Essex Property Trust, Inc. (ESS)

Updated June 11th, 2026, by Kody Kester

Key Metrics

Current Price:	$280	**5 Year CAGR Estimate:**	6.9%	**Market Cap:**	$18B
Fair Value Price:	$274	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	06/30/26
% Fair Value:	102%	**5 Year Valuation Multiple Estimate:**	-0.5%	**Dividend Payment Date:**	07/15/26
Dividend Yield:	3.7%	**5 Year Price Target**	$333	**Years Of Dividend Growth:**	32
Dividend Risk Score:	C	**Sector:**	Real Estate	**Rating:**	Hold

Overview & Current Events

Essex Property Trust, Inc. (ESS) is a fully integrated real estate investment trust that acquires, develops, redevelops, and manages multifamily apartment communities in supply-constrained West Coast markets. The company is among the largest apartment owners and property managers in the United States, owning interests in 259 apartment communities comprising over 63,000 apartment homes (with an additional property in active development). Properties are primarily located in Southern California, the San Francisco Bay Area, and the Seattle metropolitan area. ESS also operates select retail commercial space within its developments. The company focuses on high-quality properties in prime urban and suburban submarkets with high barriers to entry.

On April 28, 2026, ESS shared its earnings report for the first quarter ended March 31, 2026. The REIT's total revenue grew by 4.3% year-over-year to $484.8 million during the quarter. That was mostly driven by a 2.9% growth rate in same-property revenues, which reflects multiple tailwinds in the quarter. The biggest driver of this topline growth for the quarter was higher base rents (+2.2%), with higher ancillary income from parking and pet fees (+0.5%), and a 20 basis point uptick over the year-ago period in average same-property occupancy to 96.5%. ESS's core FFO per share edged 2.3% higher year-over-year to $4.06 during the quarter. This came in $0.10 above the analyst consensus in the quarter. While this exceeded the analyst consensus for the quarter by $0.10, higher interest expenses from new debt issuances and structured finance redemptions pulled into 2026 (maturities were originally scheduled for 2027-2028) caused core FFO per share growth to lag revenue growth.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFO	$11.04	$11.91	$12.57	$13.38	$12.82	$12.49	$14.51	$15.03	$15.60	$15.94	***$16.10***	***$19.59***
DPS	$6.24	$6.85	$7.33	$7.71	$8.18	$8.35	$8.69	$9.13	$9.66	$10.16	***$10.36***	***$12.30***
Shares[1]	65.5	66.1	65.9	65.9	65.0	65.3	64.6	64.2	64.3	64.4	***64.3***	***65.0***

Since 2016, ESS has grown its core FFO per share by just over 4% annually (and just over 5% annually over the past five years). Looking ahead, we think that the REIT can grow core FFO per share by 4% annually through 2031, off an anticipated 2026 base of $16.10. Improving occupancy in its core West Coast markets and a reduction in new housing supply in those regions bode well for ESS. This will more than cancel out the headwinds posed by the elevated interest rate environment. Over that same time, we think that annual dividend growth will be almost as fast as core FFO per share growth.

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/FFO	21.1	20.3	19.6	22.5	18.5	28.2	14.6	16.5	17.4	16.1	***17.4***	***17.0***
Avg. Yld.	2.7%	2.8%	3.0%	2.6%	3.4%	2.4%	4.1%	3.7%	3.4%	4.0%	***3.7%***	***3.7%***

Over the last decade, the REIT's P/FFO ratio has ranged from as cheap as the low teens to as much as the upper-20s. The average P/FFO ratio over that time was nearly 20. Accounting for the elevated 10-year U.S. Treasury yield, we think that a fair value multiple of 17 is reasonable. Against the current-year P/FFO ratio of 17.4, this implies shares are fully valued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	57%	58%	58%	58%	64%	67%	60%	61%	62%	64%	***64%***	***63%***

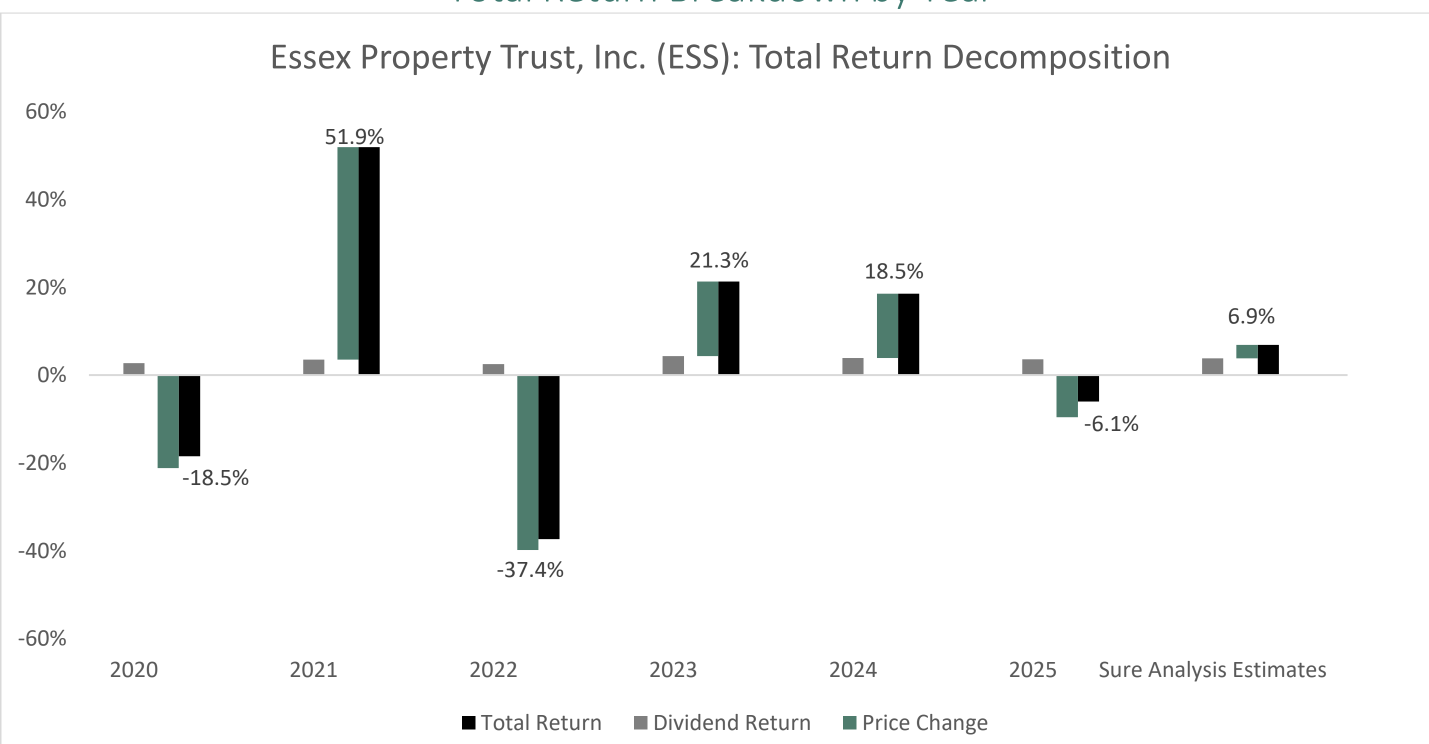
ESS is a high-quality apartment REIT that has raised its dividend for 32 consecutive years from the time it first became a publicly traded trust. Real estate has a natural moat and the REIT's exposure to high-value cities with strong technology cultures further widens that moat.

ESS is also a financially stable company. As of March 31, 2026, the company's net debt to EBITDAre was 5.5x. ESS also ended the quarter with more than $1 billion in total liquidity. This earns ESS BBB+/Baa1 credit ratings from S&P and Moody's with stable outlooks. The REIT looks poised to extend its dividend growth streak for the foreseeable future as well, with the core FFO payout ratio likely to be in the mid-60% range in 2026.

Final Thoughts & Recommendation

ESS's 3.7% dividend yield, 4.0% annual core FFO per share growth, and 0.5% annual valuation multiple contraction could deliver 6.9% annual total returns through 2031. As a result, we're reiterating our Hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,294	1,364	1,400	1,460	1,496	1,441	1,607	1,669	1,774	1,887
Gross Profit	463	489	504	546	495	439	560	590	626	672
Gross Margin	35.8%	35.9%	36.0%	37.4%	33.1%	30.5%	34.8%	35.3%	35.3%	35.6%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	442	469	480	484	525	520	539	548	580	608
Operating Profit	423	537	446	527	676	407	589	525	756	622
Operating Margin	32.7%	39.4%	31.9%	36.1%	45.2%	28.2%	36.6%	31.5%	42.6%	33.0%
Net Profit	438	458	408	470	612	516	433	431	811	703
Net Margin	33.9%	33.6%	29.2%	32.2%	40.9%	35.8%	26.9%	25.8%	45.7%	37.2%
Free Cash Flow	729	858	829	1,091	785	938	988	879	972	1,118

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	12,217	12,496	12,384	12,705	12,936	12,998	12,373	12,361	12,927	13,159
Cash & Equivalents	170	61	151	81	84	59	43	400	76	86
Total Liabilities	5,880	6,060	5,954	6,264	6,721	6,787	6,451	6,735	7,176	7,422
Long-Term Debt	5,563	5,689	5,606	5,886	6,326	6,358	6,027	6,271	6,700	6,897
Shareholder's Equity	6,192	6,277	6,267	6,220	6,000	5,994	5,716	5,423	5,537	5,541
LTD/E Ratio	0.90	0.91	0.89	0.95	1.05	1.06	1.05	1.16	1.21	1.25

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.6%	3.7%	3.3%	3.7%	4.8%	4.0%	3.4%	3.5%	6.4%	5.4%
Return on Equity	6.9%	7.2%	6.3%	7.3%	9.7%	8.3%	7.1%	7.5%	14.3%	12.2%
ROIC	3.7%	3.8%	3.4%	3.9%	4.9%	4.1%	3.5%	3.6%	6.7%	5.6%
Shares Out.	65.5	66.0	65.7	66.2	65.0	65.3	64.5	64.2	64.3	64.0
Revenue/Share	19.73	20.70	21.19	22.14	22.81	22.13	24.68	25.98	27.62	29.31
FCF/Share	11.11	13.01	12.54	16.54	11.97	14.41	15.18	13.69	15.13	17.37

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.