

ESSEX PROPERTY TRUST INC
Form S-4
January 29, 2014
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As filed with the Securities and Exchange Commission on January 28, 2014

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ESSEX PROPERTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

6798
(Primary Standard Industrial
Classification Code Number)
925 East Meadow Drive

77-0369576
(I.R.S. Employer
Identification Number)

Palo Alto, California 94303

(650) 494-3700

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Michael J. Schall

President and Chief Executive Officer

925 East Meadow Drive

Palo Alto, California 94303

(650) 494-3700

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions to the closing of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one): "

Large Accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a small reporting company) Smaller reporting company
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Issuer Third Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price(2)	Amount of registration fee(3)
Common Stock, \$0.0001 par value per share	23,167,425 shares	N/A	\$3,519,951,341	\$453,370

(1) Represents the estimated maximum number of shares of Essex Property Trust, Inc. s, or Essex common stock, \$0.0001 par value per share, to be issued in connection with the merger described herein. The number of shares of common stock is based on (i) 77,978,541 shares of BRE Properties, Inc. s, or BRE, common stock, \$0.01 par value per share, the estimated maximum number of shares of BRE common stock that may be cancelled and exchanged in the merger described herein (including restricted shares of BRE common stock and shares of BRE common

stock issuable upon exercise of outstanding options), and (ii) the exchange ratio of 0.2971 shares of Essex common stock for each share of BRE common stock.

- (2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f)(1), 457(f)(3) and 457(c) under the Securities Act. The proposed maximum aggregate offering price of the Essex common stock was calculated based upon the market value of BRE common stock (the securities to be converted in the merger) in accordance with Rule 457(c) under the Securities Act as follows: the product of (i) \$57.47, the average of the high and low prices per share of BRE common stock on January 27, 2014, as quoted on the New York Stock Exchange, multiplied by (ii) 77,978,541, the estimated maximum number of shares of BRE common stock that may be cancelled and exchanged in the merger described herein as of January 27, 2014. Pursuant to Rule 457(f)(3) under the Securities Act, the amount of cash that may be payable by Essex has been deducted from the proposed maximum aggregate offering price, which amount of cash was calculated by multiplying (i) the cash consideration of \$12.33 per share of BRE common stock by (ii) 77,978,541, the estimated maximum number of shares of BRE common stock that may be cancelled and exchanged in the merger described herein as of January 27, 2014
- (3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to \$128.80 per \$1 million of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. Essex Property Trust, Inc. may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities nor should it be considered a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION, DATED JANUARY 28, 2014

JOINT PROXY STATEMENT/PROSPECTUS

To the Stockholders of Essex Property Trust, Inc. and the Stockholders of BRE Properties, Inc.:

The board of directors of Essex Property Trust, Inc., which we refer to as Essex, and the board of directors of BRE Properties, Inc., which we refer to as BRE, have each unanimously approved an Agreement and Plan of Merger, dated as of December 19, 2013, as it may be amended from time to time, which we refer to as the merger agreement, by and among Essex, Bronco Acquisition Sub, Inc., a direct wholly owned subsidiary of Essex, which we refer to as Merger Sub, and BRE. Pursuant to the merger agreement, Essex and BRE will combine through a merger of BRE with and into Merger Sub, with Merger Sub surviving the merger. The combined company, which we refer to as the Combined Company, will retain the name Essex Property Trust, Inc. and will continue to trade on the New York Stock Exchange, or NYSE, under the symbol ESS. The executive officers of Essex immediately prior to the effective time of the merger will continue to serve as the executive officers of the Combined Company, with Michael J. Schall continuing to serve as the President and Chief Executive Officer of the Combined Company. The obligations of Essex and BRE to effect the merger are subject to the satisfaction or waiver of certain customary conditions set forth in the merger agreement (including the applicable approvals of each company's stockholders).

If the merger is completed pursuant to the merger agreement, each share of BRE common stock outstanding immediately prior to the effective time of the merger will convert into the right to receive (i) 0.2971 shares of Essex common stock and (ii) \$12.33 in cash, without interest, which we collectively refer to as the merger consideration, each subject to certain adjustments provided for in the merger agreement and subject to any applicable withholding tax. As explained in more detail in the attached joint proxy statement/prospectus, the cash amount of the merger consideration will be reduced to the extent a special distribution is authorized and declared to be paid to BRE stockholders of record as of the close of business on the business day immediately prior to the effective time of the merger as a result of any applicable asset sale (as described in the attached joint proxy statement/prospectus). Essex stockholders will continue to hold their existing shares of Essex common stock. The exchange ratio and cash amount will not be adjusted to reflect changes in the price of Essex common stock or the price of BRE common stock occurring prior to the completion of the merger. Based on the closing price of Essex common stock on the NYSE of \$147.70 on December 18, 2013, the last trading date before the announcement of the proposed merger, the merger consideration (based on the value of \$43.88 in Essex common stock plus the \$12.33 in cash per share) represented approximately \$56.21 for each share of BRE common stock. Based on the closing price of Essex common stock on

the NYSE of \$154.64 on January 23, 2014, the latest practicable date before the date of this joint proxy statement/prospectus, the merger consideration (based on the value of \$45.94 in Essex common stock plus the \$12.33 in cash per share) represented approximately \$58.27 for each share of BRE common stock. **The value of the merger consideration will fluctuate with changes in the market price of Essex common stock. The cash portion of the merger consideration will be reduced by the amount of any special distribution in connection with or as a result of any applicable asset sale. We urge you to obtain current market quotations for Essex common stock and BRE common stock.**

Upon completion of the merger, we estimate that continuing Essex stockholders will own approximately 62% of the issued and outstanding common stock of the Combined Company, and former BRE stockholders will own approximately 38% of the issued and outstanding common stock of the Combined Company.

In connection with the proposed merger, Essex and BRE will each hold a special meeting of their respective stockholders. At the Essex special meeting, Essex stockholders will be asked to vote on (i) a proposal to approve the issuance of Essex common stock to BRE stockholders in the merger and (ii) a proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger. At the BRE special meeting, BRE stockholders will be asked to vote on (i) a proposal to approve the merger and the other transactions contemplated by the merger agreement, (ii) an advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger, and (iii) a proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.

The record date for determining the stockholders entitled to receive notice of, and to vote at, the Essex special meeting and the BRE special meeting is January 23, 2014. The merger cannot be completed unless, among other matters, (i) BRE stockholders approve the merger and the other transactions contemplated by the merger agreement by the affirmative vote of the holders of at least a majority of the outstanding shares of BRE common stock entitled to vote on the merger, and (ii) Essex stockholders approve the issuance of Essex common stock to BRE stockholders in the merger by the affirmative vote of the holders of at least a majority of all votes cast on the proposal.

The Essex board of directors has unanimously (i) determined and declared that the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the issuance of Essex common stock to BRE stockholders in the merger, are advisable, fair to, and in the best interests of Essex and its stockholders, (ii) approved and adopted the merger agreement, the merger and the other transactions contemplated thereby, and (iii) authorized and approved the issuance of shares of Essex common stock to BRE stockholders in the merger. **The Essex board of directors unanimously recommends that Essex stockholders vote FOR the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger and FOR the proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger.**

The BRE board of directors has unanimously (i) determined and declared that the merger, the merger agreement, and the other transactions contemplated by the merger agreement, are advisable and in the best interests of BRE and its stockholders and (ii) approved the merger agreement and authorized the performance by BRE thereunder. **The BRE board of directors unanimously recommends that BRE stockholders vote FOR the proposal to approve the merger and the other transactions contemplated by the merger agreement, FOR the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger, and FOR the proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.**

This joint proxy statement/prospectus contains important information about Essex, BRE, the merger, the merger agreement and the special meetings. This document is also a prospectus for shares of Essex common stock that will be issued to BRE stockholders pursuant to the merger agreement. **We encourage you to read this joint proxy statement/prospectus carefully before voting, including the section entitled Risk Factors beginning on page 35.**

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the Essex special meeting or the BRE special meeting, as applicable, please submit a proxy to vote your shares as promptly as possible to make sure that your shares of Essex common stock and/or shares of BRE common stock, as applicable, are represented at the applicable special meeting. Please review this joint proxy statement/prospectus for more complete information regarding the merger and the Essex special meeting and the BRE special meeting, as applicable.

Sincerely,

Michael J. Schall
President and Chief Executive Officer
Essex Property Trust, Inc.

Constance B. Moore
President and Chief Executive Officer
BRE Properties, Inc.

Neither the Securities and Exchange Commission, nor any state securities regulatory authority has approved or disapproved of the merger or the securities to be issued under this joint proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [], 2014, and is first being mailed to Essex and BRE stockholders on or about [], 2014.

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ESSEX PROPERTY TRUST, INC.

925 East Meadow Drive

Palo Alto, California 94303

(650) 494-3700

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON [], 2014

To the Stockholders of Essex Property Trust, Inc.:

A special meeting of the stockholders of Essex Property Trust, Inc., a Maryland corporation, which we refer to as Essex, will be held at [] on [], 2014, commencing at [], local time, for the following purposes:

1. to consider and vote on a proposal to approve the issuance of shares of Essex common stock to the stockholders of BRE Properties, Inc., a Maryland corporation, which we refer to as BRE, pursuant to the Agreement and Plan of Merger, dated as of December 19, 2013, as it may be amended from time to time, which we refer to as the merger agreement, by and among Essex, Bronco Acquisition Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Essex, which we refer to as Merger Sub, and BRE (a copy of the merger agreement is attached as Annex A to the joint proxy statement/prospectus accompanying this notice); and
2. to consider and vote on a proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger.

We do not expect to transact any other business at the special meeting. Essex's board of directors has fixed the close of business on January 23, 2014 as the record date for determination of Essex stockholders entitled to receive notice of, and to vote at, Essex's special meeting and any adjournments of the special meeting. Only holders of record of Essex common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Essex special meeting.

Approval of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger requires the affirmative vote of the holders of at least a majority of all votes cast on the proposal. Approval of the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger requires the affirmative vote of at least a majority of all votes cast on such proposal.

Essex's board of directors has unanimously (i) determined and declared that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable, fair to, and in the best interests of Essex and its stockholders, (ii) approved and adopted the merger agreement, the merger and the other transactions contemplated thereby, and (iii) authorized and approved the issuance of shares of Essex common stock to BRE stockholders in the merger. Essex's board of directors unanimously recommends that Essex stockholders vote FOR the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger and FOR the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger.

YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the special meeting, please submit a proxy to vote your shares as promptly as possible. To submit a proxy, complete, sign, date and mail your proxy card in the preaddressed postage-paid envelope provided or, if the option is available to you, call the toll-free telephone number listed on your proxy card or use the Internet as described in the instructions on the enclosed proxy card to submit your proxy. Submitting a proxy will assure that your vote is counted at the special meeting if you do not attend in person. If your shares of Essex common stock are held in street name by your broker or other nominee, only your broker or other nominee can vote your shares of Essex common stock and the vote cannot be cast unless you provide instructions to your broker or other nominee on how to vote or obtain a legal proxy from your broker or other nominee. You should follow the directions provided by your broker or other nominee regarding how to instruct your broker or other nominee to vote your shares of Essex common stock. You may revoke your proxy at any time before it is voted. Please review the joint proxy statement/prospectus accompanying this notice for more complete information regarding the merger and Essex's special meeting.

By Order of the Board of Directors of Essex Property Trust, Inc.

Jordan E. Ritter

Corporate Secretary

Palo Alto, California

[], 2014

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BRE Properties, Inc.
525 Market Street, 4th Floor
San Francisco, California 94105
(415) 445-6530

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON [], 2014

To the Stockholders of BRE Properties, Inc.:

A special meeting of the stockholders of BRE Properties, Inc., a Maryland corporation, which we refer to as BRE, will be held at [] on [], 2014, commencing at [], local time, for the following purposes:

1. to consider and vote on a proposal to approve the merger and other transactions contemplated by an Agreement and Plan of Merger, dated as of December 19, 2013, as it may be amended from time to time, which we refer to as the merger agreement, by and among Essex Property Trust, Inc., a Maryland corporation, which we refer to as Essex, Bronco Acquisition Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Essex, which we refer to as Merger Sub, and BRE (a copy of the merger agreement is attached as Annex A to the joint proxy statement/prospectus accompanying this notice). Pursuant to the merger agreement, Essex and BRE will combine through a merger of BRE with and into Merger Sub, with Merger Sub surviving the merger, which we refer to as the merger;
2. to consider and vote on an advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger; and
3. to consider and vote on a proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.

We do not expect to transact any other business at the special meeting. BRE's board of directors has fixed the close of business on January 23, 2014, as the record date for determination of BRE stockholders entitled to receive notice of, and to vote at, BRE's special meeting and any adjournments of the special meeting. Only holders of record of BRE common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the BRE special meeting.

Approval of the proposal to approve the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of BRE common stock entitled to vote on such proposal. Approval of the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger requires the affirmative vote of the holders of at least a majority of all votes cast on such proposal. Approval of the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of at least a majority of all votes cast on such proposal.

BRE's board of directors has unanimously (i) determined and declared that the merger, the merger agreement, and the other transactions contemplated by the merger agreement, are advisable and in the best interests of BRE and its stockholders and (ii) approved the merger agreement and authorized the performance by BRE thereunder. BRE's board of directors unanimously recommends that BRE stockholders vote FOR the proposal to approve the merger and the other transactions contemplated by the merger agreement, FOR the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger, and FOR the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.

YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the special meeting, please submit a proxy to vote your shares as promptly as possible. To submit a proxy, complete, sign, date and mail your proxy card in the preaddressed postage-paid envelope provided or, if the option is available to you, call the toll-free telephone number listed on your proxy card or use the Internet as described in the instructions on the enclosed proxy card to submit your proxy. Submitting a proxy will assure that your vote is counted at the special meeting if you do not attend in person. If your shares of BRE common stock are held in street name by your broker or other nominee, only your broker or other nominee can vote your shares of BRE common stock and the vote cannot be cast unless you provide instructions to your broker or other nominee on how to vote or obtain a legal proxy from your broker or other nominee. You should follow the directions provided by your broker or other nominee regarding how to instruct your broker or other nominee to vote your shares of BRE common stock. You may revoke your proxy at any time before it is voted. Please review the joint proxy statement/prospectus accompanying this notice for more complete information regarding the merger and BRE's special meeting.

By Order of the Board of Directors of BRE Properties, Inc.

Kerry Fanwick

Corporate Secretary

San Francisco, California

[], 2014

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Essex and BRE from other documents that are not included in or delivered with this joint proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 199.

Documents incorporated by reference are also available to Essex stockholders and BRE stockholders without charge upon written or oral request. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers.

Essex Property Trust, Inc.

BRE Properties, Inc.

Attention: Corporate Secretary

Attention: Corporate Secretary

925 East Meadow Drive

525 Market Street, 4th Floor

Palo Alto, California 94303

San Francisco, California 94105

(650) 494-3700

(415) 445-6530

www.essexpropertytrust.com

www.breproperties.com

To receive timely delivery of the requested documents in advance of the applicable special meeting, you should make your request no later than [].

ABOUT THIS DOCUMENT

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed by Essex (File No. 333-) with the Securities and Exchange Commission, which we refer to as the SEC, constitutes a prospectus of Essex for purposes of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of Essex common stock to be issued to BRE stockholders in exchange for shares of BRE common stock pursuant to the merger agreement. This joint proxy statement/prospectus also constitutes a proxy statement for each of Essex and BRE for purposes of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. In addition, it constitutes a notice of meeting with respect to the Essex special meeting and a notice of meeting with respect to the BRE special meeting.

You should rely only on the information contained or incorporated by reference in this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated [], 2014. You should not assume that the information contained in, or incorporated by reference into, this joint proxy statement/prospectus is accurate as of any date other than that date. Neither our mailing of this joint proxy statement/prospectus to Essex stockholders or BRE stockholders nor the issuance by Essex of shares of its common stock to BRE stockholders pursuant to the merger agreement will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy

statement/prospectus regarding Essex has been provided by Essex and information contained in this joint proxy statement/prospectus regarding BRE has been provided by BRE.

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QUESTIONS AND ANSWERS

The following are answers to some questions that Essex stockholders and BRE stockholders may have regarding the proposed transaction between Essex and BRE and the other proposals being considered at the Essex special meeting and the BRE special meeting. Essex and BRE urge you to read carefully this entire joint proxy statement/prospectus, including the Annexes, and the documents incorporated by reference into this joint proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you.

Unless stated otherwise, all references in this joint proxy statement/prospectus to:

Essex are to Essex Property Trust, Inc., a Maryland corporation;

Essex LP are to Essex Portfolio, L.P., a California limited partnership;

BRE are to BRE Properties, Inc., a Maryland corporation;

Merger Sub are to Bronco Acquisition Sub, Inc., a Delaware corporation and wholly owned subsidiary of Essex;

the Essex Board are to the board of directors of Essex;

the BRE Board are to the board of directors of BRE;

the merger agreement are to the agreement and plan of merger, dated as of December 19, 2013, by and among Essex, Merger Sub and BRE, as it may be amended from time to time, a copy of which is attached as Annex A to this joint proxy statement/prospectus and is incorporated herein by reference;

the merger are to the merger of BRE with and into Merger Sub, with Merger Sub continuing as the surviving entity pursuant to the terms of the merger agreement;

the Combined Company are to Essex after the effective time of the merger; and

the NYSE are to the New York Stock Exchange.

Q: What is the proposed transaction?

A: Essex and BRE have entered into a merger agreement pursuant to which BRE will merge with and into Merger Sub, with Merger Sub surviving the merger as a direct wholly owned subsidiary of Essex.

Q: What will happen in the proposed transaction?

A: At the effective time of the merger, each issued and outstanding share of BRE common stock will be converted automatically into the right to receive 0.2971 shares of common stock, par value \$0.0001 per share, of Essex plus \$12.33 in cash, without interest, each subject to certain adjustments provided for in the merger agreement, which we refer to as the cash consideration, as described under The Merger Agreement Merger Consideration; Effects of the Merger beginning on page 128. The cash consideration will be reduced to the extent the Special Distribution is authorized and declared to be paid to the BRE stockholders of record as of the close of business on the business day immediately prior to the effective time of the merger as a result of any applicable asset sale, as described under The Merger Agreement Financing Relating to the Merger Asset Sale and Special Distribution beginning on page 145. BRE stockholders will not receive any fractional shares of Essex common stock in the merger and instead will be paid cash (without interest) in lieu of any fractional share interest to which they would otherwise be entitled.

Q: How will Essex fund the cash consideration?

A: In connection with the merger, Essex has obtained financing commitments from Citigroup Global Markets Inc., UBS AG Stamford Branch and UBS Securities LLC of up to \$1 billion which may be drawn upon at

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the closing of the merger to (i) fund the cash consideration, (ii) pay various fees and expenses incurred in connection with the merger and the other transactions contemplated by the merger agreement, and/or (iii) repay certain indebtedness of BRE and its subsidiaries. Essex has the right to use alternative financing in connection with the consummation of the merger and is under no obligation to draw upon the financing commitment. Essex is currently exploring the availability of alternative financing to fund the cash consideration including through existing unsecured credit facilities, asset sales, joint ventures or other financing arrangements. For more information regarding the financing related to the merger, see *The Merger Agreement Financing Related to the Merger* beginning on page 144 and *The Merger Agreement Financing Relating to the Merger Asset Sale and Special Distribution* beginning on page 145.

Q: How will Essex stockholders be affected by the merger and the issuance of shares of Essex common stock to BRE stockholders in the merger?

A: After the merger, each Essex stockholder will continue to own the shares of Essex common stock that the stockholder held immediately prior to the effective time of the merger. As a result, each Essex stockholder will own shares of common stock in a larger company with more assets. However, because Essex will be issuing new shares of Essex common stock to BRE stockholders in the merger, each outstanding share of Essex common stock immediately prior to the effective time of the merger will represent a smaller percentage of the aggregate number of shares of the Combined Company common stock outstanding after the merger. Upon completion of the merger, we estimate that Essex stockholders will own approximately 62% of the issued and outstanding Combined Company common stock and former BRE stockholders will own 38% of the issued and outstanding Combined Company common stock.

Q: What happens if the market price of shares of Essex common stock or BRE common stock changes before the closing of the merger?

A: No change will be made to the exchange ratio of 0.2971 or the cash consideration of \$12.33 if the market price of shares of Essex common stock or BRE common stock changes before the merger. As a result, the value of the consideration to be received by BRE stockholders in the merger will increase or decrease depending on the market price of shares of Essex common stock at the effective time of the merger.

Q: Why am I receiving this joint proxy statement/prospectus?

A: The Essex Board and the BRE Board are using this joint proxy statement/prospectus to solicit proxies of Essex stockholders and BRE stockholders in connection with the merger agreement and the merger. In addition, Essex is using this joint proxy statement/prospectus as a prospectus for BRE stockholders because Essex is offering shares of its common stock to be issued in exchange for BRE common stock in the merger. The merger cannot be completed unless:

the holders of Essex common stock vote to approve the issuance of shares of Essex common stock to BRE stockholders in the merger; and

the holders of BRE common stock vote to approve the merger and the other transactions contemplated by the merger agreement.

Each of Essex and BRE will hold separate meetings of their respective stockholders to obtain these approvals and to consider other proposals as described elsewhere in this joint proxy statement/prospectus.

This joint proxy statement/prospectus contains important information about the merger and the other proposals being voted on at the special meetings of stockholders and you should read it carefully. The enclosed voting materials allow you to vote your shares of Essex common stock and/or BRE common stock, as applicable, without attending the applicable special meeting.

Your vote is important. You are encouraged to submit your proxy as promptly as possible.

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Q: What is the Asset Sale and what is the Special Distribution that BRE stockholders may receive?

A: Under the terms of the merger agreement, Essex has the option to require BRE to sell up to \$1 billion of BRE assets (or interests therein) to one or more third-party venture partners one business day prior to the closing of the merger, which we refer to as the Asset Sale. The Asset Sale and the Special Distribution, as described below, are the mechanisms for implementing this option. In such an event, all or a portion of the net proceeds from the Asset Sale by BRE will be distributed to the BRE stockholders of record as of the close of business on the business day immediately prior to the effective time of the merger, which we refer to as the Special Distribution, and the cash portion of the merger consideration otherwise payable to the BRE stockholders will be reduced dollar-for-dollar by the amount of the Special Distribution. Regardless of whether Essex exercises the option, each BRE stockholder will receive 0.2971 shares of Essex common stock and \$12.33 in cash, without interest, with respect to each share of BRE common stock held, the cash consideration may be paid, wholly or partially, by way of the Special Distribution as opposed to merger consideration depending on whether or not the Asset Sale is consummated prior to the effective time of the merger in accordance with the terms of the merger agreement. For more information regarding the Asset Sale and the Special Distribution, see The Merger Agreement Financing Relating to the Merger Asset Sale and Special Distribution beginning on page 145.

Q: Am I being asked to vote on any other proposals at the special meetings in addition to the merger proposal?

A: *Essex.* At the Essex special meeting, Essex stockholders will be asked to consider and vote upon the following additional proposal:

To approve one or more adjournments of the Essex special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger.

BRE. At the BRE special meeting, BRE stockholders will be asked to consider and vote upon the following additional proposals:

An advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger; and

To approve one or more adjournments of the BRE special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.

Q: Why are Essex and BRE proposing the merger?

A:

Among other reasons, if completed, the Combined Company is expected to have a pro forma equity market capitalization of approximately \$10.4 billion and a total market capitalization of approximately \$15.4 billion, creating the largest multifamily real estate investment trust, or REIT, on the West Coast. In addition, the Combined Company is expected to benefit from the elimination of duplicative costs associated with supporting a public company platform and the leveraging of state of the art technology and systems. These savings are expected to be realized upon full integration, which is expected to occur over the 18-month period following the closing of the merger. To review the reasons of the Essex Board and the BRE Board for the merger in greater detail, see [The Merger Recommendation of the Essex Board and Its Reasons for the Merger](#) beginning on page 74 and [The Merger Recommendation of the BRE Board and Its Reasons for the Merger](#) beginning on page 76.

Q: Who will be the board of directors and management of the Combined Company?

As of the effective time of the merger, the number of directors that comprise the board of directors of the Combined Company will be 13, with all ten members of the Essex Board immediately prior to the effective time of the merger, George M. Marcus, Keith R. Guericke, David W. Brady, Gary P. Martin, Issie N. Rabinovitch, Thomas E. Randlett, Michael J. Schall, Bryon A. Scordelis, Janice L. Sears and Claude Joseph

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Zinngrabe Jr., continuing as directors of the Combined Company. In addition, three current members of the BRE Board designated by BRE, Irving F. Lyons, III, Thomas E. Robinson and Thomas P. Sullivan will join the board of directors of the Combined Company as of the effective time of the merger.

The executive officers of Essex immediately prior to the effective time merger will continue to serve as the executive officers of the Combined Company, with Michael J. Schall continuing to serve as the President and Chief Executive Officer of the Combined Company.

Q: Will Essex and BRE continue to pay distributions prior to the closing of the merger?

A: Yes. The merger agreement permits Essex to pay a regular quarterly distribution, in accordance with past practice at a rate not to exceed (i) \$1.21 per share of Essex common stock, (ii) \$0.30469 per share of Essex Series G Cumulative Convertible Preferred Stock, or the Series G Preferred Stock, and (iii) \$0.44531 per share of Essex Series H Cumulative Redeemable Preferred Stock, or the Series H Preferred Stock, per quarter, and any distribution that is reasonably necessary to maintain its REIT qualification and/or to avoid the imposition of U.S. federal income or excise tax. The merger agreement permits BRE to pay a regular quarterly distribution, in accordance with past practice at a rate not to exceed (i) \$0.395 per share of BRE common stock and (ii) \$0.421875 per share of BRE Series D Cumulative Redeemable Preferred Stock per quarter, and any distribution that is reasonably necessary to maintain its REIT qualification and/or to avoid the imposition of U.S. federal income or excise tax. In addition, BRE is required to pay the Special Distribution if the Asset Sale is completed in accordance with the terms set forth in the merger agreement. See The Merger Agreement Financing Relating to the Merger Asset Sale and Special Distribution beginning on page 145. The timing of quarterly dividends paid on common stock will be coordinated by Essex and BRE so that if either Essex stockholders or BRE stockholders receive a regular dividend (i.e., other than the Special Distribution) for any particular period prior to the closing of the merger, the stockholders of the other company will also receive a dividend for the same period.

Q: When and where are the special meetings of the Essex and BRE stockholders?

A: The Essex special meeting will be held at [] on [], 2014 commencing at [], local time. The BRE special meeting will be held at [] on [], 2014 commencing at [], local time.

Q: Who can vote at the special meetings?

A: *Essex.* All holders of Essex common stock of record as of the close of business on January 23, 2014, the record date for determining stockholders entitled to notice of and to vote at the Essex special meeting, are entitled to receive notice of and to vote at the Essex special meeting. As of the record date, there were [] shares of Essex common stock outstanding and entitled to vote at the Essex special meeting, held by approximately [] holders of record. Each share of Essex common stock is entitled to one vote on each proposal presented at the Essex special meeting.

BRE. All holders of BRE common stock of record as of the close of business on January 23, 2014, the record date for determining stockholders entitled to notice of and to vote at the BRE special meeting, are entitled to receive notice of and to vote at the BRE special meeting. As of the record date, there were [] shares of BRE common stock outstanding and entitled to vote at the BRE special meeting, held by approximately [] holders of record. Each share of BRE common stock is entitled to one vote on each proposal presented at the BRE special meeting.

Q: What constitutes a quorum?

A: *Essex.* Essex's bylaws provide that the presence, in person or by proxy, of holders of a majority of the shares of Essex common stock outstanding on the Essex record date will constitute a quorum.

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BRE. BRE's bylaws provide that the presence, in person or by proxy, of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting will constitute a quorum.

Shares that are voted, in person or by proxy, and shares abstaining from voting are treated as present at each of the Essex special meeting and the BRE special meeting, respectively, for purposes of determining whether a quorum is present.

Q: What vote is required to approve the proposals?

A: *Essex.*

Approval of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger requires the affirmative vote of the holders of at least a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the Essex special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger requires the affirmative vote of at least a majority of all votes cast on such proposal.

BRE.

Approval of the proposal to approve the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of BRE common stock entitled to vote on such proposal.

Approval of the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger requires the affirmative vote of at least a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the BRE special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of a majority of all votes cast on such proposal.

Q: How does the Essex Board recommend that Essex stockholders vote on the proposals?

A:

After consideration, the Essex Board has unanimously (i) determined and declared that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable, fair to, and in the best interests of Essex and its stockholders, (ii) approved and adopted the merger agreement, the merger and the other transactions contemplated thereby and (iii) authorized and approved the issuance of shares of Essex common stock to BRE stockholders in the merger. The Essex Board unanimously recommends that Essex stockholders vote **FOR** the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger and **FOR** the proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger.

For a more complete description of the recommendation of the Essex Board, see [The Merger Recommendation of the Essex Board and Its Reasons for the Merger](#) beginning on page 74.

Q: How does the BRE Board recommend that BRE stockholders vote on the proposals?

After consideration, the BRE Board has unanimously (i) determined and declared that the merger, the merger agreement and the other transactions contemplated by the merger agreement are advisable and in the best interests of BRE and its stockholders and (ii) approved the merger agreement. The BRE Board

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unanimously recommends that BRE stockholders vote **FOR** the proposal to approve the merger and the other transactions contemplated by the merger agreement, **FOR** the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger, and **FOR** the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.

For a more complete description of the recommendation of the BRE Board, see *The Merger Recommendation of the BRE Board and Its Reasons for the Merger* beginning on page 76.

Q: Do any of BRE's executive officers or directors have interests in the merger that may differ from those of BRE stockholders?

A: BRE's executive officers and directors have interests in the merger that are different from, or in addition to, their interests as BRE stockholders. The members of the BRE Board were aware of and considered these interests, among other matters, in evaluating the merger agreement and the merger, and in recommending that BRE stockholders vote **FOR** the proposal to approve the merger and the other transactions contemplated by the merger agreement. For a description of these interests, see the section entitled *The Merger Interests of BRE's Directors and Executive Officers in the Merger* beginning on page 99.

Q: Have any stockholders of Essex and BRE already agreed to approve the merger?

A: Pursuant to separate voting agreements, Michael J. Schall, Essex's President and Chief Executive Officer and a member of the Essex Board, and George M. Marcus, the Chairman of the Essex Board, who together as of January 16, 2014 owned approximately 0.91% of the outstanding shares of Essex common stock, have agreed to vote in favor of the issuance of Essex common stock to BRE stockholders in the merger, subject to the terms and conditions of the applicable voting agreements, as described under *Voting Agreements* beginning on page 147. Pursuant to separate voting agreements, Constance B. Moore, BRE's President and Chief Executive Officer and a member of the BRE Board, and Irving F. Lyons, III, the Chairman of the BRE Board, who together as of January 16, 2014 owned approximately 0.62% of the outstanding shares of BRE common stock, have agreed to vote in favor of the merger agreement, the merger and the other transactions contemplated by the merger agreement, subject to the terms and conditions of the applicable voting agreements, as described under *Voting Agreements* beginning on page 147.

Q: Are there any conditions to closing of the merger that must be satisfied for the merger to be completed?

A: In addition to the approval of the stockholders of Essex of the issuance of Essex common stock to BRE stockholders in the merger and the approval of the stockholders of BRE of the merger and the other transactions contemplated by the merger agreement, there are a number of customary conditions that must be satisfied or waived for the merger to be consummated. For a description of all of the conditions to the merger, see *The*

Merger Agreement Conditions to Completion of the Merger beginning on page 140.

Q: Are there risks associated with the merger that I should consider in deciding how to vote?

A: Yes. There are a number of risks related to the merger that are discussed in this joint proxy statement/ prospectus described in the section entitled Risk Factors beginning on page 35.

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Q: If my shares of Essex common stock or my shares of BRE common stock are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares of Essex common stock or my shares of BRE common stock for me?

A: No. Unless you instruct your broker, bank or other nominee how to vote your shares of Essex common stock and/or your shares of BRE common stock, as applicable, held in street name, your shares will NOT be voted. If you hold your shares of Essex common stock and/or your shares of BRE common stock in a stock brokerage account or if your shares are held by a bank or other nominee (that is, in street name), in order for your shares to be present and voted at the applicable special meeting, you must provide your broker, bank or other nominee with instructions on how to vote your shares.

Q: What happens if I do not vote for a proposal?

A: *Essex.* If you are an Essex stockholder, abstentions will be counted in determining the presence of a quorum. Abstentions will have the same effect as a vote cast AGAINST the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger. Abstentions will have no effect on the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger. If you do not provide voting instructions to your broker, bank or other nominee, your vote will not be counted in determining the presence of a quorum and will have no effect on either proposal.

BRE. If you are a BRE stockholder, abstentions will be counted in determining the presence of a quorum. Abstentions will have the same effect as a vote cast AGAINST the proposal to approve the merger and the other transactions contemplated by the merger agreement. Abstentions will have no effect on (i) the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger or (ii) the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement. If you do not provide voting instructions to your broker, bank or other nominee, your vote will not be counted in determining the presence of a quorum and will have the same effect as a vote cast AGAINST the proposal to approve the merger and the other transactions contemplated by the merger agreement, but will have no effect on the other proposals.

Q: Will my rights as a stockholder of Essex or BRE change as a result of the merger?

A: The rights of Essex stockholders will be unchanged as a result of the merger. BRE stockholders will have different rights following the effective time of the merger due to the differences between the governing documents of Essex and BRE. At the effective time of the merger, the existing charter and bylaws of Essex will thereafter be the charter and bylaws of the Combined Company. For more information regarding the differences in stockholder rights, see *Comparison of Rights of Stockholders of Essex and Stockholders of BRE* beginning on page 184.

Q: When is the merger expected to be completed?

A: Essex and BRE expect to complete the merger as soon as reasonably practicable following satisfaction of all of the required conditions, provided that Essex has the right to delay the merger until June 16, 2014 if a certain third party consent is not obtained. If the stockholders of both Essex and BRE approve the merger, and if the other conditions to closing the merger are satisfied or waived, it is currently expected that the merger will be completed in the first quarter of 2014. However, there is no guaranty that the conditions to the merger will be satisfied or that the merger will close.

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Q: If I am a BRE stockholder do I need to do anything with my stock certificates now?

A: No. You should not submit your stock certificates at this time. After the merger is completed, if you held shares of BRE common stock, the exchange agent for the Combined Company will send you a letter of transmittal and instructions for exchanging your shares of BRE common stock for shares of the Combined Company common stock pursuant to the terms of the merger agreement. Upon surrender of a certificate or book-entry share for cancellation along with the executed letter of transmittal and other required documents described in the instructions, a BRE stockholder will receive shares of common stock of the Combined Company and the cash consideration pursuant to the terms of the merger agreement.

Q: What are the anticipated U.S. federal income tax consequences to me of the proposed merger and the Special Distribution?

A: It is intended that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. The closing of the merger is conditioned on the receipt by each of Essex and BRE of an opinion from its respective counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the merger qualifies as a reorganization, U.S. holders of shares of BRE common stock generally will not recognize gain or loss for U.S. federal income tax purposes upon the receipt of Combined Company common stock in exchange for BRE common stock in connection with the merger, except with respect to the cash consideration and cash received in lieu of fractional shares of Combined Company common stock. Holders may also recognize income as a result of the payment of the Special Distribution, if any. Holders of BRE common stock should read the discussion under the heading *The Merger Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 103 and consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the merger.

Q: Are BRE stockholders entitled to appraisal rights?

A: No. BRE stockholders are not entitled to exercise appraisal rights in connection with the merger. See *The Merger Agreement Merger Consideration; Effects of the Merger Appraisal Rights* beginning on page 129.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus, please respond by completing, signing and dating your proxy card or voting instruction card and returning it in the enclosed preaddressed postage-paid envelope or, if available, by submitting your proxy by one of the other methods specified in your proxy card or voting instruction card as promptly as possible so that your shares of Essex common stock and/or your shares of BRE common stock will be represented and voted at the Essex special meeting or the BRE special meeting, as applicable.

Please refer to your proxy card or voting instruction card forwarded by your broker, bank or other nominee to see which voting options are available to you.

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The method by which you submit a proxy will in no way limit your right to vote at the Essex special meeting or the BRE special meeting, as applicable, if you later decide to attend the meeting in person.

However, if your shares of Essex common stock or your shares of BRE common stock are held in the name of a broker, bank or other nominee, you must obtain a legal proxy, executed in your favor, from your broker, bank or other nominee, to be able to vote in person at the Essex special meeting or the BRE special meeting, as applicable.

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Q: How will my proxy be voted?

A: All shares of Essex common stock entitled to vote and represented by properly completed proxies received prior to the Essex special meeting, and not revoked, will be voted at the Essex special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your shares of Essex common stock should be voted on a matter, the shares of Essex common stock represented by your proxy will be voted as the Essex Board recommends and therefore **FOR** the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger, and **FOR** the proposal to approve one or more adjournments of the Essex special meeting to another date, time or place, if necessary or appropriate in the view of the Essex Board, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger if there are not sufficient votes at the time of such adjournment to approve such proposal. If you do not provide voting instructions to your broker, bank or other nominee, your shares of Essex common stock will NOT be voted at the Essex special meeting.

All shares of BRE common stock entitled to vote and represented by properly completed proxies received prior to the BRE special meeting, and not revoked, will be voted at the BRE special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your shares of BRE common stock should be voted on a matter, the shares of BRE common stock represented by your proxy will be voted as the BRE Board recommends and therefore **FOR** the proposal to approve the merger and the other transactions contemplated by the merger agreement, **FOR** the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger and **FOR** the proposal to approve one or more adjournments of the BRE special meeting to another date, time or place, if necessary or appropriate, including adjournments to permit further solicitation of proxies in favor of approval of the merger agreement and the other transactions contemplated by the merger agreement. If you do not provide voting instructions to your broker, bank or other nominee, your BRE common stock will NOT be voted at the BRE special meeting.

Q: Can I revoke my proxy or change my vote after I have delivered my proxy?

A: Yes. You may revoke your proxy or change your vote at any time before your proxy is voted at the Essex special meeting or the BRE special meeting, as applicable. If you are a holder of record, you can do this in any of the three following ways:

by sending a written notice to the corporate secretary of Essex or the corporate secretary of BRE, as applicable, in time to be received before the Essex special meeting or the BRE special meeting, as applicable, stating that you would like to revoke your proxy;

by completing, signing and dating another proxy card and returning it by mail in time to be received before the Essex special meeting or the BRE special meeting, as applicable, or by submitting a later dated proxy by the Internet or telephone in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

by attending the Essex special meeting or the BRE special meeting, as applicable, and voting in person. Simply attending the Essex special meeting or the BRE special meeting, as applicable, without voting will not revoke your proxy or change your vote.

If your shares of Essex common stock or your shares of BRE common stock are held in an account at a broker, bank or other nominee and you desire to change your vote or vote in person, you should contact your broker, bank or other nominee for instructions on how to do so.

Q: What does it mean if I receive more than one set of voting materials for the Essex special meeting or the BRE special meeting?

A: You may receive more than one set of voting materials for the Essex special meeting and/or the BRE special meeting, as applicable, including multiple copies of this joint proxy statement/prospectus and multiple

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proxy cards or voting instruction cards. For example, if you hold your shares of Essex common stock or your shares of BRE common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares of Essex common stock or your shares of BRE common stock. If you are a holder of record and your shares of Essex common stock or your shares of BRE common stock are registered in more than one name, you may receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or, if available, please submit your proxy by telephone or over the Internet.

Q: What happens if I am a stockholder of both Essex and BRE?

A: You will receive separate proxy cards for each entity and must complete, sign and date each proxy card and return each proxy card in the appropriate preaddressed postage-paid envelope or, if available, by submitting a proxy by one of the other methods specified in your proxy card or voting instruction card for each entity.

Q: Do I need identification to attend the Essex or BRE special meeting in person?

A: Yes. Please bring proper identification, together with proof that you are a record owner of shares of Essex common stock or shares of BRE common stock, as the case may be. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement showing that you beneficially owned shares of Essex common stock or shares of BRE common stock, as applicable, on the applicable record date.

Q: Will a proxy solicitor be used?

A: Yes. Essex has engaged D.F. King & Co., Inc., which we refer to as D.F. King, to assist in the solicitation of proxies for the Essex special meeting, and Essex estimates it will pay D.F. King a fee of approximately \$20,000. Essex has also agreed to reimburse D.F. King for reasonable expenses incurred in connection with the proxy solicitation and to indemnify D.F. King against certain losses, claims, damages, liabilities and expenses. In addition to mailing proxy solicitation material, Essex's directors, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to Essex's directors, officers or employees for such services.

BRE has engaged MacKenzie Partners, Inc., which we refer to as MacKenzie, to assist in the solicitation of proxies for the BRE special meeting and BRE estimates it will pay MacKenzie a fee of approximately \$50,000. BRE has also agreed to reimburse MacKenzie for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify MacKenzie against certain losses, costs and expenses. In addition to mailing proxy solicitation material, BRE's directors, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to BRE's directors, officers or employees for such services.

Q: Who can answer my questions?

A: If you have any questions about the merger or the other matters to be voted on at the special meetings or how to submit your proxy or need additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact:

If you are an Essex stockholder:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, NY 10005

Telephone:

Banks and brokers: (212) 269-5550

Stockholders: (800) 758-5880

If you are a BRE stockholder:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

800-322-2885 Toll-Free

212-929-5500 Call Collect

proxy@mackenziepartners.com e-mail

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SUMMARY

*The following summary highlights some of the information contained in this joint proxy statement/prospectus. This summary may not contain all of the information that is important to you. For a more complete description of the merger agreement, the merger and the other transactions contemplated by the merger agreement, Essex and BRE encourage you to read carefully this entire joint proxy statement/prospectus, including the attached Annexes and the other documents to which we have referred you because this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the applicable special meeting. See also the section entitled *Where You Can Find More Information* beginning on page 199. We have included page references to direct you to a more complete description of the topics presented in this summary.*

The Companies

Essex Property Trust, Inc. (See page 47)

Essex is a Maryland corporation that has elected to be taxed as a REIT under the Code. Essex owns all of its interests in real estate investments directly or indirectly through Essex Portfolio, L.P., which we refer to as Essex LP. Essex is the sole general partner of Essex LP and as of September 30, 2013 owns a 94.6% general partnership interest in Essex LP. Essex is engaged primarily in the ownership, operation, management, acquisition, development and redevelopment of predominantly apartment communities. As of September 30, 2013, Essex owned or held an interest in 163 apartment communities, aggregating 34,416 units, excluding Essex's ownership in preferred interest co-investments. Additionally, as of September 30, 2013, Essex owned or had ownership interests in five commercial buildings and eleven active development projects in various stages of development. The communities are located in Southern California (Los Angeles, Orange, Riverside, San Diego, Santa Barbara, and Ventura counties), Northern California (the San Francisco Bay Area) and the Seattle metropolitan area.

Essex common stock is listed on the NYSE, trading under the symbol *ESS*.

Essex was incorporated in the state of Maryland in 1994, and Essex LP was formed in the state of California in 1994. Essex's principal executive offices are located at 925 East Meadow Drive, Palo Alto, California 94303, and its telephone number is (650) 494-3700.

Bronco Acquisition Sub, Inc. (See page 47)

Bronco Acquisition Sub, Inc., or Merger Sub, a direct wholly owned subsidiary of Essex, is a Delaware corporation formed on December 17, 2013 for the purpose of entering into the merger agreement. Upon completion of the merger, BRE will be merged with and into Merger Sub with Merger Sub surviving as a direct wholly owned subsidiary of Essex. Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

BRE Properties, Inc. (See page 47)

BRE is a Maryland corporation that has elected to be taxed as a REIT under the Code. BRE is focused on the development, acquisition and management of multifamily apartment communities primarily located in the major metropolitan markets of Southern and Northern California and Seattle, Washington. As of September 30, 2013, BRE had real estate assets with a net book value of approximately \$3.6 billion, which included: 75 wholly or majority owned stabilized multifamily communities, aggregating 21,396 homes primarily located in California and Washington; one multifamily community owned through a joint venture comprised of 252 apartment homes; one land

asset held for sale; and six wholly owned or majority-owned development communities (five in Northern California and one in Southern California) in various stages of planning and construction, totaling 1,888 homes. BRE has been a publicly traded company since its founding in 1970.

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BRE common stock is listed on the NYSE, trading under the symbol BRE.

BRE was incorporated in the state of Delaware in 1970, and was re-incorporated as a Maryland corporation in 1996. BRE's principal executive offices are located at 525 Market Street, 4th Floor, San Francisco, California 94105, and its telephone number is (415) 445-6530.

The Combined Company (See page 48)

References to the Combined Company are to Essex after the effective time of the merger. The Combined Company will be named Essex Property Trust, Inc. and will be a Maryland corporation. The Combined Company will be the leading publicly traded, multifamily REIT focused on the West Coast with a platform poised to achieve a greater level of acquisitions and value enhancing developments. The Combined Company is expected to have a pro forma equity market capitalization of approximately \$10.4 billion, and a total market capitalization in excess of \$15.4 billion. The Combined Company's asset base will consist primarily of approximately 56,000 multifamily units in 239 properties. The Combined Company's largest markets are expected to be Southern California, Northern California and metropolitan Seattle.

The business of the Combined Company will be operated through Essex LP and its subsidiaries. On a pro forma basis giving effect to the merger, the Combined Company will own an approximate 97% general partnership interest in Essex LP and, as its sole general partner, the Combined Company will have the full, exclusive and complete responsibility for and discretion in the day-to-day management and control of Essex LP.

The common stock of the Combined Company will continue to be listed on the NYSE, trading under the symbol ESS.

The Combined Company's principal executive offices will be located at 925 East Meadow Drive, Palo Alto, California 94303, and its telephone number will be (650) 494-3700.

The Merger

The Merger Agreement (See page 127)

Essex, Merger Sub and BRE have entered into the merger agreement attached as Annex A to this joint proxy statement/prospectus, which is incorporated herein by reference. Essex and BRE encourage you to carefully read the merger agreement in its entirety because it is the principal document governing the merger and the other transactions contemplated by the merger agreement.

The merger agreement provides that the closing of the merger will take place at 8:00 a.m. Eastern Time at the offices of Goodwin Procter LLP in San Francisco, California on the second business day following the date on which the last of the conditions to closing of the merger have been satisfied or waived, provided that if a certain third party consent is not obtained by such date, Essex has the right to extend the closing to a date that is not later than two business days after the receipt of such consent, but in no event later than June 16, 2014.

The Merger (See page 61)

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, BRE will merge with and into Merger Sub, with Merger Sub surviving the merger as a direct wholly owned subsidiary of Essex. References to the Combined Company are to Essex after the effective time of the merger. The shares of common stock of the Combined Company will continue to be listed and traded on the NYSE under the symbol ESS.

Upon completion of the merger, we estimate that continuing Essex stockholders will own approximately 62% of the issued and outstanding common stock of the Combined Company, and former BRE stockholders will own approximately 38% of the issued and outstanding common stock of the Combined Company.

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The Merger Consideration (See page 128)

In the merger, each issued and outstanding share of BRE common stock will be converted automatically into the right to receive 0.2971 shares of common stock, par value \$0.0001 per share, which we refer to as the stock consideration, of Essex plus \$12.33 in cash, without interest, which we refer to as the cash consideration, each subject to adjustment as described in the merger agreement. The cash consideration will be reduced to the extent the Asset Sale is completed in accordance with the terms set forth in the merger agreement and the Special Distribution is authorized and declared to be paid to the BRE stockholders of record as of the close of business on the business day immediately prior to the effective time of the merger as a result of the Asset Sale, as described under *The Merger Agreement Financing Relating to the Merger Asset Sale and Special Distribution* beginning on page 145. We refer to the stock consideration and the cash consideration collectively as the merger consideration. BRE stockholders will not receive any fractional shares of Essex common stock in the merger but instead will be paid cash (without interest) in lieu of any fractional share interest to which they would otherwise be entitled. The exchange ratio and the cash consideration will not be adjusted for changes in the market value of Essex common stock or BRE common stock. Because of this, the implied value of the merger consideration to be received by BRE stockholders in the merger will fluctuate between now and the completion of the merger. Based on the closing price of Essex common stock on the NYSE of \$147.70 on December 18, 2013, the last trading date before the announcement of the proposed merger, the merger consideration (based on the value of \$43.88 in Essex common stock plus the \$12.33 in cash per share) represented approximately \$56.21 for each share of BRE common stock. Based on the closing price of Essex common stock on the NYSE of \$154.64 on January 23, 2014, the latest practicable date before the date of this joint proxy statement/prospectus, the merger consideration (based on the value of \$45.94 in Essex common stock plus the \$12.33 in cash per share) represented approximately \$58.27 for each share of BRE common stock.

You are urged to obtain current market prices of shares of Essex common stock and BRE common stock. You are cautioned that the trading price of the common stock of the Combined Company after the merger may be affected by factors different from those currently affecting the trading prices of Essex common stock and BRE common stock, and therefore, the historical trading prices of Essex and BRE may not be indicative of the trading price of the Combined Company. See the risks related to the merger and the other transactions contemplated by the merger agreement described under the section *Risk Factors Risk Factors Relating to the Merger* beginning on page 35.

Voting Agreements (See page 147)

Concurrently with the execution of the merger agreement, BRE entered into separate voting agreements with Michael J. Schall, Essex's President and Chief Executive Officer and a member of the Essex Board, and George M. Marcus, the Chairman of the Essex Board, and Essex entered into separate voting agreements with Constance B. Moore, BRE's President and Chief Executive Officer and a member of the BRE Board, and Irving F. Lyons, III, the Chairman of the BRE Board. As of January 16, 2014, the Essex officers and directors that are a party to a voting agreement with BRE collectively owned approximately 0.91% of the outstanding shares of Essex common stock, and the BRE officers and directors that are a party to a voting agreement with Essex collectively owned approximately 0.62% of the outstanding shares of BRE common stock.

Pursuant to the terms of the voting agreements, each of the stockholders parties to the voting agreements has agreed, subject to the terms and conditions contained in each voting agreement, to among other things, vote all of his or her shares of Essex common stock or BRE common stock, as applicable, whether currently owned or acquired at any time prior to the termination of the applicable voting agreement, in favor of the issuance of Essex common stock to BRE stockholders in the merger or in favor of the merger and the other transactions contemplated by the merger agreement, as applicable. In addition, the voting agreements with BRE stockholders provide that such persons will vote their BRE common stock against any alternative proposal, and both the voting agreements with Essex stockholders and the

voting agreements with BRE stockholders provide that such

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persons will vote their shares of Essex common stock or BRE common stock, as applicable, against any action which would reasonably be expected to adversely affect or interfere with the consummation of the transactions contemplated by the merger agreement.

Each of the stockholders parties to the voting agreements has also agreed to comply with certain restrictions on the transfer of his or her shares subject to the terms of the applicable voting agreement. Each of the voting agreements terminates upon the earlier to occur of (1) the effective time of the merger; and (2) the termination of the merger agreement pursuant to its terms.

The foregoing summary of the voting agreements is subject to, and qualified in its entirety by reference to, the full text of each of the voting agreements. Copies of the forms of voting agreement are attached as Annex B and Annex C to this joint proxy statement/prospectus and are incorporated herein by reference. For more information see [Voting Agreements](#) beginning on page 147.

Financing Related to the Merger (See page 144)

The merger is not conditioned upon Essex having received any financing at or prior to the effective time of the merger. However, in connection with the merger and the transactions contemplated by the merger agreement, Essex has entered into a commitment letter with Citigroup Global Markets Inc., UBS AG Stamford Branch and UBS Securities LLC, whose banking affiliates we collectively refer to as the lenders, pursuant to which the lenders have committed to provide a senior unsecured bridge loan facility of up to \$1 billion, which we refer to as the bridge loan facility, subject to the conditions set forth in the commitment letter. If drawn upon, the proceeds of the bridge loan facility may be used to (i) pay a portion of the cash consideration in the merger, (ii) pay various fees and expenses incurred in connection with the merger, and/or (iii) repay certain indebtedness of BRE and its subsidiaries. The bridge loan facility is structured as a 364-day unsecured term loan facility available in a single draw on the closing date of the merger. Essex, Essex LP and Merger Sub have the right to use alternative financing in connection with the consummation of the merger and are under no obligation to draw upon the financing commitment from the lenders. Essex is currently exploring the availability of alternative financing including through existing unsecured credit facilities, asset sales, joint ventures or other financing arrangements.

The commitment letter expires on the earliest of (i) the consummation of the bridge loan facility and (ii) April 18, 2014, provided that if either Essex or BRE has not obtained the approval of Essex stockholders or BRE stockholders, as the case may be, contemplated by the merger agreement by April 18, 2014, the commitment letter will expire on May 18, 2014.

For more information regarding the financing related to the merger, see [The Merger Agreement Financing Related to the Merger](#) beginning on page 144.

Asset Sale and Special Distribution (See page 145)

Pursuant to the merger agreement, Essex may make an irrevocable election by written notice to BRE no later than 5 p.m. Pacific Time on the business day that is at least 15 business days prior to the BRE special meeting, to require BRE to sell, and for Essex or one or more persons designated by Essex to purchase, on the business day prior to the effective time of the merger, certain to-be-identified assets of BRE and/or its subsidiaries with a net equity value of up to \$1 billion, as specified by Essex in the election notice, in the Asset Sale. Essex currently anticipates delivering such notice and that the disposition assets will be contributed to a joint venture to be formed between BRE and one or more third parties. Essex will acquire the remaining interests in such joint venture in the merger. Pursuant to the merger agreement, and assuming the Asset Sale occurs, the net proceeds received by BRE from the third-party venture

partner(s), or a portion thereof, will be paid as a dividend to BRE stockholders of record as of the close of business on the business day preceding the effective

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time of the merger as the Special Distribution. The amount of the Special Distribution is intended to be at least equal to BRE's earnings and profits generated from the Asset Sale. Any amounts distributed as the Special Distribution will reduce the cash consideration by the per share amount of such Special Distribution. In any event, BRE stockholders will receive \$12.33 in cash, without interest, in connection with the merger, whether as a result of the payment of the Special Distribution or payment of cash consideration in the merger, or a combination thereof.

For more information regarding the Asset Sale and the Special Distribution, see "The Merger Agreement Financing Relating to the Merger Asset Sale and Special Distribution" beginning on page 145.

Recommendation of the Essex Board (See page 74)

The Essex Board has unanimously (i) determined and declared that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable, fair to, and in the best interests of Essex and its stockholders, (ii) approved and adopted the merger agreement, the merger and the other transactions contemplated thereby, and (iii) authorized and approved the issuance of shares of Essex common stock to BRE stockholders in the merger. The Essex Board unanimously recommends that Essex stockholders vote **FOR** the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger and **FOR** the proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock in the merger.

Recommendation of the BRE Board (See page 76)

The BRE Board has unanimously (i) determined and declared that the merger, the merger agreement and the other transactions contemplated by the merger are advisable and in the best interests of BRE and its stockholders and (ii) approved the merger agreement and authorized the performance by BRE thereunder. The BRE Board unanimously recommends that BRE stockholders vote **FOR** the proposal to approve the merger and the other transactions contemplated by the merger agreement, **FOR** the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger, and **FOR** the proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.

Summary of Risk Factors Related to the Merger (See page 35)

You should consider carefully all of the risk factors together with all of the other information included in this joint proxy statement/prospectus before deciding how to vote. The risks related to the merger and the other transactions contemplated by the merger agreement are described under the section "Risk Factors Risk Factors Relating to the Merger" beginning on page 35.

The exchange ratio and the cash consideration will not be adjusted in the event of any change in the share prices of either Essex or BRE common stock.

The merger and the other transactions contemplated by the merger agreement, or the issuance of shares of Essex common stock to BRE stockholders, as applicable, are conditioned upon the approval by the stockholders of BRE and the stockholders of Essex.

Essex and BRE stockholders will be diluted by the merger.

If the merger does not occur in certain circumstances, BRE may be obligated to pay a \$170 million termination fee to Essex. If the stockholders of either company do not approve the merger or the issuance of shares of Essex common stock to BRE stockholders, as applicable, then that company will be obligated to reimburse up to \$10 million in transaction expenses incurred by the other party.

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Failure to complete the merger could negatively affect the common stock prices and future business and financial results of Essex and BRE.

The pendency of the merger could adversely affect the business and operations of Essex and BRE.

The merger agreement contains provisions that could discourage a potential competing acquirer of BRE or could result in any competing proposal being at a lower price than it might otherwise be.

If the merger is not consummated by June 17, 2014, either Essex or BRE may terminate the merger agreement.

Some of the directors and executive officers of BRE have interests in the merger that are different from, or in addition to, those of the other BRE stockholders.

The Essex Special Meeting (See page 49)

The special meeting of the stockholders of Essex will be held at [] on [], 2014, commencing at [], local time.

At the Essex special meeting, the stockholders of Essex will be asked to consider and vote upon the following matters:

1. a proposal to approve the issuance of Essex common stock to BRE stockholders in the merger; and
2. a proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger.

Approval of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger requires the affirmative vote of the holders of at least a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger requires the affirmative vote of at least a majority of all votes cast on such proposal.

At the close of business on the record date, directors and executive officers of Essex and their affiliates were entitled to vote [] shares of Essex common stock, or approximately []% of the shares of Essex common stock issued and outstanding on that date. Messrs. Schall and Marcus have entered into voting agreements that obligate them to vote **FOR** the issuance of Essex common stock to BRE stockholders in the merger. Additionally, Essex currently expects that the other Essex directors and executive officers will vote their shares of Essex common stock in favor of the proposal to approve the issuance of Essex common stock to BRE stockholders in the merger as well as the other proposal to be considered at the Essex special meeting, although none of them is contractually obligated to do so.

Your vote as an Essex stockholder is very important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the Essex special meeting in person.

The BRE Special Meeting (See page 53)

The special meeting of the stockholders of BRE will be held at [] on [], 2014, commencing at [], local time.

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At the BRE special meeting, BRE stockholders will be asked to consider and vote upon the following matters:

1. a proposal to approve the merger and the other transactions contemplated by the merger agreement;
2. an advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger; and
3. a proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.

Approval of the proposal to approve the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of BRE common stock entitled to vote on such proposal.

Approval of the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger requires the affirmative vote of a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of a majority of all votes cast on such proposal.

At the close of business on the record date, directors and executive officers of BRE and their affiliates were entitled to vote [] shares of BRE common stock, or approximately []% of the shares of BRE common stock issued and outstanding on that date. Ms. Moore and Mr. Lyons have entered into voting agreements that obligate them to vote **FOR** the BRE proposal to approve the merger and the other transactions contemplated by the merger agreement. Additionally, BRE currently expects that the other BRE directors and executive officers will vote their shares of BRE common stock in favor of the BRE merger proposal as well as the other proposals to be considered at the BRE special meeting, although none of them is contractually obligated to do so.

Your vote as a BRE stockholder is very important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the BRE special meeting in person.

Opinions of Financial Advisors

Opinion of Essex's Financial Advisor (See page 80)

On December 18, 2013, at a meeting of the Essex Board held to evaluate the proposed merger, UBS Securities LLC, which we refer to as UBS, delivered to the Essex Board an oral opinion, which opinion was confirmed by delivery of a written opinion, dated December 18, 2013, to the effect that, as of that date and based on and subject to various assumptions made, matters considered and limitations described in its opinion, the consideration to be paid by Essex in the merger was fair, from a financial point of view, to Essex.

The full text of UBS opinion describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS. UBS opinion is attached as **Annex D** to this joint proxy statement/prospectus and is incorporated herein by reference. **Essex stockholders are encouraged to read UBS opinion carefully in its entirety. UBS opinion was provided for the benefit of the Essex Board (in its capacity as such) in connection with, and for the purpose of, its evaluation of the merger consideration to be paid by Essex in the merger, and does not address any other aspect of the merger or any related transaction. UBS**

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opinion does not address the relative merits of the merger or any related transaction as compared to other business strategies or transactions that might be available to Essex or Essex's underlying business decision to effect the merger or any related transaction. UBS's opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the merger or any related transaction.

See "The Merger" Opinion of Essex's Financial Advisor beginning on page 80.

Opinion of BRE's Financial Advisor (See page 87)

In connection with the merger, Wells Fargo Securities, LLC, which we refer to as Wells Fargo Securities, rendered an opinion, dated December 18, 2013, to the BRE Board as to the fairness, from a financial point of view and as of such date, of the merger consideration to be received pursuant to the merger agreement by holders of BRE common stock (other than Essex, Merger Sub and their respective affiliates). The full text of Wells Fargo Securities' written opinion is attached as **Annex E** to this joint proxy statement/prospectus and is incorporated in this joint proxy statement/prospectus by reference. The written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by Wells Fargo Securities in rendering its opinion. **The opinion was addressed to the BRE Board (in its capacity as such) for its information and use in connection with its evaluation of the merger consideration from a financial point of view and did not address any other terms, aspects or implications of the merger or any related transactions. Wells Fargo Securities' opinion did not address the merits of the underlying decision by BRE to enter into the merger agreement or the relative merits of the merger or any related transactions compared with other business strategies or transactions available or that have been or might be considered by BRE's management or board of directors or in which BRE might engage. Under the terms of its engagement, Wells Fargo Securities has acted as an independent contractor, not as an agent or fiduciary. Wells Fargo Securities' opinion does not constitute a recommendation to the BRE Board or any other person or entity in respect of the merger or any related transactions, including as to how any stockholder should vote or act in connection with the merger, any related transactions or any other matters.**

See "The Merger" Opinion of BRE's Financial Advisor beginning on page 87.

Treatment of the BRE Preferred Stock (See page 128)

All outstanding shares of BRE's 6.75% Series D Cumulative Redeemable Preferred Stock, which we refer to as the BRE preferred stock, will be redeemed prior to the effective time of the merger at \$25.00 per share plus any accrued and unpaid dividends, in accordance with the terms of the merger agreement and the terms of the BRE preferred stock. BRE sent notice of the redemption of the BRE preferred stock to holders of BRE preferred stock on January 21, 2014 in accordance with the terms of the BRE preferred stock. The BRE preferred stock will be redeemed on February 20, 2014.

Treatment of the BRE Equity Incentive Plans (See page 129)

At the effective time of the merger, the Combined Company will assume all outstanding options to purchase BRE common stock, whether or not exercisable, and restricted stock awards (including any associated performance-based rights) covering BRE common stock. Each option and restricted stock award so assumed by the Combined Company will continue to have the same terms and conditions (including vesting schedule) as were applicable under the BRE equity incentive plans prior to the effective time of the merger, subject to certain adjustments described in the merger agreement.

See The Merger Agreement Merger Consideration; Effects of the Merger Assumption of BRE Equity Incentive Plans by the Combined Company beginning on page 129.

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Directors and Management of the Combined Company After the Merger (See page 149)

As of the effective time of the merger, the board of directors of the Combined Company will be increased to 13 members, with the ten current Essex directors, George M. Marcus, Keith R. Guericke, David W. Brady, Gary P. Martin, Issie N. Rabinovitch, Thomas E. Randlett, Michael J. Schall, Bryon A. Scordelis, Janice L. Sears and Claude Joseph Zinngrabe Jr., continuing as directors of the Combined Company. In addition, three current members of the BRE Board, Irving F. Lyons, III, Thomas E. Robinson and Thomas P. Sullivan will join the board of directors of the Combined Company, which members we refer to as the BRE designees, to serve until the next annual meeting of the stockholders of the Combined Company (and until their successors have been duly elected and qualified). The BRE designees are entitled to be nominated by the board of directors of the Combined Company for reelection at the next subsequent annual meeting of stockholders of the Combined Company.

The executive officers of Essex immediately prior to the effective time of the merger will continue to serve as the executive officers of the Combined Company, with Michael J. Schall continuing to serve as the President and Chief Executive Officer of the Combined Company.

Interests of Essex's Directors and Executive Officers in the Merger (See page 99)

Essex has adopted a merger bonus program for key Essex personnel pursuant to which certain Essex personnel, including senior executive officers, will be eligible to receive a cash bonus if both the merger closes and the eligible executive remains employed at the applicable payment date. Pursuant to this program, Essex is authorized to pay up to \$8,000,000 in aggregate cash bonuses. Employees at the senior vice president level or higher will receive 2/3rds of their bonus if they remain employed at the 12 month anniversary of the merger closing and the remaining 1/3rd at the 18 month anniversary of the merger closing. For more information regarding Essex's merger bonus program, see "The Merger Interests of Essex's Directors and Executive Officers in the Merger" beginning on page 99.

Other than as described above, none of Essex's executive officers or members of the Essex Board is party to an arrangement with Essex, or participates in any Essex plan, program or arrangement that provides such executive officer or board member with financial incentives that are contingent upon consummation of the merger.

Interests of BRE's Directors and Executive Officers in the Merger (See page 99)

In considering the recommendation of the BRE Board to approve the merger and the other transactions contemplated by the merger agreement, BRE stockholders should be aware that BRE's directors and executive officers have certain interests in the merger that may be different from, or in addition to, the interests of BRE stockholders generally, including certain contractual change of control payments, benefits and incentive awards in connection with the merger, as described below.

Listing of Shares of the Essex Common Stock; Delisting and Deregistration of BRE Common Stock and Preferred Stock (See page 126)

It is a condition to each company's obligation to complete the merger that the shares of Essex common stock issuable to BRE stockholders in the merger be approved for listing on the NYSE, subject to official notice of issuance. Essex has agreed to use its reasonable best efforts to cause the shares of Essex common stock to be issued to BRE stockholders in the merger to be approved for listing on the NYSE prior to the effective time of the merger, subject to official notice of issuance. After the merger is completed, the shares of BRE common stock currently listed on the NYSE will cease to be listed on the NYSE and will be deregistered under the Exchange Act. The BRE preferred stock will be redeemed on February 20, 2014.

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Stockholder Appraisal Rights in the Merger (See page 129)

No dissenters or appraisal rights, or rights of objecting stockholders under Title 3 Subtitle 2 of the Maryland General Corporation Law, or the MGCL, will be available with respect to the merger or the other transactions contemplated by the merger agreement.

Conditions to Completion of the Merger (See page 140)

A number of customary conditions must be satisfied or waived, where legally permissible, before the merger can be consummated. These include, among others:

approval by BRE stockholders of the merger and the other transactions contemplated by the merger agreement;

approval by Essex stockholders of the issuance of shares of Essex common stock to BRE stockholders in the merger;

the Form S-4 registration statement, of which this joint proxy statement/prospectus is a part, having been declared effective and no stop order suspending the effectiveness of such Form S-4 having been issued and no proceeding to that effect having been commenced or threatened by the SEC and not withdrawn;

the absence of any order or injunction issued by any governmental authority or other legal restraint or prohibition preventing the consummation of the merger or the other transactions contemplated by the merger agreement;

the shares of Essex common stock to be issued to BRE stockholders in the merger having been approved for listing on the NYSE, subject to official notice of issuance at or prior to the closing of the merger;

the representations and warranties of each party made in the merger agreement must generally be true and accurate when made and as of the closing, subject to materiality standards; and

no material adverse effect shall have occurred.

Neither Essex nor BRE can give any assurance as to when or if all of the conditions to the consummation of the merger will be satisfied or waived or that the merger will occur.

For more information regarding the conditions to the consummation of the merger and a complete list of such conditions, see *The Merger Agreement Conditions to Completion of the Merger* beginning on page 140.

Regulatory Approvals Required for the Merger (See page 103)

Essex and BRE are not aware of any material federal or state regulatory requirements that must be complied with, or regulatory approvals that must be obtained, in connection with the merger or the other transactions contemplated by the merger agreement.

No Solicitation and Change in Recommendation (See page 135)

Under the terms of the merger agreement, BRE is prohibited from soliciting competing bids, subject to certain limited exceptions necessary to comply with the duties of the BRE Board. Prior to receiving BRE stockholder approval of the merger, BRE may negotiate with a third party after receiving an unsolicited written proposal if the BRE Board determines in good faith that the unsolicited proposal could reasonably be likely to result in a transaction that is more favorable than the merger and the BRE Board determines that failure to negotiate would be inconsistent with its duties. Once a third party proposal is received, BRE must notify Essex within 24 hours following receipt of the proposal and keep Essex informed of the status and terms of the proposal and associated negotiations.

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BRE may withdraw or modify its recommendation to BRE stockholders with respect to the merger, and enter into an agreement to consummate a competing transaction with a third party if the BRE Board determines in good faith that the competing proposal is more favorable to BRE stockholders and if BRE, in connection with terminating the merger agreement, pays a \$170 million termination fee to Essex. Prior to any such termination, BRE generally must provide Essex with notice at least three business days prior to such termination and an opportunity to revise the terms of the merger agreement to make the competing proposal no longer more favorable to BRE stockholders. In very limited circumstances, the BRE Board has a right to withdraw or modify its recommendation to BRE stockholders in the absence of a competing proposal, if following an unexpected event the failure to do so would be inconsistent with the duties of the BRE Board.

For more information regarding the limitations on BRE and the BRE Board to consider other competing proposals, see *The Merger Agreement Covenants and Agreements No Solicitation of Transactions* beginning on page 135.

Termination of the Merger Agreement (See page 142)

The merger agreement may be terminated at any time before the effective time of the merger by the mutual consent of Essex and BRE in a written instrument, even after approval of BRE stockholders or approval of Essex stockholders.

In addition, the merger agreement may also be terminated prior to the effective time of the merger by either BRE or Essex under the following conditions, each subject to certain exceptions:

a governmental authority of competent jurisdiction has issued a final, non-appealable order, decree or ruling permanently restraining, enjoining or otherwise prohibiting the merger or the other transactions contemplated by the merger agreement;

the merger has not been consummated on or before June 17, 2014;

there has been a breach by the other party of any of the covenants or agreements or any of the representations, warranties, covenants or agreements set forth in the merger agreement on the part of such other party, which breach, (i) in the case of BRE, either individually or in the aggregate, would result in, if occurring or continuing on the closing date, the failure of certain closing conditions to be satisfied, and (ii) in the case of Essex or Merger Sub, would reasonably be expected to prevent, or materially impair or delay, the ability of either Essex or Merger Sub to perform its obligations under the merger agreement, or to consummate the merger and the other transactions contemplated by the merger agreement;

stockholders of BRE failed to approve the merger and the other transactions contemplated by the merger agreement at a duly convened special meeting; or

stockholders of Essex failed to approve the issuance of shares of Essex common stock as merger consideration at a duly convened special meeting.

The merger agreement may also be terminated by Essex prior to the approval of the merger by BRE stockholders, (i) if BRE has withdrawn or modified its recommendation to BRE stockholders with respect to the merger, (ii) if the

BRE Board approves or recommends a competing transaction, (iii) if BRE fails to include in the joint proxy statement the recommendation of the BRE Board of the approval of the merger, (iv) if a tender offer or exchange offer for 20% or more of the outstanding shares of capital stock of BRE is commenced, and the BRE Board does not recommend against acceptance of the offer within ten business days following its commencement, (v) if BRE has materially breached its obligations under non-solicitation provisions of the merger agreement, or (vi) if BRE publicly announces its intention to do any of the above.

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The merger agreement may also be terminated by BRE at any time prior to the approval of the merger by BRE stockholders, in order to enter into an alternative acquisition agreement with respect to a competing proposal that the BRE Board determines is more favorable to BRE stockholders than the merger; provided, that BRE must concurrently pay the \$170 million termination fee as described under The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by BRE to Essex.

For more information regarding the rights of Essex and BRE to terminate the merger agreement, see The Merger Agreement Termination of the Merger Agreement beginning on page 142.

Termination Fee and Expenses (See page 143)

Generally, all fees and expenses incurred in connection with the merger and the transactions contemplated by the merger agreement will be paid by the party incurring those fees and expenses. However, if the merger agreement is terminated because BRE accepts a competing proposal, BRE will be required to pay Essex a \$170 million termination fee. If either party fails to obtain the approval of its stockholders, such party may be obligated to pay the other reasonable documented out-of-pocket expenses actually incurred up to a maximum of \$10 million.

For more information regarding the termination fee and expense reimbursement, see The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by BRE to Essex beginning on page 143 and The Merger Agreement Termination of the Agreement Expenses Payable by Essex to BRE beginning on page 144.

Litigation Relating to the Merger (See page 126)

Since the announcement of the merger agreement on December 19, 2013, three putative class action and shareholder derivative actions have been filed on behalf of alleged BRE stockholders and/or BRE itself in the Circuit Court for Baltimore City, Maryland, under the following captions: *Sutton v. BRE Properties, Inc., et al.*, No. 24-C-13-008425, filed December 23, 2013; *Applegate v. BRE Properties, Inc., et al.*, No. 24-C-14-00002, filed December 30, 2013; and *Lee v. BRE Properties, Inc., et al.*, No. 24-C-14-00046, filed January 3, 2014.

All of these complaints name as defendants BRE, the BRE Board, Essex, and Merger Sub, and allege that the BRE Board breached its fiduciary duties to BRE's stockholders and/or to BRE itself, and that the merger involves an unfair price, an inadequate sales process, and unreasonable deal protection devices that purportedly preclude competing offers. The complaints further allege that Essex, Merger Sub, and, in some cases, BRE aided and abetted those alleged breaches of duty. The complaints seek injunctive relief, including enjoining or rescinding the merger, and an award of other unspecified attorneys' and other fees and costs, in addition to other relief. BRE and Essex management believe that these actions have no merit and intend to defend vigorously against them.

Material U.S. Federal Income Tax Consequences of the Merger (See page 103)

BRE and Essex intend that the merger of BRE with and into Merger Sub will qualify as a reorganization within the meaning of Section 368(a) of the Code. The closing of the merger is conditioned on the receipt by each of Essex and BRE of an opinion from its respective counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the merger qualifies as a reorganization, U.S. holders of shares of BRE common stock generally will only recognize gain for U.S. federal income tax purposes to the extent of the cash consideration received in the merger and the cash received in lieu of fractional shares of Combined Company common stock, and will not recognize any loss in connection with the merger.

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For further discussion of the material U.S. federal income tax consequences of the merger and the ownership of common stock of the Combined Company, see *The Merger Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 103.

Holders of shares of BRE common stock should consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the merger.

Material U.S. Federal Income Tax Consequences of the Asset Sale and Special Distribution (See page 107)

For U.S. federal income tax purposes, it is intended that (a) the Asset Sale be treated as a taxable sale by BRE of the assets subject to the Asset Sale, and (b) the Special Distribution be treated as a dividend distribution to holders of shares of BRE common stock to the extent of BRE's current and accumulated earnings and profits.

Notwithstanding the intended U.S. federal income tax treatment described above, the federal income tax treatment of the Asset Sale and Special Distribution is not entirely clear. It is possible that the Internal Revenue Service, or the IRS, could treat all or a portion of the Special Distribution as additional cash consideration in the merger.

For further discussion of the material U.S. federal income tax consequences of the Asset Sale and the Special Distribution, see *The Merger Material U.S. Federal Income Tax Consequences of the Merger Asset Sale and Special Distribution* beginning on page 107.

Accounting Treatment of the Merger (See page 125)

Essex prepares its financial statements in accordance with U.S. generally accepted accounting principles, which we refer to as GAAP. The merger will be accounted for by applying the acquisition method. See *The Merger Accounting Treatment*.

Comparison of Rights of Stockholders of Essex and Stockholders of BRE (See page 184)

If the merger is consummated, stockholders of BRE will become stockholders of the Combined Company. The rights of BRE stockholders are currently governed by and subject to the provisions of the MGCL, and the charter and bylaws of BRE. Upon consummation of the merger, the rights of the former BRE stockholders who receive shares of Essex common stock in the merger will be governed by the MGCL and the Essex charter and bylaws, rather than the charter and bylaws of BRE. In particular, as is typical for REITs to protect their status as a REIT, the Essex charter provides that, with limited exceptions, no person may beneficially own, or be deemed to beneficially own by virtue of the attribution provisions of the Code, more than 6.0% of the outstanding shares of Essex's capital stock (which limit may be adjusted by the Essex Board up to 9.9%).

For a summary of certain differences between the rights of Essex stockholders and BRE stockholders, see *Comparison of Rights of stockholders of Essex and Stockholders of BRE* beginning on page 184.

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Selected Historical Financial Information of Essex

The following selected historical financial information for each of the years during the three-year period ended December 31, 2012 and the selected balance sheet data as of December 31, 2012 and 2011 have been derived from Essex's audited consolidated financial statements contained in its Annual Report on Form 10-K filed with the SEC on February 25, 2013, which has been incorporated into this joint proxy statement/prospectus by reference. The selected historical financial information for each of the years ended December 31, 2010, 2009 and 2008 and as of December 31, 2010, 2009 and 2008 has been derived from Essex's audited consolidated financial statements for such years, which have not been incorporated into this joint proxy statement/prospectus by reference.

The selected historical financial information for each of the nine-month periods ended September 30, 2013 and 2012, and as of September 30, 2013 has been derived from Essex's unaudited condensed consolidated financial statements contained in Essex's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2013, which has been incorporated into this joint proxy statement/prospectus by reference. The selected historical financial information as of September 30, 2012 has been derived from Essex's unaudited consolidated financial statements contained in Essex's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012, which has not been incorporated into this joint proxy statement/prospectus by reference. In Essex's opinion, such unaudited financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the interim September 30, 2013 financial information. Interim results for the nine months ended and as of September 30, 2013 are not necessarily indicative of, and are not projections for, the results to be expected for the fiscal year ending December 31, 2013.

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You should read this selected historical financial information together with the financial statements included in reports that are incorporated by reference in this joint proxy statement/prospectus and their accompanying notes and management's discussion and analysis of operations and financial condition of Essex contained in such reports.

	Nine Months Ended September 30,		Years Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
(\$ in thousands, except per share amounts)							
OPERATING DATA:							
REVENUES							
Rental and other property	\$ 448,318	\$ 388,642	\$ 531,936	\$ 465,713	\$ 405,728	\$ 401,550	\$ 397,673
Management and other fees from affiliates	9,139	8,312	11,489	6,780	4,551	4,325	5,166
	457,457	396,954	543,425	472,493	410,279	405,875	402,839
EXPENSES							
Property operating expenses	145,642	127,154	174,088	159,234	143,164	137,457	130,328
Depreciation	143,320	125,137	170,592	151,428	128,221	116,540	108,221
General and administrative	18,925	16,440	23,307	20,694	23,255	24,966	24,725
Cost of management and other fees	5,047	4,893	6,513	4,610	2,707	3,096	2,959
Impairment and other charges					2,302	13,084	650
	312,934	273,624	374,500	335,966	299,649	295,143	266,883
Earnings from operations	144,523	123,330	168,925	136,527	110,630	110,732	135,956
Interest expense before amortization expense	(77,724)	(74,380)	(100,244)	(91,694)	(82,756)	(81,196)	(78,203)
Amortization expense	(8,937)	(8,681)	(11,644)	(11,474)	(4,828)	(4,820)	(6,860)
Interest and other income	9,326	10,869	13,833	17,139	27,841	13,040	11,337
Equity income (loss) from co-investments	52,295	8,998	41,745	(467)	(1,715)	670	7,820
Gain on remeasurement of co-investment		21,947	21,947				
Gain (loss) on early retirement of debt	846	(2,661)	(5,009)	(1,163)	(10)	4,750	3,997
Gain on the sales of real estate	1,503					103	4,578
Income before discontinued operations	121,832	79,422	129,553	48,868	49,162	43,279	78,625
Income from discontinued operations	13,321	10,528	10,037	8,648	1,620	10,460	5,770

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Net income	135,153	89,950	139,590	57,516	50,782	53,739	84,395
Net income attributable to noncontrolling interest	(12,112)	(9,827)	(14,306)	(10,446)	(14,848)	(16,631)	(22,255)
Net income attributable to controlling interest	123,041	80,123	125,284	47,070	35,934	37,108	62,140
Dividends to preferred stockholders	(4,104)	(4,104)	(5,472)	(4,753)	(2,170)	(4,860)	(9,241)
Excess (deficit) of the carrying amount of preferred stock redeemed over the cash paid to redeem preferred stock				(1,949)		49,952	
Net income available to common stockholders	\$ 118,937	\$ 76,019	\$ 119,812	\$ 40,368	\$ 33,764	\$ 82,200	\$ 52,899
Per share data:							
Basic:							
Income before discontinued operations available to common stockholders	\$ 2.86	\$ 1.90	\$ 3.15	\$ 0.99	\$ 1.09	\$ 2.66	\$ 1.88
Net income available to common stockholders	\$ 3.20	\$ 2.19	\$ 3.42	\$ 1.24	\$ 1.14	\$ 3.01	\$ 2.10
Weighted average common stock outstanding	37,207	34,736	35,032	32,542	29,667	27,270	25,205
Diluted:							
Income before discontinued operations available to common stockholders	\$ 2.85	\$ 1.90	\$ 3.14	\$ 0.99	\$ 1.09	\$ 2.56	\$ 1.87
Net income available to common stockholders	\$ 3.19	\$ 2.18	\$ 3.41	\$ 1.24	\$ 1.14	\$ 2.91	\$ 2.09
Weighted average common stock outstanding	37,926	34,834	35,125	32,629	29,734	29,747	25,347
Cash dividend per common share	\$ 3.63	\$ 3.30	\$ 4.40	\$ 4.16	\$ 4.13	\$ 4.12	\$ 4.08

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	As of September 30,		As of December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(\$ in thousands)						
BALANCE SHEET DATA:							
Investment in rental properties (before accumulated depreciation)	\$ 5,294,912	\$ 4,757,664	\$ 5,033,672	\$ 4,313,064	\$ 3,964,561	\$ 3,412,930	\$ 3,279,788
Net investment in rental properties	4,080,820	3,720,001	3,952,155	3,393,038	3,189,008	2,663,466	2,639,762
Real estate under development	45,804	60,020	66,851	44,280	217,531	274,965	272,273
Total assets	5,085,602	4,534,672	4,847,223	4,036,964	3,732,887	3,254,637	3,164,823
Total secured indebtedness	1,495,521	1,571,821	1,565,599	1,745,858	2,082,745	1,832,549	1,588,931
Total unsecured indebtedness	1,409,883	962,008	1,253,084	615,000	176,000	14,893	165,457
Cumulative convertible preferred stock	4,349	4,349	4,349	4,349	4,349	4,349	145,912
Cumulative redeemable preferred stock	73,750	73,750	73,750	73,750	25,000	25,000	25,000
Stockholders equity	1,880,200	1,665,693	1,764,804	1,437,527	1,149,946	1,053,096	852,227
	Nine Months Ended		Years Ended December 31,				
	September 30,		2011				
	2013	2012	2012	2011	2010	2009	2008
OTHER DATA:							
Funds from operations:							
Net income available to common stockholders	\$ 118,937	76,019	119,812	40,368	33,764	82,200	52,899
Adjustments:							
Depreciation and amortization	143,662	125,669	170,686	152,543	129,711	118,522	113,293
	(51,410)	(31,730)	(60,842)	(7,543)		(7,943)	(7,849)

Gains not included in FFO, net of internal disposition costs								
Depreciation add back from unconsolidated co-investments and other, net	17,398	15,367	21,194	14,804	7,893	7,607	9,181	
Funds from operations (1)	\$ 228,587	185,325	250,850	200,172	171,368	200,386	167,524	
Core funds from operations (Core FFO)(2)	\$ 223,061	185,941	254,996	196,779	160,795	161,488	158,658	
Weighted average number of shares outstanding, diluted (FFO)	39,456,163	37,108,021	37,377,986	34,860,521	32,028,269	29,746,614	27,807,946	
Funds from operations per share diluted	\$ 5.79	4.99	6.71	5.74	5.35	6.74	6.02	
Core funds from operations diluted	\$ 5.65	5.01	6.82	5.64	5.02	5.43	5.71	
EBITDA:								
Net income	\$ 135,153	\$ 89,950	\$ 139,590	\$ 57,516	\$ 50,782	\$ 53,739	\$ 84,395	
Interest expense before amortization expense	77,724	74,380	100,244	91,694	82,756	81,196	78,203	
Amortization expense	8,937	8,681	11,644	11,474	4,828	4,820	6,860	
Tax benefit				(1,682)				
Depreciation(3)	143,320	125,137	170,686	152,543	129,712	118,522	113,294	
EBITDA(4)	\$ 365,134	\$ 298,148	\$ 422,164	\$ 311,545	\$ 268,078	\$ 258,277	\$ 282,752	

(1) FFO is a financial measure that is commonly used in the REIT industry. Essex presents funds from operations as a supplemental operating performance measure. FFO is not used by Essex as, nor should it be considered to be, an alternative to net earnings computed under GAAP as an indicator of Essex's operating performance or as an alternative to cash from operating activities computed under GAAP as an indicator of Essex's ability to fund its cash needs.

FFO is not meant to represent a comprehensive system of financial reporting and does not present, nor does it intend to present, a complete picture of Essex's financial condition and operating performance. Essex believes that net

earnings computed under GAAP remain the primary measure of performance and that FFO is only meaningful when it is used in conjunction with net earnings. Essex considers FFO and FFO excluding non-recurring items and acquisition costs, which we refer to as Core FFO, to be useful financial performance measurements of an equity REIT because, together with net income and cash flows, FFO provides investors with an additional basis to evaluate operating performance and ability of a REIT to incur and service debt and to fund acquisitions and other capital expenditures and ability to pay dividends. Further, Essex believes that its consolidated financial statements, prepared in accordance with GAAP, provide the most meaningful picture of its financial condition and its operating performance.

In calculating FFO, Essex follows the definition for this measure published by the National Association of REITs, a REIT trade association, which we refer to as NAREIT. Essex believes that, under the NAREIT FFO definition, the two most significant adjustments made to net income are (i) the exclusion of historical cost depreciation and (ii) the exclusion of gains and losses (including impairment

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charges on depreciable real estate) from the sale of previously depreciated properties. Essex agrees that these two NAREIT adjustments are useful to investors for the following reason:

- (a) historical cost accounting for real estate assets in accordance with GAAP assumes, through depreciation charges, that the value of real estate assets diminishes predictably over time. NAREIT stated in its White Paper on Funds from Operations since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Consequently, NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time and depreciation charges required by GAAP do not reflect the underlying economic realities.
- (b) REITs were created as a legal form of organization in order to encourage public ownership of real estate as an asset class through investment in firms that were in the business of long-term ownership and management of real estate. The exclusion, in NAREIT's definition of FFO, of gains and losses (including impairment charges on depreciable real estate) from the sales of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods.

Essex believes that it 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 disclosure of FFO may not be comparable to Essex's calculation.

- (2) Essex believes that Core FFO is a meaningful supplemental measure of Essex's operating performance for the same reasons as FFO and adjusting for non-core items that when excluded allows for more comparable periods. Core FFO begins with FFO as defined by the NAREIT White Paper and adjusts for the following:

The impact of any expenses relating to non-operating asset impairment and valuation allowances;

Property acquisition costs and pursuit cost write-offs (other expenses);

Gains and losses from early debt extinguishment, including prepayment penalties and preferred share redemptions;

Gains and losses from sales of marketable securities

Co-investment promote income;

Gains and losses on the sales of non-operating assets, and

Other non-comparable items

- (3) Includes amounts classified within discontinued operations.
- (4) EBITDA is an operating measure and is defined as net income before interest expense, income taxes, depreciation and amortization. EBITDA, as defined by Essex, is not a recognized measurement under GAAP. This measurement should not be considered in isolation or as a substitute for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. Essex's definition may not be comparable to that of other companies.

Selected Historical Financial Information of BRE

The following selected historical financial information for each of the years during the three-year period ended December 31, 2012 and the selected balance sheet data as of December 31, 2012 and 2011 have been derived from BRE's audited consolidated financial statements contained in its Annual Report on Form 10-K filed with the SEC on February 14, 2013, which has been incorporated into this joint proxy statement/prospectus by reference. The selected historical financial information for each of the years ended December 31, 2010, 2009 and 2008 and as of December 31, 2010, 2009 and 2008 has been derived from BRE's audited consolidated financial statements for such years, which have not been incorporated into this joint proxy statement/prospectus by reference.

The selected historical financial information for each of the nine-month periods ended September 30, 2013 and 2012, and as of September 30, 2013 has been derived from BRE's unaudited consolidated financial statements contained in BRE's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2013, which has been incorporated into this joint proxy statement/prospectus by reference.

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In BRE's opinion, such unaudited financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the interim September 30, 2013 financial information. Interim results for the nine months ended and as of September 30, 2013 are not necessarily indicative of, and are not projections for, the results to be expected for the fiscal year ending December 31, 2013.

You should read this selected historical financial information together with the financial statements included in reports that are incorporated by reference in this joint proxy statement/prospectus and their accompanying notes and management's discussion and analysis of operations and financial condition of BRE contained in such reports.

	Nine Months ended September 30,		Twelve Months ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(Amounts in thousands, except per share data)						
Operating Results							
Rental and ancillary revenues	\$ 306,318	\$ 286,642	\$ 390,138	\$ 363,059	\$ 326,755	\$ 310,733	\$ 310,015
Revenues from discontinued operations	2,113	8,950	7,299	14,561	27,676	38,114	59,084
Income from unconsolidated entities and other income	1,269	4,091	5,174	5,424	5,112	5,788	10,444
Total revenues	\$ 309,700	\$ 299,683	\$ 402,611	\$ 383,044	\$ 359,543	\$ 354,635	\$ 379,543
Net income available to common shareholders	\$ 99,757	\$ 59,694	\$ 133,499	\$ 66,461	\$ 41,576	\$ 50,642	\$ 122,760
Plus (less):							
Net (gain) on sales of discontinued operations	(17,394)	(8,279)	(62,136)	(14,489)	(40,111)	(21,574)	(65,984)
Net (gain) on sales of unconsolidated entities	(18,633)	(6,025)	(6,025)	(4,270)			
Depreciation from continuing operations	79,183	73,103	100,519	101,047	88,490	79,745	71,772
Depreciation from discontinued operations	368	1,895	1,100	2,893	5,894	8,674	9,687
Depreciation related to unconsolidated entities	446	1,511	1,903	2,052	1,991	1,841	1,715
				748	1,026	1,461	1,868

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Redeemable noncontrolling interest in income convertible into common shares								
Funds from operations (FFO) ¹	\$ 143,726	\$ 121,899	\$ 168,859	\$ 154,442	\$ 98,866	\$ 120,789	\$ 141,818	
Core funds from operations (Core FFO) ²	\$ 144,311	\$ 136,899	\$ 183,859	\$ 158,615	\$ 127,671	\$ 132,819	\$ 139,761	
Net cash flows provided by operating activities	\$ 156,621	\$ 147,869	\$ 201,887	\$ 172,177	\$ 140,719	\$ 130,683	\$ 167,010	
Net cash flows used in investing activities	\$ (223,733)	\$ (142,275)	\$ (135,245)	\$ (267,345)	\$ (197,261)	\$ (80,537)	\$ (47,820)	
Net cash flows provided by (used in) financing activities	\$ 12,747	\$ 14,852	\$ (14,001)	\$ 98,411	\$ 57,243	\$ (52,214)	\$ (118,418)	
Dividends paid to common and preferred shareholder distributions to noncontrolling interests	\$ 94,514	\$ 92,017	\$ 122,723	\$ 118,305	\$ 106,770	\$ 114,379	\$ 130,129	
Weighted average shares outstanding basic	77,086	76,471	76,567	71,220	61,420	52,760	51,050	
Dilutive effect of stock based awards on EPS	224	369	353	450	430	240	650	
Weighted average shares outstanding diluted (EPS)	77,310	76,840	76,920	71,670	61,850	53,000	51,700	
Plus Operating Company units ³		20	20	510	685	780	830	
Weighted average shares outstanding diluted (FFO)	77,310	76,840	76,940	72,180	62,535	53,780	52,530	
Operating Company units outstanding at end of period				161	615	771	780	
Net income per share basic	\$ 1.29	\$ 0.78	\$ 1.74	\$ 0.93	\$ 0.67	\$ 0.95	\$ 2.38	
Net income per share assuming	\$ 1.29	\$ 0.78	\$ 1.74	\$ 0.93	\$ 0.67	\$ 0.95	\$ 2.36	

dilution														
Dividends paid to common shareholders	\$	1.185	\$	1.155	\$	1.54	\$	1.50	\$	1.50	\$	1.88	\$	2.25
Balance sheet information and other data														
Real estate portfolio, net of accumulated depreciation	\$	3,570,137	\$	3,338,250	\$	3,382,407	\$	3,288,577	\$	3,097,528	\$	2,915,565	\$	2,911,295
Total assets	\$	3,626,525	\$	3,444,903	\$	3,498,982	\$	3,352,621	\$	3,156,247	\$	2,980,008	\$	2,992,744
Total debt	\$	1,838,527	\$	1,732,251	\$	1,731,960	\$	1,662,671	\$	1,792,918	\$	1,867,075	\$	1,902,401
Redeemable noncontrolling interests	\$	4,751	\$	8,107	\$	4,751	\$	16,228	\$	34,866	\$	33,605	\$	29,972
Shareholders equity	\$	1,701,873	\$	1,637,482	\$	1,686,482	\$	1,610,449	\$	1,276,393	\$	1,022,919	\$	969,204

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(1) FFO is used by industry analysts and investors as a supplemental performance measure of an equity REIT. FFO is defined by NAREIT as net income or loss (computed in accordance with accounting principles generally accepted in the United States) excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated real estate assets, plus depreciation and amortization of real estate assets and adjustments for unconsolidated partnerships and joint ventures. BRE calculates FFO in accordance with the NAREIT definition.

BRE believes that FFO is a meaningful supplemental measure of BRE's operating performance because historical cost accounting for real estate assets in accordance with GAAP assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation. Because real estate values have historically risen or fallen with market conditions, BRE management considers FFO an appropriate supplemental performance measure because it excludes historical cost depreciation, as well as gains or losses related to sales of previously depreciated property, from GAAP net income. By excluding depreciation and gains or losses on sales of real estate, BRE management uses FFO to measure returns on its investments in real estate assets. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of BRE's communities that result from use or market conditions nor the level of capital expenditures to maintain the operating performance of BRE's communities, all of which have real economic effect and could materially impact BRE's results from operations, the utility of FFO as a measure of our performance is limited. BRE management also believes that FFO, combined with the required GAAP presentations, is useful to investors in providing more meaningful comparisons of the operating performance of a company's real estate between periods or as compared to other companies. FFO does not represent net income or cash flows from operations as defined by GAAP and is not intended to indicate whether cash flows will be sufficient to fund cash needs. It should not be considered an alternative to net income as an indicator of a REIT's operating performance or to cash flows as a measure of liquidity. BRE's FFO may not be comparable to the FFO of other REITs due to the fact that not all REITs use the NAREIT definition or apply/interpret the definition differently.

(2) BRE believes that Core FFO is a meaningful supplemental measure of BRE's operating performance for the same reasons as FFO and adjusting for non-routine items that when excluded allows for more comparable periods. Core FFO begins with FFO as defined by the NAREIT White Paper and adjusts for the following:

The impact of any expenses relating to non-operating asset impairment and valuation allowances;

Property acquisition costs and pursuit cost write-offs (other expenses);

Gains and losses from early debt extinguishment, including prepayment penalties and preferred share redemptions;

Executive level severance costs;

Gains and losses on the sales of non-operating assets, and

Other non-comparable items

- (3) Under earnings per share guidance, common share equivalents deemed to be anti-dilutive are excluded from the diluted per share calculations.

Table of Contents**Selected Unaudited Pro Forma Consolidated Financial Information (See page F-1)**

The following tables show summary unaudited pro forma condensed consolidated financial information about the combined financial condition and operating results of Essex and BRE after giving effect to the merger. The unaudited pro forma financial information assumes that the merger is accounted for by applying the acquisition method and based on Essex's preliminary estimates, assumptions and pro forma adjustments as described below and in the accompanying notes to the unaudited pro forma condensed consolidated financial information. The unaudited pro forma condensed consolidated balance sheet data gives effect to the merger as if it had occurred on September 30, 2013. The unaudited pro forma condensed consolidated statement of income data gives effect to the merger as if it had occurred on January 1, 2012, in each case based on the most recent valuation data available. The summary unaudited pro forma condensed consolidated financial information listed below has been derived from and should be read in conjunction with (1) the more detailed unaudited pro forma condensed consolidated financial information, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus and (2) the historical consolidated financial statements and related notes of both Essex and BRE, incorporated herein by reference. See Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page F-1 and Where You Can Find More Information beginning on page 199.

The unaudited pro forma consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the transactions had been consummated at the beginning of the earliest period presented, nor is it necessarily indicative of future operating results or financial position. The pro forma adjustments are estimates based upon information and assumptions available at the time of the filing of this joint proxy statement/prospectus.

Nine Months Ended September 30, 2013

	Essex	BRE	Pro Forma Adjustments	Essex Pro Forma
Operating Data				
Total Operating Revenues	\$ 457,457	\$ 306,673	\$	\$ 764,130
Property Operating Expenses	(145,642)	(94,913)	(18,750)	(259,305)
Depreciation and amortization	(143,320)	(79,183)	(77,219)	(299,722)
Interest and amortization expense	(86,661)	(49,935)	(18,427)	(155,023)
Equity income in co-investments	52,295	19,156		71,451
Net income from continuing operations available to common stockholders	106,337	81,335	(111,613)	76,009
Per common share data				
Basic:				
Income from continuing operations available to common stockholders	\$ 2.86	\$ 1.05		\$ 1.26
Weighted average number of common shares outstanding during the period	37,207	77,086	23,028	60,235
Diluted:				
Income from continuing operations available to common stockholders	\$ 2.85	\$ 1.05		\$ 1.26
	37,296	77,310	23,028	60,324

Weighted average number of common shares
outstanding during the period

Balance Sheet Data:

Real estate assets, net	\$ 4,800,699	\$ 3,579,967	\$ 2,893,872	\$ 11,274,538
Total assets	5,085,602	3,626,525	2,993,833	11,705,960
Total debt	2,920,756	1,838,527	1,122,226	5,881,509
Total stockholders equity	1,880,200	1,701,873	1,779,607	5,361,680

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	Year Ended December 31, 2012			
	Essex	BRE	Pro Forma Adjustments	Essex Pro Forma
Operating Data				
Total Operating Revenues	\$ 543,425	\$ 391,775	\$	\$ 935,200
Property Operating Expenses	(174,088)	(122,996)	(25,000)	(322,084)
Depreciation and amortization	(170,592)	(100,518)	(114,469)	(385,579)
Interest and amortization expense	(111,888)	(68,467)	(24,794)	(205,149)
Equity income in co-investments	41,745	8,669		50,414
Gain on remeasurement of co-investment	21,947			21,947
Net income from continuing operations available to common stockholders	110,373	67,450	(160,618)	17,205
Per common share data				
Basic:				
Income from continuing operations available to common stockholders	\$ 3.15	\$ 0.88		\$ 0.30
Weighted average number of common shares outstanding during the period	35,032	76,567	23,028	58,060
Diluted:				
Income from continuing operations available to common stockholders	\$ 3.14	\$ 0.88		\$ 0.30
Weighted average number of common shares outstanding during the period	35,125	76,920	23,028	58,153

Table of Contents**Unaudited Comparative Per Share Information**

The following tables set forth for the nine months ended September 30, 2013 and the year ended December 31, 2012 selected per share information for Essex common stock on a historical and pro forma basis and for BRE common stock on a historical and pro forma equivalent basis after giving effect to the merger using the acquisition purchase method of accounting. Except for the historical information as of and for the year ended December 31, 2012, the information in the table is unaudited. You should read the tables below together with the historical consolidated financial statements and related notes of Essex and BRE contained in their respective Quarterly Reports on Form 10-Q for the nine months ended September 30, 2013 and in their respective Annual Reports on Form 10-K for the year ended December 31, 2012, which are incorporated by reference into this joint proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 199.

The pro forma consolidated BRE equivalent information shows the effect of the merger from the perspective of an owner of BRE common stock and the information was computed by multiplying the Essex pro forma combined information by the exchange ratio of 0.2971. This computation does not include the benefit to BRE stockholders of the cash component of the merger consideration.

The unaudited pro forma consolidated per share data is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the transactions had been consummated at the beginning of the earliest period presented, nor is it necessarily indicative of future operating results or financial position. The pro forma adjustments are estimates based upon information and assumptions available at the time of the filing of this joint proxy statement/prospectus.

The pro forma income from continuing operations per share includes the combined income from continuing operations of Essex and BRE on a pro forma basis as if the transactions were consummated on January 1, 2012.

	Essex		BRE	
	Historical	Pro Forma Combined	Historical	Pro Forma Equivalent
For the Nine Months Ended September 30, 2013				
Income from continuing operations available to common stockholders per common share, basic	\$ 2.86	\$ 1.26	\$ 1.05	\$ 0.37
Income from continuing operations available to common stockholders per common share, diluted	\$ 2.85	\$ 1.26	\$ 1.05	\$ 0.37
Cash dividends declared per common share	\$ 3.63	\$ 3.63	\$ 1.185	\$ 1.08
As of September 30, 2013				
Book value per common share	\$ 48.40	\$ 87.62	\$ 21.35	\$ 26.03
For the Year ended December 31, 2012				
Income from continuing operations available to common stockholders per common share, basic	\$ 3.15	\$ 0.30	\$ 0.88	\$ 0.09
Income from continuing operations available to common stockholders per common share, diluted	\$ 3.14	\$ 0.30	\$ 0.88	\$ 0.09
Cash dividends declared per common share	\$ 4.40	\$ 4.40	\$ 1.540	\$ 1.31

Table of Contents**Comparative Essex and BRE Market Price and Dividend Information****Essex's Market Price Data**

Essex common stock is listed on the NYSE under the symbol ESS. This table sets forth, for the periods indicated, the high and low sales prices per share of Essex common stock, as reported by the NYSE, and distributions declared per share of Essex common stock.

	Price Per Share of Common Stock		Distributions Declared
	High	Low	Per Share(1)
2011			
First Quarter	124.41	109.98	1.04
Second Quarter	138.31	122.67	1.04
Third Quarter	145.40	119.15	1.04
Fourth Quarter	148.44	111.25	1.04
2012			
First Quarter	151.54	136.43	1.10
Second Quarter	161.53	146.05	1.10
Third Quarter	160.64	147.38	1.10
Fourth Quarter	150.71	136.38	1.10
2013			
First Quarter	156.36	147.06	1.21
Second Quarter	171.11	145.56	1.21
Third Quarter	172.16	139.64	1.21
Fourth Quarter	165.44	137.53	1.21

(1) Common stock cash distributions currently are declared quarterly by Essex, based on financial results for the prior quarter.

BRE's Market Price Data

BRE common stock is listed on NYSE under the symbol BRE. This table sets forth, for the periods indicated, the range of high and low sales prices for BRE common stock as reported on NYSE. BRE's fiscal year ends on December 31 of each year.

	Price Per Share of Common Stock		Distributions Declared
	High	Low	Per Share(1)
2011			
First Quarter	47.69	42.01	0.375
Second Quarter	51.15	46.31	0.375
Third Quarter	54.31	41.39	0.375
Fourth Quarter	50.86	39.66	0.375

2012

First Quarter	52.43	48.30	0.385
Second Quarter	53.57	47.66	0.385
Third Quarter	53.31	46.48	0.385
Fourth Quarter	51.45	46.07	0.385

2013

First Quarter	51.87	46.74	0.395
Second Quarter	54.14	45.76	0.395
Third Quarter	55.76	47.07	0.395
Fourth Quarter	61.50	49.27	0.395

- (1) Common stock cash distributions currently are declared quarterly by BRE, based on financial results for the prior months.

Table of Contents***Recent Closing Prices***

The table below sets forth the closing per share sales prices of Essex common stock and BRE common stock as reported on the NYSE on December 18, 2013, the last full trading day before the public announcement of the execution of the merger agreement by Essex and BRE, and on January 23, 2014, the latest practicable trading day before the date of this joint proxy statement/prospectus. The BRE pro forma equivalent closing share price is equal to (i) the cash consideration of \$12.33 plus (ii) the closing price of a share of Essex common stock on each such date multiplied by 0.2971 (the exchange ratio of shares of Essex common stock for each share of BRE common stock).

	Essex Common Stock	BRE Common Stock	BRE Pro Forma Equivalent
December 18, 2013	\$ 147.70	\$ 55.91	\$ 56.21
January 23, 2014	\$ 154.64	\$ 58.22	\$ 58.27

The market price of Essex common stock and BRE common stock will fluctuate between the date of this joint proxy statement/prospectus and the effective time of the merger. Because the number of shares of Essex common stock to be issued in the merger for each share of BRE common stock is fixed in the merger agreement, the market value of Essex common stock to be received by BRE stockholders at the effective time of the merger may vary significantly from the prices shown in the table above.

Following the transaction, Essex common stock will continue to be listed on the NYSE and, until the completion of the merger, BRE common stock will continue to be listed on NYSE.

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RISK FACTORS

*In addition to the other information included in this joint proxy statement/prospectus, including the matters addressed in the section entitled **Cautionary Statement Concerning Forward-Looking Statements**, whether you are an Essex stockholder or a BRE stockholder, you should carefully consider the following risks before deciding how to vote your shares of common stock of Essex and/or BRE. In addition, you should read and consider the risks associated with each of the businesses of Essex and BRE because these risks will also affect the Combined Company. These risks can be found in the respective Annual Reports on Form 10-K for the year ended December 31, 2012 and subsequent Quarterly Reports on Form 10-Q of Essex and BRE, each of which is filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 199.*

Risk Factors Relating to the Merger

The exchange ratio and the cash consideration will not be adjusted in the event of any change in the stock prices of either Essex or BRE.

Upon the consummation of the merger, each outstanding share of BRE common stock will be converted automatically into the right to receive 0.2971 shares of Essex common stock, with cash paid in lieu of any fractional shares, plus \$12.33 in cash, without interest, each subject to certain adjustments provided for in the merger agreement. To the extent that the Asset Sale is completed in accordance with the terms set forth in the merger agreement and the Special Distribution is authorized and declared to be paid to the BRE stockholders of record as of the close of business on the business day immediately prior to the effective time of the merger as a result of the Asset Sale, the cash consideration will be reduced by the per share amount of such Special Distribution. See **The Merger Agreement Financing Relating to the Merger Asset Sale and Special Distribution** beginning on page 145. The exchange ratio of 0.2971 and cash consideration will not be adjusted for changes in the market prices of either shares of Essex common stock or shares of BRE common stock. Changes in the market price of shares of Essex common stock prior to the merger will affect the market value of the merger consideration that BRE stockholders will receive on the closing date of the merger. Stock price changes may result from a variety of factors (many of which are beyond the control of Essex and BRE), including the following factors:

market reaction to the announcement of the merger;

changes in the respective businesses, operations, assets, liabilities and prospects of Essex and BRE;

changes in market assessments of the business, operations, financial position and prospects of either company or the Combined Company;

market assessments of the likelihood that the merger will be completed;

interest rates, general market and economic conditions and other factors generally affecting the market prices of Essex common stock and BRE common stock;

federal, state and local legislation, governmental regulation and legal developments in the businesses in which Essex and BRE operate; and

other factors beyond the control of Essex and BRE, including those described or referred to elsewhere in this Risk Factors section.

The market price of shares of Essex common stock at the closing of the merger may vary from its price on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the date of the special meetings of Essex and BRE. As a result, the market value of the merger consideration represented by the exchange ratio will also vary. For example, based on the range of trading prices of shares of Essex common stock during the period after December 18, 2013, the last trading day before Essex and BRE announced

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the merger, through January 23, 2014, the latest practicable date before the date of this joint proxy statement/prospectus, the exchange ratio of 0.2971 and \$12.33 in cash represented a market value ranging from a low of \$53.19 to a high of \$58.62.

Because the merger will be completed after the date of the Essex and BRE special meetings, at the time of your special meeting, you will not know the exact market value of the shares of Essex common stock that BRE stockholders will receive upon completion of the merger. You should consider the following two risks:

If the market price of shares of Essex common stock increases between the date the merger agreement was signed or the date of the Essex and BRE special meetings and the closing of the merger, BRE stockholders will receive shares of Essex common stock that have a market value upon completion of the merger that is greater than the market value of such shares calculated pursuant to the exchange ratio on the date the merger agreement was signed or on the date of the special meetings, respectively.

If the market price of shares of Essex common stock declines between the date the merger agreement was signed or the date of the Essex and BRE special meetings and the closing of the merger, BRE stockholders will receive shares of Essex common stock that have a market value upon completion of the merger that is less than the market value of such shares calculated pursuant to the exchange ratio on the date the merger agreement was signed or on the date of the special meetings, respectively.

Therefore, while the number of shares of Essex common stock to be issued per share of BRE common stock is fixed, (1) Essex stockholders cannot be sure of the market value of the merger consideration that will be paid to BRE stockholders upon completion of the merger and (2) BRE stockholders cannot be sure of the market value of the merger consideration they will receive upon completion of the merger.

Essex and BRE stockholders will be diluted by the merger.

The merger will dilute the ownership position of Essex stockholders and result in BRE stockholders having an ownership stake in the Combined Company that is smaller than their current stake in BRE. Upon completion of the merger, we estimate that continuing Essex stockholders will own approximately 62% of the issued and outstanding shares of Combined Company common stock, and former BRE stockholders will own approximately 38% of the issued and outstanding common stock of the Combined Company. Consequently, Essex stockholders and BRE stockholders, as a general matter, will have less influence over the management and policies of the Combined Company after the effective time of the merger than each currently exercise over the management and policies of Essex and BRE, as applicable.

If the merger does not occur in certain circumstances, BRE may be obligated to pay a \$170 million termination fee to Essex.

If the merger agreement is terminated under certain circumstances, BRE may be obligated to pay Essex a termination fee of \$170 million. If the stockholders of either company do not approve the merger or the issuance of shares of Essex common stock to BRE stockholders in the merger, as applicable, then that company will be obligated to reimburse up to \$10 million in transaction expenses incurred by the other party. See *The Merger Agreement* Termination of the Merger Agreement Termination Fee and Expenses Payable by BRE to Essex beginning on page 143 and *The Merger Agreement* Termination of the Agreement Expenses Payable by Essex to BRE beginning on page 144.

Failure to complete the merger could negatively impact the stock prices and the future business and financial results of both Essex and BRE.

If the merger is not completed, the ongoing businesses of Essex and BRE could be adversely affected and each of Essex and BRE will be subject to a variety of risks associated with the failure to complete the merger, including the following:

BRE being required, under certain circumstances, to pay to Essex a termination fee of \$170 million or up to \$10 million in expense reimbursement;

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Essex being required, under certain circumstances, to pay to BRE up to \$10 million in expense reimbursement;

Essex and/or BRE having to pay certain costs relating to the proposed merger, such as legal, accounting, financial advisor, filing, printing and mailing fees; and

diversion of Essex and BRE management focus and resources from operational matters and other strategic opportunities while working to implement the merger.

If the merger is not completed, these risks could materially affect the business, financial results and stock prices of both Essex and BRE.

The pendency of the merger could adversely affect the business and operations of Essex and BRE.

Prior to the effective time of the merger, some tenants or vendors of each of Essex and BRE may delay or defer decisions, which could negatively affect the revenues, earnings, cash flows and expenses of Essex and BRE, regardless of whether the merger is completed. Similarly, current and prospective employees of Essex and BRE may experience uncertainty about their future roles with the Combined Company following the merger, which may materially adversely affect the ability of each of Essex and BRE to attract and retain key personnel during the pendency of the merger. In addition, due to operating restrictions in the merger agreement, each of Essex and BRE may be unable, during the pendency of the merger, to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions, even if such actions would prove beneficial.

The merger agreement contains provisions that could discourage a potential competing acquirer of BRE or could result in a competing acquisition proposal being at a lower price than it might otherwise be.

The merger agreement contains provisions that, subject to limited exceptions necessary to comply with the duties of the BRE Board, restrict the ability of BRE to solicit, initiate or knowingly facilitate any third-party proposals to acquire beneficial ownership of at least 20% of the assets of, equity interest in, or businesses of, BRE or any subsidiary of BRE. Prior to receiving BRE stockholder approval of the merger, BRE may negotiate with a third party after receiving an unsolicited written proposal if the BRE Board determines in good faith that the unsolicited proposal could reasonably be likely to result in a transaction that is more favorable than the merger, and the BRE Board determines that failure to negotiate would be inconsistent with its duties. Once a third party proposal is received, BRE must notify Essex within 24 hours following receipt of the proposal and keep Essex informed of the status and terms of the proposal and associated negotiations. In response to such a proposal, BRE may, under certain circumstances, withdraw or modify its recommendation to BRE stockholders with respect to the merger, and enter into an agreement to consummate a competing transaction with a third-party, if the BRE Board determines in good faith that the competing proposal is more favorable to BRE stockholders and pays the \$170 million termination fee to Essex. See

The Merger Agreement Covenants and Agreements No Solicitation of Transactions beginning on page 135 and The Merger Agreement Termination of the Merger Agreement Termination Fee and Expenses Payable by BRE to Essex beginning on page 143.

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of BRE from considering or proposing such an acquisition, even if the potential competing acquirer was prepared to pay consideration with a higher per share value than the value proposed to be received or realized in the merger, or might result in a potential competing acquirer proposing to pay a lower per share value than it might

otherwise have proposed to pay because of the added expense of the termination fee and expense reimbursement that may become payable in certain circumstances under the merger agreement.

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There can be no assurance that Essex will be able to secure the financing necessary to pay the cash portion of the merger consideration on acceptable terms, in a timely manner, or at all.

In connection with the merger, Essex has obtained commitments for up to \$1.0 billion in a senior unsecured bridge loan facility to finance the cash portion of the merger consideration. In addition, Essex is exploring additional alternatives to fund the cash portion of the merger consideration including through existing unsecured credit facilities, asset sales, joint ventures or other financing arrangements. However, Essex has not entered into a definitive agreement for the debt financing, nor has it secured alternative financing, nor has it entered into a definitive agreement for the Asset Sale. There can be no assurance that Essex will be able to secure financing to pay the cash portion of the merger consideration on acceptable terms, in a timely manner, or at all. If Essex is unable to secure such financing, Essex will nonetheless be required to close the merger under the terms of the merger agreement. In addition, the bridge loan facility expires on April 18, 2014 (with a right to extend up to an additional 30 days in certain circumstances) whereas the merger agreement may not be terminable until June 17, 2014. See The Merger Agreement Financing Related to the Merger beginning on page 144.

Some of the directors and executive officers of BRE have interests in the merger that are different from, or in addition to, those of the other BRE stockholders.

Some of the directors and executive officers of BRE have arrangements that provide them with interests in the merger that are different from, or in addition to, those of the stockholders of BRE stockholders, generally. These interests include, among other things, a sizeable severance payment if terminated upon, or following, consummation of the merger. These interests, among other things, may influence or may have influenced the directors and executive officers of BRE to support or approve the merger. See The Merger Interests of BRE's Directors and Executive Officers in the Merger beginning on page 99.

Risk Factors Relating to the Combined Company Following the Merger

Risks Related to the Combined Company's Operations

The Combined Company expects to incur substantial expenses related to the merger.

The Combined Company expects to incur substantial expenses in connection with completing the merger and integrating the business, operations, networks, systems, technologies, policies and procedures of BRE with those of Essex. There are several systems that must be integrated, including accounting and finance and asset management. While Essex has assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond its control that could affect the total amount or the timing of the Combined Company's integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, the transaction and integration expenses associated with the merger could, particularly in the near term, exceed the savings that the Combined Company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the businesses following the completion of the merger.

Following the merger, the Combined Company may be unable to integrate the businesses of Essex and BRE successfully and realize the anticipated synergies and other benefits of the merger or do so within the anticipated timeframe.

The merger involves the combination of two companies that currently operate as independent public companies. The Combined Company is expected to benefit from the elimination of duplicative costs associated with supporting a

public company platform and the leveraging of state of the art technology and systems. These savings are expected to be realized upon full integration, which is expected to occur over the 18-month period following the closing of the merger. However, the Combined Company will be required to devote significant

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management attention and resources to integrating the business practices and operations of Essex and BRE. Potential difficulties the Combined Company may encounter in the integration process include the following:

the inability to successfully combine the businesses of Essex and BRE in a manner that permits the Combined Company to achieve the cost savings anticipated to result from the merger, which would result in the anticipated benefits of the merger not being realized in the timeframe currently anticipated or at all;

the complexities associated with managing the combined businesses out of several different locations and integrating personnel from the two companies;

the additional complexities of combining two companies with different histories, cultures, regulatory restrictions, markets and customer bases;

potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the merger; and

performance shortfalls as a result of the diversion of management's attention caused by completing the merger and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of the Combined Company's management, the disruption of the Combined Company's ongoing business or inconsistencies in the Combined Company's operations, services, standards, controls, procedures and policies, any of which could adversely affect the ability of the Combined Company to maintain relationships with tenants, vendors and employees or to achieve the anticipated benefits of the merger, or could otherwise adversely affect the business and financial results of the Combined Company.

Following the merger, the Combined Company may be unable to retain key employees.

The success of the Combined Company after the merger will depend in part upon its ability to retain key Essex and BRE employees. Key employees may depart either before or after the merger because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the Combined Company following the merger. Accordingly, no assurance can be given that Essex, BRE or, following the merger, the Combined Company will be able to retain key employees to the same extent as in the past.

The Combined Company's anticipated level of indebtedness will increase upon completion of the merger and will increase the related risks Essex now faces.

In connection with the merger, the Combined Company will assume certain indebtedness of BRE and will be subject to increased risks associated with debt financing, including an increased risk that the Combined Company's cash flow could be insufficient to meet required payments on its debt. At September 30, 2013, Essex had indebtedness of \$2.9 billion, including \$15.4 million of outstanding borrowings under its lines of unsecured credit, a total of \$1.4 billion of outstanding unsecured debt and a total of \$1.5 billion of outstanding mortgage debt. Taking into account Essex's existing indebtedness and the assumption of indebtedness in the merger, the Combined Company's pro forma

consolidated indebtedness as of September 30, 2013, after giving effect to the merger, would be approximately \$5.9 billion, including \$246.4 million under lines of unsecured credit, a total of \$2.4 billion of unsecured debt, \$2.2 billion of mortgage debt, and a \$1.0 billion bridge loan facility. Essex may use the bridge loan facility, if needed, to finance the cash consideration in connection with the merger and is reflected for pro forma purposes.

The Combined Company's increased indebtedness could have important consequences to holders of its common stock and preferred stock, including BRE stockholders who receive Essex common stock in the merger, including:

increasing the Combined Company's vulnerability to general adverse economic and industry conditions;

limiting the Combined Company's ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;

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requiring the use of a substantial portion of the Combined Company's cash flow from operations for the payment of principal and interest on its indebtedness, thereby reducing its ability to use its cash flow to fund working capital, acquisitions, capital expenditures and general corporate requirements;

limiting the Combined Company's flexibility in planning for, or reacting to, changes in its business and its industry; and

putting the Combined Company at a disadvantage compared to its competitors with less indebtedness. If the Combined Company defaults under a mortgage loan, it will automatically be in default under any other loan that has cross-default provisions, and it may lose the properties securing these loans. Although the Combined Company anticipates that it will pay off its mortgage payables as soon as prepayment penalties and other costs make it economically feasible to do so, the Combined Company cannot anticipate when such payment will occur.

The future results of the Combined Company will suffer if the Combined Company does not effectively manage its expanded operations following the merger.

Following the merger, the Combined Company expects to continue to expand its operations through additional acquisitions of properties, some of which may involve complex challenges. The future success of the Combined Company will depend, in part, upon the ability of the Combined Company to manage its expansion opportunities, which may pose substantial challenges for the Combined Company to integrate new operations into its existing business in an efficient and timely manner, and upon its ability to successfully monitor its operations, costs, regulatory compliance and service quality, and to maintain other necessary internal controls. There is no assurance that the Combined Company's expansion or acquisition opportunities will be successful, or that the Combined Company will realize its expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

In connection with the announcement of the merger agreement, three lawsuits have been filed and are pending as of January 16, 2014, seeking, among other things, to enjoin the merger, and an injunction or other adverse ruling being entered in this lawsuit may prevent the merger from being effective or from becoming effective within the expected timeframe (if at all).

Since the announcement of the merger agreement on December 19, 2013, three putative class action and shareholder derivative actions have been filed on behalf of alleged BRE stockholders and/or BRE itself in the Circuit Court for Baltimore City, Maryland. All of these complaints name as defendants BRE, the BRE Board, Essex, and Merger Sub, and allege that the BRE Board breached its fiduciary duties to BRE's stockholders and/or to BRE itself, and that the merger involves an unfair price, an inadequate sales process, and unreasonable deal protection devices that purportedly preclude competing offers. The complaints further allege that Essex, Merger Sub, and, in some cases, BRE aided and abetted those alleged breaches of duty. The complaints seek injunctive relief, including enjoining or rescinding the merger, and an award of other unspecified attorneys' and other fees and costs, in addition to other relief. We may also be the target of similar litigation in the future.

While BRE and Essex management believe that the allegations in the complaints are without merit and intend to defend vigorously against these allegations, we cannot assure you as to the outcome of these, or any similar future lawsuits, including the costs associated with defending these claims or any other liabilities that may be incurred in connection with the litigation or settlement of these claims. If the plaintiffs are successful in obtaining an injunction prohibiting the parties from completing the merger on the agreed-upon terms, such an injunction may prevent the completion of the merger in the expected time frame, or may prevent it from being completed altogether. Whether or

not the plaintiffs' claims are successful, this type of litigation is often expensive and diverts management's attention and resources, which could adversely affect the operation of the businesses of BRE and Essex. For more information about litigation related to the merger, see "The Merger - Litigation Relating to the Merger" beginning on page 126.

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Counterparties to certain significant agreements with Essex or BRE may exercise contractual rights under such agreements in connection with the merger.

Essex and BRE are each party to certain agreements that give the counterparty certain rights following a change in control, including in some cases the right to terminate the agreement. Under some such agreements, the merger will constitute a change in control and therefore the counterparty may exercise certain rights under the agreement upon the closing of the merger. Certain Essex and BRE joint ventures, management and service contracts, and debt obligations have agreements subject to such provisions. Any such counterparty may request modifications of their respective agreements as a condition to granting a waiver or consent under their agreement. There can be no assurances that such counterparties will not exercise their rights under these agreements, including termination rights where available, or that the exercise of any such rights under, or modification of, these agreements will not adversely affect the business or operations of the Combined Company.

The Combined Company's joint ventures, including any joint venture entered into in connection with the Asset Sale, assuming the Asset Sale occurs, could be adversely affected by the Combined Company's lack of sole decision-making authority, its reliance on its joint venture partner's financial condition and disputes between the Combined Company and its joint venture partner.

Both Essex and BRE currently have joint venture investments that will constitute a portion of the Combined Company's assets upon consummation of the merger. In addition, the Combined Company may enter into additional joint ventures after consummation of the merger. Essex also currently anticipates that certain to-be-identified assets of BRE will be contributed to a joint venture to be formed between BRE and one or more third parties on the business day prior to the effective time of the merger. These joint venture investments involve risks not present with a property wholly owned by the Combined Company including that (i) one or more joint venture partners might become bankrupt or fail to fund a share of required capital contributions; (ii) one or more joint venture partners may have economic or other business interests or goals that are inconsistent with the Combined Company's business interests or goals; or (iii) disputes between the Combined Company and one or more of its joint venture partners may result in litigation or arbitration that would increase the operating expenses of the Combined Company and divert management time and attention away from the business. The occurrence of one or more of the events described above could cause unanticipated disruption to the operations of the Combined Company or unanticipated costs and liabilities to the Combined Company, which could in turn adversely affect the financial condition, results of operations and cash flows of the Combined Company and limit its ability to make distributions to its stockholders.

Risks Related to an Investment in the Combined Company's Common Stock

The market price of shares of the common stock of the Combined Company may be affected by factors different from those affecting the price of shares of Essex common stock or BRE common stock before the merger.

The results of operations of the Combined Company, as well as the market price of the common stock of the Combined Company, after the merger may be affected by other factors in addition to those currently affecting Essex's or BRE's results of operations and the market prices of Essex common stock and BRE common stock. These factors include:

a greater number of shares of the Combined Company common stock outstanding as compared to the number of currently outstanding shares of Essex common stock;

different stockholders; and

different assets and capitalizations

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Accordingly, the historical market prices and financial results of Essex and BRE may not be indicative of these matters for the Combined Company after the merger. For a discussion of the businesses of Essex and BRE and certain risks to consider in connection with investing in those businesses, see the documents incorporated by reference by Essex and BRE into this joint proxy statement/prospectus referred to under [Where You Can Find More Information](#).

The market price of the Combined Company's common stock may decline as a result of the merger.

The market price of the Combined Company's common stock may decline as a result of the merger if the Combined Company does not achieve the perceived benefits of the merger as rapidly or to the extent anticipated by financial or industry analysts, or the effect of the merger on the Combined Company's financial results is not consistent with the expectations of financial or industry analysts.

In addition, upon consummation of the merger, Essex stockholders and BRE stockholders will own interests in a Combined Company operating an expanded business with a different mix of properties, risks and liabilities. Current stockholders of Essex and BRE may not wish to continue to invest in the Combined Company, or for other reasons may wish to dispose of some or all of their shares of the Combined Company's common stock. If, following the effective time of the merger, large amounts of the Combined Company's common stock are sold, the price of the Combined Company's common stock could decline.

After the merger is completed, BRE stockholders who receive shares of the Combined Company common stock in the merger will have different rights that may be less favorable than their current rights as BRE stockholders.

After the closing of the merger, BRE stockholders who receive shares of the Combined Company common stock in the merger will have different rights than they currently have as BRE stockholders. For a detailed discussion of the significant differences between the current rights as a stockholder of BRE and the rights as a stockholder of the Combined Company following the merger, see [Comparison of Rights of Stockholders of Essex and Stockholders of BRE](#) beginning on page 184.

The Combined Company cannot assure you that it will be able to continue paying dividends at or above the rate currently paid by Essex and BRE.

The stockholders of the Combined Company may not receive dividends at the same rate they received dividends as stockholders of Essex and BRE following the merger for various reasons, including the following:

the Combined Company may not have enough cash to pay such dividends due to changes in the Combined Company's cash requirements, capital spending plans, cash flow or financial position;

decisions on whether, when and in which amounts to make any future distributions will remain at all times entirely at the discretion of the Combined Company's board of directors, which reserves the right to change Essex's current dividend practices at any time and for any reason;

the Combined Company may desire to retain cash to maintain or improve its credit ratings; and

the amount of dividends that the Combined Company's subsidiaries may distribute to the Combined Company may be subject to restrictions imposed by state law, restrictions that may be imposed by state regulators, and restrictions imposed by the terms of any current or future indebtedness that these subsidiaries may incur.

Stockholders of the Combined Company will have no contractual or other legal right to dividends that have not been declared by the Combined Company's board of directors.

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The Combined Company may need to incur additional indebtedness in the future.

In connection with executing the Combined Company's business strategies following the merger, the Combined Company expects to evaluate the possibility of acquiring additional properties and making strategic investments, and the Combined Company may elect to finance these endeavors by incurring additional indebtedness. The amount of such indebtedness could have material adverse consequences for the Combined Company, including hindering the Combined Company's ability to adjust to changing market, industry or economic conditions; limiting the Combined Company's ability to access the capital markets to refinance maturing debt or to fund acquisitions or emerging businesses; limiting the amount of free cash flow available for future operations, acquisitions, dividends, stock repurchases or other uses; making the Combined Company more vulnerable to economic or industry downturns, including interest rate increases; and placing the Combined Company at a competitive disadvantage compared to less leveraged competitors.

The Combined Company may incur adverse tax consequences if Essex or BRE has failed or fails to qualify as a REIT for U.S. federal income tax purposes.

Each of Essex and BRE has operated in a manner that it believes has allowed it to qualify as a REIT for U.S. federal income tax purposes under the Code, and each intends to continue to do so through the time of the merger, and the Combined Company intends to continue operating in such a manner following the merger. None of Essex, BRE or the Combined Company has requested or plans to request a ruling from the IRS that it qualifies as a REIT. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The determination of various factual matters and circumstances not entirely within the control of Essex, BRE or the Combined Company, as the case may be, may affect any such company's ability to qualify as a REIT. In order to qualify as a REIT, each of Essex, BRE and the Combined Company must satisfy a number of requirements, including requirements regarding the ownership of its stock and the composition of its gross income and assets. Also, a REIT must make distributions to stockholders aggregating annually at least 90% of its net taxable income, excluding any net capital gains.

If any of Essex, BRE or the Combined Company loses its REIT status, or is determined to have lost its REIT status in a prior year, it will face serious tax consequences that would substantially reduce its cash available for distribution, including cash available to pay dividends to its stockholders, because:

such company would be subject to U.S. federal income tax on its net income at regular corporate rates for the years it did not qualify for taxation as a REIT (and, for such years, would not be allowed a deduction for dividends paid to stockholders in computing its taxable income);

such company could be subject to the federal alternative minimum tax and possibly increased state and local taxes for such periods;

unless such company is entitled to relief under applicable statutory provisions, neither it nor any successor company could elect to be taxed as a REIT until the fifth taxable year following the year during which it was disqualified; and

for up to ten years following re-election of REIT status, upon a taxable disposition of an asset owned as of such re-election, such company could be subject to corporate level tax with respect to any built-in gain inherent in such asset at the time of re-election.

The Combined Company will inherit any liability with respect to unpaid taxes of Essex or BRE for any periods prior to the merger. In addition, under the investment company rules under Section 368 of the Code, if both Essex and BRE are investment companies under such rules (without regard to their REIT status), the failure of either Essex or BRE to qualify as a REIT could cause the merger to be taxable to Essex or BRE, respectively, and its stockholders. As a result of all these factors, Essex's, BRE's or the Combined Company's failure to qualify as a REIT could impair the Combined Company's ability to expand its business and raise capital, and would materially adversely affect the value of its stock. In addition, for years in which the Combined Company does not qualify as a REIT, it will not otherwise be required to make distributions to stockholders.

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In certain circumstances, even if the Combined Company qualifies as a REIT, it and its subsidiaries may be subject to certain U.S. federal, state, and other taxes, which would reduce the Combined Company's cash available for distribution to its stockholders.

Even if each of Essex, BRE and the Combined Company has, as the case may be, qualified and continues to qualify as a REIT, the Combined Company may be subject to U.S. federal, state, or other taxes. For example, net income from the sale of properties that are dealer properties sold by a REIT (a prohibited transaction under the Code) will be subject to a 100% tax. In addition, the Combined Company may not be able to make sufficient distributions to avoid income and excise taxes applicable to REITs. Alternatively, the Combined Company may decide to retain income it earns from the sale or other disposition of its property and pay income tax directly on such income. In that event, the Combined Company's stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, might not have any benefit from their deemed payment of such tax liability. The Combined Company and its subsidiaries may also be subject to U.S. federal taxes other than U.S. federal income taxes, as well as state and local taxes (such as state and local income and property taxes), either directly or at the level of its operating partnership, or at the level of the other companies through which the Combined Company indirectly owns its assets. Any U.S. federal or state taxes the Combined Company (or any of its subsidiaries) pays will reduce cash available for distribution by the Combined Company to stockholders. See section The Merger Material U.S. Federal Income Tax Consequences of the Merger beginning on page 103.

Essex and BRE face other risks.

The foregoing risks are not exhaustive, and you should be aware that, following the merger, the Combined Company will face various other risks, including those discussed in reports filed by Essex and BRE with the SEC. See Where You Can Find More Information beginning on page 199.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which Essex and BRE operate and beliefs of, and assumptions made by, Essex management and BRE management and involve uncertainties that could significantly affect the financial results of Essex, BRE or the Combined Company. Words such as expects, anticipates, intends, plans, believes, seeks, estimates, variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. Such forward-looking statements include, but are not limited to, statements about the anticipated benefits of the business combination transaction involving Essex and BRE, including future financial and operating results, and the Combined Company's plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that Essex and BRE expect or anticipate will occur in the future including statements relating to expected synergies, improved liquidity and balance sheet strength are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although Essex and BRE believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, Essex and BRE can give no assurance that their expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to:

each of Essex's and BRE's success, or the success of the Combined Company, in implementing its business strategy and its ability to identify, underwrite, finance, consummate and integrate acquisitions or investments;

changes in national, regional and local economic climates;

changes in financial markets and interest rates, or to the business or financial condition of Essex, BRE or the Combined Company or their respective businesses;

the nature and extent of future competition;

each of Essex's and BRE's ability, or the ability of the Combined Company, to pay down, refinance, restructure and/or extend its indebtedness as it becomes due;

the ability and willingness of Essex, BRE and the Combined Company to maintain its qualification as a REIT due to economic, market, legal, tax or other considerations;

availability to Essex, BRE and the Combined Company of financing and capital;

each of Essex's and BRE's ability, or the ability of the Combined Company, to deliver high quality properties and services, to attract and retain qualified personnel and to attract and retain residents and other tenants;

the impact of any financial, accounting, legal or regulatory issues or litigation that may affect Essex, BRE or the Combined Company;

risks associated with achieving expected revenue synergies or cost savings as a result of the merger;

risks associated with the companies' ability to consummate the merger, the timing of the closing of the merger and unexpected costs or unexpected liabilities that may arise from the merger, whether or not consummated; and

those additional risks and factors discussed in reports filed with the Securities and Exchange Commission, or the SEC, by Essex and BRE from time to time, including those discussed under the heading "Risk Factors" in their respective most recently filed reports on Forms 10-K and 10-Q.

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Should one or more of the risks or uncertainties described above or elsewhere in this joint proxy statement/prospectus occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus.

All forward-looking statements, expressed or implied, included in this joint proxy statement/prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Essex, BRE or persons acting on their behalf may issue.

Neither Essex nor BRE undertakes any duty to update any forward-looking statements appearing in this joint proxy statement/prospectus.

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THE COMPANIES

Essex Property Trust, Inc.

Essex is a Maryland corporation that has elected to be taxed as a REIT under the Code. Essex owns all of its interests in real estate investments directly or indirectly through Essex Portfolio, L.P., or Essex LP. Essex is the sole general partner of Essex LP and as of September 30, 2013 owns a 94.6% general partnership interest. Essex is engaged primarily in the ownership, operation, management, acquisition, development and redevelopment of predominantly apartment communities. As of September 30, 2013, Essex owned or held an interest in 163 apartment communities, aggregating 34,416 units, excluding Essex's ownership in preferred interest co-investments. Additionally, as of September 30, 2013, Essex owned or had ownership interests in five commercial buildings and eleven active development projects in various stages of development. The communities are located in Southern California (Los Angeles, Orange, Riverside, San Diego, Santa Barbara, and Ventura counties), Northern California (the San Francisco Bay Area) and the Seattle metropolitan area.

Essex common stock is listed on the NYSE, trading under the symbol **ESS**.

Essex was incorporated in the state of Maryland in 1994, and Essex LP was formed in the state of California in 1994. Essex's principal executive offices are located at 925 East Meadow Drive, Palo Alto, California 94303, and its telephone number is (650) 494-3700.

Bronco Acquisition Sub, Inc.

Bronco Acquisition Sub, Inc., or Merger Sub, a direct wholly owned subsidiary of Essex, is a Delaware corporation formed on December 17, 2013 for the purpose of entering into the merger agreement. Upon completion of the merger, BRE will be merged with and into Merger Sub with Merger Sub surviving as a direct wholly owned subsidiary of Essex. Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

Additional information about Essex and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 199.

BRE Properties, Inc.

BRE is a Maryland corporation that has elected to be taxed as a REIT under the Code. BRE is focused on the development, acquisition and management of multifamily apartment communities primarily located in the major metropolitan markets of Southern and Northern California and Seattle, Washington. As of September 30, 2013, BRE had real estate assets with a net book value of approximately \$3.6 billion, which included: 75 wholly or majority owned stabilized multifamily communities, aggregating 21,396 homes primarily located in California and Washington; one multifamily community owned through a joint venture comprised of 252 apartment homes; one land asset held for sale; and six wholly owned or majority-owned development communities (five in Northern California and one in Southern California) in various stages of planning and construction, totaling 1,888 homes. BRE has been a publicly traded company since its founding in 1970.

BRE common stock is listed on the NYSE, trading under the symbol **BRE**.

BRE was incorporated in the state of Delaware in 1970, and was re-incorporated as a Maryland corporation in 1996. BRE's principal executive offices are located at 525 Market Street, 4th Floor, San Francisco, California 94105, and its

telephone number is (415) 445-6530.

Additional information about BRE and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#) on page 199.

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The Combined Company

References to the Combined Company are to Essex after the effective time of the merger. The Combined Company will be named Essex Property Trust, Inc. and will be a Maryland corporation. The Combined Company will be the leading publicly traded, multifamily REIT focused on the West Coast with a platform poised to achieve a greater level of acquisitions and value enhancing developments. The Combined Company is expected to have a pro forma equity market capitalization of approximately \$10.4 billion, and a total market capitalization in excess of \$15.4 billion. The Combined Company's asset base will consist primarily of approximately 56,000 multifamily units in 239 properties. The Combined Company's largest markets are expected to be Southern California, Northern California and metropolitan Seattle.

The business of the Combined Company will be operated through Essex LP and its subsidiaries. On a pro forma basis giving effect to the merger, the Combined Company will own an approximate 97% general partnership interest in Essex LP and, as its sole general partner, the Combined Company will have the full, exclusive and complete responsibility for and discretion in the day-to-day management and control of Essex LP.

The common stock of the Combined Company will continue to be listed on the NYSE, trading under the symbol ESS.

The Combined Company's principal executive offices will be located at 925 East Meadow Drive, Palo Alto, California 94303, and its telephone number will be (650) 494-3700.

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THE ESSEX SPECIAL MEETING

Date, Time, Place and Purpose of Essex's Special Meeting

The special meeting of the stockholders of Essex will be held at [] on [], 2014, commencing at [], local time. The purpose of Essex's special meeting is:

1. to consider and vote on a proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger; and
2. to consider and vote on a proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock in the merger.

Recommendation of the Essex Board

The Essex Board has unanimously (i) determined and declared that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable, fair to, and in the best interests of Essex and its stockholders, (ii) approved and adopted the merger agreement, the merger and the other transactions contemplated thereby, and (iii) authorized and approved the issuance of shares of Essex common stock to BRE stockholders in the merger. The Essex Board unanimously recommends that Essex stockholders vote **FOR** the proposal to approve the issuance of Essex common stock in the merger, and **FOR** the proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock in the merger. For the reasons for this recommendation, see

The Merger Recommendation of Essex Board and Its Reasons for the Merger beginning on page 74.

Essex Record Date; Who Can Vote at Essex's Special Meeting

Only holders of record of Essex common stock at the close of business on January 23, 2014, Essex's record date, are entitled to notice of, and to vote at, Essex's special meeting and any adjournment of the special meeting. As of the record date, there were [] shares of Essex common stock outstanding and entitled to vote at Essex's special meeting, held by approximately [] stockholders of record.

Each share of Essex common stock owned on Essex's record date is entitled to one vote on each proposal at Essex's special meeting.

Vote Required for Approval; Quorum

Approval of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger requires the affirmative vote of at least a majority of all votes cast on such proposal. Approval of the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock in the merger requires the affirmative vote of at least a majority of all votes cast on such proposal.

Essex's bylaws provide that the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter constitutes a quorum at a meeting of its stockholders. Shares that are voted and shares abstaining from voting are treated as being present at Essex's special meeting for purposes of determining whether a quorum is present.

Abstentions and Broker Non-Votes

Abstentions will be counted in determining the presence of a quorum. Abstentions will have the same effect as a vote cast AGAINST the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger. Abstentions will have no effect on the proposal to approve one or more adjournments

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of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger. There will be no broker non-votes at the meeting because the only proposals are non-routine under NYSE Rule 452.

Manner of Submitting Proxy

Essex stockholders may submit their votes for or against the proposals submitted at Essex's special meeting in person or by proxy. Essex stockholders may be able to submit a proxy in the following ways:

Internet. Essex stockholders may submit a proxy over the Internet by going to the website listed on their proxy card or voting instruction card. Once at the website, they should follow the instructions to submit a proxy.

Telephone. Essex stockholders may submit a proxy using the toll-free number listed on their proxy card or voting instruction card.

Mail. Essex stockholders may submit a proxy by completing, signing, dating and returning their proxy card or voting instruction card in the preaddressed postage-paid envelope provided.

Essex stockholders should refer to their proxy cards or the information forwarded by their broker or other nominee to see which options are available to them.

The Internet and telephone proxy submission procedures are designed to authenticate stockholders and to allow them to confirm that their instructions have been properly recorded. If you submit a proxy over the Internet or by telephone, then you need not return a written proxy card or voting instruction card by mail. The Internet and telephone facilities available to record holders will close at [] Eastern Time on [], 2014.

The method by which Essex stockholders submit a proxy will in no way limit their right to vote at Essex's special meeting if they later decide to attend the meeting and vote in person. If shares of Essex common stock are held in the name of a broker or other nominee, Essex stockholders must obtain a proxy, executed in their favor, from the broker or other nominee, to be able to vote in person at Essex's special meeting.

All shares of Essex common stock entitled to vote and represented by properly completed proxies received prior to Essex's special meeting, and not revoked, will be voted at Essex's special meeting as instructed on the proxies. **If Essex stockholders of record return properly executed proxies but do not indicate how their shares of Essex common stock should be voted on a proposal, the shares of Essex common stock represented by their properly executed proxy will be voted as the Essex Board recommends and therefore, FOR the proposal to approve the issuance of Essex common stock in the merger, and FOR the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock in the merger.**

Shares Held in Street Name

If Essex stockholders hold shares of Essex common stock in an account of a broker or other nominee and they wish to vote such shares, they must return their voting instructions to the broker or other nominee.

If Essex stockholders hold shares of Essex common stock in an account of a broker or other nominee and attend Essex's special meeting, they should bring a letter from their broker or other nominee identifying them as the beneficial owner of such shares of Essex common stock and authorizing them to vote.

Shares of Essex common stock held by brokers and other nominees will NOT be voted, and will NOT be present for purposes of determining a quorum, unless such Essex stockholders instruct such brokers or other nominees how to vote.

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Revocation of Proxies or Voting Instructions

Essex stockholders of record may change their vote or revoke their proxy at any time before it is exercised at Essex's special meeting by:

submitting notice in writing to Essex's Secretary at Essex Property Trust, 925 East Meadow Drive, Palo Alto, California, 94303, Attn: Corporate Secretary that you are revoking your proxy;

executing and delivering a later-dated proxy card or submitting a later-dated proxy by telephone or on the Internet; or

voting in person at Essex's special meeting.

Attending Essex's special meeting without voting will not revoke your proxy.

Essex stockholders who hold shares of Essex common stock in an account of a broker or other nominee may revoke their voting instructions by following the instructions provided by their broker or other nominee.

Tabulation of Votes

Essex will appoint an Inspector of Election for Essex's special meeting to tabulate affirmative and negative votes and abstentions.

Solicitation of Proxies

The solicitation of proxies from Essex stockholders is made on behalf of the Essex Board. Essex will pay the cost of soliciting proxies from Essex stockholders. Essex has engaged D.F. King to assist in the solicitation of proxies for the special meeting and Essex estimates it will pay D.F. King a fee of approximately \$20,000. Essex has also agreed to reimburse D.F. King for reasonable expenses incurred in connection with the proxy solicitation and to indemnify D.F. King against certain losses, claims, damages, liabilities and expenses. In addition to mailing proxy solicitation material, Essex's directors and officers, and employees of Essex may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to Essex's directors or officers, or to employees of Essex for such services.

In accordance with the regulations of the SEC and NYSE, Essex also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of shares of Essex common stock.

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PROPOSALS SUBMITTED TO ESSEX STOCKHOLDERS

Stock Issuance Proposal

(Proposal 1 on the Essex Proxy Card)

Essex stockholders are asked to approve the issuance of Essex common stock to BRE stockholders in the merger.

Pursuant to the merger agreement, approval of this proposal is a condition to the closing of the merger. If the proposal is not approved, the merger will not be completed.

Essex is requesting that Essex stockholders approve the issuance of Essex common stock to BRE stockholders in the merger. Approval of the proposal to approve the issuance of Essex common stock to BRE stockholders requires the affirmative vote of a majority of all votes cast at the special meeting.

Recommendation of the Essex Board

The Essex Board unanimously recommends that Essex stockholders vote FOR the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger.

Essex Adjournment Proposal

(Proposal 2 on the Essex Proxy Card)

Essex's special meeting may be adjourned one or more times to another date, time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies, if necessary or appropriate, to obtain additional votes in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger. If, at Essex's special meeting, the number of shares of Essex common stock present in person or represented by proxy and voting in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger is insufficient to approve the proposal, Essex intends to move to adjourn Essex's special meeting in order to enable the Essex Board to solicit additional proxies for approval of the proposal.

Essex is asking Essex stockholders to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger. Approval of this proposal requires the affirmative vote of a majority of all votes cast at the special meeting.

Recommendation of the Essex Board

The Essex Board unanimously recommends that Essex stockholders vote FOR the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of shares of Essex common stock to BRE stockholders in the merger.

Other Business

At this time, Essex does not intend to bring any other matters before Essex's special meeting, and Essex does not know of any matters to be brought before Essex's special meeting by others. If, however, any other matters properly come

before Essex's special meeting, the persons named in the enclosed proxy, or their duly constituted substitutes, acting at Essex's special meeting or any adjournment or postponement thereof will be deemed authorized to vote the shares represented thereby in accordance with the judgment of management on any such matter.

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THE BRE SPECIAL MEETING

Date, Time, Place and Purpose of BRE's Special Meeting

The special meeting of the stockholders of BRE will be held at [] on [], 2014, commencing at [], local time. The purpose of BRE's special meeting is:

1. to consider and vote on a proposal to approve the merger and other transactions contemplated by the merger agreement;
2. to consider and vote on an advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger; and
3. to consider and vote on a proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and other transactions contemplated by the merger agreement.

Recommendation of the BRE Board

The BRE Board has unanimously (i) determined and declared that the merger, the merger agreement, and the other transactions contemplated by the merger agreement, are advisable and in the best interests of BRE and its stockholders and (ii) approved the merger agreement and authorized the performance by BRE thereunder. The BRE Board unanimously recommends that BRE stockholders vote **FOR** the proposal to approve the merger and the other transactions contemplated by the merger agreement, **FOR** the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger and **FOR** the proposal to approve one or more adjournments of the meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement. For the reasons for this recommendation, see "The Merger Recommendation of BRE Board and Its Reasons for the Merger" beginning on page 76.

BRE Record Date; Who Can Vote at BRE's Special Meeting

Only holders of record of BRE common stock at the close of business on January 23, 2014, BRE's record date, are entitled to notice of, and to vote at, BRE's special meeting and any adjournment of the special meeting. As of the record date, there were [] shares of BRE common stock outstanding and entitled to vote at BRE's special meeting, held by approximately [] stockholders of record.

Each share of BRE common stock owned on BRE's record date is entitled to one vote on each proposal at BRE's special meeting.

Vote Required for Approval; Quorum

Approval of the proposal to approve the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of BRE common stock entitled to vote on such proposal. Approval of (i) the advisory (non-binding) proposal to approve certain compensation

that may be paid or become payable to the named executive officers of BRE in connection with the merger, and (ii) the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement each requires the affirmative vote of a majority of the votes cast on such proposal.

BRE's bylaws provide that the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast constitutes a quorum at a meeting of its stockholders. Shares that are voted and shares abstaining from voting are treated as being present at the BRE special meeting for purposes of determining whether a quorum is present.

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Abstentions and Broker Non-Votes

Abstentions will be counted in determining the presence of a quorum. Abstentions will have the same effect as votes cast AGAINST the proposal to approve the merger and the other transactions contemplated by the merger agreement but will have no effect on the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger or the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement. There will be no broker non-votes at the meeting because the only proposals are non-routine under NYSE Rule 452.

Manner of Submitting Proxy

BRE stockholders may submit their votes for or against the proposals submitted at BRE's special meeting either in person or by proxy. BRE stockholders may submit a proxy in the following ways:

Internet. BRE stockholders may submit a proxy over the Internet by going to the website listed on their proxy card or voting instruction card. Once at the website, they should follow the instructions to submit a proxy.

Telephone. BRE stockholders may submit a proxy using the toll-free number listed on their proxy card or voting instruction card.

Mail. BRE stockholders may submit a proxy by completing, signing, dating and returning their proxy card or voting instruction card in the preaddressed postage-paid envelope provided.

BRE stockholders should refer to their proxy cards or the information forwarded by their broker or other nominee to see which options are available to them.

The Internet and telephone proxy submission procedures are designed to authenticate stockholders and to allow them to confirm that their instructions have been properly recorded. If you submit a proxy over the Internet or by telephone, then you need not return a written proxy card or voting instruction card by mail. The Internet and telephone facilities available to record holders will close at [] Eastern Time on [], 2014.

The method by which BRE stockholders submit a proxy will in no way limit their right to vote at BRE's special meeting if they later decide to attend the meeting and vote in person. If shares of BRE common stock are held in the name of a broker or other nominee, BRE stockholders must obtain a proxy, executed in their favor, from the broker or other nominee, to be able to vote in person at BRE's special meeting.

All shares of BRE common stock entitled to vote and represented by properly completed proxies received prior to BRE's special meeting, and not revoked, will be voted at BRE's special meeting as instructed on the proxies. **If BRE stockholders of record return properly executed proxies but do not indicate how their shares of BRE common stock should be voted on a proposal, the shares of BRE common stock represented by their properly executed proxy will be voted as the BRE Board recommends and therefore, FOR the proposal to approve the merger and the other transactions contemplated by the merger agreement, FOR the proposal to approve certain**

compensation that may be paid or become payable to the named executive officers of BRE in connection with the merger and FOR the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement. If a BRE stockholder does not provide voting instructions to their broker or other nominee, their shares of BRE common stock will NOT be voted.

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Shares Held in Street Name

If BRE stockholders hold shares of BRE common stock in an account of a broker or other nominee and they wish to vote such shares, they must return their voting instructions to the broker or other nominee.

If BRE stockholders hold shares of BRE common stock in an account of a broker or other nominee and attend BRE's special meeting, they should bring a letter from their broker or other nominee identifying them as the beneficial owner of such shares of BRE common stock and authorizing them to vote.

Shares of BRE common stock held by brokers and other nominees will NOT be voted unless such BRE stockholders instruct such brokers or other nominees how to vote.

Revocation of Proxies or Voting Instructions

BRE stockholders of record may change their vote or revoke their proxy at any time before it is exercised at BRE's special meeting by:

submitting notice in writing to BRE's Secretary at BRE Properties, Inc., 525 Market Street, San Francisco, California, 94105, Attn: Corporate Secretary that you are revoking your proxy;

executing and delivering a later-dated proxy card or submitting a later-dated proxy by telephone or on the Internet; or

voting in person at BRE's special meeting.

Attending BRE's special meeting without voting will not revoke your proxy.

BRE stockholders who hold shares of BRE common stock in an account of a broker or other nominee may revoke their voting instructions by following the instructions provided by their broker or other nominee.

Tabulation of Votes

BRE will appoint an Inspector of Election for BRE's special meeting to tabulate affirmative and negative votes and abstentions.

Solicitation of Proxies; Payment of Solicitation Expenses

The solicitation of proxies from BRE stockholders is made on behalf of the BRE Board. BRE will pay the cost of soliciting proxies from BRE stockholders. Directors, officers and employees of BRE may solicit proxies on behalf of BRE in person or by telephone, facsimile or other means, but will not receive any additional compensation for doing so. BRE has engaged MacKenzie to assist it in the solicitation of proxies for the special meeting and BRE estimates it will pay MacKenzie a fee of approximately \$50,000. BRE has also agreed to reimburse MacKenzie for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify MacKenzie against certain losses, costs and expenses.

In accordance with the regulations of the SEC and NYSE, BRE also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of shares of BRE common stock.

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PROPOSALS SUBMITTED TO BRE STOCKHOLDERS

Merger Proposal

(Proposal 1 on the BRE Proxy Card)

BRE stockholders are asked to approve the merger and the other transactions contemplated by the merger agreement. For a summary and detailed information regarding this proposal to approve the merger and the other transactions contemplated by the merger agreement, see the information about the merger agreement and the merger throughout this joint proxy statement/prospectus, including the information set forth in sections entitled *The Merger* beginning on page 61 and *The Merger Agreement* beginning on page 127. A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus.

Pursuant to the merger agreement, approval of this proposal is a condition to the closing of the merger. If the proposal is not approved, the merger will not be completed even if the other proposals related to the merger are approved.

BRE is requesting that BRE stockholders approve the merger and the other transactions contemplated by the merger agreement. Approval of the proposal to approve the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of BRE common stock entitled to vote on such proposal.

Recommendation of the BRE Board

The BRE Board has unanimously (i) determined that the merger, the merger agreement, and the other transactions contemplated thereby, are advisable and in the best interests of BRE and its stockholders, and (ii) approved the merger agreement and authorized the performance by BRE thereunder. The BRE Board unanimously recommends that BRE stockholders vote FOR the proposal to approve the merger and the other transactions contemplated by the merger agreement.

Advisory Vote on Executive Compensation

(Proposal 2 on the BRE Proxy Card)

Advisory Vote Regarding Merger-Related Compensation. Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Section 14A of the Exchange Act, BRE is providing its stockholders with the opportunity to cast an advisory (non-binding) vote on the compensation that may be paid or become payable to BRE's named executive officers, which we refer to as NEOs, as determined in accordance with Item 402(t) of Regulation S-K, that is based upon or otherwise relates to the proposed merger and arises from any form of arrangement or understanding, whether written or unwritten, between BRE and the NEOs. BRE therefore is asking its stockholders to vote on the adoption of the following resolution:

RESOLVED, that the compensation that may be paid or become payable to BRE Properties, Inc.'s named executive officers in connection with the merger, as disclosed in the table entitled *Golden Parachute Compensation* pursuant to Item 402(t) of Regulation S-K, including the associated narrative discussion and the agreements or understandings pursuant to which such compensation may be paid or become payable, as set forth in this proposal titled *Advisory Vote Regarding Merger-Related Compensation* is hereby APPROVED.

The information set forth in the table below is intended to comply with Item 402(t) of Regulation S-K, which requires disclosure of information about certain compensation for each of BRE's NEOs, that is based on or otherwise relates to the transactions contemplated under the merger agreement. BRE's NEOs are Constance B. Moore, BRE's President and Chief Executive Officer, John A. Schissel, BRE's Executive Vice President and

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Chief Financial Officer, Stephen C. Dominiak, BRE's Executive Vice President and Chief Investment Officer, Kerry Fanwick, BRE's Executive Vice President, General Counsel and Secretary and Scott A. Reinert, BRE's Executive Vice President, Property Operations.

Please note that the amounts indicated below are estimates based on the material assumptions described in the notes to the table below, which may or may not actually occur. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, that may become payable to a NEO may differ in material respects from the amounts set forth below. Furthermore, for purposes of calculating such amounts, we have assumed:

A closing date for the merger of January 16, 2014, the latest practicable date prior to the filing of this joint proxy statement/prospectus;

The consummation of the merger constitutes a change in control for purposes of the applicable plan or agreement;

A qualifying termination of the NEO's employment (e.g., a termination by the NEO for good reason or by BRE other than for cause) in connection with a change in control on January 16, 2014; and

A price per share of BRE common stock of \$54.98, which equals the average closing price of BRE common stock over the first five business days following December 19, 2013.

Golden Parachute Compensation

Named Executive Officers	Cash (\$)(1)	Equity (\$)(2)	Perquisites/ Benefits (\$)(3)	Total (\$)(4)
Constance B. Moore	2,486,198	10,513,512	17,298	13,017,009
John A. Schissel	1,393,342	2,596,877	17,196	4,007,416
Stephen C. Dominiak	1,605,086	3,153,255	21,786	4,780,128
Kerry Fanwick	1,106,178	2,955,149	17,502	4,078,829
Scott A. Reinert	1,317,342	2,174,188	14,702	3,506,233

- (1) Pursuant to the employment agreements entered into by BRE with each NEO, which we refer to as the Employment Agreements, subject to the NEO's execution and non-revocation of a general release of claims, upon a qualifying termination of employment within twelve months following a change in control, each NEO is entitled to receive a lump sum cash payment equal to (i) the estimated annual bonus that the NEO would have earned for the year of termination, pro-rated through the date of termination; plus (ii) two times the sum of (a) his or her then annual base salary and (b) the average of the annual bonuses earned for the preceding two years. Such severance payments and benefits are double trigger arrangements. In the event that an NEO voluntarily resigns without good reason within twelve months following a change in control, the NEO would be entitled to a reduced cash severance payment equal to the sum of: (i) the estimated annual bonus that the NEO would have earned for the year of termination, pro-rated through the date of termination; (ii) 100% of his or her then annual base salary;

plus (iii) the average of the annual bonus awarded in the prior two years; however, for purposes of this disclosure, we have assumed that the NEO will be entitled to the greater amounts described in the preceding sentence and set forth in the table above.

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The following table separately quantifies the value of each component of cash severance that the NEOs may become entitled to receive upon a qualifying termination of employment within twelve months following a change in control:

Named Executive Officer (a)	Year of Termination (b)	Estimated Pro-Rated Annual Bonus for the (c)	200% Sum of (i) Annual Base Salary and (ii) Average Annual Bonuses for Preceding Two Years (d)	Total Cash Severance (\$) (e)
			(\$)	
Constance B. Moore	30,748	2,455,450		2,486,198
John A. Schissel	15,342	1,378,000		1,393,342
Stephen C. Dominiak	18,564	1,586,522		1,605,086
Kerry Fanwick	11,178	1,095,000		1,106,178
Scott A. Reinert	15,342	1,302,000		1,317,342

- (2) In addition to the foregoing, pursuant to the Employment Agreements, subject to the NEO's execution and non-revocation of a general release of claims, upon a qualifying termination of employment within twelve months following a change in control, certain equity awards held by the NEOs are subject to double-trigger acceleration as follows: Any then-outstanding options, performance/service share awards and restricted stock awards will vest (at target levels in the case of performance share awards for which the performance period has not ended prior to the date of termination). The following table quantifies the value, based on the assumed per share merger consideration of \$54.98, of the unvested stock options, performance/service share awards and restricted stock awards held by the NEOs that may be accelerated pursuant to the merger, assuming that the completion of the merger had occurred on January 16, 2014:

Named Executive Officer (a)	Number of Unvested Stock Options (b)	Value of Unvested Stock Options (\$) (c)	Number of Unvested Performance/Service Share Awards (d)	Value of Unvested Performance/Service Share Awards (\$) (e)	Number of Unvested Restricted Stock Shares (f)	Value of Unvested Restricted Stock (\$) (g)	Total
							Equity Value (\$) (j)
Constance B. Moore	47,824	437,603	169,061	9,294,974	14,204	780,936	10,513,512
John A. Schissel	16,252	153,841	44,435	2,443,036			2,596,877
Stephen C. Dominiak	20,829	207,647	53,576	2,945,608			3,153,255
Kerry Fanwick	14,869	152,433	50,977	2,802,715			2,955,149
Scott A. Reinert	6,389	22,106	31,210	1,715,926	7,933	436,156	2,174,188

- (3) Pursuant to BRE's severance policy, upon a qualifying termination of employment within twelve months following a change in control, each NEO will be entitled to receive an amount in cash equal to the cost of six months of BRE-subsidized health care coverage plus six months of BRE-paid outplacement services. The following table separately quantifies the value of the health care coverage and outplacement services that the NEOs may become entitled to receive upon a qualifying termination of employment within twelve months following a change in control:

Named Executive Officer (a)	Six Months Health Care Coverage (\$) (b)	Six Months Outplacement Services (\$) (c)	Total Benefits/Perquisites (\$) (d)
Constance B. Moore	11,298	6,000	17,298
John A. Schissel	11,196	6,000	17,196
Stephen C. Dominiak	15,786	6,000	21,786
Kerry Fanwick	11,502	6,000	17,502
Scott A. Reinert	8,702	6,000	14,702

- (4) Each Employment Agreement includes an Internal Revenue Code Section 280G "best pay" cutback, such that if any severance payments or benefits would constitute a "parachute payment" and would be subject to

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the excise tax imposed by Section 4999 of the Code, the aggregate benefits will either be delivered in full or delivered in a lesser amount that would result in no portion of the aggregate benefits being subject to the excise tax, whichever results in the receipt by the NEO of the greatest amount of aggregate benefits on an after-tax basis. However, for purposes of this disclosure and the table set forth above, we have assumed that the NEOs' severance payments and benefits will not be reduced pursuant to the preceding sentence and, accordingly, have disclosed the full value of their severance payments and benefits.

Narrative Disclosure to Golden Parachute Compensation Table.

BRE has entered into the Employment Agreements with Ms. Moore and Messrs. Schissel, Dominiak, Fanwick and Reinert which provide for severance payments and benefits upon a qualifying termination of employment in connection with a change in control. For more information related to the Employment Agreements, see the footnote disclosure above and *The Merger Interests of BRE's Directors and Executive Officers in the Merger Employment Agreements and Severance Policy* on page 101.

In addition, BRE's severance policy provides for certain health care benefits and outplacement services upon a qualifying termination of employment in connection with a change in control. For more information, see the footnote disclosure above and *The Merger Interests of BRE's Directors and Executive Officers in the Merger Employment Agreements and Severance Policy* on page 101.

As disclosed in BRE's Current Report on Form 8-K dated April 3, 2013, Mr. Fanwick gave notice of his intent to retire from BRE on March 31, 2014. For more information, see *The Merger Interests of BRE's Directors and Executive Officers in the Merger Employment Agreements and Severance Policy* on page 101.

Vote Required and Board of Directors Recommendation

The vote regarding this proposal on merger-related compensation is a vote separate and apart from the vote on the proposal to approve the merger and the other transactions contemplated by the merger agreement. Because the vote regarding merger-related compensation is advisory only, it will not be binding on either BRE or the Combined Company regardless of whether the merger is completed. Accordingly, if the merger is completed, the merger-related compensation will become payable in connection with the merger and a qualifying termination of employment, subject only to the conditions applicable thereto, regardless of the outcome of this non-binding, advisory vote.

Approval of the merger-related compensation requires the affirmative vote of a majority of the votes cast on such proposal.

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Recommendation of the BRE Board

The BRE Board unanimously recommends that BRE stockholders vote FOR the proposal to approve, on a non-binding, advisory basis, the compensation that may become payable to BRE's NEOs in connection with the merger.

BRE Adjournment Proposal

(Proposal 3 on the BRE Proxy Card)

BRE's special meeting may be adjourned one or more times to another date, time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies, if necessary or appropriate, to obtain additional votes in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.

If, at BRE's special meeting, the number of shares of BRE common stock present or represented by proxy and voting in favor of the merger proposal is insufficient to approve the proposal to approve the merger and the other transactions contemplated by the merger agreement, BRE intends to move to adjourn BRE's special meeting in order to enable BRE's board of directors to solicit additional proxies for approval of the proposal.

BRE is requesting that BRE stockholders approve one or more adjournments of BRE's special meeting, to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement. Approval of this proposal requires the affirmative vote of a majority of the votes cast at the special meeting.

Recommendation of the BRE Board

The BRE Board unanimously recommends that BRE stockholders vote FOR the proposal to approve one or more adjournments of the special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger and the other transactions contemplated by the merger agreement.

Other Business

At this time, BRE does not intend to bring any other matters before BRE's special meeting, and BRE does not know of any matters to be brought before BRE's special meeting by others. If, however, any other matters properly come before BRE's special meeting, the persons named in the enclosed proxy, or their duly constituted substitutes, acting at BRE's special meeting or any adjournment or postponement thereof will be deemed authorized to vote the shares represented thereby in accordance with the judgment of management on any such matter.

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THE MERGER

The following is a description of the material aspects of the merger. While Essex and BRE believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to Essex stockholders and BRE stockholders. Essex and BRE encourage Essex stockholders and BRE stockholders to carefully read this entire joint proxy statement/prospectus, including the merger agreement and the other documents attached to this joint proxy statement/prospectus and incorporated herein by reference, for a more complete understanding of the merger.

General

Each of the Essex Board and the BRE Board has unanimously declared advisable, and the Essex Board has unanimously approved, the merger agreement, the merger and the other transactions contemplated by the merger agreement, and the BRE Board has unanimously approved the merger agreement and authorized the performance by BRE thereunder. In the merger, BRE will merge with and into Merger Sub, with Merger Sub continuing as the surviving entity, and BRE stockholders will receive the merger consideration described below under "The Merger Agreement - Merger Consideration; Effects of the Merger."

Background of the Merger

The BRE Board and management periodically and in the ordinary course evaluated and considered a variety of financial and strategic opportunities as part of their long-term strategy to maximize stockholder value. Members of the management teams of BRE and Essex have in the past from time to time engaged in preliminary discussions regarding a potential strategic business combination of the two companies, although these discussions had occurred more than five years earlier and did not result in any agreement between the parties.

Beginning in the middle of 2012, Essex expressed a renewed interest in a potential strategic business combination transaction between BRE and Essex. In July 2012, Michael J. Schall, President and Chief Executive Officer of Essex, set up a meeting with Constance B. Moore, President and Chief Executive Officer of BRE, which was held on July 16, 2012. At the meeting, Mr. Schall indicated that Essex was interested in engaging in discussions with BRE regarding a potential strategic business combination. Ms. Moore noted that BRE had underperformed the multi-family sector in 2012 in same store revenue growth, adversely impacting BRE's common stock price in recent periods. She stated that, in her opinion, BRE's current market valuation did not yet fully take into account the value of BRE's development pipeline. Ms. Moore also noted that in prior discussions over the years between Essex and BRE, Essex had not indicated that it would pay a premium to BRE stockholders. Mr. Schall asked that she give the matter further consideration, and he would contact her again to continue to discuss the matter. Ms. Moore thereafter reported the meeting to Mr. Irving F. Lyons, the Chairman of the BRE Board, and they discussed the appropriate response to Essex.

On August 2, 2012, Ms. Moore called Mr. Schall, and Mr. Schall returned the call on August 13, 2012. Mr. Schall reiterated Essex's interest in a potential strategic business combination with BRE. Although Ms. Moore agreed that there could be advantages to both companies from a strategic business combination, she stated that it was not an appropriate time for BRE to consider a potential strategic business combination, primarily for the reasons discussed at the meeting held on July 16, 2012, including Ms. Moore's belief that the market had not fully valued BRE's development pipeline.

Subsequently, Mr. Schall notified Ms. Moore by email that Essex would provide further information to BRE about its willingness to continue discussions regarding a potential strategic business combination, including its willingness to

pay a premium to BRE stockholders.

On September 3, 2012, Ms. Moore received a letter, dated August 27, 2012 (the August 2012 Letter), from Mr. Schall on behalf of Essex, addressed to her. In the August 2012 Letter, Essex proposed a potential

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strategic business combination of Essex and BRE, which Essex characterized as a merger of equals. The August 2012 Letter stated that Essex believed that a premium to BRE's stock price was appropriate and necessary, based upon Essex's further preliminary assessment of BRE's portfolio and development pipeline. The August 2012 Letter stated that, based on Essex's preliminary analysis and the recent trading ranges of both BRE's and Essex's common stock, Essex believed that an appropriate premium would be in the range of 5% to 15%. The August 2012 Letter noted that the discussion of price was conceptual, and pricing would be a function of deal structure, transaction costs, and financial impacts, all of which would require further discussion and more detailed due diligence. In the August 2012 Letter, Essex proposed that Essex and BRE enter into mutual confidentiality and standstill agreements to facilitate the exchange of non-public information and further discussions.

On September 5, 2012, the BRE Board held a telephonic meeting to discuss Essex's preliminary proposal set forth in the August 2012 Letter. Representatives of Latham & Watkins LLP, which we refer to as Latham & Watkins, counsel to BRE, were also present. Ms. Moore summarized for the BRE Board her prior discussions with Mr. Schall. The BRE Board reviewed the terms and conditions of the preliminary proposal set forth in the August 2012 Letter. The BRE Board discussed, among other things, the development pipeline and the fact that those projects would only begin to be reflected in BRE's operating results starting in late 2013 and continuing into 2014 and 2015. The BRE Board reviewed the potential benefits of a strategic business combination with Essex, including potential operating synergies and the anticipated improved ability of a larger combined company to compete for growth capital. The BRE Board noted that it was possible that Essex would ultimately not be willing to pay a premium to BRE's then current trading price of its common stock at the levels indicated in the August 2012 Letter, as the range was stated as conceptual and subject to further discussion and more detailed due diligence. After discussion, the BRE Board determined that it would not be in the best interests of BRE or its stockholders to engage in discussions with Essex at that time. In addition, the BRE Board agreed that at the Board's annual strategic retreat at the end of October 2012, the BRE Board would review in detail the current status of the development pipeline, as well as the other facets of BRE's long-range strategic plan. In addition, the BRE Board requested that Wells Fargo Securities, financial advisor to BRE, attend the annual strategic retreat to assist the BRE Board in a further review of the August 2012 Letter and BRE's long-range strategic plan.

On September 6, 2012, in accordance with direction from the BRE Board, Ms. Moore sent a letter to Mr. Schall stating that she had shared the August 2012 Letter with the BRE Board and, while they appreciated receiving Mr. Schall's views on the potential benefits of a strategic business combination, the BRE Board did not feel it was in the best interest of BRE's stockholders to enter into discussions with Essex at this time.

On September 24, 2012, Mr. Schall contacted Ms. Moore via email, and they spoke by telephone on October 1, 2012. Ms. Moore confirmed to Mr. Schall that the BRE Board supported the position stated in her letter dated September 6, 2012. Mr. Schall said that the Essex Board supported his efforts to open discussions with BRE.

On October 23, 2012, the BRE Board held its annual strategic retreat. Members of BRE's senior management and representatives of Wells Fargo Securities were also present. During this meeting, the BRE Board reviewed BRE's multi-year business plan. Management discussed the current macro-economic environment, the year-to-date performance of the REIT sector and apartment REITs in particular, and observations regarding the perception of BRE by the investment community. Management noted that on a 2012 year-to-date basis, BRE's trading price had meaningfully lagged its peers in the multi-family sector, including Essex. Management believed that this was due to several factors including: (i) BRE's lagging revenue growth relative to its peers (which management believed primarily reflected the mix of markets and submarkets in which BRE's properties are located); (ii) concerns of BRE's investors regarding the size and return profile of BRE's development pipeline; and (iii) the fact that BRE's overall earnings growth was lower than its peers. The BRE Board and management reviewed a number of alternatives, and concluded that BRE should take several actions in order to address investor concerns and position BRE for greater long-term

growth. These actions included the following: (i) reducing the size of BRE's existing development pipeline, through the sale of select land parcels or contribution of the parcels to a joint venture with an outside investor; (ii) allowing the development pipeline to

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reduce further over time by virtue of the eventual completion of the six existing communities then under development through mid-2015, and a reduction in the number of new projects in the development pipeline; and (iii) selling a number of existing slower growth properties through mid-2015, for net proceeds estimated at that time to be between approximately \$350 million and \$575 million, which would help fund the development pipeline, limit the amount of debt or equity that would need to be issued to fund the development pipeline, and improve BRE's growth profile. The BRE Board and management noted that until these actions were fully implemented, BRE's financial results would continue to be affected by the slower growth properties in the existing portfolio, and that the sale of a large number of units would be significantly dilutive to BRE's earnings. At the same time, the benefits of the cash flow produced by the delivery of the existing development pipeline would not be reflected in BRE's financial results for a 24 to 36 month period, and in the interim, investors would likely discount the projected performance of the new developments due to the risk that the developments may not be completed on time or on budget, or may not perform as well as BRE expected. Accordingly, the BRE Board expected that the market value of BRE common stock would likely be under continued pressure during that period, but that the long-term goal was to position BRE for outperformance by 2015 after the asset sales and new developments had been completed and stronger and more predictable earnings growth realized. At the meeting, the BRE Board also reviewed with management and Wells Fargo Securities other potential strategic alternatives, including a strategic merger with another party such as Essex or another company operating in the multi-family sector, or a sale of BRE to a private buyer.

On December 7, 2012, Mr. Schall sent a second letter, addressed to Ms. Moore and Mr. Lyons (the December 2012 Letter). In the December 2012 Letter, Essex expressed continuing interest in engaging in formal discussions with BRE regarding a potential business combination. The December 2012 Letter stated that, based on Essex's review of publicly available information, Essex was prepared to offer BRE's stockholders \$53.00 per share of BRE common stock. The December 2012 Letter also stated that Essex had analyzed a potential business combination that would provide consideration to BRE stockholders of approximately 80% in Essex common stock and 20% in cash, but that Essex would be willing to consider a transaction with a greater cash component. The December 2012 Letter indicated that the preliminary, non-binding offer was not subject to a financing condition and Essex intended that the proposed business combination would be structured as a tax-free reorganization. The December 2012 Letter proposed that as a next step Essex and BRE exchange non-public information with each other.

On December 10, 2012, Ms. Moore responded to the December 2012 Letter, stating that BRE would respond once the BRE Board had the opportunity to consider it.

On December 11, 2012, Janice Sears, a member of the Essex Board, met with Jeanne Myerson, a member of the BRE Board, at the request of Ms. Sears. During the meeting, Ms. Sears explained what the Essex Board and management team viewed as potential advantages to both Essex and BRE and their respective stockholders of a combination of the two companies. Following the discussion of those potential advantages, Ms. Myerson asked Ms. Sears about rumors and analyst speculation that Essex had acquired shares of BRE common stock as a strategic investment. Ms. Sears explained that Essex did hold shares of BRE common stock, as well as securities of other companies. Ms. Myerson told Ms. Sears that the BRE Board had a regularly scheduled meeting soon, at which the topic of the December 2012 Letter would be discussed. Ms. Myerson then reported the substance of this meeting to Mr. Lyons and Ms. Moore.

On December 19, 2012, the BRE Board held a regularly scheduled meeting in San Francisco. Members of BRE's senior management were also present. Ms. Moore summarized for the BRE Board the December 2012 Letter and her most recent discussions with Mr. Schall. She noted that in early November, 2012, Essex had disclosed that it had made an investment in the common stock of a company that Essex considered strategic in nature, and, thereafter, there had been market rumors and analyst speculation that Essex had acquired approximately \$70 million of BRE common stock. Ms. Myerson summarized her discussion with Ms. Sears. The BRE Board then reviewed the terms and conditions of the December 2012 Letter. The BRE Board noted that at the strategic retreat held two months earlier, the

BRE Board had reviewed the terms of the August 2012 Letter,

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which had preliminarily proposed a transaction with a premium to BRE stockholders of between 5% and 15% to current BRE market valuations. The BRE Board expected at that time that the current BRE market valuation would likely be under continued pressure in the near term, but that the long-term goal of BRE's strategic business plan was to position BRE for outperformance by 2015 after the asset sales and new developments had been completed and stronger and more predictable earnings growth realized. After discussion, the BRE Board determined that it would not be in the best interests of BRE's stockholders to engage in discussions with Essex at that time. The BRE Board directed Mr. Lyons to contact George M. Marcus, the Chairman of the Essex Board, and directed Ms. Moore to send a letter to Mr. Schall, setting forth in detail some of the reasons why the BRE Board had made that determination. Later that day, following the BRE Board meeting, Mr. Lyons contacted Mr. Marcus and informed him of the BRE Board's decision. Ms. Moore then sent a letter to Mr. Schall dated December 20, 2012, stating that the BRE Board believed that the market had undervalued the potential value creation embedded in BRE's existing development pipeline. The letter stated that the BRE Board continued to believe that it would not be in the best interest of BRE's stockholders to enter into discussions with Essex at that time, that BRE's existing strategy presented significant opportunities for BRE which were expected to translate into enhanced value for BRE's stockholders, and that a business combination with Essex along the lines proposed in the August 2012 Letter and the December 2012 Letter would not offer the same potential to create value for BRE's stockholders.

On April 15, 2013, in conjunction with BRE's effort to obtain joint venture capital for the development of its two Pleasanton, California projects, BRE requested to meet with representatives of a large pension fund with significant real estate investments. Ms. Moore and Mr. John A. Schissel, Executive Vice President and Chief Financial Officer of BRE, met with senior executives of the pension fund in San Francisco to discuss the pension fund's interest in working with BRE on a range of potential capital raising alternatives. The discussions were general and preliminary in nature, but the pension fund representatives indicated that the pension fund's preferred alternative was to deploy capital in a more efficient manner through a platform transaction, and that an acquisition of BRE by the pension fund could be of interest to them. Ms. Moore told them that if the pension fund had a specific proposal to share, she would relay it to the BRE Board. Ms. Moore reported the substance of the meeting to Mr. Lyons. After this meeting, there was no further contact from representatives of the pension fund.

In early June 2013, Jonathan Litt, the Chief Executive Officer of Land and Buildings, or L&B, a long/short investment fund, contacted Ms. Moore and requested a meeting with her at the upcoming NAREIT Investor Forum in Chicago. L&B had been a long-term stockholder in BRE, and Mr. Litt had spoken to Ms. Moore several times in recent years regarding L&B's investment in BRE.

On June 5, 2013, Mr. Litt proposed that they meet at a coffee shop located in the conference hotel. At this meeting, Mr. Litt stated that L&B was interested in discussing an acquisition of BRE. Mr. Litt indicated that he had contacted unnamed capital sources that were interested in the BRE portfolio of properties, and unnamed operators about running BRE. Mr. Litt asked that BRE enter into exclusive negotiations with L&B, in which case it would be possible for L&B to propose a per share purchase price for the BRE common stock with a 6 handle.

Following Ms. Moore's meeting with Mr. Litt, Ms. Moore relayed the conversation to Mr. Lyons. Ms. Moore and Mr. Lyons agreed that it would not be advisable for BRE to agree to exclusive negotiations with L&B at this time, but that she should request additional information from Mr. Litt about L&B's preliminary proposal.

On June 17, 2013, Ms. Moore called Mr. Litt and told him that BRE was committed to its independent business plan, and would not enter into exclusive negotiations with L&B. She also stated that, before the BRE Board would entertain discussions with any party, BRE would first need to verify that any proposal was credible. She asked Mr. Litt to provide information about the transactional and operational experience of his proposed acquisition partners, and the proposed sources of capital. Mr. Litt said that he could not reveal this information.

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In July 2013, a senior executive of Company A, a privately-held real estate development company, contacted Ms. Moore and requested a meeting to discuss several matters, including proposed legislative changes to California Prop 13. They agreed to meet on August 1, 2013 in San Francisco.

On the morning of July 31, 2013, immediately prior to BRE's regularly scheduled quarterly earnings call, L&B issued a press release that included a letter from L&B to the BRE Board. In the letter, L&B represented that in June 2013, it had made an offer, on behalf of a consortium, to purchase BRE at \$60 per share. L&B requested in the press release that the BRE Board form an independent committee to pursue a sale of BRE and to give serious consideration to the L&B offer. The letter and press release omitted the identity of the consortium members. L&B did not give prior notification to BRE that it intended to send a letter to the BRE Board or issue a press release.

Shortly after the issuance of L&B's press release, BRE held its regularly scheduled earnings conference call, reporting the results for the quarter ended June 30, 2013. On the call, Ms. Moore stated that she could not comment on the L&B letter, but she did state the BRE Board and management team would consider any legitimate proposal that was in the best interest of stockholders.

Later in the day, the BRE Board held a special telephonic meeting. Members of BRE's senior management and a representative of Latham & Watkins were also present. Ms. Moore summarized for the BRE Board her discussions with Mr. Litt, and said that Mr. Litt had not responded to her specific request for information about L&B's proposed sources of financing for an acquisition of BRE. The BRE Board specifically noted that: (i) Mr. Litt managed an investment fund with less than \$200 million in total assets under management, and L&B did not have the capital capacity to acquire BRE; (ii) in mid-June 2013, Ms. Moore had specifically requested that Mr. Litt provide information regarding his sources of capital, and to date, he had not responded; and (iii) Mr. Litt had no experience in engaging in acquisitions of any type. Accordingly, the BRE Board directed BRE's management to issue a press release stating that L&B's proposal did not evidence a viable opportunity for the BRE Board to consider. Later that day, BRE issued a press release to that effect.

On August 1, 2013, Ms. Moore met with the senior executive of Company A, as had been previously scheduled. Among other things, the representative of Company A wanted to discuss ways in which BRE and Company A might work together. The senior executive of Company A noted that it had access to a significant amount of capital for investment.

On August 12, 2013, and on several occasions thereafter, Mr. Litt contacted Mr. Lyons. Mr. Lyons talked with Mr. Litt by telephone on August 13 and 15, 2013, and in person on September 26, 2013. In each case, Mr. Lyons asked Mr. Litt to provide additional information about the undisclosed consortium, its capital sources, operational capabilities, and transaction experience. Mr. Litt refused to provide any additional information about the L&B offer unless BRE signed a nondisclosure agreement. Mr. Lyons told Mr. Litt that if significant capital sources were available to invest in BRE, then those capital sources should contact BRE directly rather than through Mr. Litt.

On August 14, 2013, Mr. Schall met Ms. Moore for lunch at the invitation of Mr. Schall. Mr. Schall said that he previously had been contacted by Mr. Litt and had told him that Essex was not interested in participating with Mr. Litt in any proposal to acquire BRE. However, Mr. Schall told Ms. Moore that Essex remained interested in a potential strategic business combination with BRE. Mr. Schall stated that he was meeting the following week with Mr. Marcus and Keith R. Guericke, the Vice Chairman of the Essex Board, and that he would discuss with them the possibility of Essex making a preliminary proposal to acquire BRE at a per share price that starts with a 6, if such a valuation could be supported by further due diligence.

In mid-August 2013, the senior executive of Company A called Ms. Moore and requested another meeting. On August 22, 2013, Ms. Moore and other members of BRE's senior management met with the senior executive of Company A, and a consultant to Company A. The senior executive of Company A stated that they had

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identified thirteen BRE properties (representing approximately 4,440 units) that Company A would like to acquire, which properties were BRE's highest growth properties. No purchase price was proposed. Ms. Moore stated that she thought it would not be in the best interests of BRE's stockholders to dispose of its highest growth properties and retain its slower growth properties. The senior executive of Company A said Company A might consider an acquisition of BRE in its entirety but would require a partner to purchase the slower-growth BRE properties.

Mr. Guericke had contacted Mr. Lyons on August 1, 2013, requesting a meeting, and they met on August 21, 2013. Mr. Guericke said that Essex was interested in a potentia