ESSEX
PROPERTY TRUST, INC.

ESSEX ANNOUNCES FOURTH QUARTER AND FULL-YEAR 2024 RESULTS AND PROVIDES 2025 GUIDANCE

San Mateo, California—February 4, 2025—Essex Property Trust, Inc. (NYSE:ESS) (the "Company") announced today its fourth quarter and full-year 2024 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, 2024 are detailed below.

	Three Months Ended December 31,		%	Twelve Months Ended December 31,		%
	2024	2023	Change	**2024**	2023	Change
Per Diluted Share						
Net Income	**$4.00**	$1.02	292.2%	**$11.54**	$6.32	82.6%
Total FFO	**$3.69**	$3.87	-4.7%	**$15.99**	$15.24	4.9%
Core FFO	**$3.92**	$3.83	2.3%	**$15.60**	$15.03	3.8%

Fourth Quarter and Full-Year 2024 Highlights:

- Reported Net Income per diluted share for the fourth quarter of 2024 of $4.00, compared to $1.02 in the fourth quarter of 2023. For the full-year 2024, the Company reported Net Income per diluted share of $11.54 compared to $6.32 in 2023. The year-over-year increases were primarily driven by gains on sale of real estate and gains on remeasurements of co-investments.

- Grew Core FFO per diluted share by 2.3% compared to the fourth quarter of 2023 and 3.8% compared to the full-year 2023, exceeding the high-end of the Company's original guidance range. The outperformance was primarily driven by favorable same-property revenue growth.

- Achieved same-property revenues and net operating income ("NOI") growth of 2.6% and 1.7%, respectively, compared to the fourth quarter of 2023. For the full-year 2024, same-property revenues and NOI grew 3.3% and 2.6%, respectively, both exceeding the high-end of the Company's original guidance range.

- For the full-year 2024, the Company acquired or increased its ownership interest in 13 apartment communities for a total contract price of $1.4 billion on a gross basis ($849.4 million at pro rata) and disposed of one apartment community for a contract price of $252.4 million on a gross basis ($205.7 million at pro rata).

- For the full-year 2024, the Company received cash proceeds of $108.8 million from redemptions of structured finance investments yielding a weighted average return rate of 10.4%.

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 revenues on a year-over-year basis for the three and twelve-month periods ended December 31, 2024 and on a sequential basis for the three months ended December 31, 2024, by submarket for the Company:

	Revenue Change			
	Q4 2024 vs. Q4 2023	**YTD 2024 vs. YTD 2023**	**Q4 2024 vs. Q3 2024**	**% of Total Q4 2024 Revenues**
Southern California				
Los Angeles County	2.3%	2.3%	-0.8%	18.5%
Orange County	3.7%	4.9%	0.4%	10.8%
San Diego County	4.0%	5.7%	0.1%	9.2%
Ventura County	5.3%	6.1%	0.5%	4.2%
Total Southern California	**3.3%**	**4.0%**	**-0.2%**	**42.7%**
Northern California				
Santa Clara County	2.1%	2.7%	-1.0%	19.4%
Alameda County	2.2%	1.8%	-0.2%	7.7%
San Mateo County	0.9%	2.9%	-1.4%	4.5%
Contra Costa County	1.1%	2.7%	-0.6%	5.4%
San Francisco	4.0%	3.3%	1.4%	2.6%
Total Northern California	**2.0%**	**2.6%**	**-0.7%**	**39.6%**
Seattle Metro	**2.1%**	**2.9%**	**-0.8%**	**17.7%**
Same-Property Portfolio	**2.6%**	**3.3%**	**-0.5%**	**100.0%**

The table below illustrates the components that drove the change in same-property revenues on a year-over-year basis for the three and twelve-month periods ended December 31, 2024 and on a sequential basis for the three months ended December 31, 2024.

Same-Property Revenue Components	**Q4 2024 vs. Q4 2023**	**YTD 2024 vs. YTD 2023**	**Q4 2024 vs. Q3 2024**
Scheduled Rents	1.9%	1.9%	0.3%
Reported Delinquency [(1)]	0.2%	0.9%	-0.6%
Cash Concessions	-0.2%	0.1%	-0.2%
Vacancy	-0.2%	-0.4%	-0.2%
Other Income	0.9%	0.8%	0.2%
2024 Same-Property Revenue Growth	**2.6%**	**3.3%**	**-0.5%**
Same-Property Revenue Growth Excluding AR Elimination			
2024 Same-Property Revenue Growth	2.6%	3.3%	-0.5%
Add Back: Non-Cash AR Elimination [(1)]	0.6%	0.1%	0.7%
Adjusted 2024 Same-Property Revenue Growth	**3.2%**	**3.4%**	**0.2%**

(1) In the fourth quarter of 2024, the Company recorded a non-cash charge to fully eliminate its remaining $2.8 million residential accounts receivable (“AR”) balance, resulting in no residential accounts receivable at year-end.

	Year-Over-Year Change Q4 2024 compared to Q4 2023			Year-Over-Year Change YTD 2024 compared to YTD 2023		
	Revenues	Operating Expenses	NOI	Revenues	Operating Expenses	NOI
Southern California	3.3%	4.2%	2.9%	4.0%	4.1%	4.0%
Northern California	2.0%	4.3%	0.9%	2.6%	5.2%	1.5%
Seattle Metro	2.1%	6.8%	0.3%	2.9%	6.0%	1.7%
Same-Property Portfolio	**2.6%**	**4.7%**	**1.7%**	**3.3%**	**4.9%**	**2.6%**

	Sequential Change Q4 2024 compared to Q3 2024		
	Revenues	Operating Expenses	NOI
Southern California	-0.2%	-1.5%	0.4%
Northern California	-0.7%	-3.1%	0.4%
Seattle Metro	-0.8%	-4.2%	0.6%
Same-Property Portfolio	**-0.5%**	**-2.6%**	**0.5%**

	Financial Occupancies Quarter Ended		
	12/31/2024	9/30/2024	12/31/2023
Southern California	95.6%	95.9%	95.9%
Northern California	96.2%	96.4%	96.2%
Seattle Metro	96.2%	96.6%	96.5%
Same-Property Portfolio	**95.9%**	**96.2%**	**96.1%**

INVESTMENT ACTIVITY

Acquisitions

In October, the Company acquired its joint venture partner's 49.9% interest in the BEX II portfolio, comprising four communities totaling 871 apartment homes, for a total contract price of $337.5 million on a gross basis ($168.4 million at pro rata). Concurrent with the closing, the Company assumed $95.0 million of secured mortgages associated with the portfolio and consolidated the communities on the Company's financial statements. As a result of the acquisition, the Company recorded a gain on remeasurement of co-investments of $40.6 million in the fourth quarter, which has been excluded from Total and Core FFO.

In November, the Company acquired Beaumont, a 344-unit apartment home community built in 2009 and located in Woodinville, WA for a contract price of $136.1 million.

Subsequent to quarter end, the Company acquired The Plaza, a 307-unit apartment home community built in 2013 and located in Foster City, CA for a contract price of $161.4 million.

Dispositions

In October, the Company sold its 81.5% interest in a 76-year-old apartment home community located in San Mateo, CA for a contract price of $252.4 million on a gross basis ($205.7 million at pro rata). The Company recorded a gain on sale of real estate of $175.6 million in the fourth quarter, which has been excluded from Total and Core FFO.

Other Investments

In the fourth quarter, the Company received cash proceeds of $58.4 million from the full and partial redemptions of three structured finance investments yielding a 9.7% weighted average rate of return. For the full-year 2024, the Company received cash proceeds of $108.8 million from the redemptions of structured finance investments yielding a 10.4% weighted average rate of return.

In the fourth quarter, the Company repaid a $72.0 million senior mortgage associated with a preferred equity investment in a stabilized apartment home community located in Oakland, CA and subsequently assumed full managerial control in January 2025. The Company has not accrued income on this investment since the fourth quarter of 2022 and impaired the investment in the fourth quarter of 2023. The Company will consolidate the apartment home community on its financial statements in the first quarter of 2025 and expects this investment will be FFO neutral to the 2025 forecast.

BALANCE SHEET AND LIQUIDITY

Common Stock and Liquidity

For the full-year 2024, the Company did not issue any shares of common stock through its equity distribution program or repurchase any shares through its stock repurchase plan.

As of December 31, 2024, the Company had approximately $1.3 billion in liquidity via undrawn capacity on its unsecured credit facilities, cash and cash equivalents, and marketable securities.

2025 FULL-YEAR GUIDANCE AND KEY ASSUMPTIONS

Per Diluted Share	**Range**	**Midpoint**
Net Income	$5.79 - $6.29	$6.04
Total FFO	$15.56 - $16.06	$15.81
Core FFO	$15.56 - $16.06	$15.81
Q1 2025 Core FFO	$3.86 - $3.98	$3.92

Estimated Same-Property Portfolio Growth Based on 49,446 Apartment Homes	**Range**	**Midpoint Cash-Basis** (1)
Revenues	2.25% to 3.75%	3.00%
Operating Expenses	3.25% to 4.25%	3.75%
Net Operating Income	1.40% to 4.00%	2.70%
Q1 2025 Projected Blended Rate Growth	2.00% to 3.00%	2.50%

Investment Assumptions	**Range**	**Midpoint**
Acquisitions	$500.0M to $1.5B	$1.0B
Dispositions	$250.0M to $750.0M	$500.0M
Structured Finance Redemptions	$100.0M to $200.0M	$150.0M
Development Spending at Pro Rata Share	N/A	$75.0M
Revenue-Generating Capital Expenditures	N/A	$60.0M

(1) The midpoint of the Company's same-property revenues and NOI on a GAAP basis are 3.00% and 2.70%, respectively.

For additional details regarding the Company's 2025 FFO guidance range, please see page S-15 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 Wednesday, February 5, 2025 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 2024 earnings link. To access the replay, dial (844) 512-2921 using the replay pin number 13750911. 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 256 apartment communities comprising over 62,000 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, 2024 and 2023 (in thousands, except for share and per share amounts):

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	**2024**	2023
Net income available to common stockholders	**$ 257,453**	$ 65,391	**$ 741,522**	$ 405,825
Adjustments:				
Depreciation and amortization	**148,435**	138,016	**580,220**	548,438
Gains not included in FFO	**(216,229)**	-	**(386,138)**	(59,238)
Casualty loss	**-**	-	**-**	433
Impairment loss from unconsolidated co-investments	**-**	33,700	**3,726**	33,700
Depreciation and amortization from unconsolidated co-investments	**14,676**	18,259	**66,943**	71,745
Noncontrolling interest related to Operating Partnership units	**9,339**	2,302	**26,414**	14,284
Depreciation attributable to third party ownership and other	**32,340**	(379)	**31,191**	(1,474)
Funds from Operations attributable to common stockholders and unitholders	**$ 246,014**	$ 257,289	**$ 1,063,878**	$ 1,013,713
FFO per share – diluted	**$ 3.69**	$ 3.87	**$ 15.99**	$ 15.24
Expensed acquisition and investment related costs	**$ 4**	$ 220	**$ 72**	$ 595
Tax expense (benefit) on unconsolidated co-investments (1)	**270**	(540)	**(929)**	697
Realized and unrealized losses (gains) on marketable securities, net	**2,298**	(5,712)	**(8,347)**	(10,006)
Provision for credit losses	**(63)**	19	**(179)**	70
Equity income from non-core co-investments (2)	**(4,062)**	(263)	**(10,344)**	(1,685)
Co-investment promote income	**-**	-	**(1,531)**	-
Income from early redemption of preferred equity investments and notes receivable	**-**	-	**-**	(285)
General and administrative and other, net (3)	**16,938**	4,059	**39,341**	6,629
Insurance reimbursements, legal settlements, and other, net (4)	**118**	(739)	**(43,794)**	(9,821)
Core Funds from Operations attributable to common stockholders and unitholders	**$ 261,517**	$ 254,333	**$ 1,038,167**	$ 999,907
Core FFO per share – diluted	**$ 3.92**	$ 3.83	**$ 15.60**	$ 15.03
Weighted average number of shares outstanding diluted (5)	**66,642,599**	66,447,394	**66,533,908**	66,514,456

(1) Represents tax related to net unrealized gains or losses on technology co-investments.

(2) Represents the Company's share of co-investment income or loss from technology co-investments.

(3) Includes political advocacy costs of $14.8 million and $33.3 million for the three and twelve months ended December 31, 2024, respectively, and $3.5 million and $4.1 million for the three and twelve months ended December 31, 2023, respectively.

(4) Includes legal settlement gains of $42.5 million and $7.7 million for the twelve months ended December 31, 2024 and 2023, respectively.

(5) Assumes conversion of all outstanding limited partnership units in Essex Portfolio, L.P. (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 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 (dollars in thousands):

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	**2024**	2023
Earnings from operations	**$ 304,496**	$ 130,341	**$ 703,095**	$ 584,342
Adjustments:				
Corporate-level property management expenses	**12,214**	11,485	**48,218**	45,872
Depreciation and amortization	**148,435**	138,016	**580,220**	548,438
Management and other fees from affiliates	**(2,416)**	(2,803)	**(10,265)**	(11,131)
General and administrative	**31,528**	19,739	**98,902**	63,474
Expensed acquisition and investment related costs	**4**	220	**72**	595
Casualty loss	**-**	-	**-**	433
Gain on sale of real estate and land	**(175,583)**	-	**(175,583)**	(59,238)
NOI	**318,678**	296,998	**1,244,659**	1,172,785
Less: Non-same property NOI	**(29,918)**	(12,981)	**(96,666)**	(53,485)
Same-Property NOI	**$ 288,760**	$ 284,017	**$ 1,147,993**	$ 1,119,300

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 2025 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 2025 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; 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, 2023, 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.

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