ESSEX ANNOUNCES FIRST QUARTER 2022 RESULTS AND INCREASES FULL-YEAR 2022 GUIDANCE

San Mateo, California—April 26, 2022—Essex Property Trust, Inc. (NYSE: ESS) (the "Company") announced today its first quarter 2022 earnings results and related business activities.

Net Income, Funds from Operations ("FFO"), and Core FFO per diluted share for the quarter ended March 31, 2022 are detailed below.

	Three Months Ended March 31,		%
	2022	2021	Change
Per Diluted Share			
Net Income	**$1.12**	$2.59	-56.8%
Total FFO	**$3.36**	$3.23	4.0%
Core FFO	**$3.37**	$3.07	9.8%

First Quarter 2022 Highlights:

- Reported Net Income per diluted share for the first quarter of 2022 of $1.12, compared to $2.59 in the first quarter of 2021. The decrease is largely attributed to a gain on sale recorded in the prior-year period.

- Grew Core FFO per diluted share by 9.8% compared to the first quarter of 2021, exceeding the midpoint of the guidance range by $0.07 due to better-than-expected operating results.

- Achieved same-property revenues and net operating income ("NOI") growth of 6.5% and 7.3%, respectively, compared to the first quarter of 2021. On a sequential basis, same-property revenues and NOI improved 2.6% and 2.4%, respectively.

- Increased the dividend by 5.3% to an annual distribution of $8.80 per common share, the Company's 28th consecutive annual increase.

- Recognized $17.1 million of earned promote interest as part of the amendment and extension of the Company's joint venture, Wesco III, LLC ("Wesco III").

- Subsequent to quarter end, reinvested approximately $37.2 million of promote interest as a part of the amendment and extension of the Company's joint venture, Wesco IV, LLC ("Wesco IV"), increasing the Company's ownership stake in the joint venture to 65.1%.

- Increased full-year 2022 earnings guidance:
    - Increased full-year Net Income per diluted share guidance by $0.11 at the midpoint to a range of $4.79 to $5.15.
    - Increased full-year Core FFO per diluted share guidance by $0.25 at the midpoint to a range of $13.77 to $14.13.
    - Raised the midpoint of full-year same-property revenues and NOI by 0.85% and 1.25%, respectively.

"Our first quarter results reflect improving market conditions in our Northern California and Seattle regions, and continued strength in Southern California, leading to the fourth consecutive quarter of sequential Core FFO and same-property revenue improvement. Exceptional job growth throughout the Essex markets and implementation of return-to-office mandates at the largest technology companies are contributing to the strong demand for housing. Given the strong start to the year and improved delinquency collections, we are pleased to announce an increase to our full year guidance ranges for same-property revenues, NOI, and Core FFO per share," commented Michael J. Schall, President and CEO of the Company.

SAME-PROPERTY OPERATIONS

Same-property operating results exclude any properties that are not comparable for the periods presented. The table below illustrates the percentage change in same-property gross revenues for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021, and the sequential percentage change for the quarter ended March 31, 2022 compared to the quarter ended December 31, 2021, by submarket for the Company:

	Q1 2022 vs. Q1 2021	**Q1 2022 vs. Q4 2021**	**% of Total**
	Revenue Change	**Revenue Change**	**Q1 2022 Revenues**
Southern California			
Los Angeles County	8.5%	2.4%	18.7%
Orange County	8.8%	-0.2%	11.0%
San Diego County	11.4%	5.6%	8.7%
Ventura County	5.0%	-0.8%	3.8%
Total Southern California	**8.8%**	**2.1%**	**42.2%**
Northern California			
Santa Clara County	3.1%	3.1%	18.6%
Alameda County	4.1%	2.1%	8.3%
San Mateo County	1.8%	4.5%	4.7%
Contra Costa County	3.2%	0.3%	5.5%
San Francisco	5.7%	5.5%	2.8%
Total Northern California	**3.4%**	**2.8%**	**39.9%**
Seattle Metro	**8.5%**	**3.2%**	**17.9%**
Same-Property Portfolio	**6.5%**	**2.6%**	**100.0%**

The table below illustrates the components that drove the change in same-property revenue on a year-over-year and sequential basis for the first quarter of 2022.

	Q1 2022 vs. Q1 2021		Q1 2022 vs. Q4 2021	
Same-Property Revenue Components	**$ Amount (in Millions)**	**% Contribution**	**$ Amount (in Millions)**	**% Contribution**
Prior-Period Same-Property Revenues	$ 334.4		$ 347.4	
Scheduled Rents	15.3	4.6%	5.2	1.5%
Delinquencies	-0.6	-0.2%	-1.1	-0.3%
Cash Concessions	7.1	2.1%	3.6	1.0%
Vacancy	-1.8	-0.5%	0.6	0.2%
Other Income	1.9	0.6%	0.6	0.2%
Q1 2022 Same-Property Revenues/Change	**$ 356.3**	**6.5%**	**$ 356.3**	**2.6%**

	Year-Over-Year Change Q1 2022 compared to Q1 2021		
	Revenues	**Operating Expenses**	**NOI**
Southern California	8.8%	5.4%	10.4%
Northern California	3.4%	4.5%	2.9%
Seattle Metro	8.5%	4.2%	10.7%
Same-Property Portfolio	**6.5%**	**4.8%**	**7.3%**

	Sequential Change Q1 2022 compared to Q4 2021		
	Revenues	**Operating Expenses**	**NOI**
Southern California	2.1%	1.6%	2.3%
Northern California	2.8%	3.3%	2.6%
Seattle Metro	3.2%	4.8%	2.5%
Same-Property Portfolio	**2.6%**	**2.9%**	**2.4%**

	Financial Occupancies Quarter Ended		
	3/31/2022	**12/31/2021**	**3/31/2021**
Southern California	96.3%	96.2%	96.7%
Northern California	96.5%	96.1%	96.7%
Seattle Metro	95.9%	95.7%	96.6%
Same-Property Portfolio	**96.3%**	**96.1%**	**96.7%**

Investment Activity

Real Estate

In January 2022, Wesco VI, LLC ("Wesco VI"), a joint venture in which the Company owns a 50% interest, acquired a 379-unit apartment home community located in Woodland Hills, CA for a total contract price of $183.0 million.

In March 2022, the Wesco III, LLC ("Wesco III") joint venture operating agreement was amended to extend the venture. As part of the amendment, the Company received a cash payment for promote income of $17.1 million which has been included in Net Income and Total FFO but has been excluded from Core FFO. The Company's ownership interest in the joint venture will remain at 50%.

Subsequent to quarter end, the Wesco IV, LLC ("Wesco IV") joint venture operating agreement was amended to extend the venture. As part of the amendment, the Company and joint venture partner agreed that the Company earned a promote interest of approximately $37.2 million. The Company agreed to contribute the earned promote interest to the joint venture, resulting in an increase in the Company's ownership interest in Wesco IV to 65.1%.

Other Investments

In the first quarter of 2022, the Company originated three preferred equity investments totaling $29.5 million at a weighted average return of 10.0%. Two of the preferred equity investments comprising $17.0 million were fully funded at closing, and the third is expected to be fully funded by the third quarter of 2022.

In the first quarter of 2022, the Company received cash proceeds of $106.9 million from the full redemption of two preferred equity investments and partial redemption of two preferred equity investments. The Company recorded approximately $0.9 million of income from a prepayment penalty as the result of an early redemption, which has been excluded from Core FFO.

Subsequent to quarter end, the Company co-launched a new Environmental, Social, and Governance ("ESG") focused "Housing Impact Fund" to be managed by RET Ventures ("RET"). The fund will focus on improving the environmental and social impact of residential properties by leveraging technologies on both new developments and existing apartment communities. The Company has a total commitment to the fund of $10.0 million.

Development Activity

During the first quarter of 2022, the final phase ("Phase IV") of the Company's Station Park Green development comprising 107 apartment homes located in San Mateo, CA, began leasing. As of April 22, 2022, it is 76% leased.

Liquidity and Balance Sheet

Common Stock

In the first quarter of 2022, the Company did not issue any shares of common stock through its equity distribution program or repurchase any shares through its stock repurchase plan.

Balance Sheet

In January 2022, Wesco VI originated a $222.0 million secured term loan comprising four properties. The loan has been swapped to a fixed interest rate priced at 2.5% and matures in 2027.

In March 2022 and concurrent with the partnership extension, Wesco III refinanced three properties with a new $160.3 million secured term loan that matures in 2027. The loan is 65% swapped to a fixed interest rate of 2.8%, with the remaining variable portion priced at SOFR + 1.3%.

Subsequent to quarter end and concurrent with the partnership extension, Wesco IV refinanced five properties with a new $298.3 million secured term loan that matures in 2027. The secured term loan has a fixed interest rate priced at 2.8%.

Subsequent to quarter end, the borrowing spread on the Company's $1.2 billion unsecured line of credit facility will be reduced by 2.5 basis points to LIBOR plus 0.75% as a result of achieving the Enhanced Sustainability Metric Target for 2021 as defined by the facility's sustainability-linked pricing component.

As of April 22, 2022, the Company has approximately $1.3 billion in liquidity via undrawn capacity on its unsecured credit facilities, cash, and marketable securities.

Guidance

For the first quarter of 2022, the Company exceeded the midpoint of the guidance range provided in its fourth quarter 2021 earnings release for Core FFO by $0.07 per diluted share.

The following table provides a reconciliation of first quarter 2022 Core FFO per diluted share to the midpoint of the guidance provided in the Company's fourth quarter 2021 earnings release.

		Per Diluted Share
Guidance midpoint of Core FFO per diluted share for Q1 2022	$	3.30
NOI from consolidated communities		0.03
FFO from Co-Investments		0.03
G&A and other income		0.01
Core FFO per diluted share for Q1 2022 reported	**$**	**3.37**

The table below provides key changes to the Company's 2022 full-year assumptions for Net Income, Total FFO, Core FFO, and same-property growth. For additional details regarding the Company's 2022 assumptions, please see page S-14 of the accompanying supplemental financial information. For the second quarter of 2022, the Company has established a Core FFO guidance range per diluted share of $3.43 to $3.55.

2022 FULL-YEAR GUIDANCE

	Previous Range	Previous Midpoint	**Revised Range**	**Revised Midpoint**	***Change in Midpoint***
Per Diluted Share					
Net Income	$4.62 - $5.10	$4.86	**$4.79 - $5.15**	**$4.97**	***$0.11***
Total FFO	$13.46 - $13.94	$13.70	**$13.76 - $14.12**	**$13.94**	***$0.24***
Core FFO	$13.46 - $13.94	$13.70	**$13.77 - $14.13**	**$13.95**	***$0.25***
Same-Property Growth on a Cash-Basis(1)					
Revenues	7.0% to 8.5%	7.8%	**8.1% to 9.1%**	**8.6%**	***0.85%***
Operating Expenses	3.5% to 4.5%	4.0%	**3.5% to 4.5%**	**4.0%**	**-**
NOI	8.0% to 10.8%	9.4%	**9.7% to 11.6%**	**10.7%**	***1.25%***

(1) The revised midpoint of the Company's same-property revenues and NOI on a GAAP basis are 9.1% and 11.4%, respectively, representing a 85 and 125 basis point increase to the Company's original guidance midpoints.

CONFERENCE CALL WITH MANAGEMENT

The Company will host an earnings conference call with management to discuss its quarterly results on Wednesday, April 27, 2022 at 11 a.m. PT (2 p.m. ET), which will be broadcast live via the Internet at www.essex.com, and accessible via phone by dialing toll-free, (877) 407-0784, or toll/international, (201) 689-8560. No passcode is necessary.

A rebroadcast of the live call will be available online for 30 days and digitally for 7 days. To access the replay online, go to www.essex.com and select the first quarter 2022 earnings link. To access the replay, dial (844) 512-2921 using the replay pin number 13728492. If you are unable to access the information via the Company's website, please contact the Investor Relations Department at investors@essex.com or by calling (650) 655-7800.

UPCOMING EVENTS

The Company is scheduled to participate in the National Association of Real Estate Investment Trusts ("NAREIT") Institutional Investor Forum in New York from June 7-8, 2022. The Company's President and Chief Executive Officer, Michael J. Schall, will present at the conference on June 7, 2022 at 3:00 p.m. ET. The presentation will be webcast and can be accessed on the Investors section of the Company's website at www.essex.com. A copy of any materials provided by the Company at the conference will also be made available on the Investors section of the Company's website.

CORPORATE PROFILE

Essex Property Trust, Inc., an S&P 500 company, is a fully integrated real estate investment trust (REIT) that acquires, develops, redevelops, and manages multifamily residential properties in selected West Coast markets. Essex currently has ownership interests in 253 apartment communities comprising approximately 62,000 apartment homes with an additional 2 properties in various stages of active development. Additional information about the Company can be found on the Company's website at www.essex.com.

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

FFO RECONCILIATION

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

The following table sets forth the Company's calculation of diluted FFO and Core FFO for the three months ended March 31, 2022 and 2021 (dollars in thousands, except for share and per share amounts):

Funds from Operations attributable to common stockholders and unitholders	Three Months Ended March 31, 2022	2021
Net income available to common stockholders	**$ 73,254**	$ 168,444
Adjustments:		
Depreciation and amortization	**133,533**	128,587
Gains not included in FFO	**-**	(100,096)
Depreciation and amortization from unconsolidated co-investments	**18,115**	14,729
Noncontrolling interest related to Operating Partnership units	**2,563**	5,947
Depreciation attributable to third party ownership and other	**(353)**	(129)
Funds from Operations attributable to common stockholders and unitholders	**$ 227,112**	$ 217,482
FFO per share – diluted	**$ 3.36**	$ 3.23
Expensed acquisition and investment related costs	**$ 8**	$ 15
Deferred tax (benefit) expense on unconsolidated co-investments[(1)]	**(2,754)**	508
Gain on sale of marketable securities	**(12,171)**	(2,611)
Change in unrealized losses (gains) on marketable securities, net	**24,585**	(6,276)
Provision for credit losses	**(62)**	38
Equity loss (income) from non-core co-investments[(2)]	**8,844**	(1,627)
Loss on early retirement of debt, net	**-**	2,517
Loss on early retirement of debt from unconsolidated co-investment	**86**	3
Co-investment promote income	**(17,076)**	-
Income from early redemption of preferred equity investments	**(858)**	(3,513)
General and administrative and other, net	**448**	257
Insurance reimbursements, legal settlements, and other, net	**-**	(182)
Core Funds from Operations attributable to common stockholders and unitholders	**$ 228,162**	$ 206,611
Core FFO per share – diluted	**$ 3.37**	$ 3.07
Weighted average number of shares outstanding diluted [(3)]	**67,621,842**	67,272,839

(1) Represents deferred tax (benefit) expense related to net unrealized gains or losses on technology co-investments.
(2) Represents the Company's share of co-investment loss (income) from technology co-investments.
(3) Assumes conversion of all outstanding limited partnership units in Essex Portfolio, L.P. (the "Operating Partnership") into shares of the Company's common stock and excludes DownREIT limited partnership units.

NET OPERATING INCOME ("NOI") AND SAME-PROPERTY NOI RECONCILIATIONS

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

	Three Months Ended March 31,	
	2022	2021
Earnings from operations	**$ 109,850**	$ 197,381
Adjustments:		
Corporate-level property management expenses	**10,172**	9,013
Depreciation and amortization	**133,533**	128,587
Management and other fees from affiliates	**(2,689)**	(2,249)
General and administrative	**12,242**	9,812
Expensed acquisition and investment related costs	**8**	15
Gain on sale of real estate and land	**-**	(100,096)
NOI	**263,116**	242,463
Less: Non-same property NOI	**(15,355)**	(11,580)
Same-Property NOI	**$ 247,761**	$ 230,883

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

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements are statements which are not historical facts, including statements regarding the Company's expectations, estimates, assumptions, hopes, intentions, beliefs and strategies regarding the future. Words such as “expects,” “assumes,” “anticipates,” “may,” “will,” “intends,” “plans,” “projects,” “believes,” “seeks,” “future,” “estimates,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements include, among other things, statements regarding the Company’s expectations related to the continued impact of the COVID-19 pandemic and related variants on the Company’s business, financial condition and results of operations and the impact of any additional measures taken to mitigate the impact of the pandemic, the Company’s intent, beliefs or expectations with respect to the timing of completion of current development and redevelopment projects and the stabilization of such projects, the timing of lease-up and occupancy of its apartment communities, the anticipated operating performance of its apartment communities, the total projected costs of development and redevelopment projects, co-investment activities, qualification as a REIT under the Internal Revenue Code of 1986, as amended, the real estate markets in the geographies in which the Company’s properties are located and in the United States in general, the adequacy of future cash flows to meet anticipated cash needs, its financing activities and the use of proceeds from such activities, the availability of debt and equity financing, general economic conditions including the potential impacts from such economic conditions, including as a result of the COVID-19 pandemic and governmental measures intended to prevent its spread, trends affecting the Company’s financial condition or results of operations, changes to U.S. tax laws and regulations in general or specifically related to REITs or real estate, changes to laws and regulations in jurisdictions in which communities the Company owns are located, and other information that is not historical information. While the Company's management believes the assumptions underlying its forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s control, which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company cannot assure the future results or outcome of the matters described in these statements; rather, these statements merely reflect the Company’s current expectations of the approximate outcomes of the matters discussed. Factors that might cause the Company’s actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, but are not limited to, the following: the continued impact of the COVID-19 pandemic and related variants, which remains inherently uncertain as to duration and severity, and any additional governmental measures taken to limit its spread and other potential future outbreaks of infectious diseases or other health concerns, which could continue to adversely affect the Company's business and its tenants, and cause a significant downturn in general economic conditions, the real estate industry, and the markets in which the Company's communities are located; 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 its 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 and related variants and uncertainties regarding ongoing hostilities between Russia and the Ukraine and the related impacts on macroeconomic conditions, including, among other things, interest rates. All forward-looking statements are made as of the date hereof, the Company assumes no obligation to update or supplement this information for any reason, and therefore, they may not represent the Company's estimates and assumptions after the date of this press release.

DEFINITIONS AND RECONCILIATIONS

Non-GAAP financial measures and certain other capitalized terms, as used in this earnings release, are defined and further explained on pages S-18.1 through S-18.4, "Reconciliations of Non-GAAP Financial Measures and Other Terms," of the accompanying supplemental financial information. The supplemental financial information is available on the Company's website at www.essex.com.

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