

ESSEX PROPERTY TRUST INC

Form 424B2

April 05, 2016

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Filed Pursuant to Rule 424(b)(2)

Registration Nos. 333-209886 and 333-209886-01

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee
Essex Portfolio, L.P. 3.375% Notes due 2026	\$ 450,000,000	99.386 %	\$ 447,237,000	\$ 45,037(1)
Essex Property Trust, Inc. Guarantee of 3.375% Notes due 2026	(2)	(2)	(2)	(2)

- The filing fee of \$45,037 is calculated in accordance with Rules 457(o) and 457(r) under the Securities Act of (1) 1933, as amended, or the Act. In accordance with Rules 456(b) and 457(r) under the Act, the registrants initially deferred payment of all of the registration fees for Registration Statement Nos. 333-209886 and 333-209886-01. (2) No separate consideration will be received for the guarantee. Pursuant to Rule 457(n) under the Act, no separate fee is payable with respect to the guarantee being registered hereby.

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(to Prospectus dated March 4, 2016)

Essex Portfolio, L.P.**\$450,000,000****3.375% Senior Notes due 2026****fully and unconditionally guaranteed by****Essex Property Trust, Inc.**

The notes to be issued by Essex Portfolio, L.P. (the Issuer) will bear interest at the rate of 3.375% per year, payable semi-annually in arrears on April 15 and October 15 each year, beginning October 15, 2016. The notes will mature on April 15, 2026. The notes will be fully and unconditionally guaranteed by Essex Property Trust, Inc. (the Company), which has no material assets other than its investment in the Issuer. The Issuer may redeem some or all of the notes at any time and from time to time at the applicable redemption price described under the caption Description of Notes—Optional Redemption. The Issuer will issue the notes only in registered form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The notes will be the Issuer's senior unsecured obligations and will rank equally in right of payment with all of the Issuer's other senior unsecured indebtedness. However, the notes will be effectively subordinated in right of payment to all of the Issuer's existing and future secured indebtedness (to the extent of the value of the collateral securing such indebtedness) and to all existing and future unsecured and secured liabilities and preferred equity of the Issuer's subsidiaries, including guarantees by the Issuer's subsidiaries of the Issuer's other indebtedness.

The notes are a new issue of securities with no established trading market. The Issuer does not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system.

You should carefully consider the risks that the Issuer has described in Risk Factors beginning on page S-6 of this prospectus supplement and page 37 of the accompanying prospectus, as well as those described in Essex Property Trust, Inc.'s and Essex Portfolio, L.P.'s most recent Annual Report on Form 10-K before deciding to invest in the Issuer's notes.

	Per Note		Total
Public offering price ⁽¹⁾	99.386 %	\$	447,237,000
Underwriting discount	0.650 %	\$	2,925,000
Proceeds, before expenses, to the Issuer ⁽¹⁾	98.736 %	\$	444,312,000

(1) Plus accrued interest from April 11, 2016 if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

The Issuer expects that the notes will be ready for delivery in book-entry form through The Depository Trust Company on or about April 11, 2016.

*Joint Book-Running Managers***Wells Fargo Securities
Jefferies****Citigroup****J.P. Morgan****MUFG****US Bancorp**

Senior Co-Managers

Barclays BB&T Capital Markets BNP PARIBAS Deutsche Bank Securities UBS Investment Bank
Co-Managers

BMO Capital Markets Capital One Securities Mizuho Securities Regions Securities LLC

The date of this prospectus supplement is April 4, 2016.

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus authorized by us. We have not, and the underwriters have not, authorized anyone to provide you with information that is different from that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and in any free writing prospectus that we may provide you in connection with the sale of notes offered hereby. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters are offering to sell the notes and seeking offers to buy the notes only in jurisdictions where offers and sales are permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and any free writing prospectus, as well as information we previously filed with the Securities and Exchange Commission (the SEC) and incorporated herein by reference, is accurate only as of their respective dates or on other dates which are specified in those documents, regardless of the time of delivery of this prospectus supplement or of any sale of the notes. Our business, financial condition, results of operations and prospects may have changed since those dates.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary may not contain all the information that may be important to you. Before making an investment decision, you should read this entire prospectus supplement, the accompanying prospectus and any free-writing prospectus we file with the SEC in connection with this offering, as well as the documents incorporated by reference herein, including the financial statements and related notes as well as the Risk Factors section in the Company's and the Issuer's most recent Annual Report on Form 10-K and other reports that the Company and the Issuer file with the SEC from time to time that are incorporated by reference.

About This Prospectus Supplement

This document is in two parts. The first part is this prospectus supplement, which adds to, updates and changes information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering.

To the extent any inconsistency or conflict exists between the information included or incorporated by reference in this prospectus supplement and the information included or incorporated by reference in the accompanying prospectus, the information included or incorporated by reference in this prospectus supplement updates and supersedes the information in the accompanying prospectus. Unless we indicate otherwise or unless the context requires otherwise, all references to the Operating Partnership or the Issuer means Essex Portfolio, L.P. and its subsidiaries. Unless we indicate otherwise or unless the context requires otherwise, all references in this prospectus supplement and the accompanying prospectus to Essex, the Company, we, us, or our mean Essex Property Trust and its subsidiaries, including the Operating Partnership and its subsidiaries.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus.

The Operating Partnership and the Company

The Company is a Maryland corporation that operates as a self-administered and self-managed real estate investment trust (REIT). The Company owns all of its interest in its real estate investments directly or indirectly through the Operating Partnership, a California limited partnership. The Company is the sole general partner of the Operating Partnership and as of February 29, 2016, had an approximately 96.7% general partnership interest in the Operating Partnership.

The Company has elected to be treated as a REIT for federal income tax purposes, commencing with the year ended December 31, 1994 as the Company completed an initial public offering on June 13, 1994. In order to maintain compliance with REIT tax rules, the Company utilizes taxable REIT subsidiaries for various revenue generating or investment activities. All taxable REIT subsidiaries are consolidated by the Company for financial reporting purposes.

The Company is engaged primarily in the ownership, operation, management, acquisition, development and redevelopment of predominantly apartment communities. As of February 29, 2016, the Company owned or held an interest in 245 communities, aggregating 58,827 units, located along the West Coast, as well as three commercial buildings (totaling approximately 279,479 square feet) and seven active development projects with 2,247 units in various stages of development (collectively, the Portfolio).

The Company's principal offices are located at 1100 Park Place, Suite 200, San Mateo, California 94403. Our telephone number at that location is (650) 655-7800. We have regional offices in Woodland Hills, California; San

Jose, California; Irvine, California; San Diego, California and Bellevue, Washington. The Company's website address is <http://www.essex.com>. The information found on, or otherwise accessible through, our website is not incorporated into, and does not form a part of, this prospectus supplement, the accompanying prospectus or any other report or document that either the Company or the Operating Partnership files with or furnishes to the SEC.

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The Offering

The summary below describes the principal terms and conditions of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The **Description of Notes** section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes. For purposes of the summary below, unless otherwise indicated, references to the Issuer or the Operating Partnership refer only to Essex Portfolio, L.P. and not to any of its subsidiaries, and references to Essex refer only to Essex Property Trust, Inc. and not to any of its subsidiaries.

Issuer of Notes

Essex Portfolio, L.P.

Guarantee

The notes will be fully and unconditionally guaranteed by Essex. The guarantee will be a senior unsecured obligation of Essex and will rank equally in right of payment with all other senior unsecured obligations of Essex. Essex has no material assets other than its investment in the Issuer.

Securities Offered

\$450,000,000 aggregate principal amount of 3.375% Senior Notes.

Maturity

The notes will mature on April 15, 2026 unless redeemed by the Issuer at its option for cash prior to such date.

Interest

The notes will bear interest at a rate of 3.375% per year. Interest will be payable semi-annually in arrears on April 15 and October 15 of each year, beginning October 15, 2016.

Ranking

The notes will be the Issuer's senior unsecured obligations and will rank equally in right of payment with all of the Issuer's other senior unsecured indebtedness. However, the notes will be effectively subordinated in right of payment to all of the Issuer's existing and future secured indebtedness (to the extent of the value of the collateral securing such indebtedness) and to all existing and future unsecured and secured liabilities and preferred equity of the Issuer's subsidiaries, including guarantees by the Issuer's subsidiaries of the Issuer's other indebtedness.

Optional Redemption

The Issuer may redeem the notes at the Issuer's option and in the Issuer's sole discretion, for cash, at any time in whole or from time to time in part, at the applicable redemption price specified under **Description of Notes—Optional Redemption** in this prospectus supplement.

Certain Covenants

The indenture governing the notes contains certain covenants that, among other things, limit:

- the Issuer's and Essex's ability to consummate a merger, consolidation or sale of all or substantially all of their assets; and
- the Issuer's and its subsidiaries' ability to incur additional secured and unsecured indebtedness.

These covenants are subject to a number of important exceptions and qualifications. See **Description of Notes—Covenants** in this prospectus supplement.

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Use of Proceeds

The Issuer intends to use the net proceeds of this offering to repay indebtedness under the Issuer's \$1.0 billion unsecured line of credit facility and the Issuer's \$25.0 million unsecured working capital line of credit facility, and for other general corporate and working capital purposes. Such general corporate purposes may include the acquisition, development or redevelopment of properties, which primarily will be apartment communities, or making other investments. Pending application of the net proceeds from the offering, such net proceeds initially may be invested in short-term securities. See "Use of Proceeds" in this prospectus supplement.

No Public Market

The notes are a new issue of securities with no established trading market. The Issuer does not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system.

Book-Entry; Form and Denominations

The notes will be issued in the form of one or more fully registered global notes in book-entry form, which will be deposited with, or on behalf of, The Depository Trust Company, commonly known as DTC, and registered in the name of Cede & Co., as nominee of DTC. Beneficial interests in the global certificate representing the notes will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and such interests may not be exchanged for certificated notes, except in limited circumstances. The notes will be issued only in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Additional Notes

The Issuer may, without the consent of holders of the notes, increase the aggregate principal amount of the notes by issuing additional notes in the future having the same terms and conditions, except for any difference in the issue date, public offering price, interest accrued prior to the issue date of the additional notes, and, if applicable, the initial interest payment date, with the same CUSIP number as the notes offered hereby so long as such additional notes are fungible for U.S. federal income tax purposes with the notes offered hereby.

Risk Factors

See "Risk Factors" beginning on page S-6 of this prospectus supplement, as well as other information included in this prospectus supplement and accompanying prospectus, for a discussion of factors you should carefully consider that are relevant to an investment in the notes.

Tax Considerations

You should consult your tax advisor with respect to the U.S. federal income tax consequences of owning the notes in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction.

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See Supplemental Material Federal Income Tax Considerations in this prospectus supplement and Material Federal Income Tax Considerations in the accompanying prospectus.

Trustee

U.S. Bank National Association

Governing Law

State of New York

Conflicts of Interest

Affiliates of certain of the underwriters are lenders under the Issuer's \$1.0 billion unsecured line of credit facility and \$25.0 million unsecured working capital line of credit facility and will receive their pro rata portions of any amounts repaid under such facilities. See Underwriting—Conflicts of Interest—Conflicts of Interest in this prospectus supplement.
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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents that we incorporate by reference in each contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and are subject to the safe harbor provisions created by these statutes. All statements, other than statements of historical facts, that address activities, events or developments that we intend, expect, hope, project, believe or anticipate will or may occur in the future, including statements about our expectations, objectives, anticipations, intentions and strategies regarding the future and our expected operating results, revenues and earnings, are forward-looking statements. Such statements are characterized by terminology such as anticipates, projects, plans and similar expressions or the negative of those terms or other comparable terminology. These forward-looking statements reflect only management's current expectations and are not guarantees of future performance and are subject to risks and uncertainties, including those risks described under the heading Risk Factors in this prospectus supplement and in the accompanying prospectus, and in the documents incorporated by reference (such as the Company's and the Issuer's most recent Annual Report on Form 10-K and other reports that we file with the SEC from time to time), that could cause actual results to differ materially from the results contemplated by the forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements contained in this prospectus supplement.

All forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement or statements.

The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- adverse economic or real estate developments in our target markets;
- our inability to refinance maturing indebtedness and our failure to obtain necessary outside financing on favorable terms or at all;
- general economic conditions, including downturns in the national and local economies; volatility in financial and securities markets;
- our inability to compete effectively;
- increased interest rates and operating costs;
- our inability to successfully complete real estate acquisitions, redevelopments, developments and dispositions, including that the actual completion of development and redevelopment projects will be subject to delays, that the stabilization dates of such projects will be delayed, that the total projected costs of current development and redevelopment projects will exceed expectations, that such development and redevelopment projects will not be completed and that development and redevelopment projects and acquisitions will fail to meet expectations;