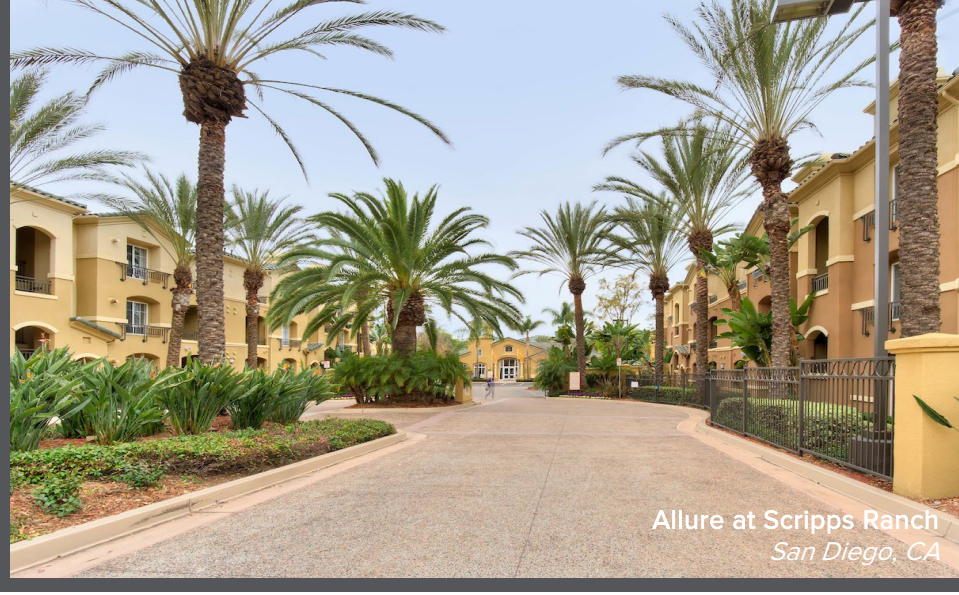
ESSEX

PROPERTY TRUST, INC.



The Hallie
Pasadena, CA



Allure at Scripps Ranch
San Diego, CA

INVESTOR PRESENTATION

MARCH 2021



Shadowbrook
Redmond, WA



Bel Air
San Ramon, CA

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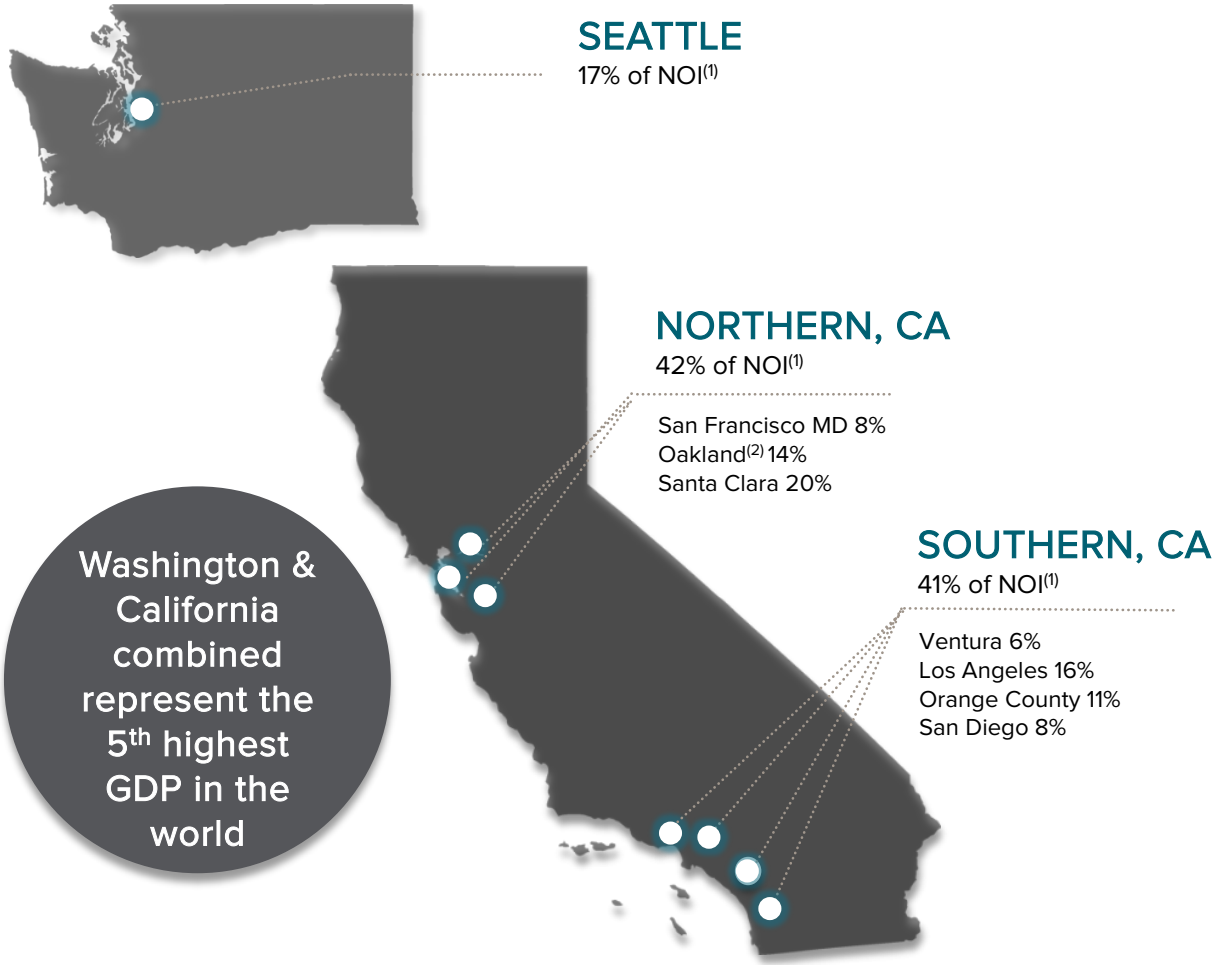
THE ONLY PUBLIC MULTIFAMILY REIT DEDICATED TO THE WEST COAST



SEATTLE
17% of NOI[1]

NORTHERN, CA
42% of NOI[1]

San Francisco MD 8%
Oakland[2] 14%
Santa Clara 20%

SOUTHERN, CA
41% of NOI[1]

Ventura 6%
Los Angeles 16%
Orange County 11%
San Diego 8%

Washington & California combined represent the 5th highest GDP in the world

- Established in 1971
- Dedicated to eight coastal markets in California and Washington with high barriers to housing construction
- Long track record of success with one of the highest total returns of all public U.S. REITs since IPO in 1994[3]
- S&P Dividend Aristocrat; 27-year history of increasing cash dividend
- Top executives share an average tenure of approximately 16 years
- $22.2 Billion Total Market Cap[3]
- S&P 500 Company
- Investment Grade rated
- Dividend Yield[3] – 3.5%
- Dividend Payout Ratio[4] – 65%

1) Represents percent of pro rata NOI as of 12/31/20, rounded to the nearest percent.
2) Oakland includes Alameda and Contra Costa Counties.
3) As of 12/31/20
4) FY'20 Cash Dividend / FY'20 Core FFO

EXECUTIVE SUMMARY – KEY HIGHLIGHTS

ESSEX PROPERTY TRUST, INC.

New supply as a percent of existing stock remains well below 1% and the recent decline in permits in Essex markets compares favorably to the U.S. (page 11-12)

California and Seattle home prices increased 12% and 11%, respectively, in 2020 while rental affordability continues to improve (page 13-14)

Job openings at the top-10 tech companies have rebounded from the post-COVID hiring slowdown and are nearing pre-COVID levels (page 18)

Many companies are expecting to return to the office in 2021, with increased work-from-home flexibility (page 19)

Record setting initial public offerings ("IPO's") in the technology sector and venture capital ("VC") investments will provide capital to quickly growing companies in Essex markets (page 20)

Preliminary January and February same-property revenue growth is in-line with full-year expectations. No change to 2021 guidance (page 25)



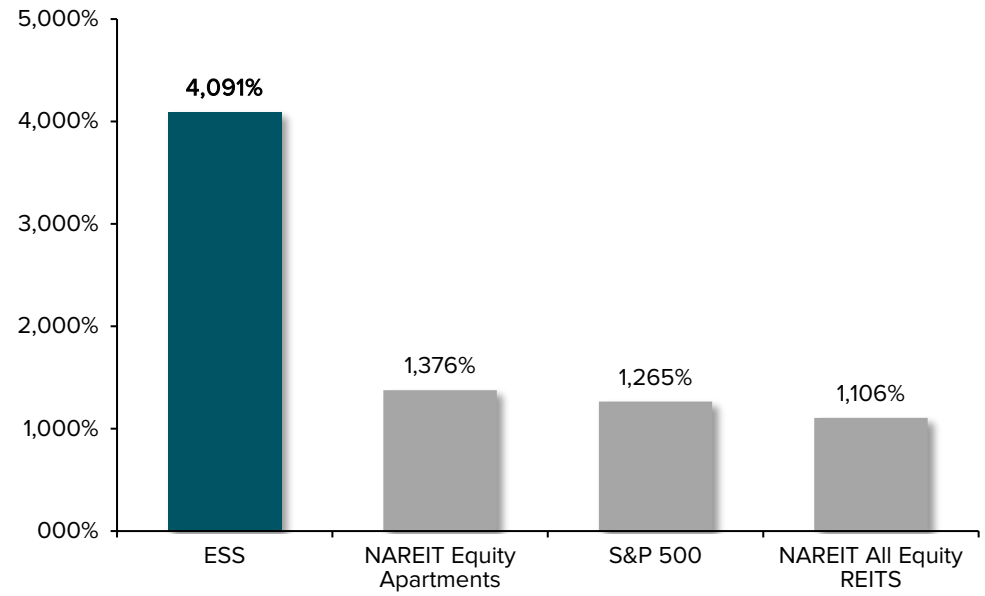
TRACK RECORD & INVESTMENT THESIS

INVESTMENT STRATEGY LEADS TO SUPERIOR TOTAL RETURNS

ESSEX PROPERTY TRUST, INC.

- Superior value creation for shareholders since the IPO
- **A S&P Dividend Aristocrat,** Essex has increased its cash dividend for 27 consecutive years, with **400%** cumulative dividend growth since the Company's IPO in 1994

Total Shareholder Return Since IPO[1]
Through January 31, 2021



Dividend Per Share Growth
1994 - 2021

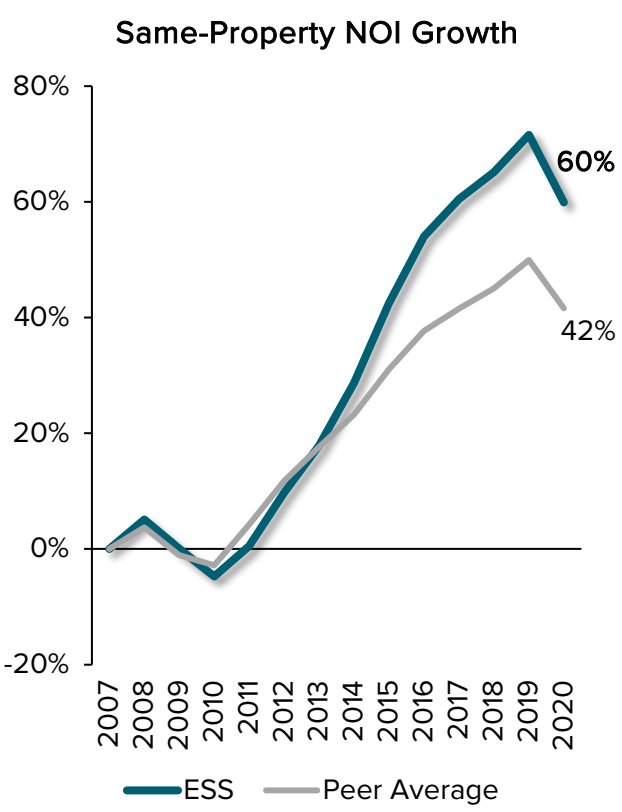


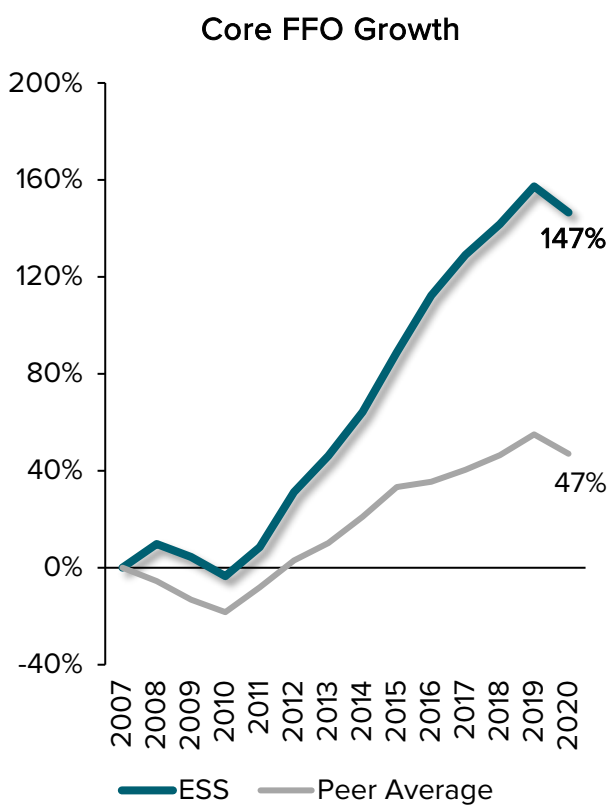
Source: Company Disclosures, S&P Global Market Intelligence
(1) June 1994 – January 2021

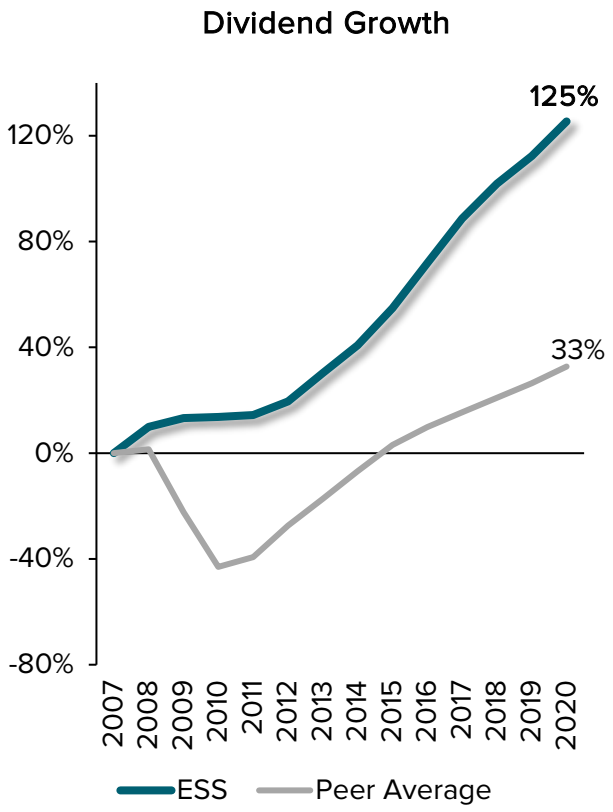
SUPERIOR SAME-PROPERTY NOI, CORE FFO, AND DIVIDEND GROWTH

ESSEX PROPERTY TRUST, INC.

- **Superior Core FFO Growth** cannot be explained by strong rent growth alone, Essex drives superior bottom line results through **disciplined capital allocation decisions** and an unwavering focus on **creating value for shareholders**







Source: Company Disclosures
Peer average for Same-Property NOI, Core FFO, and dividend growth includes three multifamily REITs (EQR, AVB, UDR)

CORE COMPETENCIES TO CREATE VALUE

ESSEX PROPERTY TRUST, INC.

- Recent examples of Essex creating value include selling $343.5 million of properties in 2020 at or near pre-COVID valuations to fund $269.3 million of stock repurchases at an average price of $225 per share, a significant discount to consensus net asset value and accretive to FFO per diluted share
- In the fourth quarter of 2020, the Company received final payment on a mortgage-backed security that was 4.0x the Company's initial investment

ACQUISITIONS:
Improve the NAV/share, cash flow/share and growth prospects of the company



Pure Redmond
Redmond, WA

DEVELOPMENT:
Develop high-quality tenant-desired apartment homes near high-quality jobs



Scripps Mesa Apartments
San Diego, CA

REDEVELOPMENT:
Focused on rent justified improvements to maximize NOI and value



The Henley
Glendale, CA

CONDO OPTIONALITY:
Potential value creation through ~9,000 condo convertible apartment homes



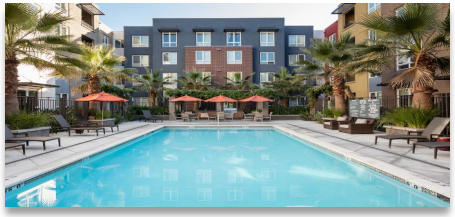
Vox Apartments
Seattle, WA

CO-INVESTMENT PLATFORM:
Facilitates growth via private capital and provides attractive risk adjusted returns



Velo & Ray
Seattle, WA

STRUCTURED FINANCE:
Invest in high-quality development and stabilized assets in Essex markets



Meridian at Midtown
San Jose, CA



WEST COAST FUNDAMENTALS

ESSEX PROPERTY TRUST, INC.

LONG-TERM FAVORABLE SUPPLY/DEMAND DYNAMICS

DIVERSE DEMAND DRIVERS

- Highest GDP in the U.S.
- Centers of innovation drive job creation and income growth
- Higher median household incomes
- Higher percentage of renters vs. owners
- Favorable demographics

LIMITED SUPPLY

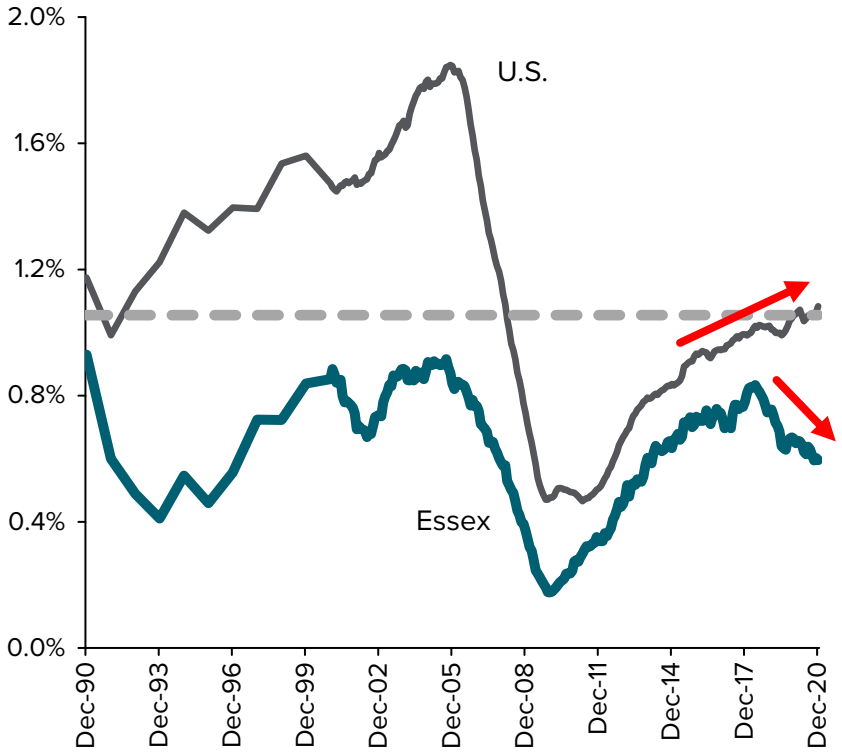
- New supply (multifamily & for-sale) historically below 1% of existing stock in CA
- High cost of homeownership makes transition from renter to homeowner more difficult
- Difficult and costly to build, restrictive and lengthy entitlement process

LIMITED SUPPLY IN ESSEX MARKETS

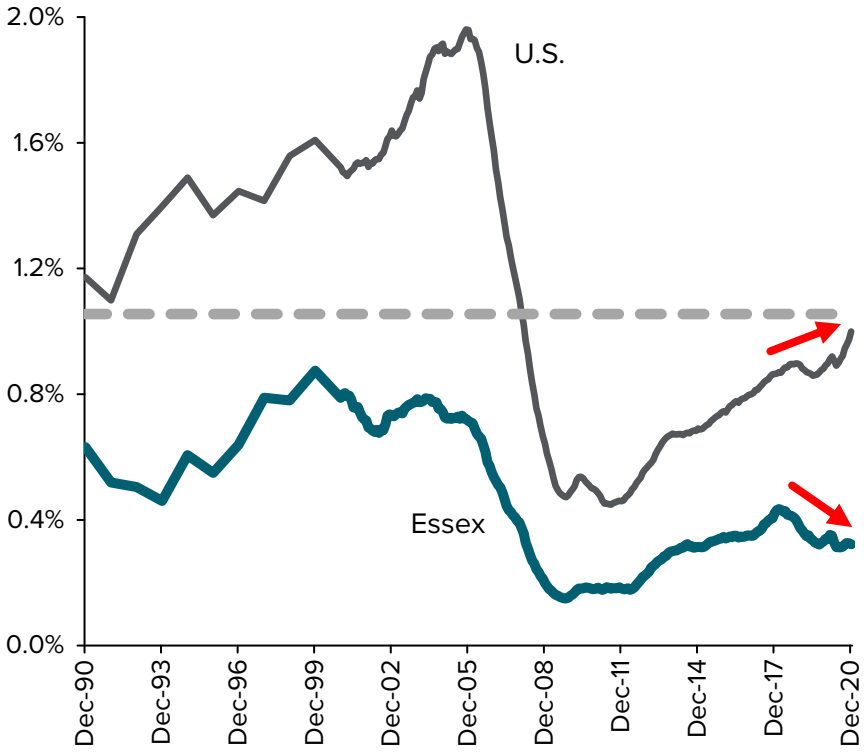
ESSEX PROPERTY TRUST, INC.

- **Total permitting activity has continued to decline** from the recent peak in Essex CA markets
- In Essex's California markets, new supply as a percent of stock has historically remained **below 1%**

Total Permits as a % of Total Stock
ESS CA vs. U.S.



Single Family Permits as a % of Single Family Stock
ESS CA vs. U.S.

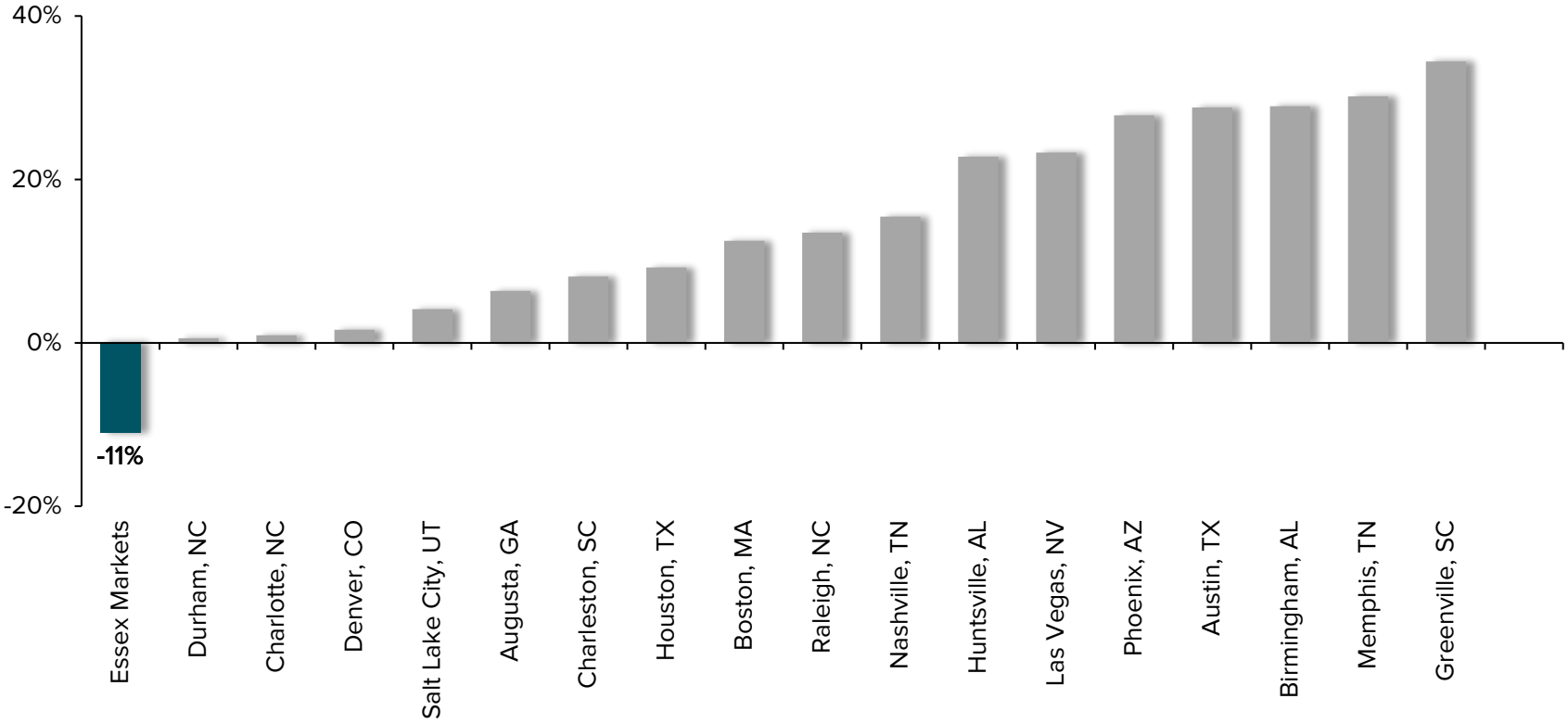


Source: Census Bureau, Essex, and Rosen Consulting Group

LIMITED SUPPLY IN ESSEX MARKETS

- **Total Permitting for new housing in Essex's markets is down -11%** compared to one-year ago
- Essex considers the likelihood of new supply in its capital allocation process and remains committed to its West Coast markets, which have limited risk of rapid supply growth

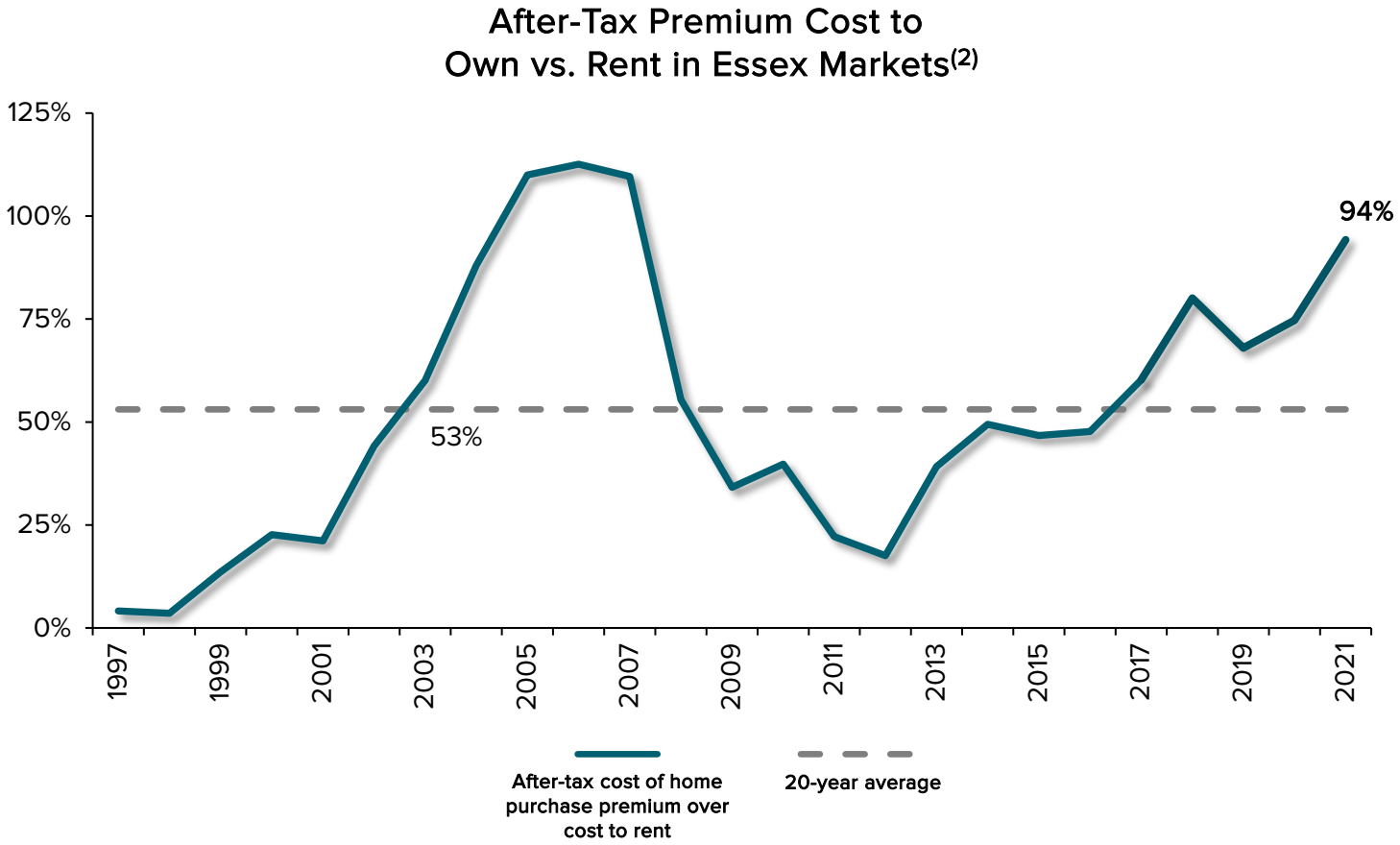
Trailing Twelve-Month % Change in Total Permits(1)



Source: Census Bureau
(1) Represents the YOY trailing twelve-month change in total permits (single-family and multifamily) as of December 2020

THE OWN VS. RENT PREMIUM IN ESSEX MARKETS

- **California and Seattle home prices increased by +12.3% and +11%**, respectively, in 2020[1]
- The high cost of home ownership creates a strong financial incentive to rent in Essex markets



Sources: RealPage, CoreLogic, Federal Housing Finance Agency (FHFA), Census Bureau, Bureau of Labor Statistics (BLS), Federal Reserve Economic Data (FRED), Essex

(1) Represents the trailing 3-month average as of December 2020

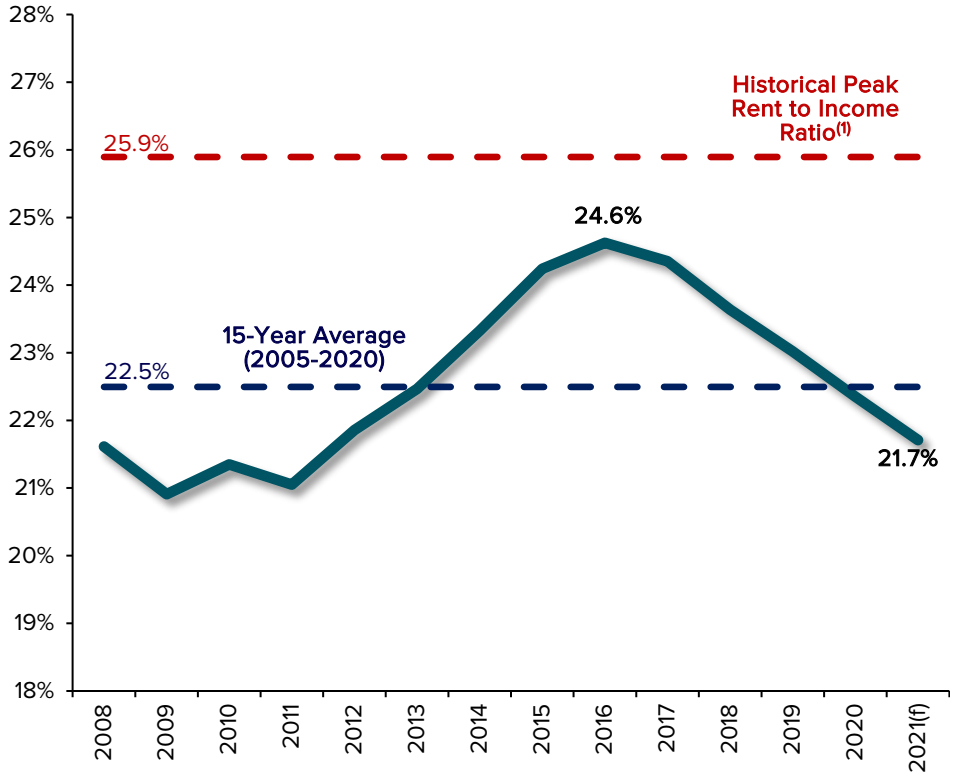
(2) Cost premia based on median home prices, median rents and 30-yr fixed mortgage rates with 10% down payment and PMI. Tax impact based on marginal tax rates at median incomes

AFFORDABILITY TO RENT IN ESSEX MARKETS

ESSEX PROPERTY TRUST, INC.

- Steadily improving incomes and the recent decline in market rents as a result of COVID-19 have improved affordability in Essex's markets, falling 2.9% from the recent peak in 2016
- Northern California and Seattle having the greatest improvement in affordability relative to their historical peaks

Historical Rent to Income Ratio
(Essex Portfolio Weighted Average)



Historical Rent to Income Ratio

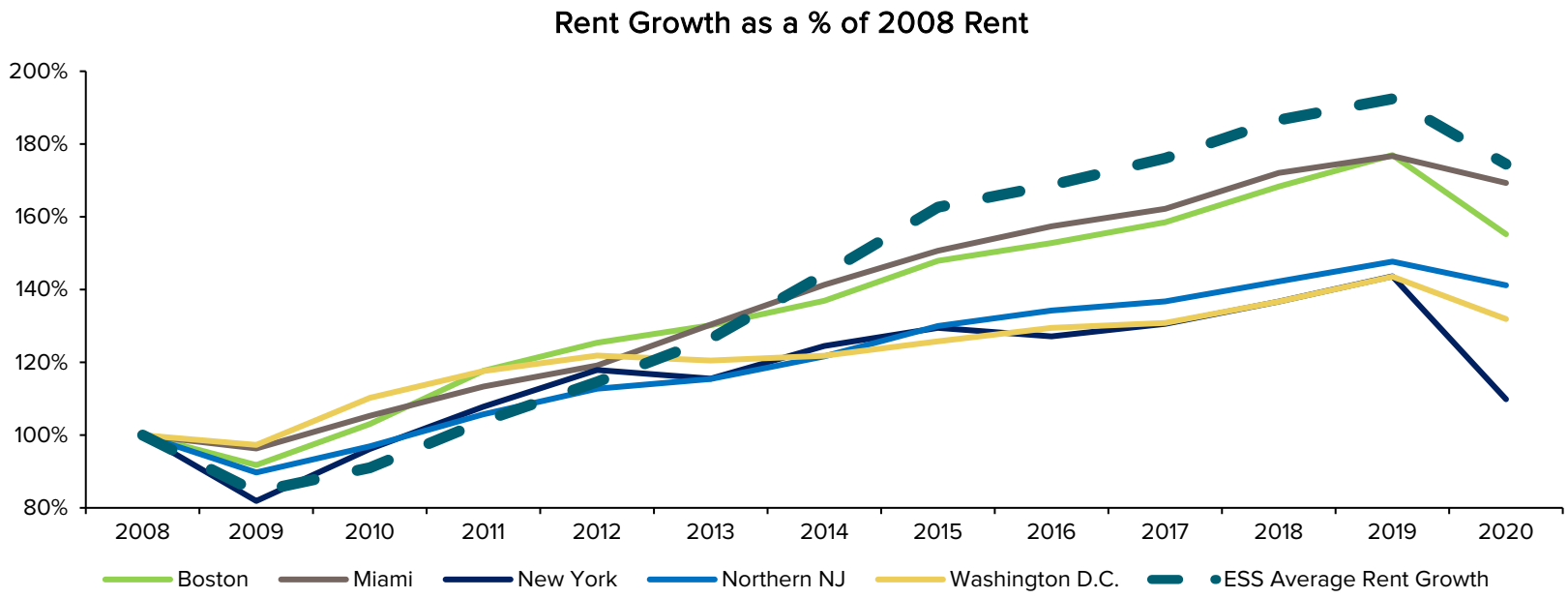
Market	2021E Ratio	Historical Peak Ratio(1)
Los Angeles	23.5%	26.1%
Orange County	24.8%	25.1%
San Diego	24.7%	25.1%
Ventura	24.4%	25.0%
SoCal	**24.2%**	**25.6%**
San Francisco	20.0%	33.8%
Oakland	19.9%	25.9%
San Jose	21.0%	27.7%
NorCal	**20.5%**	**28.5%**
Seattle	**18.5%**	**21.3%**
ESS Portfolio	**21.7%**	**25.9%**

Source: CoStar, Moody's Analytics, Rosen Consulting Group, and Essex estimates
(1) Reflects the peak ratio recorded from 1990 - 2020

INVESTMENT STRATEGY FOCUSES ON LONG TERM RENT GROWTH

ESSEX PROPERTY TRUST, INC.

- West Coast Markets can be volatile in recessions but quickly recover and generate the highest rent growth over the long term



Same-Property Rent Growth CAGRs	20 Year	10 Year
ESS Weighted Average Market Rent Growth	**2.5%**	**4.2%**
Boston	2.0%	3.0%
Miami	2.7%	3.0%
New York	1.5%	1.8%
New Jersey	2.0%	2.4%
Washington D.C.	2.3%	1.5%

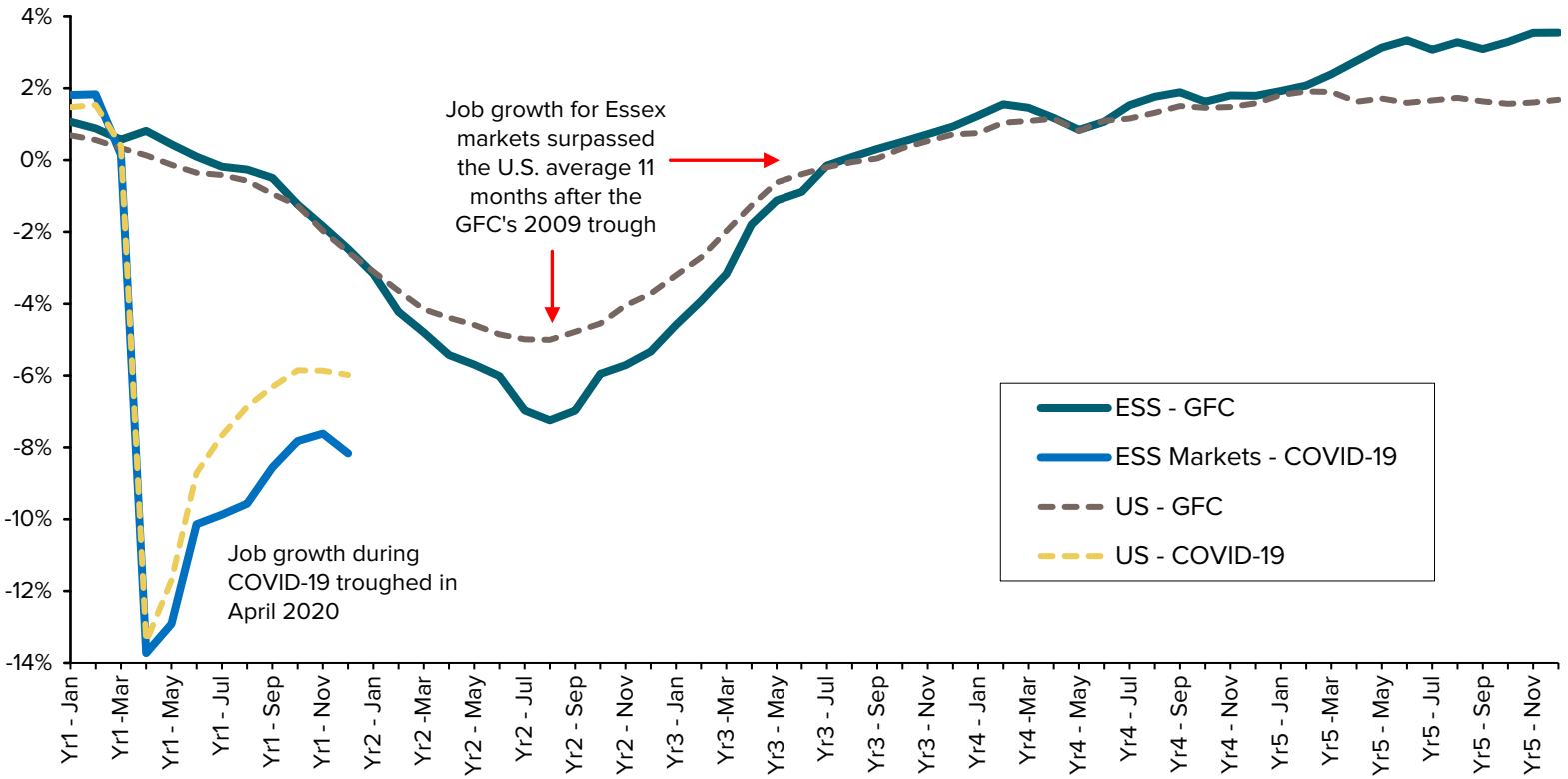
Source: Real Page

PATH TO RECOVERY – GFC vs. COVID-19 RECESSION

ESSEX PROPERTY TRUST, INC.

- During the Great Financial Crisis (GFC) job growth suffered a prolonged downturn taking nearly 18 months to reach its year-over-year trough at -7% for Essex markets and -5% for the U.S. Job growth in Essex markets recovered to surpass the national average within 11 months of the trough
- In 2020, job growth declined precipitously and recovered sharply but Essex's markets have lagged the U.S. recovery due to more severe government restrictions which should ease as COVID vaccines are distributed

Year-over-Year Employment Growth, Global Financial Crisis vs. COVID-19 Recession



Source: BLS.gov

PATH TO RECOVERY – FASTER ECONOMIC GROWTH EXPECTED

ESSEX PROPERTY TRUST, INC.

- On average, the West Coast markets are expected to grow GDP and employment faster over the next four years

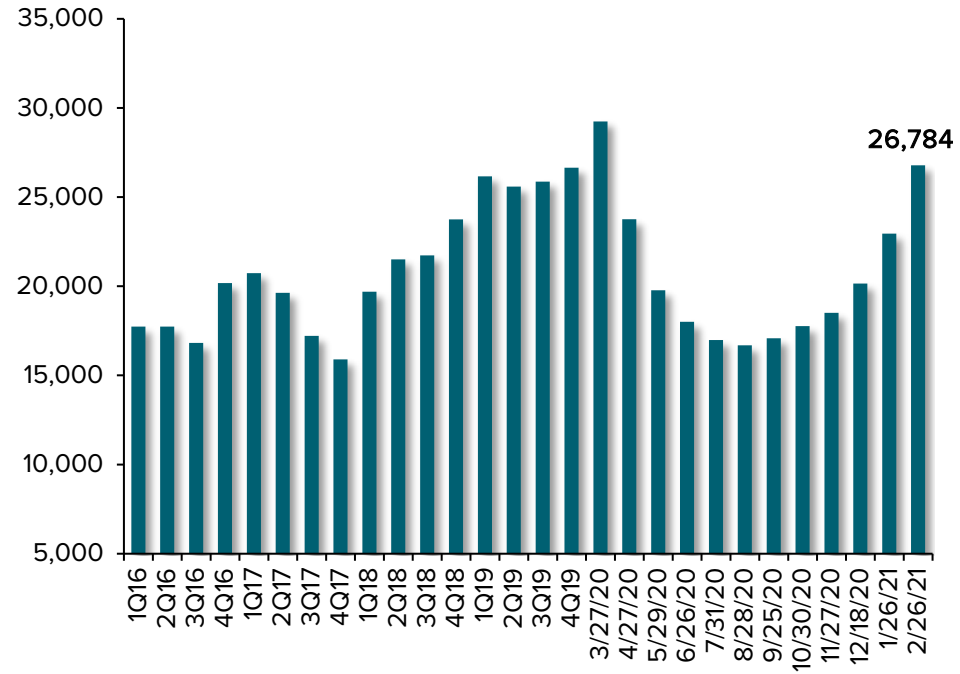


Sources: Oxford Economics

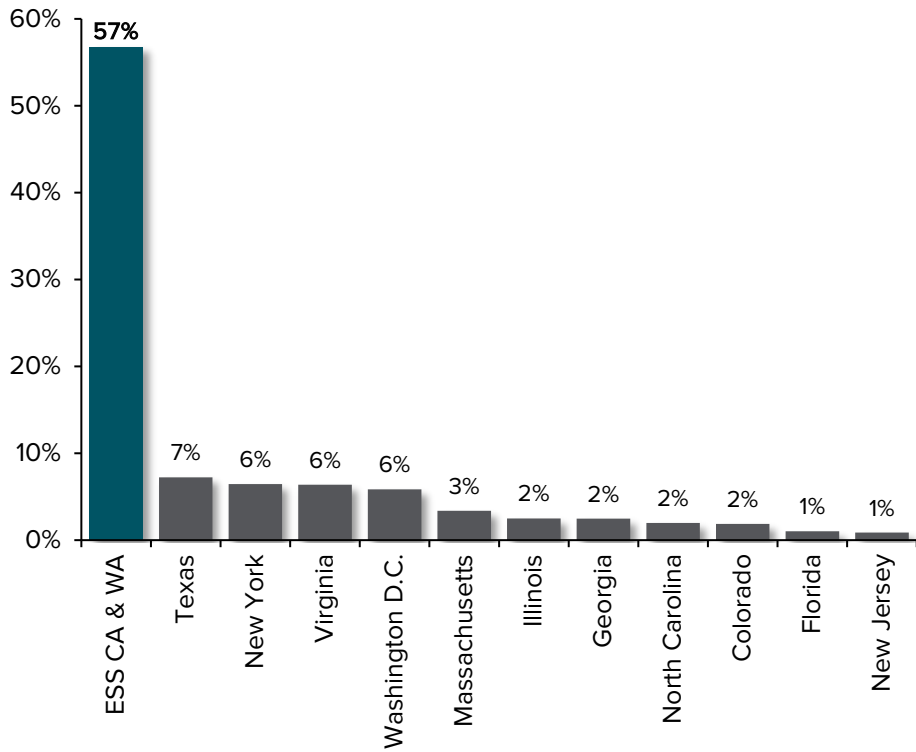
JOB OPENINGS – TOP 10 TECH FIRMS

- Job openings at the top-10 Tech Companies have rebounded from the post-COVID hiring slowdown and are nearing pre-COVID levels
- California and Washington account for **57%** of total top-10 tech job openings

Total Job Openings in CA & WA Top 10 Tech Companies



% of Total Tech Job Openings by State Top 10 Tech Companies[1]



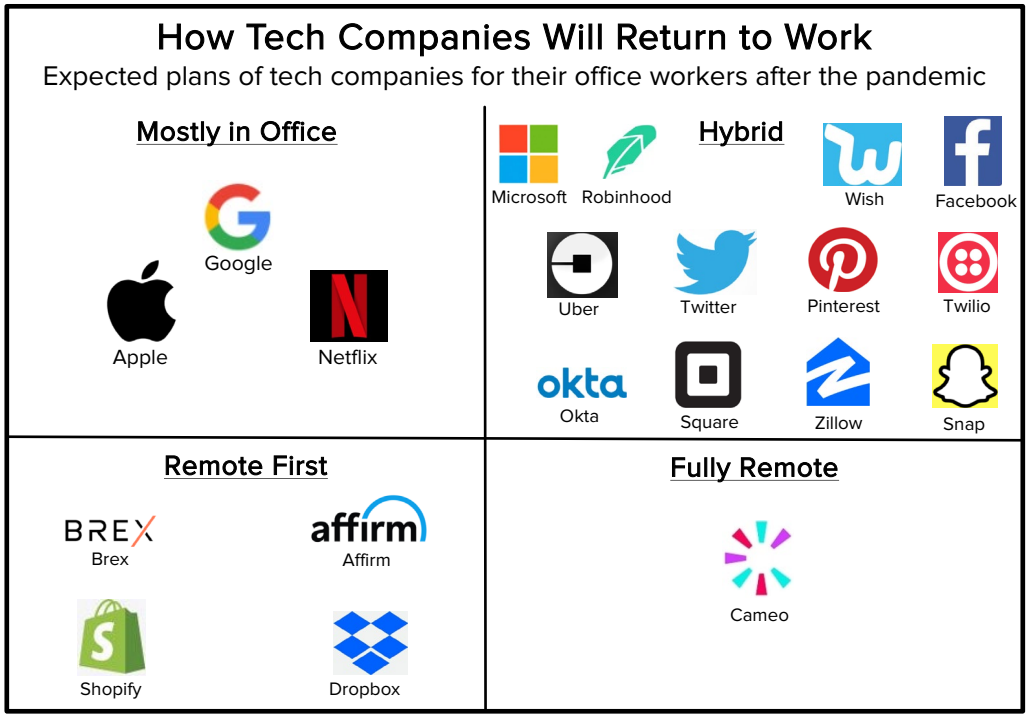
Source: Company Websites
(1) As of 2/26/2021

PATH TO RECOVERY - OFFICE RE-OPENINGS

ESSEX PROPERTY TRUST, INC.

- The largest technology companies have invested billions of dollars into office environments that inspire creativity, culture and teamwork. Leaders of these companies understand the importance of unplanned interactions between employees, which fosters culture and creativity and can only occur in a central “office” location
- Very few companies have committed to a fully-remote work environment and many are expected to implement a hybrid office-and-work-from-home model going forward, which requires employees to live within proximity to their place of work

Company	Reported 2021 Office Re-openings
Apple	June
Intel	June
Microsoft	July
Amazon	July
Facebook	July
Uber	July
YouTube	July
Salesforce	July
Google	September
Netflix	Once majority of employees are vaccinated



Source: Company Disclosures, (left table). The Information (image on right)

PATH TO RECOVERY – IPO AND VC FUNDING

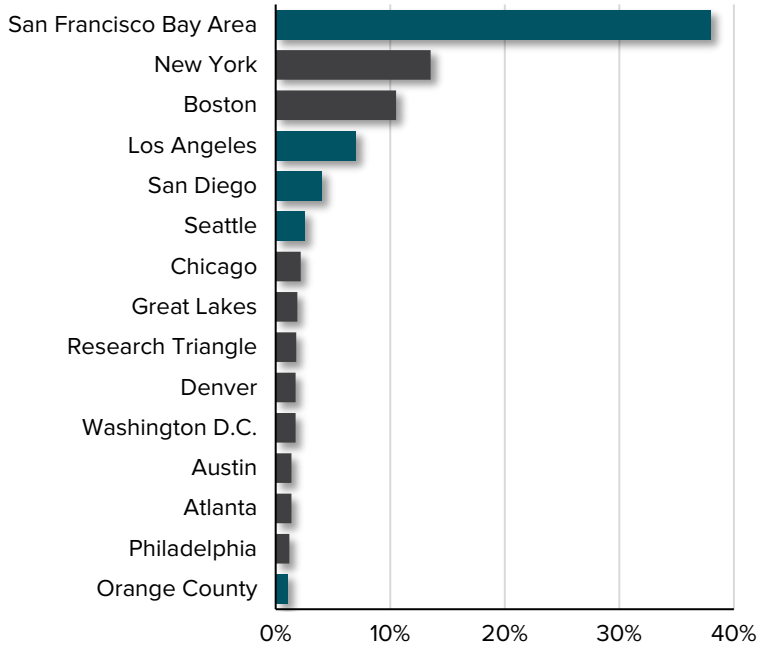
ESSEX PROPERTY TRUST, INC.

- Tech initial public offerings ("IPOs") and venture capital ("VC") funding reached record levels in 2020, with 147 IPO's (+63 YoY) and $130.0 billion in VC funding (+14% YoY), further supporting job growth in Essex markets
- Essex markets represent four of the top six metros for 2020 VC investments, led by the San Francisco Bay Area, which accounted for more new capital than the ten largest non-Essex metros

Major 2020 Tech IPOs in Essex Metros

Company	Market Cap[1] ($B)	Headquarters
AirBnb	$124.3	San Francisco, CA
Snowflake	$73.5	San Mateo, CA
DoorDash	$53.8	San Francisco, CA
Unity	$29.4	San Francisco, CA
ZoomInfo	$14.5	Vancouver, WA
Wish	$11.5	San Francisco, CA
C3.ai	$10.8	Redwood City, CA
McAfee	$8.9	San Jose, CA
Asana	$5.5	San Francisco, CA
One Medical	$6.4	San Francisco, CA
Jfrog	$4.9	Sunnyvale, CA
Corsair Gaming	$3.3	Fremont, CA
Sumo Logic	$3.1	Redwood City, CA

Essex Markets Dominate VC Investments in 2020



Source: PwC/CB Insights, Crunchbase, Google Finance, Nasdaq
(1) As of 2/26/2021

PATH TO RECOVERY - MIGRATION TRENDS

ESSEX PROPERTY TRUST, INC.

- The vast majority of residents moving out of Essex's Urban properties are staying in the same County or a nearby Essex market.

Top 10 Destinations of Urban Essex Move-Outs[1]

Essex Markets | Other Markets

San Francisco CBD

Move-to County	% of Total Move-Outs
Same County (San Francisco)	61.5%
Alameda (Oakland, CA)	3.9%
Santa Clara (San Jose, CA)	3.5%
San Mateo (San Francisco, CA)	3.0%
Orange (Anaheim, CA)	2.4%
Contra Costa (Oakland, CA)	1.9%
Los Angeles (Los Angeles, CA)	1.6%
San Diego (San Diego, CA)	1.4%
Sacramento (Sacramento, CA)	1.3%
King (Seattle, WA)	1.0%

% of Resident Relocations to Essex Region	
Southern California	5.4%
Northern California	74.0%
Seattle	1.3%
Within Essex Markets	80.6%
Outside of Essex Markets	19.4%

Seattle CBD

Move-to County	% of Total Move-Outs
Same County (King)	79.2%
Snohomish (Seattle, WA)	3.8%
Santa Clara (San Jose, CA)	1.5%
Los Angeles (Los Angeles, CA)	1.3%
Pierce (Tacoma, WA)	1.2%
Maricopa (Phoenix, AZ)	0.6%
Montgomery (Washington D.C.)	0.5%
Oakland (Detroit, MI)	0.5%
Orange (Anaheim, CA)	0.4%
Washington (Portland, OR)	0.4%

% of Resident Relocations to Essex Region	
Southern California	1.9%
Northern California	2.1%
Seattle	83.0%
Within Essex Markets	86.9%
Outside of Essex Markets	13.1%

Los Angeles CBD

Move-to County	% of Total Move-Outs
Same County (Los Angeles)	76.3%
Orange (Anaheim, CA)	3.8%
San Diego (San Diego, CA)	1.4%
Riverside (Riverside, CA)	1.3%
San Francisco (San Francisco, CA)	1.1%
King (Seattle, WA)	0.8%
Clark (Las Vegas, NV)	0.8%
San Bernardino (Riverside, CA)	0.8%
Middlesex (Boston, MA)	0.4%
Maricopa (Phoenix, AZ)	0.4%

% of Resident Relocations to Essex Region	
Southern California	82.0%
Northern California	1.6%
Seattle	0.8%
Within Essex Markets	84.4%
Outside of Essex Markets	15.6%

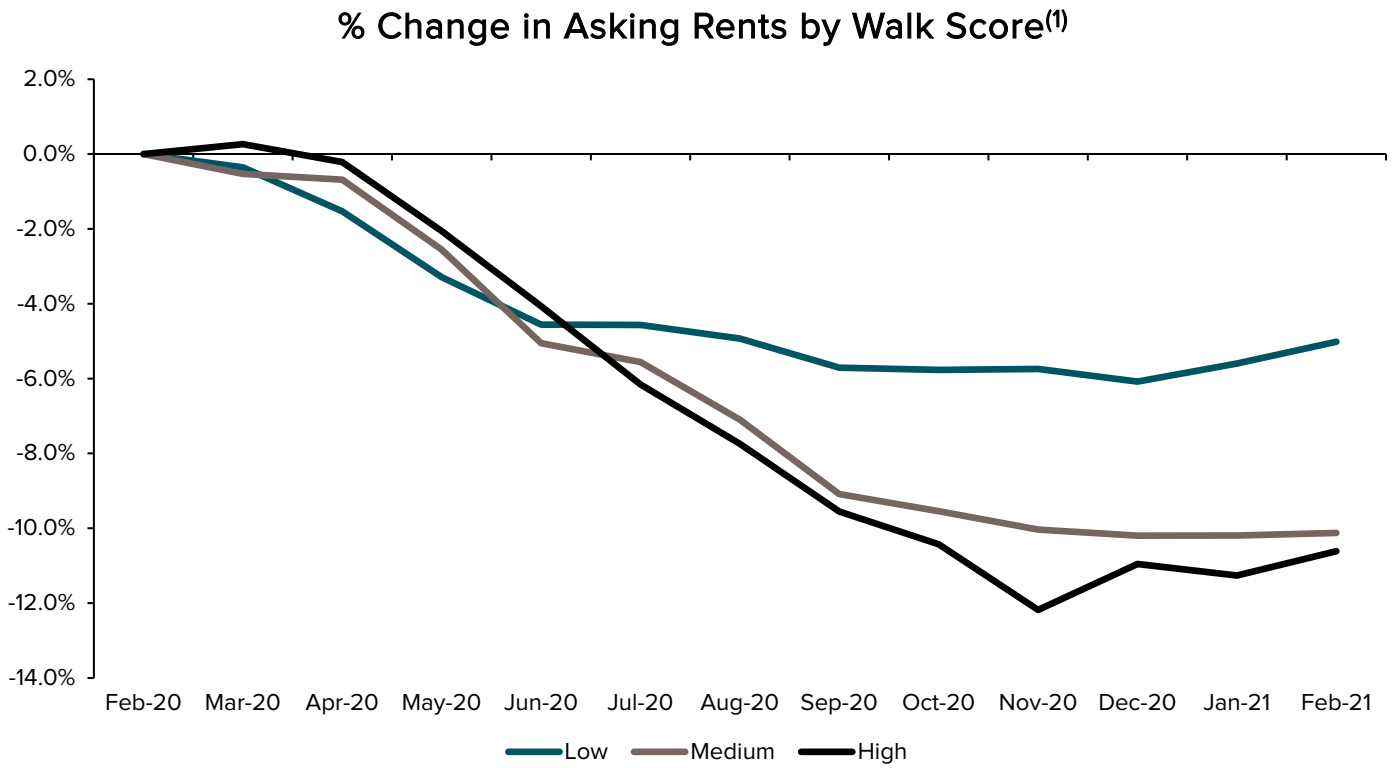
Source: Essex

(1) Based on resident forwarding addresses provided to the Company upon move-out from March to December 2020

DEMAND IS STRONGEST IN MARKETS WITH LOW WALK SCORES

ESSEX PROPERTY TRUST, INC.

- The ability to enjoy restaurants, shopping, and public amenities has been severely curtailed under COVID-19 restrictions, leading to weaker demand for apartments with high Walk Scores
- Asking rents for all three categories of Walk Scores have shown signs of stabilization in recent months



Source: CoStar

(1) Represents the change in asking rents by Walk Score from March 2020 to February 2021; High Walk Score >90, Medium 70-90, Low < 70



2021 GUIDANCE & BALANCE SHEET

2021 MSA LEVEL FORECAST

ESSEX PROPERTY TRUST, INC.

2021 MSA Level Forecast: Supply, Jobs, and Apartment Market Conditions

Forecast Summary:

2021 GDP Growth = +4.3%
2021 U.S. job growth Q4/Q4 = +2.3%; Dec-21 unemployment rate = 5.3%
2021 Multifamily supply in ESS markets is roughly stable YoY
YoY economic rent growth turns positive the second half of the year after COVID anniversaries

Forecast Assumptions:

Re-opening pace remains COVID-dependent, with a challenging 1H21
New federal stimulus program passed in 1Q21
Vaccine pace accelerates during 1Q21, with herd immunity reached by 4Q21
No significant new regulatory restrictions

	Residential Supply [1]					Job Forecast [2]		Rent Forecast [3]
Market	New MF Supply	New SF Supply	Total Supply	% of MF Supply to MF Stock	% of Total Supply to Total Stock	Est. New Jobs	% Growth	Economic Rent Growth
Los Angeles	9,300	5,400	14,700	0.6%	0.4%	135,000	3.2%	-2.2%
Orange	2,100	3,200	5,300	0.5%	0.5%	47,000	3.0%	1.6%
San Diego	3,400	2,700	6,100	0.8%	0.5%	41,000	2.9%	2.0%
Ventura	300	100	400	0.5%	0.1%	8,000	2.7%	2.9%
So. Cal.	**15,100**	**11,400**	**26,500**	**0.6%**	**0.4%**	**231,000**	**3.1%**	**0.1%**
San Francisco	2,600	500	3,100	0.7%	0.5%	36,000	3.3%	-6.6%
Oakland	4,100	3,300	7,400	1.2%	0.7%	36,500	3.4%	-4.3%
San Jose	4,000	2,300	6,300	1.6%	0.9%	38,000	3.5%	-1.9%
No. Cal.	**10,700**	**6,100**	**16,800**	**1.1%**	**0.7%**	**110,500**	**3.4%**	**-3.6%**
Seattle	**7,800**	**6,000**	**13,800**	**1.6%**	**1.1%**	**55,000**	**3.3%**	**-2.8%**
Total/Weighted Avg. [4]	**33,600**	**23,500**	**57,100**	**0.9%**	**0.6%**	**396,500**	**3.2%**	**-1.9%**

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

(1) Residential Supply: Total supply includes the Company's estimate of multifamily deliveries of properties with 50+ units and excludes student, senior and 100% affordable housing communities. Single-family estimates are based on trailing single-family permits. Multifamily estimates incorporate a methodological enhancement ("delay-adjusted supply") to reflect the anticipated impact of continued construction delays in Essex markets.

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

(3) Rent Forecast: The estimated rent growth represents the forecasted change in effective market rents for full year 2021 vs 2020 (TTM year-over-year average), and excludes submarkets not targeted by Essex.

(4) Weighted Average: Growth rates are weighted by scheduled rent in the Company's Portfolio.

2021 YEAR-TO-DATE SAME-PROPERTY OPERATIONS UPDATE

ESSEX PROPERTY TRUST, INC.

- Preliminary January and February same-property revenue growth is in-line with 2021 full-year guidance
- Changes in net effective rents are consistent with fourth quarter 2020 trends despite a challenging first quarter 2020 comparative period
- Cash concessions and delinquencies account for -2.8% and -2.1%, respectively, of January and February's preliminary -8.3% same-property revenue decline compared to the prior-year period

	Actuals Q4 2020		Preliminary Jan/Feb 2021	
	Revenue Change[1]	Financial Occupancy	Revenue Change[1]	Financial Occupancy
Southern California	-7.2%	96.8%	-6.2%	96.8%
Northern California	-10.4%	96.5%	-10.9%	96.7%
Seattle	-4.9%	95.8%	-7.1%	96.6%
Total Same-Property	**-8.0%**	**96.5%**	**-8.3%**	**96.7%**

Same-Property Portfolio Operating Statistics		
	Q4 2020	Preliminary Jan/Feb 2021
Cash Delinquency %	2.7%	2.6%
New Lease Rates[2]	-8.9%	-9.8%
Renewal Rates[3]	-2.5%	-2.1%
Blended Rates	-6.0%	-6.2%

(1) Reflects same-property revenue change on a cash-basis
(2) Represents % change on a net-effective basis, including the impact of leasing incentives recognized on a cash-basis
(3) Represents % change in similar term lease tradeouts, including the impact of leasing incentives recognized on a cash-basis

2021 GUIDANCE[1]

ESSEX PROPERTY TRUST, INC.

Per Diluted Share	Range	Midpoint
Net Income	$3.30 to $3.90	$3.60
Total FFO	$11.86 to $12.46	$12.16
Core FFO[2]	$11.86 to $12.46	$12.16
Estimated Same-Property Portfolio Growth Based on 47,090 Apartment Homes		
Gross Revenue Growth	-3.50% to -1.50%	-2.5%
Operating Expense Growth	2.00% to 3.00%	2.5%
Net Operating Income (NOI) Growth	-6.25% to -3.00%	-4.6%

Other Key Assumptions

- The impact of recording lease concessions on a straight-line basis is expected to be a reduction to 2021 Core FFO by ($6.0 million) to ($16.0 million), as compared to $21.9 million recorded in 2020. As such, this non-cash item will negatively impact year-over-year Core FFO per diluted share by ($0.41) to ($0.56).
- Acquisitions and dispositions of $300 - $500 million, subject to market conditions and cost of capital.
- Preferred equity commitments of $100 - $150 million, to be funded by redemptions.
- Total development spending in 2021 for existing projects under construction is expected to be approximately $60 million at the Company's pro rata share. The Company does not currently plan to start any new developments during 2021.
- Revenue generating capital expenditures are expected to be approximately $25 million at the Company's pro rata share.

(1) Guidance remains unchanged from the Company's Q4 '2020 earnings release.
(2) Core FFO excludes acquisition costs and other non-routine items.

LIQUIDITY UPDATE & NEAR-TERM FUNDING OBLIGATIONS

ESSEX PROPERTY TRUST, INC.

Liquidity Update ($ millions)		March 1, 2021
Unsecured credit facility - committed	$	1,235
Balance outstanding	$	-
Undrawn portion of line of credit	$	1,235
Cash, cash equivalents & marketable securities	$	234
Total liquidity	**$**	**1,469**

Near-Term Funding Obligations ($ millions)		
Unfunded development commitments – 2021 & 2022[1]	$	74
2021 debt maturities	$	104
2022 debt maturities[2]	$	143
Total near-term funding obligations	**$**	**321**

Ratio of liquidity to near-term funding obligations	**4.6**

(1) Includes the Company's unfunded development commitments at pro rata share and excludes approximately $44.0 million of the Company's share of estimated project costs for Scripps Mesa Apartments which have been fully funded

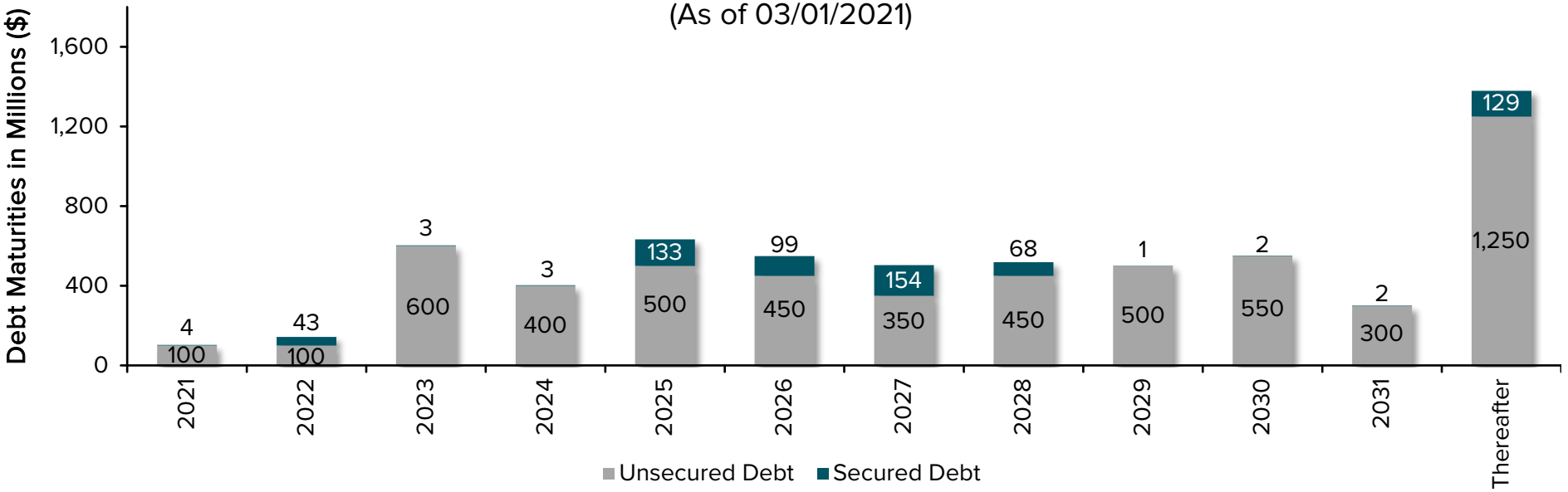
(2) The Company repaid $450 million of its short-term unsecured term loans with its recent February 2021 unsecured bond issuance

WELL LADDERED DEBT MATURITY SCHEDULE

ESSEX PROPERTY TRUST, INC.

- The Company repaid $450 million of its short-term unsecured term loans with proceeds from its recent February 2021 unsecured bond issuance, reducing near-term funding needs and extending its maturity profile

Debt Maturity Schedule(1)
(As of 03/01/2021)



% of Total Debt Maturing/Year											
1.7%	2.3%	9.7%	6.5%	10.2%	8.9%	8.1%	8.4%	8.1%	8.9%	4.9%	22.3%
Weighted Average Interest Rate											
4.3%	1.9%	3.7%	4.0%	3.5%	3.5%	3.3%	2.1%	4.1%	3.1%	1.8%	2.9%

Weighted Average Interest Rate: ***3.2%***

(1) Excludes lines of credit.

CREDIT RATINGS AND SELECTED CREDIT RATIOS

ESSEX PROPERTY TRUST, INC.

Public Bond Covenants[1] and Selected Credit Ratios

	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Q4 '19	Covenant
Debt to Total Assets	**37%**	38%	37%	38%	35%	< 65%
Secured Debt to Total Assets	**4%**	4%	4%	5%	6%	< 40%
Interest Coverage	**475%**	485%	484%	484%	471%	> 150%
Unsecured Debt Ratio [2]	**267%**	258%	265%	264%	277%	> 150%
Net Indebtedness to Adjusted EBITDAre [3][4]	**6.6X**	6.3X	6.4X	5.9X	5.5X	-
Unencumbered NOI to Adjusted Total NOI	**95%**	93%	94%	90%	88%	-

Credit Ratings

Agency	Rating	Outlook
Moody's	Baa1	Stable
S&P	BBB+	Stable

(1) Please refer to the Company's Public Bond Filings with the SEC for the definitions of the covenants
(2) Unsecured Debt Ratio is unsecured assets (excluding investments in co-investments) divided by unsecured indebtedness
(3) Net Indebtedness is total debt less unamortized premiums, debt issuance costs, unrestricted cash and cash equivalents, and marketable securities at pro rata share
(4) Adjusted EBITDAre is reflected on a pro rata basis and excludes non-routine items in earnings and other adjustments as outlined on slide 32 of the presentation

DEFINITIONS & RECONCILIATIONS

DISCLAIMERS

ESSEX PROPERTY TRUST, INC.

SAFE HARBOR STATEMENT UNDER THE PRIVATE LITIGATION REFORM ACT OF 1995

This presentation 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 expectations related to the continued impact of the COVID-19 pandemic on the Company’s business, financial condition and results of operations and the impact of any additional measures taken to mitigate the impact of the pandemic, the Company’s intent, beliefs or expectations with respect to the timing of completion of current development and redevelopment projects and the stabilization of such projects, the timing of lease-up and occupancy of its apartment communities, the anticipated operating performance of its apartment communities, the total projected costs of development and redevelopment projects, co-investment activities, qualification as a REIT under the Internal Revenue Code of 1986, as amended, the real estate markets in the geographies in which the Company’s properties are located and in the United States in general, the adequacy of future cash flows to meet anticipated cash needs, its financing activities and the use of proceeds from such activities, the availability of debt and equity financing, general economic conditions including the potential impacts from such economic conditions, including as a result of the COVID-19 pandemic and governmental measures intended to prevent its spread, trends affecting the Company’s financial condition or results of operations, changes to U.S. tax laws and regulations in general or specifically related to REITs or real estate, changes to laws and regulations in jurisdictions in which communities the Company owns are located, and other information that is not historical information.

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

REGULATION G DISCLAIMER

This presentation contains certain non-GAAP financial measures within the meaning of Regulation G of the Securities Exchange Act of 1934. The Company’s definitions and calculations of such measures may differ from those used by other companies and, therefore, may not be comparable. The Company’s definitions of these terms and, if applicable, the reasons for their use and reconciliations to the most directly comparable GAAP measures are included in the Appendix.

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

ESSEX PROPERTY TRUST, INC.

ADJUSTED EBITDAre RECONCILIATION

The National Association of Real Estate Investment Trusts ("NAREIT") defines earnings before interest, taxes, depreciation and amortization for real estate ("EBITDAre") (September 2017 White Paper) as net income (computed in accordance with U.S. generally accepted accounting principles ("U.S. GAAP")) before interest expense, income taxes, depreciation and amortization expense, and further adjusted for gains and losses from sales of depreciated operating properties, impairment write-downs of depreciated operating properties, impairment write-downs of investments in unconsolidated entities caused by a decrease in value of depreciated operating properties within the joint venture and adjustments to reflect the Company's share of EBITDAre of investments in unconsolidated entities.

The Company believes that EBITDAre is useful to investors, creditors and rating agencies as a supplemental measure of the Company's ability to incur and service debt because it is a recognized measure of performance by the real estate industry, and by excluding gains or losses related to sales or impairment of depreciated operating properties, EBITDAre can help compare the Company's credit strength between periods or as compared to different companies.

Adjusted EBITDAre represents EBITDAre further adjusted for non-comparable items and is a component of the credit ratio, "Net Indebtedness Divided by Adjusted EBITDAre, normalized and annualized," presented on page S-6 of the earnings supplement for the fourth quarter of 2020, in the section titled "Selected Credit Ratios," and it is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as income tax payments, debt service requirements, capital expenditures and other fixed charges.

Adjusted EBITDAre is an important metric in evaluating the credit strength of the Company and its ability to service its debt obligations. The Company believes that Adjusted EBITDAre is useful to investors, creditors and rating agencies because it allows investors to compare the Company's credit strength to prior reporting periods and to other 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 credit quality.

EBITDAre and Adjusted EBITDAre are not recognized measurements under U.S. GAAP. Because not all companies use identical calculations, the Company's presentation of EBITDAre and Adjusted EBITDAre may not be comparable to similarly titled measures of other companies.

The reconciliations of Net Income available to common stockholders to EBITDAre and Adjusted EBITDAre are presented in the table below (Dollars in thousands):

	Three Months Ended December 31, 2020
Net income available to common stockholders	$ 95,745
Adjustments:	
Net income attributable to noncontrolling interest	5,904
Interest expense, net [1]	52,625
Depreciation and amortization	130,127
Income tax provision	592
Gain on sale of real estate and land	(25,716)
Impairment loss	1,825
Co-investment EBITDAre adjustments	20,643
EBITDAre	281,745
Gain on sale of marketable securities	(2,007)
Unrealized gains on marketable securities	(10,300)
Provision for credit losses	587
Equity income from non-core co-investment	(916)
Deferred tax expense on unrealized gain on unconsolidated co-investment	(105)
General and administrative and other, net	9,316
Insurance reimbursements and legal settlements, net	(150)
Accelerated interest income from maturity of investment in mortgage backed security	(11,753)
Expensed acquisition and investment related costs	1,487
Gain on early retirement of debt, net	(937)
Adjusted EBITDAre	$ 266,967

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

ENCUMBERED

Encumbered means any mortgage, deed of trust, lien, charge, pledge, security interest, security agreement or other encumbrance of any kind.

FUNDS FROM OPERATIONS ("FFO") AND CORE FFO

FFO, as defined by 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 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. 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 reconciliations of diluted FFO and Core FFO are detailed on page S-3 in the section titled "Consolidated Funds From Operations" of the earnings supplement for the fourth quarter of 2020.

INTEREST EXPENSE, NET

Interest expense, net is presented on page S-1 in the section titled "Consolidated Operating Results" of the earnings supplement for the fourth quarter of 2020. Interest expense, net includes items such as gains on derivatives and the amortization of deferred charges and is presented in the table below (Dollars in thousands):

	Three Months Ended December 31, 2020	Twelve Months Ended December 31, 2020
Interest expense	$ 55,608	$ 220,633
Adjustments:		
Total return swap income	(2,983)	(10,733)
Interest expense, net	$ 52,625	$ 209,900

ESSEX PROPERTY TRUST, INC.

NET INDEBTEDNESS DIVIDED BY ADJUSTED EBITDAre

This credit ratio is presented on page S-6 in the section titled "Selected Credit Ratios" of the earnings supplement for the fourth quarter of 2020. This credit ratio is calculated by dividing net indebtedness by Adjusted EBITDAre, as annualized based on the most recent quarter, and adjusted for estimated net operating income from properties acquired or disposed of during the quarter. This ratio is presented by the Company because it provides rating agencies and investors an additional means of comparing the Company's ability to service debt obligations to that of other companies. Net indebtedness is total debt, net less unamortized premiums, discounts, debt issuance costs, unrestricted cash and cash equivalents, and marketable securities. The reconciliation of Adjusted EBITDAre is set forth in "Adjusted EBITDAre Reconciliation" on page S-18.1 of the earnings supplement for the fourth quarter of 2020. The calculation of this credit ratio and a reconciliation of net indebtedness to total debt at pro rata share for co-investments, net is presented in the table below (Dollars in thousands):

Total consolidated debt, net	$	6,251,535
Mortgage debt associated with real estate held for sale, net[1]		29,422
Total debt from co-investments at pro rata share		983,198
Adjustments:		
Consolidated unamortized premiums, discounts, and debt issuance costs		39,891
Pro rata co-investments unamortized premiums, discounts, and debt issuance costs		4,642
Consolidated cash and cash equivalents-unrestricted		(73,629)
Pro rata co-investment cash and cash equivalents-unrestricted		(20,342)
Marketable securities		(195,868)
Net Indebtedness	$	7,018,849
Adjusted EBITDAre, annualized [2]	$	1,067,868
Other EBITDAre normalization adjustments, net, annualized [3]		(528)
Adjusted EBITDAre, normalized and annualized	$	1,067,340
Net Indebtedness Divided by Adjusted EBITDAre, normalized and annualized		6.6

(1) Amount is net of unamortized debt issuance costs and is included in other liabilities on the consolidated balance sheet.
(2) Based on the amount for the most recent quarter, multiplied by four.
(3) Adjustments made for properties in lease-up, acquired, or disposed of during the most recent quarter and other partial quarter activity, multiplied by four.

ESSEX PROPERTY TRUST, INC.

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, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
Earnings from operations	$ 111,931	$ 116,818	$ 491,441	$ 481,112
Adjustments:				
Corporate-level property management expenses	8,549	8,616	34,573	34,067
Depreciation and amortization	130,127	122,908	525,497	483,750
Management and other fees from affiliates	(2,286)	(2,504)	(9,598)	(9,527)
General and administrative	23,144	15,531	65,388	54,262
Expensed acquisition and investment related costs	1,487	99	1,591	168
Impairment Loss	1,825	7,105	1,825	7,105
(Gain) loss on sale of real estate and land	(25,716)	3,164	(64,967)	3,164
NOI	249,061	271,737	1,045,750	1,054,101
Less: Non-same property NOI	(31,988)	(22,995)	(140,782)	(82,644)
Same-Property NOI	$ 217,073	$ 248,742	$ 904,968	$ 971,457

ESSEX PROPERTY TRUST, INC.

PUBLIC BOND COVENANTS

Public Bond Covenants refer to certain covenants set forth in instruments governing the Company's unsecured indebtedness. These instruments require the Company 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 the Company's ability to expand or fully pursue its business strategies. The Company's ability to comply with these covenants may be affected by changes in the Company's operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events adversely impacting it. The breach of any of these covenants could result in a default under the Company's indebtedness, which could cause those and other obligations to become due and payable. If any of the Company's indebtedness is accelerated, the Company may not be able to repay it. For risks related to failure to comply with these covenants, see "Item 1A: Risk Factors - Risks Related to Our Indebtedness and Financings" in the Company's annual report on Form 10-K and other reports filed by the Company with the Securities and Exchange Commission ("SEC").

The ratios set forth on page S-6 in the section titled "Public Bond Covenants" of the earnings supplement for the fourth quarter of 2020 are provided only to show the Company's compliance with certain specified covenants that are contained in indentures related to the Company's issuance of Senior Notes, which indentures are filed by the Company with the SEC. See, for example, the Indenture dated August 24, 2020, filed by the Company as Exhibit 4.1 to the Company's Form 8-K, filed on August 24, 2020. These ratios should not be used for any other purpose, including without limitation to evaluate the Company's financial condition or results of operations, nor do they indicate the Company's covenant compliance as of any other date or for any other period. The capitalized terms in the disclosure are defined in the indentures filed by the Company with the SEC and may differ materially from similar terms used by other companies that present information about their covenant compliance.

SECURED DEBT

Secured Debt means debt of the Company or any of its subsidiaries which is secured by an encumbrance on any property or assets of the Company or any of its subsidiaries. The Company's total amount of Secured Debt is set forth on page S-5 of the earnings supplement for the fourth quarter of 2020.

UNENCUMBERED NOI TO ADJUSTED TOTAL NOI

This ratio is presented on page S-6 of the earnings supplement for the fourth quarter of 2020 in the section titled "Selected Credit Ratios". Unencumbered NOI means the sum of NOI for those real estate assets which are not subject to an encumbrance securing debt. The ratio of Unencumbered NOI to Adjusted Total NOI for the three months ended December 31, 2020, annualized, is calculated by dividing Unencumbered NOI, annualized for the three months ended December 31, 2020 and as further adjusted for pro forma NOI for properties acquired or sold during the recent quarter, by Adjusted Total NOI as annualized. The calculation and reconciliation of NOI is set forth in "Net Operating Income ("NOI") and Same-Property NOI Reconciliations" above. This ratio is presented by the Company because it provides rating agencies and investors an additional means of comparing the Company's ability to service debt obligations to that of other companies. The calculation of this ratio is presented in the table below (Dollars in thousands):

	Annualized Q4'20 [1]
NOI	$ 996,244
Adjustments:	
NOI from real estate assets sold or held for sale	(5,897)
Other, net [2]	(19,257)
Adjusted Total NOI	971,090
Less: Encumbered NOI	(52,735)
Unencumbered NOI	$ 918,355
Encumbered NOI	$ 52,735
Unencumbered NOI	918,355
Adjusted Total NOI	$ 971,090
Unencumbered NOI to Adjusted Total NOI	95%

(1) This table is based on the amounts for the most recent quarter, multiplied by four.
(2) Includes intercompany eliminations pertaining to self-insurance and other expenses.