

ESSEX ANNOUNCES FOURTH QUARTER AND FULL-YEAR 2025 RESULTS AND PROVIDES 2026 GUIDANCE

San Mateo, California—February 4, 2026—Essex Property Trust, Inc. (NYSE:ESS) (the “Company”) announced today its fourth quarter and full-year 2025 earnings results and related business activities.

Net Income, Funds from Operations (“FFO”), and Core FFO per diluted share for the three and twelve months ended December 31, 2025 are detailed below.

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2025	2024	% Change	2025	2024	% Change
<u>Per Diluted Share</u>						
Net Income	\$1.25	\$4.00	-68.8%	\$10.40	\$11.54	-9.9%
Total FFO	\$3.94	\$3.69	6.8%	\$15.98	\$15.99	-0.1%
Core FFO	\$3.98	\$3.92	1.5%	\$15.94	\$15.60	2.2%

Fourth Quarter and Full-Year 2025 Highlights:

- Reported Net Income per diluted share for the fourth quarter of 2025 of \$1.25, compared to \$4.00 in the fourth quarter of 2024. For the full-year 2025, the Company reported Net Income per diluted share of \$10.40 compared to \$11.54 in 2024. The year-over-year decline in fourth quarter and full-year 2025 Net Income per diluted share is largely attributable to gains on sale of real estate and land and gains on remeasurement of co-investments in the prior year period.
- Grew Core FFO per diluted share by 1.5% compared to the fourth quarter of 2024 and 2.2% compared to the full-year 2024, exceeding the midpoint of the Company’s original full year guidance range. The outperformance was primarily driven by favorable same-property revenue growth.
- Achieved both same-property revenue and net operating income (“NOI”) growth of 3.8% compared to the fourth quarter of 2024. For the full-year 2025, same-property revenue and NOI grew 3.3% and 3.2%, respectively, both exceeding the midpoint of the Company’s original guidance range.
- For the full-year 2025, the Company acquired seven apartment communities for a total contract price of \$829.4 million and disposed of five apartment communities for a total pro rata contract price of \$563.8 million.
- For the full-year 2025, the Company received cash proceeds of \$189.8 million from nine structured finance redemptions yielding a weighted average return rate of 9.8% and committed \$21.3 million at pro rata share in an investment yielding a 13.5% return rate.
- Issued \$350.0 million of 10-year senior unsecured notes in the fourth quarter bearing an interest rate of 4.875% per annum and a yield to maturity of 4.988%.
- As of December 31, 2025, the Company’s immediately available liquidity was over \$1.7 billion.

SAME-PROPERTY OPERATIONS

Same-property operating results exclude any properties that are not comparable for the periods presented. The table below illustrates the percentage change in same-property revenue on a year-over-year basis for the three and twelve-month periods ended December 31, 2025 and on a sequential basis for the three months ended December 31, 2025, by submarket for the Company:

	Revenue Change			% of Total Q4 2025 Revenue
	Q4 2025 vs. Q4 2024	YTD 2025 vs. YTD 2024	Q4 2025 vs. Q3 2025	
Southern California				
Los Angeles County	4.5%	3.4%	1.2%	18.7%
Orange County	4.3%	3.6%	1.1%	9.2%
San Diego County	2.1%	2.4%	0.8%	9.3%
Ventura County	3.5%	3.8%	0.7%	4.3%
Total Southern California	3.8%	3.3%	1.1%	41.5%
Northern California				
Santa Clara County	5.2%	3.8%	0.8%	20.3%
Alameda County	3.0%	2.7%	1.1%	7.0%
San Mateo County	6.2%	5.0%	0.3%	4.7%
Contra Costa County	2.0%	2.0%	0.3%	5.4%
San Francisco	2.0%	5.0%	-1.2%	3.0%
Total Northern California	4.2%	3.6%	0.6%	40.4%
Seattle Metro	3.1%	2.8%	-0.8%	18.1%
Same-Property Portfolio	3.8%	3.3%	0.5%	100.0%

The table below illustrates the components that drove the change in same-property revenue on a year-over-year basis for the three and twelve-month periods ended December 31, 2025 and on a sequential basis for the three months ended December 31, 2025.

Same-Property Revenue Components	Q4 2025	YTD 2025	Q4 2025
	vs. Q4 2024	vs. YTD 2024	vs. Q3 2025
Scheduled Rents	2.2%	2.3%	0.1%
Reported Delinquency ⁽¹⁾	0.7%	0.5%	0.0%
Cash Concessions	0.0%	0.0%	-0.2%
Vacancy	0.3%	0.0%	0.2%
Other Income	0.6%	0.5%	0.4%
2025 Same-Property Revenue Growth	3.8%	3.3%	0.5%

⁽¹⁾ The fourth quarter 2025 year-over-year increase to revenue related to delinquency is largely attributable to the Company recording a non-cash charge in the fourth quarter of 2024 and fully eliminating its remaining \$2.7 million residential accounts receivable balance.

	Year-Over-Year Change			Year-Over-Year Change		
	Q4 2025 compared to Q4 2024			YTD 2025 compared to YTD 2024		
	Revenue	Operating Expenses	NOI	Revenue	Operating Expenses	NOI
Southern California	3.8%	5.9%	2.9%	3.3%	5.4%	2.4%
Northern California	4.2%	1.9%	5.3%	3.6%	3.0%	3.8%
Seattle Metro	3.1%	3.8%	2.7%	2.8%	0.5%	3.7%
Same-Property Portfolio	3.8%	3.8%	3.8%	3.3%	3.5%	3.2%

	Sequential Change		
	Q4 2025 compared to Q3 2025		
	Revenue	Operating Expenses	NOI
Southern California	1.1%	-2.0%	2.4%
Northern California	0.6%	-3.9%	2.6%
Seattle Metro	-0.8%	-0.5%	-0.9%
Same-Property Portfolio	0.5%	-2.5%	1.9%

	Financial Occupancies		
	Quarter Ended		
	12/31/2025	9/30/2025	12/31/2024
Southern California	96.3%	95.8%	95.6%
Northern California	96.4%	96.3%	96.2%
Seattle Metro	96.1%	96.2%	96.2%
Same-Property Portfolio	96.3%	96.1%	95.9%

INVESTMENT ACTIVITY

Acquisitions

In November, the Company acquired 1250 Lakeside, a 250-unit apartment community built in 2021 and located in Sunnyvale, CA for a contract price of \$143.5 million.

Other Investments

In the fourth quarter, the Company received cash proceeds of \$91.1 million from full redemptions of three structured finance investments yielding a 9.6% weighted average rate of return. For the full-year, the Company received cash proceeds of \$189.8 million from nine structured finance redemptions yielding a 9.8% weighted average rate of return.

In the fourth quarter, the Company repaid an \$88.2 million senior mortgage associated with a preferred equity investment in an apartment community consisting of 376 units and approximately 9,000 sq. ft. of commercial space. The community was built in 2021 and is located in Los Angeles, CA. Concurrent with the repayment, the Company assumed full managerial control and consolidated the community on its financial statements based on a valuation of \$167.7 million.

BALANCE SHEET AND LIQUIDITY

Balance Sheet

In October, the Company executed an amendment of its existing \$300.0 million unsecured term loan to extend the maturity date from October 2027 to January 2031, inclusive of extension options exercisable at the Company's option. The interest rate was reduced by 0.10% to SOFR plus 0.85% and is swapped to an all-in fixed rate of 4.07% through October 2026.

In December, the Company issued \$350.0 million of 10-year senior unsecured notes due in February 2036 bearing an interest rate of 4.875% per annum and a yield to maturity of 4.988%. The proceeds are intended to repay a portion of the Company's \$450.0 million senior notes due April 2026.

Common Stock and Liquidity

In the fourth quarter, the Company did not issue any shares of common stock through its equity distribution program, exercise any of its previously disclosed forward sale agreements, or repurchase any shares through its stock repurchase plan.

As of December 31, 2025, the Company had over \$1.7 billion in liquidity via undrawn capacity on its unsecured credit facilities, cash and cash equivalents, and marketable securities.

2026 FULL-YEAR GUIDANCE AND KEY ASSUMPTIONS

<u>Per Diluted Share</u>	<u>Range</u>	<u>Midpoint</u>
Net Income	\$5.55 - \$6.05	\$5.80
Total FFO	\$15.54 - \$16.04	\$15.79
Core FFO	\$15.69 - \$16.19	\$15.94
Q1 2026 Core FFO	\$3.89 - \$4.01	\$3.95

<u>Estimated Same-Property Portfolio Growth Based on 52,209 Apartment Homes</u>	<u>Range</u>	<u>Midpoint Cash-Basis⁽¹⁾</u>
Revenue	1.70% to 3.10%	2.40%
Operating Expenses	2.50% to 3.50%	3.00%
Net Operating Income	0.80% to 3.40%	2.10%

⁽¹⁾ The midpoint of the Company's same-property revenue and NOI on a GAAP basis are 2.50% and 2.20%, respectively.

KEY 2026 ASSUMPTIONS

- Investment activities will be influenced by market conditions and cost of capital, consistent with the Company's historical practice of creating NAV and FFO per share.
- Guidance assumes \$175 million in structured finance maturities.
- The Company expects development funding of approximately \$80 million and does not currently plan to start any new developments.
- Revenue generating capital expenditures are expected to be approximately \$100 million at the Company's pro rata share.

2026 CORE FFO PER DILUTED SHARE GUIDANCE MIDPOINT VERSUS FULL-YEAR 2025

The table below provides a summary of changes between the Company's 2025 Core FFO per diluted share and its 2026 Core FFO per diluted share guidance midpoint.

2026 Core FFO Per Diluted Share Guidance Midpoint versus 2025	Midpoint
2025 Core FFO Per Diluted Share	\$ 15.94
NOI from Consolidated Communities	0.60
Structured Finance (Preferred Equity & Mezz) ⁽¹⁾	(0.38)
G&A and Interest and Other Income ⁽²⁾	(0.09)
FFO from Co-Investments, excluding Preferred Equity	(0.07)
Consolidated Net Interest Expense	(0.06)
2026 Core FFO Per Diluted Share Guidance Midpoint	\$ 15.94
2026 Core FFO Per Diluted Share, Excluding Structured Finance Impact ⁽³⁾	\$ 16.23

⁽¹⁾ Reflects the gross impact of structured finance investment activities in 2025 and 2026E. The impact, net of reinvestment, is approximately \$0.29, with the reinvestment offset accounted for in "NOI from consolidated communities."

⁽²⁾ Excludes interest income related to the Company's structured finance subordinated loans, which is reflected in the structured finance line.

⁽³⁾ Excluding the impact from structured finance-related headwinds, net of reinvestment, the Core FFO per diluted share midpoint would be \$16.23, equating to 1.8% year-over-year growth.

For additional details regarding the Company's 2026 FFO guidance range, please see page S-15 and S-16.2 of the supplemental financial information.

CONFERENCE CALL WITH MANAGEMENT

The Company will host an earnings conference call with management to discuss its quarterly results on Thursday, February 5, 2026 at 9:00 a.m. PT (12:00 p.m. ET), which will be broadcast live via the Internet at www.essex.com, and accessible via phone by dialing toll-free, (877) 407-0784, or toll/international, (201) 689-8560. No passcode is necessary.

A rebroadcast of the live call will be available online for 30 days and digitally for 7 days. To access the replay online, go to www.essex.com and select the fourth quarter 2025 earnings link. To access the replay, dial (844) 512-2921 using the replay pin number 13757926. If you are unable to access the information via the Company's website, please contact the Investor Relations Department at investors@essex.com or call (650) 655-7800.

CORPORATE PROFILE

Essex Property Trust, Inc., an S&P 500 company, is a fully integrated real estate investment trust ("REIT") that acquires, develops, redevelops, and manages multifamily residential properties in selected West Coast markets. Essex currently has ownership interests in 259 apartment communities comprising over 63,000 apartment homes with an additional property in active development. Additional information about the Company can be found on the Company's website at www.essex.com.

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

FFO RECONCILIATION

FFO, as defined by the National Association of Real Estate Investment Trusts (“NAREIT”), is generally considered by industry analysts as an appropriate measure of performance of an equity REIT. Generally, FFO adjusts the net income of equity REITs for non-cash charges such as depreciation and amortization of rental properties, impairment charges, gains on sales of real estate and extraordinary items. Management considers FFO and FFO which excludes non-core items, which is referred to as “Core FFO,” to be useful supplemental operating performance measures of an equity REIT because, together with net income and cash flows, FFO and Core FFO provide investors with additional bases to evaluate the operating performance and ability of a REIT to incur and service debt and to fund acquisitions and other capital expenditures and to pay dividends. By excluding gains or losses related to sales of depreciated operating properties and land and excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help investors compare the operating performance of a real estate company between periods or as compared to different companies. By further adjusting for items that are not considered part of the Company’s core business operations, Core FFO allows investors to compare the core operating performance of the Company to its performance in prior reporting periods and to the operating performance of other real estate companies without the effect of items that by their nature are not comparable from period to period and tend to obscure the Company’s actual operating results. FFO and Core FFO do not represent net income or cash flows from operations as defined by U.S. generally accepted accounting principles (“GAAP”) and are not intended to indicate whether cash flows will be sufficient to fund cash needs. These measures should not be considered as alternatives to net income as an indicator of the REIT’s operating performance or to cash flows as a measure of liquidity. FFO and Core FFO do not measure whether cash flow is sufficient to fund all cash needs including principal amortization, capital improvements and distributions to stockholders. FFO and Core FFO also do not represent cash flows generated from operating, investing or financing activities as defined under GAAP. Management has consistently applied the NAREIT definition of FFO to all periods presented. However, there is judgment involved and other REITs’ calculation of FFO may vary from the NAREIT definition for this measure, and thus their disclosures of FFO may not be comparable to the Company’s calculation.

The following table sets forth the Company's calculation of diluted FFO and Core FFO for the three and twelve months ended December 31, 2025 and 2024 (in thousands, except for share and per share amounts):

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Net income available to common stockholders	\$ 80,573	\$ 257,453	\$ 669,666	\$ 741,522
Adjustments:				
Depreciation and amortization	153,265	148,435	607,542	580,220
Gains not included in FFO	-	(216,229)	(305,043)	(386,138)
Impairment loss from unconsolidated co-investments	12,634	-	12,634	3,726
Depreciation and amortization from unconsolidated co-investments	13,721	14,676	56,848	66,943
Noncontrolling interest related to Operating Partnership units	2,822	9,339	23,649	26,414
Depreciation attributable to third party ownership and other ⁽¹⁾	(38)	32,340	(160)	31,191
FFO attributable to common stockholders and unitholders	\$ 262,977	\$ 246,014	\$ 1,065,136	\$ 1,063,878
FFO per share – diluted	\$ 3.94	\$ 3.69	\$ 15.98	\$ 15.99
Expensed acquisition and investment related costs	\$ -	\$ 4	\$ 25	\$ 72
Tax expense (benefit) on unconsolidated technology co-investments	257	270	(2,096)	(929)
Realized and unrealized losses (gains) on marketable securities, net	250	2,298	(3,809)	(8,347)
Provision for credit losses	(35)	(63)	26	(179)
Equity income from unconsolidated technology co-investments	(547)	(4,062)	(6,552)	(10,344)
Loss on early retirement of debt	-	-	762	-
Loss on early retirement of debt from unconsolidated co-investments	122	-	122	-
Co-investment promote income	-	-	-	(1,531)
Income from early redemption of preferred equity investments and notes receivable	-	-	(70)	-
General and administrative and other, net ⁽²⁾	2,141	16,938	10,004	39,341
Insurance reimbursements, legal settlements, and other, net ⁽³⁾	(19)	118	(808)	(43,794)
Core FFO attributable to common stockholders and unitholders	\$ 265,146	\$ 261,517	\$ 1,062,740	\$ 1,038,167
Core FFO per share – diluted	\$ 3.98	\$ 3.92	\$ 15.94	\$ 15.60
Weighted average number of shares outstanding diluted ⁽⁴⁾	66,675,698	66,642,599	66,669,649	66,533,908

⁽¹⁾ Includes \$32.4 million of gain on sale attributable to noncontrolling interest for both the three and twelve months ended December 31, 2024.

⁽²⁾ Includes political advocacy costs of \$2.0 million for the twelve months ended December 31, 2025, and \$14.8 million and \$33.3 million for the three and twelve months ended December 31, 2024, respectively.

⁽³⁾ There were no material gains from legal settlements during the three and twelve months ended December 31, 2025, and the three months ended December 31, 2024. During the twelve months ended December 31, 2024, the Company settled two lawsuits related to construction defects at two communities and received cash recoveries of \$42.5 million. The Company determined that all uncertainties were resolved upon receipt of cash and recorded a gain which was excluded from Core FFO.

⁽⁴⁾ Assumes conversion of all outstanding limited partnership units in the Operating Partnership into shares of the Company's common stock and excludes DownREIT limited partnership units.

NET OPERATING INCOME (“NOI”) AND SAME-PROPERTY NOI RECONCILIATIONS

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Earnings from operations	\$ 152,136	\$ 304,496	\$ 899,316	\$ 703,095
Adjustments:				
Corporate-level property management expenses	12,284	11,877	49,052	46,208
Depreciation and amortization	153,265	148,435	607,542	580,220
Management and other fees from affiliates	(2,303)	(2,416)	(9,381)	(10,265)
General and administrative	20,441	31,528	71,948	98,902
Expensed acquisition and investment related costs	-	4	25	72
Gain on sale of real estate and land	-	(175,583)	(299,524)	(175,583)
NOI	335,823	318,341	1,318,978	1,242,649
Less: Non-same property NOI	(44,606)	(37,870)	(168,608)	(128,084)
Same-Property NOI	\$ 291,217	\$ 280,471	\$ 1,150,370	\$ 1,114,565

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

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements which are not historical facts, including statements regarding the Company’s expectations, estimates, assumptions, hopes, intentions, beliefs and strategies regarding the future. Words such as “expects,” “assumes,” “anticipates,” “may,” “will,” “intends,” “plans,” “projects,” “believes,” “seeks,” “future,” “estimates,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements include, among other things, statements regarding the Company’s first quarter and full-year 2026 guidance (including net income, Total FFO and Core FFO, same-property growth and related assumptions) and anticipated yield on certain investments. 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: assumptions related to our first quarter and full-year 2026 guidance; occupancy rates and rental demand may be adversely affected by competition and local economic and market conditions; there may be increased interest rates, inflation, escalated operating costs and possible recessionary impacts; tariffs, geopolitical tensions and regional conflicts, and the related impacts on macroeconomic conditions, including, among other things, interest rates and inflation; the terms of any refinancing may not be as favorable as the terms of existing indebtedness; the Company's inability to maintain its investment grade credit rating with the rating agencies; the Company may be unsuccessful in the management of its relationships with its co-investment partners; the Company may fail to achieve its business objectives; time of actual completion and/or stabilization of development and redevelopment projects; estimates of future income from an acquired property may prove to be inaccurate; 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 and the anticipated or actual impact of future changes in laws or regulations; unexpected difficulties in leasing of future development projects; volatility in financial and securities markets; the Company's failure to successfully operate acquired properties; unforeseen consequences from cyber-intrusion; government approvals, actions and initiatives, including the need for compliance with environmental requirements; and those further risks, special considerations, and other factors referred to in the Company's annual report on Form 10-K for the year ended December 31, 2024, quarterly reports on Form 10-Q, 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. All forward-looking statements are made as of the date hereof, the Company assumes no obligation to update or supplement this information for any reason, and therefore, they may not represent the Company's estimates and assumptions after the date of this press release.

DEFINITIONS AND RECONCILIATIONS

Non-GAAP financial measures and certain other capitalized terms, as used in this earnings release, are defined and further explained on pages S-17.1 through S-17.4, "Reconciliations of Non-GAAP Financial Measures and Other Terms," of the accompanying supplemental financial information. The supplemental financial information is available on the Company's website at www.essex.com.

Contact Information

Loren Rainey
Sr. Director, Investor Relations
(650) 655-7800
lrainey@essex.com