

ESSEX PROPERTY TRUST, INC.

Form DEF 14A

March 26, 2019

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material pursuant to § 240.14a-12

Essex Property Trust, Inc.
(Name of Registrant as Specified In Its Charter)

N/A
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**1100 Park Place, Suite 200
San Mateo, California 94403**

March 26, 2019

Dear Stockholder:

You are cordially invited to attend the 2019 annual meeting of stockholders (the **Annual Meeting**) of Essex Property Trust, Inc., a Maryland corporation (the **Company**), to be held at the Garden Court Hotel, 520 Cowper Street, Palo Alto, California 94301 on May 14, 2019, at 1:00 p.m., Pacific Time.

The attached notice of annual meeting and proxy statement describe the matters expected to be acted upon at the Annual Meeting. We urge you to review these materials carefully.

This year we are again furnishing proxy materials to our stockholders over the Internet. On or about March 28, 2019, we are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our notice of annual meeting, proxy statement, and 2018 Annual Report to Stockholders and how to vote. Some stockholders may, if they have so previously requested, receive these materials via email or paper copies by mail. If you only received a Notice of Internet Availability of Proxy Materials by mail, the notice of annual meeting also contains instructions on how you can receive a paper copy of the proxy materials and 2018 Annual Report.

Please use this opportunity to take part in the **Company**'s affairs by voting on the business to be presented at the Annual Meeting. Whether or not you plan to attend the meeting in person, please authorize your proxy via the Internet prior to 11:59 p.m. Eastern Time, on May 13, 2019, or if you are receiving a paper copy of the proxy statement, by telephone or by completing, signing, dating and returning a proxy card. Authorizing your proxy over the Internet, by telephone or by mailing a proxy card will ensure that your shares are represented at the Annual Meeting. Please review the instructions contained in the Notice of Internet Availability of Proxy Materials regarding each of these options. If you attend the Annual Meeting, you may vote in person, even if you have previously mailed your proxy card.

Your vote is important to us and we appreciate your continued support of the **Company**.

Sincerely,

Michael J. Schall
Chief Executive Officer and President

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**Notice of Annual Meeting of Stockholders
To Be Held May 14, 2019**

The 2019 annual meeting of stockholders (the Annual Meeting) of Essex Property Trust, Inc., a Maryland corporation (the Company), will be held at the Garden Court Hotel, 520 Cowper Street, Palo Alto, California 94301 on May 14, 2019 at 1:00 p.m. Pacific Time, for the following purposes:

1. To consider and vote upon the election of the following nominees to serve as directors until the 2019 annual meeting and until their respective successors are duly elected and qualified: Keith R. Guericke, Amal M. Johnson, Mary Kasaris, Irving F. Lyons, III, George M. Marcus, Thomas E. Robinson, Michael J. Schall, Byron A. Scordelis, and Janice L. Sears.
2. To consider and vote upon the ratification of the appointment of KPMG LLP as the independent registered public accounting firm for the Company for the year ending December 31, 2019.
3. To consider and vote upon an advisory vote to approve the Company's named executive officer compensation.
4. To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

The Board of Directors has fixed the close of business on February 28, 2019, as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting or any postponement or adjournment thereof.

Your vote is important. Whether or not you expect to attend the Annual Meeting in person, we urge you to submit your proxy and vote as promptly as possible to ensure your representation and the presence of a quorum at the Annual Meeting. You may authorize a proxy to vote your shares via the Internet until 11:59 p.m. Eastern Time, on May 13, 2019, or, if you have received and/or requested a paper copy of our proxy materials, by telephone or by mail, by completing, signing, dating and returning the proxy card in the envelope provided. If you attend the Annual Meeting in person, you may continue to have your shares voted as instructed on your proxy or you may withdraw your proxy at our Annual Meeting and vote your shares in person. Your proxy is revocable in accordance with the procedures set forth in the proxy statement.

By Order of the Board of Directors and on behalf of the Secretary of the Company,

Michael J. Schall
Chief Executive Officer and President
San Mateo, California
March 26, 2019

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EXECUTIVE SUMMARY

This summary highlights certain information about Essex Property Trust, Inc., a Maryland corporation (the Company), and its 2019 annual meeting of stockholders (the Annual Meeting) and summarizes information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider and you should read the entire proxy statement before voting. For more complete information regarding the Company and its 2018 performance, you should review the Company's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 21, 2019.

2019 Annual Meeting Information

Date and Time: Tuesday, May 14, 2019, at 1:00 p.m., Pacific Time
Place: Garden Court Hotel, 520 Cowper Street, Palo Alto, California 94301
Record Date: February 28, 2019

At the Annual Meeting, we are asking our stockholders to vote on the following matters:

Proposal No. 1: Election of Directors

The Company's Board of Directors (the Board) recommends a vote **FOR** the election of the following nominees to serve as directors until the 2020 annual meeting and until their respective successors are duly elected and qualified: Keith R. Guericke, Amal M. Johnson, Mary Kasaris, Irving F. Lyons, III, George M. Marcus, Thomas E. Robinson, Michael J. Schall, Byron A. Scordelis, and Janice L. Sears.

Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm

The Board recommends a vote **FOR** the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ending December 31, 2019.

Proposal No. 3: Advisory Vote on the Company's Named Executive Officer Compensation

The Board recommends a vote **FOR** the approval, on an advisory basis, of the Company's named executive officer compensation.

2018 Business Highlights

- Achieved Core Funds from Operations (FFO) per diluted share growth of 5.5%, exceeding the midpoint of our initial guidance, and the highest growth reported by our multifamily peers.
- Achieved Same-Property Net Operating Income ("NOI") growth of 2.9%, exceeding the midpoint of our initial guidance.
- Raised the dividend by 6.3% in 2018, our 24th consecutive year of dividend increases.
- Acquired two communities for \$139.4 million, improving the quality of our portfolio.
- Disposed of four communities for total sales proceeds of \$417.3 million.
- Committed \$57.6 million in three new preferred equity and subordinated debt loans due to attractive risk adjusted returns relative to ground-up development.
- Generated a total return to stockholders of 4.8%, exceeding the NAREIT Apartment Index which generated a 3.7% total return.
- Participated in the Global Real Estate Sustainability Benchmark (GRESB) survey for the third consecutive year in 2018, earning our third "Green Star" for our sustainability performance, the highest designation.

- Achieved LEED Gold certification at Station Park Green, reflecting our commitment to develop sustainable communities.
- Completed the board refreshment program.

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Long-Term Performance Charts

- Highest total return of all public U.S. REITs in existence since our IPO in 1994.
- Generated 16.1% compounded total return to stockholders over the past ten years, a period that includes the Great Recession.
- The Company announced the merger with BRE Properties five years ago, which was a transformative event for the Company. Since that time, Essex has generated an approximately 100% total return for stockholders.

**Total Shareholder Return Since IPO
Years Ending December 31**

Sources: S&P Global Market Intelligence, NAREIT

June 1994 to December 2018

Represents the value of a \$100 investment and the reinvestment of all dividends.

- Since our IPO, we have generated compound annual dividend/share and FFO/share growth of 6.4% and 8.4%, respectively.
- Paid \$92.40 per share in dividends since our IPO in 1994 - almost five times our IPO price.

Dividend and FFO Per Share

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- Our same-property NOI and Core FFO growth have exceeded the peer average by 2.5% and 5.1% annually since 2012, respectively.
- The Company has generated 123% Core FFO per share growth over this time period, the highest among our peer group.

Sources: Company Disclosures

- (1) Peer average for Same-Property NOI and Core FFO growth includes four multifamily REITs (Equity Residential, AvalonBay Communities, Inc., UDR, Inc., and Apartment Investment and Management Company).

Corporate Governance Best Practices

The Company believes in establishing and maintaining high standards of corporate governance, and it looks to improve and implement additional corporate governance measures designed to best serve the interests of stockholders and further align the interests of the Board and management with those of our stockholders. A summary of certain of our most important corporate governance policies and practices is detailed below:

Annual Election of All Directors
Majority Voting for Directors
7 of 9 Directors are Independent
Proxy Access Provision in Bylaws
Stockholder Ability to Amend Bylaws
Separate Chairman and Chief Executive Officer
Presiding Independent Director
Regular Executive Sessions of Independent Directors
97.4% Three-Year Average Stockholder Approval of Named Executive Officer Compensation
Annual Performance Evaluations of CEO, Board and Committees
Effective Board Risk Oversight
Regular Succession Planning
Anti-Pledging and Anti-Hedging Policies
Compensation Clawback Policy
Internal Disclosure Committee for Financial Reporting
Director and Executive Officer Stock Ownership Guidelines
No Stockholder Rights Plan (or Poison Pill)
No Employment Agreements
No Tax Gross-Ups
Executive Compensation Driven by Pay for Performance

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Social Corporate Responsibility and Sustainability

At the Company, sustainability and social corporate responsibility permeate all aspects of our business. We are committed to creating healthy and safe environments for our employees and residents, all in an environmentally sustainable manner. We believe these initiatives will benefit our stakeholders for many years to come.

Social

We strive to maintain a positive and inclusive work environment to maximize employee satisfaction and productivity. In our communities, we aim to create safe and healthy environments to improve our resident's well-being.

As a way of illustrating our long-standing commitment to gender and diversity equality:

- Over 55% of the Company's corporate employees are female.
- Over 45% of the Company's corporate management positions are held by females.
- Approximately 40% of the Company's corporate management positions are held by minorities.

In 2018, 60% of employees signed up for a new health and well-being program to encourage healthy living.

86% of our communities include a fitness center and 84% have a swimming pool to help our residents stay active.

Environmental

We seek to reduce our environmental footprint through our resource management initiatives at stabilized operating communities and by developing new communities that meet high environmental standards.

In 2018, we added solar panels to 13 communities and now have 98 renewable energy generation sites.

In 2018, we implemented recycling sorting services at three additional communities, which are estimated to reduce landfill waste by 6.2 tons per community per year. We now have 141 properties with recycling sorting services.

Since 2014, we have achieved green building certificates at 14 of our completed developments.

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**2019 Annual Meeting of Stockholders
Tuesday, May 14, 2019**

**ESSEX PROPERTY TRUST, INC.
1100 Park Place, Suite 200
San Mateo, California 94403**

INFORMATION CONCERNING SOLICITATION AND VOTING

This proxy statement is furnished to the holders of the outstanding shares of common stock, \$0.0001 par value (the Common Stock) of Essex Property Trust, Inc., a Maryland corporation (the Company or Essex), in connection with the solicitation by the Company's Board of Directors (the Board) of proxies in the accompanying form for use in voting at the 2019 annual meeting of stockholders of the Company (the Annual Meeting) to be held on May 14, 2019 at 1:00 p.m., Pacific Time, at the Garden Court Hotel, 520 Cowper Street, Palo Alto, California 94301, and any postponement or adjournment thereof.

This proxy statement and the accompanying notice of annual meeting, proxy card and 2018 Annual Report to Stockholders are first being made available to stockholders on or about March 28, 2019.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 14, 2019.

The proxy statement, notice of annual meeting, proxy card, and 2018 Annual Report to Stockholders are available electronically at <http://materials.proxyvote.com/297178>. Directions to the meeting location can be found at <http://www.essex.com> under Investors; Shareholder Services and Information-Annual Shareholders Meeting.

Pursuant to the rules of the Securities and Exchange Commission (the SEC), we have elected to provide access to our proxy materials over the Internet, instead of mailing paper copies to each stockholder. Accordingly, on or about March 28, 2019, we are mailing to many of our stockholders a Notice of Internet Availability of Proxy Materials (Notice), while brokers and other nominees who hold shares on behalf of beneficial owners will be sending their own similar notice, containing instructions on how to access our proxy materials and 2018 Annual Report to Stockholders and how to vote. The Notice is not itself a proxy and cannot itself be used to vote your shares. If you received only a Notice this year, you will not receive paper copies of the proxy materials unless you request the materials by following the instructions on the Notice or on the website referred to in the Notice. Some stockholders may, if they have so requested previously, receive these materials via email or receive paper copies by mail.

Who Can Vote

You are entitled to vote if you were a holder of record of Common Stock as of the close of business on February 28, 2019 (the Record Date). Your shares can be voted at the Annual Meeting only if you are present in person or represented by a valid proxy.

Voting Procedures

Stockholders of record as of the Record Date are entitled to one vote for each share of Common Stock held on all matters to be voted upon at the Annual Meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote in person at the meeting, you must obtain a proxy issued in your name from such broker, bank or other nominee. If you choose not to attend the Annual Meeting, you may still

authorize your proxy via the Internet or by telephone until 11:59 p.m. Eastern Time, on May 13, 2019, or by completing, signing, dating and returning a proxy card.

The presence at the Annual Meeting, either in person or by proxy, of stockholders holding a majority of the shares of Common Stock outstanding on the Record Date will constitute a quorum for purposes of the Annual Meeting. Each share of Common Stock outstanding on the Record Date is entitled to one vote on each proposal. As of the Record Date, there were 65,688,842 shares of Common Stock outstanding.

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If your shares are held in the name of a broker, you should receive a voting instruction form from your broker. Your broker will vote your shares in the manner you timely indicate pursuant to the voting instruction form. If you do not timely indicate your voting instructions to your broker, the broker will not be permitted to vote your shares at the Annual Meeting on Proposal No. 1 (election of directors) or Proposal No. 3 (advisory vote to approve the Company's named executive officer compensation) because such proposals are not routine matters under the New York Stock Exchange (NYSE) rules. However, your broker may in its discretion vote your shares on Proposal No. 2 (ratification of KPMG LLP) if you do not timely indicate voting instructions on that proposal because the proposal is a routine matter under the NYSE rules.

Counting of Votes

Shares of Common Stock represented by proxies that reflect abstentions or broker non-votes (i.e., shares held by a broker or nominee which are represented at the Annual Meeting, but with respect to which such broker or nominee chooses not to exercise or does not have discretionary authority to vote the shares on a particular matter because the matter is not routine under the NYSE rules) will be counted as shares that are present for purposes of determining the presence of a quorum.

With respect to Proposal No. 1 (election of directors), our Sixth Amended and Restated Bylaws, as amended (the Bylaws) include a majority voting standard for the election of directors in uncontested elections, which are generally defined as elections in which the number of nominees does not exceed the number of directors to be elected at the meeting. In the election of directors, you may either vote FOR or WITHHOLD as to each nominee. Cumulative voting is not permitted. Under the majority voting standard, in uncontested elections of directors such as this election, each director must be elected by the affirmative vote of a majority of the votes cast by the holders of shares present in person or represented by proxy and entitled to vote, assuming a quorum is present at the Annual Meeting. A majority of the votes cast means that the number of votes cast FOR a candidate for director exceeds the number of votes WITHHELD as to that candidate for director. Brokers do not have discretionary authority to vote for directors. Abstentions and broker non-votes, if any, will not count as a vote cast FOR or WITHHELD as to a nominee's election and thus will have no effect in determining whether a director nominee has received a majority of the votes cast.

In accordance with our Bylaws, in this election, an incumbent candidate for director who does not receive the required votes for re-election is expected to offer his or her resignation to the Board. The Nominating and Corporate Governance Committee of the Board (the Nominating Committee) will then make a determination as to whether to accept or reject the tendered resignation and will submit such recommendation for consideration by the Board. Generally within 90 days after certification of the election results of the stockholder vote, we will publicly disclose the decision regarding any tendered resignation in a filing of a Current Report on Form 8-K with the SEC or by other public announcement. If a director's offer to resign is not accepted by the Board, such director will continue to serve until his or her successor is duly elected, or his or her earlier death, resignation, retirement or removal.

Approval of each of Proposals No. 2 (ratification of KPMG LLP) and No. 3 (advisory vote to approve the Company's named executive officer compensation), requires the affirmative vote of a majority of all the votes cast on the matter at the Annual Meeting, assuming a quorum is present at the Annual Meeting. For purposes of the votes on Proposals No. 2 and No. 3, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote on such proposals.

Stockholder votes will be tabulated by the persons appointed by the Board to act as inspectors of election for the Annual Meeting. The shares of Common Stock represented by properly executed proxy cards will be voted at the Annual Meeting as indicated or, if no instruction is given on a properly executed proxy card, in accordance with the recommendation of the Board, as set forth below.

Board Recommendations

The Board recommends that stockholders vote:

- **FOR** the election of the Board's nominees named herein;
- **FOR** the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ending December 31, 2019; and
- **FOR** the approval, on an advisory basis, of the Company's named executive officer compensation.

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The Company does not presently know of any other business that may come before the Annual Meeting.

No person is authorized to make any representation with respect to the matters described in this proxy statement other than those contained herein and, if given or made, such information or representation must not be relied upon as having been authorized by us or any other person.

Revocability of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is exercised by delivering to the Company, to the attention of Mr. Daniel J. Rosenberg, Secretary, Essex Property Trust, Inc., 1100 Park Place, Suite 200, San Mateo, California 94403, a written notice of revocation or a properly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not by itself revoke a proxy.

Solicitation of Proxies

The Company will bear all costs of soliciting proxies for the Annual Meeting. These costs include the expense of preparing and furnishing proxy materials for the Annual Meeting and reimbursements paid to brokerage firms and others for their expenses incurred in forwarding solicitation material regarding the Annual Meeting to stockholders. The Company may conduct solicitation of proxies personally, telephonically or by facsimile through its officers, directors and regular employees, none of whom will receive additional compensation for assisting with the solicitation.

Email Access to Proxy Materials

Stockholders who previously elected to receive the proxy statement and the 2018 Annual Report to Stockholders over the Internet will be receiving an email on or about March 28, 2019, with information on how to access stockholder information and instructions for authorizing a proxy over the Internet. The Company encourages its stockholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of its annual meetings and reduce the cost to the Company associated with the printing and mailing of materials.

Stockholders of record wishing to receive future stockholder materials via email may elect this option by following the instructions provided when voting over the Internet at <http://www.proxyvote.com>. Upon electing to view future proxy statements and annual reports over the Internet, stockholders will receive an email notification next year with instructions containing the Internet address of those materials. The choice to view future proxy statements and annual reports over the Internet will remain in effect until the stockholder contacts their broker or the Company to rescind such instructions. Internet access does not have to be elected each year. Stockholders who elected to receive the proxy statement electronically over the Internet and who would now like to receive a paper copy of the proxy statement so that they may submit a paper proxy in lieu of an electronic proxy, should contact either their broker or the Company.

Householding of Annual Meeting Materials

Some brokers and other nominee record holders may be participating in the practice of householding. Notices of Internet Availability of Proxy Materials or proxy statements and annual reports, as applicable. This means that only one copy of the Notice of Internet Availability of Proxy Materials or proxy statement and annual report may have been sent to multiple stockholders in a stockholder's household. The Company will promptly deliver a separate copy of each applicable document to any stockholder who contacts the Company's investor relations department by written request to the Company at Attn: Investor Relations, 1100 Park Place, Suite 200, San Mateo, California 94403 or by telephone at (650) 655-7800 requesting such copies. If a stockholder is receiving multiple copies at the stockholder's

household and would like to receive a single copy for a stockholder's household in the future, stockholders should contact their broker, other nominee record holder, or the Company's investor relations department to request mailing of a single copy of the applicable document.

Essex Property Trust, Inc.

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BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth the beneficial ownership of shares of Common Stock as of the Record Date for (i) each person known by the Company to hold more than 5% of the outstanding shares of Common Stock, (ii) each director, each director nominee, and each of the executive officers named in the Summary Compensation Table below and employed by the Company on the Record Date, and (iii) all directors and executive officers as a group. As of the Record Date, there were 65,688,842 shares of Common Stock outstanding.

Beneficial ownership in the following table is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of Common Stock subject to options held by that person that are currently exercisable or exercisable within 60 days of the Record Date are deemed outstanding and shares underlying Series Z-1 incentive units and long term incentive plan units (LTIP Units), which are currently non-forfeitable or are non-forfeitable within 60 days of the Record Date, are also deemed outstanding. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of each other person. To the Company's knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table below has sole voting and investment power with respect to the shares set forth opposite such person's name. Unless otherwise stated, the address of all directors and executive officers is c/o Essex Property Trust, Inc., 1100 Park Place, Suite 200, San Mateo, California 94403.

Name	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percentage of Common Stock Outstanding ⁽²⁾	
Incumbent Directors and Executive Officers			
George M. Marcus ⁽³⁾	1,691,501	2.6	%
Keith R. Guericke ⁽⁴⁾	97,052		*
Michael J. Schall ⁽⁵⁾	220,113		*
John F. Burkart ⁽⁶⁾	64,488		*
Angela L. Kleiman ⁽⁷⁾	36,354		*
Craig K. Zimmerman ⁽⁸⁾	106,410		*
John D. Eudy ⁽⁹⁾	67,809		*
Irving F. Lyons, III ⁽¹⁰⁾	21,012		*
Thomas E. Robinson ⁽¹¹⁾	17,685		*
Byron A. Scordelis ⁽¹²⁾	7,609		*
Janice L. Sears ⁽¹³⁾	15,442		*
Amal M. Johnson ⁽¹⁴⁾	1,870		*
Mary Kasaris ⁽¹⁵⁾	450		*
All incumbent directors and executive officers as a group (13 persons) ⁽¹⁶⁾	2,347,795	3.6	%
5% or greater stockholders			
The Vanguard Group, Inc. ⁽¹⁷⁾ 100 Vanguard Blvd. Malvern, PA 19355	10,469,965	15.9	%

BlackRock, Inc. ⁽¹⁸⁾ 55 East 52 nd Street New York, NY 10055	6,957,103	10.6	%
Cohen & Steers, Inc. ⁽¹⁹⁾ 280 Park Avenue, 10 th Floor New York, NY 10017	6,061,424	9.2	%
State Street Corporation ⁽²⁰⁾ One Lincoln Street Boston, MA 02111	4,676,589	7.1	%

* Less than 1%.

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- Mr. Marcus, certain officers and directors of the Company and certain other entities and investors own limited partnership interests in Essex Portfolio, L.P., a California limited partnership (the operating partnership or EPLP), which as of February 28, 2019 aggregated to approximately a 3% limited partnership interest. As of February 28,
- (1) 2019, the Company had an approximately 97% general partnership interest in the operating partnership. The limited partners of the operating partnership share with the Company, as general partner, in the net income or loss and any distributions of the operating partnership. Pursuant to the partnership agreement of the operating partnership, limited partnership interests can be exchanged into shares of Common Stock. With respect to shares of Common Stock, assumes the exchange of the limited partnership interests (including non-forfeitable Series Z-1 incentive units and LTIP Units) in the operating partnership and in other partnerships (such as DownREITs) held by such person, if any, into shares of Common Stock. The total number of shares outstanding used in calculating this percentage assumes that none of the limited partnership interests or vested
- (2) options held by other persons are exchanged or converted into shares of Common Stock and is based on 65,688,842 shares of Common Stock outstanding as of the Record Date. If all outstanding director and officer limited partnership interests (including non-forfeitable Series Z-1 incentive units and LTIP Units) in the operating partnership, and vested options, were exchanged for shares of Common Stock that would result in an additional 1,894,677 outstanding shares of Common Stock. Includes 301,597 shares and 15,941 shares of Common Stock that may be issued upon the exchange of all the limited partnership interests in the operating partnership held by the Marcus & Millichap Company (MMC) and Essex Portfolio Management Company (EPMC) as well as 75,291 shares of Common Stock that may be issued upon the exchange of all DownREIT limited partnership interests held by MMC Investments, LLC (MMCI). Also includes 137,000 shares of Common Stock held by MMC, 32,584 shares of Common Stock held in the Marcus & Millichap Company 401(k) Plan (the MMC 401(k) Plan), 18,000 shares held by the MMC Foundation, and 4,000
- (3) shares of Common Stock held by Mr. Marcus' children. Mr. Marcus is a principal stockholder of each of MMC, EPMC, and MMCI and may be deemed to own beneficially, and to share the voting and dispositive power of 547,829 shares of Common Stock (including shares issuable upon exchange of limited partnership interests). Mr. Marcus disclaims beneficial ownership of (i) all shares and limited partnership interests held by MMC, the MMC Foundation and MMCI, and (ii) 6,376 shares of Common Stock that may be issued upon conversion of limited partnership interests held by EPMC. In connection with a loan facility led by Comerica Bank, MMC has pledged to Comerica 438,494 shares of Common Stock, of which 137,000 shares are held directly by MMC and 301,494 shares are issuable upon the exchange of limited partnership interests held by MMC. Includes 66,519 shares of Common Stock that may be issued upon the exchange of all of Mr. Guericke's limited partnership interests in the operating partnership. Includes 5,000 shares of Common Stock subject to options that
- (4) are exercisable within 60 days of the Record Date. The aforementioned options are exercisable pursuant to a domestic relations order. In connection with a loan obtained from Morgan Stanley, Mr. Guericke has pledged to Morgan Stanley 13,513 shares of Common Stock. Includes 92,579 shares of Common Stock that may be issued upon the exchange of all of Mr. Schall's limited partnership interests in the operating partnership. Also includes 3,560 shares of Common Stock held in the Essex Property Trust, Inc. 401(k) Plan (the Essex 401(k) Plan), 52,509 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date, and 25,748 shares that may be issued in exchange for
- (5) non-forfeitable Series Z-1 incentive units and LTIP Units. The aforementioned shares and limited partnership interests in the operating partnership, except for the shares held for his benefit in the Essex 401(k) plan and shares directly held by Mr. Schall's spouse, are held in a revocable trust in which Mr. Schall and Ann Schall act as co-trustees. Mr. Schall disclaims beneficial ownership of 46,290 shares that may be issued upon the exchange of limited partnership interests in the operating partnership; 12,874 shares that may be issued in exchange for non-forfeitable Series Z-1 incentive units and LTIP Units; and 26,195 shares of Common Stock. Includes 19,912 shares of Common Stock that may be issued upon the exchange of all of Mr. Burkart's limited
- (6) partnership interests in the operating partnership. Also includes 20,600 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date and 17,244 shares that may be issued in exchange for non-forfeitable Series Z-1 incentive units and LTIP Units

- Includes 18,075 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date and 10,196 shares that may be issued in exchange for non-forfeitable Series Z-1 incentive units and LTIP Units.
- (7) Includes 58,277 shares of Common Stock that may be issued upon the exchange of all of Mr. Zimmerman's limited partnership interests in the operating partnership and certain other partnerships. Also includes 2,780 shares of Common Stock held in the Essex 401(k) Plan, 23,934 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date, and 11,891 shares that may be issued in exchange for non-forfeitable Series Z-1 incentive units and LTIP Units.
- (8) Includes 25,908 shares of Common Stock that may be issued upon the exchange of all of Mr. Eudy's limited partnership interests in the operating partnership. Also includes 1,585 shares of Common Stock held in the Essex 401(k) Plan, 19,555 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date, and 11,891 shares that may be issued in exchange for non-forfeitable Series Z-1 incentive units and LTIP Units.
- (9) Includes 13,140 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date.
- (10) Includes 13,140 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date. Also includes 4,545 shares of Common Stock held in family trusts as to which Mr. Robinson has the power to dispose and vote the shares.
- (11) Includes 5,109 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date.
- (12) Includes 14,359 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date.
- (13) Includes 370 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date.
- (14) All such shares are held in a family trust as to which Ms. Kasaris has the power to dispose and vote the shares.
- (15) Includes 1,616,178 shares of Common Stock that may be issued upon the exchange of all of the executive officers' and directors' limited partnership interests in the operating partnership and certain other partnerships and 201,527 shares of Common Stock subject to options that are exercisable within 60 days of the Record Date. Also, includes 76,972 shares that may be issued in exchange for non-forfeitable Series Z-1 incentive units and LTIP Units.
- (16) As reported on a Schedule 13G/A filed February 11, 2019, The Vanguard Group, Inc. stated that it has sole voting power over 134,682 shares, shared voting power over 90,211 shares, sole dispositive power over 10,304,892 shares and shared dispositive power over 165,073 shares. The aggregate 10,469,965 shares beneficially owned by The Vanguard Group include 3,144,533 shares beneficially owned by Vanguard Specialized Funds - Vanguard REIT Index Fund, an affiliate of Vanguard Group, Inc.
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- (18) As reported on a Schedule 13G/A filed January 31, 2019, BlackRock, Inc. stated that it has sole voting power over 6,350,200 shares and sole dispositive power over 6,957,103 shares.
- (19) As reported on a Schedule 13G/A filed February 14, 2019, Cohen & Steers, Inc. stated that it has sole voting power over 3,892,499 shares and sole dispositive power over 6,061,424 shares.
- (20) As reported on a Schedule 13G filed February 14, 2019, State Street Corporation stated that it has shared voting power over 4,314,361 shares and shared dispositive power over 4,675,995 shares .

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**PROPOSAL NO. 1:
ELECTION OF DIRECTORS**

At the Annual Meeting, the following individuals are each nominated for election as directors to serve until the annual meeting of stockholders in 2020 and until their successors are duly elected and qualified: Keith R. Guericke, Amal M. Johnson, Mary Kasaris, Irving F. Lyons, III, George M. Marcus, Thomas E. Robinson, Michael J. Schall, Byron A. Scordelis, and Janice L. Sears. Each of the nominees is currently a director of the Company. Each of the nominees has consented, if elected as a director of the Company, to serve until his or her term expires.

The Board believes that each such nominee will stand for election and will serve if elected as a director. However, in the event that any nominee is unable or unwilling to serve as a director at the time of the Annual Meeting, the discretionary authority provided in the proxy will be exercised by the proxy holders to vote for a substitute or substitutes nominated by the Board, or the Board, on the recommendation of the Nominating Committee, may reduce the size of the Board and the number of nominees.

Certain information about the director nominees is furnished below, highlighting each director nominee's specific experience, qualifications, attributes and skills that led the Board to the conclusion that each should serve as a director.

Director **Experience & Education:**

- Keith R. Guericke**
- Vice Chairman of the Essex Board
 - President and Chief Executive Officer of Essex from 1988 through 2010
 - Effective January 1, 2011, retired as an executive officer but remains a director of Essex, and continues to serve as a part-time employee
 - Joined Essex's predecessor in 1977 to focus on investment strategies and portfolio expansion
 - Prepared Essex for its IPO in 1994
 - Began career with Kenneth Leventhal & Company, a CPA firm noted for its real estate expertise
 - Bachelor of Science degree in Accounting from Southern Oregon College

Memberships:

- Member, Board of Directors of Century Communities, Inc. (NYSE: CCS)
- Former Member, National Association of Real Estate Investment Trusts (NAREIT)
- Former Member, Board of Directors of American Residential Properties, Inc.

Qualifications and Expertise Highlights:

- Over 40 years with the Company and former CEO of Essex
- Extensive knowledge of the real estate industry
- Strong relationships with Essex's executives and with executives and senior management at real estate companies throughout the United States

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Director

Amal M. Johnson

Experience & Education:

- Joined Essex's Board in February 2018
- Executive Chairperson of Author-it Software Corporation from March 2012 to October 2016
- Chairperson of MarketTools, Inc. from August 2008 to January 2012 and Chief Executive Officer from March 2005 to August 2008
- Venture Partner at ComVentures L.P. from April 2004 to March 2005
- General Partner at Lightspeed Venture Partners from March 1999 to March 2004
- Held various management positions at Baan Supply Chain Solutions and its affiliates, including:
 - President of Baan Supply Chain Solutions from January 1998 to December 1998
 - President of Baan Affiliates from January 1997 to December 1997
 - President of Baan Americas from October 1994 to December 1996
- President of ASK Manufacturing Systems from August 1993 to July 1994
- Held executive positions at IBM from 1977 to June 1993
- Received Bachelor of Science degree in Mathematics from Montclair State University and studied computer science at Stevens Institute of Technology Graduate School of Engineering

Memberships:

- Member, Board of Directors of Intuitive Surgical Inc. (NASDAQ: ISRG)
- Member, Board of Directors of CalAmp Corp. (NASDAQ: CAMP)
- Member, Board of Directors of Mellanox Technologies, Ltd. (NASDAQ: MLNX)

Qualifications and Expertise Highlights:

- Extensive knowledge of technology, management, and operations in both public and private companies

Director

Mary Kasaris

Experience & Education:

- Joined Essex's Board in September 2018
- Regional Managing Director at First Republic Bank for the San Francisco Bay Area's Peninsula/Silicon Valley Region since 1996, and currently serves on First Republic Bank's Executive Loan Committee
- Held various positions at Bank of America, including Head of Private Banking in the Peninsula/Silicon Valley Region
- Holds a Master of Business Administration from Golden Gate University and a Bachelor of Science degree from the University of California, Berkeley

Memberships & Honors:

- Former Member, Board of Directors of The Elios Charitable Foundation
- Honored as one of the 100 Most Influential Women in 2016 by the San Francisco Business Times

Qualifications and Expertise Highlights:

- Significant experience in real estate, lending and finance matters

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Director

Irving F. Lyons, III

Experience & Education:

- Vice Chairman of Prologis, Inc. (NYSE: PLD) from 2001 through May 2006
- Chief Investment Officer of Prologis, Inc. from March 1997 to December 2004
- Former Managing Partner, Kings & Lyons, a San Francisco Bay Area industrial real estate development and management company
- Holds a Master in Business Administration from Stanford University and a Bachelor of Science in industrial engineering and operations research from the University of California at Berkeley

Memberships:

- Member, Board of Directors of Equinix, Inc. (NASDAQ: EQIX)
- Lead Director, Board of Directors of Prologis, Inc.
- Former Member and Chairman, Board of Directors of BRE Properties, Inc. (acquired by Essex in 2014)

Qualifications and Expertise Highlights:

- Management and investment experience with publicly traded real estate companies
- Extensive involvement in Bay Area real estate development and management

Director

George M. Marcus

Experience & Education:

- Founder and Chairman of Essex and Essex's predecessor
- Founded Greater Bay Bancorp with other original founders (acquired by Wells Fargo & Company in 2007)
- Founder of Marcus & Millichap Company
- Received Bachelor of Science degree in Economics from San Francisco State University
- Graduate of the Harvard Business School of Owners / Presidents Management Program and the Georgetown University Leadership Program

Memberships & Honors:

- Chairman, Board of Directors of Marcus & Millichap Company
- Co-Chairman, Board of Directors of Marcus & Millichap, Inc. (NYSE: MMI)
- Regent Emeritus, University of California
- Member, Real Estate Roundtable of the University of California at Berkeley
- Member, Policy Advisory Board of the University of California at Berkeley - Center for Real Estate and Urban Economics
- Honored as Alumnus of Millennium by San Francisco State University in 1999

Qualifications and Expertise Highlights:

- Extensive knowledge of Essex as its Founder
- Brings outstanding leadership and vision to Essex

- Extensive knowledge of and network within the real estate industry

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Director

Thomas E. Robinson

Experience & Education:

- Senior Advisor at Stifel, Nicolaus & Company, Inc. and prior affiliate Legg Mason
- Managing Director, Legg Mason
- President and Chief Financial Officer of Storage USA, Inc. from 1994 to 1997
- Received Bachelor's degree from Washington and Lee University
- Received Juris Doctorate degree from Suffolk University Law School
- Received Master of Law degree in Taxation from Georgetown University Law School

Memberships:

- Member, Board of Directors of Tanger Factory Outlet Centers, Inc. (NYSE: SKT)
- Former Member, Board of Directors of BRE Properties, Inc. (acquired by Essex in 2014)
- Former Trustee, Centerpoint Properties Trust
- Former Member, Board of Directors of First Potomac Realty Trust
- Former Member, Board of Governors of NAREIT

Qualifications and Expertise Highlights:

- Extensive experience in real estate investment banking and accounting matters

Director

Michael J. Schall

Experience & Education:

- Chief Executive Officer and President of Essex since January 1, 2011
- Senior Executive Vice President and Chief Operating Officer of Essex from 2005 to 2010
- Chief Financial Officer of Essex from 1993 to 2005
- Joined The Marcus & Millichap Company in 1986
- Served as Chief Financial Officer of Essex's predecessor
- Director of Finance for Churchill International, a technology-oriented venture capital company, from 1982 to 1986
- Employed in the audit department of Ernst & Young (then known as Ernst & Whinney), specializing in the real estate and financial service industries, from 1979 to 1982
- Received Bachelor of Science degree from University of San Francisco

Memberships:

- Certified Public Accountant (inactive)
- Member, American Institute of Certified Public Accountants
- Member, Board of Trustees of Pebblebrook Hotel Trust, Inc. (NYSE: PEB)
- Member, National Multi Housing Council
- Member, Executive Board of Governors, and Treasurer of NAREIT

Qualifications and Expertise Highlights:

- Mr. Schall is the Chief Executive Officer and President of Essex
- Extensive knowledge of financial and operating matters of Essex
- Strong relationships with Essex's executives and with executives and senior management at real estate companies throughout the United States

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Director

Byron A. Scordelis

Experience & Education:

- President and Chief Executive Officer of Greater Bay Bancorp and wholly-owned subsidiary, Greater Bay Bank N.A., from January 2004 until the sale of the bank in October 2007
- Chief Operating Officer and President of Greater Bay Banking Group from 2001 to 2004
- Executive Vice President at Wells Fargo Bank from 1998 to 2001
- Served as President and Chief Executive Officer of EurekaBank from 1988 to 1998
- Served in various positions with Bank of America from 1974 to 1988, including Senior Vice President and head of Bank of America's San Francisco Bay Area region
- Received Bachelor's degree from University of California at Berkeley in Economics and Natural Resource Studies
- Received Master of Business Administration degree from Stanford University in 1974

Memberships:

- Member, Advisory Board of Markkula Center for Applied Ethics
- Member, Advisory Board of the Palo Alto Medical Foundation
- Member, Board of Regents at Santa Clara University
- Member, Audit Committee of Santa Clara University
- Graduate member of the Phi Beta Kappa Society at University of California at Berkeley