ESSEX

PROPERTY TRUST, INC.

ESSEX ANNOUNCES THIRD QUARTER 2017 RESULTS

San Mateo, California—November 1, 2017—Essex Property Trust, Inc. (NYSE:ESS) announced today its third quarter 2017 earnings results and related business activities.

Net Income and Funds from Operations ("FFO") per diluted share for the quarter ended September 30, 2017 are detailed below. Core FFO excludes acquisition and investment related costs and certain non-routine items.

	Three Months Ended September 30,		%	Nine Months Ended September 30,		%
	2017	2016	Change	**2017**	2016	Change
Per Diluted Share						
Net Income	**$1.21**	$1.00	21.0%	**$5.00**	$3.29	52.0%
Total FFO	**$2.97**	$2.81	5.7%	**$8.90**	$8.27	7.6%
Core FFO	**$2.98**	$2.81	6.0%	**$8.90**	$8.23	8.1%

Third Quarter Highlights:

- Reported Net Income per diluted share for the third quarter of 2017 of $1.21, compared to $1.00 in the third quarter of 2016. The increase is primarily due to gains on sale of real estate in our co-investment portfolio.
- Grew Core FFO per diluted share by 6.0% compared to the third quarter of 2016, achieving the high-end of the guidance range.
- Achieved same-property gross revenue and net operating income ("NOI") growth of 3.1% compared to the third quarter of 2016.
- Realized a sequential quarterly increase in same-property revenue growth of 1.5% compared to the second quarter of 2017.
- Updated full-year 2017 earnings guidance:
    - Increased full-year Net Income per diluted share guidance range by $0.17 per share at the midpoint to a range of $6.00 to $6.10. Provided Net Income guidance range for the fourth quarter of $1.00 to $1.10 per diluted share.
    - Increased full-year Total FFO per diluted share guidance range by $0.03 per share at the midpoint to a range of $11.82 to $11.92. Provided Total FFO guidance range for the fourth quarter of $2.92 to $3.02 per diluted share.
    - Increased full-year Core FFO per diluted share guidance by $0.06 per share at the midpoint to a range of $11.84 to $11.94. Provided Core FFO guidance range for the fourth quarter of $2.95 to $3.05 per diluted share.
    - Reaffirmed the midpoint of full-year 2017 guidance by tightening the ranges for growth in same-property revenues, operating expenses, and NOI set forth in the Company's second quarter 2017 earnings release.

"We are pleased to report favorable third quarter results, carrying forward the momentum from solid rent growth in the first half of 2017 and resulting in Core FFO at the top of our guidance range. As a result, we are increasing our Core FFO guidance range for the full-year. As noted last quarter, rental growth across our footprint peaked earlier this year compared to seasonal norms, creating a headwind that our operations team overcame with high occupancy levels and other income. Going forward, we continue to expect market conditions to support rental growth near long-term averages in our West Coast markets," commented Michael 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 September 30, 2017 compared to the quarter ended September 30, 2016, and the sequential percentage change for the quarter ended September 30, 2017 compared to the quarter ended June 30, 2017, by submarket for the Company:

	Q3 2017 vs. Q3 2016	Q3 2017 vs. Q2 2017	% of Total
	Gross Revenues	**Gross Revenues**	**Q3 2017 Revenues**
Southern California			
Los Angeles County	2.7%	2.0%	19.9%
Orange County	4.2%	1.5%	11.6%
San Diego County	3.6%	2.5%	9.2%
Ventura County	5.3%	2.5%	4.5%
Other Southern California	5.3%	-2.0%	0.5%
Total Southern California	**3.5%**	**2.0%**	**45.7%**
Northern California			
Santa Clara County	1.3%	0.1%	15.6%
Alameda County	1.9%	1.7%	7.3%
San Mateo County	1.0%	0.7%	5.2%
Contra Costa County	0.9%	0.4%	5.1%
San Francisco	4.7%	1.7%	2.0%
Other Northern California	8.5%	-0.9%	0.3%
Total Northern California	**1.5%**	**0.7%**	**35.5%**
Seattle Metro	**4.9%**	**2.1%**	**18.8%**
Same-Property Portfolio	**3.1%**	**1.5%**	**100.0%**

	Year-Over-Year Growth Q3 2017 compared to Q3 2016			Year-Over-Year Growth YTD 2017 compared to YTD 2016		
	Gross Revenues	**Operating Expenses**	**NOI**	**Gross Revenues**	**Operating Expenses**	**NOI**
Southern California	3.5%	2.2%	4.2%	4.1%	2.1%	5.0%
Northern California	1.5%	3.5%	0.8%	2.6%	2.3%	2.7%
Seattle Metro	4.9%	4.2%	5.3%	6.4%	5.8%	6.8%
Same-Property Portfolio	**3.1%**	**3.0%**	**3.1%**	**4.0%**	**2.9%**	**4.5%**

	Sequential Growth		
	Q3 2017 compared to Q2 2017		
	Gross Revenues	**Operating Expenses**	**NOI**
Southern California	2.0%	4.2%	1.0%
Northern California	0.7%	8.0%	-1.9%
Seattle Metro	2.1%	-1.8%	4.1%
Same-Property Portfolio	**1.5%**	**4.1%**	**0.4%**

	Financial Occupancies		
	Quarter Ended		
	9/30/2017	**6/30/2017**	**9/30/2016**
Southern California	96.8%	96.2%	96.7%
Northern California	96.9%	96.7%	96.5%
Seattle Metro	96.2%	96.2%	96.1%
Same-Property Portfolio	**96.7%**	**96.4%**	**96.5%**

INVESTMENT ACTIVITY

In August 2017, the Company formed a new joint venture entity, Wesco V, LLC ("Wesco V"), in which the Company has a 50% interest. Each partner has an initial equity commitment of $150.0 million. During the third quarter of 2017, Wesco V acquired two communities:

- 360 Residences in San Jose, CA for a total contract price of $133.5 million. In connection with the purchase of the community, Wesco V assumed a $57.9 million loan at an effective rate of 3.4% and a maturity of 2022. 360 Residences was built in 2010 as a 23-story condominium high-rise comprising 213 apartment homes in downtown San Jose and rented as apartments. The community offers high quality interior finishes and common area amenities including an elevated pool deck with city-views.
- 8th & Republican in Seattle, WA for a total contract price of $101.3 million. The community was built in 2016, contains 211 apartment homes and approximately 13,500 square feet of ground floor retail space. 8th & Republican is located in the South Lake Union neighborhood of downtown Seattle, which is home to the expansive Amazon Headquarters.

Subsequent to quarter-end, the Wesco I, LLC ("Wesco I") 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, which is expected to be approximately $38.0 million. The Company also agreed to contribute this earned promote to the joint venture, resulting in an increase in the Company's ownership interest in Wesco I to approximately 58%. It is expected that the promote will be excluded from Net Income, Total FFO and Core FFO.

DISPOSITIONS

In August 2017, the Company sold Madrid Apartments, which was owned by Wesco I. The apartment community is located in Mission Viejo, CA, and contains 230 apartment homes. Total proceeds from the sale were $83.0 million. The Company's share of the total gain on the sale was $10.1 million, which has been excluded from the calculation of Total FFO and Core FFO.

Other Investments

During the third quarter of 2017, the Company originated $38.9 million in three preferred equity investments in multifamily developments located in Seattle, WA, Marina del Rey, CA, and Woodland Hills, CA. The total investment has an average preferred return of 10.2% with maturities ranging from 2020 to 2024.

Subsequent to quarter-end, the Company originated a $40.0 million preferred equity investment in a multifamily development located in Los Angeles, CA. The investment has a preferred return of 11.3% and matures in 2021.

Development Activity

During the third quarter of 2017, the Company entered into a joint venture to develop Ohlone, a multifamily community containing 269 apartment homes located in San Jose, CA. The Company has a 50% ownership interest in the development, which has a projected total cost of $136.0 million. Construction began in the third quarter of 2017 and the community is expected to open in the third quarter of 2019. The Company has committed to a $28.9 million preferred equity investment in the project, which accrues an annualized preferred return of 10.0% and matures in 2020.

The following table represents the development communities in lease-up during the third quarter of 2017 and the current leasing status as of October 27, 2017.

Project Name	**Location**	**Total Apartment Homes**	**ESS Ownership**	**% Leased as of 10/27/17**	**Status**
The Galloway (at Hacienda)	Pleasanton, CA	251	55%	97%	Stabilized
Century Towers	San Jose, CA	376	50%	98%	Stabilized
Total/Weighted Average % Leased		**627**		**97%**	

Liquidity and Balance Sheet

Common Stock

During the third quarter of 2017, the Company did not issue any common stock through its equity distribution program. Subsequent to quarter-end through October 27, 2017, the Company has issued 33,571 shares of common stock at an average price of $261.19 for net proceeds of $8.7 million. Year-to-date as of October 27, 2017, the Company has issued 345,444 shares of common stock at an average price of $260.38 for net proceeds of $89.1 million.

Balance Sheet

During the fourth quarter of 2017, the Company plans to prepay approximately $90.0 million of secured mortgages with an effective interest rate of 5.7%. The Company will incur approximately $1.8 million of prepayment penalties, which will be excluded from the calculation of Core FFO.

As of October 27, 2017, the Company had approximately $885.0 million in undrawn capacity on its unsecured credit facilities.

Guidance

For the third quarter of 2017, the Company exceeded the midpoint of the guidance range provided in its second quarter 2017 earnings release for Core FFO by $0.05 per share.

The following table provides a reconciliation of third quarter Core FFO per share to the midpoint of the guidance provided in the second quarter 2017 earnings release, which was distributed in July 2017.

		Per Diluted Share
Projected midpoint of Core FFO per share for Q3 2017	$	2.93
NOI from consolidated communities		0.03
G&A and other income		0.02
Core FFO per share for Q3 2017 reported	$	**2.98**

The following table provides key changes to the full-year 2017 earnings guidance. For additional details regarding the Company's 2017 assumptions, please see page S-14 of the accompanying supplemental financial information. For the fourth quarter of 2017, the Company has established a range for Core FFO per diluted share of $2.95 to $3.05.

2017 Full-Year Guidance

	Previous Range	Previous Midpoint	Revised Range	Revised Midpoint
Per Diluted Share				
Net Income	$5.75 to $6.00	$5.88	$6.00 to $6.10	$6.05
Total FFO	$11.71 to $11.96	$11.84	$11.82 to $11.92	$11.87
Core FFO	$11.70 to $11.96	$11.83	$11.84 to $11.94	$11.89
Same-Property Growth				
Gross Revenues	3.2% to 4.0%	3.6%	3.4% to 3.8%	3.6%
Operating Expenses	2.5% to 2.9%	2.7%	2.6% to 2.8%	2.7%
NOI	3.3% to 4.6%	4.0%	3.7% to 4.3%	4.0%

CONFERENCE CALL WITH MANAGEMENT

The Company will host an earnings conference call with management to discuss its quarterly results on Thursday, November 2, 2017 at 9 a.m. PT (12 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 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 third quarter 2017 earnings link. To access the replay digitally, dial (844) 512-2921 using the replay pin number 13671501. 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.

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 248 apartment communities with an additional 6 properties in various stages of active development. Additional information about Essex can be found on the Company's website at www.essex.com.

This press release and accompanying supplemental financial information will be 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.

FUNDS FROM OPERATIONS ("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 merger, integration and acquisition costs and items that are not routine or not related to the Company's core business activities, which is referred to as "Core FFO", to be useful financial 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 the ability to pay dividends.

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 an alternative 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 shareholders. FFO and Core FFO also do not represent cash flows generated from operating, investing or financing activities as defined under GAAP. Management has consistently applied the NAREIT definition of FFO to all periods presented. However, there is judgment involved and other REITs' calculation of FFO may vary from the NAREIT definition for this measure, and thus their disclosures of FFO may not be comparable to the Company's calculation.

The following table sets forth the Company's calculation of diluted FFO and Core FFO for the three and nine months ended September 30, 2017 and 2016 (in thousands, except for share and per share amounts):

Funds from Operations attributable to common stockholders and unitholders	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net income available to common stockholders	**$ 79,723**	$ 65,561	**$ 329,446**	$ 215,555
Adjustments:				
Depreciation and amortization	**117,451**	110,467	**350,893**	329,847
Gains not included in FFO	**(10,307)**	-	**(125,122)**	(33,304)
Deferred tax expense on gain on sale of real estate and land – Taxable REIT Subsidiary activity	**-**	-	**-**	4,279
Depreciation and amortization add back from unconsolidated co-investments	**13,854**	12,857	**40,335**	37,337
Noncontrolling interest related to Operating Partnership units	**2,721**	2,223	**11,289**	7,457
Depreciation attributable to third party ownership and other	**(23)**	(5)	**(74)**	(3)
Funds from Operations attributable to common stockholders and unitholders	**$ 203,419**	$ 191,103	**$ 606,767**	$ 561,168
FFO per share – diluted	**$ 2.97**	$ 2.81	**$ 8.90**	$ 8.27
Acquisition and investment related costs	**$ 324**	$ 284	**$ 1,154**	$ 1,379
Gain on sale of marketable securities and other investments	**(32)**	(1,033)	**(1,650)**	(2,876)
Interest rate hedge ineffectiveness (1)	**1**	-	**(19)**	-
Loss on early retirement of debt	**-**	211	**-**	211
Income from early redemption of preferred equity investments	**(8)**	-	**(256)**	-
Excess of redemption value of preferred stock over the carrying value	**-**	-	**-**	2,541
Insurance reimbursements, legal settlements and other, net	**335**	(31)	**310**	(4,041)
Core Funds from Operations attributable to common stockholders and unitholders	**$ 204,039**	$ 190,534	**$ 606,306**	$ 558,382
Core FFO per share – diluted	**$ 2.98**	$ 2.81	**$ 8.90**	$ 8.23
Weighted average number of shares outstanding diluted (2)	**68,392,419**	67,914,123	**68,159,766**	67,881,126

(1) Interest rate swaps are generally adjusted to fair value through other comprehensive income (loss). However, because certain of our interest rate swaps do not have a 0% LIBOR floor, while related hedged debt in these cases is subject to a 0% LIBOR floor, the portion of the change in fair value of these interest rate swaps attributable to this mismatch is recorded as noncash interest rate hedge ineffectiveness through interest expense.

(2) Assumes conversion of all outstanding limited partnership units in Essex Portfolio, L.P. (the "Operating Partnership") and excludes all DownREIT units for which the Operating Partnership has the ability and intention to redeem the DownREIT limited partnership units for cash and does not consider them to be common stock equivalents.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	**2017**	2016
Earnings from operations	**$ 112,669**	$ 109,412	**$ 334,147**	$ 315,280
Adjustments:				
Depreciation and amortization	**117,451**	110,467	**350,893**	329,847
Management and other fees from affiliates	**(2,395)**	(2,093)	**(6,927)**	(6,145)
General and administrative	**9,788**	9,647	**30,726**	28,527
Acquisition and investment related costs	**324**	284	**1,154**	1,379
NOI	**237,837**	227,717	**709,993**	668,888
Less: Non-same property NOI	**(22,550)**	(18,909)	**(68,682)**	(54,927)
Same-Property NOI	**$ 215,287**	$ 208,808	**$ 641,311**	$ 613,961

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,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and variations of such words and similar expressions are intended to identify such forward-looking statements. In this press release and related materials, forward-looking statements include, among other things, statements relating to the Company’s financial guidance for the fourth quarter and full-year 2017, including guidance relating to same-property portfolio growth, funds from operations, gross revenues, operating expenses, and net operating income; estimated costs of property development and redevelopment, the anticipated timing of completion of current development and redevelopment projects and the stabilization of such projects; financial projections and assumptions; financing and investment activities; forecasts of residential supply, jobs, and rent growth in various areas; and other information that is not historical information. The Company's actual results may differ materially from those projected in such forward-looking statements. Factors that might cause such a difference include, but are not limited to, the failure of the Company to achieve its business objectives, changes in market demand for rental units and the impact of competition and competitive pricing, unforeseen consequences from cyber-intrusion, changes in economic conditions, unexpected delays or cost increases in the development and stabilization of development projects, unexpected difficulties in leasing of development projects, total costs of development investments exceeding the Company’s projections, and other risks detailed in the Company's filings with the Securities and Exchange Commission (SEC). All forward-looking statements are made as of the date hereof, and the Company assumes no obligation to update or supplement this information for any reason. For more details relating to risks and uncertainties that could cause actual results to differ materially from those anticipated in our forward-looking statements, and risks relating to our business in general, please refer to our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings with the SEC.

Definitions and Reconciliations

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

Contact Information

Barb Pak
Group Vice President of Finance & Investor Relations
(650) 655-7800
bpak@essex.com