA 94403
*Agent's Street Address (if agent is **not** a corporation)* *City (no abbreviations)* *State* *Zip*

General Partner Changes

6 a. New general partner: _____
Name *Address* *City (no abbreviations)* *State* *Zip*

b. Address change: _____
Name *New Address* *City (no abbreviations)* *State* *Zip*

c. Name change: Old name: _____ New name: _____

d. Name of dissociated general partner: _____

Dissolved LP (Either check box a **or** check box b and complete the information. Note: To terminate the LP, also file a Certificate of Cancellation (Form LP-4/7), available at www.sos.ca.gov/business/be/forms.htm.)

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_____
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	(see attached addendum)	
Sign here	*Print your name here*	*Date*
Sign here	*Print your name here*	*Date*

Make check/money order payable to: **Secretary of State** Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a $5 certification fee.

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Business Entities, P.O. Box 944225
Sacramento, CA 94244-2250

Drop-Off
Secretary of State
1500 11th Street, 3rd Floor
Sacramento, CA 95814

ADDENDUM TO
AMENDMENT TO CERTIFICATE OF LIMITED PARTNERSHIP
ESSEX PORTFOLIO, L.P,
LP's FILE NO. 199407700013

SIGNATURE OF GENERAL PARTNER:

Essex Property Trust, Inc.,
A Maryland corporation

By: /s/ Anne M. Morrison
Anne M. Morrison
Group Vice President

Date: November 30, 2018

[Seal] I hereby certify that the foregoing transcript of 7 page(s) is a full, true and correct copy of the complete record in the custody of the California Secretary of State's office as of this date:

Date: Feb 08 2019

/s/ Alex Padilla

ALEX PADILLA, Secretary of State

LP-2 **Amendment to Certificate of Limited Partnership (LP)**

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State of California

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199407700013

2 **LP's Exact Name** (on file with CA Secretary of State)
ESSEX PORTFOLIO, L.P.

New LP Name

3 _____
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New LP Addresses

4 a. _____ CA _____
Street Address of Designated Office in CA *City (no abbreviations)* *State* *Zip*

b. _____
Mailing Address of LP, if different from 4a *City (no abbreviations)* *State* *Zip*

New Agent/Address for Service of Process (The agent must be a CA resident or qualified 1505 corporation in CA.)

5 a. ANNE MORRISON
Agent's Name

b. 1100 PARK PLACE, SUITE 200 SAN MATEO CA 94403
*Agent's Street Address (if agent is **not** a corporation)* *City (no abbreviations)* *State* *Zip*

General Partner Changes

6 a. New general partner:
Name *Address* *City (no abbreviations)* *State* *Zip*

b. Address change:
Name *New Address* *City (no abbreviations)* *State* *Zip*

c. Name change: Old name: _____ New name: _____

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_____ (see attached addendum) _____
Sign here *Print your name here* *Date*

_____ _____ _____
Sign here *Print your name here* *Date*

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ADDENDUM TO
AMENDMENT TO CERTIFICATE OF LIMITED PARTNERSHIP
ESSEX PORTFOLIO, L.P,
LP's FILE NO. 199407700013

Essex Portfolio, L.P.,
a California limited partnership

By: Essex Property Trust, Inc.,
a Maryland corporation,
its general partner

By: /s/ Anne M. Morrison Date: October 30, 2020
Anne M. Morrison
Senior Vice President

ESSEX PROPERTY TRUST, INC.

DEFERRED COMPENSATION PLAN

As Amended and Restated As Of January 1, 2021

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ESSEX PROPERTY TRUST, INC.
DEFERRED COMPENSATION PLAN

As Amended and Restated As Of January 1, 2021

Preamble

This Plan provides salary reduction deferred compensation benefits to management or highly compensated employees who can contribute materially to the continued growth, development, and future business success of Essex Property Trust, Inc., and its affiliates. Capitalized terms are defined in the last Article of this Plan. The Plan is intended to be a plan maintained for the purpose of providing deferred compensation to a "select group of management or highly compensated employees" within the meaning of Section 201(2) of ERISA.

As amended and restated effective as of January 1, 2005, this Plan is further intended to meet the requirements of paragraphs (2), (3) and (4) of Section 409A(a) of the Code with respect to Deferrals which do not constitute Pre-2005 Deferrals. As to Pre-2005 Deferrals, no change effected by this amendment and restatement of the Plan is intended to or shall be construed as materially modifying the terms and conditions of the Plan as in effect prior to January 1, 2005.

The Plan is intended to be exempt from the participation, vesting, funding, and fiduciary requirements of Title I of ERISA. The benefits under this Plan shall be paid out of the general assets of the Company, except to the extent they are paid from the assets of a Trust established by the Company to pay these benefits. No Participant shall have any interest whatsoever in any specific asset of the Company or its affiliates. To the extent that any person acquires a right to receive payment under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

This Plan was entirely amended and restated as set forth herein, effective January 1, 2021, in order to incorporate prior Plan amendments that were approved and implemented since May 2010.

ARTICLE 1
Eligibility and Participation

1.1 Selection by Committee. Prior to May 1, 2010, participation in the Plan was limited to management or highly compensated employees of the Company that held the title ''Vice President," or a more senior title. Effective May 1, 2010, participation in the Plan is limited to management or highly compensated employees of the Company that hold the title "Director," or a more senior title. If you are eligible to participate in the Plan, you will become a Participant on the date specified by the Committee. If the Committee thereafter elects to discontinue your active participation in the Plan, you will cease to be eligible to make further Deferrals beginning with the Plan Year following the Plan Year in which the Committee makes such election, but you will remain a Participant and retain all your other rights under this Plan. Those employees of Essex Property Trust, Inc. who, prior to January 1, 2015, participated in the Essex Portfolio, L.P. 2005 Deferred Compensation Plan shall be Participants in this Plan.

1.2 Deferral Elections.

(a) Initial Election. To commence Deferrals after first being selected to become a Participant, you must make an initial Deferral election within 30 days after the date on which you were selected to become a Participant by delivering to the Committee a completed and signed Election Form, which will become effective as of the date the Committee prescribes after its receipt of the Form or the first day of the next Plan Year, if earlier.

(b) Subsequent Elections. For any succeeding Plan Year in which you wish to make or change the amount of your Deferrals, you must file a new Election Form with the Committee by December 1, or such other date as determined by the Committee, before the Plan Year for which the election is made. Your new Election Form will be effective with your first payroll period in the new Plan Year.

(c) Irrevocability of Deferral Elections. Except as provided in subsection (b) above, or pursuant to Sections 3.1 or 3.3, Deferral elections are irrevocable and cannot be changed.

(d) Applicable Compensation or Bonus. Your Election Form will be effective only with regard to Compensation and Bonuses for services performed after the effective date of the Election Form as established under this Section 1.2. In any case where an amount of Compensation, or Bonus, is paid after the effective date of your Election Form but in whole or in part for services performed before the effective date, any Deferral from such amount will be determined based on your Election Form which was last in effect before any part of such services were performed, if any, except to the extent the Committee otherwise determines would be consistent with the requirements of paragraph (4) of Section 409A(a) of the Code.

1.3 Maximum Deferrals. The maximum amount that you may elect to defer during a Plan Year is 25 percent of the Compensation and 50 percent of the Bonus you would otherwise have earned during the Plan Year, except as limited pursuant to Section 9.14.

1.4 Withholding of Deferrals. Your Deferrals will be withheld from your Compensation and Bonus in accordance with your Election Form, subject to any rules established by the Committee prescribing how Deferrals are to be withheld.

ARTICLE 2
Accounts

2.1 Accounts. For recordkeeping purposes only, a separate Account will be maintained for you and each other Participant. In connection with the maintenance of such Account, the amount of your Pre-2005 Deferrals, if any, and any amounts attributable to any Pre-2005 Deferrals, will be separately identified. Participants will receive periodic Account statements.

2.2 Vesting. All Accounts are fully vested at all times. The only reasons you could forfeit all or a portion of your Account would be if you choose to resolve a dispute relating to the Plan other than under the Plan's claim procedures (see Section 7.4), elect to make an early withdrawal subject to early withdrawal penalties pursuant to Section 3.1, or in the event of the Company's insolvency.

2.3 Crediting Earnings on Accounts. Earnings will be credited (or debited, as the case may be) to your Account based on your investment election under Section 2.4. Deferrals shall be credited to your Account when they are invested. For purposes of determining earnings of your Account, your Deferrals will be deemed to be invested as of the date your Deferrals are credited to your Account up to the date of distribution. The Committee retains the discretion to make adjustments for earnings after the date of distribution, but before the Participant receives such distribution, as they may deem necessary.

2.4 Investment Elections.

(a) Participants to Elect Investments. In accordance with rules prescribed by the Committee, you will be entitled to elect the form of investment that will apply to your Account from among the options made available by the Committee. You may change your election to the extent, in the manner, and at such times as the Committee prescribes. To the extent that you fail to elect a then available investment option, the investment option then specified by the Committee will be applied.

(b) Committee to Prescribe Investment Options. The Committee will offer Participants one or more investment options. The Committee may offer different options to different groups of Participants.

(c) Committee May Change Investment Options. The Committee may add or discontinue investment options, but no change shall become effective until at least 30 days after the Committee has made a good faith effort to give Participants advance written notice of the change and an opportunity to make new investment elections.

ARTICLE 3
Distributions

3.1 Unscheduled In Service Withdrawals. You may at any time elect to withdraw all of the balance then credited to your Account attributable to Pre-2005 Deferrals, less a 10 percent withdrawal penalty. For the succeeding two Plan Years, you may not make any Deferrals under this Plan.

3.2 Scheduled In Service Withdrawals. When making a Deferral election for a Plan Year, you may elect to schedule a withdrawal of the undistributed portion of your Account. This election may only be made with your Deferral election, and may not be changed. The scheduled distribution date must be at least two years after the date you elect the scheduled in service withdrawal. Your future scheduled in service withdrawal elections will become void when your Company employment ends, and the balance in your Account will thereafter be distributed in accordance with this Article.

3.3 Hardship Distributions. Upon a finding that you have suffered a severe financial hardship due to an unforeseeable emergency, you shall cease Deferrals, and, if necessary, the Committee may make distributions from your Account prior to the time specified for payment of benefits under the Plan. The amount of such Hardship Distribution will be limited to the amount reasonably necessary to meet your requirements during the financial hardship. For purposes of this Plan, a severe financial hardship due to an unforeseeable emergency may result from an illness

or accident, including an illness or accident involving you, your spouse, beneficiary, or dependent (as defined in Code Section 152, without regard to Section 152(b)(1), (b)(2), and (d)(1)(B)), loss of your property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control. Examples of an unforeseeable emergency include the imminent foreclosure or eviction from your primary residence, the need to rebuild a home following damage to a home not otherwise covered by insurance, the need to pay for medical expenses (including non-refundable deductibles) including the costs of prescription drug medication, or the need to pay for the funeral expenses of a spouse, beneficiary, or dependent (as defined in Code Section 152, without regard to Section 152(b)(1), (b)(2), and (d)(1)(B)). Examples of what are not considered unforeseeable emergencies include the purchase of a home and payment of college tuition. The circumstances that will constitute the unforeseeable emergency will depend on the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved:

(a) Through reimbursement or compensation by insurance or otherwise,

(b) By liquidation of the your assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or

(c) By cessation of Deferrals under the Plan.

The Committee shall be entitled to rely on the truthfulness of facts and representations set forth by you in this request without the need for independent certification. For the balance of the Plan Year in which the you cease Deferrals or receive a Hardship Distributions, and for the succeeding Plan Year, you may not make any Deferrals under this Plan.

3.4 Distribution Following Termination of Employment Including Retirement.

(a) Form of Distribution. Following your Termination of Employment, you will be paid that portion of your Account attributable to Pre-2005 Deferrals as a lump sum payment. Following your Retirement, you will be paid that portion of your Account attributable to Pre-2005 Deferrals in accordance with the distribution method you have elected. Following your Termination of Employment, including Retirement, you will be paid that portion of your Account not attributable to Pre-2005 Deferrals in accordance with the distribution method you have elected.

(b) Initial Distribution Election. On your initial Election Form, you may elect to receive distributions in either a lump sum or in 5, 10, or 15 annual installment payments (or other installments, as determined by the Committee); if you fail to make a valid election, you will be deemed to have elected lump sum. The amount of each installment payment will be determined by multiplying the balance then credited to your Account by a fraction, the numerator of which is 1 and the denominator of which is the number of unpaid installment payments (i.e., if you elect to receive 15 installments, the first 5 installments would be 1/15th, 1/14th, 1/13th, 1/12th, and 1/11th of the balance credited to your Account just before each installment distribution is made).

(c) Subsequent Distribution Elections.

(i) Pre-2005 Deferrals. You may change your post Retirement distribution election with respect to that portion of your Account attributable to Pre-2005 Deferrals by filing a new Election Form. Any new Election Form filed in accordance with this Section 3.4(c)(i) will not take effect unless it is filed with the Committee at least 365 days before the date of your Retirement.

(ii) Other Deferrals.

(A) During calendar year 2005 only, you may change your distribution election with respect to that portion of your Account not attributable to Pre-2005 Deferrals by filing a new Election Form. Any new Election Form filed in accordance with this subparagraph will be immediately effective.

(B) After calendar year 2005, you may only change your distribution election with respect to that portion of your Account not attributable to Pre-2005 Deferrals by electing on a new Election Form any form of payment permitted under Section 3.4(b) if you file the new Election Form with the Committee at least 12 months before the payment otherwise due you would be made and such election shall not take effect until at least 12 months after the date on which the election is made. Where such a new Election Form becomes effective, it will determine the time and form of the payment of all of that portion of your Account not attributable to Pre-2005 Deferrals. The first payment to be made in connection with the filing of a new Election Form in accordance with this subparagraph may not be made until the fifth anniversary of the date on which the payment would otherwise have been made pursuant to your prior Election Form.

(d) Cashout of Installment Payments. After installment payments to you of amounts attributable to your Pre-2005 Deferrals commence, you may at any time elect to receive a lump sum payment of the balance then credited to your Account attributable to Pre-2005 Deferrals, less a 10 percent early withdrawal penalty. You may not accelerate installment payments of amounts attributable to other Deferrals.

(e) Acceleration of Payments. The Committee may unilaterally accelerate distributions of balances in Participants' respective Accounts attributable to Pre-2005 Deferrals at any time for any reason except to the extent any such acceleration would result in such amounts becoming subject to the requirements of paragraphs (2), (3) and (4) of the Section 409A of the Code. For example, if the Plan is terminated, subject to the proviso concerning Section 409A of the Code, the Committee may distribute the balance then credited to your Account attributable to Pre-2005 Deferrals in a lump sum. Similarly, subject to the proviso concerning Section 409A of the Code, the Committee may elect to accelerate your installment payments if the amount in your Account attributable to Pre-2005 Deferrals is $25,000 or less. The Committee may likewise unilaterally accelerate distribution of the balance of your Account not attributable to Pre-2005 Deferrals at any time for any reason, but only if and to the extent permitted under paragraphs (2), (3) and (4) of Section 409A(a) of the Code.

3.5 Distribution Following Death. The amount in your Account will be paid to your Beneficiary, as determined under Article 4, in lump sum.

3.6 Time for Payment. Unless otherwise specified herein, payments under this Article will be made or commenced on the first day of the seventh month following your Termination of Employment (including Retirement), and on the 60th day following an unscheduled withdrawal election, scheduled distribution date, or your death, whichever is applicable.

ARTICLE 4
Beneficiaries

4.1 Beneficiaries. You will have the right, at any time, to designate Beneficiaries (both primary as well as contingent) to receive any benefits payable under the Plan after your death. You may designate the same or different Beneficiaries under this Plan as you designate under any other Company program in which you participate.

4.2 Procedure for Designating Beneficiaries. To designate your Beneficiaries, you must complete and sign a Beneficiary Designation Form and file it with the Committee. You may change your Beneficiaries by completing and signing a new Beneficiary Designation Form and filing it with the Committee. If you are married and name someone other than your then current spouse as a Beneficiary, your spouse must consent by signing the Beneficiary Designation Form unless the Committee, in its sole discretion, waives this spousal consent requirement. On filing with the Committee a properly executed new Beneficiary Designation Form, all of your previously filed Beneficiary designations will be canceled. The Committee shall be entitled to rely on the last Beneficiary Designation Form you filed prior to your death.

4.3 Failure to Designate a Beneficiary. If you fail to designate a Beneficiary or no designated Beneficiary is then alive and can be located to receive Plan distributions on account of your death, your Beneficiary will be deemed to be your surviving spouse or, if none, your estate.

4.4 Doubt as to Beneficiary. Notwithstanding any other Plan provision, if the Committee has any doubt as to your proper Beneficiary, the Committee may, in its discretion, withhold payments until the matter is resolved to the Committee's satisfaction.

ARTICLE 5
Amendment Or Termination Of The Plan

5.1 Amendment. The Company (acting through its Board or other persons as the Board may designate) may amend the Plan in whole or in part, but no amendment may materially decrease the rights you or your Beneficiary have under this Plan, nor may the protections set forth in this sentence be materially reduced by means of a Plan amendment. Notwithstanding the foregoing, the Plan may be amended by the Company (acting through its Board or other persons as the Board may designate), retroactively if required, if found necessary, in the opinion of the Company, in order to ensure that the Plan:

(a) is characterized as a plan of deferred compensation maintained for a select group of employees as described under ERISA Section 201(2),

(b) as to amounts attributable to Pre-2005 Deferrals, has not been materially modified after October 3, 2004, and

(c) as to amounts not attributable to Pre-2005 Deferrals, meets the requirements of paragraphs (2), (3) and (4) of Section 409A(a) of the Code.

5.2 Termination. The Company (acting through its Board or other persons as the Board may designate) reserves the right to terminate the Plan at any time. However, the Company may not terminate the Plan in any manner that would cause the Plan to fail to comply with the requirements of Code Section 409A. Any distribution on account of Plan termination that permits acceleration of payment shall be consistent with Final Treasury Regulation Section 1.409A-3(j)(4)(ix) or successor guidance thereto.

ARTICLE 6
Administration

6.1 Committee Duties. This Plan will be administered by the Compensation Committee of the Board, or other persons as the Compensation Committee may designate. The Board may also, in its sole discretion, appoint additional members of the Committee. The Committee shall have the discretion and authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions, including interpretations of this Plan, as may arise in connection with the Plan, including questions that may affect their own personal interests under the Plan.

6.2 Agents. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit and may, from time to time, consult with counsel who may be counsel to the Company.

6.3 Binding Effect of Decisions. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan shall be final, conclusive, and binding on all persons having any interest in the Plan.

6.4 Indemnity. The Company shall indemnify and hold harmless each member of its Board, each member of the Committee, and any other person or persons (other than a corporate trustee) to whom any duty with respect to the Plan is allocated or delegated, from and against any and all liabilities, damages, claims, demands, losses, costs, or expenses, including reasonable attorneys fees, arising out of or as a result of the performance or nonperformance of their duties under the Plan or applicable law, other than such liabilities, damages, claims, demands, losses, costs, and expenses for which indemnification is prohibited by law.

ARTICLE 7
Claims Procedures

7.1 Claims Normally Not Required. Normally, you do not need to present a formal claim to receive benefits payable under this Plan.

7.2 Disputes. If any person (Claimant) believes that benefits are being denied improperly, that the Plan is not being operated properly, that any person has breached his, her, or its duties under the Plan, or that the Claimant's legal rights are being violated with respect to the Plan, the Claimant must file a formal claim with the Committee. This requirement applies to all claims that any Claimant has with respect to the Plan, except to the extent the Committee determines, in its sole discretion, that it does not have the power to grant all relief reasonably being sought by the Claimant.

7.3 Time for Filing Claims. A formal claim must be filed within 90 days after the date the Claimant first knew or should have known of the facts on which the claim is based, unless the Committee in writing consents otherwise. The Committee shall provide a Claimant, on request, with a copy of the claims procedures established under Section 7.4.

7.4 Procedures. If and when needed, or before then, the Committee shall adopt procedures for considering claims, which it may amend from time to time, as it sees fit. These procedures shall comply with all applicable legal requirements. These procedures may provide that final and binding arbitration will be the ultimate means of contesting a denied claim (even if the Committee or its delegates have failed to follow the prescribed procedures with respect to the claim). The right to receive benefits under this Plan is contingent on a Claimant using the prescribed claims and arbitration procedures to resolve any claim. Therefore, if a Claimant (or his or her successor or assign) seeks to resolve any claim by any means other than the prescribed claims and arbitration provisions, he or she must repay all benefits received under this Plan and will not be entitled to any further Plan benefits.

ARTICLE 8
Trust

8.1 Establishment of Trust. At its discretion, the Company may establish a Trust, with such trustees as the Board may approve, for the purpose of providing for the payment of Plan benefits. Such Trust may be irrevocable, but the assets of the Trust will be general assets of the Company subject to the claims of its general creditors. If the Company establishes a Trust, it shall transfer to the Trust an amount equal to the Deferrals credited to Accounts when such amounts are credited. The Company shall transfer to the Trust any additional amounts, if any, as the Committee, in its sole discretion, determines to be appropriate.

8.2 Relationship Between the Plan and the Trust. The provisions of the Plan shall govern your right to receive distributions pursuant to the Plan. The provisions of the Trust shall govern your right to Trust assets. The Company shall at all times remain liable to carry out its obligations under the Plan.

ARTICLE 9
Miscellaneous

9.1 Unsecured General Creditor. Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest, or claims in any property or assets of the Company. The Company's obligation under the Plan is merely an unfunded and unsecured promise to pay money in the future.

9.2 Company's Liability. The Company shall be liable for all benefits due under the Plan except to the extent they are paid by a Trust.

9.3 Nonassignabiiity. Neither you nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, or convey in advance of actual receipt, the amounts, if any, payable under this Plan, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and non-transferable. Except pursuant to Section 2.2 or a domestic relations order, unpaid Plan benefits shall not be subject to seizure or sequestration for the payment of any debts, judgments, alimony, separate maintenance, or family support owed by you or any other person, nor be transferable by operation of law in the event of your or any other person's bankruptcy or insolvency.

9.4 Not a Contract of Employment. This Plan shall not be deemed to constitute a contract of employment between you and the Company. Nothing in this Plan gives you the right to be retained in the service of the Company or to interfere with the right of the Company to discipline or discharge you at any time.

9.5 Furnishing Information. You must cooperate with the Committee by furnishing all information and by taking any other actions it requests, including taking physical examinations.

9.6 Terms. Wherever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

9.7 Captions. The captions in this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

9.8 Governing Law. Except to the extent preempted by the Employee Retirement Income Security Act of 1974, as amended, this Plan shall be construed and interpreted according to the laws of the State of California without regard to its conflicts of laws principles.

9.9 Validity. The illegality or invalidity of any Plan provision shall not affect the other provisions of the Plan.

9.10 Notice. Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand- delivered, or sent by registered or certified mail, to the address shown below (or such other address or telefax number specified in notice given pursuant to this Section): Chief Financial Officer, Essex Property Trust, Inc., 1100 Park Place Suite 200 San Mateo, CA 94403. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

9.11 Successors. The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns and the Participant, his or her Beneficiary and their permitted successors and assigns. If the Company sells or transfers all or a portion of its business

in a bona fide arms' length transaction and you cease to be employed by the Company in connection with the transaction, the Company (acting through its Board or other persons as the Board may designate) may assign to the buyer or transferee its obligations to you under this Plan, after which the Company shall cease to have any further obligations to you under the Plan.

9.12 Spouse's Interest. The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by the spouse in any manner, including under the spouse's will or the laws of intestate succession.

9.13 Incompetency. If a benefit under this Plan is to be paid to a person declared incompetent or to a person incapable of handling the disposition of his or her property, the Committee may direct payment of the benefit to the guardian, legal representative, or person having the care and custody of the incompetent or incapable person. The Committee may require proof of incompetency, incapacity, or guardianship, as it may deem appropriate, prior to distribution of the benefit. Any payment of a benefit shall he a payment for the Participant or his or her Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for the payment.

9.14 Taxes and Withholding. For each Plan Year in which Deferrals are being withheld, the Company shall withhold from that portion of the Participant's Compensation that is not being deferred, the Participant's share of FICA and other employment taxes. If necessary, the Committee shall reduce a Participant's Deferrals in order to comply with this Section. The Company (or the trustee of the Trust) shall withhold from benefits distributed under the Plan all federal, state and local income, employment, and other taxes required to be withheld by applicable law.

ARTICLE 10
Definitions

Unless otherwise clearly apparent from the context, the following phrases or terms used in this Plan shall have the meanings set forth below:

10.1 "Account" shall mean, as to a Participant, his or her Deferrals and any Company contributions credited to the Participant, adjusted for earnings and reduced by distributions to the Participant (including any taxes withheld from distributions). As to a Beneficiary, the term "Account" shall mean the portion of the Participant's Account initially payable to the Beneficiary, adjusted for earnings and reduced by distributions to the Beneficiary (including any taxes withheld from distributions). Accounts are bookkeeping entries utilized solely to determine the amounts payable to Participants and Beneficiaries pursuant to this Plan.

10.2 "Beneficiary" shall mean one or more persons, trusts, estates or other entities, designated or determined in accordance with Article 4 to receive benefits under this Plan on the death of a Participant.

10.3 "Beneficiary Designation Form" shall mean the form prescribed by the Committee that a Participant completes, signs, and files with the Committee to designate Beneficiaries.

10.4 "Board" shall mean the Board of Directors of Essex Property Trust, Inc.

10.5 "Bonus" shall mean any amounts, other than Compensation, paid in a Plan Year to a Participant that the Committee so designates as a Bonus, for employment services rendered to the Company, before reduction for amounts contributed to or deferred under any Company benefit plan and excluding any severance benefits.

10.6 "Claimant" shall have the meaning set forth in Section 7.2.

10.7 "Code" shall mean the Internal Revenue Code of 1986, as amended.

10.8 "Committee" shall mean the administrative committee appointed to manage and administer the Plan in accordance with Article 6, or any agent it designates.

10.9 "Company" shall mean Essex Property Trust, Inc. and all its affiliates as determined by the Committee, and their successors. However, as to all Plan provisions giving the Company powers and duties, the term "Company" only refers to Essex Property Trust, Inc., or its successor.

10.10 "Compensation" shall mean base salary paid in the Plan Year in question to a Participant for employment services rendered to the Company, before reduction for amounts contributed to or deferred under any Company benefit plan and excluding any severance benefits. "Compensation" also includes any amounts distributed to a Participant in the Plan Year in question from a company sponsored qualified retirement plan to comply with Code nondiscrimination requirements or benefit limits.

10.11 "Deferral" shall mean Compensation and Bonus that a Participant defers in accordance with Article 1.

10.12 "Election Form" shall mean the form prescribed by the Committee that a Participant completes, signs, and files with the Committee to elect to make Deferrals under the Plan.

10.13 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

10.14 "Participant" shall mean any current or former employee of the Company who is then eligible to make Deferrals or who has any amount credited to his or her Account.

10.15 "Plan" shall mean the Essex Property Trust, Inc. Deferred Compensation Plan, as set forth in this document, as amended from time to time.

10.16 "Plan Year" shall mean the calendar year.

10.17 "Pre-2005 Deferrals" shall mean a Participant's Deferrals made prior to January 1, 2005, if and to the extent such amounts are not subject to the requirements of paragraphs (2), (3) and (4) of Section 409A(a) of the Code assuming the Plan is not materially modified as to those Deferrals after October 3, 2004.

10.18 "Retirement" shall mean a Participant's termination of Company employment (other than by death) after attaining age 65. "Retirement" also means a Participant's commencement of a long term disability absence, the date of which shall be the date on which the

Participant first receives benefits under a Company long-term disability plan (or the date on which the Participant would have qualified for benefits under such a plan had he or she been covered by it, as determined by the Committee). As to any portion of an Account not attributable to Pre-2005 Deferrals, however, a Participant shall not be considered to have entered Retirement on account of disability unless the Participant is considered disabled within the meaning of Section 409A(a)(2)(C) of the Code. Notwithstanding any other Plan provision, if a disabled Participant returns to substantially full time employment with the Company while distributions from the Plan are still being made, except to the extent prohibited by the requirements of paragraphs (2), (3) and (4) of Section 409A(a) of the Code, distributions shall cease, but the remaining balance of the Participant's Account shall be held for future payment in accordance with Article 3.

10.19 "Termination of Employment" shall mean a Participant's termination of Company employment (other than by death) for any reason.

10.20 "Trust" shall mean a "rabbi" trust, as that term is defined in Revenue Procedure 92-64, 1992-2 C.B. 422, that may be established at the Company's discretion to pay Plan benefits. Despite the existence of a Trust, this Plan is technically an unfunded plan for all legal purposes.

ESSEX PROPERTY TRUST, INC.

By:	/s/ Michael Schall
Title:	CEO
Date:	12/1/2021

Exhibit 10.18

3 Year Vest (Executive)

ESSEX PROPERTY TRUST, INC.
[____] LONG-TERM INCENTIVE AWARD
AWARD AGREEMENT

Name of Grantee: [_____] ("the Grantee")
No. of Restricted Stock Units: [_____] (the "Stock Units")
Grant Date: [_____] (the "Grant Date")

RECITALS

A. The Grantee is an employee of Essex Property Trust, Inc., a Maryland corporation (the "Company").

B. As of [_____], the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") approved the terms of the [_____] Long-Term Incentive Awards to be granted by the Company under the Company's 2018 Stock Award and Incentive Compensation Plan (the "2018 Plan") to provide the Company's employees with incentive compensation. This award agreement (this "Award Agreement") evidences a [_____] Long-Term Incentive Award to the Grantee under the 2018 Plan (the "Award"), which is subject to the terms and conditions set forth herein and in the 2018 Plan.

C. The Grantee was selected by the Company to receive the Award. The Company, effective as of the Grant Date set forth above, issued to the Grantee the number of Stock Units set forth above.

D. Capitalized terms used herein shall have the respective meanings ascribed to them in Appendix A hereto. Unless the context requires otherwise, capitalized terms used, but not otherwise defined herein or in Appendix A, shall have the respective meanings ascribed to them in the 2018 Plan.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Grant of Stock Units; Issuance of Stock; Payment of Dividends.

(a) The Company hereby grants the Grantee an award consisting of [_____] Stock Units with the terms and conditions set forth in this Agreement. The 2018 Plan is hereby incorporated herein by reference as though set forth herein in its entirety.

(b) On the Determination Date, (i) the Committee will determine, pursuant to Section 2(b), the number of Stock Units for which the performance criteria applicable to such Stock Units were satisfied as of the Valuation Date, (ii) the Company will issue to the Grantee a number of shares of Stock equal to the number of such earned Stock Units and (iii) all of the Stock Units shall be canceled.

(c) Neither this Award nor the Stock Units may be sold, transferred, pledged assigned or otherwise encumbered or disposed of by the Grantee. The shares of Stock issuable hereunder may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting and any book entries or certificates for the shares of Stock shall bear an appropriate legend, as determined by the Committee in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the 2018 Plan.

(d) With respect to the shares of Stock issuable pursuant to Section 1(b) above, the Grantee shall be entitled to dividends with a record date on or after the later of the Determination Date or the applicable Vesting Date (as defined below). Prior to the occurrence of the later of the Determination Date or the applicable Vesting Date, Grantee shall not be entitled to any dividends with respect to the Stock Units or the Stock issuable in settlement thereof.

2. Performance Criteria and Attainment Levels.

(a) The number of Stock Units that will be earned pursuant to this Award will be based on the Company's Equity REIT Relative TSR as of the Valuation Date in accordance with the following table:

Equity REIT Relative TSR	Percentage of Stock Units Earned	Number of Stock Units Earned
Below 5th percentile	[____]	[____]
Equal to or above 5th percentile but below 25th percentile	[____]	[____]
Equal to or above 25th percentile but below 50th percentile	[____]	[____]
Equal to or above 50th percentile	[____]	[____]

For Equity REIT Relative TSR falling between the 25th percentile and the 50th percentile, the number of Stock Units earned will be based on linear interpolation between the number of Stock Units that would have been earned if Equity REIT Relative TSR was at the 25th percentile and the number that would have been earned if Equity REIT Relative TSR was at the 50th percentile, as set forth above.

(b) The Committee, as promptly as practicable following the conclusion of the Performance Period (but, in any event, no later than two and one-half months after the conclusion of the Performance Period), shall determine the actual number of the Stock Units that are earned in accordance with this Section 2. Notwithstanding anything herein to the contrary, if a Change in Control occurs on or prior to the twelve (12)-month anniversary of the Grant Date and the Grantee remains employed by the Company or a Company Affiliate until at least immediately prior to the date of such Change in Control or has incurred a Terminating Event prior to such Change in Control, one hundred percent (100%) of the Stock Units subject to this Award shall be deemed earned in accordance with this Section 2.

3. Vesting.

(a) All of the Stock Units and shares of Stock issued pursuant to this Award prior to the Final Vesting Date (as defined below) shall be subject to time-based vesting, with one-third (1/3) of the Stock Units earned pursuant to this Award and the shares of Stock issued or issuable pursuant to this Award vesting on each of the first three (3) anniversaries of the Grant Date (each, a "Vesting Date," and the third (3rd) anniversary of the Grant Date, the "Final Vesting Date"), subject to the Grantee's continued employment with the Company (or a Company Affiliate) through the applicable Vesting Date. All shares of Stock issued pursuant to this Award after the Final Vesting Date shall be fully vested upon issuance. Except as provided in Sections 3(b) and 3(c) below, if at any time the Grantee shall cease to be an employee of the Company or a Company Affiliate for any reason (other than in circumstances where the Grantee immediately thereafter remains or becomes an employee of the Company or a Company Affiliate), then the Stock Units and shares of Stock issued pursuant to this Award that remain unvested at such time shall automatically and immediately be forfeited by the Grantee without consideration therefor.

(b) If the Grantee shall cease to be an employee of the Company or a Company Affiliate (other than in circumstances where the Grantee immediately thereafter remains or becomes an employee of a Company Affiliate) in circumstances that constitute a Terminating Event, any then unvested Stock Units or shares of Stock issued pursuant to this Award will not be forfeited and such Stock Units or shares of Stock issued pursuant to this Award will be fully time-vested as of the date of such Terminating Event. Any shares of Stock issued pursuant to this Award with respect to Stock Units that vested pursuant to this Section 3(b) will be fully time-vested upon issuance.

(c) In the event the Grantee shall cease to be an employee of the Company or a Company Affiliate (other than in circumstances where the Grantee immediately thereafter remains or becomes an employee of a Company Affiliate) as a result of the Grantee's change in status from an Employee to a Director or Consultant, then, unless otherwise required by law, the Grantee shall continue to time-vest in any then unvested Stock Units or shares of Stock issued pursuant to this Award based on the Grantee's continued service as a Director or Consultant, in which case, the Grantee ceasing to serve as a Director or Consultant will be treated in the same manner as Grantee ceasing to be an Employee of the Company or a Company Affiliate for purposes of this Agreement.

4. Tax Withholding. The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding it determines to be required by law. The Grantee shall, not later than the date as of which vesting or payment in respect of this Award becomes a taxable event, pay to the Company or make arrangements satisfactory to the Company for payment of any Federal, state and local taxes required by law to be withheld on account of such taxable event; provided that, to the extent such taxable event occurs upon or concurrently with the issuance or vesting of Stock hereunder, the Company will satisfy any required tax withholding obligation by withholding a number of shares of Stock issued or issuable hereunder with a Fair Market Value on the date of withholding equal to the aggregate amount of such tax withholding obligation based on the maximum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to this Award, as determined pursuant to the 2018 Plan. For purposes of this Section 4, the Fair Market Value of the shares of Stock to be withheld shall be calculated in the same manner as the shares of Stock are valued for purposes of determining the amount of withholding taxes due.

5. Changes in Capital Structure. If (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Company or other transaction similar thereto, (ii) any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, significant repurchases of stock, or other similar change in the capital stock of the Company, (iii) any cash dividend or other distribution to holders of shares of Stock shall be declared and paid other than in the ordinary course, or (iv) any other extraordinary corporate event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of equitable or proportionate adjustment in the terms of this Award Agreement, the Stock Units or the shares of Stock issuable pursuant to this Award to avoid distortion in the value of this Award, then the Committee shall make equitable or proportionate adjustment and take such other action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award and the terms of the Stock Units and the shares of Stock prior to such event, including, without limitation: (A) interpretations of or modifications to any defined term in this Award Agreement; (B) adjustments in any calculations provided for in this Award Agreement, and (C) substitution of other awards under the 2018 Plan or otherwise. All adjustments made by the Committee shall be final, binding and conclusive.

6. Effectiveness of Award Agreement

(a) This award shall be binding upon the successors and permitted assigns of the Grantee and shall be binding upon successors and assigns of the Company.

(b) Every provision of this Award Agreement is intended to be severable, and if any term or provision hereof is held to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder hereof.

7. Governing Law.

This Award Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

8. Administration.

This Award shall be administered by the Committee, which in the administration of this Award shall have all the powers and authority it has in the administration of the 2018 Plan as set forth in the 2018 Plan.

9. Section 409A.

The Award is intended to comply with or be exempt from (under the "short term deferral" exception) Section 409A of the Internal Revenue Code ("Section 409A") and, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any applicable Department of Treasury regulations and other interpretive guidance currently in effect or that may be issued after the effective date of this Agreement. In addition, notwithstanding any provision herein to the contrary, in the event that following the Grant Date, the Administrator determines that it may be necessary or appropriate to do so, the Administrator may adopt such amendments to the Plan and/or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Plan and/or the Stock Units from the application of Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to this Award, or (b) comply with the requirements of Section 409A; provided, however, that this paragraph shall not create an obligation on the part of the Administrator to adopt any such amendment, policy or procedure or take any such other action. No payment hereunder shall be made during the six (6)-month period following the Grantee's "separation from service" (within the meaning of Section 409A) to the extent that the Administrator determines that paying such amount at the time set forth herein would be a prohibited distribution under Section 409A(a)(2)(B)(i). If the payment of any such amounts is delayed as a result of the previous sentence, then within thirty (30) days following the end of such six (6)-month period (or, if earlier, the Grantee's death), the Administrator shall pay to the Grantee (or to the Grantee's estate) the cumulative amounts that would have otherwise been payable to the Grantee during such period, without interest. Notwithstanding anything herein or in the Plan to the contrary, to the extent required to avoid the imposition of additional taxes under Section 409A, a "Change in Control" shall not be deemed to have occurred for purposes of this Agreement unless such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

10. Communication.

Any notice, demand, request or other communication which may be required or contemplated herein shall be sufficiently given if (i) given either by facsimile transmission or telex, by reputable overnight delivery service, postage prepaid, or by registered or certified mail, postage prepaid and return receipt requested, to the address indicated herein or to such other address as my party hereto may specify as provided herein, or (ii) delivered personally at such address.

11. Recovery of Erroneously Awarded Compensation.

If the Grantee is now or hereafter become subject to any policy providing for the recovery of Awards, Shares, Stock Units, proceeds or payments to the Grantee in the event of fraud or other circumstances, then this Award, the Stock Units, and any Shares issuable upon the settlement of this Awards or proceeds therefrom, are subject to potential recovery by the Company under the circumstances provided under such policy as may be in effect from time to time.

IN WITNESS WHEREOF, the undersigned has executed this Award Agreement as of the Grant Date.

ESSEX PROPERTY TRUST, INC.

By _____

Hereunto duly authorized

Agreed and Accepted:

_____

Name:

[Signature page to [_____] RSU Award Agreement]

APPENDIX A

DEFINITIONS

"2018 Plan" means the Essex Property Trust, Inc. 2018 Stock Award and Incentive Compensation Plan, as amended, modified or supplemented from time to time.

"Cause" shall mean, and shall be limited to, the occurrence of any one or more of the following events:

(i) a willful act of dishonesty by the Grantee with respect to any matter involving the Company or any Company Affiliates;

(ii) conviction of the Grantee of a crime involving moral turpitude; or

(iii) the deliberate or willful failure by the Grantee (other than by reason of the Grantee's physical or mental illness, incapacity or disability) to substantially perform the Grantee's duties with the Company and the Company Affiliates and the continuation of such failure for a period of 30 days after delivery by the Company or a Company Affiliate to the Grantee of written notice specifying the scope and nature of such failure and its intention to terminate the Grantee for Cause.

For purposes of clauses (i) and (iii) above, no act, or failure to act, on the Grantee's part shall be deemed "willful" unless done, or omitted to be done, by the Grantee without reasonable belief that the Grantee's act, or failure to act, was in the best interest of the Company and/or the Company Affiliates.

"Company Affiliate" means any parent entity of the Company, if any, that directly or indirectly owns a majority of the common equity of the Company, any direct or indirect subsidiary of any such parent entity and any direct or indirect subsidiary of the Company.

"Determination Date" means the date on which the number of Stock Units earned pursuant to this Award is determined by the Compensation Committee pursuant to Section 2(b).

"Equity REIT Relative TSR" means the percentile rank of the Company's total stockholder return during the Performance Period relative to the total stockholder returns of the Index Companies during the Performance Period as determined by dividing (a) the sum of (i) 100% minus the percentage of Index Companies with a total stockholder return greater than the Company during the Performance Period, plus (ii) the percentage of Index Companies with a total stockholder return less than the Company during the Performance Period, by (b) two. For example, if there were nine Index Companies, four with higher total stockholder returns, four with lower total stockholder returns and one with identical total stockholder return during the Performance Period, then the Company would be in the 50th percentile, as calculated by taking the sum of (i) 100% minus the percentage of companies with higher total stockholder returns (100% - 4 / 9 = 56%), and (ii) the percentage of companies with lower total stockholder returns (4 / 9 = 44%) and dividing by two ((56% + 44%) / 2 = 50%).

For purposes of this definition, the total stockholder return of the Company and each of the Index Companies shall be computed based on the total return that would have been realized by a stockholder who (1) bought $100 of shares of common equity securities of such company on the first day of the Performance Period at a price per share equal to the closing sales price per share on the principal national stock exchange on which shares of such common equity securities are listed on such date (or, if such date is not a trading date, on the most recent prior trading date), (2) contemporaneously reinvested in shares of Stock each dividend and other distribution declared during the Performance Period and received with respect to such share (and any other shares previously received upon reinvestment of dividends or other distributions) and (3) sold such shares on the last day of the Performance Period for a per share price equal to the average closing sales price per share on the principal national stock exchange on which shares of such common equity securities are listed for the twenty (20) consecutive calendar day period up to and including the Valuation Date; provided that if the Valuation Date is the date upon which a Transactional Change in Control occurs, the ending stock price of the Stock as of such date shall be equal to the fair market value in cash, as determined by the Committee, of the total consideration paid or payable in the transaction resulting in the Transactional Change in Control for one share of Stock. Total stockholder return shall be computed on a consistent basis across all companies, in accordance with the foregoing, using total stockholder return data obtained from SNL Financial (or such other third party data provider as is selected by the Committee in its sole discretion).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive Severance Plan" means the Essex Property Trust, Inc. Executive Severance Plan, as Amended and Restated, effective March 12, 2013, as amended, modified or supplemented from time to time.

"Good Reason" means, for purposes of determining whether a Terminating Event occurred in connection with a Change in Control, the occurrence of any of the following events:

(i) a substantial adverse change in the nature or scope of the Grantee's responsibilities, authorities, title, powers, functions, or duties from the responsibilities, authorities, powers, functions, or duties exercised by the Grantee immediately prior to the Change in Control; or

(ii) a reduction in the Grantee's annual base salary as in effect on the date hereof or as the same may be increased from time to time; or

(iii) a reduction in the Grantee's annual bonus opportunity to an annual bonus opportunity that is less than the highest bonus opportunity during the three fiscal years preceding the date of the Change in Control; or

(iv) a reduction in the long-term incentive, savings and retirement program opportunities and health and welfare benefits to a level that is less favorable than the most favorable of such benefits and opportunities as are in effect on the date hereof or as the same may be increased from time to time; or

(v) a reduction in the fringe benefits programs and policies and vacation accrual rate to a level that is less favorable than the most favorable of such benefits and accrual rates as are in effect on the date hereof or as the same may be increased from time to time; or

(vi) the relocation of the offices of the Company or Company Affiliate at which the Grantee is principally employed immediately prior to the date of the Change in Control to a location more than 30 miles from such offices, or the requirement by the Company or a Company Affiliate for the Grantee to be based anywhere other than the offices of the Company or Company Affiliate at such location, except for required travel on the business of the Company and the Company Affiliates to an extent substantially consistent with the Grantee's business travel obligations immediately prior to the Change in Control; or

(vii) the failure by the Company or a Company Affiliate to pay to the Grantee any portion of Grantee's compensation or to pay to the Grantee any portion of an installment of deferred compensation under any deferred compensation program of the Company or a Company Affiliate within 15 days of the date such compensation is due without prior written consent of the Grantee; or

(viii) the failure by the Company and the Company Affiliates to obtain an effective agreement from any successor to assume and agree to perform the obligation of the Company and the Company Affiliates under the Executive Severance Plan; or

(ix) any material breach by the Company under the Executive Severance Plan or by any successor of the Company.

Notwithstanding the foregoing to the contrary, none of the circumstances described above will constitute Good Reason unless the Grantee has provided written notice to the Company that such circumstances exist within ninety (90) days of the Grantee's learning of such circumstances and the Company has failed to cure such circumstances within thirty (30) days following its receipt of such notice; and provided further, that the Grantee did not previously consent in writing to the action leading to his or her claim of resignation for Good Reason.

"Index Companies" means, as of a particular date, the companies comprising the SNL Apartment REIT Index which, as of the Grant Date, consists of the companies listed on Appendix B hereto; provided that no such company will be deemed an Index Company if such company ceases to have a class of common equity securities listed on a national stock exchange during the entire Performance Period.

"Performance Period" means the period beginning on [_____] and ending on the Valuation Date.

"Qualified Termination" of the Grantee means (i) termination by the Company and/or a Company Affiliate of the employment of the Grantee with the Company (if the Grantee is then employed by the Company) and all Company Affiliates then employing the Grantee for any reason other than for Cause or the death or disability (as determined under the then existing long-term disability coverage of the Company or such Company Affiliate) of the Grantee or (ii) termination by the Grantee of the Grantee's employment with the Company (if the Grantee is then employed by the Company) and all other Company Affiliates then employing the Grantee for Good Reason; provided, for avoidance of doubt, that no such termination shall constitute a Qualified Termination if the Grantee remains or becomes an employee of the Company or a Company Affiliate immediately following such termination.

"Stock" means a share of the Company's common stock, par value $0.001 per share.

"Terminating Event" shall mean:

(A) a Qualified Termination of the Grantee during (i) the 24 months following a Change in Control or (ii) the two-month period prior to the date of a Change in Control, and it is reasonably demonstrated by the Grantee that such termination of employment (1) was at the request of a third party that had taken steps reasonably calculated to effect such Change in Control or (2) otherwise arose in connection with or anticipation of a Change in Control; provided that a Terminating Event under this clause (A) shall not be deemed to have occurred solely as a result of the Grantee being an employee of any direct or indirect successor to the business or assets of the Company, rather than continuing as an employee of the Company following a Change in Control; or

(B) a termination by the Company and/or a Company Affiliate of the employment of the Grantee with the Company (if the Grantee is then employed by the Company) and all Company Affiliates then employing the Grantee for any reason other than for Cause or the death or disability (as determined under the then existing long-term disability coverage of the Company or such Company Affiliate) of the Grantee that occurs (x) at least one year after the Grant Date, and (y) at a time when the Grantee's combined age and years of Continuous Service are equal to or greater than 68 and the Grantee has at least seven (7) years of Continuous Service with the Company or a Company Affiliate.

"Transactional Change in Control" means a Change in Control resulting from any person or group making a tender offer for Stock, a merger or consolidation where the Company is not the surviving entity, the shares of Stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property or consisting of a sale, transfer or disposition of all or substantially all of the assets of the Company.

"Valuation Date" means the earlier of (A) [_____], or (B) the date upon which a Change in Control shall occur.

APPENDIX B

SNL Apartment REIT Index

AvalonBay Communities, Inc.	AVB
BRT Apartments Corp.	BRT
Equity Residential	EQR
Essex Property Trust, Inc.	ESS
Mid-America Apartment Communities, Inc.	MAA
UDR, Inc.	UDR
Camden Property Trust	CPT
Apartment Investment and Management Co	AIV
Independence Realty Trust, Inc.	IRT
Investors Real Estate Trust	IRET
Preferred Apartment Communities, Inc.	APTS
NexPoint Residential Trust Inc.	NXRT
Bluerock Residential Growth REIT, Inc.	BRG

ESSEX PROPERTY TRUST, INC.
[_____] LONG-TERM INCENTIVE AWARD
AWARD AGREEMENT

Name of Grantee: [_____] ("the Grantee")
No. of Restricted Stock Units: [_____] (the "Stock Units")
Grant Date: [_____] (the "Grant Date")

RECITALS

A. The Grantee is an employee of Essex Property Trust, Inc., a Maryland corporation (the "Company").

B. As of [_____], the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") approved the terms of the [_____] Long-Term Incentive Awards to be granted by the Company under the Company's 2018 Stock Award and Incentive Compensation Plan (the "2018 Plan") to provide the Company's employees with incentive compensation. This award agreement (this "Award Agreement") evidences a [_____] Long-Term Incentive Award to the Grantee under the 2018 Plan (the "Award"), which is subject to the terms and conditions set forth herein and in the 2018 Plan.

C. The Grantee was selected by the Company to receive the Award. The Company, effective as of the Grant Date set forth above, issued to the Grantee the number of Stock Units set forth above.

D. Capitalized terms used herein shall have the respective meanings ascribed to them in Appendix A hereto. Unless the context requires otherwise, capitalized terms used, but not otherwise defined herein or in Appendix A, shall have the respective meanings ascribed to them in the 2018 Plan.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Grant of Stock Units; Issuance of Stock; Payment of Dividends.

(a) The Company hereby grants the Grantee an award consisting of [_____] Stock Units with the terms and conditions set forth in this Agreement. The 2018 Plan is hereby incorporated herein by reference as though set forth herein in its entirety.

(b) On the Determination Date, (i) the Committee will determine, pursuant to Section 2(b), the number of Stock Units for which the performance criteria applicable to such Stock Units were satisfied as of the Valuation Date, (ii) the Company will issue to the Grantee a number of shares of Stock equal to the number of such earned Stock Units and (iii) all of the Stock Units shall be canceled.

(c) Neither this Award nor the Stock Units may be sold, transferred, pledged assigned or otherwise encumbered or disposed of by the Grantee.

(d) With respect to the shares of Stock issuable pursuant to Section 1(b) above, the Grantee shall be entitled to dividends with a record date on or after the Determination Date. Prior to the Determination Date, Grantee shall not be entitled to any dividends with respect to the Stock Units or the Stock issuable in settlement thereof.

2. Performance Criteria and Attainment Levels.

(a) The number of Stock Units that will be earned pursuant to this Award will be based on the Company's Equity REIT Relative TSR as of the Valuation Date in accordance with the following table:

Equity REIT Relative TSR	Percentage of Stock Units Earned	Number of Stock Units Earned
Below 5th percentile	[____]	[____]
Equal to or above 5th percentile but below 25th percentile	[____]	[____]
Equal to or above 25th percentile but below 50th percentile	[____]	[____]
Equal to or above 50th percentile	[____]	[____]

For Equity REIT Relative TSR falling between the 25th percentile and the 50th percentile, the number of Stock Units earned will be based on linear interpolation between the number of Stock Units that would have been earned if Equity REIT Relative TSR was at the 25th percentile and the number that would have been earned if Equity REIT Relative TSR was at the 50th percentile, as set forth above.

(b) The Committee, as promptly as practicable following the conclusion of the Performance Period (but, in any event, no later than two and one-half months after the conclusion of the Performance Period), shall determine the actual number of the Stock Units that are earned in accordance with this Section 2. Notwithstanding anything herein to the contrary, if a Change in Control occurs on or prior to the twelve (12) month-anniversary of the Grant Date, one hundred percent (100%) of the Stock Units subject to this Award shall be deemed earned in accordance with this Section 2.

3. Vesting. All of the Stock Units and shares of Stock issued pursuant to this Award shall be fully vested upon issuance.

4. Tax Withholding. The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding it determines to be required by law. The Grantee shall, not later than the date as of which vesting or payment in respect of this Award becomes a taxable event, pay to the Company or make arrangements satisfactory to the Company for payment of any Federal, state and local taxes required by law to be withheld on account of such taxable event; provided that, to the extent such taxable event occurs upon or concurrently with the issuance or vesting of Stock hereunder, the Company will satisfy any required tax withholding obligation by withholding a number of shares of Stock issued or issuable hereunder with a Fair Market Value on the date of withholding equal to the aggregate amount of such tax withholding obligation based on the maximum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to this Award, as determined pursuant to the 2018 Plan. For purposes of this Section 4, the Fair Market Value of the shares of Stock to be withheld shall be calculated in the same manner as the shares of Stock are valued for purposes of determining the amount of withholding taxes due.

5. Changes in Capital Structure. If (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Company or other transaction similar thereto, (ii) any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, significant repurchases of stock, or other similar change in the capital stock of the Company, (iii) any cash dividend or other distribution to holders of shares of Stock shall be declared and paid other than in the ordinary course, or (iv) any other extraordinary corporate event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of equitable or proportionate adjustment in the terms of this Award Agreement, the Stock Units or the shares of Stock issuable pursuant to this Award to avoid distortion in the value of this Award, then the Committee shall make equitable or proportionate adjustment and take such other action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award and the terms of the Stock Units and the shares of Stock prior to such event, including, without limitation: (A) interpretations of or modifications to any defined term in this Award Agreement; (B) adjustments in any calculations provided for in this Award Agreement, and (C) substitution of other awards under the 2018 Plan or otherwise. All adjustments made by the Committee shall be final, binding and conclusive.

6. Effectiveness of Award Agreement

(a) This award shall be binding upon the successors and permitted assigns of the Grantee and shall be binding upon successors and assigns of the Company.

(b) Every provision of this Award Agreement is intended to be severable, and if any term or provision hereof is held to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder hereof.

7. Governing Law.

This Award Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

8. Administration.

This Award shall be administered by the Committee, which in the administration of this Award shall have all the powers and authority it has in the administration of the 2018 Plan as set forth in the 2018 Plan.

9. Section 409A.

The Award is intended to comply with or be exempt from (under the "short term deferral" exception) Section 409A of the Internal Revenue Code ("Section 409A") and, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any applicable Department of Treasury regulations and other interpretive guidance currently in effect or that may be issued after the effective date of this Agreement. In addition, notwithstanding any provision herein to the contrary, in the event that following the Grant Date, the Administrator determines that it may be necessary or appropriate to do so, the Administrator may adopt such amendments to the Plan and/or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Plan and/or the Stock Units from the application of Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to this Award, or (b) comply with the requirements of Section 409A; provided, however, that this paragraph shall not create an obligation on the part of the Administrator to adopt any such amendment, policy or procedure or take any such other action. No payment hereunder shall be made during the six (6)-month period following the Grantee's "separation from service" (within the meaning of Section 409A) to the extent that the Administrator determines that paying such amount at the time set forth herein would be a prohibited distribution under Section 409A(a)(2)(B)(i). If the payment of any such amounts is delayed as a result of the previous sentence, then within thirty (30) days following the end of such six (6)-month period (or, if earlier, the Grantee's death), the Administrator shall pay to the Grantee (or to the Grantee's estate) the cumulative amounts that would have otherwise been payable to the Grantee during such period, without interest. Notwithstanding anything herein or in the Plan to the contrary, to the extent required to avoid the imposition of additional taxes under Section 409A, a "Change in Control" shall not be deemed to have occurred for purposes of this Agreement unless such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

10. Communication.

Any notice, demand, request or other communication which may be required or contemplated herein shall be sufficiently given if (i) given either by facsimile transmission or telex, by reputable overnight delivery service, postage prepaid, or by registered or certified mail, postage prepaid and return receipt requested, to the address indicated herein or to such other address as my party hereto may specify as provided herein, or (ii) delivered personally at such address.

11. Recovery of Erroneously Awarded Compensation.

If the Grantee is now or hereafter become subject to any policy providing for the recovery of Awards, Shares, Stock Units, proceeds or payments to the Grantee in the event of fraud or other circumstances, then this Award, the Stock Units, and any Shares issuable upon the settlement of this Awards or proceeds therefrom, are subject to potential recovery by the Company under the circumstances provided under such policy as may be in effect from time to time.

IN WITNESS WHEREOF, the undersigned has executed this Award Agreement as of the Grant Date.

ESSEX PROPERTY TRUST, INC.

By: _____

Hereunto duly authorized

Agreed and Accepted:

_____

Name:

[Signature page to [_____] RSU Award Agreement]

APPENDIX A

DEFINITIONS

"2018 Plan" means the Essex Property Trust, Inc. 2018 Stock Award and Incentive Compensation Plan, as amended, modified or supplemented from time to time.

"Company Affiliate" means any parent entity of the Company, if any, that directly or indirectly owns a majority of the common equity of the Company, any direct or indirect subsidiary of any such parent entity and any direct or indirect subsidiary of the Company.

"Determination Date" means the date on which the number of Stock Units earned pursuant to this Award is determined by the Compensation Committee pursuant to Section 2(b).

"Equity REIT Relative TSR" means the percentile rank of the Company's total stockholder return during the Performance Period relative to the total stockholder returns of the Index Companies during the Performance Period as determined by dividing (a) the sum of (i) 100% minus the percentage of Index Companies with a total stockholder return greater than the Company during the Performance Period, plus (ii) the percentage of Index Companies with a total stockholder return less than the Company during the Performance Period, by (b) two. For example, if there were nine Index Companies, four with higher total stockholder returns, four with lower total stockholder returns and one with identical total stockholder return during the Performance Period, then the Company would be in the 50th percentile, as calculated by taking the sum of (i) the percentage of companies with higher total stockholder returns (100% - 4 / 9 = 56%), and (ii) the percentage of companies with lower total stockholder returns (4 / 9 = 44%) and dividing by two ((56% + 44%) / 2 = 50%).

For purposes of this definition, the total stockholder return of the Company and each of the Index Companies shall be computed based on the total return that would have been realized by a stockholder who (1) bought $100 of shares of common equity securities of such company on the first day of the Performance Period at a price per share equal to the closing sales price per share on the principal national stock exchange on which shares of such common equity securities are listed on such date (or, if such date is not a trading date, on the most recent prior trading date), (2) contemporaneously reinvested in shares of Stock each dividend and other distribution declared during the Performance Period and received with respect to such share (and any other shares previously received upon reinvestment of dividends or other distributions) and (3) sold such shares on the last day of the Performance Period for a per share price equal to the average closing sales price per share on the principal national stock exchange on which shares of such common equity securities are listed for the twenty (20) consecutive calendar day period up to and including the Valuation Date; provided that if the Valuation Date is the date upon which a Transactional Change in Control occurs, the ending stock price of the Stock as of such date shall be equal to the fair market value in cash, as determined by the Committee, of the total consideration paid or payable in the transaction resulting in the Transactional Change in Control for one share of Stock. Total stockholder return shall be computed on a consistent basis across all companies, in accordance with the foregoing, using total stockholder return data obtained from SNL Financial (or such other third party data provider as is selected by the Committee in its sole discretion).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Index Companies" means, as of a particular date, the companies comprising the SNL Apartment REIT Index which, as of the Grant Date, consists of the companies listed on Appendix B hereto; provided that no such company will be deemed an Index Company if such company ceases to have a class of common equity securities listed on a national stock exchange during the entire Performance Period.

"Performance Period" means the period beginning on [_____] and ending on the Valuation Date.

"Stock" means a share of the Company's common stock, par value $0.001 per share.

"Transactional Change in Control" means a Change in Control resulting from any person or group making a tender offer for Stock, a merger or consolidation where the Company is not the surviving entity, the shares of Stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property or consisting of a sale, transfer or disposition of all or substantially all of the assets of the Company.

"Valuation Date" means the earlier of (A) [_____], or (B) the date upon which a Change in Control shall occur.

APPENDIX B

SNL Apartment REIT Index

AvalonBay Communities, Inc.	AVB
BRT Apartments Corp.	BRT
Equity Residential	EQR
Essex Property Trust, Inc.	ESS
Mid-America Apartment Communities, Inc.	MAA
UDR, Inc.	UDR
Camden Property Trust	CPT
Apartment Investment and Management Co	AIV
Independence Realty Trust, Inc.	IRT
Investors Real Estate Trust	IRET
Preferred Apartment Communities, Inc.	APTS
NexPoint Residential Trust Inc.	NXRT
Bluerock Residential Growth REIT, Inc.	BRG

ESSEX PROPERTY TRUST, INC.
[_____] LONG-TERM INCENTIVE AWARD
AWARD AGREEMENT

Name of Grantee: [_____] ("the Grantee")
Maximum Number of Restricted Stock Units: [_____]
Target Number of Restricted Stock Units: [_____]
Grant Date: [_____] (the "Grant Date")

RECITALS

A. The Grantee is an employee of Essex Property Trust, Inc., a Maryland corporation (the "Company").

B. As of [_____], the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") approved the terms of the [_____] Long-Term Incentive Awards to be granted by the Company under the Company's 2018 Stock Award and Incentive Compensation Plan (the "2018 Plan") to provide the Company's employees with incentive compensation. This award agreement (this "Award Agreement") evidences a [_____] Long-Term Incentive Award to the Grantee under the 2018 Plan (the "Award"), which is subject to the terms and conditions set forth herein and in the 2018 Plan.

C. The Grantee was selected by the Company to receive the Award. The Company, effective as of the Grant Date set forth above, issued to the Grantee the Maximum Number of Restricted Stock Units set forth above.

D. Capitalized terms used herein shall have the respective meanings ascribed to them in Appendix A hereto. Unless the context requires otherwise, capitalized terms used, but not otherwise defined herein or in Appendix A, shall have the respective meanings ascribed to them in the 2018 Plan.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Grant of Stock Units; Issuance of Stock; Payment of Dividends.

(a) The Company hereby grants the Grantee an award consisting of [_____][1] Restricted Stock Units (the "Stock Units") with the terms and conditions set forth in this Agreement. The 2018 Plan is hereby incorporated herein by reference as though set forth herein in its entirety.

(b) On the First Determination Date, the Committee will determine the number of Stock Units that will be eligible to be earned hereunder (the "Eligible Stock Units"), as set forth in Section 2(a) (including the final sentence thereof). In the event that any Stock Units granted hereunder fail to become Eligible Stock Units in accordance with the provisions set forth herein, such Stock Units that fail to become Eligible Stock Units shall thereupon automatically be forfeited by the Grantee without further action and without payment of consideration therefor. On the Final Determination Date, (i) the Committee will determine, pursuant to Section 2(c), the number of Stock Units for which the performance criteria applicable to such Stock Units pursuant to Section 2(b) were satisfied as of the Valuation Date, (ii) the Company will issue to the Grantee a number of shares of Stock equal to the number of such earned Stock Units and (iii) all of the Stock Units shall be canceled.

[1] Note to Draft: Maximum Number of Restricted Stock Units.

(c) Neither this Award nor the Stock Units may be sold, transferred, pledged assigned or otherwise encumbered or disposed of by the Grantee. The shares of Stock issuable hereunder may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting and any book entries or certificates for the shares of Stock shall bear an appropriate legend, as determined by the Committee in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the 2018 Plan.

(d) With respect to the shares of Stock issuable pursuant to Section 1(b) above, the Grantee shall be entitled to dividends with a record date on or after the later of the Final Determination Date or the Vesting Date (as defined below). Prior to the occurrence of the later of the Final Determination Date or the Vesting Date, Grantee shall not be entitled to any dividends with respect to the Stock Units or the Stock issuable in settlement thereof.

2. Performance Criteria and Attainment Levels.

(a) The number of Stock Units that will become Eligible Stock Units pursuant to this Award will be based on the gain or purchase price from the disposition of certain assets of the Company's real estate portfolio, determined by reference to the following formula and subject to the final sentence of this Section 2(a):

Number of Eligible Stock Units = (___%[2] * Funded Amount) / $[_____]

The Number of Eligible Stock Units shall be rounded to the nearest whole Stock Unit.

For purposes of this Agreement, "Funded Amount" shall mean the dollar amount that is equal to the product of (A) the greater of (x) 1% of the aggregate purchase price (net of the cost of sale) of all Company real estate dispositions consummated during the Funding Period or (y) 10% of the gain from all Company real estate dispositions consummated during the Funding Period determined in accordance with Generally Accepted Accounting Principles (GAAP), multiplied by (B) the quotient of (x) $[_____][3] // $[_____][4] over (y) $[_____]; provided, that the Funded Amount shall not exceed $[_____][5] // $[_____][6]. Notwithstanding anything in this Section 2(a) to the contrary, in determining the number of Stock Units that become Eligible Stock Units hereunder the Committee (or its designee or delegatee, as applicable) may, in its sole discretion, adjust the number of Stock Units that become Eligible Stock Units under the formula set forth above in this Section 2(a); provided, that in no event shall the number of Eligible Stock Units hereunder, as adjusted, be less than zero or exceed the Maximum Number of Restricted Stock Units (as defined above).

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[2] **Note to Draft:** Percentage to equal individual's maximum dollar amount divided by $[_____] - NEOs // $[_____] – Non-NEOs.
[3] **Note to Draft**: NEO form only.
[4] **Note to Draft**: Non-NEO form only.
[5] **Note to Draft**: NEO form only.
[6] **Note to Draft**: Non-NEO form only.

(b) The number of Eligible Stock Units that will be earned pursuant to this Award will be based on the Company's Equity REIT Relative TSR as of the Valuation Date in accordance with the following table:

Equity REIT Relative TSR	Percentage of Eligible Stock Units Earned	Number of Eligible Stock Units Earned
Below 5th percentile	[____]	[____]
Equal to or above 5th percentile but below 25th percentile	[____]	[____]
Equal to or above 25th percentile but below 50th percentile	[____]	[____]
Equal to or above 50th percentile	[____]	[____]

For Equity REIT Relative TSR falling between the 25th percentile and the 50th percentile, the number of Eligible Stock Units earned will be based on linear interpolation between the number of Eligible Stock Units that would have been earned if Equity REIT Relative TSR was at the 25th percentile and the number that would have been earned if Equity REIT Relative TSR was at the 50th percentile, as set forth above.

(c) The Committee, as promptly as practicable following the conclusion of the Performance Period (but, in any event, no later than two and one-half months after the conclusion of the Performance Period), shall determine the actual number of the Eligible Stock Units that are earned in accordance with this Section 2. Notwithstanding anything herein to the contrary, if a Change in Control occurs on or prior to [_____], and the Grantee remains employed by the Company or a Company Affiliate until at least immediately prior to the date of such Change in Control [or has incurred a Terminating Event prior to such Change in Control,][7] then, as of the date of such Change in Control, the Target Number of Restricted Stock Units (as defined herein) shall be deemed earned in accordance with Section 2(b) and this Section 2(c).

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[7] **Note to Draft:** Exec form only.

3. Vesting.

(a) All of the Stock Units and shares of Stock issued pursuant to this Award prior to the Vesting Date (as defined below) shall be subject to time-based vesting, with 100% of the Stock Units earned pursuant to this Award and the shares of Stock issued or issuable pursuant to this Award vesting on [_____] (the "Vesting Date"), subject to the Grantee's continued employment with the Company (or a Company Affiliate) through such vesting date. All shares of Stock issued pursuant to this Award after the Vesting Date shall be fully vested upon issuance. Except as provided in Sections 3(b) and 3(c) below, if at any time the Grantee shall cease to be an employee of the Company or a Company Affiliate for any reason (other than in circumstances where the Grantee immediately thereafter remains or becomes an employee of the Company or a Company Affiliate), then the Stock Units and shares of Stock issued pursuant to this Award that remain unvested at such time shall automatically and immediately be forfeited by the Grantee without consideration therefor.

(b) If the Grantee shall cease to be an employee of the Company or a Company Affiliate (other than in circumstances where the Grantee immediately thereafter remains or becomes an employee of a Company Affiliate) in circumstances that constitute a Terminating Event, any then unvested Stock Units or shares of Stock issued pursuant to this Award will not be forfeited and such Stock Units or shares of Stock issued pursuant to this Award will be fully time-vested as of the date of such Terminating Event. Any shares of Stock issued pursuant to this Award with respect to Stock Units that vested pursuant to this Section 3(b) will be fully time-vested upon issuance.

(c) In the event the Grantee shall cease to be an employee of the Company or a Company Affiliate (other than in circumstances where the Grantee immediately thereafter remains or becomes an employee of a Company Affiliate) as a result of the Grantee's change in status from an Employee to a Director or Consultant, then, unless otherwise required by law, the Administrator may, on or prior to the date on which such change in status occurs, permit the Grantee to continue to time-vest in any then unvested Stock Units or shares of Stock issued pursuant to this Award based on the Grantee's continued service as a Director or Consultant, in which case, unless otherwise provided by the Administrator, the Grantee ceasing to serve as a Director or Consultant will be treated in the same manner as Grantee ceasing to be an Employee of the Company or a Company Affiliate for purposes of this Agreement.

4. Tax Withholding. The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding it determines to be required by law. The Grantee shall, not later than the date as of which vesting or payment in respect of this Award becomes a taxable event, pay to the Company or make arrangements satisfactory to the Company for payment of any Federal, state and local taxes required by law to be withheld on account of such taxable event; provided that, to the extent such taxable event occurs upon or concurrently with the issuance or vesting of Stock hereunder, the Company will satisfy any required tax withholding obligation by withholding a number of shares of Stock issued or issuable hereunder with a Fair Market Value on the date of withholding equal to the aggregate amount of such tax withholding obligation based on the maximum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to this Award, as determined pursuant to the 2018 Plan. For purposes of this Section 4, the Fair Market Value of the shares of Stock to be withheld shall be calculated in the same manner as the shares of Stock are valued for purposes of determining the amount of withholding taxes due.

5. Changes in Capital Structure. If (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Company or other transaction similar thereto, (ii) any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, significant repurchases of stock, or other similar change in the capital stock of the Company, (iii) any cash dividend or other distribution to holders of shares of Stock shall be declared and paid other than in the ordinary course, or (iv) any other extraordinary corporate event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of equitable or proportionate adjustment in the terms of this Award Agreement, the Stock Units or the shares of Stock issuable pursuant to this Award to avoid distortion in the value of this Award, then the Committee shall make equitable or proportionate adjustment and take such other action as it deems necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Award and the terms of the Stock Units and the shares of Stock prior to such event, including, without limitation: (A) interpretations of or modifications to any defined term in this Award Agreement; (B) adjustments in any calculations provided for in this Award Agreement, and (C) substitution of other awards under the 2018 Plan or otherwise. All adjustments made by the Committee shall be final, binding and conclusive.

6. Effectiveness of Award Agreement

(a) This award shall be binding upon the successors and permitted assigns of the Grantee and shall be binding upon successors and assigns of the Company.

(b) Every provision of this Award Agreement is intended to be severable, and if any term or provision hereof is held to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder hereof.

7. Governing Law.

This Award Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

8. Administration.

This Award shall be administered by the Committee, which in the administration of this Award shall have all the powers and authority it has in the administration of the 2018 Plan as set forth in the 2018 Plan; provided that, unless the Grantee is an officer or director of the Company subject to reporting under Section 16 of the Exchange Act or as otherwise determined by the Committee, the Chief Executive Officer or Chief Financial Officer of the Company shall serve as the Administrator for purposes of the determination set forth in Section 3 (c).

9. Section 409A.

The Award is intended to comply with or be exempt from (under the "short term deferral" exception) Section 409A of the Internal Revenue Code ("Section 409A") and, to the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any applicable Department of Treasury regulations and other interpretive guidance currently in effect or that may be issued after the effective date of this Agreement. In addition, notwithstanding any provision herein to the contrary, in the event that following the Grant Date, the Administrator determines that it may be necessary or appropriate to do so, the Administrator may adopt such amendments to the Plan and/or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Plan and/or the Stock Units from the application of Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to this Award, or (b) comply with the requirements of Section 409A; provided, however, that this paragraph shall not create an obligation on the part of the Administrator to adopt any such amendment, policy or procedure or take any such other action. No payment hereunder shall be made during the six (6)-month period following the Grantee's "separation from service" (within the meaning of Section 409A) to the extent that the Administrator determines that paying such amount at the time set forth herein would be a prohibited distribution under Section 409A(a)(2)(B)(i). If the payment of any such amounts is delayed as a result of the previous sentence, then within thirty (30) days following the end of such six (6)-month period (or, if earlier, the Grantee's death), the Administrator shall pay to the Grantee (or to the Grantee's estate) the cumulative amounts that would have otherwise been payable to the Grantee during such period, without interest. Notwithstanding anything herein or in the Plan to the contrary, to the extent required to avoid the imposition of additional taxes under Section 409A, a "Change in Control" shall not be deemed to have occurred for purposes of this Agreement unless such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

10. Communication.

Any notice, demand, request or other communication which may be required or contemplated herein shall be sufficiently given if (i) given either by facsimile transmission or telex, by reputable overnight delivery service, postage prepaid, or by registered or certified mail, postage prepaid and return receipt requested, to the address indicated herein or to such other address as my party hereto may specify as provided herein, or (ii) delivered personally at such address.

11. Recovery of Erroneously Awarded Compensation.

If the Grantee is now or hereafter become subject to any policy providing for the recovery of Awards, Shares, Stock Units, proceeds or payments to the Grantee in the event of fraud or other circumstances, then this Award, the Stock Units, and any Shares issuable upon the settlement of this Awards or proceeds therefrom, are subject to potential recovery by the Company under the circumstances provided under such policy as may be in effect from time to time.

IN WITNESS WHEREOF, the undersigned has executed this Award Agreement as of the Grant Date.

ESSEX PROPERTY TRUST, INC.

By: _____

Hereunto duly authorized

Agreed and Accepted:

_____

Name:

[Signature page to [_____] RSU Award Agreement (DIP)]

APPENDIX A

DEFINITIONS

"2018 Plan" means the Essex Property Trust, Inc. 2018 Stock Award and Incentive Compensation Plan, as amended, modified or supplemented from time to time.

"Cause" shall mean, and shall be limited to, the occurrence of any one or more of the following events:

(i) a willful act of dishonesty by the Grantee with respect to any matter involving the Company or any Company Affiliates;

(ii) conviction of the Grantee of a crime involving moral turpitude; or

(iii) the deliberate or willful failure by the Grantee (other than by reason of the Grantee's physical or mental illness, incapacity or disability) to substantially perform the Grantee's duties with the Company and the Company Affiliates and the continuation of such failure for a period of 30 days after delivery by the Company or a Company Affiliate to the Grantee of written notice specifying the scope and nature of such failure and its intention to terminate the Grantee for Cause.

For purposes of clauses (i) and (iii) above, no act, or failure to act, on the Grantee's part shall be deemed "willful" unless done, or omitted to be done, by the Grantee without reasonable belief that the Grantee's act, or failure to act, was in the best interest of the Company and/or the Company Affiliates.

"Company Affiliate" means any parent entity of the Company, if any, that directly or indirectly owns a majority of the common equity of the Company, any direct or indirect subsidiary of any such parent entity and any direct or indirect subsidiary of the Company.

"Eligible Stock Units" means the Stock Units that the Compensation Committee determines, pursuant to Section 2(a), are eligible to be earned pursuant to this Award.

"Equity REIT Relative TSR" means the percentile rank of the Company's total stockholder return during the Performance Period relative to the total stockholder returns of the Index Companies during the Performance Period as determined by dividing (a) the sum of (i) 100% minus the percentage of Index Companies with a total stockholder return greater than the Company during the Performance Period, plus (ii) the percentage of Index Companies with a total stockholder return less than the Company during the Performance Period, by (b) two. For example, if there were nine Index Companies, four with higher total stockholder returns, four with lower total stockholder returns and one with identical total stockholder return during the Performance Period, then the Company would be in the 50th percentile, as calculated by taking the sum of (i) 100% minus the percentage of companies with higher total stockholder returns (100% - 4 / 9 = 56%), and (ii) the percentage of companies with lower total stockholder returns (4 / 9 = 44%) and dividing by two ((56% + 44%) / 2 = 50%).

For purposes of this definition, the total stockholder return of the Company and each of the Index Companies shall be computed based on the total return that would have been realized by a stockholder who (1) bought $100 of shares of common equity securities of such company on the first day of the Performance Period at a price per share equal to the closing sales price per share on the principal national stock exchange on which shares of such common equity securities are listed on such date (or, if such date is not a trading date, on the most recent prior trading date), (2) contemporaneously reinvested in shares of Stock each dividend and other distribution declared during the Performance Period and received with respect to such share (and any other shares previously received upon reinvestment of dividends or other distributions) and (3) sold such shares on the last day of the Performance Period for a per share price equal to the average closing sales price per share on the principal national stock exchange on which shares of such common equity securities are listed for the twenty (20) consecutive calendar day period up to and including the Valuation Date; provided that if the Valuation Date is the date upon which a Transactional Change in Control occurs, the ending stock price of the Stock as of such date shall be equal to the fair market value in cash, as determined by the Committee, of the total consideration paid or payable in the transaction resulting in the Transactional Change in Control for one share of Stock. Total stockholder return shall be computed on a consistent basis across all companies, in accordance with the foregoing, using total stockholder return data obtained from SNL Financial (or such other third party data provider as is selected by the Committee in its sole discretion).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

["Executive Severance Plan" means the Essex Property Trust, Inc. Executive Severance Plan, as Amended and Restated, effective March 12, 2013, as amended, modified or supplemented from time to time.][8]

"Final Determination Date" means the date on which the number of Eligible Stock Units earned pursuant to this Award is determined by the Compensation Committee pursuant to Section 2(c).

"First Determination Date" means the date on which the number of Stock Units that are Eligible Stock Units pursuant to this Award is determined by the Compensation Committee pursuant to Section 2(a) which date shall be as soon as practicable following [_____], and in no event later than [_____].

"Funding Period" means the period commencing on [_____] and ending on the earlier of (A) [_____], or (B) the date upon which a Change in Control occurs.

["Good Reason" means, for purposes of determining whether a Terminating Event occurred in connection with a Change in Control, the occurrence of any of the following events:

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[8] **Note to Draft:** Exec form only.

(i) a substantial adverse change in the nature or scope of the Grantee's responsibilities, authorities, title, powers, functions, or duties from the responsibilities, authorities, powers, functions, or duties exercised by the Grantee immediately prior to the Change in Control; or

(ii) a reduction in the Grantee's annual base salary as in effect on the date hereof or as the same may be increased from time to time; or

(iii) a reduction in the Grantee's annual bonus opportunity to an annual bonus opportunity that is less than the highest bonus opportunity during the three fiscal years preceding the date of the Change in Control; or

(iv) a reduction in the long-term incentive, savings and retirement program opportunities and health and welfare benefits to a level that is less favorable than the most favorable of such benefits and opportunities as are in effect on the date hereof or as the same may be increased from time to time; or

(v) a reduction in the fringe benefits programs and policies and vacation accrual rate to a level that is less favorable than the most favorable of such benefits and accrual rates as are in effect on the date hereof or as the same may be increased from time to time; or

(vi) the relocation of the offices of the Company or Company Affiliate at which the Grantee is principally employed immediately prior to the date of the Change in Control to a location more than 30 miles from such offices, or the requirement by the Company or a Company Affiliate for the Grantee to be based anywhere other than the offices of the Company or Company Affiliate at such location, except for required travel on the business of the Company and the Company Affiliates to an extent substantially consistent with the Grantee's business travel obligations immediately prior to the Change in Control; or

(vii) the failure by the Company or a Company Affiliate to pay to the Grantee any portion of Grantee's compensation or to pay to the Grantee any portion of an installment of deferred compensation under any deferred compensation program of the Company or a Company Affiliate within 15 days of the date such compensation is due without prior written consent of the Grantee; or

(viii) the failure by the Company and the Company Affiliates to obtain an effective agreement from any successor to assume and agree to perform the obligation of the Company and the Company Affiliates under the Executive Severance Plan; or

(ix) any material breach by the Company under the Executive Severance Plan or by any successor of the Company.

Notwithstanding the foregoing to the contrary, none of the circumstances described above will constitute Good Reason unless the Grantee has provided written notice to the Company that such circumstances exist within ninety (90) days of the Grantee's learning of such circumstances and the Company has failed to cure such circumstances within thirty (30) days following its receipt of such notice; and provided further, that the Grantee did not previously consent in writing to the action leading to his or her claim of resignation for Good Reason.][9]

"Index Companies" means, as of a particular date, the companies comprising the SNL Apartment REIT Index which, as of the Grant Date, consists of the companies listed on Appendix B hereto; provided that no such company will be deemed an Index Company if such company ceases to have a class of common equity securities listed on a national stock exchange during the entire Performance Period.

"Performance Period" means the period beginning on [_____] and ending on the Valuation Date.

["Qualified Termination" of the Grantee means (i) termination by the Company and/or a Company Affiliate of the employment of the Grantee with the Company (if the Grantee is then employed by the Company) and all Company Affiliates then employing the Grantee for any reason other than for Cause or the death or disability (as determined under the then existing long-term disability coverage of the Company or such Company Affiliate) of the Grantee or (ii) termination by the Grantee of the Grantee's employment with the Company (if the Grantee is then employed by the Company) and all other Company Affiliates then employing the Grantee for Good Reason; provided, for avoidance of doubt, that no such termination shall constitute a Qualified Termination if the Grantee remains or becomes an employee of the Company or a Company Affiliate immediately following such termination.][10]

"Stock" means a share of the Company's common stock, par value $0.001 per share.

"Terminating Event" shall mean [(A) a Qualified Termination of the Grantee during (i) the 24 months following a Change in Control or (ii) the two-month period prior to the date of a Change in Control, and it is reasonably demonstrated by the Grantee that such termination of employment (1) was at the request of a third party that had taken steps reasonably calculated to effect such Change in Control or (2) otherwise arose in connection with or anticipation of a Change in Control; provided that a Terminating Event under this clause (A) shall not be deemed to have occurred solely as a result of the Grantee being an employee of any direct or indirect successor to the business or assets of the Company, rather than continuing as an employee of the Company following a Change in Control; or (B)][11]a termination by the Company and/or a Company Affiliate of the employment of the Grantee with the Company (if the Grantee is then employed by the Company) and all Company Affiliates then employing the Grantee for any reason other than for Cause or the death or disability (as determined under the then existing long-term disability coverage of the Company or such Company Affiliate) of the Grantee that occurs (x) at least one year after the Grant Date, and (y) at a time when the Grantee's combined age and years of Continuous Service are equal to or greater than 68 and the Grantee has at least seven (7) years of Continuous Service with the Company or a Company Affiliate.

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[9] **Note to Draft:** Exec form only.
[10] **Note to Draft:** Exec form only.
[11] **Note to Draft:** Exec form only.

"Transactional Change in Control" means a Change in Control resulting from any person or group making a tender offer for Stock, a merger or consolidation where the Company is not the surviving entity, the shares of Stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property or consisting of a sale, transfer or disposition of all or substantially all of the assets of the Company.

"Valuation Date" means the earlier of (A) [_____], or (B) the date upon which a Change in Control shall occur.

APPENDIX B

SNL Apartment REIT Index

AvalonBay Communities, Inc.	AVB
BRT Apartments Corp.	BRT
Equity Residential	EQR
Essex Property Trust, Inc.	ESS
Mid-America Apartment Communities, Inc.	MAA
UDR, Inc.	UDR
Camden Property Trust	CPT
Apartment Investment and Management Co	AIV
Independence Realty Trust, Inc.	IRT
Investors Real Estate Trust	IRET
Preferred Apartment Communities, Inc.	APTS
NexPoint Residential Trust Inc.	NXRT
Bluerock Residential Growth REIT, Inc.	BRG

ESSEX PROPERTY TRUST, INC.
2018 STOCK AWARD AND INCENTIVE COMPENSATION PLAN

NOTICE OF STOCK OPTION AWARD

Grantee's Name and Address:

You (the "**Grantee**") have been granted an option to purchase shares of Common Stock, subject to the terms and conditions of this Notice of Stock Option Award (the "**Notice**"), the Essex Property Trust, Inc. 2018 Stock Award and Incentive Compensation Plan, as amended from time to time (the "**Plan**"), and the Stock Option Award Agreement (the "**Option Agreement**") attached hereto, as follows. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Notice.

Award Number	
Grant Date	[_____]
Exercise Price per Share **(*)**	$
Total Number of Shares Subject to the Option (the "**Shares**")	
Total Exercise Price	$
Type of Option	_____ Incentive Stock Option
	_____ Non-Qualified Stock Option
Expiration Date	[_____]

Post-Termination Exercise Period: Three (3) Months, subject to an extended Post-Termination Exercise period that may apply upon a termination of the Grantee's Continuous Service under the circumstances set forth in Section 6, 7, or 8 of the Option Agreement.

***** An amount in addition to the Exercise Price will become payable if the Fair Market Value of the Shares on date of exercise exceeds the Exercise Price per Share by more than $100 as set forth in Section 2(c) of the Option Agreement.

Vesting Schedule:

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

1/3 of the Shares subject to the Option shall vest on the first anniversary of the Grant Date, 1/3 of the Shares subject to the Option shall vest on the second anniversary of the Grant Date, and 1/3 of the Shares subject to the Option shall vest on the third anniversary of the Grant Date.

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

Essex Property Trust, Inc.,
a Maryland corporation

By: _____

Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SUBJECT TO THE OPTION SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE OPTION AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S EMPLOYMENT STATUS IS AT WILL.

THE GRANTEE ACKNOWLEDGES RECEIPT OF A COPY OF THE PLAN AND THE OPTION AGREEMENT, AND REPRESENTS THAT HE OR SHE IS FAMILIAR WITH THE TERMS AND PROVISIONS HEREOF AND THEREOF, AND HEREBY ACCEPTS THE OPTION SUBJECT TO ALL OF THE TERMS AND PROVISIONS HEREOF AND THEREOF. THE GRANTEE HAS REVIEWED THIS NOTICE, THE PLAN, AND THE OPTION AGREEMENT IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO EXECUTING THIS NOTICE, AND FULLY UNDERSTANDS ALL PROVISIONS OF THIS NOTICE, THE PLAN AND THE OPTION AGREEMENT. THE GRANTEE HEREBY AGREES THAT ALL QUESTIONS OF INTERPRETATION AND ADMINISTRATION RELATING TO THIS NOTICE, THE PLAN AND THE OPTION AGREEMENT SHALL BE RESOLVED BY THE ADMINISTRATOR IN ACCORDANCE WITH SECTION 13 OF THE OPTION AGREEMENT. THE GRANTEE FURTHER AGREES TO THE VENUE SELECTION AND WAIVER OF A JURY TRIAL IN ACCORDANCE WITH SECTION 14 OF THE OPTION AGREEMENT. THE GRANTEE FURTHER AGREES TO NOTIFY THE COMPANY UPON ANY CHANGE IN THE RESIDENCE ADDRESS INDICATED IN THIS NOTICE.

Dated: _____ Signed: _____

Grantee

Award Number: _____

ESSEX PROPERTY TRUST, INC.
2018 STOCK AWARD AND INCENTIVE COMPENSATION PLAN

STOCK OPTION AWARD AGREEMENT

1. Grant of Option. Essex Property Trust, Inc., a Maryland corporation (the "**Company**"), hereby grants to the Grantee (the "**Grantee**") named in the Notice of Stock Option Award (the "**Notice**"), an option (the "**Option**") to purchase the Total Number of Shares of Common Stock subject to the Option (the "**Shares**") set forth in the Notice, at the Exercise Price per Share set forth in the Notice, and payment of, if applicable, the Purchase Price Supplement (as defined below, and collectively with the Exercise Price, the "**Exercise Price**") subject to the terms and provisions of the Notice, this Stock Option Award Agreement (the "**Option Agreement**") and the Company's 2018 Stock Award and Incentive Compensation Plan, as amended from time to time (the "**Plan**"), all of which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

If designated in the Notice as an Incentive Stock Option, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by the Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company) exceeds $100,000, such excess Options, to the extent of the Shares covered thereby in excess of the foregoing limitation, shall be treated as Non-Qualified Stock Options. For this purpose, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the date the Option with respect to such Shares is awarded.

2. Exercise of Option.

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

(b) Method of Exercise. The Option shall be exercisable by compliance with such procedures as specified from time to time by the Administrator, which may include completion and delivery of an exercise notice in a form specified by the Administrator. The Option shall be deemed to be exercised upon completion of the procedures specified by the Administrator and receipt by the Company of the Exercise Price, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3, below.

(c) Purchase Price Supplement. If, at the time of exercise of the Option, the Fair Market Value of a share of Common Stock exceeds the Exercise Price per Share by more than $100 (the "**$100 Spread**"), then an amount equal to the amount by which the Fair Market Value of a share of Common Stock exceeds the $100 Spread shall be payable to the Company in addition to the Exercise Price per Share (the "**Purchase Price Supplement**").

(d) Taxes. Regardless of any action the Company or any Related Entity takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("**Tax-Related Items**"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or a Related Entity. The Grantee further acknowledges that the Company (1) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant or vesting of the Option, the issuance of Shares under the Option, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any dividend equivalents; and (2) does not commit to and is under no obligation to structure the terms of the Option or any aspect of the Option to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result.

Prior to any relevant taxable or tax withholding event, as applicable, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Grantee hereby authorizes the Company or its agent, at the Company's discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following methods:

(i) withholding from wages or other cash compensation otherwise payable to the Grantee by the Company or the Company's employer (if different); and/or

(ii) withholding from the proceeds of the sale of Shares acquired upon exercise of the Option, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization); and/or

(iii) withholding in Shares to be issued upon exercise of the Option.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Grantee will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Grantee will be deemed to have been issued the full number of Shares subject to the exercised portion of the Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Grantee's participation in the Plan.

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

(a) cash;

(b) check;

(c) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised; or

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

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

5. Termination or Change of Continuous Service.

(a) In the event the Grantee's Continuous Service terminates, other than for Cause, the Grantee may, but only during the Post-Termination Exercise Period (set forth in the Notice), exercise the portion of the Option that was vested at the date of such termination (the "**Termination Date**"). In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall terminate concurrently with the termination of the Grantee's Continuous Service. In no event, however, shall the Option be exercised later than the Expiration Date set forth in the Notice.

(b) Change in Status. In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant or from an Employee whose customary employment is 20 hours or more per week to an Employee whose customary employment is fewer than 20 hours per week, then, unless otherwise required by law, the Option shall remain in place and vesting of the Option shall continue; provided, however, that with respect to any Incentive Stock Option that shall remain in effect after a change in status from Employee to Director or Consultant, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following such change in status. Except as provided in Sections 6, 7 and 8 below, to the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the Post-Termination Exercise Period, the Option shall terminate.

(c) Leave of Absence. During any authorized leave of absence, the vesting of the Option as provided in this schedule shall be suspended after the leave of absence exceeds a period of ninety (90) days. For purposes of an Incentive Stock Option, in the case of any leave of absence exceeding three months where reemployment upon expiration of the leave is not guaranteed by statute or contract, the Incentive Stock Option shall be treated as a Non-Statutory Stock Option on the date three months and one day following the date that the leave of absence exceeds three months. Vesting of the Option shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity. The Vesting Schedule of the Option shall be extended by the length of the suspension.

(d) Terminating Event. Notwithstanding anything in the Notice, this Option Agreement or the Plan to the contrary, upon the termination by the Company and/or a Company Affiliate of the Grantee's Continuous Service with the Company and all Company Affiliates (for which the Grantee is then providing Continuous Service) for any reason other than for Cause or the death or disability (as determined under the then existing long-term disability coverage of the Company or such Company Affiliate) of the Grantee that occurs (x) at least one year after the Grant Date, and (y) at a time when the Grantee's combined age and years of Continuous Service are equal to or greater than 68 and the Grantee has at least seven (7) years of Continuous Service with the Company or a Company Affiliate, the Shares subject to the Option that are unvested immediately prior to such termination or change will not be forfeited and will instead vest in full upon such termination of Continuous Service..

6. Retirement of Grantee. If the Grantee's Continuous Service terminates at a time when the Grantee's combined age and years of Continuous Service is equal to or greater than 68, then the Grantee may, but only within the period ending on the third anniversary of the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested as of the Termination Date. To the extent that the Option was unvested on the Termination Date then, except as provided in Section 5(d) above, the Option shall terminate. If the Grantee does not exercise the vested portion of the Option within the time specified herein the Option shall terminate. If the Option is an Incentive Stock Option, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the Termination Date.

7. Disability of Grantee. In the event the Grantee's Continuous Service terminates as a result of his or her Disability, the Grantee may, but only within twelve (12) months from the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date; provided, however, that if such Disability is not a "disability" as such term is defined in Section 22(e)(3) of the Code (without regard to the last sentence thereof) and the Option is an Incentive Stock Option, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the Termination Date. To the extent that the Option was unvested on the Termination Date then the Option shall terminate. If the Grantee does not exercise the vested portion of the Option within the time specified herein the Option shall terminate. Section 22(e)(3) of the Code provides, in part, that an individual is permanently and totally disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

8. Death of Grantee. In the event of the termination of the Grantee's Continuous Service as a result of his or her death, or in the event of the Grantee's death during the Post-Termination Exercise Period or during the twelve (12) month period following the Grantee's termination of Continuous Service as a result of his or her Disability, the person who acquired the right to exercise the Option pursuant to Section 9 may exercise the portion of the Option that was vested at the date of termination within twelve (12) months from the date of death (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of death then the Option shall terminate. If the vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

9. Transferability of Option. The Option, if an Incentive Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Grantee only by the Grantee. The Option, if a Non-Qualified Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution, provided, however, that a Non-Qualified Stock Option may be transferred during the lifetime of the Grantee to the extent and in the manner authorized by the Administrator, subject to the applicable limitations, if any, described in the General Instructions to Form S-8 Registration Statement under the Securities Act; provided, that any transfer of a Non-Qualified Stock Option that is permitted hereunder shall be without consideration, except as required by Applicable Laws. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Incentive Stock Option or Non-Qualified Stock Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Following the death of the Grantee, the Option, to the extent provided in Section 8, may be exercised (a) by the person or persons designated under the deceased Grantee's beneficiary designation or (b) in the absence of an effectively designated beneficiary, by the Grantee's legal representative or by any person empowered to do so under the deceased Grantee's will or under the then applicable laws of descent and distribution. The Option may not be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance of the Option shall be void and unenforceable against the Company or any Related Entity. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

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

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

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

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

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

15. Tax Consequences for Exercise After Per Share Fair Market Value Exceeds $100 Spread. The Grantee hereby acknowledges that he or she shall be solely responsible for any adverse tax consequences that may arise if the Grantee elects to exercise the Option at any time after the date that the Fair Market Value of a share of Common Stock exceeds the Exercise Price Per Share by an amount that would exceed the $100 Spread (as contemplated under Section 2(c) hereof).

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

17. Adjustments. The number and type of Shares subject to the Option and exercise price Option is subject to adjustment as provided in Section 10 of the Plan. The Grantee shall be notified of such adjustment and such adjustment shall be binding upon the Company and the Grantee.

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

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

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

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

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

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

24. Amendments. The Company may amend this Agreement at any time, provided that no such amendment shall be made without the Grantee's consent if such action would materially and adversely affect the Grantee's rights under this Agreement. The Company reserves the right to impose other requirements on the Option and the Shares acquired upon vesting of the Option, to the extent the Company determines it is necessary or advisable under the laws of the country in which the Grantee resides pertaining to the issuance or sale of the Shares or to facilitate the administration of the Plan.

25. Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

26. Waiver. The Grantee acknowledges that a waiver by the Company of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Grantee or any other person.

27. Recovery of Erroneously Awarded Compensation. If the Grantee is now or hereafter becomes subject to any policy providing for the recovery of Awards, Shares, proceeds or payments to the Grantee in the event of fraud or other circumstances, then this Award, and any Shares issuable upon the exercise of the Option or proceeds therefrom, are subject to potential recovery by the Company under the circumstances provided under such policy as may be in effect from time to time.

END OF AGREEMENT

ESSEX PROPERTY TRUST, INC.

List of Subsidiaries
as of December 31, 2021

1. Essex Portfolio, L.P., a California limited partnership
2. Essex Management Corporation, a California corporation
3. Essex-Palisades Facilitator, a California limited partnership
4. Essex Mirabella Marina Apartments, L.P., a California limited partnership
5. Essex San Ramon Partners L.P., a California limited partnership
6. Essex Camarillo Corporation, a California corporation
7. Essex Camarillo, L.P., a California limited partnership
8. Essex Meadowood, L.P., a California limited partnership
9. Essex Bunker Hill, L.P., a California limited partnership
10. Essex Treetops, L.P., a California limited partnership
11. Essex Bluffs, L.P., a California limited partnership
12. Essex Huntington Breakers, L.P., a California limited partnership
13. Essex Stonehedge Village, L.P., a California limited partnership
14. Essex Inglenook Court, LLC, a Delaware limited liability company
15. Essex Wandering Creek, LLC, a Delaware limited liability company
16. Essex Columbus, L.P., a California limited partnership
17. Essex Lorraine, L.P., a California limited partnership
18. Essex Glenbrook, L.P., a California limited partnership
19. Essex Euclid, L.P., a California limited partnership
20. Richmond Essex L.P., a California limited partnership
21. Essex Wilshire, L.P., a California limited partnership
22. Essex Wynhaven, L.P., a California limited partnership
23. Jackson School Village Limited Partnership, a California limited partnership
24. Essex Carlyle, L.P., a California limited partnership
25. Essex Cochran, L.P., a California limited partnership
26. Essex Kings Road, L.P., a California limited partnership
27. Essex Le Parc, L.P., a California limited partnership
28. Essex Monterey Villas, L.P., a California limited partnership
29. Essex Monterey Villas, LLC, a Delaware limited liability company
30. Essex Jaysac Tasman, L.P., a California limited partnership
31. Western Blossom Hill Investors, a California limited partnership
32. Western-Los Gatos I Investors, a California limited partnership
33. Western Highridge Investors, a California limited partnership
34. Western-San Jose III Investors, a California limited partnership
35. Western Riviera Investors, a California limited partnership
36. Western-Palo Alto II Investors, a California limited partnership
37. Irvington Square Associates, a California limited partnership

Western-Seven Trees Investors, a California limited partnership
Western-Las Hadas Investors, a California limited partnership

San Pablo Medical Investors, Ltd., a California limited partnership
Gilroy Associates, a California limited partnership
The Oakbrook Company, an Ohio limited partnership
Pine Grove Apartment Fund, Ltd., a California limited partnership
Valley Park Apartments, Ltd., a California limited partnership
Fairhaven Apartment Fund, Ltd., a California limited partnership
K-H Properties, a California limited partnership
Villa Angelina Apartment Fund, Ltd., a California limited partnership
Essex Camarillo Oaks 789, L.P., a California limited partnership
Essex Emerald Ridge, L.P., a California limited partnership
Essex CAL-WA, L.P., a California limited partnership
Essex Marina City Club, L.P., a California limited partnership
Essex Fountain Park Apartments, L.P., a California limited partnership
Essex SPE, LLC, a Delaware limited liability company
Essex MCC, LLC, a Delaware limited liability company
Essex Excess Assets TRS, Inc., a Delaware corporation
Essex The Pointe, L.P., a California limited partnership
Essex Tierra Vista, L.P., a California limited partnership
EMC SPE, LLC, a Delaware limited liability company
Essex Vista Belvedere, L.P., a California limited partnership
Essex Marbrisa Long Beach, L.P., a California limited partnership
Essex Northwest Gateway, LLC, a Delaware limited liability company
Essex Fairwood Pond, L.P., a California limited partnership
Park Hill LLC, a Washington limited liability company
Essex NBN SPE, LLC, a Delaware limited liability company
Essex Gateway Management, LLC, a California limited liability company
Northwest Gateway Apartments, L.P., a California limited partnership
Essex Alamo, L.P., a Delaware limited partnership
Essex Broadway, LLC, a Washington limited liability company
Essex HGA, LLC, a Delaware limited liability company
Essex Hillsdale Garden Apartments, L.P., a California limited partnership
Essex Camino Ruiz Apartments, L.P., a California limited partnership
Belmont Affordable Partners, L.P., a California limited partnership
Essex Chestnut Apartments, L.P., a California limited partnership
Essex Canyon Oaks Apartments, L.P., a California limited partnership
Essex Esplanade, L.P., a California limited partnership
Pacific Western Insurance LLC, a Hawaii limited liability company
Western-Mountain View II Investors, a California limited partnership
Western-San Jose IV Investors Limited Partnership, a California limited partnership
Essex Berkeley 4th Street, L.P., a California limited partnership
Newport Beach North LLC, a Delaware limited liability company

81 Essex Summerhill Park, L.P., a California limited partnership
82 Essex Skyline, L.P., a Delaware limited partnership
83 Essex San Fernando, L.P., a California limited partnership
84 Essex Eagle Rim, L.P., a California limited partnership
85 Essex Hillcrest Park, L.P., a California limited partnership
86 Essex The Commons, L.P., a California limited partnership
87 Essex Derian, L.P., a California limited partnership
88 Essex Bella Villagio, L.P., a California limited partnership
89 Essex NoHo Apartments, L.P., a California limited partnership
90 Essex Hillsborough Park, L.P., a California limited partnership
91 Essex Santee Court, L.P., a California limited partnership
92 Essex City View, L.P., a California limited partnership
93 Essex Courtyard, L.P., a California limited partnership
94 Essex Anavia, L.P., a California limited partnership
95 Essex Waterford, L.P., a California limited partnership
96 RP/Essex Skyline Holdings, L.L.C., a Delaware limited liability company
97 Essex Valley Village Magnolia, LLC, a Delaware limited liability company
98 Essex Queen Anne, LLC, a Washington limited liability company
99 Essex Wesco, L.P., a California limited partnership
100 Essex Arbors, L.P., a California limited partnership
101 Essex Cadence GP, L.P., a Delaware limited partnership
102 Essex Cadence Owner, L.P., a California limited partnership
103 Cadence San Jose, L.P., a Delaware limited partnership
104 Essex Warner Center, L.P., a California limited partnership
105 Essex Bellerive, L.P., a California limited partnership
106 Essex Bernard, L.P., a California limited partnership
107 Essex Dublin GP, L.P., a Delaware limited partnership
108 Essex Dublin Owner, L.P., a California limited partnership
109 West Dublin Bart, L.P., a Delaware limited partnership
110 Essex Redmond Hill CW, L.P., a California limited partnership
111 Essex Redmond Hill NE, L.P., a California limited partnership
112 Essex Monarch I, L.P., a Delaware limited partnership
113 Essex Monarch La Brea Apartments, L.P., a California limited partnership
114 Essex Monarch II, L.P., a Delaware limited partnership
115 Essex Monarch Santa Monica Apartments, L.P., a California limited partnership
116 Essex Briarwood, L.P., a California limited partnership
117 Essex The Woods, L.P., a California limited partnership
118 Essex JMS Acquisition, L.P., a California limited partnership
119 Wesco I, LLC, a Delaware limited liability company
120 Santa Clara Square, LLC, a California limited liability company
121 Wesco GP, LLC, a Delaware limited liability company
122 Cadence REIT, LLC, a Delaware limited liability company
123 LINC REIT, LLC, a Delaware limited liability company
124 EssexMonarch GP I, LLC, a Delaware limited liability company
125 EssexMonarch GP II, LLC, a Delaware limited liability company

126 Wesco Redmond CW GP, LLC, a Delaware limited liability company
127 Wesco Redmond NE GP, LLC, a Delaware limited liability company
128 Essex Huntington on Edinger, L.P., a California limited partnership
129 Essex Montebello, L.P., a California limited partnership
130 Essex PE Lofts, L.P., a California limited partnership
131 Essex Riley Square, L.P., a California limited partnership
132 Essex Moorpark GP, L.P., a California limited partnership
133 Essex Moorpark Owner, L.P., a California limited partnership
134 Essex Moorpark, L.P., a Delaware limited partnership
135 Essex Moorpark REIT, LLC, a Delaware limited liability company
136 Essex Wesco III, L.P. a California limited partnership
137 Wesco III, LLC, a Delaware limited liability company
138 Wesco III GP, LLC, a Delaware limited liability company
139 Essex Haver Hill, L.P., a California limited partnership
140 Essex Fox Plaza, L.P., a California limited partnership
141 Essex Walnut GP, L.P., a Delaware limited partnership
142 Essex Walnut Owner, L.P., a California limited partnership
143 Essex Walnut, L.P., a Delaware limited partnership
144 Essex Regency Escuela, L.P., a California limited partnership
145 La Brea Affordable Partners, L.P., a California limited partnership
146 Santa Monica Affordable Partners, L.P., a California limited partnership
147 Essex Gas Company Lofts, L.P., a California limited partnership
148 BEXAEW Bothell Ridge, LP, a Washington limited partnership
149 BEXAEW Parkside Court, LP, a California limited partnership
150 BEXAEW Esplanade, LP, a California limited partnership
151 BEXAEW The Havens, LP, a California limited partnership
152 Essex Piedmont, L.P., a California limited partnership
153 Essex Bellevue Park, L.P., a California limited partnership
154 Essex Emeryville GP, L.P., a Delaware limited partnership
155 Essex Emeryville, L.P., a Delaware limited partnership
156 Essex Emeryville Owner, L.P., a California limited partnership
157 Essex Pleasanton GP, L.P., a Delaware limited partnership
158 Essex Pleasanton, L.P., a Delaware limited partnership
159 Essex Pleasanton Owner, L.P., a California limited partnership
160 Essex Cadence Phase III Owner, L.P., a California limited partnership
161 Block 9 Transbay, LLC, a Delaware limited liability company
162 BEX Portfolio, LLC, a Delaware limited liability company
163 Wesco III BEX, LLC, a Delaware limited liability company
164 Essex Wesco IV, LLC, a Delaware limited liability company
165 Wesco IV, LLC, a Delaware limited liability company
166 Essex BEXAEW, LLC, a Delaware limited liability company
167 BEXAEW, LLC, a Delaware limited liability company
168 BEXAEW GP, LLC, a Delaware limited liability company
169 BRE-FMCA, LLC, a Delaware limited liability company
170 BEX FMCA, LLC, a Delaware limited liability company
171 Emerald Pointe Apartments, LLC, a Delaware limited liability company
172 Essex Emeryville REIT, LLC, a Delaware limited liability company
173 Essex Pleasanton REIT, LLC, a Delaware limited liability company

174 Cadence Phase III REIT, LLC, a Delaware limited liability company
175 GBR Palm Valley LLC, a Delaware limited liability company
176 Palm Valley Roll-Up LLC, a Delaware limited liability company
177 New Century Towers, LLC, a Delaware limited liability company
178 Block 9 Residential, LLC, a Delaware limited liability company
179 Essex Block 9 Manager, LLC, a Delaware limited liability company
180 Essex Form 15, LP, a California limited partnership
181 Essex Park Catalina, LP, a California limited partnership
182 500 Folsom, LP, a California limited partnership
183 Essex Bridgeport, LP, a California limited partnership
184 Essex 500 Folsom, LLC, a Delaware limited liability company
185 Block 9 MRU Residential, LLC, a Delaware limited liability company
186 BEX II, LLC, a Delaware limited liability company
187 BEX II GP, LLC, a Delaware limited liability company
188 Essex Kiely, LP, a California limited partnership
189 Block 9 UPPER MRU and Retail, LLC, a Delaware limited liability company
190 Japantown Associates, LLC, a Delaware limited liability company
191 Essex BEX II, LLC, a Delaware limited liability company
192 Essex Portfolio Management, L.P., a California limited partnership
193 360 Residences, L.P., a California limited partnership
194 Essex Toluca Lake, L.P., a California limited partnership
195 GBR Palma Sorrento LLC, a Delaware limited liability company
196 GBR Villa Veneto LLC, a Delaware limited liability company
197 GBR Santa Palmia LLC, a Delaware limited liability company
198 GBR Palm Valley Podium LLC, a Delaware limited liability company
199 PPC Sage LLC, a Delaware limited liability company
200 PPC Sage Apartments Manager II LLC, a Delaware limited liability company
201 GR Block B LLC, a Delaware limited liability company
202 GR Block C LLC, a Delaware limited liability company
203 EPT SPE LLC, a Delaware limited liability company
204 Essex Wesco V, LLC, a California limited liability company
205 Wesco V, LLC, a Delaware limited liability company
206 Wesco V GP, LLC, a Delaware limited liability company
207 Wesco V Sub, LLC, a Delaware limited liability company
208 Wesco V Sub GP, LLC, a Delaware limited liability company
209 Essex Wesco VI, LLC, a Delaware limited liability company
210 Wesco VI, LLC, a Delaware limited liability company
211 Martha Lake Apartments, LLC, a Delaware limited liability company
212 Essex Monterra, LLC, a Delaware limited liability company
213 Essex Vela On Ox, LLC, a Delaware limited liability company
214 Essex Canvas, LLC, a Delaware limited liability company
215 Essex Buena Vista, LLC, a Delaware limited liability company
216 Monarch Buena Vista, LLC, a Delaware limited liability company
217 Monarch Buena Vista Borrower, LLC, a Delaware limited liability company
218 8th and Republican, LLC, a Washington limited liability company
219 8th & Republican SPE, LLC, a Delaware limited liability company
220 Essex 19 BWay, LLC, a Delaware limited liability company
221 Essex BEX III, LLC, a Delaware limited liability company

222 BEX III, LLC, a Delaware limited liability company
223 BEX III GP, LLC, a Delaware limited liability company
224 Essex Meridian, LLC, a Delaware limited liability company
225 PacWest Insurance Services, LLC, a California limited liability company
226 Essex Scripps, LLC, a Delaware limited liability company
227 Zarsion Essex, LLC, a Delaware limited liability company
228 Courtyards at 65th, L.P., a California limited partnership
229 Essex Township, L.P., a California limited partnership
230 Essex Hamilton, L.P., a California limited partnership
231 Monarch Essex Scripps, LLC, a Delaware limited liability company
232 Monarch Essex Scripps GP, LLC, a Delaware limited liability company
233 Scripps MRU Owner, L.P., a California limited partnership
234 Scripps AU Owner, L.P., a California limited partnership
235 Essex Velo Ray, L.P., a California limited partnership
236 WC Brio Apartments LLC, a Delaware limited liability company
237 SAC Redwood City Apartments LLC, a Delaware limited liability company
238 Essex BEX IV, LLC, a Delaware limited liability company
239 BEX IV, LLC, a Delaware limited liability company
240 BEX IV GP, LLC, a Delaware limited liability company
241 EPLP CA, LLC, a Delaware limited liability company

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements Nos. 333-259777 & 333-102552 on Form S-3 and registration statements Nos.333-224941, 333-194954, 333-189239, 333-123001 and 333-122999 on Form S-8 of Essex Property Trust, Inc. of our reports dated February 25, 2022, with respect to the consolidated financial statements and financial statement Schedule III of Essex Property Trust, Inc. and subsidiaries and Essex Portfolio, L.P. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP
San Francisco, California
February 25, 2022

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement No. 333-259777-01 on Form S-3 of Essex Portfolio, L.P. of our report dated February 25, 2022, with respect to the consolidated financial statements of Essex Portfolio, L.P. and subsidiaries and financial statement schedule III of Essex Property Trust, Inc. and Essex Portfolio, L.P.

/s/ KPMG LLP
San Francisco, California
February 25, 2022

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 annual report on Form 10-K 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: February 25, 2022

/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 annual report on Form 10-K 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: February 25, 2022

/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 annual report on Form 10-K 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: February 25, 2022

/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 annual report on Form 10-K 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: February 25, 2022

/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 Annual Report on Form 10-K for the year ended December 31, 2021 (the "Form 10-K") 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-K fairly presents, in all material respects, the financial condition and results of operations of Essex Property Trust, Inc. at the dates of and for the periods presented.

Date: February 25, 2022

/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 Annual Report on Form 10-K for the year ended December 31, 2021 (the "Form 10-K") 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-K fairly presents, in all material respects, the financial condition and results of operations of Essex Property Trust, Inc. at the dates of and for the periods presented.

Date: February 25, 2022

/s/ Barbara Pak

Barbara Pak
Executive Vice President, 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 Annual Report on Form 10-K for the year ended December 31, 2021 (the "Form 10-K") 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-K fairly presents, in all material respects, the financial condition and results of operations of Essex Portfolio, L.P. at the dates of and for the periods presented.

Date: February 25, 2022

/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 Annual Report on Form 10-K for the year ended December 31, 2021 (the "Form 10-K") 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-K fairly presents, in all material respects, the financial condition and results of operations of Essex Portfolio, L.P. at the dates of and for the periods presented.

Date: February 25, 2022

/s/ Barbara Pak

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