

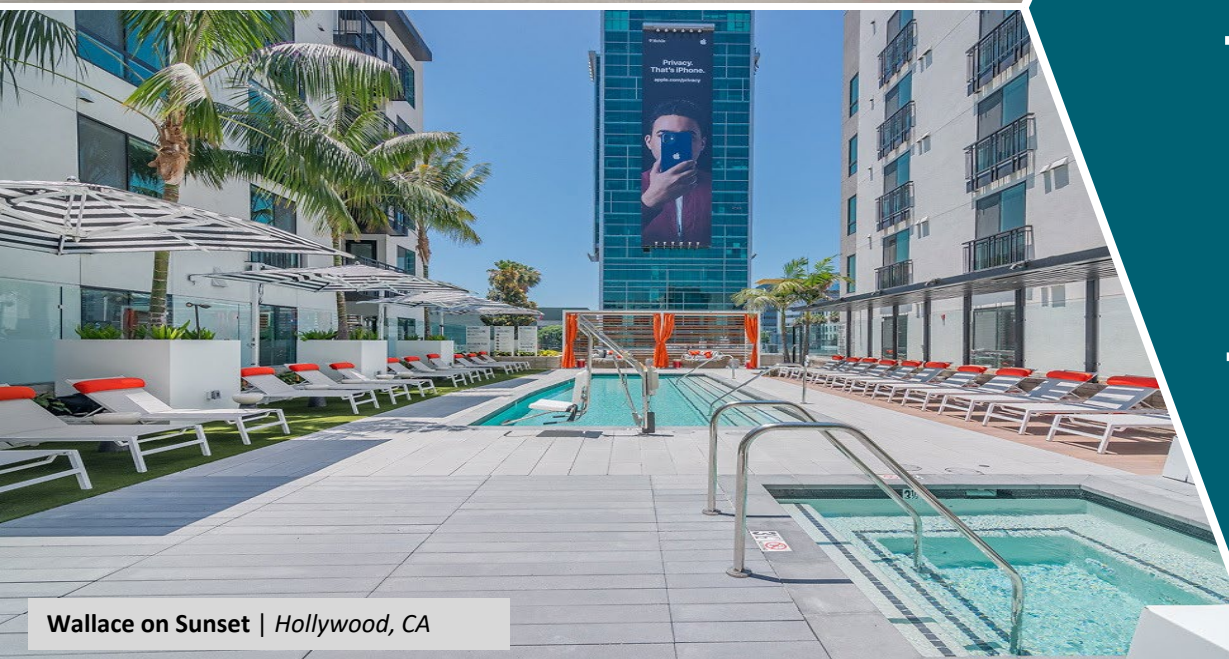


ESSEX

PROPERTY TRUST, INC.

INVESTOR PRESENTATION

SEPTEMBER 2021



Wallace on Sunset | Hollywood, CA

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“ We are Essex—the proven leader in West Coast apartments. We are a fully integrated real estate investment trust (REIT) that acquires, develops, redevelops, and manages multifamily apartment communities located in supply-constrained markets. With a commitment to the vibrant coastal economies in which we operate, we continually push to innovate, improve, and add value to the lives of our residents, associates, and shareholders.

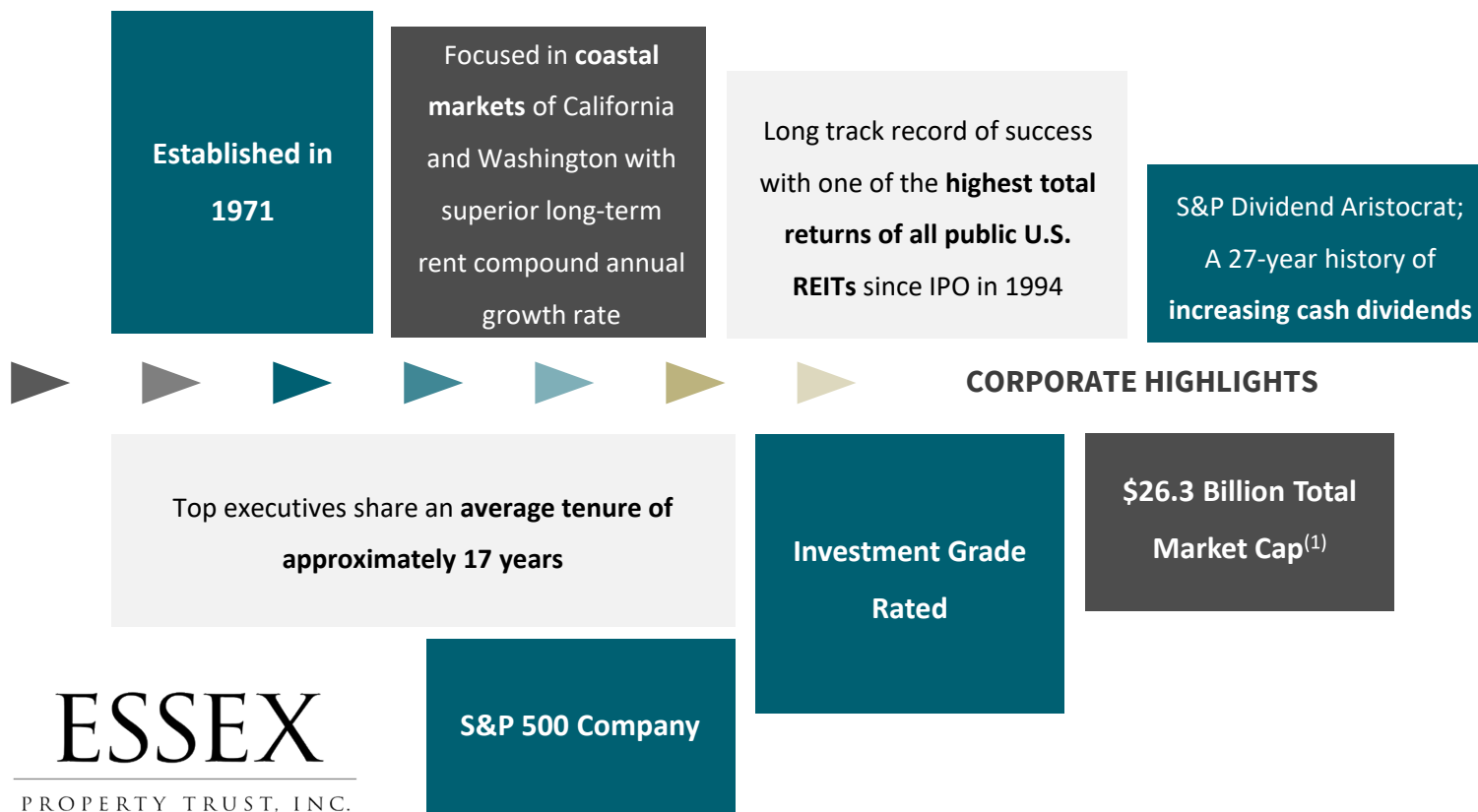
~ Michael J. Schall
President & CEO



ESSEX

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ESSEX AT A GLANCE



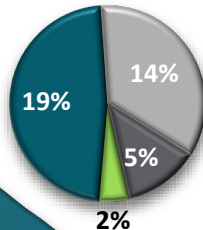
THE ONLY PUBLIC MULTIFAMILY REIT DEDICATED TO THE WEST COAST

Together, California & Washington represent the 5th highest GDP in the world

NORTHERN, CA

41% of NOI⁽¹⁾

% of ESS Total NOI⁽²⁾

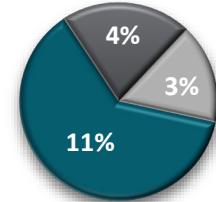


■ SF CBD
■ Santa Clara
■ Oakland⁽³⁾
■ San Mateo

SEATTLE

17% of NOI⁽¹⁾

% of ESS Total NOI

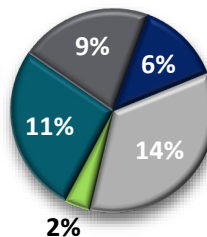


■ Seattle CBD
■ Eastside
■ Other Seattle

SOUTHERN, CA

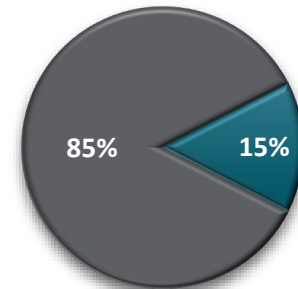
42% of NOI⁽¹⁾

% of ESS Total NOI



■ West LA/Other LA
■ LA CBD
■ Orange
■ San Diego
■ Ventura

ESS Total Portfolio Breakout⁽⁴⁾



■ Urban
■ Suburban

Source: Essex, RealPage

- 1) As of 6/30/21
- 2) Excludes two properties in Marin county which account for 0.6% of ESS total NOI
- 3) Oakland includes Alameda and Contra Costa counties
- 4) Defined by RealPage based on geographical location and density



ESSEX

PROPERTY TRUST, INC.

EXECUTIVE SUMMARY

MARKET UPDATE

- Essex markets have recovered 56% of COVID related job losses to date, lagging the U.S. due to COVID restrictions that were in place through June of 2021 in California and Washington (Page 14)
- The West Coast is well-positioned for a robust recovery as we continue to regain jobs lost during the pandemic (Page 14)
- ESS outperforms the Sunbelt and East coast markets over the longer term, only experiencing a reversal of trend in periods of economic downturn (Page 21)

DEMAND UPDATE

- Job openings at the top-10 tech companies in Essex markets have increased 116% since the August 2020 trough, and 23% higher than the prior peak (1Q '20) (Page 15)
- Tech jobs in California and Washington account for 54% of the top-10 tech job openings nationally (Page 15)
- Housing prices in California and Washington appreciated 19% and 20%, respectively in 2021, outpacing the U.S. average of 16%. It is 2x more expensive to buy than rent in ESS markets (Page 17)

SUPPLY UPDATE

- Total new permits are well below 1% of total stock in Essex markets, comparing favorably to the broader U.S. (page 19)
- Recent permit activity reflects muted supply in ESS markets relative to other metros with low barriers to supply (page 20)

OPERATIONS UPDATE

- Same-Property net effective rent from the beginning of the pandemic through August 2021 has increased 4.7% due to increasing demand for rental housing on the West Coast (Page 24)
- As of August 2021, Essex has a -9.3% loss-to-lease, implying embedded rent growth once in-place leases are brought to current market levels (Page 25)



ESSEX

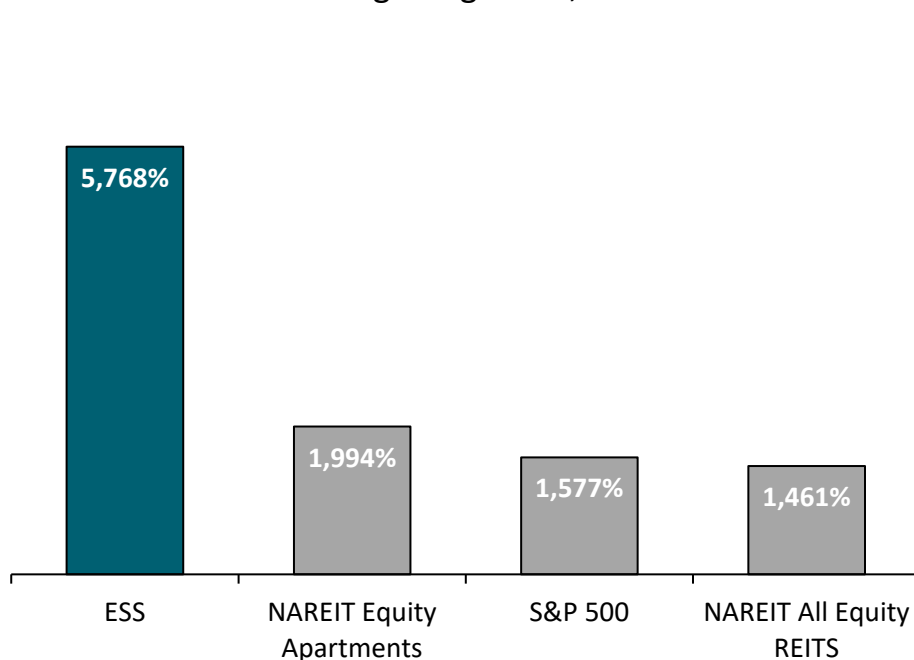
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TRACK RECORD & INVESTMENT THESIS

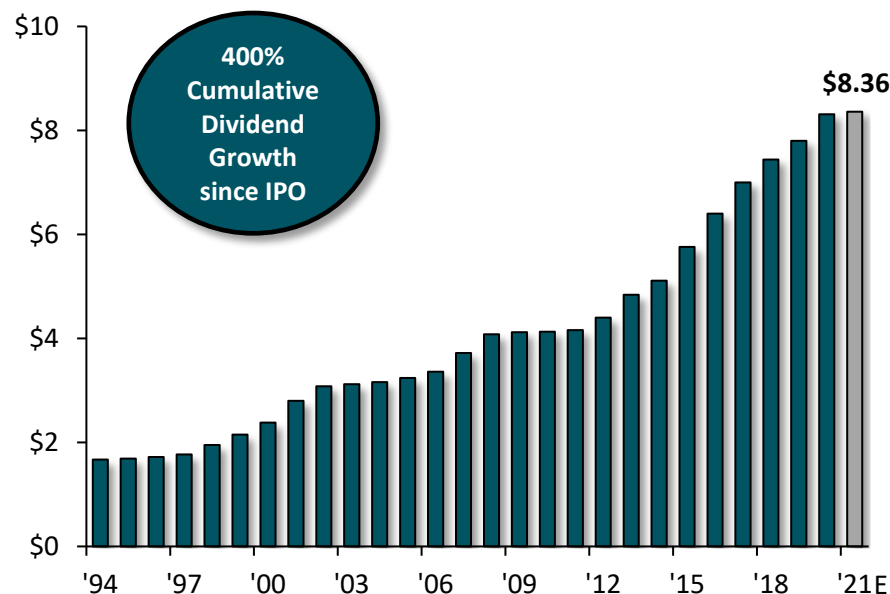
TOTAL RETURNS OUTPERFORM

- Robust 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 August 31, 2021



Dividend Per Share Growth
1994 - 2021E

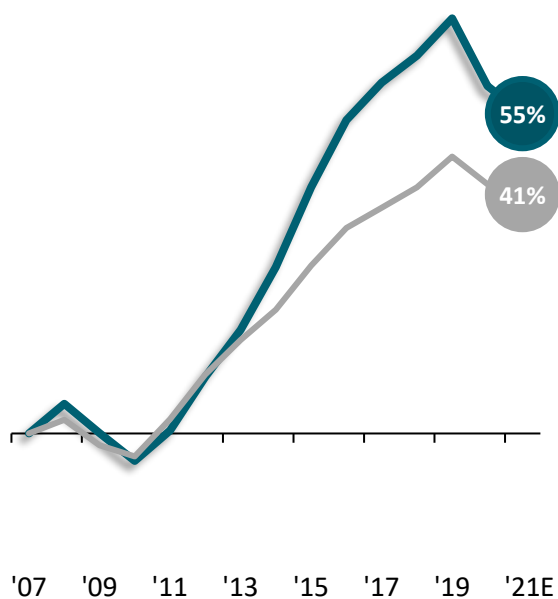


CORE METRICS OUTPERFORM

- Essex drives core metric growth through **disciplined capital allocation decisions** and an unwavering focus on **creating value for shareholders**. This process has led to relative outperformance in core FFO, same-property NOI, and dividend growth

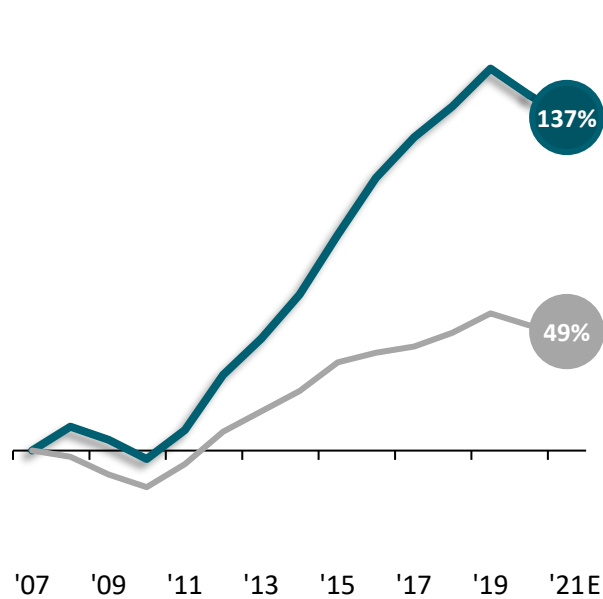
Same-Property NOI Growth

— ESS — Peer Average



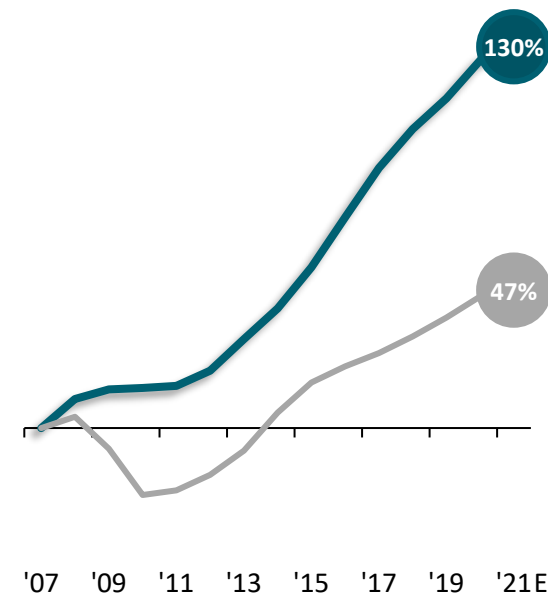
Core FFO Growth⁽¹⁾

— ESS — Peer Average



Dividend Growth

— ESS — Peer Average



Source: Company Disclosures

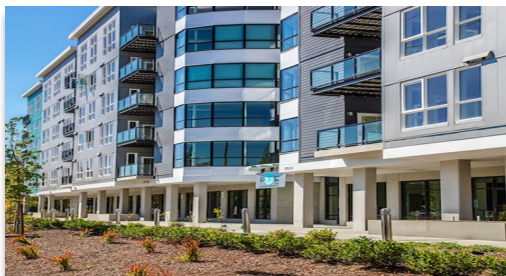
Peer average for same-property NOI, Core FFO, and dividend growth includes five multifamily REITs (EQR, AVB, UDR, MAA, and CPT)

1) CPT reports total FFO and MAA reported total FFO prior to Q1'20

CORE COMPETENCIES TO CREATE VALUE

ACQUISITIONS

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



Pure Redmond
Redmond, WA

DISPOSITIONS

Willing to sell properties and shrink when accretive to NAV and FFO/sh



Sold **\$619M** worth of properties over '20-'21 at an average cap rate of **3.55%** when trading at a consensus implied cap rate of **4.7%** using proceeds to fund capital expenditures, development costs, and share buybacks

CO-INVESTMENT PLATFORM

Facilitates growth via private capital and provides attractive risk adjusted returns



Velo & Ray
Seattle, WA

DEVELOPMENT / REDEVELOPMENT

Develop high-quality tenant-desired apartment homes near high-quality jobs and rent justified improvements to existing properties to maximize NOI and value



Scripps Mesa Apartments
San Diego, CA

SHARE REPURCHASES

Willing to buyback shares when trading at a discount to internal net asset value to bring discount closer to NAV



Bought back **\$269M** in shares over 2020 at an average price of **\$225/sh** when trading at a significant discount to NAV, **generating over \$100M of value creation for shareholders**

STRUCTURED FINANCE

Invest in high-quality developments and stabilized properties within Essex footprint, yielding enhanced risk-adjusted returns compared to development at certain points during the cycle



Meridian at Midtown
San Jose, CA



ESSEX

PROPERTY TRUST, INC.

WEST COAST FUNDAMENTALS

STRONG DEMAND DRIVERS

Economy

Highest GDP in the U.S

Jobs / Income

Centers of innovation drive job creation and income growth leading to higher median household income

Affordability

Higher median home prices make purchasing a home 2x more expensive than renting in our markets

Demographics

Big tech clusters have led to higher paying jobs and income growth

LIMITED SUPPLY

New Supply

New supply of multifamily and for-sale historically below 1% of existing stock for CA

Cost

High cost of homeownership makes transition from renter to homeowner difficult

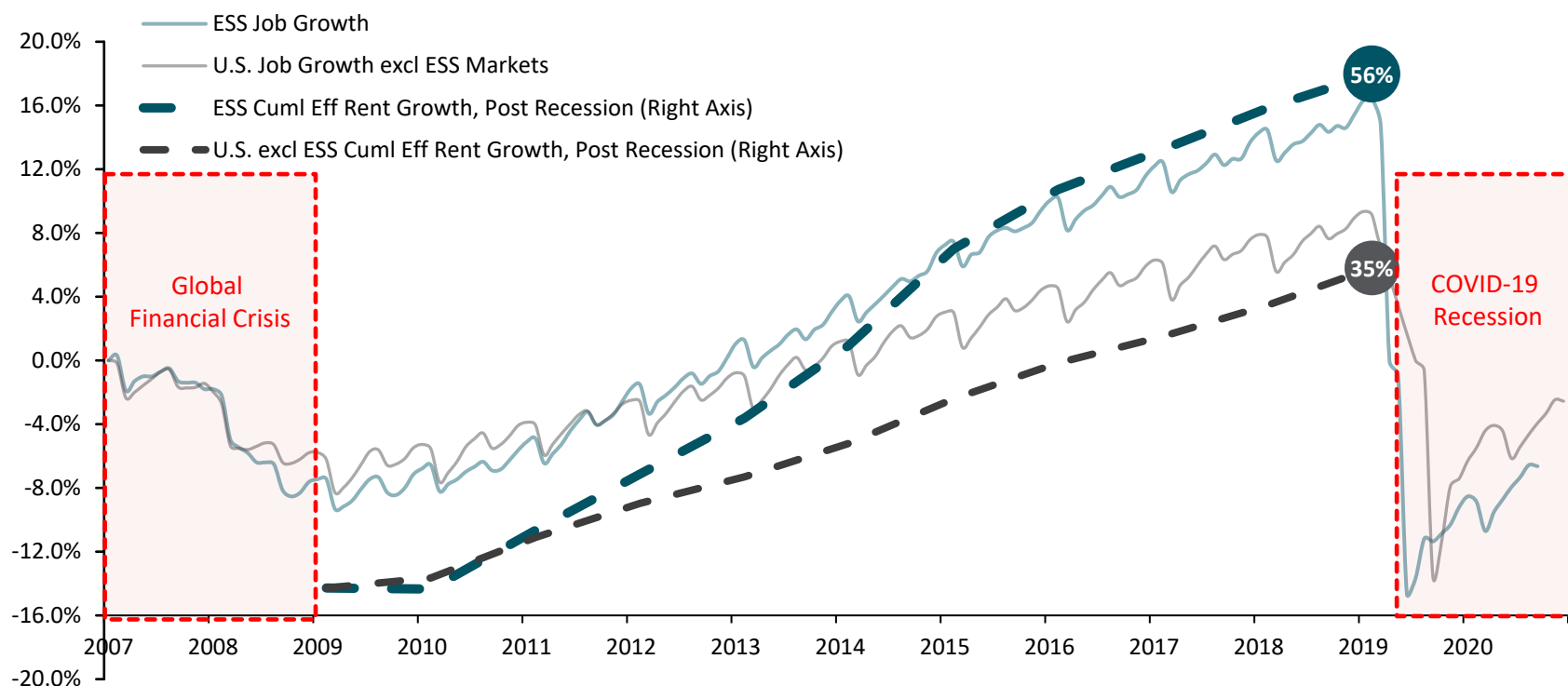
Barriers to Entry

Difficult and costly to build, restrictive and lengthy entitlement process

PATH TO RECOVERY – GFC vs. COVID-19 RECESSION

- Despite outpacing the broader U.S. in job recovery during the second quarter, Essex markets have only **recovered 56% of COVID related job losses to date and remain 7.3% below pre-pandemic employment as of July 2021**. Our markets are now well-positioned for a robust recovery as we continue to regain jobs lost during the pandemic
- During post-recessionary cycles, Essex's markets far outpace the U.S. in both job and rent growth

Employment Growth from Pre-Recession Baseline⁽¹⁾ and Long-Term Rent Growth⁽²⁾



Source: BLS.gov, RealPage

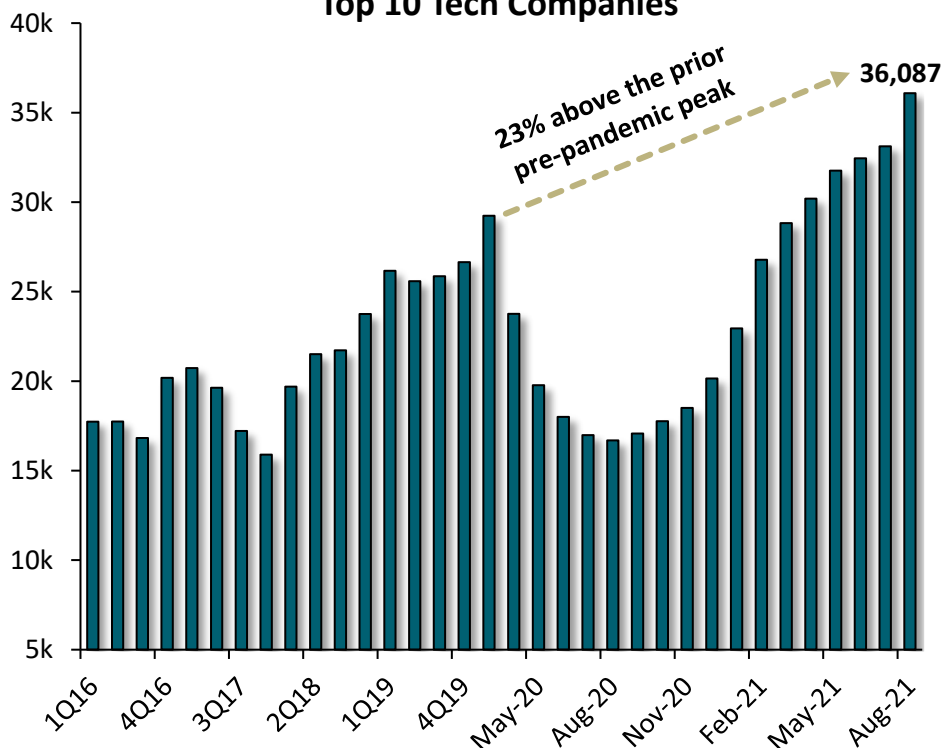
1) Represents employment growth from baseline employment using Nov 2007 for the Global Financial Crisis ("GFC") and Feb 2020 for the COVID-19 recession

2) Job data through Jul 2021 and cumulative effective rent growth data through Feb 2020

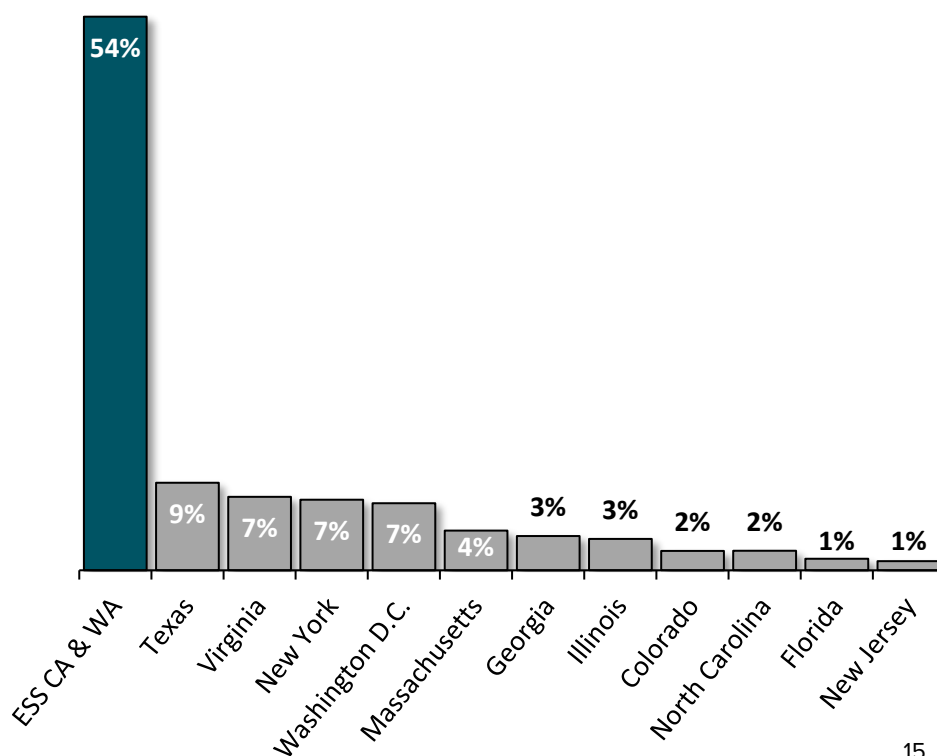
JOB OPENINGS – TOP 10 TECH FIRMS

- Job openings at the top-10 tech companies have increased **116%** since the August 2020 trough and is **23%** above the prior peak in Q1'20
- California and Washington account for **54%** of the top-10 tech companies total job openings nationally, indicating a strong desire to continue to grow and expand on the West Coast

**Total Job Openings in CA & WA
Top 10 Tech Companies**



**% of Total Tech Job Openings by State
Top 10 Tech Companies⁽¹⁾**



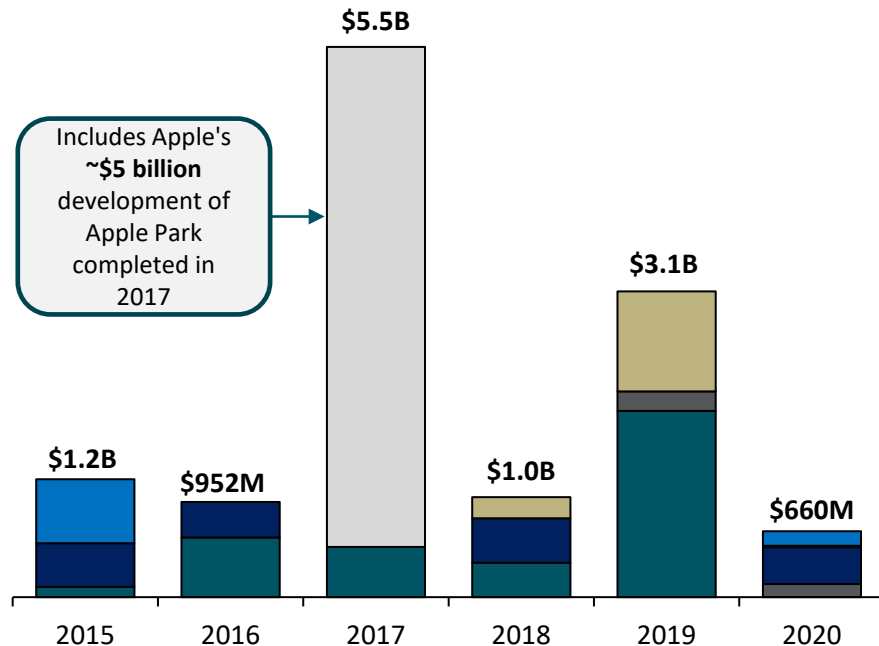
Source: Company Websites

1) As of August 2021

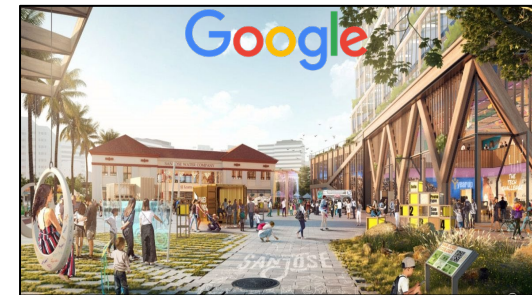
BIG TECH INVESTMENTS IN ESS MARKETS

- Since 2015, the largest technology companies have invested **over +\$10 billion** in office space within ESS markets
- The biggest technology companies continued to announce expansion efforts in Essex markets throughout the pandemic, showing further commitment in Essex's CA and WA markets and a return-to-office

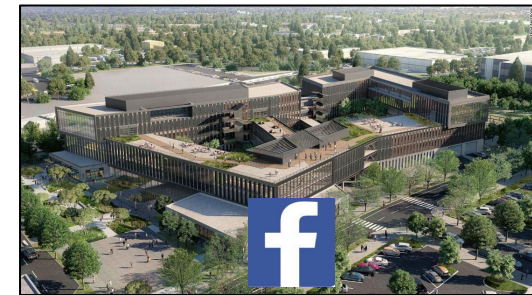
Big Tech Real Estate Investments in ESS Markets⁽¹⁾



The city of San Jose approves Google's planned 80-acre development in DT San Jose for a new campus consisting of 7.3M SF of office space. Construction is scheduled to commence as early as 2022



Facebook acquires REI's newly developed 400k SF headquarters in Bellevue, WA for \$390 million in 2020



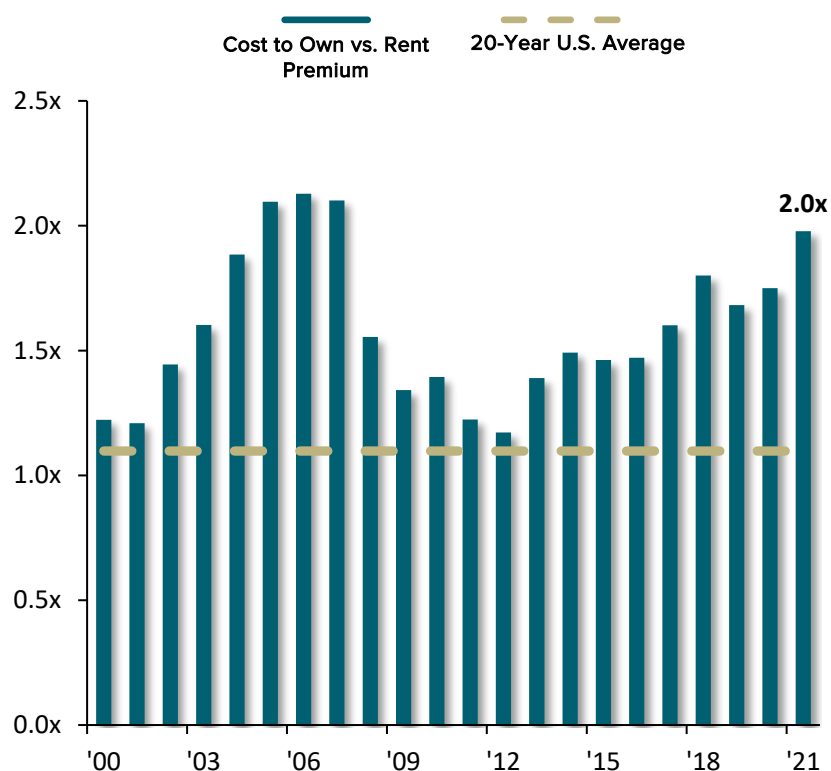
Apple completes construction of its estimated \$5 billion, 2.8M SF Apple Park in 2017



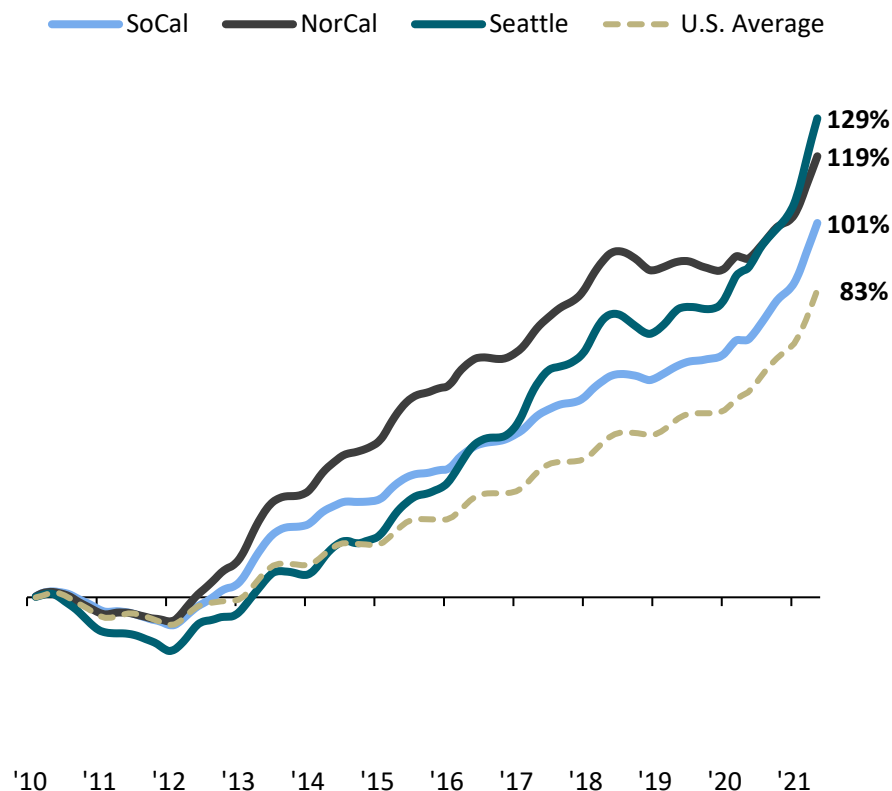
THE OWN VS. RENT PREMIUM IN ESSEX MARKETS

- It is **2x more expensive to own vs rent** in ESS markets, **significantly more expensive** than the 20-year U.S. average
- California and Seattle home prices have increased by +19% and +20% in 2021⁽¹⁾ respectively, and over 100% since 2010**

**After-Tax Cost to Own vs. Rent
in Essex Markets⁽²⁾**



Home Price Appreciation in ESS Core Markets



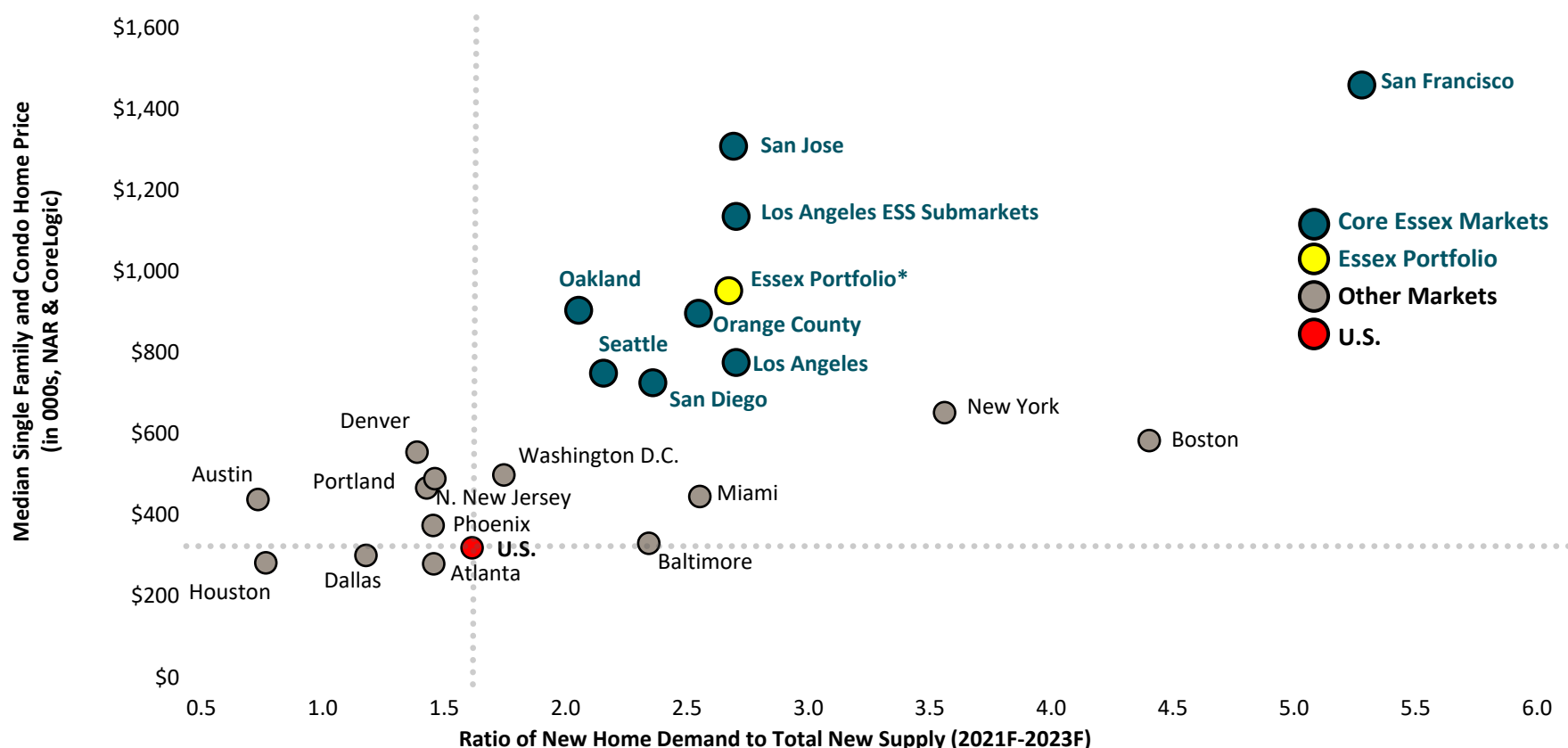
Sources: RealPage, CoreLogic, Federal Housing Finance Agency (FHFA), Census Bureau, Bureau of Labor Statistics (BLS), Federal Reserve Economic Data (FRED), Freddie Mac, Essex

1) Represents the trailing 3-month average as of July 2021

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

DEMAND TO EXCEED SUPPLY IN ESSEX'S MARKETS

- For sale housing prices are **~3x greater** in Essex's markets versus the national average and housing **demand is expected to exceed supply** significantly vs. the broader U.S. through 2023
- After significant job losses in 2020 as a result of the COVID-19 pandemic, the West Coast is expected to return to its historic reputation as a premier job location



Sources: Moody's Analytics, National Association of Realtors, CoreLogic, BLS, and Essex

*Essex Portfolio weighted by % of same-property revenue

New Home demand based upon a ratio of 2 forecast jobs to create one household (forecasts are Moody's & ESS).

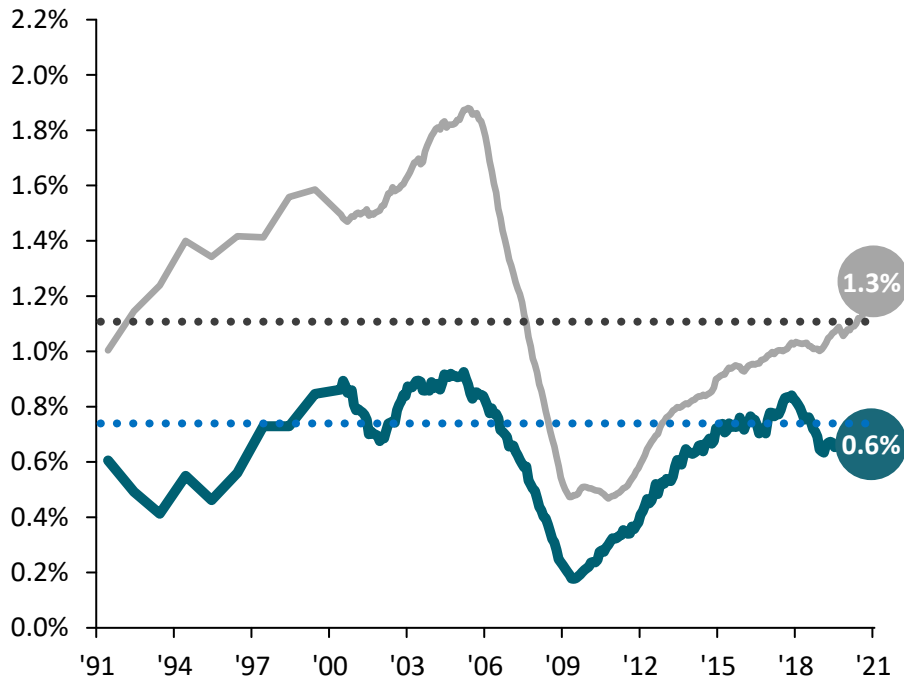
Total new supply based on Essex forecasts and Moody's total permits, assuming a 24-month completion lag; except U.S. is based on Moody's total starts.

LIMITED SUPPLY IN ESSEX MARKETS

- Total permitting activity in the U.S. has steadily increased since 2012. **Essex California markets remain well below U.S. averages**
- In Essex's California markets, new supply as a percent of stock has historically remained **below 1%**

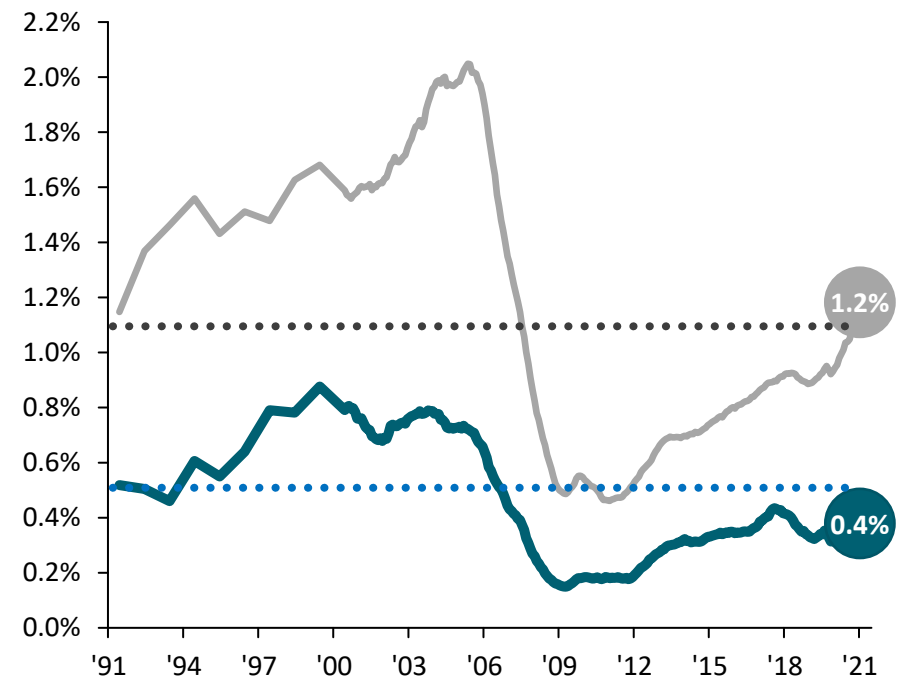
Total Permits as a % of Total Stock
ESS CA vs. U.S. ⁽¹⁾⁽²⁾

— ESS CA — U.S. LT U.S. Avg LT ESS CA Avg



Single-Family Permits as a % of Single-Family Stock
ESS CA vs. U.S. ⁽¹⁾⁽²⁾

— ESS CA — U.S. LT U.S. Avg LT ESS CA Avg



Source: Census Bureau, Essex, and Rosen Consulting Group

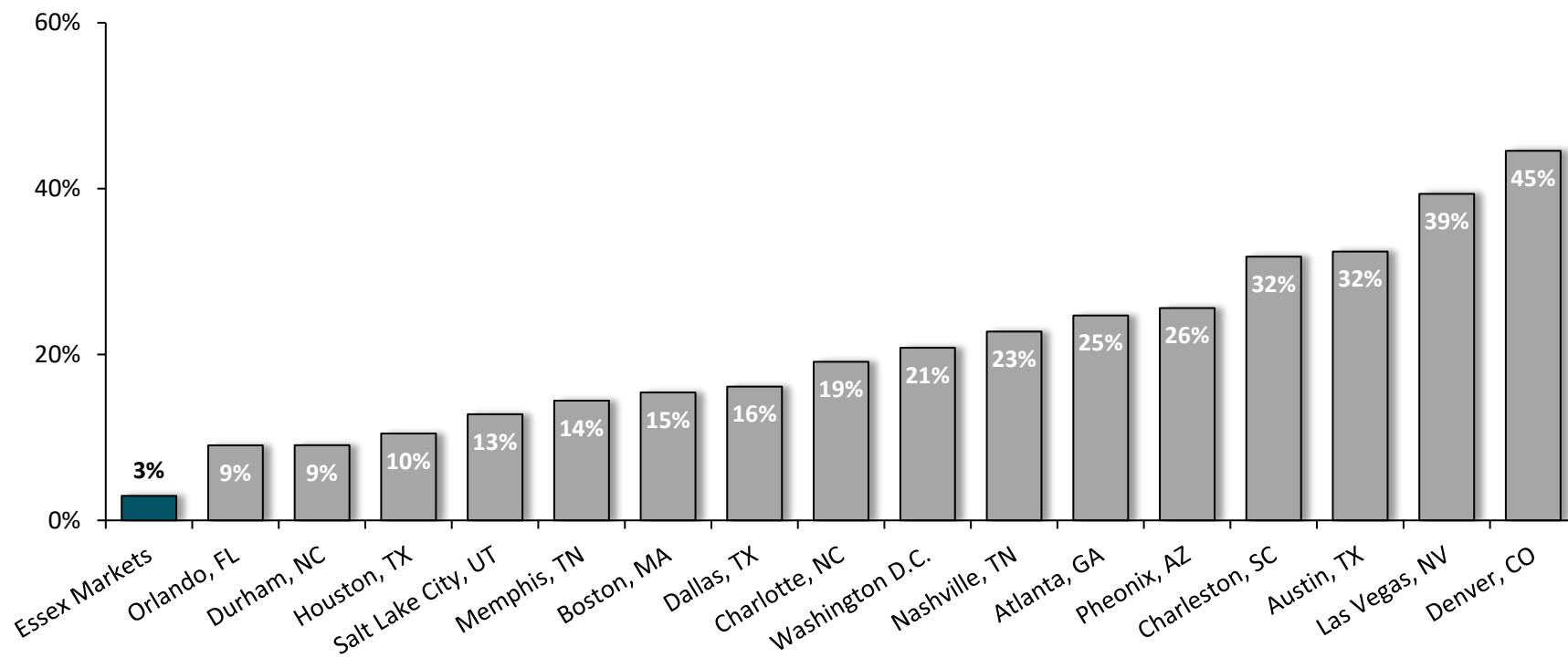
1) Through July 2021

2) Long-term averages from 1991 - 2020

ESSEX'S SUPPLY VS. OTHER MARKETS

- Total permitting for new housing in Essex's markets remains well below low supply barrier metros
- 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

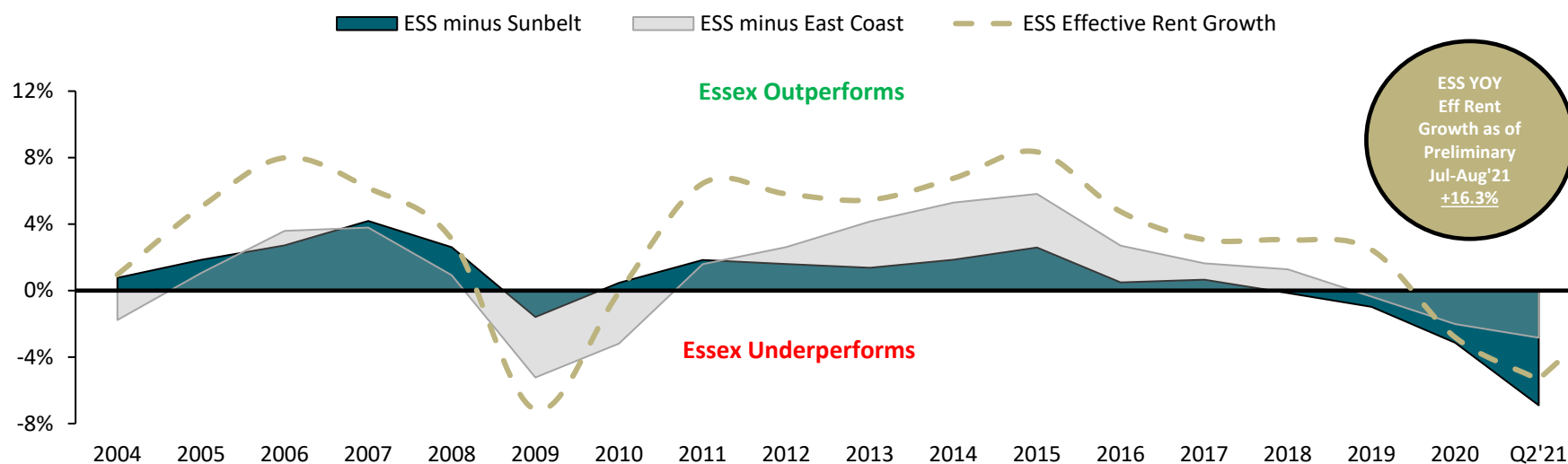
1) Represents the YOY trailing twelve-month change in total permits (single-family and multifamily) as of Jul 2021

INVESTMENT STRATEGY FOCUSES ON LONG-TERM RENT GROWTH

- Rent growth in Essex markets outperforms over the broader economic cycle, but is more volatile during downturns in the cycle
- West Coast fundamentals remain compelling with muted new supply and a large concentration of high-paying jobs, leading us to believe the West Coast will continue to outperform over the long-term

Same-Property Rent Growth CAGR	
	2004 - Q2 2021
ESS Weighted Average Market Rent Growth	3.2%
Sunbelt Weighted Average Market Rent Growth ⁽²⁾⁽³⁾	2.5%
East Coast Weighted Average Market Rent Growth ⁽²⁾⁽³⁾	2.1%

Effective Rent Growth - ESS Markets vs. Sunbelt & East Coast⁽¹⁾⁽²⁾⁽³⁾



Source: RealPage

- 1) Reflects the difference in T4Q average YOY effective rent growth between Essex markets, key Sunbelt markets, and key East Coast markets and Essex's T4Q average YOY effective rent growth
- 2) East Coast markets include: New York, Boston, Washington D.C., Philadelphia, Newark, NJ, and Baltimore. Sunbelt markets include: Atlanta, Austin, Charlotte, Dallas, Houston, Miami, Nashville, Orlando, Phoenix, Raleigh, and Tampa
- 3) Sunbelt and East Coast markets weighted by RealPage same-property unit count



Santa Palmia
San Jose, CA

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OPERATIONS UPDATE

SAME-PROPERTY OPERATIONS UPDATE

Same-Property Revenue Growth ⁽¹⁾	Q1 2021	Q2 2021	Preliminary Jul-Aug'21
Southern California	-5.8%	2.0%	9.5%
Northern California	-10.9%	-8.4%	-2.9%
Seattle	-7.0%	-2.3%	-0.8%
Total Same-Property	-8.1%	-3.0%	2.6%
Financial Occupancy	96.7%	96.6%	96.4%

Same-Property Operating Statistics	Q1 2021	Q2 2021	Preliminary Jul-Aug'21
Cash delinquencies as a % of scheduled rent ⁽²⁾	2.1%	2.6%	1.5%
New lease rates ⁽³⁾	-9.7%	-2.4%	16.3%
Renewal rates ⁽⁴⁾	-2.4%	-1.2%	6.6%
Blended rates	-6.2%	-1.9%	11.7%

Same-Property Net Effective New Lease Rates ⁽⁵⁾								
	Southern California		Northern California		Seattle		Total Same-Property	
	vs. Dec'20	vs. Pre-COVID	vs. Dec'20	vs. Pre-COVID	vs. Dec'20	vs. Pre-COVID	vs. Dec'20	vs. Pre-COVID
Q1 2021	0.7%	-2.4%	0.3%	-16.2%	-0.7%	-14.5%	0.3%	-10.2%
Q2 2021	4.8%	1.6%	3.1%	-13.8%	8.2%	-6.8%	4.8%	-6.2%
Jul 2021	12.7%	9.3%	10.0%	-8.1%	22.8%	5.8%	13.4%	1.5%
Preliminary Aug 2021	17.1%	13.5%	12.7%	-5.8%	26.0%	8.5%	17.0%	4.7%

1) Reflects year-over-year same-property revenue changes

2) Represents total same-property portfolio cash delinquencies as a percentage of scheduled rent, reflected in the financial statements of the reporting period. Year-to-date through August 2021, the Company has received \$7.1 million in delinquency reimbursements associated with COVID rental assistance programs

3) Represents the YOY % change on a net-effective basis, including the impact of leasing incentives. The significant growth is primarily attributable to declining concessions in the current period compared to outsized concessions in the prior comparable period

4) Represents the YOY % change in similar term lease tradeouts, including the impact of leasing incentives

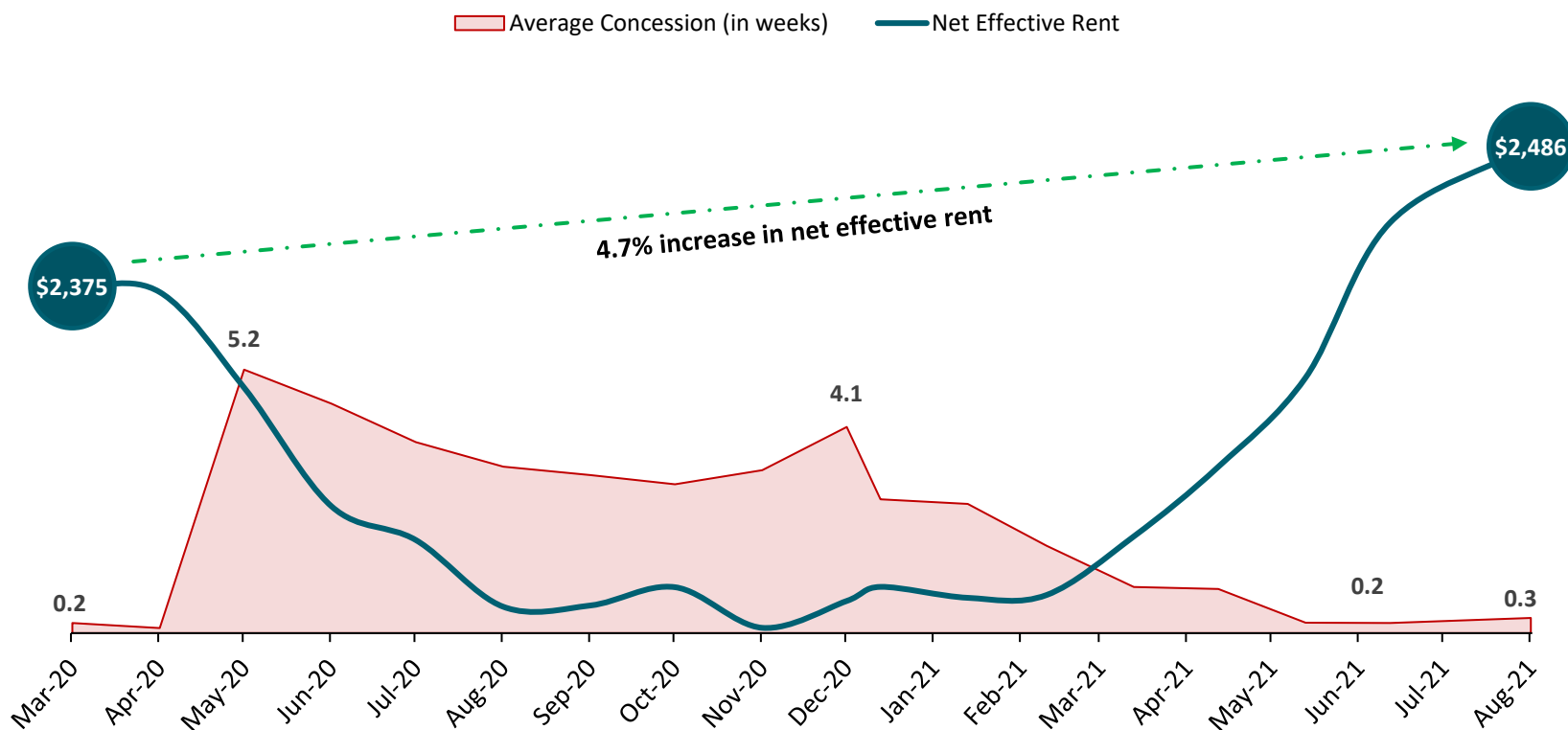
5) Represents the % change of new lease rates on a net effective basis, including the impact of leasing incentives, compared to Dec'20 and Mar'20 (pre-COVID)

NET EFFECTIVE RENT PERFORMANCE THROUGH PANDEMIC

- Same-Property net effective rent from the beginning of the pandemic to today has increased **4.7%**, with concessions similar to pre-COVID levels. **Concessions are offered to tenants early in the lease term** and the tenant is accustomed to paying the full monthly rent by the end of the lease, **reducing the risk of affordability-driven turnover.**

Same-Property Net Effective Rent⁽¹⁾

(Mar'20 - Preliminary Aug'21)

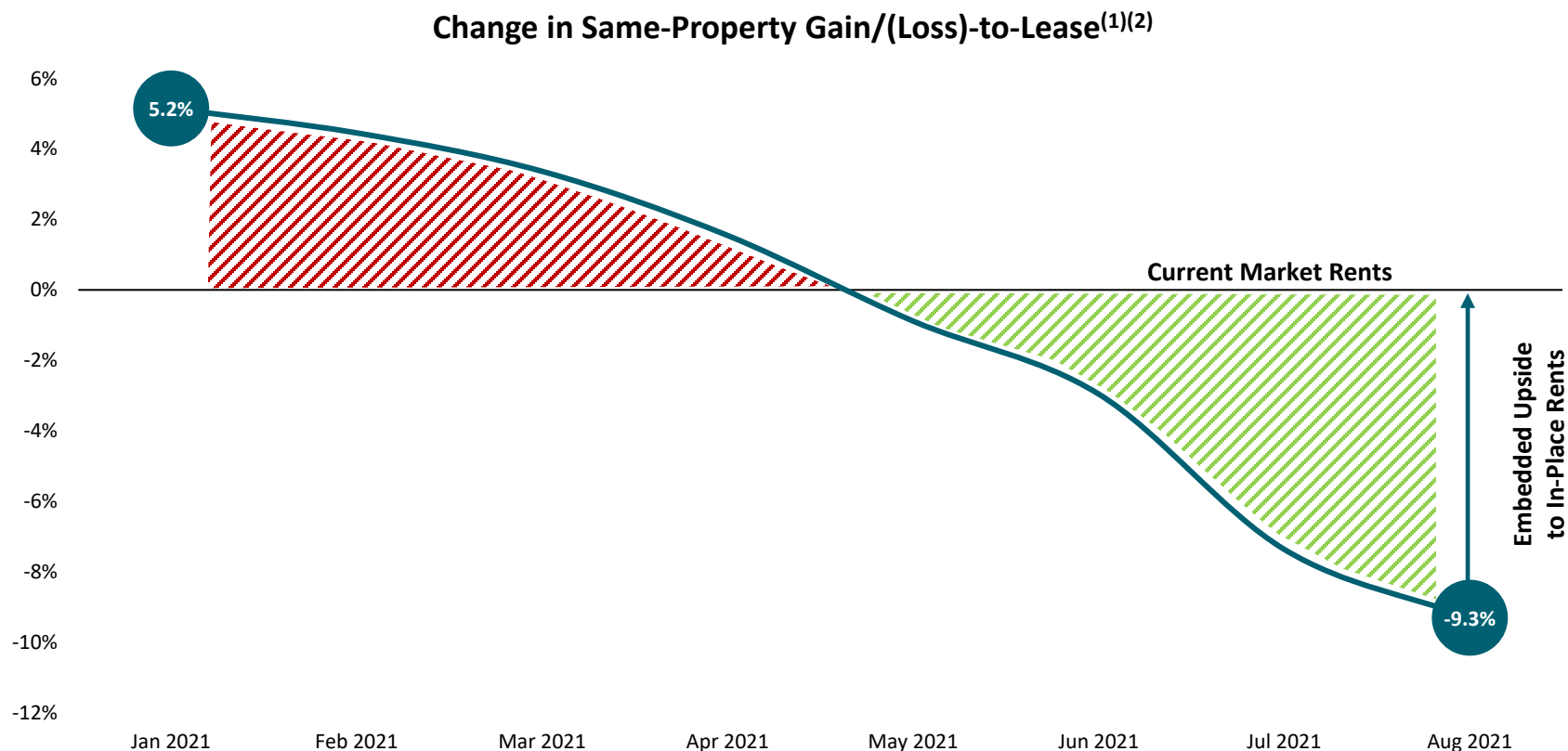


Source: Essex

1) Reflects the % change of new lease rates on a net effective basis, including the impact of leasing incentives

SUBSTANTIAL CHANGE IN LOSS-TO-LEASE THIS YEAR

- Market rents across Essex West Coast footprint have rebounded significantly year-to-date as demand has recovered from the depths of the pandemic. As of August 2021, **we have a -9.3% loss-to-lease, implying embedded rent growth** once we are able to bring in-place leases to current market levels.



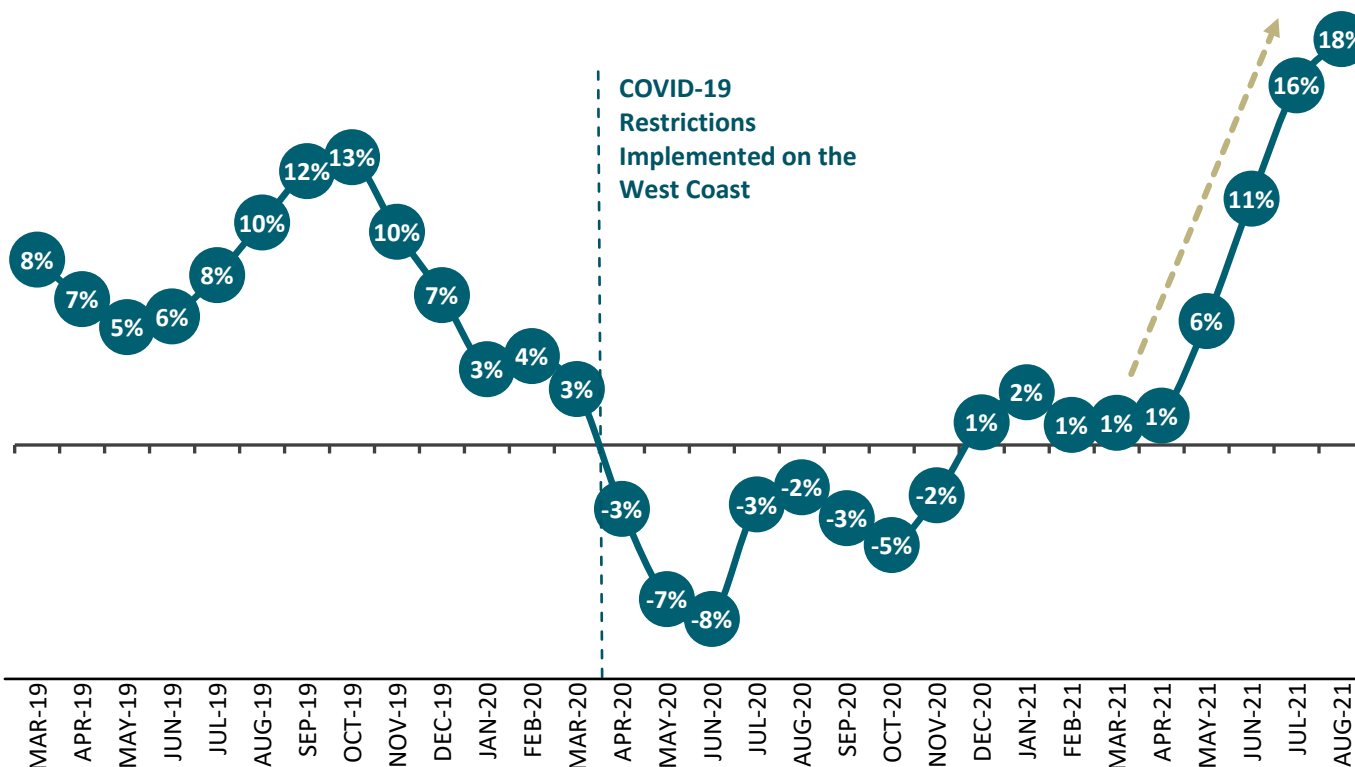
1) Gain/(loss)-to-lease represents the difference between current market rents vs the in-place rents on existing leases in the portfolio

2) The ability to capture the loss-to-lease may be impacted by emergency orders and other regulations that are beyond our control

RECENT OUTMIGRATION TRENDS

- Net move-ins to Essex's Bay Area apartment communities from an outside region improved sharply during Q2'21 and has continued into Q3'21
- The return of net migration has been driven in part by pent-up demand from young professionals transitioning into entry-level jobs from university, and a gradual return-to-office

Net Migration Trends Have Improved Sharply for Essex's Inner Bay Area Portfolio⁽¹⁾



Source: Essex

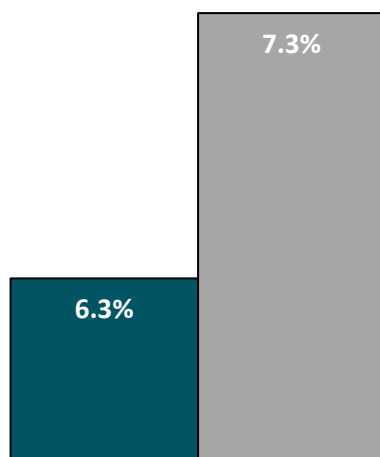
1) "Inner" Bay Area defined here as the submarkets of San Francisco, San Mateo, and Santa Clara counties plus the Oakland CBD and Fremont submarkets of Oakland metro. Net move-ins are T3M totals entering/leaving Essex's NorCal region, expressed as share of total moveouts during the comparable period.

G&A EXPENSES VS. PEERS

- Essex's controllable expenses are lower on a per-unit basis compared to peers as a result of disciplined cost controls and efficiencies achieved through the Company's technology initiatives
- Corporate G&A and property management as a % of revenues has historically been **100 basis points** lower than the peer average

G&A + Property Mgmt. Fees as a % of Revenues⁽¹⁾

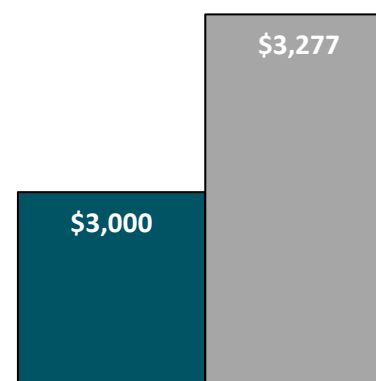
■ ESS ■ Peer Average



5-Year Avg⁽³⁾

Controllable Expenses Per Same-Property Unit⁽¹⁾⁽²⁾

■ ESS ■ Peer Average



5-Year Avg⁽³⁾

Source: Company Documents

- 1) Peer average includes five multifamily REITs (EQR, AVB, UDR, MAA, and CPT)
- 2) Excludes real estate taxes, utilities, insurance, and other non-controllable expenses
- 3) 2016-2020

- **Strategy:** Pursue an innovative win-win scenario for investment, co-development, and use of leading-edge technology
- **Goal:** Create a world class operating system at reasonable cost, with upside from industry rollout/adoption

RET Ventures Overview



Founding member of RETVentures (RET.VC) : An apartment industry consortium focused on better technology solutions



Benefits:
Combining technology and apartment companies produces specialized input and better products (differentiating RETV from other VC's)



Cost Savings:
Participation in equity position brings down cost and improves return on investment



Targeted Opportunities:
Investment strategy focuses on customer preferences, margin improvement, and solutions to operational "pain points"



Co-development:
Apartment owners often engage in co-development relationships with RETV portfolio companies, adding insights for better products

SmartRent Case Study



Product:
Manufacturer of SmartHome technology designed specifically for apartments



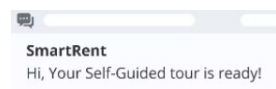
IPO:
Completed \$2.2 billion public offering in August 2021 via SPAC merger



Essex Ownership:
Initial investment of \$4.2M early on, which has increased in value to ~\$70M today



Platform Rollout:
Rolling out Smartrent solution through Essex portfolio (see next page)



Positive Reviews:
Pilot program demonstrated customer preference, enabled self-tours, and maintenance efficiencies

- Leveraging technology and customer-centric operating platform puts us on track to achieve our **operating margin goal of 100-200 bps improvement**

Funnel's CRM Platform

Next Generation Customer Relationship Manager (CRM) Improves:



Lead Management

Provides streamlined lead management, automation, scheduling, and omni-channel communications with both prospects and residents. Implemented across portfolio in 2020.



Data Analytics

Export of CRM results enhances the ability to generate new insights, boost lead conversion and enhance leasing best practices



Operations

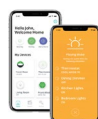
Integration of CRM enhances operating efficiencies and improves resident satisfaction.

SmartRent Technology



Connected Home

Our home hub is the "brain" of the system used to communicate with your devices



Home Automation

Set scenes, schedules and automations to simplify your life, saving time & money



Monitoring & Notifications

Receive notifications for water leaks, access code usage and more



Energy Conservation

Reduces repair and leakage time. Cuts down on paper usage with 100% digital backups

SightPlan



Task Management

Receive service requests on-the-go and complete unit-by-unit inspections efficiently



Mobile Maintenance

Input service requests anytime and anywhere, from the convenience of your mobile phone



Real-Time Communication

Residents can communicate directly with technician and track the progress of their requests in real-time



Visual Problem Solving

Residents can submit photos along with their service request, allowing technicians to diagnose the problem ahead of the task



ESSEX

PROPERTY TRUST, INC.

ESG HIGHLIGHTS

ENVIRONMENTAL OVERVIEW

- Lowering environmental impact is a priority to Essex. The company is performing a climate risk assessment in 2021 and will use the results to set new goals and build upon its existing environmental achievements

10 Years of Positive Impact

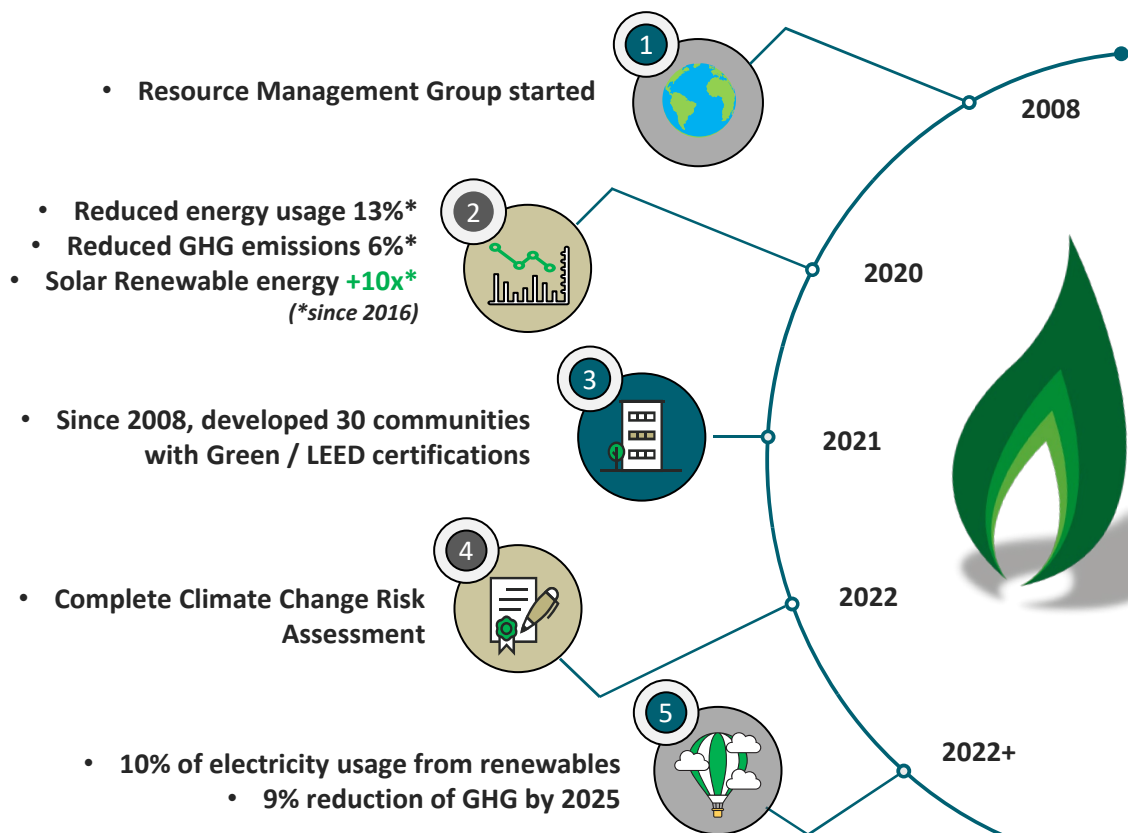
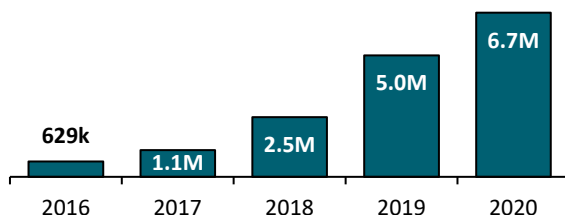
- ✓ **76** Avg. Energy Star Score⁽¹⁾
- ✓ **30k+** Units with energy-saving smart hot water systems
- ✓ **\$50.4M** invested in energy efficiency
- ✓ **\$22.1M** invested in renewable energy
- ✓ **\$7.5M** invested in water conservancy

Alignment With:



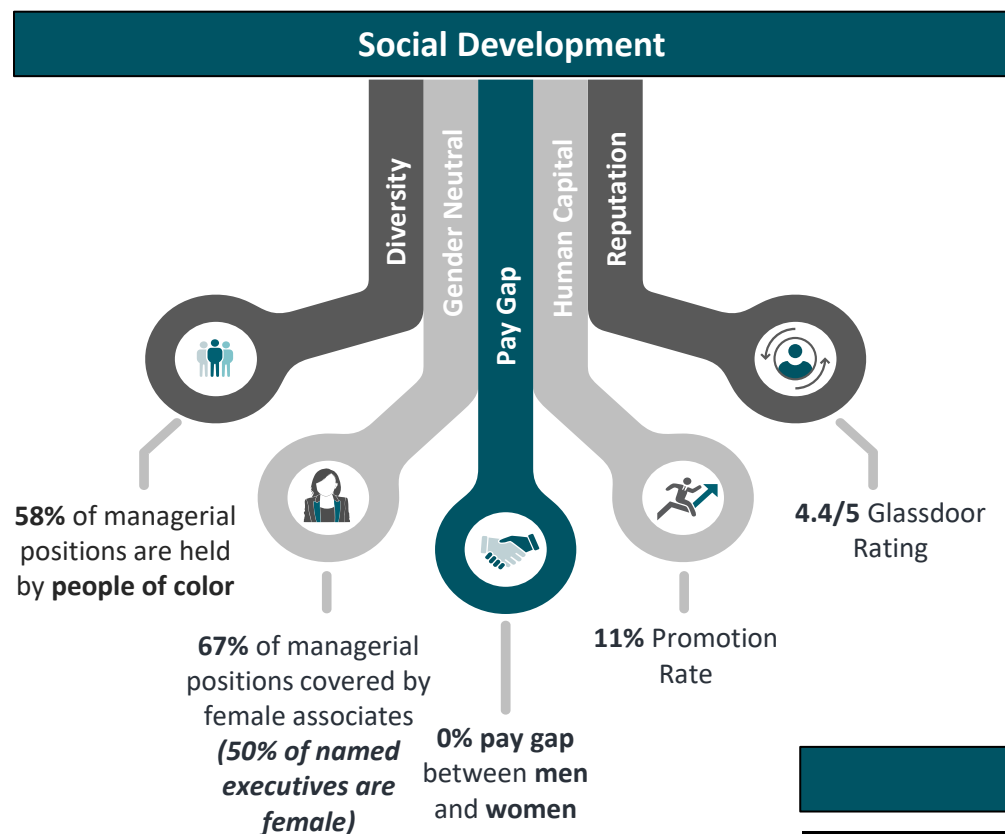
Renewable Energy Generation

■ KWH Produced Through PV



SOCIAL & GOVERNANCE OVERVIEW

- Diversity and equity are points of strength for Essex. **58% of managerial positions are held by people of color, with 50% of named executives being women.** Our Diversity, Equity, and Inclusion efforts have been **recognized** by both **NAREIT and the National Apartment Association**





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2021 GUIDANCE & BALANCE SHEET

2021 FULL-YEAR GUIDANCE (UNCHANGED FROM Q2 2021)

	2021 Full-Year Guidance Range	Guidance Midpoint	Δ from Original Guidance
Same-Property Growth			
Revenues	-1.6% to -1.2%	-1.4%	1.1%
Operating Expenses	2.0% to 2.5%	2.3%	-0.3%
NOI	-3.3% to -2.6%	-3.0%	1.6%
Per Diluted Share			
Net Income	\$5.42 - \$5.66	\$5.54	\$1.94
Total FFO	\$12.42 - \$12.66	\$12.54	\$0.38
Core FFO ⁽¹⁾	\$12.21 - \$12.45	\$12.33	\$0.17

3rd Quarter 2021 Guidance	Guidance Range	Guidance Midpoint
Core FFO ⁽¹⁾	\$2.98 - \$3.10	\$3.04

KEY ASSUMPTIONS and YTD ACCOMPLISHMENTS

- Acquisitions and dispositions of \$300 - \$500 million, subject to markets conditions and cost of capital.
 - YTD Acquisitions: \$84.3 million⁽²⁾
 - YTD Dispositions: \$330.0 million⁽³⁾
- Preferred equity commitments of \$100 - \$150 million, to be funded by redemptions.
 - YTD Commitments: \$31.0 million
 - YTD Redemptions: \$157.0 million

1) Core FFO excludes acquisitions costs and other non-routine items

2) Includes the Company's recent acquisition in September 2021 of a property in Seattle, WA for a total contract price of \$52.5 million

3) Includes the Company's recent disposition in September 2021 of a 276-apartment home community located in Hemet, CA for a total contract price of \$54.5 million

LIQUIDITY & NEAR-TERM FUNDING OBLIGATIONS

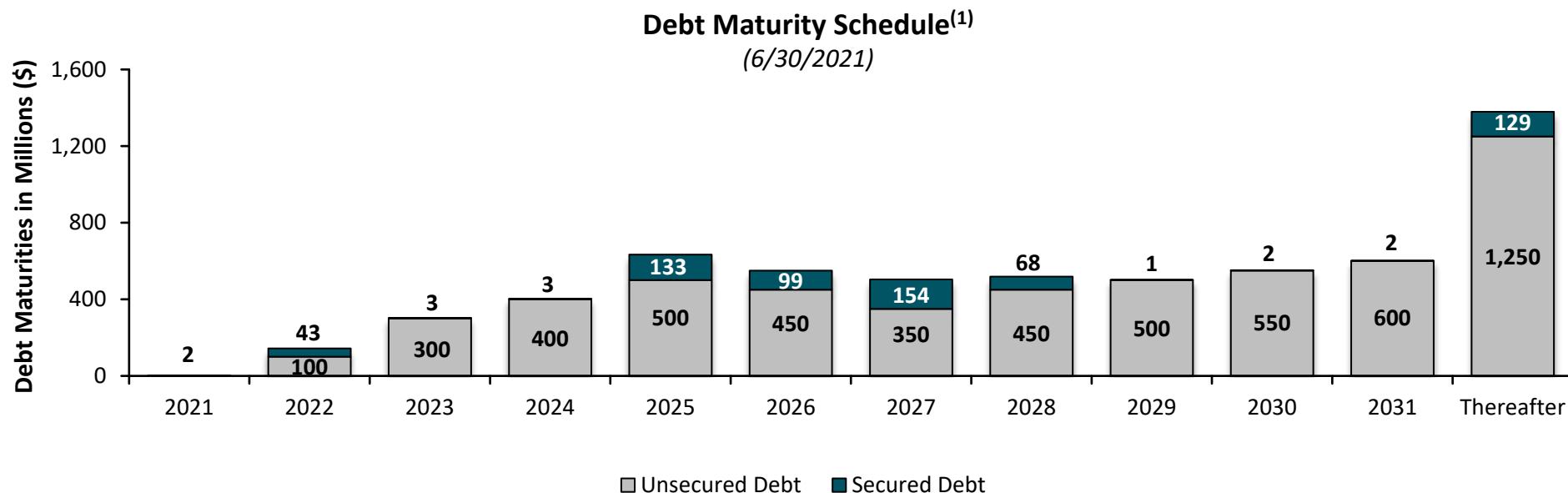
Liquidity Update (\$ millions)	September 15, 2021
Unsecured credit facility - committed	\$ 1,235
Balance outstanding	\$ -
Undrawn portion of line of credit	\$ 1,235
Cash, cash equivalents & marketable securities	\$ 243
Total liquidity	\$ 1,478

Near-Term Funding Obligations (\$ millions)	
Unfunded development commitments ⁽¹⁾	\$ 19
2022 debt maturities	\$ 143
2023 debt maturities	\$ 303
Total near-term funding obligations	\$ 465
Ratio of liquidity to near-term funding obligations	3.2x

1) Includes the Company's unfunded development commitments at pro rata share and excludes approximately \$39.3 million of the Company's share of estimated project costs for Scripps Mesa Apartments which have been fully funded

WELL LADDERED DEBT MATURITY SCHEDULE

- Since the start of 2020, the Company has refinanced **1/3** of its debt, lengthening its maturity schedule an additional 2-years and reducing its weighted average interest rate by approximately **70 basis points**



% of Total Debt Maturing/Year

0.0%	2.4%	5.0%	6.6%	10.4%	9.0%	8.3%	8.5%	8.2%	9.1%	9.9%	22.6%
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Weighted Average Interest Rate

2.9%	1.9%	3.4%	4.0%	3.5%	3.5%	3.3%	2.2%	4.1%	3.1%	2.3%	2.9%
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Weighted Average Interest Rate: **3.1%**

CREDIT RATINGS AND SELECTED CREDIT RATIOS

Public Bond Covenants⁽¹⁾ and Selected Credit Ratios

	Q2 '21	Q1 '21	Q4 '20	Q3 '20	Q2 '20	Covenant
Debt to Total Assets	35%	36%	37%	38%	37%	< 65%
Secured Debt to Total Assets	4%	4%	4%	4%	4%	< 40%
Interest Coverage	481%	472%	475%	485%	484%	> 150%
Unsecured Debt Ratio ⁽²⁾	277%	274%	267%	258%	265%	> 150%
Net Indebtedness to Adjusted EBITDAre ⁽³⁾⁽⁴⁾	6.6X	6.5X	6.6X	6.3X	6.4X	-
Unencumbered NOI to Adjusted Total NOI	94%	94%	95%	93%	94%	-

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 41 of the presentation



ESSEX

PROPERTY TRUST, INC.

DEFINITIONS & RECONCILIATIONS

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 presentation.

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.

PROJECTED EPS, FFO, AND CORE FFO PER DILUTED SHARE

With respect to the Company's guidance on slide 34 regarding its projected FFO and Core FFO, a reconciliation of projected net income per share to projected FFO per share and projected Core FFO per share, is presented in the table below.

	Six Months Ended June 30, 2021	2021 Guidance Range ⁽¹⁾			
		3rd Quarter 2021		Full-Year 2021	
		Low	High	Low	High
EPS - diluted	\$ 3.59	\$ 0.85	\$ 0.97	\$ 5.42	\$ 5.66
Conversion from GAAP share count	(0.12)	(0.03)	(0.03)	(0.18)	(0.18)
Depreciation and amortization	4.26	2.13	2.13	8.52	8.52
Noncontrolling interest related to Operating Partnership units	0.12	0.03	0.03	0.18	0.18
Gain on sale of real estate	(1.49)	-	-	(1.49)	(1.49)
Gain on remeasurement of co-investment	(0.03)	-	-	(0.03)	(0.03)
FFO per share - diluted	\$ 6.33	\$ 2.98	\$ 3.10	\$ 12.42	\$ 12.66
Expensed acquisition and investment related costs	-	-	-	-	-
Deferred tax expense on unrealized gain on unconsolidated co-investments	0.03	-	-	0.03	0.03
Gain on sale of marketable securities	(0.04)	-	-	(0.04)	(0.04)
Unrealized gains on marketable securities	(0.25)	-	-	(0.25)	(0.25)
Provision for credit losses	-	-	-	-	-
Equity income from non-core co-investments	(0.12)	-	-	(0.12)	(0.12)
Loss on early retirement of debt, net	0.28	-	-	0.28	0.28
Loss on early retirement of debt from unconsolidated co-investment	-	-	-	-	-
Income from early redemption of preferred equity investments and notes receivable	(0.12)	-	-	(0.12)	(0.12)
General and administrative and other, net	0.01	-	-	0.01	0.01
Insurance reimbursements, legal settlements, and other, net	-	-	-	-	-
Core FFO per share - diluted	\$ 6.12	\$ 2.98	\$ 3.10	\$ 12.21	\$ 12.45

(1) 2021 guidance excludes inestimable projected gain on sale of real estate and land, gain on sale of marketable securities, loss on early retirement of debt, political/legislative costs, and promote income until they are realized within the reporting period presented in the report.

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

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 second quarter of 2021, 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 June 30, 2021
Net income available to common stockholders	\$ 64,846
Adjustments:	
Net income attributable to noncontrolling interest	4,769
Interest expense, net ⁽¹⁾	48,338
Depreciation and amortization	128,736
Income tax provision	(1,090)
Gain on remeasurement of co-investment communities	(2,260)
Co-investment EBITDAre adjustments	21,096
EBITDAre	264,435
Gain on sale of marketable securities	112
Unrealized gains on marketable securities	(10,405)
Provision for credit losses	(145)
Equity income from non-core co-investment	(6,771)
Deferred tax expense on unrealized gain on unconsolidated co-investment	1,842
General and administrative and other, net	256
Insurance reimbursements and legal settlements, net	(4)
Income from early redemption of preferred equity investments	(4,747)
Expensed acquisition and investment related costs	41
Loss on early retirement of debt, net	16,465
Adjusted EBITDAre	\$ 261,079

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

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

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 second quarter of 2021.

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 second quarter of 2021. 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 June 30, 2021	Six Months Ended June 30, 2021
Interest expense	\$ 50,971	\$ 102,620
Adjustments:		
Total return swap income	(2,633)	(5,477)
Interest expense, net	<u>\$ 48,338</u>	<u>\$ 97,143</u>

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

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 second quarter of 2021. 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 second quarter of 2021. 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	\$	6,130,148
Total debt from co-investments at pro rata share		972,686
Adjustments:		
Consolidated unamortized premiums, discounts, and debt issuance costs		44,551
Pro rata co-investments unamortized premiums, discounts, and debt issuance costs		4,198
Consolidated cash and cash equivalents-unrestricted		(48,155)
Pro rata co-investment cash and cash equivalents-unrestricted		(22,569)
Marketable securities		(220,164)
Net Indebtedness	\$	<u>6,860,695</u>
Adjusted EBITDAre, annualized ⁽¹⁾	\$	1,044,316
Other EBITDAre normalization adjustments, net, annualized ⁽²⁾		917
Adjusted EBITDAre, normalized and annualized	\$	<u>1,045,233</u>
Net Indebtedness Divided by Adjusted EBITDAre, normalized and annualized		<u>6.6</u>

(1) Based on the amount for the most recent quarter, multiplied by four.

(2) Adjustments made for properties in lease-up, acquired, or disposed during the most recent quarter and other partial quarter activity, multiplied by four.

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

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 June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Earnings from operations	\$ 93,381	\$ 119,736	\$ 290,762	\$ 250,573
Adjustments:				
Corporate-level property management expenses	9,105	8,646	18,052	17,405
Depreciation and amortization	128,736	133,609	257,323	265,168
Management and other fees from affiliates	(2,221)	(2,348)	(4,470)	(4,965)
General and administrative	12,222	14,952	22,034	28,934
Expensed acquisition and investment related costs	41	15	56	102
Gain on sale of real estate and land	-	(16,597)	(100,096)	(16,597)
NOI	<u>241,264</u>	<u>258,013</u>	<u>483,661</u>	<u>540,620</u>
Less: Non-same property NOI	<u>(22,621)</u>	<u>(29,815)</u>	<u>(45,037)</u>	<u>(61,649)</u>
Same-Property NOI	<u>\$ 218,643</u>	<u>\$ 228,198</u>	<u>\$ 438,624</u>	<u>\$ 478,971</u>

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" 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 March 1, 2021, filed by the Company as Exhibit 4.1 to the Company's Form 8-K, filed on March 1, 2021. 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 second quarter of 2021.

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER TERMS

UNENCUMBERED NOI TO ADJUSTED TOTAL NOI

This ratio is presented on page S-6 of the earnings supplement for the second quarter of 2021 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 June 30, 2021, annualized, is calculated by dividing Unencumbered NOI, annualized for the three months ended June 30, 2021 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 Q2'21 ⁽¹⁾
NOI	\$ 965,056
Adjustments:	
NOI from real estate assets sold or held for sale	(753)
Other, net ⁽²⁾	6,183
Adjusted Total NOI	970,486
Less: Encumbered NOI	(53,672)
Unencumbered NOI	\$ 916,814
Encumbered NOI	\$ 53,672
Unencumbered NOI	916,814
Adjusted Total NOI	\$ 970,486
Unencumbered NOI to Adjusted Total NOI	94%

(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.