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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number: 001-34789 (Hudson Pacific Properties, Inc.)
Commission File Number: 333-202799-01 (Hudson Pacific Properties, L.P.)

Hudson Pacific Properties, Inc.
Hudson Pacific Properties, L.P.

(Exact name of registrant as specified in its charter)

Hudson Pacific Properties, Inc.	**Maryland** (State or other jurisdiction of incorporation or organization)	**27-1430478** (I.R.S. Employer Identification Number)
Hudson Pacific Properties, L.P.	**Maryland** (State or other jurisdiction of incorporation or organization)	**80-0579682** (I.R.S. Employer Identification Number)

11601 Wilshire Blvd., Ninth Floor
Los Angeles, California 90025
(Address of principal executive offices) (Zip Code)

(310) 445-5700
(Registrant’s telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Hudson Pacific Properties, Inc.	Common Stock, $0.01 par value	HPP	New York Stock Exchange
Hudson Pacific Properties, Inc.	4.750% Series C Cumulative Redeemable Preferred Stock	HPP Pr C	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Hudson Pacific Properties, Inc. Yes ☒ No ☐ Hudson Pacific Properties, L.P. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Hudson Pacific Properties, Inc. Yes ☒ No ☐ Hudson Pacific Properties, L.P. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Hudson Pacific Properties, Inc.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

Hudson Pacific Properties, L.P.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Hudson Pacific Properties, Inc. ☐ Hudson Pacific Properties, L.P. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Hudson Pacific Properties, Inc. Yes ☐ No ☒ Hudson Pacific Properties, L.P. Yes ☐ No ☒

The number of shares of common stock of Hudson Pacific Properties, Inc. outstanding at July 22, 2022 was 141,658,129.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the period ended June 30, 2022 of Hudson Pacific Properties, Inc., a Maryland corporation, and Hudson Pacific Properties, L.P., a Maryland limited partnership. Unless otherwise indicated or unless the context requires otherwise, all references in this report to "we," "us," "our," or "our Company" refer to Hudson Pacific Properties, Inc. together with its consolidated subsidiaries, including Hudson Pacific Properties, L.P. In statements regarding qualification as a REIT, such terms refer solely to Hudson Pacific Properties, Inc. Unless otherwise indicated or unless the context requires otherwise, all references to "our operating partnership" or "the operating partnership" refer to Hudson Pacific Properties, L.P. together with its consolidated subsidiaries.

Hudson Pacific Properties, Inc. is a real estate investment trust, or REIT, and the sole general partner of our operating partnership. As of June 30, 2022, Hudson Pacific Properties, Inc. owned approximately 98.3% of the ownership interest in our operating partnership (including unvested restricted units). The remaining approximately 1.7% interest was owned by certain of our executive officers and directors, certain of their affiliates and other outside investors, including unvested operating partnership performance units. As the sole general partner of our operating partnership, Hudson Pacific Properties, Inc. has the full, exclusive and complete responsibility for our operating partnership's day-to-day management and control.

We believe combining the quarterly reports on Form 10-Q of Hudson Pacific Properties, Inc. and the operating partnership into this single report results in the following benefits:

- enhancing investors' understanding of our Company and our operating partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminating duplicative disclosure and providing a more streamlined and readable presentation because a substantial portion of the disclosures apply to both our Company and our operating partnership; and
- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are a few differences between our Company and our operating partnership, which are reflected in the disclosures in this report. We believe it is important to understand the differences between our Company and our operating partnership in the context of how we operate as an interrelated, consolidated company. Hudson Pacific Properties, Inc. is a REIT, the only material assets of which are the units of partnership interest in our operating partnership. As a result, Hudson Pacific Properties, Inc. does not conduct business itself, other than acting as the sole general partner of our operating partnership, issuing equity from time to time and guaranteeing certain debt of our operating partnership. Hudson Pacific Properties, Inc. itself does not issue any indebtedness but guarantees some of the debt of our operating partnership. Our operating partnership, which is structured as a partnership with no publicly traded equity, holds substantially all of the assets of our Company and conducts substantially all of our business. Except for net proceeds from equity issuances by Hudson Pacific Properties, Inc., which are generally contributed to our operating partnership in exchange for units of partnership interest in our operating partnership, our operating partnership generates the capital required by our Company's business through its operations, its incurrence of indebtedness or through the issuance of units of partnership interest in our operating partnership.

Non-controlling interest, stockholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of our Company and those of our operating partnership. The common units in our operating partnership are accounted for as partners' capital in our operating partnership's consolidated financial statements and, to the extent not held by our Company, as a non-controlling interest in our Company's consolidated financial statements. The differences between stockholders' equity, partners' capital and non-controlling interest result from the differences in the equity issued by our Company and our operating partnership.

To help investors understand the significant differences between our Company and our operating partnership, this report presents the consolidated financial statements separately for our Company and our operating partnership. All other sections of this report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk," are presented together for our Company and our operating partnership.

In order to establish that the Chief Executive Officer and the Chief Financial Officer of each entity have made the requisite certifications and that our Company and our operating partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934, or the Exchange Act and 18 U.S.C. §1350, this report also includes separate Part I, Item 4 "Controls and Procedures" sections and separate Exhibit 31 and 32 certifications for each of Hudson Pacific Properties, Inc. and our operating partnership.

HUDSON PACIFIC PROPERTIES, INC. AND HUDSON PACIFIC PROPERTIES, L.P.
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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS OF HUDSON PACIFIC PROPERTIES, INC.

CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	June 30, 2022 (unaudited)	December 31, 2021
ASSETS		
Investment in real estate, at cost	$ 8,562,340	$ 8,361,477
Accumulated depreciation and amortization	(1,413,526)	(1,283,774)
Investment in real estate, net	**7,148,814**	**7,077,703**
Non-real estate property, plant and equipment, net	60,222	58,469
Cash and cash equivalents	266,538	96,555
Restricted cash	49,025	100,321
Accounts receivable, net	15,602	25,339
Straight-line rent receivables, net	269,015	240,306
Deferred leasing costs and intangible assets, net	336,439	341,444
U.S. Government securities	—	129,321
Operating lease right-of-use assets	299,673	287,041
Prepaid expenses and other assets, net	99,151	119,000
Investment in unconsolidated real estate entities	161,845	154,731
Goodwill	109,473	109,439
Assets associated with real estate held for sale	234,841	250,520
TOTAL ASSETS	**$ 9,050,638**	**$ 8,990,189**
LIABILITIES AND EQUITY		
Liabilities		
Unsecured and secured debt, net	$ 4,129,034	$ 3,733,903
In-substance defeased debt	126,397	128,212
Joint venture partner debt	66,136	66,136
Accounts payable, accrued liabilities and other	313,572	300,959
Operating lease liabilities	307,072	293,596
Intangible liabilities, net	37,485	42,290
Security deposits and prepaid rent	82,906	84,939
Liabilities associated with real estate held for sale	3,072	3,898
Total liabilities	**5,065,674**	**4,653,933**
Commitments and contingencies (note 22)		
Redeemable preferred units of the operating partnership	9,815	9,815
Redeemable non-controlling interest in consolidated real estate entities	126,420	129,449
Equity		
Hudson Pacific Properties, Inc. stockholders’ equity		
Preferred stock, $0.01 par value, 18,400,000 authorized at June 30, 2022 and December 31, 2021, respectively; 4.750% Series C cumulative redeemable preferred stock, $25.00 per share liquidation preference, 17,000,000 outstanding at June 30, 2022 and December 31, 2021, respectively	425,000	425,000
Common stock, $0.01 par value, 481,600,000 authorized, 141,609,336 shares and 151,124,543 shares outstanding at June 30, 2022 and December 31, 2021, respectively	1,415	1,511
Additional paid-in capital	2,985,666	3,317,072
Accumulated other comprehensive loss	(7,051)	(1,761)
Total Hudson Pacific Properties, Inc. stockholders’ equity	**3,405,030**	**3,741,822**
Non-controlling interest—members in consolidated real estate entities	384,707	402,971
Non-controlling interest—units in the operating partnership	58,992	52,199
Total equity	**3,848,729**	**4,196,992**
TOTAL LIABILITIES AND EQUITY	**$ 9,050,638**	**$ 8,990,189**

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
REVENUES				
Office				
Rental	$ 211,836	$ 192,552	$ 418,028	$ 382,413
Service and other revenues	4,408	3,151	9,616	5,433
Total office revenues	**216,244**	**195,703**	**427,644**	**387,846**
Studio				
Rental	13,438	11,551	26,832	23,704
Service and other revenues	21,748	8,348	41,467	17,171
Total studio revenues	**35,186**	**19,899**	**68,299**	**40,875**
Total revenues	**251,430**	**215,602**	**495,943**	**428,721**
OPERATING EXPENSES				
Office operating expenses	78,558	69,111	152,189	135,673
Studio operating expenses	20,686	12,466	39,669	23,919
General and administrative	21,871	17,109	42,383	35,558
Depreciation and amortization	91,438	84,178	183,631	166,939
Total operating expenses	**212,553**	**182,864**	**417,872**	**362,089**
OTHER INCOME (EXPENSE)				
Income from unconsolidated real estate entities	1,780	470	2,083	1,105
Fee income	1,140	797	2,211	1,645
Interest expense	(33,719)	(30,689)	(64,555)	(60,975)
Interest income	920	937	1,830	1,934
Management services reimbursement income—unconsolidated real estate entities	1,068	626	2,176	626
Management services expense—unconsolidated real estate entities	(1,068)	(626)	(2,176)	(626)
Transaction-related expenses	(1,126)	(1,064)	(1,382)	(1,064)
Unrealized (loss) gain on non-real estate investments	(1,818)	5,018	(168)	10,793
Impairment loss	(3,250)	—	(23,753)	—
Other income (expense)	742	(1,177)	1,594	(1,629)
Total other expenses	**(35,331)**	**(25,708)**	**(82,140)**	**(48,191)**
Net income (loss)	**3,546**	**7,030**	**(4,069)**	**18,441**
Net income attributable to Series A preferred units	(153)	(153)	(306)	(306)
Net income attributable to Series C preferred shares	(5,047)	—	(10,337)	—
Net income attributable to participating securities	(300)	(276)	(594)	(554)
Net income attributable to non-controlling interest in consolidated real estate entities	(7,081)	(5,549)	(15,642)	(12,179)
Net loss attributable to redeemable non-controlling interest in consolidated real estate entities	1,506	1,282	3,396	1,964
Net loss (income) attributable to common units in the operating partnership	93	(19)	323	(69)
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	**$ (7,436)**	**$ 2,315**	**$ (27,229)**	**$ 7,297**
BASIC AND DILUTED PER SHARE AMOUNTS				
Net (loss) income attributable to common stockholders—basic	$ (0.05)	$ 0.02	$ (0.19)	$ 0.05
Net (loss) income attributable to common stockholders—diluted	$ (0.05)	$ 0.02	$ (0.19)	$ 0.05
Weighted average shares of common stock outstanding—basic	143,816,698	151,169,612	146,487,388	150,997,564
Weighted average shares of common stock outstanding—diluted	143,816,698	152,683,463	146,487,388	151,302,845

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income (loss)	$ 3,546	$ 7,030	$ (4,069)	$ 18,441
Currency translation adjustments	(7,088)	914	(8,449)	1,923
Net unrealized gains on derivative instruments:				
Unrealized gains (losses)	1,516	(160)	4,560	(136)
Reclassification adjustment for realized (gains) losses	(916)	1,872	(1,495)	3,683
Total net unrealized gains on derivative instruments	**600**	**1,712**	**3,065**	**3,547**
Total other comprehensive (loss) income	**(6,488)**	**2,626**	**(5,384)**	**5,470**
Comprehensive (loss) income	**(2,942)**	**9,656**	**(9,453)**	**23,911**
Comprehensive income attributable to Series A preferred units	(153)	(153)	(306)	(306)
Comprehensive income attributable to Series C preferred units	(5,047)	—	(10,337)	—
Comprehensive income attributable to participating securities	(300)	(276)	(594)	(554)
Comprehensive income attributable to non-controlling interest in consolidated real estate entities	(7,081)	(5,549)	(15,642)	(12,179)
Comprehensive loss attributable to redeemable non-controlling interest in consolidated real estate entities	1,506	1,282	3,396	1,964
Comprehensive loss (income) attributable to non-controlling interest in the operating partnership	206	(54)	417	(142)
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	**$ (13,811)**	**$ 4,906**	**$ (32,519)**	**$ 12,694**

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF EQUITY
For the three and six months ended June 30, 2022
(unaudited, in thousands, except share data)

	Hudson Pacific Properties, Inc. Stockholders' Equity						Non-controlling Interest		
	Series C Cumulative Redeemable Preferred Stock	Shares of Common Stock	Stock Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Units in the Operating Partnership	Members in Consolidated Real Estate Entities	Total Equity
Balance, March 31, 2022	**$ 425,000**	**144,559,168**	**$ 1,445**	**$ 3,063,500**	**$ —**	**$ (676)**	**$ 55,254**	**$ 398,941**	**$ 3,943,464**
Contributions	—	—	—	—	—	—	—	12,833	**12,833**
Distributions	—	—	—	—	—	—	—	(34,148)	**(34,148)**
Transaction costs	—	—	—	(138)	—	—	—	—	**(138)**
Issuance of unrestricted stock	—	24,564	—	—	—	—	—	—	**—**
Shares repurchased	—	(2,105,359)	(21)	(37,185)	—	—	—	—	**(37,206)**
Accelerated share repurchase	—	(869,037)	(9)	9	—	—	—	—	**—**
Declared dividend	(5,047)	—	—	(42,863)	7,136	—	(679)	—	**(41,453)**
Amortization of stock-based compensation	—	—	—	2,343	—	—	4,623	—	**6,966**
Net income (loss)	5,047	—	—	—	(7,136)	—	(93)	7,081	**4,899**
Other comprehensive loss	—	—	—	—	—	(6,375)	(113)	—	**(6,488)**
Balance, June 30, 2022	**$ 425,000**	**141,609,336**	**$ 1,415**	**$ 2,985,666**	**$ —**	**$ (7,051)**	**$ 58,992**	**$ 384,707**	**$ 3,848,729**
Balance, December 31, 2021	**$ 425,000**	**151,124,543**	**$ 1,511**	**$ 3,317,072**	**$ —**	**$ (1,761)**	**$ 52,199**	**$ 402,971**	**$ 4,196,992**
Contributions	—	—	—	—	—	—	—	15,457	**15,457**
Distributions	—	—	—	—	—	—	—	(49,363)	**(49,363)**
Transaction costs	—	—	—	(214)	—	—	—	—	**(214)**
Issuance of unrestricted stock	—	32,861	—	—	—	—	—	—	**—**
Shares repurchased	—	(2,105,359)	(21)	(37,185)	—	—	—	—	**(37,206)**
Accelerated share repurchase	—	(7,442,709)	(75)	(199,925)	—	—	—	—	**(200,000)**
Declared dividend	(10,337)	—	—	(98,625)	26,635	—	(1,358)	—	**(83,685)**
Amortization of stock-based compensation	—	—	—	4,543	—	—	8,568	—	**13,111**
Net income (loss)	10,337	—	—	—	(26,635)	—	(323)	15,642	**(979)**
Other comprehensive loss	—	—	—	—	—	(5,290)	(94)	—	**(5,384)**
Balance, June 30, 2022	**$ 425,000**	**141,609,336**	**$ 1,415**	**$ 2,985,666**	**$ —**	**$ (7,051)**	**$ 58,992**	**$ 384,707**	**$ 3,848,729**

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF EQUITY
For the three and six months ended June 30, 2021
(unaudited, in thousands, except share data)

	Hudson Pacific Properties, Inc. Stockholders' Equity						Non-controlling Interest		
	Series C Cumulative Redeemable Preferred Stock	Shares of Common Stock	Stock Amount	Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Units in the Operating Partnership	Members in Consolidated Real Estate Entities	Total Equity
Balance, March 31, 2021	**$ —**	**150,760,631**	**$ 1,508**	**$ 3,423,699**	**$ —**	**$ (5,327)**	**$ 39,787**	**$ 476,573**	**$ 3,936,240**
Distributions	—	—	—	—	—	—	—	(14,646)	**(14,646)**
Proceeds from sale of common stock, net of transaction costs	—	1,526,163	15	44,805	—	—	—	—	**44,820**
Issuance of unrestricted stock	—	33,246	—	—	—	—	—	—	**—**
Shares withheld to satisfy tax withholding obligations	—	(956)	—	—	—	—	—	—	**—**
Declared dividend	—	—	—	(35,591)	(2,591)	—	(560)	—	**(38,742)**
Amortization of stock-based compensation	—	—	—	2,243	—	—	5,106	—	**7,349**
Net income	—	—	—	—	2,591	—	19	5,549	**8,159**
Other comprehensive income	—	—	—	—	—	2,591	35	—	**2,626**
Balance, June 30, 2021	**$ —**	**152,319,084**	**$ 1,523**	**$ 3,435,156**	**$ —**	**$ (2,736)**	**$ 44,387**	**$ 467,476**	**$ 3,945,806**
Balance, December 31, 2020	**$ —**	**151,401,365**	**$ 1,514**	**$ 3,469,758**	**$ —**	**$ (8,133)**	**$ 37,832**	**$ 467,009**	**$ 3,967,980**
Contributions	—	—	—	—	—	—	—	15,016	**15,016**
Distributions	—	—	—	—	—	—	—	(26,728)	**(26,728)**
Proceeds from sale of common stock, net of transaction costs	—	1,526,163	15	44,805	—	—	—	—	**44,820**
Issuance of unrestricted stock	—	53,246	—	—	—	—	—	—	**—**
Shares repurchased	—	(632,109)	(6)	(14,750)	—	—	—	—	**(14,756)**
Shares withheld to satisfy tax withholding obligations	—	(29,581)	—	(693)	—	—	—	—	**(693)**
Declared dividend	—	—	—	(68,189)	(7,851)	—	(1,128)	—	**(77,168)**
Amortization of stock-based compensation	—	—	—	4,225	—	—	7,541	—	**11,766**
Net income	—	—	—	—	7,851	—	69	12,179	**20,099**
Other comprehensive income	—	—	—	—	—	5,397	73	—	**5,470**
Balance, June 30, 2021	**$ —**	**152,319,084**	**$ 1,523**	**$ 3,435,156**	**$ —**	**$ (2,736)**	**$ 44,387**	**$ 467,476**	**$ 3,945,806**

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	$ (4,069)	$ 18,441
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	183,631	166,939
Non-cash portion of interest expense	6,785	4,835
Amortization of stock-based compensation	11,322	9,878
Income from unconsolidated real estate entities	(2,083)	(1,105)
Unrealized loss (gain) on non-real estate investments	168	(10,793)
Straight-line rents	(27,621)	(13,114)
Straight-line rent expenses	844	737
Amortization of above- and below-market leases, net	(4,692)	(5,258)
Amortization of above- and below-market ground leases, net	1,355	1,175
Amortization of lease incentive costs	863	952
Distribution of income from unconsolidated entities	688	872
Gain on derivatives	(3,513)	—
Impairment loss	23,753	—
Change in operating assets and liabilities:		
Accounts receivable	9,744	5,624
Deferred leasing costs and lease intangibles	(9,807)	(8,867)
Prepaid expenses and other assets	(13,220)	(14,899)
Accounts payable, accrued liabilities and other	18,250	25,301
Security deposits and prepaid rent	(2,256)	(7,787)
Net cash provided by operating activities	**190,142**	**172,931**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment in real estate	(113,605)	(191,005)
Property acquisitions	(87,970)	—
Maturities of U.S. Government securities	129,300	2,889
Contributions to non-real estate investments	(11,974)	(8,514)
Distributions from non-real estate investments	329	—
Distributions from unconsolidated real estate entities	883	908
Contributions to unconsolidated real estate entities	(14,892)	(8,325)
Additions to non-real estate property, plant and equipment	(6,325)	—
Net cash used in investing activities	**(104,254)**	**(204,047)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from unsecured and secured debt	389,327	86,850
Payments of unsecured and secured debt	—	(313)
Payments of in-substance defeased debt	(1,815)	(1,736)
Proceeds from sale of common stock	—	44,820
Transaction costs	(214)	—
Repurchases of common stock	(34,688)	(14,756)
Accelerated share repurchase	(200,000)	—
Dividends paid to common stock and unitholders	(73,348)	(77,168)
Dividends paid to preferred stock and unitholders	(12,924)	(306)
Contributions from redeemable non-controlling members in consolidated real estate entities	375	1,543
Distributions to redeemable non-controlling members in consolidated real estate entities	(8)	(8)
Contributions from non-controlling members in consolidated real estate entities	15,457	15,016
Distributions to non-controlling members in consolidated real estate entities	(49,363)	(26,728)
Payments to satisfy tax withholding obligations	—	(693)
Net cash provided by financing activities	**32,799**	**26,521**
Net increase (decrease) in cash and cash equivalents and restricted cash	118,687	(4,595)
Cash and cash equivalents and restricted cash—beginning of period	196,876	149,540
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—END OF PERIOD	**$ 315,563**	**$ 144,945**

The accompanying notes are an integral part of these consolidated financial statements.

ITEM 1. FINANCIAL STATEMENTS OF HUDSON PACIFIC PROPERTIES, L.P.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)

	June 30, 2022 (unaudited)	December 31, 2021
ASSETS		
Investment in real estate, at cost	$ 8,562,340	$ 8,361,477
Accumulated depreciation and amortization	(1,413,526)	(1,283,774)
Investment in real estate, net	**7,148,814**	**7,077,703**
Non-real estate property, plant and equipment, net	60,222	58,469
Cash and cash equivalents	266,538	96,555
Restricted cash	49,025	100,321
Accounts receivable, net	15,602	25,339
Straight-line rent receivables, net	269,015	240,306
Deferred leasing costs and intangible assets, net	336,439	341,444
U.S. Government securities	—	129,321
Operating lease right-of-use assets	299,673	287,041
Prepaid expenses and other assets, net	99,151	119,000
Investment in unconsolidated real estate entities	161,845	154,731
Goodwill	109,473	109,439
Assets associated with real estate held for sale	234,841	250,520
TOTAL ASSETS	**$ 9,050,638**	**$ 8,990,189**
LIABILITIES AND CAPITAL		
Liabilities		
Unsecured and secured debt, net	$ 4,129,034	$ 3,733,903
In-substance defeased debt	126,397	128,212
Joint venture partner debt	66,136	66,136
Accounts payable, accrued liabilities and other	313,572	300,959
Operating lease liabilities	307,072	293,596
Intangible liabilities, net	37,485	42,290
Security deposits and prepaid rent	82,906	84,939
Liabilities associated with real estate held for sale	3,072	3,898
Total liabilities	**5,065,674**	**4,653,933**
Commitments and contingencies (note 22)		
Redeemable preferred units of the operating partnership	9,815	9,815
Redeemable non-controlling interest in consolidated real estate entities	126,420	129,449
Capital		
Hudson Pacific Properties, L.P. partners' capital		
4.750% Series C cumulative redeemable preferred units, $25.00 per unit liquidation preference, 17,000,000 outstanding at June 30, 2022 and December 31, 2021, respectively	425,000	425,000
Common units, 143,455,600 and 152,967,441 outstanding at June 30, 2022 and December 31, 2021, respectively	3,046,185	3,370,800
Accumulated other comprehensive loss	(7,163)	(1,779)
Total Hudson Pacific Properties, L.P. partners' capital	**3,464,022**	**3,794,021**
Non-controlling interest—members in consolidated real estate entities	384,707	402,971
Total capital	**3,848,729**	**4,196,992**
TOTAL LIABILITIES AND CAPITAL	**$ 9,050,638**	**$ 8,990,189**

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
REVENUES				
Office				
Rental	$ 211,836	$ 192,552	$ 418,028	$ 382,413
Service and other revenues	4,408	3,151	9,616	5,433
Total office revenues	**216,244**	**195,703**	**427,644**	**387,846**
Studio				
Rental	13,438	11,551	26,832	23,704
Service and other revenues	21,748	8,348	41,467	17,171
Total studio revenues	**35,186**	**19,899**	**68,299**	**40,875**
Total revenues	**251,430**	**215,602**	**495,943**	**428,721**
OPERATING EXPENSES				
Office operating expenses	78,558	69,111	152,189	135,673
Studio operating expenses	20,686	12,466	39,669	23,919
General and administrative	21,871	17,109	42,383	35,558
Depreciation and amortization	91,438	84,178	183,631	166,939
Total operating expenses	**212,553**	**182,864**	**417,872**	**362,089**
OTHER INCOME (EXPENSE)				
Income from unconsolidated real estate entities	1,780	470	2,083	1,105
Fee income	1,140	797	2,211	1,645
Interest expense	(33,719)	(30,689)	(64,555)	(60,975)
Interest income	920	937	1,830	1,934
Management services reimbursement income—unconsolidated real estate entities	1,068	626	2,176	626
Management services expense—unconsolidated real estate entities	(1,068)	(626)	(2,176)	(626)
Transaction-related expenses	(1,126)	(1,064)	(1,382)	(1,064)
Unrealized (loss) gain on non-real estate investments	(1,818)	5,018	(168)	10,793
Impairment loss	(3,250)	—	(23,753)	—
Other income (expense)	742	(1,177)	1,594	(1,629)
Total other expenses	**(35,331)**	**(25,708)**	**(82,140)**	**(48,191)**
Net income (loss)	**3,546**	**7,030**	**(4,069)**	**18,441**
Net income attributable to non-controlling interest in consolidated real estate entities	(7,081)	(5,549)	(15,642)	(12,179)
Net loss attributable to redeemable non-controlling interest in consolidated real estate entities	1,506	1,282	3,396	1,964
Net (loss) income attributable to Hudson Pacific Properties, L.P.	**(2,029)**	**2,763**	**(16,315)**	**8,226**
Net income attributable to Series A preferred units	(153)	(153)	(306)	(306)
Net income attributable to Series C preferred units	(5,047)	—	(10,337)	—
Net income attributable to participating securities	(300)	(276)	(594)	(554)
NET (LOSS) INCOME AVAILABLE TO COMMON UNITHOLDERS	**$ (7,529)**	**$ 2,334**	**$ (27,552)**	**$ 7,366**
BASIC AND DILUTED PER UNIT AMOUNTS				
Net (loss) income attributable to common unitholders—basic	$ (0.05)	$ 0.02	$ (0.19)	$ 0.05
Net (loss) income attributable to common unitholders—diluted	$ (0.05)	$ 0.02	$ (0.19)	$ 0.05
Weighted average shares of common units outstanding—basic	145,662,962	152,551,236	148,332,424	152,369,823
Weighted average shares of common units outstanding—diluted	145,662,962	152,683,463	148,332,424	152,675,104

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Net income (loss)	$ 3,546	$ 7,030	$ (4,069)	$ 18,441
Currency translation adjustments	(7,088)	914	(8,449)	1,923
Net unrealized gains on derivative instruments:				
Unrealized gains (losses)	1,516	(160)	4,560	(136)
Reclassification adjustment for realized (gains) losses	(916)	1,872	(1,495)	3,683
Total net unrealized gains on derivative instruments	**600**	**1,712**	**3,065**	**3,547**
Total other comprehensive (loss) income	**(6,488)**	**2,626**	**(5,384)**	**5,470**
Comprehensive (loss) income	**(2,942)**	**9,656**	**(9,453)**	**23,911**
Comprehensive income attributable to Series A preferred units	(153)	(153)	(306)	(306)
Comprehensive income attributable to Series C preferred units	(5,047)	—	(10,337)	—
Comprehensive income attributable to participating securities	(300)	(276)	(594)	(554)
Comprehensive income attributable to non-controlling interest in consolidated real estate entities	(7,081)	(5,549)	(15,642)	(12,179)
Comprehensive loss attributable to redeemable non-controlling interest in consolidated real estate entities	1,506	1,282	3,396	1,964
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO PARTNERS' CAPITAL	**$ (14,017)**	**$ 4,960**	**$ (32,936)**	**$ 12,836**

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED STATEMENTS OF CAPITAL
For the three and six months ended June 30, 2022
(unaudited, in thousands, except share data)

	Hudson Pacific Properties, L.P. Partners' Capital						
	Preferred Units	Number of Common Units	Common Units	Accumulated Other Comprehensive Loss	Total Partners' Capital	Non-controlling Interest—Members in Consolidated Real Estate Entities	Total Capital
Balance, March 31, 2022	**$ 425,000**	**146,405,432**	**$ 3,120,198**	**$ (675)**	**$ 3,544,523**	**$ 398,941**	**$ 3,943,464**
Contributions	—	—	—	—	—	12,833	**12,833**
Distributions	—	—	—	—	—	(34,148)	**(34,148)**
Transaction costs	—	—	(138)	—	(138)	—	**(138)**
Issuance of unrestricted units	—	24,564	—	—	—	—	**—**
Repurchase of common units	—	(2,974,396)	(37,206)	—	(37,206)	—	**(37,206)**
Declared distributions	(5,047)	—	(36,406)	—	(41,453)	—	**(41,453)**
Amortization of unit-based compensation	—	—	6,966	—	6,966	—	**6,966**
Net income (loss)	5,047	—	(7,229)	—	(2,182)	7,081	**4,899**
Other comprehensive loss	—	—	—	(6,488)	(6,488)	—	**(6,488)**
Balance, June 30, 2022	**$ 425,000**	**143,455,600**	**$ 3,046,185**	**$ (7,163)**	**$ 3,464,022**	**$ 384,707**	**$ 3,848,729**
Balance, December 31, 2021	**$ 425,000**	**152,967,441**	**$ 3,370,800**	**$ (1,779)**	**$ 3,794,021**	**$ 402,971**	**$ 4,196,992**
Contributions	—	—	—	—	—	15,457	**15,457**
Distributions	—	—	—	—	—	(49,363)	**(49,363)**
Transaction costs	—	—	(214)	—	(214)	—	**(214)**
Issuance of unrestricted units	—	36,227	—	—	—	—	**—**
Repurchase of common units	—	(9,548,068)	(237,206)	—	(237,206)	—	**(237,206)**
Declared distributions	(10,337)	—	(73,348)	—	(83,685)	—	**(83,685)**
Amortization of unit-based compensation	—	—	13,111	—	13,111	—	**13,111**
Net income (loss)	10,337	—	(26,958)	—	(16,621)	15,642	**(979)**
Other comprehensive loss	—	—	—	(5,384)	(5,384)	—	**(5,384)**
Balance, June 30, 2022	**$ 425,000**	**143,455,600**	**$ 3,046,185**	**$ (7,163)**	**$ 3,464,022**	**$ 384,707**	**$ 3,848,729**

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED STATEMENTS OF CAPITAL
For the three and six months ended June 30, 2021
(unaudited, in thousands, except share data)

	Hudson Pacific Properties, L.P. Partners' Capital						
	Preferred Units	Number of Common Units	Common Units	Accumulated Other Comprehensive Loss	Total Partners' Capital	Non-controlling Interest—Members in Consolidated Real Estate Entities	Total Capital
Balance, March 31, 2021	$ —	**152,142,255**	$ **3,465,069**	$ **(5,402)**	$ **3,459,667**	$ **476,573**	$ **3,936,240**
Distributions	—	—	—	—	—	(14,646)	**(14,646)**
Proceeds from sale of common units, net of transaction costs	—	1,526,163	44,820	—	44,820	—	**44,820**
Issuance of unrestricted units	—	33,246	—	—	—	—	**—**
Units withheld to satisfy tax withholding obligations	—	(956)	—	—	—	—	**—**
Declared distributions	—	—	(38,742)	—	(38,742)	—	**(38,742)**
Amortization of unit-based compensation	—	—	7,349	—	7,349	—	**7,349**
Net income	—	—	2,610	—	2,610	5,549	**8,159**
Other comprehensive income	—	—	—	2,626	2,626	—	**2,626**
Balance, June 30, 2021	$ —	**153,700,708**	$ **3,481,106**	$ **(2,776)**	$ **3,478,330**	$ **467,476**	$ **3,945,806**
Balance, December 31, 2020	$ —	**152,722,448**	$ **3,509,217**	$ **(8,246)**	$ **3,500,971**	$ **467,009**	$ **3,967,980**
Contributions	—	—	—	—	—	15,016	**15,016**
Distributions	—	—	—	—	—	(26,728)	**(26,728)**
Proceeds from sale of common units, net of transaction costs	—	1,526,163	44,820	—	44,820	—	**44,820**
Issuance of unrestricted units	—	113,787	—	—	—	—	**—**
Units withheld to satisfy tax withholding obligations	—	(29,581)	(693)	—	(693)	—	**(693)**
Repurchase of common units	—	(632,109)	(14,756)	—	(14,756)	—	**(14,756)**
Declared distributions	—	—	(77,168)	—	(77,168)	—	**(77,168)**
Amortization of unit-based compensation	—	—	11,766	—	11,766	—	**11,766**
Net income	—	—	7,920	—	7,920	12,179	**20,099**
Other comprehensive income	—	—	—	5,470	5,470	—	**5,470**
Balance, June 30, 2021	$ —	**153,700,708**	$ **3,481,106**	$ **(2,776)**	$ **3,478,330**	$ **467,476**	$ **3,945,806**

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Six Months Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	$ (4,069)	$ 18,441
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	183,631	166,939
Non-cash portion of interest expense	6,785	4,835
Amortization of unit-based compensation	11,322	9,878
Income from unconsolidated real estate entities	(2,083)	(1,105)
Unrealized loss (gain) on non-real estate investments	168	(10,793)
Straight-line rents	(27,621)	(13,114)
Straight-line rent expenses	844	737
Amortization of above- and below-market leases, net	(4,692)	(5,258)
Amortization of above- and below-market ground leases, net	1,355	1,175
Amortization of lease incentive costs	863	952
Distribution of income from unconsolidated entities	688	872
Gain on derivatives	(3,513)	—
Impairment loss	23,753	—
Change in operating assets and liabilities:		
Accounts receivable	9,744	5,624
Deferred leasing costs and lease intangibles	(9,807)	(8,867)
Prepaid expenses and other assets	(13,220)	(14,899)
Accounts payable, accrued liabilities and other	18,250	25,301
Security deposits and prepaid rent	(2,256)	(7,787)
Net cash provided by operating activities	**190,142**	**172,931**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment in real estate	(113,605)	(191,005)
Property acquisitions	(87,970)	—
Maturities of U.S. Government securities	129,300	2,889
Contributions to non-real estate investments	(11,974)	(8,514)
Distributions from non-real estate investments	329	—
Distributions from unconsolidated real estate entities	883	908
Contributions to unconsolidated real estate entities	(14,892)	(8,325)
Additions to of non-real estate property, plant and equipment	(6,325)	—
Net cash used in investing activities	**(104,254)**	**(204,047)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from unsecured and secured debt	389,327	86,850
Payments of unsecured and secured debt	—	(313)
Payments of in-substance defeased debt	(1,815)	(1,736)
Proceeds from sale of common units	—	44,820
Transaction costs	(214)	—
Repurchases of common units	(234,688)	(14,756)
Distributions paid to common unitholders	(73,348)	(77,168)
Distributions paid to preferred unitholders	(12,924)	(306)
Contributions from redeemable non-controlling members in consolidated real estate entities	375	1,543
Distributions to redeemable non-controlling members in consolidated real estate entities	(8)	(8)
Contributions from non-controlling members in consolidated real estate entities	15,457	15,016
Distributions to non-controlling members in consolidated real estate entities	(49,363)	(26,728)
Payments to satisfy tax withholding obligations	—	(693)
Net cash provided by financing activities	**32,799**	**26,521**
Net increase (decrease) in cash and cash equivalents and restricted cash	118,687	(4,595)
Cash and cash equivalents and restricted cash—beginning of period	196,876	149,540
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—END OF PERIOD	**$ 315,563**	**$ 144,945**

The accompanying notes are an integral part of these consolidated financial statements.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

1. Organization

Hudson Pacific Properties, Inc. is a Maryland corporation formed on November 9, 2009 as a fully integrated, self-administered and self-managed real estate investment trust ("REIT"). Through its controlling interest in the operating partnership and its subsidiaries, Hudson Pacific Properties, Inc. owns, manages, leases, acquires and develops real estate, consisting primarily of office and studio properties. Unless otherwise indicated or unless the context requires otherwise, all references in these financial statements to "the Company" refer to Hudson Pacific Properties, Inc. together with its consolidated subsidiaries, including Hudson Pacific Properties, L.P. Unless otherwise indicated or unless the context requires otherwise, all references to "our operating partnership" or "the operating partnership" refer to Hudson Pacific Properties, L.P. together with its consolidated subsidiaries.

The Company's portfolio consists of properties located throughout Northern and Southern California, the Pacific Northwest, Western Canada and Greater London, United Kingdom. The following table summarizes the Company's portfolio as of June 30, 2022:

Segments	Number of Properties	Square Feet (unaudited)
Consolidated portfolio		
Office	53	14,284,439
Studio	3	1,255,698
Land	6	2,512,242
Total consolidated portfolio	**62**	**18,052,379**
Unconsolidated portfolio[1]		
Office[2]	1	1,507,814
Studio[3]	1	241,000
Land[4]	2	1,617,347
Total unconsolidated portfolio	**4**	**3,366,161**
TOTAL[5]	**66**	**21,418,540**

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1. The Company owns 20% of the unconsolidated joint venture entity which owns the Bentall Centre property, 50% of the unconsolidated joint venture entity that owns the Sunset Glenoaks Studios and 35% of the unconsolidated joint venture entity that owns the Sunset Waltham Cross Studios development. The square footage shown above represents 100% of the properties. See Notes 2 and 6 for details.
2. Includes Bentall Centre.
3. Includes Sunset Glenoaks Studios.
4. Includes land for the Burrard Exchange at Bentall Centre and Sunset Waltham Cross Studios.
5. Includes repositioning, redevelopment, development and held for sale properties.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company and the operating partnership are prepared in accordance with generally accepted accounting principles in the United States ("GAAP") applicable to interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to the Securities and Exchange Commission ("SEC") rules and regulations. Accordingly, the interim financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the accompanying interim financial statements reflect all adjustments of a normal and recurring nature that are considered necessary for a fair presentation of the results for the interim periods presented.

The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2022. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements in the 2021 Annual Report on Form 10-K of Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. and the notes thereto.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

Principles of Consolidation

The unaudited interim consolidated financial statements of the Company include the accounts of the Company, the operating partnership and all wholly-owned and controlled subsidiaries. The consolidated financial statements of the operating partnership include the accounts of the operating partnership and all wholly-owned and controlled subsidiaries. All intercompany balances and transactions have been eliminated in the consolidated financial statements.

Under the consolidation guidance, the Company first evaluates an entity using the variable interest model, then the voting model. The Company ultimately consolidates all entities that the Company controls through either majority ownership or voting rights, including all variable interest entities ("VIEs") of which the Company is considered the primary beneficiary. The Company accounts for all other unconsolidated joint ventures using the equity method of accounting. In addition, the Company continually evaluates each legal entity that is not wholly-owned for reconsideration based on changing circumstances.

VIEs are defined as entities in which equity investors do not have:

- the characteristics of a controlling financial interest;
- sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties; and/or
- the entity is structured with non-substantive voting rights.

The entity that consolidates a VIE is known as its primary beneficiary and is generally the entity with both the power to direct the activities that most significantly affect the VIE's economic performance and the right to receive benefits from the VIE or the obligation to absorb losses of the VIE that could be significant to the VIE. As of June 30, 2022, the Company has determined that its operating partnership and 19 joint ventures met the definition of a VIE. 13 of these joint ventures are consolidated and six are unconsolidated.

Consolidated Joint Ventures

As of June 30, 2022, the operating partnership has determined that 13 of its joint ventures met the definition of a VIE and are consolidated:

Entity	Property	Ownership Interest
Hudson 1455 Market, L.P.	1455 Market	55.0 %
Hudson 1099 Stewart, L.P.	Hill7	55.0 %
HPP-MAC WSP, LLC	One Westside and 10850 Pico	75.0 %
Hudson One Ferry REIT, L.P.	Ferry Building	55.0 %
Sunset Bronson Entertainment Properties, LLC	Sunset Bronson Studios, ICON, CUE	51.0 %
Sunset Gower Entertainment Properties, LLC	Sunset Gower Studios	51.0 %
Sunset 1440 North Gower Street, LLC	Sunset Gower Studios	51.0 %
Sunset Las Palmas Entertainment Properties, LLC	Sunset Las Palmas Studios, Harlow	51.0 %
Sunset Services Holdings, LLC	None(1)	51.0 %
Sunset Studios Holdings, LLC	EPIC	51.0 %
Hudson Media and Entertainment Management, LLC	None(2)	51.0 %
Hudson 6040 Sunset, LLC	6040 Sunset	51.0 %
Hudson 1918 Eighth, L.P.	1918 Eighth	55.0 %

1. Sunset Services Holdings, LLC wholly owns Services Holdings, LLC, which owns 100% interests in Sunset Bronson Services, LLC, Sunset Gower Services, LLC and Sunset Las Palmas Services, LLC, which provide services to the respective entertainment properties above.
2. Hudson Media and Entertainment Management, LLC manages the following properties: Sunset Gower Studios, Sunset Bronson Studios, Sunset Las Palmas Studios, 6040 Sunset, ICON, CUE, EPIC and Harlow (collectively "Hollywood Media Portfolio").

As of June 30, 2022 and December 31, 2021, the Company has determined that its operating partnership met the definition of a VIE and is consolidated.

Substantially all of the assets and liabilities of the Company are related to the operating partnership VIE. The assets and credit of certain VIEs can only be used to satisfy those VIEs' own contractual obligations, and the VIEs' creditors have no recourse to the general credit of the Company.

Unconsolidated Joint Ventures

As of June 30, 2022, the Company has determined it is not the primary beneficiary of six of its joint ventures that are VIEs. Due to its significant influence over the unconsolidated entities, the Company accounts for them using the equity method of accounting. Under the equity method, the Company initially records the investment at cost and subsequently adjusts for equity in earnings or losses and cash contributions and distributions.

The Company's net equity investment in its unconsolidated joint ventures is reflected within investment in unconsolidated real estate entities on the Consolidated Balance Sheets. The Company's share of net income or loss from the joint ventures is included within income from unconsolidated real estate entities on the Consolidated Statements of Operations. The Company uses the cumulative earnings approach for determining cash flow presentation of distributions from unconsolidated joint ventures. Under this approach, distributions up to the amount of cumulative equity in earnings recognized are classified as cash inflows from operating activities, and those in excess of that amount are classified as cash inflows from investing activities. Refer to Note 6 for further details regarding our investments in unconsolidated joint ventures.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of commitments and contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates, including those related to acquiring, developing and assessing the carrying values of its real estate properties, the fair value measurement of contingent consideration, assets acquired and liabilities assumed in business combination transactions, determining the incremental borrowing rate used in the present value calculations of its new or modified operating lessee agreements, its accrued liabilities and the valuation of performance-based equity compensation awards. The Company bases its estimates on historical experience, current market conditions and various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from these estimates.

Lease Accounting

The Company accounts for its leases under ASC 842, which requires companies to identify lease and non-lease components of a lease agreement. Lease components relate to the right to use the leased asset whereas non-lease components relate to payments for goods or services that are transferred separately from the right to use the underlying asset.

Lessee Accounting

The Company determines if an arrangement is a lease at inception. The Company's operating lease agreements relate to ground leases and facility leases and are reflected in operating lease right-of-use ("ROU") assets and operating lease liabilities on the Consolidated Balance Sheets. For leases with a term of 12 months or less the Company makes an accounting policy election, by class of underlying asset, not to recognize ROU assets and lease liabilities. The Company recognizes lease expense for such leases generally on a straight-line basis over the lease term.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. As the Company's leases do not provide an implicit rate, the Company determines its incremental borrowing rate based on the information available at commencement date, or the date of the ASC 842 adoption, in determining the present value of lease payments. The weighted average incremental borrowing rate used to calculate the ROU assets and liabilities was 5.6%. ROU assets also include any lease payments made and exclude lease incentives. Many of the Company's lessee agreements include options to extend the lease, which the Company does not include in its minimum lease terms unless the option is reasonably certain to be exercised. Rental expense for lease payments related to operating leases is recognized on a straight-line basis over the lease term. The weighted average remaining lease term was 28 years as of June 30, 2022.

Lessor Accounting

The presentation of revenues on the Consolidated Statements of Operations reflects a single lease component that combines rental, tenant recoveries and other tenant-related revenues for the office portfolio, with the election of the lessor practical expedient. For the Company's rentals at the studio properties, total lease consideration is allocated to lease and non-lease components on a relative standalone basis. The recognition of revenues related to lease components is governed by ASC 842, while revenue related to non-lease components is subject to ASC 606, *Revenue from Contracts with Customers* ("ASC 606").

Revenue Recognition

The Company has compiled an inventory of its sources of revenues and has identified the following material revenue streams: (i) rental revenues (ii) tenant recoveries and other tenant-related revenues (iii) ancillary revenues (iv) other revenues (v) sale of real estate (vi) management fee income and (vii) management services reimbursement income.

Revenue Stream	Components	Financial Statement Location
Rental revenues	Office, stage and storage rentals	Office and Studio segments: rental
Tenant recoveries and other tenant-related revenues	Reimbursement of real estate taxes, insurance, repairs and maintenance, other operating expenses and must-take parking revenues	Office segment: rental Studio segment: rental and service and other revenues
Ancillary revenues	Revenues derived from tenants' use of power, HVAC and telecommunications (i.e., telephone and internet) and lighting, equipment and vehicle rentals	Studio segment: service and other revenues
Other revenues	Parking revenue that is not associated with lease agreements and other	Office and Studio segments: service and other revenues
Sale of real estate	Gains on sales derived from cash consideration less cost basis	Gains on sale of real estate
Management fee income	Income derived from management services provided to unconsolidated joint venture entities	Fee income
Management services reimbursement income	Reimbursement of costs incurred by the Company in the management of unconsolidated joint venture entities	Management services reimbursement income—unconsolidated real estate entities

The Company recognizes rental revenue from tenants on a straight-line basis over the lease term when collectability is probable and the tenant has taken possession of or controls the physical use of the leased asset. The Company does not account for lease concessions related to the effects of the COVID-19 pandemic as lease modifications to the extent that the concessions are granted as payment deferrals and total payments remain substantially the same during the lease term.

The Company recognizes tenant recoveries related to reimbursement of real estate taxes, insurance, repairs and maintenance and other operating expenses as revenue in the period during which the applicable expenses are incurred. The reimbursements are recognized and presented gross, as the Company is generally the primary obligor with respect to purchasing goods and services from third-party suppliers, has discretion in selecting the supplier and bears the associated credit risk.

Other tenant-related revenues include parking stipulated in lease agreements as must-take parking rentals. These revenues are recognized over the term of the lease.

Ancillary revenues, other revenues, management fee income and management services reimbursement income are accounted for under ASC 606. These revenues have single performance obligations and are recognized at the point in time when services are rendered.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The following table summarizes the Company’s revenue streams that are accounted for under ASC 606 for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Ancillary revenues	$ 20,476	$ 7,093	$ 38,963	$ 14,633
Other revenues	$ 5,277	$ 3,923	$ 11,204	$ 6,965
Studio-related tenant recoveries	$ 403	$ 483	$ 916	$ 1,006
Management fee income	$ 1,140	$ 797	$ 2,211	$ 1,645
Management services reimbursement income	$ 1,068	$ 626	$ 2,176	$ 626

The following table summarizes the Company’s receivables that are accounted for under ASC 606 as of:

	June 30, 2022	December 31, 2021
Ancillary revenues	$ 9,933	$ 7,381
Other revenues	$ 1,669	$ 1,078

In regards to sales of real estate, the Company applies certain recognition and measurement principles in accordance with ASC 606. The Company is required to evaluate the sales of real estate based on transfer of control. If a real estate sale contract includes ongoing involvement with the sold property by the seller, the seller must evaluate each promised good or service under the contract to determine whether it represents a performance obligation, constitutes a guarantee or prevents the transfer of control. The timing and pattern of revenue recognition might change as it relates to gains on sale of real estate if the sale includes continued involvement that represents a separate performance obligation.

Acquisitions

The Company applies the acquisition method for acquisitions that meet the definition of a business combination. Under the acquisition method, the Company estimates the fair value of the identifiable assets and liabilities of the acquired entity on the acquisition date. The difference between the fair value of the consideration transferred for the acquisition and the fair value of the net assets acquired is recorded as goodwill and acquisition-related expenses arising from the transaction are expensed as incurred. The Company includes the results of operations of the businesses that it acquires beginning on the acquisition date.

The Company applies a cost accumulation and allocation model to acquisitions that meet the definition of an asset acquisition. Under this model, the purchase price is allocated based on the relative fair value of the assets acquired and liabilities assumed. Additionally, acquisition-related expenses associated with an asset acquisition are capitalized as part of the purchase price.

Goodwill and Acquired Intangible Assets

Goodwill is an unidentifiable intangible asset and is recognized as a residual, generally measured as the excess of consideration transferred in a business combination over the identifiable assets acquired and liabilities assumed. Goodwill is assigned to reporting units that are expected to benefit from the synergies of the business combination.

The Company tests its goodwill and indefinite-lived intangible assets for impairment at least annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. Goodwill is tested for impairment at the reporting unit to which it is assigned, which can be an operating segment or one level below an operating segment. The Company has three operating segments: the management entity, Office and Studio. The management entity and the Office operating segments are each a reporting unit. Within the Studio operating segment, there are two reporting units: Studio Properties and Studio Services, the latter of which consists of the Zio and Star Waggons businesses acquired in the year ended December 31, 2021.

The assessment of goodwill for impairment may initially be performed based on qualitative factors to determine if it is more likely than not that the fair value of the reporting unit is less than its carrying value, including goodwill. If so, a quantitative assessment is performed, and to the extent the carrying value of the reporting unit exceeds its fair value, impairment is recognized for the excess up to the amount of goodwill assigned to the reporting unit. Alternatively, the Company may bypass a qualitative assessment and proceed directly to a quantitative assessment. As of June 30, 2022 and December 31, 2021, the carrying value of goodwill was $109.5 million and $109.4 million, respectively. No impairment indicators have been identified during the three and six months ended June 30, 2022 and 2021.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

Intangible assets with finite lives are amortized over their estimated useful lives using the straight-line method, which reflects the pattern in which the assets are consumed. The estimated useful lives for acquired intangible assets range from 5 to 7 years. The Company assesses its intangible assets with finite lives for impairment when indicators of impairment are identified.

3. Business Combinations

On August 16, 2021 and August 31, 2021 (each an "Acquisition Date" individually, and collectively, the "Acquisition Dates"), the Company acquired 100% of the equity interests in Zio and Star Waggons, respectively. The acquired businesses provide transportation and logistics services to studio productions and their acquisition will expand the Company's service offerings for its studio platform.

The following table summarizes the Acquisition Date fair value of the consideration transferred in connection with the acquisitions:

	Zio	Star Waggons
Cash	$ 117,198	$ 92,656
Contingent consideration	22,543	—
Total consideration	**$ 139,741**	**$ 92,656**

The terms of the Zio securities purchase agreement require the Company to pay up to $35.0 million of additional consideration to the business's former shareholders, subject to certain performance thresholds being met, of which $15.0 million has been paid through June 30, 2022.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the respective Acquisition Dates:

	Zio	Star Waggons
Cash and cash equivalents	$ 1,084	$ 300
Accounts receivable	3,001	4,185
Prepaid expenses and other assets	1,509	1,605
Non-real estate property, plant and equipment	23,399	25,000
Intangible assets	41,670	33,480
Total assets acquired	70,663	64,570
Accounts payable, accrued liabilities and other	$ 1,498	$ 1,913
Intangible liabilities	—	110
Total liabilities assumed	1,498	2,023
Net identifiable assets acquired	$ 69,165	$ 62,547
Goodwill	70,576	30,109
NET ASSETS ACQUIRED	$ 139,741	$ 92,656

Of the $41.7 million of intangible assets acquired as part of the Zio acquisition, $8.5 million was assigned to the registered trade name, which is not subject to amortization. The remaining $33.2 million of acquired intangible assets includes customer relationships of $30.0 million (seven-year useful life) and non-compete agreements of $3.0 million (five-year weighted-average useful life). The definite-lived intangible assets are subject to a weighted-average useful life of approximately seven years.

Of the $33.5 million of intangible assets acquired as part of the Star Waggons acquisition, $8.6 million was assigned to the registered trade name, which is not subject to amortization. The remaining $24.9 million of acquired intangible assets includes customer relationships valued at $22.5 million (seven-year useful life) and non-compete agreements valued at $2.3 million (five-year weighted-average useful life). The definite-lived intangible assets are subject to a weighted-average useful life of approximately seven years.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

Goodwill of $70.6 million and $30.1 million for the Zio and Star Waggons acquisitions, respectively, was recognized on the respective Acquisition Dates. The goodwill recognized is attributable to expected synergies and the assembled workforce of Zio and Star Waggons. The goodwill has been allocated to the studio services reporting unit. Goodwill is deductible for tax purposes and as a result, deferred taxes have been recorded. As of June 30, 2022, there were no changes in the recognized amounts of goodwill resulting from the acquisitions.

4. Investment in Real Estate

The following table summarizes the Company's investment in real estate, at cost as of:

	June 30, 2022	December 31, 2021
Land	$ 1,395,528	$ 1,313,385
Building and improvements	6,277,927	6,241,254
Tenant improvements	813,741	786,991
Furniture and fixtures	10,940	14,020
Property under development	64,204	5,827
INVESTMENT IN REAL ESTATE, AT COST	**$ 8,562,340**	**$ 8,361,477**

Acquisitions of Real Estate

On April 27, 2022, the Company completed its previously announced acquisition of Washington 1000, a fully entitled office development site in Seattle, Washington for a total purchase price of $85.6 million, before certain credits, prorations and closing costs.

On May 19, 2022, the Company purchased a parcel of land at Sunset Gower Studios that was previously encumbered by a ground lease for a total purchase price of $22.0 million, before certain credits, prorations and closing costs.

The following table represents the Company's final purchase price accounting for the Washington 1000 and Sunset Gower Studios land acquisitions:

	Washington 1000	Sunset Gower Studios Land
TOTAL ACQUISITION COST[1]	**$ 86,313**	**$ 22,156**
Allocation of acquisition cost		
Land	$ 59,987	$ 22,156
Building	11,053	—
Parking easement[2]	15,273	—
TOTAL	**$ 86,313**	**$ 22,156**

1. Includes capitalized transaction-related expenses.
2. Parking easement has an indefinite useful life and is recorded in deferred leasing costs and intangible assets, net on the Consolidated Balance Sheet.

Impairment of Long-Lived Assets

The Company assesses the carrying value of real estate assets and related intangibles whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable in accordance with GAAP. Impairment losses are recorded on real estate assets held for investment when indicators of impairment are present and the future undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. The Company recognizes impairment losses to the extent the carrying amount exceeds the fair value, based on Level 1 or Level 2 inputs.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

During the three and six months ended June 30, 2022, the Company recorded $3.3 million and $15.3 million, respectively, of impairment charges related to the tangible and intangible assets of its Del Amo office property, which is classified as held for sale as of June 30, 2022 and December 31, 2021, due to a reduction in the estimated fair value of the property. The estimated fair value of $2.75 million was based on the estimated sales price of the property, which is classified within Level 2 of the fair value hierarchy. The Company did not recognize impairment charges during the six months ended June 30, 2021.

Dispositions of Real Estate

The Company had no dispositions of real estate during the six months ended June 30, 2022 and 2021.

Held for Sale

The Company had four properties classified as held for sale as of June 30, 2022 and December 31, 2021. The properties were identified as non-strategic assets to the Company's portfolio and are included in the Company's Office segment.

The following table summarizes the components of assets and liabilities associated with real estate held for sale as of June 30, 2022:

	Northview Center	Skyway Landing	Del Amo	6922 Hollywood
ASSETS				
Investment in real estate, net	$ 40,532	$ 89,922	$ 2,371	$ 91,402
Accounts receivable, net	179	99	—	52
Straight-line rent receivables, net	1,047	613	—	4,526
Deferred leasing costs and intangible assets, net	1,070	501	330	2,006
Prepaid expenses and other assets, net	19	44	8	120
ASSETS ASSOCIATED WITH REAL ESTATE HELD FOR SALE	**$ 42,847**	**$ 91,179**	**$ 2,709**	**$ 98,106**
LIABILITIES				
Accounts payable, accrued liabilities and other	$ 94	$ 273	$ 14	$ 858
Intangible liabilities, net	—	—	—	96
Security deposits and prepaid rent	913	408	—	416
LIABILITIES ASSOCIATED WITH REAL ESTATE HELD FOR SALE	**$ 1,007**	**$ 681**	**$ 14**	**$ 1,370**

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The following table summarizes the components of assets and liabilities associated with real estate held for sale as of December 31, 2021:

	Northview Center	Skyway Landing	Del Amo	6922 Hollywood
ASSETS				
Investment in real estate, net	$ 40,338	$ 89,873	$ 15,213	$ 91,353
Accounts receivable, net	95	142	—	103
Straight-line rent receivables, net	901	1,659	—	4,714
Deferred leasing costs and intangible assets, net	751	450	2,742	1,999
Prepaid expenses and other assets, net	—	—	—	187
ASSETS ASSOCIATED WITH REAL ESTATE HELD FOR SALE	**$ 42,085**	**$ 92,124**	**$ 17,955**	**$ 98,356**
LIABILITIES				
Accounts payable, accrued liabilities and other	$ 184	$ 273	$ 12	$ 1,372
Intangible liabilities, net	—	—	—	96
Security deposits and prepaid rent	395	1,205	—	361
LIABILITIES ASSOCIATED WITH REAL ESTATE HELD FOR SALE	**$ 579**	**$ 1,478**	**$ 12**	**$ 1,829**

5. Non-Real Estate Property, Plant and Equipment, net

The following table summarizes the Company’s non-real estate property, plant and equipment, net as of:

	June 30, 2022	December 31, 2021
Trailers	$ 38,304	$ 35,181
Leasehold improvements	17,113	15,267
Trucks and other vehicles	12,953	12,204
Furniture, fixtures and equipment	5,718	4,592
Other equipment	4,125	4,605
Non-real estate property, plant and equipment, at cost	78,213	71,849
Accumulated depreciation	(17,991)	(13,380)
NON-REAL ESTATE PROPERTY, PLANT AND EQUIPMENT, NET	**$ 60,222**	**$ 58,469**

Non-real estate property, plant and equipment is carried at cost less accumulated depreciation. The Company computes depreciation using the straight-line method over the estimated useful lives of the assets, which range from 5 to 20 years. The Company evaluates its non-real estate property, plant and equipment, net for impairment using the same accounting model that it applies to its real estate assets and related intangibles. See Note 4 for details. The Company did not recognize any impairment charges for non-real estate property, plant and equipment during the six months ended June 30, 2022 and 2021.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

6. Investment in Unconsolidated Real Estate Entities

The following table summarizes the Company's investments in unconsolidated joint ventures:

Property	Property Type	Submarket	Ownership Interest	Functional Currency	
Sunset Waltham Cross Studios	Development	Broxbourne, United Kingdom	35%	Pound sterling	(1)
Sunset Glenoaks Studios	Development	Los Angeles	50%	U.S. dollar	(2)
Bentall Centre	Operating Property	Downtown Vancouver	20%	Canadian dollar	(2)(4)

1. On July 29, 2021, the Company purchased 35% of the ownership interests in the joint venture that owns the Sunset Waltham Cross Studios development. The Company also owns 35% of the ownership interests in the joint venture entities formed to serve as the general partner and management services company for the property-owning joint venture entity.
2. The Company serves as the operating member of this joint venture.
3. The Company has provided various guarantees for this joint venture's construction loan, including a completion guarantee, equity guarantee and recourse carve-out guarantee.
4. The Company has guaranteed $102.7 million of this joint venture's debt.

The Company's maximum exposure related to its unconsolidated joint ventures is limited to its investment. The Company's investments in foreign real estate entities are subject to foreign currency fluctuation risk. Such investments are translated into U.S. dollars at the exchange rate in effect as of the financial statement date. The Company's share of the income (loss) from foreign unconsolidated real estate entities is translated using the monthly-average exchange rate for the periods presented. Gains or losses resulting from the translation are classified in accumulated other comprehensive loss as a separate component of total equity and are excluded from net income.

The Company held ownership interests in other immaterial unconsolidated joint ventures in the total of $0.3 million and $0.1 million as of June 30, 2022 and December 31, 2021, respectively.

The table below presents the combined and condensed balance sheets for the Company's unconsolidated joint ventures:

	June 30, 2022	December 31, 2021
ASSETS		
Investment in real estate, net	$ 1,054,064	$ 1,048,593
Other assets	67,985	57,232
TOTAL ASSETS	**$ 1,122,049**	**$ 1,105,825**
LIABILITIES		
Secured debt, net	$ 524,041	$ 516,153
Other liabilities	45,554	40,307
TOTAL LIABILITIES	**569,595**	**556,460**
Company's capital[1]	153,358	148,914
Partner's capital	399,096	400,451
TOTAL CAPITAL	**552,454**	**549,365**
TOTAL LIABILITIES AND CAPITAL	**$ 1,122,049**	**$ 1,105,825**

1. To the extent the Company's cost basis is different from the basis reflected at the joint venture level, the basis is amortized over the life of the related asset and is included in the income from unconsolidated real estate entities line item on the Consolidated Statements of Operations.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The table below presents the combined and condensed statements of operations for the Company's unconsolidated joint ventures:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2021	2020
TOTAL REVENUES	$ 26,915	$ 20,041	$ 46,447	$ 39,427
TOTAL EXPENSES	17,873	17,728	35,651	33,972
NET INCOME	**$ 9,042**	**$ 2,313**	**$ 10,796**	**$ 5,455**

7. Deferred Leasing Costs and Intangible Assets, net and Intangible Liabilities, net

The following summarizes the Company's deferred leasing costs and intangibles as of:

	June 30, 2022	December 31, 2021
Deferred leasing costs and in-place lease intangibles	$ 335,758	$ 331,149
Accumulated amortization	(137,063)	(126,423)
Deferred leasing costs and in-place lease intangibles, net	**198,695**	**204,726**
Below-market ground leases	79,562	79,562
Accumulated amortization	(16,603)	(15,233)
Below-market ground leases, net	**62,959**	**64,329**
Above-market leases	725	1,334
Accumulated amortization	(270)	(782)
Above-market leases, net	**455**	**552**
Customer relationships	52,500	52,500
Accumulated amortization	(6,434)	(2,684)
Customer relationships, net	**46,066**	**49,816**
Non-competition agreements	5,300	5,300
Accumulated amortization	(909)	(379)
Non-competition agreements, net	**4,391**	**4,921**
Trade name	**8,600**	**17,100**
Parking easement	**15,273**	**—**
DEFERRED LEASING COSTS AND INTANGIBLE ASSETS, NET	**$ 336,439**	**$ 341,444**
Below-market leases	$ 63,278	$ 75,827
Accumulated amortization	(26,560)	(34,326)
Below-market leases, net	**36,718**	**41,501**
Above-market ground leases	1,095	1,095
Accumulated amortization	(328)	(306)
Above-market ground leases, net	**767**	**789**
INTANGIBLE LIABILITIES, NET	**$ 37,485**	**$ 42,290**

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The Company recognized the following amortization related to deferred leasing costs and intangibles:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Deferred leasing costs and in-place lease intangibles[1]	$ (9,788)	$ (11,654)	$ (20,207)	$ (23,221)
Below-market ground leases[2]	$ (698)	$ (598)	$ (1,377)	$ (1,197)
Above-market leases[3]	$ (23)	$ (76)	$ (91)	$ (500)
Customer relationships[4]	$ (1,875)	$ —	$ (3,750)	$ —
Non-competition agreements[1]	$ (265)	$ —	$ (530)	$ —
Below-market leases[3]	$ 1,976	$ 2,815	$ 4,783	$ 5,758
Above-market ground leases[2]	$ 11	$ 11	$ 22	$ 22

1. Amortization is recorded in depreciation and amortization expenses and for lease incentive costs in office rental revenues in the Consolidated Statements of Operations.
2. Amortization is recorded in office operating expenses in the Consolidated Statements of Operations.
3. Amortization is recorded in office rental revenues in the Consolidated Statements of Operations.

During the six months ended June 30, 2022, the Company recognized an $8.5 million impairment of the Zio trade name within impairment loss on the Consolidated Statement of Operations. The impairment is related to the announced rebranding and integration of Zio into the Company's existing Sunset Studios platform, after which the Company will no longer use the Zio trade name.

During the three and six months ended June 30, 2022, the Company recognized an impairment loss of $0.5 million and $2.4 million, respectively, related to the below-market ground lease at its Del Amo office property. See Note 4 for details. The loss is recorded within impairment loss on the Consolidated Statements of Operations.

8. Receivables

The Company's accounting policy and methodology used to estimate the allowance for doubtful accounts related to service revenues are discussed in the Company's 2021 Annual Report on Form 10-K.

Accounts Receivable

As of June 30, 2022, accounts receivable was $15.8 million and there was a $0.2 million allowance for doubtful accounts. As of December 31, 2021, accounts receivable was $25.5 million and there was $0.2 million allowance for doubtful accounts.

Straight-Line Rent Receivables

As of June 30, 2022, straight-line rent receivables was $269.0 million and there was no allowance for doubtful accounts. As of December 31, 2021, straight-line rent receivables was $240.3 million and there was no allowance for doubtful accounts.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

9. Prepaid Expenses and Other Assets, net

The following table summarizes the Company's prepaid expenses and other assets, net as of:

	June 30, 2022	December 31, 2021
Deposits and pre-development costs for future acquisitions	$ —	$ 47,605
Prepaid insurance	16,830	5,442
Non-real estate investments	44,302	31,447
Stock purchase warrant	286	1,664
Deferred financing costs	6,805	7,750
Prepaid property tax	—	2,192
Interest rate derivative assets	4,411	368
Inventory	1,981	1,578
Other	24,536	20,954
PREPAID EXPENSES AND OTHER ASSETS, NET	**$ 99,151**	**$ 119,000**

Non-Real Estate Investments

The Company measures its investments in common stock and convertible preferred stock at fair value based on Level 1 and Level 2 inputs, respectively. The Company measures its investments in funds that do not have a readily determinable fair value using the Net Asset Value ("NAV") practical expedient and uses NAV reported without adjustment unless it is aware of information indicating the NAV reported does not accurately reflect the fair value of the investment. Changes in the fair value of these non-real estate investments are included in unrealized (loss) gain on non-real estate investments on the Consolidated Statements of Operations. The Company recognized an unrealized loss of $1.4 million and an unrealized gain of $1.2 million on its non-real estate investments due to the observable changes in fair value during the three and six months ended June 30, 2022, respectively. The Company recognized an unrealized gain of $5.1 million and $9.0 million on its non-real estate investments due to the observable changes in fair value during the three and six months ended June 30, 2021, respectively.

Stock Purchase Warrant

The Company holds an investment in a stock purchase warrant that gives the Company the right to purchase a fixed number of shares of common stock of a non-real estate investee. The warrant meets the definition of a derivative and is measured at fair value based on Level 2 inputs. Changes in the fair value of the derivative asset are included in unrealized (loss) gain on non-real estate investments on the Consolidated Statements of Operations. The Company recognized an unrealized loss of $0.4 million and $1.4 million due to the change in the fair value of the stock purchase warrant during the three and six months ended June 30, 2022, respectively. The Company recognized an unrealized loss of $0.1 million and an unrealized gain of $1.8 million due to the change in the fair value of the stock purchase warrant during the three and six months ended June 30, 2021, respectively.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

10. Debt

The following table sets forth information with respect to the Company's outstanding indebtedness:

	June 30, 2022	December 31, 2021	Interest Rate[1]	Contractual Maturity Date[2]
UNSECURED AND SECURED DEBT				
Unsecured debt				
Unsecured revolving credit facility[3][4][5]	$ 485,000	$ 125,000	LIBOR + 1.05% to 1.50%	12/21/2026 [6]
Series A notes[7]	110,000	110,000	4.34%	1/2/2023
Series B notes[7]	259,000	259,000	4.69%	12/16/2025
Series C notes[7]	56,000	56,000	4.79%	12/16/2027
Series D notes[8]	150,000	150,000	3.98%	7/6/2026
Series E notes[9]	50,000	50,000	3.66%	9/15/2023
3.95% Registered senior notes	400,000	400,000	3.95%	11/1/2027
4.65% Registered senior notes	500,000	500,000	4.65%	4/1/2029
3.25% Registered senior notes	400,000	400,000	3.25%	1/15/2030
Total unsecured debt	**2,410,000**	**2,050,000**		
Secured debt				
Hollywood Media Portfolio	$ 1,100,000	$ 1,100,000	LIBOR + 1.17%	8/9/2026 [10]
Acquired Hollywood Media Portfolio debt	(209,814)	(209,814)	LIBOR + 1.55%	8/9/2026 [10]
Hollywood Media Portfolio, net[11][12]	890,186	890,186		
One Westside and 10850 Pico[13]	270,714	241,388	LIBOR + 1.70%	12/18/2024 [14]
Element LA	168,000	168,000	4.59%	11/6/2025
1918 Eighth[15]	314,300	314,300	LIBOR + 1.30%	12/18/2025
Hill7[16]	101,000	101,000	3.38%	11/6/2028
Total secured debt	**1,744,200**	**1,714,874**		
Total unsecured and secured debt	**4,154,200**	**3,764,874**		
Unamortized deferred financing costs/loan discounts[17]	(25,166)	(30,971)		
TOTAL UNSECURED AND SECURED DEBT, NET	**$ 4,129,034**	**$ 3,733,903**		
IN-SUBSTANCE DEFEASED DEBT[18][19]	**$ 126,397**	**$ 128,212**	4.47%	10/1/2022
JOINT VENTURE PARTNER DEBT[20]	**$ 66,136**	**$ 66,136**	4.50%	10/9/2032 [21]

1. Interest rate with respect to indebtedness is calculated on the basis of a 360-day year for the actual days elapsed. Interest rates are as of June 30, 2022, which may be different than the interest rates as of December 31, 2021 for corresponding indebtedness.
2. Maturity dates include the effect of extension options.
3. The annual facility fee rate ranges from 0.15% to 0.30% based on the operating partnership's leverage ratio. The Company has an option to make an irrevocable election to change the interest rate depending on the Company's credit rating or a specified base rate plus an applicable margin. As of June 30, 2022, no such election had been made and the unsecured revolving credit facility bore interest at LIBOR + 1.20%.
4. The Company has a total capacity of $1.0 billion available under its unsecured revolving credit facility, up to $250.0 million of which can be used for borrowings in pounds sterling or Canadian dollars.
5. On July 19, 2022, the Company made a $20.0 million repayment on this facility.
6. Includes the option to extend the initial maturity date of December 21, 2025 twice for an additional six-month term each.
7. The notes pay interest semi-annually on the 16th day of June and December in each year until maturity.
8. The notes pay interest semi-annually on the 6th day of January and July in each year until maturity.
9. The notes pay interest semi-annually on the 15th day of March and September in each year until maturity.
10. Includes the option to extend the initial maturity date of August 9, 2023 three times for an additional one-year term each.
11. The Company owns 51% of the ownership interests in the consolidated joint venture that owns the Hollywood Media Portfolio. The joint venture holds a $1.1 billion mortgage loan secured by the Hollywood Media Portfolio. The effective interest rate on the loan is LIBOR + 1.17% until August 9, 2022, at which time the effective interest rate will decrease to LIBOR + 0.99%. The Company purchased bonds comprising the loan in the amount of $209.8 million.
12. The interest rate on a portion of the outstanding loan balance has been effectively fixed through the use of an interest rate swap under the first payments approach. As of June 30, 2022, the LIBOR component of the interest rate was fixed at 1.43% with respect to $125.0 million of the loan secured by the

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Hollywood Media Portfolio. Additionally, the interest on the full principal amount has been effectively capped at 4.67% per annum through the use of an interest rate cap.
13. The Company has the ability to draw up to $414.6 million under the construction loan secured by the One Westside and 10850 Pico properties.
14. Includes the option to extend the initial maturity date of December 18, 2023 twice for an additional six-month term each.
15. The Company owns 55% of the ownership interests in the consolidated joint venture that owns the 1918 Eighth property. The full amount of the loan is shown. This loan is interest-only through its term.
16. The Company owns 55% of the ownership interests in the consolidated joint venture that owns the Hill7 property. The full amount of the loan is shown. This loan bears interest only at 3.38% until November 6, 2026, at which time the interest rate will increase and monthly debt service will include principal payments with a balloon payment at maturity.
17. Excludes deferred financing costs related to establishing the Company's unsecured revolving credit facility, which are reflected in prepaid expenses and other assets, net on the Consolidated Balance Sheets. See Note 9 for details.
18. The Company owns 75% of the ownership interests in the joint venture that owns the One Westside and 10850 Pico properties. The full amount of the loan is shown. Monthly debt service includes debt amortization payments based on a 10-year amortization schedule with a balloon payment at maturity.
19. This loan was repaid in full on July 1, 2022.
20. This amount relates to debt attributable to Allianz U.S. Private REIT LP ("Allianz"), the Company's partner in the joint venture that owns the Ferry Building property.
21. Includes the option to extend the initial maturity date of October 9, 2028 twice for an additional two-year term each.

Current Year Activity

During the six months ended June 30, 2022, there were $360.0 million in borrowings on the unsecured revolving credit facility. The Company generally uses the unsecured revolving credit facility to finance the acquisition of properties and businesses, to provide funds for tenant improvements and capital expenditures and to provide for working capital and other corporate purposes.

Indebtedness

The Company presents its financial statements on a consolidated basis. Notwithstanding such presentation, except to the extent expressly indicated, the Company's separate property-owning subsidiaries are not obligors of or under the debt of their respective affiliates and each property-owning subsidiary's separate liabilities do not constitute obligations of its respective affiliates.

Loan agreements include events of default that the Company believes are usual for loans and transactions of this type. As of the date of this filing, there have been no events of default associated with the Company's loans.

The following table provides information regarding the Company's future minimum principal payments due on the Company's debt (after the impact of extension options, if applicable) as of June 30, 2022:

Year	Unsecured and Secured Debt	In-substance Defeased Debt[1]	Joint Venture Partner Debt
Remaining 2022	$ —	$ 126,397	$ —
2023	160,000	—	—
2024	270,714	—	—
2025	741,300	—	—
2026	1,525,186	—	—
Thereafter	1,457,000	—	66,136
TOTAL	**$ 4,154,200**	**$ 126,397**	**$ 66,136**

1. This loan was repaid in full on July 1, 2022.

Debt Covenants

The operating partnership's ability to borrow under its unsecured loan arrangements remains subject to ongoing compliance with financial and other covenants as defined in the respective agreements. Certain financial covenant ratios are subject to change in the occurrence of material acquisitions as defined in the respective agreements. Other covenants include certain limitations on dividend payouts and distributions, limits on certain types of investments outside of the operating partnership's primary business and other customary affirmative and negative covenants.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The following table summarizes existing covenants and their covenant levels as of June 30, 2022 related to our unsecured revolving credit facility, term loans and note purchase agreements, when considering the most restrictive terms:

Covenant Ratio	Covenant Level	Actual Performance
Total liabilities to total asset value	≤ 60%	41.9%
Unsecured indebtedness to unencumbered asset value	≤ 60%	39.2%
Adjusted EBITDA to fixed charges	≥ 1.5x	3.4x
Secured indebtedness to total asset value	≤ 45%	18.8%
Unencumbered NOI to unsecured interest expense	≥ 2.0x	3.7x

The following table summarizes existing covenants and their covenant levels related to the registered senior notes as of June 30, 2022:

Covenant Ratio[1]	Covenant Level	Actual Performance
Debt to total assets	≤ 60%	44.6%
Total unencumbered assets to unsecured debt	≥ 150%	255.2%
Consolidated income available for debt service to annual debt service charge	≥ 1.5x	3.7x
Secured debt to total assets	≤ 45%	19.4%

1. The covenant and actual performance metrics above represent terms and definitions reflected in the indentures governing the 3.25% Senior Notes, 3.95% Senior Notes and 4.65% Senior Notes.

The operating partnership was in compliance with its financial covenants as of June 30, 2022.

Repayment Guarantees

Although the rest of the operating partnership's loans are secured and non-recourse, the operating partnership provides limited customary secured debt guarantees for items such as voluntary bankruptcy, fraud, misapplication of payments and environmental liabilities.

The Company guarantees the operating partnership's unsecured debt.

Interest Expense

The following table represents a reconciliation from gross interest expense to the interest expense on the Consolidated Statements of Operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Gross interest expense[1]	$ 33,916	$ 33,889	$ 64,647	$ 67,429
Capitalized interest	(3,592)	(5,618)	(6,877)	(11,289)
Amortization of deferred financing costs and loan discounts/premiums	3,395	2,418	6,785	4,835
INTEREST EXPENSE	**$ 33,719**	**$ 30,689**	**$ 64,555**	**$ 60,975**

1. Includes interest on the Company's debt and hedging activities.

11. Derivatives

The Company enters into derivatives in order to hedge interest rate risk.

The Company had one interest rate swap with an aggregate notional amount of $0.1 billion as of June 30, 2022 and three interest rate swaps with aggregate notional amounts of $0.5 billion as of December 31, 2021. These derivatives were designated as effective cash flow hedges for accounting purposes. The Company had one interest rate cap contract with an aggregate notional amount of $1.1 billion as of June 30, 2022 and December 31, 2021. The interest rate cap is not designated under hedge accounting and is accounted for under mark-to-market accounting. Derivative assets are recorded in prepaid expenses and other assets and derivative liabilities are recorded in accounts payable, accrued liabilities and other on the Consolidated Balance Sheets.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The Company has agreements with its derivative counterparties that contain a provision where the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

The Company's derivatives are classified as Level 2 and their fair values are derived from estimated values obtained from observable market data for similar instruments.

The fair market value of derivatives is presented on a gross basis on the Consolidated Balance Sheets. The following table summarizes the Company's derivative instruments as of June 30, 2022 and December 31, 2021:

					Interest Rate Range[1]		Fair Value Assets (Liabilities)	
Underlying Debt Instrument	**Number of Derivatives**	**Notional Amount**	**Effective Date**	**Maturity Date**	**Low**	**High**	**June 30, 2022**	**December 31, 2021**
Interest rate swaps								
Hollywood Media Portfolio[2]	2	$ 350,000	April 2015	April 2022	2.96%	3.46%	$ —	$ (1,413)
Hollywood Media Portfolio[2]	1	125,000	June 2016	November 2022	2.63%	3.13%	496	(1,122)
Interest rate cap					**Strike rate**			
Hollywood Media Portfolio	1	1,100,000	August 2021	August 2023	3.50%		$ 3,915	368
TOTAL							**$ 4,411**	**$ (2,167)**

1. The rate is based on the fixed rate from the swap and the spread based on the operating partnership's leverage ratio.
2. The swaps were designated under the first payments approach within hedge accounting, where the Company elected to designate a cash flow (LIBOR-based interest payments) instead of a specific piece of debt.

The Company reclassifies unrealized gains and losses related to cash flow hedges into earnings in the same period during which the hedged forecasted transaction affects earnings. As of June 30, 2022, the Company expects $0.3 million of unrealized gain included in accumulated other comprehensive loss will be reclassified as a decrease to interest expense in the next 12 months.

12. U.S. Government Securities

The acquisition of the One Westside and 10850 Pico properties in 2018 included the assumption of debt that was, in substance, defeased through the purchase of U.S. Government-backed securities. The securities were held to maturity and were carried at amortized cost on the Consolidated Balance Sheet. The remaining securities matured during the three months ended June 30, 2022, resulting in a balance of $0 as of June 30, 2022, as compared to a balance of $129.3 million as of December 31, 2021.

13. Income Taxes

Hudson Pacific Properties, Inc. has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with its taxable year ended December 31, 2010. Provided it continues to qualify for taxation as a REIT, Hudson Pacific Properties, Inc. is generally not subject to corporate-level income tax on the earnings distributed currently to its stockholders. The Company has elected, together with certain of its subsidiaries, to treat each such subsidiary as a taxable REIT subsidiary ("TRS") for federal income tax purposes.

In general, the Company's property-owning subsidiaries are limited liability companies and are treated as pass-through entities or disregarded entities (or, in the case of the entities that own the 1455 Market, Hill7, Ferry Building and 1918 Eighth properties, REITs) for federal income tax purposes. In the case of the Bentall Centre property, the Company owns its interest in the property through a non-U.S entity treated as a TRS for federal income tax purposes. Accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements for the activities of these entities.

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The Company periodically evaluates its tax positions to determine whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. As of June 30, 2022, the Company has not established a liability for uncertain tax positions.

The Company and certain of its TRSs file income tax returns with the U.S. federal government and various state and local jurisdictions. The Company and its TRSs are no longer subject to tax examinations by tax authorities for years prior to 2017. The Company has assessed its tax positions for all open years, which as of June 30, 2022 included 2018 to 2020 for federal purposes and 2017 to 2020 for state purposes, and concluded that there are no material uncertainties to be recognized.

14. Future Minimum Rents and Lease Payments

The Company's properties are leased to tenants under operating leases with initial term expiration dates ranging from 2022 to 2040.

The following table summarizes the future minimum base rents (excluding tenant reimbursements for operating expenses and termination fees related to tenants exercising early termination options) for properties as of June 30, 2022:

Year Ended	Non-cancellable	Subject to Early Termination Options	Total [1]
Remaining 2022	$ 325,859	$ 2,084	$ 327,943
2023	630,153	2,252	632,405
2024	566,960	4,928	571,888
2025	421,529	40,735	462,264
2026	357,658	53,424	411,082
Thereafter	1,346,758	187,697	1,534,455
TOTAL	**$ 3,648,917**	**$ 291,120**	**$ 3,940,037**

1. Excludes rents under leases at the Company's studio properties with terms of one year or less.

Operating Lease Agreements

The Company is party to long-term non-cancellable operating lease agreements in which it is a lessee, consisting of 13 ground leases, four facility leases and three office leases as of June 30, 2022. The Company's operating lease obligations have expiration dates ranging from 2023 through 2067, including extension options which the Company is reasonably certain to exercise. Certain leases provide for variable rental payments based on third-party appraisals of fair market land value, CPI adjustments or a percentage of annual gross income. There are no notable restrictions or covenants imposed by the leases, nor guarantees of residual value.

As of June 30, 2022, the present value of the remaining contractual payments of $641.9 million under the Company's operating lease agreements was $307.1 million. The corresponding operating lease right-of-use assets amounted to $299.7 million.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
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The following table provides information regarding the Company's future minimum lease payments for its operating leases (including the impact of the extension options which the Company is reasonably certain to exercise) as of June 30, 2022:

Year		**Lease Payments[(1)]**
Remaining 2022	$	11,398
2023		22,729
2024		22,721
2025		22,758
2026		22,449
Thereafter		539,799
Total operating lease payments		**641,854**
Less: interest portion		(334,782)
PRESENT VALUE OF OPERATING LEASE LIABILITIES	**$**	**307,072**

1. Future minimum lease payments for operating leases denominated in a foreign currency are translated to U.S. dollars using the exchange rate in effect as of the financial statement date.

The following table summarizes rental expense for operating leases:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2022	**2021**	**2022**	**2021**
Variable rental expense	$ 2,381	$ 2,494	$ 4,486	$ 5,108
Minimum rental expense	$ 6,131	$ 5,551	$ 12,281	$ 10,542

15. Fair Value of Financial Instruments

The GAAP fair value framework uses a three-tiered approach. Fair value measurements are classified and disclosed in one of the following three categories:

- Level 1: unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2: quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and
- Level 3: prices or valuation techniques where little or no market data is available that require inputs that are both significant to the fair value measurement and unobservable.

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The Company's financial assets and liabilities measured and reported at fair value on a recurring basis include the following as of:

	June 30, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivative assets[1]	$ —	$ 4,411	$ —	**$ 4,411**	$ —	$ 368	$ —	**$ 368**
Interest rate derivative liabilities[2]	$ —	$ —	$ —	**$ —**	$ —	$ (2,535)	$ —	**$ (2,535)**
Non-real estate investments measured at fair value[1]	$ 437	$ 25	$ —	**$ 462**	$ 1,915	$ 1,568	$ —	**$ 3,483**
Stock purchase warrant[1]	$ —	$ 286	$ —	**$ 286**	$ —	$ 1,664	$ —	**$ 1,664**
Earnout liability[2][3]	$ —	$ —	$ (7,543)	**$ (7,543)**	$ —	$ —	$ (11,383)	**$ (11,383)**
Non-real estate investments measured at NAV[1][4]	$ —	$ —	$ —	**$ 43,840**	$ —	$ —	$ —	**$ 27,964**

1. Included in prepaid expenses and other assets, net on the Consolidated Balance Sheets.
2. Included in accounts payable, accrued liabilities and other on the Consolidated Balance Sheets.
3. Related to the acquisition of Zio. Refer to Note 3 for additional details.
4. According to the relevant accounting standards, certain investments that are measured at fair value using the NAV practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.

Level 1 items include an investment in common stock of a publicly traded company which is valued on a quarterly basis using the closing stock price. Level 2 items include an interest rate cap and swaps which are valued on a quarterly basis using a linear regression model, as well as investments in preferred stock and warrants of a publicly traded company value which are valued on a quarterly basis using the closing stock price and a Black-Scholes model, respectively. Level 3 items include the earnout liability which is valued on a quarterly basis using a probability-weighted discounted cash flow model. Inputs to the model include the discount rate and probability-weighted earnout payments based on a Monte Carlo simulation with one million trials. Fair value measurement using unobservable inputs is inherently uncertain, and a change in significant inputs could result in different fair values.

Other Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities are reasonable estimates of fair value, using Level 1 inputs, because of the short-term nature of these instruments. The fair value of the investment in U.S. Government securities is an estimate based on Level 1 inputs. The fair values of debt are estimates based on rates currently prevailing for similar instruments of similar maturities using Level 2 inputs.

The table below represents the carrying value and fair value of the Company's investment in securities and debt as of:

	June 30, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
ASSETS				
U.S. Government securities	$ —	$ —	$ 129,321	$ 130,910
LIABILITIES				
Unsecured debt[1]	$ 2,410,000	$ 2,290,283	$ 2,050,000	$ 2,154,908
Secured debt[1]	$ 1,744,200	$ 1,736,203	$ 1,714,874	$ 1,713,726
In-substance defeased debt	$ 126,397	$ 126,254	$ 128,212	$ 128,361
Joint venture partner debt	$ 66,136	$ 63,569	$ 66,136	$ 69,116

1. Amounts represent debt excluding unamortized deferred financing costs and loan premiums.

16. Stock-Based Compensation

The Company's 2010 Incentive Plan permits the Company's board of directors (the "Board") to grant, among other things, restricted stock, restricted stock units, operating partnership performance units and performance-based awards. As of June 30, 2022, 7.2 million common shares were available for grant under the 2010 Plan. The calculation of shares available for grant is determined after taking into account unvested restricted stock, unvested operating partnership performance units and unvested RSUs, assuming the maximum bonus pool eligible ultimately is earned and based on a stock price of $14.84.

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The Board awards restricted shares to non-employee Board members on an annual basis as part of such Board members' annual compensation and to newly elected non-employee Board members in accordance with the Non-Employee Director Compensation Program. The time-based awards are generally issued in the second quarter, in conjunction with the director's election to the Board, and the individual share awards vest in equal annual installments over the applicable service vesting period, which is three years. Additionally, certain non-employee Board members elect to receive operating partnership performance units in lieu of their annual cash retainer fees. These awards are generally issued in the fourth quarter and are fully-vested upon their issuance.

The Board awards time-based restricted shares or time-based operating partnership performance units to certain employees on an annual basis as part of the employees' annual compensation. These time-based awards are generally issued in the fourth quarter and vest in equal annual installments over the applicable service vesting period, which is generally three years. Additionally, certain awards are subject to a mandatory holding period upon vesting if the grantee is an executive officer. Lastly, certain employees elect to receive operating partnership performance units in lieu of their annual cash bonus. These awards are generally issued in the fourth quarter and are fully-vested upon their issuance.

Beginning in 2020, the compensation committee of the Board (the "Compensation Committee") adopted an annual Hudson Pacific Properties, Inc. Performance Stock Unit Plan ("PSU Plan"). Under the PSU Plan, the Compensation Committee awards restricted stock units or performance units in the operating partnership to certain employees. PSU Plan grants consist of two portions. A portion of each award, the Relative Total Shareholder Return ("TSR") Performance Unit, is eligible to vest based on the achievement of the Company's TSR compared to the TSR of the FTSE NAREIT All Equity REITs index over a three-year performance period, with the vesting percentage subject to certain percentage targets. The remaining portion of each award, the Operational Performance Unit, becomes eligible to vest based on the achievement of operational performance metrics over a one-year performance period and vests over three years. The number of Operational Performance Units that becomes eligible to vest based on the achievement of operational performance metrics may be adjusted based on the Company's achievement of absolute TSR goals over a three-year performance period by applying the applicable vesting percentages. Certain of the awards granted under the PSU Plan are subject to a two-year post-vesting restriction period, during which any awards earned may not be sold or transferred.

The following table presents the classification and amount recognized for stock-based compensation related to the Company's awards:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Expensed stock compensation[1]	$ 5,993	$ 6,340	$ 11,322	$ 9,878
Capitalized stock compensation[2]	973	1,009	1,789	1,888
TOTAL STOCK COMPENSATION[3]	**$ 6,966**	**$ 7,349**	**$ 13,111**	**$ 11,766**

1. Amounts are recorded in general and administrative expenses on the Consolidated Statements of Operations.
2. Amounts are recorded in investment in real estate, at cost on the Consolidated Balance Sheets.
3. Amounts are recorded in additional paid-in capital and non-controlling interest—units in the operating partnership on the Consolidated Balance Sheets.

17. Earnings Per Share

Hudson Pacific Properties, Inc.

The Company calculates basic earnings per share using the two-class method by dividing the net income available to common stockholders for the period by the weighted average number of common shares outstanding during the period. Unvested time-based restricted stock awards, unvested time-based performance unit awards and unvested restricted stock units ("RSUs") that contain non-forfeitable rights to dividends are participating securities and are included in the computation of earnings per share pursuant to the two-class method. The Company calculates diluted earnings per share using the two-class method or the treasury stock and if-converted method, whichever results in more dilution. For the three and six months ended June 30, 2022 and 2021, both methods of calculation yielded the same diluted earnings per share amount. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower earnings per share amount.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The following table reconciles the numerator and denominator in computing the Company's basic and diluted earnings per share to net (loss) income available to common stockholders:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Basic net (loss) income available to common stockholders	$ (7,436)	$ 2,315	$ (27,229)	$ 7,297
Effect of dilutive instruments	—	18	—	—
Diluted net (loss) income available to common stockholders	$ (7,436)	$ 2,333	$ (27,229)	$ 7,297
Denominator:				
Basic weighted average common shares outstanding	143,816,698	151,169,612	146,487,388	150,997,564
Effect of dilutive instruments[1][2]	—	1,513,851	—	305,281
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	**143,816,698**	**152,683,463**	**146,487,388**	**151,302,845**
Basic earnings per common share	$ (0.05)	$ 0.02	$ (0.19)	$ 0.05
Diluted earnings per common share	$ (0.05)	$ 0.02	$ (0.19)	$ 0.05

1. The Company includes unvested awards and convertible common and participating units as contingently issuable shares in the computation of diluted earnings per share once the market or performance criteria are met, assuming that the end of the reporting period is the end of the contingency period. Any anti-dilutive securities are excluded from the diluted earnings per share calculation.
2. The Company includes the dilutive effect of the forward sale component of its accelerated share repurchase agreements in the computation of diluted earnings per share.

Hudson Pacific Properties, L.P.

The operating partnership calculates basic earnings per unit using the two-class method by dividing the net income available to common unitholders for the period by the weighted average number of common units outstanding during the period. Unvested time-based restricted stock awards, unvested time-based performance unit awards and unvested RSUs that contain non-forfeitable rights to dividends are participating securities and are included in the computation of earnings per unit pursuant to the two-class method. The operating partnership calculates diluted earnings per unit using the two-class method or the treasury stock and if-converted method, whichever results in more dilution. For the three and six months ended June 30, 2022 and 2021, both methods of calculation yielded the same diluted earnings per unit amount. Diluted earnings per unit reflects the potential dilution that could occur if securities or other contracts to issue common units were exercised or converted into common units, where such exercise or conversion would result in a lower earnings per unit amount.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The following table reconciles the numerator and denominator in computing the operating partnership's basic and diluted earnings per unit to net (loss) income available to common unitholders:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Basic and diluted net (loss) income available to common unitholders	$ (7,529)	$ 2,334	$ (27,552)	$ 7,366
Denominator:				
Basic weighted average common units outstanding	145,662,962	152,551,236	148,332,424	152,369,823
Effect of dilutive instruments[(1)(2)]	—	132,227	—	305,281
DILUTED WEIGHTED AVERAGE COMMON UNITS OUTSTANDING	**145,662,962**	**152,683,463**	**148,332,424**	**152,675,104**
Basic earnings per common unit	$ (0.05)	$ 0.02	$ (0.19)	$ 0.05
Diluted earnings per common unit	$ (0.05)	$ 0.02	$ (0.19)	$ 0.05

1. The operating partnership includes unvested awards as contingently issuable units in the computation of diluted earnings per unit once the market or performance criteria are met, assuming that the end of the reporting period is the end of the contingency period. Any anti-dilutive securities are excluded from the diluted earnings per unit calculation.
2. The Company includes the dilutive effect of the forward sale component of its accelerated share repurchase agreements in the computation of diluted earnings per unit.

18. Redeemable Non-controlling Interest

Redeemable Preferred Units of the Operating Partnership

As of June 30, 2022 and December 31, 2021, there were 392,598 Series A preferred units of partnership interest in the operating partnership, or Series A preferred units, which are not owned by the Company.

These Series A preferred units are entitled to preferential distributions at a rate of 6.25% per annum on the liquidation preference of $25.00 per unit. The units are convertible at the option of the holder into common units or redeemable into cash or, at the Company's election, exchangeable for registered shares of common stock.

Redeemable Non-controlling Interest in Consolidated Real Estate Entities

On March 1, 2018, the Company entered into a joint venture agreement with Macerich to form the HPP-MAC JV. On August 31, 2018, Macerich contributed Westside Pavilion to the HPP-MAC JV. The Company has a 75% interest in the joint venture that owns the One Westside and 10850 Pico properties. The Company has a put right, after a specified time, to sell its interest at fair market value. Macerich has a put right, after a specified time, to sell its interest at fair market value, which is a redemption right that is not solely within the control of the Company. Therefore, the non-controlling interest related to this joint venture is included as temporary equity. The put right is not currently redeemable.

On October 9, 2018, the Company entered into a joint venture with Allianz to purchase the Ferry Building property. The Company has a 55% interest in the joint venture that owns the Ferry Building property. The Company has a put right, if certain events occur, to sell its interest at fair market value. Allianz has a put right, if certain events occur, to sell its interest at fair market value, which is a redemption right that is not solely within the control of the Company. Therefore, the non-controlling interest related to this joint venture is included as temporary equity. The put right is not currently redeemable.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The following table reconciles the beginning and ending balances of redeemable non-controlling interests:

	Three Months Ended June 30, 2022		Six Months Ended June 30, 2022	
	Series A Redeemable Preferred Units	Consolidated Real Estate Entities	Series A Redeemable Preferred Units	Consolidated Real Estate Entities
BEGINNING OF PERIOD	$ 9,815	$ 127,684	$ 9,815	$ 129,449
Contributions	—	250	—	375
Distributions	—	(8)	—	(8)
Declared dividend	(153)	—	(306)	—
Net income (loss)	153	(1,506)	306	(3,396)
END OF PERIOD	$ 9,815	$ 126,420	$ 9,815	$ 126,420

19. Equity

The table below presents the activity related to Hudson Pacific Properties, Inc.'s accumulated other comprehensive loss ("OCI"):

	Derivative Instruments	Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss
BALANCE AT DECEMBER 31, 2021	$ (3,957)	$ 2,196	$ (1,761)
Unrealized gains (losses) recognized in OCI	4,480	(8,301)	(3,821)
Reclassification from OCI into income[1]	(1,469)	—	(1,469)
Net change in OCI	3,011	(8,301)	(5,290)
BALANCE AT JUNE 30, 2022	$ (946)	$ (6,105)	$ (7,051)

1. The gains and losses on the Company's derivative instruments classified as hedges are reported in interest expense on the Consolidated Statements of Operations.

The table below presents the activity related to Hudson Pacific Properties, L.P.'s OCI:

	Derivative Instruments	Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss
BALANCE AT DECEMBER 31, 2021	$ (3,954)	$ 2,175	$ (1,779)
Unrealized gains (losses) recognized in OCI	4,560	(8,449)	(3,889)
Reclassification from OCI into income[1]	(1,495)	—	(1,495)
Net change in OCI	3,065	(8,449)	(5,384)
BALANCE AT JUNE 30, 2022	$ (889)	$ (6,274)	$ (7,163)

1. The gains and losses on the operating partnership's derivative instruments classified as hedges are reported in interest expense on the Consolidated Statements of Operations.

Non-controlling Interests

Common Units in the Operating Partnership

Common units of the operating partnership and shares of common stock of the Company have essentially the same economic characteristics, as they share equally in the total net income or loss distributions of the operating partnership. Investors who own common units have the right to cause the operating partnership to repurchase any or all of their common units for cash at a value equal to the then-current market value of one share of common stock. However, in lieu of such payment of cash, the Company may, at its election, issue shares of its common stock in exchange for such common units on a one-for-one basis.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

Performance Units in the Operating Partnership

Performance units are partnership interests in the operating partnership. Each performance unit awarded will be deemed equivalent to an award of one share of common stock under the 2010 Plan, reducing the availability for other equity awards on a one-for-one basis. Under the terms of the performance units, the operating partnership will revalue its assets for tax purposes upon the occurrence of certain specified events and any increase in valuation from the time of grant until such event will be allocated first to the holders of performance units to equalize the capital accounts of such holders with the capital accounts of common unitholders. Subject to any agreed upon exceptions, once vested and having achieved parity with common unitholders, performance units are convertible into common units in the operating partnership on a one-for-one basis.

Ownership Interest in the Operating Partnership

The following table summarizes the ownership interest in the operating partnership, excluding unvested restricted units and unvested restricted performance units, as of:

	June 30, 2022	December 31, 2021
Company-owned common units in the operating partnership	141,609,336	151,124,543
Company’s ownership interest percentage	98.7 %	98.8 %
Non-controlling common units in the operating partnership[1]	1,846,264	1,842,898
Non-controlling ownership interest percentage	1.3 %	1.2 %

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1. Represents common units held by certain of the Company’s executive officers, directors and other outside investors. As of June 30, 2022, this amount represents both common units and performance units of 550,969 and 1,295,295, respectively. As of December 31, 2021, this amount represents both common units and performance units in the amount of 550,969 and 1,291,929, respectively.

Common Stock Activity

The Company has not completed any common stock offerings during the six months ended June 30, 2022.

The Company’s ATM program permits sales of up to $125.0 million of common stock. The Company did not utilize the ATM program during the six months ended June 30, 2022. A cumulative total of $65.8 million has been sold as of June 30, 2022.

Share Repurchase Program

The Company is authorized to repurchase shares of its common stock up to a total of $250.0 million of its common stock under the share repurchase program. During the six months ended June 30, 2022, the Company repurchased $37.2 million of its common stock, before transaction costs. Since commencement of the program, a cumulative total of $213.4 million has been repurchased. Share repurchases are accounted for on the trade date. The Company may make repurchases under the program at any time in its discretion, subject to market conditions, applicable legal requirements and other factors.

Accelerated Share Repurchase Agreements

On February 25, 2022, the Company entered into an uncollared accelerated share repurchase (“ASR”) agreement to purchase $100 million of its outstanding common stock. During the first quarter 2022, the Company made an initial payment of $100 million and received an initial delivery of approximately 3.3 million shares of common stock representing 85% of the total $100 million agreement based on the closing price of our common stock on the transaction date. Final settlement of the agreement occurred during the second quarter 2022, resulting in the receipt of an additional 0.9 million shares of common stock based on an adjusted daily volume-weighted average price of $23.90 during the measurement period.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

On February 25, 2022, the Company entered into a collared ASR agreement to purchase $100 million of its outstanding common stock. During the six months ended June 30, 2022, the Company made an initial payment of $100 million and received an initial delivery of approximately 3.3 million shares of common stock based on an estimated cap price calculated using the daily volume-weighted average price during an initial hedge period. Final settlement of the agreement occurred subsequent to June 30, 2022, resulting in the receipt of an additional 0.7 million shares of common stock based on a floor price of $25.35.

At the conclusion of the ASR program in July 2022, a total of 8.1 million shares had been repurchased at an average price of $24.60.

As of June 30, 2022, the forward sale component of the ASR agreements is classified as equity due to the Company's option to settle its potential obligation to deliver additional shares of common stock in the form of either cash or net shares.

Series C Cumulative Redeemable Preferred Stock

Series C cumulative redeemable preferred stock relates to the 17,000,000 shares of our Series C preferred stock, $0.01 par value per share. Holders of Series C preferred stock, when and as authorized by the board of directors of the Company, are entitled to cumulative cash dividends at the rate of 4.750% per annum of the $25.00 per share, equivalent to $1.1875 per annum per share. Dividends are payable quarterly in arrears on or about the last day of December, March, June and September of each year. In addition to other preferential rights, the holders of Series C preferred stock are entitled to receive the liquidation preference, which is $25.00 per share, before the holders of common stock in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company's affairs. Generally, shares of Series C preferred stock are not redeemable by the Company prior to November 16, 2026. However, upon the occurrence of a change of control, holders of the Series C preferred stock will have the right, (unless the Company has elected to redeem the Series C preferred stock) to convert into a specified number of shares of common stock.

Dividends

The Board declares dividends on a quarterly basis and the Company pays the dividends during the quarters in which the dividends are declared. The following table summarizes dividends per share declared and paid for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Common stock	$ 0.25	$ 0.25	$ 0.50	$ 0.50
Common units	$ 0.25	$ 0.25	$ 0.50	$ 0.50
Series A preferred units	$ 0.3906	$ 0.3906	$ 0.7812	$ 0.7812
Series C preferred stock[(1)]	$ 0.2968750	$ —	$ 0.7421875	$ —
Performance units	$ 0.25	$ 0.25	$ 0.50	$ 0.50
Payment date	June 30, 2022	June 28, 2021	N/A	N/A
Record date	June 20, 2022	June 18, 2021	N/A	N/A

1. Dividends paid during the six months ended June 30, 2022 include a $0.2968750 per share dividend declared and paid in each of the first and second quarters 2022 and a $0.1484375 per share dividend declared during the fourth quarter of 2021.

Taxability of Dividends

Earnings and profits, which determine the taxability of distributions to stockholders, may differ from income reported for financial reporting purposes due to the differences for federal income tax purposes in the treatment of loss on extinguishment of debt, revenue recognition, compensation expense and the basis of depreciable assets and estimated useful lives used to compute depreciation.

20. Segment Reporting

The Company's reporting segments are based on the Company's method of internal reporting, which classifies its operations into two reportable segments: (i) office properties and related operations and (ii) studio properties and related operations. The Company evaluates performance based upon net operating income of the segment operations. General and administrative expenses and interest expense are not included in segment profit as the Company's internal reporting addresses these items on a corporate level. Asset information by segment is not reported because the Company does not use this measure to assess performance or make decisions to allocate resources; therefore, depreciation and amortization expense is not allocated among segments.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The table below presents the operating activity of the Company's reportable segments:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Office segment				
Office revenues	$ 216,244	$ 195,703	$ 427,644	$ 387,846
Office expenses	(78,558)	(69,111)	(152,189)	(135,673)
Office segment profit	**137,686**	**126,592**	**275,455**	**252,173**
Studio segment				
Studio revenues	35,186	19,899	68,299	40,875
Studio expenses	(20,686)	(12,466)	(39,669)	(23,919)
Studio segment profit	**14,500**	**7,433**	**28,630**	**16,956**
TOTAL SEGMENT PROFIT	**$ 152,186**	**$ 134,025**	**$ 304,085**	**$ 269,129**
Segment revenues	$ 251,430	$ 215,602	$ 495,943	$ 428,721
Segment expenses	(99,244)	(81,577)	(191,858)	(159,592)
TOTAL SEGMENT PROFIT	**$ 152,186**	**$ 134,025**	**$ 304,085**	**$ 269,129**

The table below is a reconciliation of the total profit from all segments to net income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
NET INCOME (LOSS)	$ 3,546	$ 7,030	$ (4,069)	$ 18,441
General and administrative	21,871	17,109	42,383	35,558
Depreciation and amortization	91,438	84,178	183,631	166,939
Income from unconsolidated real estate entities	(1,780)	(470)	(2,083)	(1,105)
Fee income	(1,140)	(797)	(2,211)	(1,645)
Interest expense	33,719	30,689	64,555	60,975
Interest income	(920)	(937)	(1,830)	(1,934)
Management services reimbursement income—unconsolidated real estate entities	(1,068)	(626)	(2,176)	(626)
Management services expense—unconsolidated real estate entities	1,068	626	2,176	626
Transaction-related expenses	1,126	1,064	1,382	1,064
Unrealized loss (gain) on non-real estate investments	1,818	(5,018)	168	(10,793)
Impairment loss	3,250	—	23,753	—
Other (income) expense	(742)	1,177	(1,594)	1,629
TOTAL PROFIT FROM ALL SEGMENTS	**$ 152,186**	**$ 134,025**	**$ 304,085**	**$ 269,129**

21. Related Party Transactions

Employment Agreements

The Company has entered into employment agreements with certain of its executive officers, effective January 1, 2020, that provide for various severance and change in control benefits and other terms and conditions of employment.

Cost Reimbursements from Unconsolidated Real Estate Entities

The Company is reimbursed for certain costs incurred in managing certain of its unconsolidated real estate entities. During the three and six months ended June 30, 2022, the Company recognized $1.1 million and $2.2 million, respectively, of such reimbursement income in management services reimbursement income—unconsolidated real estate entities on the Consolidated Statement of Operations. During the three and six months ended June 30, 2021, the Company recognized $0.6 million of such reimbursement income.

Related Party Leases

The Company's wholly-owned subsidiary is party to long-term operating lease agreements with an unconsolidated joint venture for office space and fitness and conference facilities. As of June 30, 2022, the Company's right-of-use assets and lease liabilities related to these lease obligations were $6.8 million and $6.9 million, respectively, as compared to right-of-use assets and lease liabilities of $6.0 million and $6.1 million, respectively, as of June 30, 2021. During the three and six months ended June 30, 2022, the Company recognized $0.3 million and $0.5 million, respectively, of related rental expense in management services expense—unconsolidated real estate entities on the Consolidated Statement of Operations related to these leases. During the three and six months ended June 30, 2021, the Company recognized $0.6 million of related rental expense.

22. Commitments and Contingencies

Fund Investments

On April 14, 2022, the Company launched EquiBlue, an investing platform that seeks to leverage commercial real estate to holistically provide economic opportunity and upward mobility for women and people of color. As sponsor, the Company and its strategic partner have collectively committed to contributing at least 20% of the total capital commitment for EquiBlue's initial fund, which is targeted at $300.0 million.

The Company invests in several non-real estate funds with an aggregate commitment to contribute up to $48.0 million. As of June 30, 2022, the Company has contributed $28.0 million to these funds, net of distributions, with $20.0 million remaining to be contributed.

Legal

From time to time, the Company is party to various lawsuits, claims and other legal proceedings arising out of, or incident to, the ordinary course of business. Management believes, based in part upon consultation with legal counsel, that the ultimate resolution of all such claims will not have a material adverse effect on the Company's results of operations, financial position or cash flows. As of June 30, 2022, the risk of material loss from such legal actions impacting the Company's financial condition or results from operations has been assessed as remote.

Letters of Credit

As of June 30, 2022, the Company had $3.1 million in outstanding letters of credit under the unsecured revolving credit facility. The letters of credit are primarily related to utility company security deposit requirements.

Contractual Obligations

The Company has entered into a number of construction agreements related to its development activities at various properties and its obligations under executed leases. As of June 30, 2022, the Company had $322.1 million in related commitments.

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

23. Supplemental Cash Flow Information

Supplemental cash flow information for Hudson Pacific Properties, Inc. is included as follows:

	Six Months Ended June 30,	
	2022	2021
Cash paid for interest, net of capitalized interest	$ 56,467	$ 56,034
Non-cash investing and financing activities		
Accounts payable and accrued liabilities for real estate investments	$ 185,823	$ 134,516
Ground lease remeasurement	$ 23,177	$ —
Lease liabilities recorded in connection with right-of-use assets	$ 2,377	$ 6,688
Accrued liability for common stock repurchases settled after quarter-end	$ 2,518	$ —

Supplemental cash flow information for Hudson Pacific Properties, L.P. is included as follows:

	Six Months Ended June 30,	
	2022	2021
Cash paid for interest, net of capitalized interest	$ 56,467	$ 56,034
Non-cash investing and financing activities		
Accounts payable and accrued liabilities for real estate investments	$ 185,823	$ 134,516
Ground lease remeasurement	$ 23,177	$ —
Lease liabilities recorded in connection with right-of-use assets	$ 2,377	$ 6,688
Accrued liability for common unit repurchases settled after quarter-end	$ 2,518	$ —

Restricted cash primarily consists of amounts held by lenders to fund reserves such as capital improvements, taxes, insurance, debt service and operating expenditures. The following table provides a reconciliation of cash and cash equivalents and restricted cash at the beginning and end of the periods presented for Hudson Pacific Properties, Inc:

	Six Months Ended June 30,	
	2022	2021
BEGINNING OF PERIOD		
Cash and cash equivalents	$ 96,555	$ 113,686
Restricted cash	100,321	35,854
TOTAL	**$ 196,876**	**$ 149,540**
END OF PERIOD		
Cash and cash equivalents	$ 266,538	$ 110,978
Restricted cash	49,025	33,967
TOTAL	**$ 315,563**	**$ 144,945**

(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The following table provides a reconciliation of cash and cash equivalents and restricted cash at the beginning and end of the periods presented for Hudson Pacific Properties, L.P.:

	Six Months Ended June 30,	
	2022	2021
BEGINNING OF PERIOD		
Cash and cash equivalents	$ 96,555	$ 113,686
Restricted cash	100,321	35,854
TOTAL	**$ 196,876**	**$ 149,540**
END OF PERIOD		
Cash and cash equivalents	$ 266,538	$ 110,978
Restricted cash	49,025	33,967
TOTAL	**$ 315,563**	**$ 144,945**

24. Subsequent Events

On July 1, 2022, the Company repaid its in-substance defeased debt in the amount of $126.4 million in full using the proceeds from the maturity of its U.S. Government securities in June 2022.

On July 15, 2022, the Company entered into an agreement to sell its Northview Center office property for $46.0 million.

On July 27, 2022, the Company received an additional 0.7 million shares of its own common stock related to the settlement of the collared ASR. See Note 19 for further details.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion relates to our consolidated financial statements and should be read in conjunction with the consolidated financial statements and the related notes, see Part I, Item 1 "Financial Statements of Hudson Pacific Properties, Inc.," "Financial Statements of Hudson Pacific Properties, L.P." and "Notes to Unaudited Consolidated Financial Statements." Statements in this Item 2 contain forward-looking statements. For a discussion of important risks related to our business and related to investing in our securities, including risks that could cause actual results and events to differ materially from results and events referred to in the forward-looking statements, see Part II, Item 1A "Risk Factors." In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur.

Forward-looking Statements

Certain written and oral statements made or incorporated by reference from time to time by us or our representatives in this Quarterly Report on Form 10-Q, other filings or reports filed with the SEC, press releases, conferences, or otherwise, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, as amended, and Section 21E of the Exchange Act). In particular, statements relating to our liquidity and capital resources, portfolio performance and results of operations contain forward-looking statements. Furthermore, all of the statements regarding future financial performance (including anticipated funds from operations, or FFO, market conditions and demographics) are forward-looking statements. We are including this cautionary statement to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any such forward-looking statements. We caution investors that any forward-looking statements presented in this Quarterly Report on Form 10-Q, or that management may make orally or in writing from time to time, are based on management's beliefs and assumptions made by, and information currently available to, management. When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result" and similar expressions that do not relate solely to historical matters are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties and assumptions and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which were based on results and trends at the time they were made, to anticipate future results or trends.

Some of the risks and uncertainties that may cause our actual results, performance, liquidity or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- adverse economic or real estate developments in our target markets;
- general economic conditions;
- defaults on, early terminations of or non-renewal of leases by tenants;
- fluctuations in interest rates and increased operating costs;
- our failure to obtain necessary outside financing or maintain an investment grade rating;
- our failure to generate sufficient cash flows to service our outstanding indebtedness and maintain dividend payments;
- lack or insufficient amounts of insurance;
- decreased rental rates or increased vacancy rates;
- difficulties in identifying properties to acquire and completing acquisitions;
- our failure to successfully operate acquired properties and operations;

- our failure to maintain our status as a REIT;
- the loss of key personnel;
- environmental uncertainties and risks related to adverse weather conditions and natural disasters;
- financial market and foreign currency fluctuations;
- risks related to acquisitions generally, including the diversion of management's attention from ongoing business operations and the impact on customers, tenants, lenders, operating results and business;
- the inability to successfully integrate acquired properties, realize the anticipated benefits of acquisitions or capitalize on value creation opportunities;
- changes in the tax laws and uncertainty as to how those changes may be applied;
- changes in real estate and zoning laws and increases in real property tax rates; and
- other factors affecting the real estate industry generally, including the impact of the COVID-19 pandemic.

Set forth below are some (but not all) of the factors that could adversely affect our business and financial performance. Moreover, we operate in a highly competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Impact of COVID-19

The COVID-19 pandemic has not had a material impact on our operations, however, we continue to face significant uncertainties as a result of it, including new variants, although their impact on the economy appears to have diminished and the general commercial real estate market appears to be recovering. Both the investing and leasing environments are highly competitive. Even before the COVID-19 pandemic, uncertainty regarding the economic and political environment had made businesses reluctant to make long-term commitments or changes in their business plans. The COVID-19 pandemic has resulted in significant disruptions in utilization of office properties and uncertainty over how tenants will respond when their leases are scheduled to expire.

Possible future declines in rental rates and expectations of future rental concessions, including free rent to renew tenants early, to retain tenants who are up for renewal or to attract new tenants, or rent abatements for tenants severely impacted by the COVID-19 pandemic, may result in decreases in cash flows from our properties. Our tenants could reevaluate their use of such properties in light of the impacts of the COVID-19 pandemic, including their ability to have workers succeed in working at home, and determine not to renew these leases or to seek rent or other concessions as a condition of renewing their leases.

Potential future declines in economic conditions could negatively impact commercial real estate fundamentals and result in lower occupancy, lower rental rates and declining values in our real estate portfolio, which could have the following negative effects on us: the values of our investments in commercial properties could decrease below the amounts paid for such investments; and/or revenues from our properties could decrease due to fewer tenants and/or lower rental rates, making it more difficult for us to make distributions or meet our debt service obligations.

The debt market remains sensitive to the macro environment, such as impacts of the COVID-19 pandemic, Federal Reserve policy, market sentiment or regulatory factors affecting the banking industry. Any future uncertainties in the capital markets may cause difficulty in refinancing debt obligations prior to maturity at terms as favorable as the terms of existing indebtedness. Market conditions can change quickly, potentially negatively impacting the value of real estate investments. We continuously review our investment and debt financing strategies to optimize our portfolio and the cost of our debt exposure.

Executive Summary

Through our interest in Hudson Pacific Properties, L.P. (our operating partnership) and its subsidiaries, at June 30, 2022, our office portfolio consisted of approximately 15.8 million square feet of in-service, repositioning, redevelopment, development and held for sale properties. Additionally, as of June 30, 2022, our studio portfolio consisted of 1.5 million square feet of in-service, repositioning and development properties and our land portfolio consisted of 4.1 million developable square feet. Our consolidated and unconsolidated portfolio consists of 66 properties (42 wholly-owned properties, 16 properties owned by joint ventures and eight land properties) located in 11 California submarkets, three Seattle submarkets, one Western Canada submarket and one Greater London submarket, totaling approximately 21.4 million square feet.

As of June 30, 2022, our in-service office portfolio was 92.3% leased (including leases not yet commenced). Our same-store studio properties were 84.0% leased for the average percent leased for the 12 months ended June 30, 2022.

The following table summarizes our portfolio as of June 30, 2022:

In-Service Portfolio	Number of Properties	Rentable Square Feet[(1)]	Percent Occupied[(2)]	Percent Leased[(2)]	Annualized Base Rent per Square Foot[(3)]
OFFICE					
Same-store[(4)]	43	12,818,691	90.7 %	92.2 %	$ 52.91
Stabilized non-same store[(5)]	4	1,094,185	98.6	99.1	57.15
Total stabilized	**47**	**13,912,876**	**91.3**	**92.7**	**53.27**
Lease-up[(5)(6)]	1	726,191	81.0	83.6	61.13
Total in-service office	**48**	**14,639,067**	**90.8**	**92.3**	**53.62**
STUDIO					
Same-store[(7)]	3	1,230,454	84.0	84.0	44.70
Total	**3**	**1,230,454**			
Repositioning[(5)(8)]	2	433,259	—	2.4	—
Development[(5)]	1	241,000	—	—	—
Held-for-sale[(9)]	4	745,171	49.9	52.8	44.43
Total repositioning, redevelopment, development and held-for-sale	**7**	**1,419,430**			
Total office and studio properties	**58**	**17,288,951**			
Land[(10)]	8	4,129,589			
TOTAL	**66**	**21,418,540**			

1. Determined by management based upon estimated leasable square feet, which may be less or more than the Building Owners and Managers Association ("BOMA") rentable area. Square footage may change over time due to re-measurement or re-leasing.
2. Percent occupied for office properties is calculated as (i) square footage under commenced leases as of June 30, 2022, divided by (ii) total square feet, expressed as a percentage. Percent leased for office properties includes uncommenced leases. Percent leased for studio properties is calculated as (i) average square footage under commenced leases for the 12 months ended June 30, 2022, divided by (ii) total square feet, expressed as a percentage.
3. Annualized base rent per square foot for office properties is calculated as (i) annualized base rent divided by (ii) square footage under commenced leases as of June 30, 2022. Annualized base rent does not reflect tenant reimbursements. Annualized base rent per square foot for studio properties is calculated as (i) annual base rent divided by (ii) square footage under leased as of June 30, 2022.
4. Includes office properties owned and included in our stabilized portfolio as of April 1, 2022 and still owned and included in the stabilized portfolio as of June 30, 2022.
5. Included in our non-same-store property group.
6. Includes office properties that have not yet reached 92.0% occupancy since the date they were acquired as of June 30, 2022.
7. Includes studio properties owned and included in our portfolio as of April 1, 2022 and still owned and included in our portfolio as of June 30, 2022.
8. Includes 96,322 square feet at 10850 Pico, 96,240 square feet at 875 Howard, 79,056 square feet at Page Mill Center, 50,847 square feet at Metro Plaza, 36,905 square feet at Rincon Center, 35,905 square feet at 95 Jackson, 18,594 square feet at Sunset Las Palmas, and 12,740 square feet at Palo Alto Square, and 6,650 square feet at Sunset Gower as of second quarter 2022.
9. Includes Northview Center, Skyway Landing, 6922 Hollywood and Del Amo.
10. Includes 546,000 square feet related to the office development Washington 1000, adjacent to the Washington State Convention Center, to which we purchased rights in the first quarter of 2019.

Overview

Business Acquisitions

We had no business acquisitions during the six months ended June 30, 2022.

Property Acquisitions

On April 27, 2022, the Company completed its previously announced acquisition of Washington 1000, a fully entitled office development site in Seattle, Washington for a total purchase price of $85.6 million, before certain credits, prorations and closing costs.

On May 19, 2022, the Company purchased a parcel of land at Sunset Gower Studios that was previously encumbered by a ground lease for a total purchase price of $22.0 million, before certain credits, prorations and closing costs.

See Part I, Item 4 “Note 4 to the Consolidated Financial Statements—Investment in Real Estate” for details.

Property Dispositions

We had no property dispositions during the six months ended June 30, 2022.

Held for Sale

As of June 30, 2022, the Company had four properties classified as held for sale—6922 Hollywood, Skyway Landing, Del Amo and Northview Center—as these properties were considered non-strategic to the Company’s portfolio. During the six months ended June 30, 2022, the Company recognized an impairment loss of $15.3 million related to its Del Amo office property due to a reduction in the estimated fair value of the property. See Part I, Item 1 “Note 4 to the Consolidated Financial Statements—Investment in Real Estate” for details.

Under Construction and Future Development Projects

The following table summarizes the properties currently under construction and future development projects as of June 30, 2022:

Location	Submarket	Estimated Square Feet[(1)]	Estimated Completion Date	Estimated Stabilization Date
Under Construction:				
Sunset Glenoaks Studios[(2)]	Los Angeles	241,000	Q3-2023	Q2-2024
Washington 1000	Denny Triangle	546,000	Q1-2024	Q1-2026
Total Under Construction		**787,000**		
Future Development Pipeline:				
Burrard Exchange at Bentall Centre[(3)]	Downtown Vancouver	450,000	TBD	TBD
Sunset Waltham Cross Studios[(4)]	Broxbourne	1,167,347	TBD	TBD
Sunset Gower Studios—Development[(5)]	Hollywood	478,845	TBD	TBD
Sunset Las Palmas Studios—Development[(5)]	Hollywood	617,581	TBD	TBD
Cloud10	North San Jose	350,000	TBD	TBD
Element LA—Development	West Los Angeles	500,000	TBD	TBD
Sunset Bronson Studios Lot D—Development[(5)]	Hollywood	19,816	TBD	TBD
Total Future Development Pipeline		**3,583,589**		
TOTAL UNDER CONSTRUCTION AND FUTURE DEVELOPMENT		**4,370,589**		

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1. Determined by management based upon estimated leasable square feet, which may be less or more than the BOMA rentable area. Square footage may change over time due to re-measurement or re-leasing.
2. We own 50% of the ownership interests in the unconsolidated joint venture that owns Sunset Glenoaks Studios.
3. We own 20% of the ownership interests in the unconsolidated joint venture that owns Burrard Exchange.
4. We own 35% of the ownership interests in the unconsolidated joint venture that owns Sunset Waltham Cross Studios.
5. We own 51% of the ownership interests in the consolidated joint venture that owns Sunset Bronson Studios, Sunset Gower Studios and Sunset Las Palmas Studios.

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Lease Expirations

The following table summarizes the lease expirations for leases in place as of June 30, 2022, plus available space, beginning January 1, 2022 at the properties in our office portfolio. Unless otherwise stated in the footnotes, the information set forth in the table assumes that tenants did not exercise any renewal options.

			Company's Share(1)						
Year of Lease Expiration	**Number of Leases Expiring(2)**	**Square Footage of Expiring Leases(3)**	**Square Footage of Expiring Leases(4)**	**Percent of Office Portfolio Square Feet**	**Annualized Base Rent(5)**	**Percentage of Office Portfolio Annualized Base Rent**	**Annualized Base Rent Per Leased Square Foot(6)**	**Annualized Base Rent at Expiration**	**Annualized Base Rent Per Lease Square Foot at Expiration(7)**
Vacant		1,880,583	1,787,957	13.8 %					
2022	128	1,304,875	1,203,292	9.3	$ 59,737,730	9.7 %	$ 49.65	$ 59,977,232	$ 49.84
2023	168	1,747,615	1,392,730	10.8	73,064,329	11.9	52.46	75,352,392	54.10
2024	164	1,768,413	1,477,696	11.4	81,982,275	13.3	55.48	87,404,277	59.15
2025	130	1,819,637	1,484,451	11.6	89,630,887	14.5	60.38	96,902,510	65.28
2026	64	722,053	631,334	4.9	37,952,715	6.2	60.12	42,813,824	67.81
2027	73	879,362	737,626	5.7	43,320,024	7.0	58.73	49,035,475	66.48
2028	34	1,001,812	878,340	6.8	60,166,053	9.8	68.50	70,932,227	80.76
2029	19	340,909	236,093	1.8	18,015,818	2.9	76.31	21,435,162	90.79
2030	16	1,526,005	1,164,351	9.0	55,838,401	9.1	47.96	71,884,625	61.74
2031	15	1,095,110	679,594	5.3	38,074,481	6.2	56.03	50,589,671	74.44
Thereafter	21	1,224,134	821,903	6.4	45,543,319	7.4	55.41	66,002,342	80.30
Building management use(8)	45	203,189	181,687	1.4	—	—	—	—	—
Signed leases not commenced(9)	46	251,468	234,102	1.8	12,097,023	2.0	51.67	13,469,756	57.54
Portfolio Total/Weighted Average	**923**	**15,765,165**	**12,911,156**	**100.0 %**	**$ 615,423,055**	**100.0 %**	**$ 55.33**	**$ 705,799,493**	**$ 63.45**

1. Calculated based on the Company's consolidated portfolio, plus the Company's share of the amount from the Company's unconsolidated joint ventures (calculated based on the Company's percentage ownership interests), minus the Company's partners' share of the amount from the Company's consolidated joint ventures (calculated based on the partners' percentage ownership interests).
2. Does not include 38 month-to-month leases.
3. Total expiring square footage does not include 27,088 square feet of month-to-month leases.
4. Total expiring square footage does not include 16,082 square feet of month-to-month leases.
5. Annualized base rent for office properties is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements or deferments)) as of June 30, 2022, by (ii) 12. Annualized base rent does not reflect tenant reimbursements. Rent data for our office properties is presented on an annualized basis without regard to cancellation options.
6. Annualized base rent per square foot for all lease expiration years is calculated as (i) base rental payments (defined as cash base rents (before abatements or deferments)) under commenced leases, divided by (ii) square footage under commenced leases as of June 30, 2022.
7. Annualized base rent per square foot at expiration for all lease expiration years is calculated as (i) base rental payments (defined as cash base rents (before abatements or deferments)) under commenced leases, divided by (ii) square footage under commenced leases as of June 30, 2022.
8. Reflects management offices occupied by the Company with various expiration dates.
9. Annualized base rent per leased square foot and annualized base rent per square foot at expiration for signed leases not commenced reflects uncommenced leases for spaces not occupied as of June 30, 2022 and is calculated as (i) base rental payments (defined as cash base rents at expiration (before abatements or deferments)) under uncommenced leases for vacant space as of June 30, 2022, divided by (ii) square footage under uncommenced leases as of June 30, 2022.

Historical Tenant Improvements and Leasing Commissions

The following table summarizes historical information regarding tenant improvement and leasing commission costs for tenants at our office properties:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Renewals[1]				
Number of leases	39	35	86	65
Square feet	471,939	336,398	732,158	721,844
Tenant improvement costs per square foot[2][3]	$ 19.17	$ 9.17	$ 16.29	$ 6.14
Leasing commission costs per square foot[2]	14.52	4.65	12.31	8.17
Total tenant improvement and leasing commission costs[2]	**$ 33.69**	**$ 13.82**	**$ 28.60**	**$ 14.31**
New leases[4]				
Number of leases	41	38	75	50
Square feet	241,757	173,799	485,123	312,706
Tenant improvement costs per square foot[2][3]	$ 45.02	$ 53.06	$ 62.06	$ 62.99
Leasing commission costs per square foot[2]	17.06	13.09	16.52	16.63
Total tenant improvement and leasing commission costs[2]	**$ 62.08**	**$ 66.15**	**$ 78.58**	**$ 79.62**
TOTAL				
Number of leases	80	73	161	115
Square feet	713,696	510,197	1,217,281	1,034,550
Tenant improvement costs per square foot[2][3]	$ 27.88	$ 22.00	$ 34.73	$ 22.07
Leasing commission costs per square foot[2]	15.37	7.11	14.01	10.54
TOTAL TENANT IMPROVEMENT AND LEASING COMMISSION COSTS[2]	**$ 43.25**	**$ 29.11**	**$ 48.74**	**$ 32.61**

1. Excludes retained tenants that have relocated or expanded into new space within our portfolio.
2. Assumes all tenant improvement and leasing commissions are paid in the calendar year in which the lease is executed, which may be different than the year in which they were actually paid.
3. Tenant improvement costs are based on negotiated tenant improvement allowances set forth in leases, or, for any lease in which a tenant improvement allowance was not specified, the aggregate cost originally budgeted at the time the lease commenced.
4. Includes retained tenants that have relocated or expanded into new space within our portfolio.

Financings

During the six months ended June 30, 2022, there were $360.0 million in borrowings on the unsecured revolving credit facility. We generally use the unsecured revolving credit facility to finance the acquisition of businesses or other properties, to provide funds for tenant improvements, lease commissions and capital expenditures and to provide for working capital and other corporate purposes.

Historical Results of Operations

This Quarterly Report on Form 10-Q of Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. represents an update to the more detailed and comprehensive disclosures included in the 2021 Annual Report on Form 10-K of Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. Accordingly, you should read the following discussion in conjunction with the information included in our 2021 Annual Report on Form 10-K, as well as the unaudited financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In addition, some of the statements and assumptions in this Quarterly Report on Form 10-Q are forward-looking statements within the meaning of Section 27A of the Securities Act or Section 21E of the Exchange Act, including, in particular, statements about our plans, strategies and prospects as well as estimates of industry growth for the quarter and beyond. See "Forward-looking Statements."

All amounts and percentages used in this discussion of our results of operations are calculated using the numbers presented in the financial statements contained in Part I, Item 1 of this Quarterly Report rather than the rounded numbers appearing in this discussion. The dollar amounts included in the tables in this discussion of our results of operations are presented in thousands.

Comparison of the Three Months Ended June 30, 2022 to the Three Months Ended June 30, 2021

Net Operating Income

We evaluate performance based upon property net operating income ("NOI"). NOI is not a measure of operating results or cash flows from operating activities or cash flows as measured by generally accepted accounting principles in the United States ("GAAP") and should not be considered an alternative to net income, as an indication of our performance, or as an alternative to cash flows as a measure of liquidity, or our ability to make distributions. All companies may not calculate NOI in the same manner. We consider NOI to be a useful performance measure to investors and management because when compared across periods, NOI reflects the revenues and expenses directly associated with owning and operating our properties and the impact to operations from trends in occupancy rates, rental rates and operating costs, providing a perspective not immediately apparent from net income. We calculate NOI as net income excluding corporate general and administrative expenses, depreciation and amortization, impairments, gains/losses on sales of real estate, interest expense, interest income, transaction-related expenses and other non-operating items. We define NOI as operating revenues (including rental revenues, other property-related revenue, tenant recoveries and other operating revenues), less property-level operating expenses (which includes external management fees, if any, and property-level general and administrative expenses). NOI on a cash basis is NOI adjusted to exclude the effect of straight-line rent and other non-cash adjustments required by GAAP. We believe that NOI on a cash basis is helpful to investors as an additional measure of operating performance because it eliminates straight-line rent and other non-cash adjustments to revenue and expenses.

Management further analyzes NOI by evaluating the performance from the following groups:

- Same-store, which includes all of the properties owned and included in our stabilized portfolio as of April 1, 2022 and still owned and included in the stabilized portfolio as of June 30, 2022; and

- Non-same-store, which includes:
    - Stabilized non-same-store properties
    - Lease-up properties
    - Repositioning properties
    - Development properties
    - Redevelopment properties
    - Held for sale properties
    - Operating results from studio service-related businesses

The following table reconciles net income to NOI:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Dollar Change	Percent Change
Net income	$ 3,546	$ 7,030	$ (3,484)	(49.6)%
Adjustments:				
Income from unconsolidated real estate entities	(1,780)	(470)	(1,310)	278.7
Fee income	(1,140)	(797)	(343)	43.0
Interest expense	33,719	30,689	3,030	9.9
Interest income	(920)	(937)	17	(1.8)
Management services reimbursement income—unconsolidated real estate entities	1,068	626	442	70.6
Management services expense—unconsolidated real estate entities	(1,068)	(626)	(442)	70.6
Transaction-related expenses	1,126	1,064	62	5.8
Unrealized loss (gain) on non-real estate investments	1,818	(5,018)	6,836	(136.2)
Impairment loss	3,250	—	3,250	—
Other (income) expense	(742)	1,177	(1,919)	(163.0)
General and administrative	21,871	17,109	4,762	27.8
Depreciation and amortization	91,438	84,178	7,260	8.6
NOI	**$ 152,186**	**$ 134,025**	**$ 18,161**	13.6 %
Same-store NOI	$ 126,505	$ 122,666	$ 3,839	3.1 %
Non-same-store NOI	25,681	11,359	14,322	126.1
NOI	**$ 152,186**	**$ 134,025**	**$ 18,161**	13.6 %

The following table summarizes certain statistics of our consolidated same-store office and studio properties:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
Same-store office		
Number of properties	42	42
Rentable square feet	11,310,877	11,310,877
Ending % leased	91.7 %	93.0 %
Ending % occupied	90.2 %	92.1 %
Average % occupied for the period	91.2 %	93.2 %
Average annual rental rate per square foot	$ 56.16	$ 53.10
Same-store studio		
Number of properties	3	3
Rentable square feet	1,230,454	1,230,454
Average % occupied for the period[1]	84.0 %	88.0 %

1. Percent occupied for same-store studio is the average percent occupied for the 12 months ended.

The following table gives further detail on our NOI:

	Three Months Ended June 30,					
	2022			2021		
	Same-Store	Non-Same-Store	Total	Same-Store	Non-Same-Store	Total
Revenues						
Office						
Rental	$ 179,401	$ 32,435	$ 211,836	$ 173,535	$ 19,017	$ 192,552
Service and other revenues	3,026	1,382	4,408	2,186	965	3,151
Total office revenues	**182,427**	**33,817**	**216,244**	**175,721**	**19,982**	**195,703**
Studio						
Rental	13,110	328	13,438	11,551	—	11,551
Service and other revenues	7,552	14,196	21,748	8,348	—	8,348
Total studio revenues	**20,662**	**14,524**	**35,186**	**19,899**	**—**	**19,899**
Total revenues	**203,089**	**48,341**	**251,430**	**195,620**	**19,982**	**215,602**
Operating expenses						
Office operating expenses	64,363	14,195	78,558	60,488	8,623	69,111
Studio operating expenses	12,221	8,465	20,686	12,466	—	12,466
Total operating expenses	**76,584**	**22,660**	**99,244**	**72,954**	**8,623**	**81,577**
Office NOI	118,064	19,622	137,686	115,233	11,359	126,592
Studio NOI	8,441	6,059	14,500	7,433	—	7,433
NOI	**$ 126,505**	**$ 25,681**	**$ 152,186**	**$ 122,666**	**$ 11,359**	**$ 134,025**

The following table gives further detail on our change in NOI:

	Three Months Ended June 30, 2022 as compared to Three Months Ended June 30, 2021					
	Same-Store		Non-Same-Store		Total	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenues						
Office						
Rental	$ 5,866	3.4 %	$ 13,418	70.6 %	$ 19,284	10.0 %
Service and other revenues	840	38.4	417	43.2	1,257	39.9
Total office revenues	**6,706**	**3.8**	**13,835**	**69.2**	**20,541**	**10.5**
Studio						
Rental	1,559	13.5	328	—	1,887	16.3
Service and other revenues	(796)	(9.5)	14,196	—	13,400	160.5
Total studio revenues	**763**	**3.8**	**14,524**	**—**	**15,287**	**76.8**
Total revenues	**7,469**	**3.8**	**28,359**	**141.9**	**35,828**	**16.6**
Operating expenses						
Office operating expenses	3,875	6.4	5,572	64.6	9,447	13.7
Studio operating expenses	(245)	(2.0)	8,465	—	8,220	65.9
Total operating expenses	**3,630**	**5.0**	**14,037**	**162.8**	**17,667**	**21.7**
Office NOI	2,831	2.5	8,263	72.7	11,094	8.8
Studio NOI	1,008	13.6	6,059	—	7,067	95.1
NOI	**$ 3,839**	**3.1 %**	**$ 14,322**	**126.1 %**	**$ 18,161**	**13.6 %**

NOI increased $18.2 million, or 13.6%, for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021, primarily resulting from:

- a $14.3 million increase in non-same-store NOI driven by:
  - an increase in office NOI of $8.3 million primarily due to:
    - a $13.4 million increase in rental revenues resulting from the delivery of the entire premises of our One Westside development property to Google in November 2021 and the acquisition of our 5th & Bell property in December 2021;
    - partially offset by a $5.6 million increase in operating expenses corresponding to the increase in rental revenues.
  - an increase in studio NOI of $6.1 million primarily due to the acquisition of Zio and Star Waggons in August 2021.
- a $3.8 million increase in same-store NOI driven by:
  - an increase in office NOI of $2.8 million primarily due to:
    - a $5.9 million increase in rental revenues resulting from lease commencements at our Maxwell property (Califia Farms and Twitch Interactive), the conversion of a lease from percentage rent to base rent at our Maxwell property, lower reserves for uncollectible rents recognized at our 11601 Wilshire and 1455 Market properties and a restoration fee received at our Concourse property;
    - partially offset by a $3.9 million increase in operating expenses resulting from an increase in various expenses at our Ferry Building, Rincon Center, ICON, Concourse and 11601 Wilshire properties generally due to an increase in physical occupancy and, for Ferry Building, a one-time prior period property tax reassessment.
  - an increase in studio NOI of $1.0 million primarily due to:

- a $1.6 million increase in rental revenues from an increase in studio rental activities at our Sunset Gower and Sunset Las Palmas studios;
- partially offset by a $0.8 million decrease in service and other revenues resulting from a decrease in services provided arising from the completion of certain television productions in June 2021.

Other Income (Expense)

Interest expense

The following table presents a reconciliation from gross interest expense to the interest expense line item on the Consolidated Statements of Operations:

	Three Months Ended June 30,			
	2022	2021	Dollar Change	Percent Change
Gross interest expense	$ 33,916	$ 33,889	$ 27	0.1 %
Capitalized interest	(3,592)	(5,618)	2,026	(36.1)
Amortization of deferred financing costs and loan discounts/premiums	3,395	2,418	977	40.4
TOTAL	**$ 33,719**	**$ 30,689**	**$ 3,030**	**9.9 %**

Gross interest expense remained flat for the three months ended June 30, 2022 compared to the three months ended June 30, 2021. The slight increase was primarily driven by an increase in the outstanding borrowings on the unsecured line of credit and the construction loan secured by the One Westside and 10850 Pico properties and an increase in average LIBOR during the three months ended June 30, 2022 as compared to the three months ended June 30, 2021. This activity was nearly entirely offset by a decrease resulting from the refinancing of the loan secured by the Hollywood Media Portfolio and the loan secured by the 1918 Eighth property at lower interest rates in August and November 2021, respectively, the repayment of the mortgage loan secured by the 10950 Washington property in December 2021 and a favorable change in the fair value of the Company's interest rate cap during the quarter.

Capitalized interest decreased by $2.0 million, or 36.1%, to $3.6 million for the three months ended June 30, 2022 compared to $5.6 million for the three months ended June 30, 2021. The decrease was primarily driven by the completion of the One Westside and Harlow development properties, partially offset by interest capitalized on the newly-acquired Washington 1000 development.

Amortization of deferred financing costs and loan discounts/premiums increased by $1.0 million, or 40.4%, to $3.4 million for the three months ended June 30, 2022 compared to $2.4 million for the three months ended June 30, 2021. The increase was primarily driven by the amortization of new issuance costs associated with the refinanced $1.1 billion loan secured by the Hollywood Media Portfolio.

General and administrative expenses

General and administrative expenses increased $4.8 million, or 27.8%, to $21.9 million for the three months ended June 30, 2022 compared to $17.1 million for the three months ended June 30, 2021. The increase is primarily driven by an increase in travel and entertainment and office expenses during the three months ended June 30, 2022.

Depreciation and amortization expense

Depreciation and amortization expense increased $7.3 million, or 8.6%, to $91.4 million for the three months ended June 30, 2022 compared to $84.2 million for the three months ended June 30, 2021. The increase was primarily related to the completion of the One Westside development in November 2021, the depreciation and amortization of non-real estate property, plant and equipment and finite-lived intangible assets acquired as part of the Zio and Star Waggons transactions in August 2021, and the acquisition of the 5th & Bell property in December 2021. These increases were partially offset by the cessation of depreciation related to four properties classified as held for sale during the three months ended June 30, 2022.

Fee income

We recognized fee income of $1.1 million for the three months ended June 30, 2022 compared to $0.8 million for the three months ended June 30, 2021. Fee income primarily represents management fee, construction management fee and leasing commission income earned from the unconsolidated real estate entities.

Unrealized (loss) gain on non-real estate investments

We recognized an unrealized loss on non-real estate investments of $1.8 million for the three months ended June 30, 2022 compared to an unrealized gain on non-real estate investments of $5.0 million for the three months ended June 30, 2021. The activity in both periods is due to the observable changes in the fair value of the investments.

Impairment loss

During the three months ended June 30, 2022, we recognized an impairment loss of $3.3 million on our Del Amo property due to a reduction in the estimated fair value of the property. We did not recognize any impairment charges during the three months ended June 30, 2021.

Comparison of the Six Months Ended June 30, 2022 to the Six Months Ended June 30, 2021

Net Operating Income

Management further analyzes NOI by evaluating the performance from the following groups:

- Same-store, which includes all of the properties owned and included in our stabilized portfolio as of January 1, 2022 and still owned and included in the stabilized portfolio as of June 30, 2022; and

- Non-same-store, which includes:
    - Stabilized non-same-store properties
    - Lease-up properties
    - Repositioning properties
    - Development properties
    - Redevelopment properties
    - Held for sale properties
    - Operating results from studio service-related businesses

The following table reconciles net (loss) income to NOI:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Dollar Change	Percent Change
Net (loss) income	$ (4,069)	$ 18,441	$ (22,510)	(122.1)%
Adjustments:				
Income from unconsolidated real estate entities	(2,083)	(1,105)	(978)	88.5
Fee income	(2,211)	(1,645)	(566)	34.4
Interest expense	64,555	60,975	3,580	5.9
Interest income	(1,830)	(1,934)	104	(5.4)
Management services reimbursement income—unconsolidated real estate entities	2,176	626	1,550	247.6
Management services expense—unconsolidated real estate entities	(2,176)	(626)	(1,550)	247.6
Transaction-related expenses	1,382	1,064	318	29.9
Unrealized loss (gain) on non-real estate investments	168	(10,793)	10,961	(101.6)
Impairment loss	23,753	—	23,753	—
Other (income) expense	(1,594)	1,629	(3,223)	(197.9)
General and administrative	42,383	35,558	6,825	19.2
Depreciation and amortization	183,631	166,939	16,692	10.0
NOI	**$ 304,085**	**$ 269,129**	**$ 34,956**	13.0 %
Same-store NOI	251,320	248,205	3,115	1.3 %
Non-same-store NOI	52,765	20,924	31,841	152.2
NOI	**$ 304,085**	**$ 269,129**	**$ 34,956**	13.0 %

The following table summarizes certain statistics of our same-store office and studio properties:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Same-store office		
Number of properties	42	42
Rentable square feet	11,310,877	11,310,877
Ending % leased	91.7 %	93.0 %
Ending % occupied	90.2 %	92.1 %
Average % occupied for the period	90.9 %	92.2 %
Average annual rental rate per square foot	$ 56.16	$ 53.10
Same-store studio		
Number of properties	3	3
Rentable square feet	1,230,454	1,230,454
Average % occupied for the period[1]	84.0 %	88.0 %

1. Percent occupied for same-store studio is the average percent occupied for the 12 months ended.

The following table gives further detail on our NOI:

	Six Months Ended June 30,					
	2022			2021		
	Same-Store	Non-Same-Store	Total	Same-Store	Non-Same-Store	Total
Revenues						
Office						
Rental	$ 353,144	$ 64,884	$ 418,028	$ 345,865	$ 36,548	$ 382,413
Service and other revenues	6,333	3,283	9,616	4,156	1,277	5,433
Total office revenues	**359,477**	**68,167**	**427,644**	**350,021**	**37,825**	**387,846**
Studio						
Rental	25,982	850	26,832	23,704	—	23,704
Service and other revenues	15,067	26,400	41,467	17,171	—	17,171
Total studio revenues	**41,049**	**27,250**	**68,299**	**40,875**	**—**	**40,875**
Total revenues	**400,526**	**95,417**	**495,943**	**390,896**	**37,825**	**428,721**
Operating expenses						
Office operating expenses	125,385	26,804	152,189	118,772	16,901	135,673
Studio operating expenses	23,821	15,848	39,669	23,919	—	23,919
Total operating expenses	**149,206**	**42,652**	**191,858**	**142,691**	**16,901**	**159,592**
Office NOI	234,092	41,363	275,455	231,249	20,924	252,173
Studio NOI	17,228	11,402	28,630	16,956	—	16,956
NOI	**$ 251,320**	**$ 52,765**	**$ 304,085**	**$ 248,205**	**$ 20,924**	**$ 269,129**

The following table gives further detail on our change in NOI:

	Six Months Ended June 30, 2022 as compared to Six Months Ended June 30, 2021					
	Same-Store		Non-Same-Store		Total	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenues						
Office						
Rental	$ 7,279	2.1 %	$ 28,336	77.5 %	$ 35,615	9.3 %
Service and other revenues	2,177	52.4	2,006	157.1	4,183	77.0
Total office revenues	**9,456**	2.7	**30,342**	80.2	**39,798**	**10.3**
Studio						
Rental	2,278	9.6	850	—	3,128	13.2
Service and other revenues	(2,104)	(12.3)	26,400	—	24,296	141.5
Total studio revenues	**174**	0.4	**27,250**	—	**27,424**	**67.1**
Total revenues	**9,630**	2.5	**57,592**	152.3	**67,222**	**15.7**
Operating expenses						
Office operating expenses	6,613	5.6	9,903	58.6	16,516	12.2
Studio operating expenses	(98)	(0.4)	15,848	—	15,750	65.8
Total operating expenses	**6,515**	4.6	**25,751**	152.4	**32,266**	**20.2**
Office NOI	2,843	1.2	20,439	97.7	23,282	9.2
Studio NOI	272	1.6	11,402	—	11,674	68.8
NOI	**$ 3,115**	1.3 %	**$ 31,841**	152.2 %	**$ 34,956**	**13.0 %**

NOI increased $35.0 million, or 13.0%, for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, primarily resulting from:

- a $31.8 million increase in non-same-store NOI from driven by:
  - an increase in office NOI of $20.4 million primarily due to:
    - a $28.3 million increase in rental revenues resulting from the delivery of the entire premises of our One Westside development property to Google in November 2021 and the acquisition of our 5th & Bell property in December 2021; and
    - a $2.0 million increase in service and other revenues due to lease cancellation fees received at our Skyway Landing property;
    - partially offset by a $9.9 million increase in operating expenses corresponding to the increase in rental revenues.
  - an increase in studio NOI of $11.4 million primarily due to the acquisition of Zio and Star Waggons in August 2021.
- a $3.1 million increase in same-store NOI driven by:
  - an increase in office NOI of $2.8 million primarily due to:
    - a $7.3 million increase in rental revenues primarily resulting from lease commencements at our Maxwell property (Califia Farms and Twitch Interactive), the conversion of a lease from percentage rent to base rent at our Maxwell property, the reversal of reserves for uncollectible rents recognized at our 11601 Wilshire and 1455 Market properties, a restoration fee received at our Concourse property and higher recoveries at certain properties as compared to the comparative period; and
    - a $2.2 million increase in service and other revenues primarily resulting from lease cancellation fees received at our 11601 Wilshire property and an increase in visitor parking revenue at our ICON property;

  - partially offset by a $6.6 million increase in operating expenses resulting from an increase in various expenses at our Ferry Building, Rincon Center, Concourse, 11601 Wilshire and EPIC properties generally due to an increase in physical occupancy and, for Ferry Building, a one-time prior period property tax reassessment.
- an increase in studio NOI of $0.3 million primarily due to:
  - a $2.3 million increase in rental revenues from an increase in studio rental activities at our Sunset Gower and Sunset Las Palmas studios;
  - partially offset by a $2.1 million decrease in service and other revenues primarily resulting from a decrease in services provided arising from the completion of certain television productions in June 2021.

Other Income (Expense)

Interest expense

The following table presents a reconciliation from gross interest expense to the interest expense line item on the Consolidated Statements of Operations:

	Six Months Ended June 30,			
	2022	2021	Dollar Change	Percent Change
Gross interest expense	$ 64,647	$ 67,429	$ (2,782)	(4.1) %
Capitalized interest	(6,877)	(11,289)	4,412	(39.1)
Amortization of deferred financing costs and loan discounts/premiums	6,785	4,835	1,950	40.3
TOTAL	**$ 64,555**	**$ 60,975**	**$ 3,580**	**5.9 %**

Gross interest expense decreased by $2.8 million, or 4.1%, to $64.6 million for the six months ended June 30, 2022 compared to $67.4 million for the six months ended June 30, 2021. The decrease was primarily driven by a favorable change in the fair value of the Company's interest rate cap, the refinancing of the loan secured by the Hollywood Media Portfolio and the loan secured by the 1918 Eighth property at lower interest rates in August and November 2021, respectively, the repayment of the mortgage loan secured by the 10950 Washington property in December 2021. These decreases were partially offset by an increase in the outstanding borrowings on the unsecured line of credit and the construction loan secured by the One Westside and 10850 Pico properties during the six months ended June 30, 2022 as compared to the six months ended June 30, 2021.

Capitalized interest decreased by $4.4 million, or 39.1%, to $6.9 million for the six months ended June 30, 2022 compared to $11.3 million for the six months ended June 30, 2021. The increase was primarily driven by the completion of the One Westside and Harlow development properties, partially offset by interest capitalized on the newly-acquired Washington 1000 development.

Amortization of deferred financing costs and loan discounts/premiums increased by $2.0 million, or 40.3%, to $6.8 million for the six months ended June 30, 2022 compared to $4.8 million for the six months ended June 30, 2021. The increase was primarily driven by the amortization of new issuance costs associated with the refinanced $1.1 billion loan secured by the Hollywood Media Portfolio.

General and administrative expenses

General and administrative expenses increased $6.8 million, or 19.2%, to $42.4 million for the six months ended June 30, 2022 compared to $35.6 million for the six months ended June 30, 2021. The increase is primarily driven by lower non-cash compensation expense during the six months ended June 30, 2021 due to the forfeiture of stock compensation awards granted to certain departing members of management, which did not recur during the six months ended June 30, 2022, as well an increase in travel and entertainment and office expenses during the six months ended June 30, 2022.

Depreciation and amortization expense

Depreciation and amortization expense increased $16.7 million, or 10.0%, to $183.6 million for the six months ended June 30, 2022 compared to $166.9 million for the six months ended June 30, 2021. The increase was primarily related to the completion of the One Westside development in November 2021, the depreciation and amortization of non-real estate property, plant and equipment and finite-lived intangible assets acquired as part of the Zio and Star Waggons transactions in August 2021 and the acquisition of the 5th & Bell property in December 2021. These increases were partially offset by the cessation of depreciation related to four properties classified as held for sale during the six months ended June 30, 2022.

Fee income

We recognized fee income of $2.2 million for the six months ended June 30, 2022 compared to $1.6 million for the six months ended June 30, 2021. Fee income primarily represents management fee, construction management fee and leasing commission income earned from our unconsolidated real estate entities.

Unrealized (loss) gain on non-real estate investments

We recognized an unrealized loss on our non-real estate investments of $0.2 million for the six months ended June 30, 2022 compared to an unrealized gain on non-real estate investments of $10.8 million for the six months ended June 30, 2021. The activity in both periods is due to the observable changes in the fair value of the investments.

Impairment loss

We recognized an impairment loss of $23.8 million during the six months ended June 30, 2022, of which $15.3 million was due to a reduction in the estimated fair value of our Del Amo property and $8.5 million of which was due to the full impairment of the Zio trade name in connection with a rebranding of the business under the Company's Sunset Studios platform. We did not recognize any impairment charges during the six months ended June 30, 2021.

Liquidity and Capital Resources

We have remained capitalized since our initial public offering through public offerings, private placements, joint ventures and continuous offerings under our at-the-market ("ATM") program. We currently expect that our principal sources of funds to meet our short-term and long-term liquidity requirements for working capital, strategic acquisitions, capital expenditures, tenant improvements, leasing costs, dividends and distributions, share repurchases and repayments of outstanding debt financing will include:

- cash on hand, cash reserves and net cash provided by operations;
- proceeds from additional equity securities;
- our ATM program;
- borrowings under the operating partnership's unsecured revolving credit facility and One Westside construction loan;
- proceeds from joint venture partners;
- proceeds from Sunset Glenoaks constructions loan (unconsolidated joint venture); and
- proceeds from additional secured, unsecured debt financings or offerings.

Liquidity Sources

We had approximately $266.5 million of cash and cash equivalents at June 30, 2022 (including US government securities settlement proceeds used to repay $126.4 million of in-substance defeased debt subsequent to the quarter). Our principal source of operating cash flow is related to leasing and operating the properties in our portfolio. Our properties provide a relatively consistent stream of cash flow that provides us with resources to pay operating expenses, debt service fees and fund quarterly dividend and distribution requirements.

Our ability to access the equity capital markets will be dependent on a number of factors as well, including general market conditions for REITs and market perceptions about us.

We have an ATM program that allows us to sell up to $125.0 million of common stock, $65.8 million of which has been sold through June 30, 2022. Any future sales will depend on several factors, including, but not limited to, market conditions, the trading price of our common stock and our capital needs. We have no obligation to sell the remaining shares available for sale under this program.

As of June 30, 2022, we had total borrowing capacity of $1.0 billion under our unsecured revolving credit facility, $485.0 million of which had been drawn. As of June 30, 2022, we had total borrowing capacity of $414.6 million under our construction loan, secured by our One Westside and 10850 Pico properties, $270.7 million of which had been drawn. As of June 30, 2022, we had total borrowing capacity of $100.6 million under the Sunset Glenoaks construction loan (unconsolidated joint venture), of which $15.1 million had been drawn.

Our ability to incur additional debt will be dependent on a number of factors, including our degree of leverage, the value of our unencumbered assets and borrowing restrictions that may be imposed by lenders. If we incur additional debt, the risks associated with our leverage, including our ability to service our debt, would increase.

The following table sets forth our ratio of debt to total market capitalization (counting Series A preferred units as debt) as of June 30, 2022 (in thousands, except percentage):

	June 30, 2022
Unsecured and secured debt[1]	$ 4,154,200
Series A redeemable preferred units	9,815
Total consolidated debt	**4,164,015**
Equity capitalization[2]	2,594,806
TOTAL CONSOLIDATED MARKET CAPITALIZATION	**$ 6,758,821**
Total consolidated debt/total consolidated market capitalization	61.6 %

1. Excludes in-substance defeased debt, joint venture partner debt and unamortized deferred financing costs and loan discounts/premiums.
2. Equity capitalization represents the shares of common stock outstanding (including unvested restricted shares), OP units outstanding, restricted performance units and dilutive shares multiplied by the closing price of $14.84, as reported by the NYSE, on June 30, 2022 as well as the aggregate value of the Series C preferred stock liquidation preference as of June 30, 2022.

Outstanding Indebtedness

The following table sets forth information as of June 30, 2022 and December 31, 2021 with respect to our outstanding indebtedness, excluding unamortized deferred financing costs and loan discounts/premiums (in thousands):

	June 30, 2022	December 31, 2021
Unsecured debt	$ 2,410,000	$ 2,050,000
Secured debt	$ 1,744,200	$ 1,714,874
In-substance defeased debt	$ 126,397	$ 128,212
Joint venture partner debt	$ 66,136	$ 66,136

The operating partnership was in compliance with its financial covenants as of June 30, 2022.

Liquidity Uses

Contractual Obligations

The terms of the securities purchase agreement for the acquisition of Zio require the Company to pay up to $20.0 million of additional consideration to the business's former shareholders in 2024, subject to certain performance thresholds being met.

During the six months ended June 30, 2022, there were no material changes outside the ordinary course of business in the information regarding specified contractual obligations contained in our 2021 Annual Report on Form 10-K. See Part I, Item 1 "Note 10 to the Consolidated Financial Statements—Debt" for information regarding our future minimum principal payments due on our outstanding debt. See Part I, Item 1 "Note 14 to the Consolidated Financial Statements—Future Minimum Rents and Lease Payments" for information regarding our future minimum operating lease payments. See Part I, Item 1 "Note 22 to the Consolidated Financial Statements—Commitments and Contingencies" for more detail.

Cash Flows

A comparison of our cash flow activity is as follows:

	Six Months Ended June 30,			
	2022	2021	Dollar Change	Percent Change
Net cash provided by operating activities	$ 190,142	$ 172,931	$ 17,211	10.0 %
Net cash used in investing activities	$ (104,254)	$ (204,047)	$ 99,793	(48.9)%
Net cash provided by financing activities	$ 32,799	$ 26,521	$ 6,278	23.7 %

Cash and cash equivalents and restricted cash were $315.6 million and $196.9 million at June 30, 2022 and December 31, 2021, respectively.

Operating Activities

Net cash provided by operating activities increased by $17.2 million, or 10.0%, to $190.1 million for the six months ended June 30, 2022 compared to $172.9 million for the six months ended June 30, 2021. The change primarily resulted from operating cash flow contributions from the acquisitions of Star Waggons, Zio and 5th & Bell in 2021, partially offset by increases in corporate expenditures.

Investing Activities

Net cash used in investing activities decreased by $99.8 million, or 48.9%, to $104.3 million for the six months ended June 30, 2022 compared to $204.0 million for the six months ended June 30, 2021. The change primarily resulted from a $126.4 million increase in maturities of U.S. Government securities and a $77.4 million decrease in additions to investment in real estate during the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, partially offset by $88.0 million of cash outflows related to the acquisitions of Washington 1000 and a land parcel at Sunset Gower Studios during the six months ended June 30, 2022.

Financing Activities

Net cash provided by financing activities increased $6.3 million, or 23.7%, to $32.8 million for the six months ended June 30, 2022 compared to $26.5 million for the six months ended June 30, 2021. The change primarily resulted from an increase of $302.5 million in draws on our secured debt, partially offset by a $200.0 million cash outflow related to the accelerated share repurchase program, a $44.8 million decrease in proceeds from the sale of common stock, a $22.6 million increase in distributions to non-controlling members in consolidated real estate entities, a $19.9 million increase in other share repurchases and $12.6 million in dividends paid to Series C preferred stockholders during the six months ended June 30, 2022.

Off-Balance Sheet Arrangements

Joint Venture Indebtedness

We have investments in unconsolidated real estate entities accounted for using the equity method of accounting. The following table provides information about joint venture indebtedness as of June 30, 2022 (in thousands):

	Principal Amount	Interest Rate	Contractual Maturity Date	Company's Share
Bentall Centre[(1)]	$ 513,375	CDOR + 1.75%	7/1/2024	$ 102,675
Sunset Glenoaks Studios[(2)]	$ 15,061	SOFR + 3.10%	1/9/2025	$ 7,531

(1) We own 20% of the ownership interests in the unconsolidated real estate investment that owns Bentall Centre. The loan was transacted in Canadian dollars. The principal balance is shown in U.S. dollars using the foreign currency exchange rate as of June 30, 2022. The interest on the full principal amount has been effectively capped at 6.31% per annum through the use of an interest rate cap.
(2) We own 50% of the ownership interests in the unconsolidated real estate investment that owns the Sunset Glenoaks Studios development. This loan is interest-only through its term. The total capacity of the loan is $100.6 million. As of June 30, 2022, we have $85.5 million undrawn.

Critical Accounting Policies

Our discussion and analysis of our historical financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements in conformity with GAAP requires us to make estimates of certain items and judgments as to certain future events, for example with respect to the assignment of the purchase price of an acquired property among land, buildings, improvements, equipment and any related intangible assets and liabilities, or the effect of a property tax reassessment of our properties. These determinations, even though inherently subjective and prone to change, affect the reported amounts of our assets, liabilities, revenues and expenses. While we believe that our estimates are based on reasonable assumptions and judgments at the time they are made, some of our assumptions, estimates and judgments will inevitably prove to be incorrect. As a result, actual outcomes will likely differ from our accruals and those differences—positive or negative—could be material. Some of our accruals are subject to adjustment, as we believe appropriate, based on revised estimates and reconciliation to the actual results when available.

Refer to Part I, Item 1 "Note 2 to the Consolidated Financial Statements—Summary of Significant Accounting Policies," for information regarding our critical accounting policies.

Non-GAAP Supplemental Financial Measure: Funds From Operations

We calculate FFO in accordance with the White Paper issued in December 2018 on FFO approved by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). The White Paper defines FFO as net income or loss calculated in accordance with GAAP, excluding gains and losses from sales of depreciable real estate and impairment write-downs associated with depreciable real estate, plus real estate-related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets) and after adjustment for unconsolidated partnerships and joint ventures. The calculation of FFO includes the amortization of deferred revenue related to tenant-funded tenant improvements and excludes the depreciation of the related tenant improvement assets. In the December 2018 White Paper, NAREIT provided an option to include value changes in mark-to-market equity securities in the calculation of FFO. We elected this option retroactively during the fourth quarter of 2018.

We believe that FFO is a useful supplemental measure of our operating performance. The exclusion from FFO of gains and losses from the sale of operating real estate assets allows investors and analysts to readily identify the operating results of the assets that form the core of our activity and assists in comparing those operating results between periods. Also, because FFO is generally recognized as the industry standard for reporting the operations of REITs, it facilitates comparisons of operating performance to other REITs. However, other REITs may use different methodologies to calculate FFO, and accordingly, our FFO may not be comparable to all other REITs.

Implicit in historical cost accounting for real estate assets in accordance with GAAP is the assumption that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies using historical cost accounting alone to be insufficient. Because FFO excludes depreciation and amortization of real estate assets, we believe that

FFO along with the required GAAP presentations provides a more complete measurement of our performance relative to our competitors and a more appropriate basis on which to make decisions involving operating, financing and investing activities than the required GAAP presentations alone would provide. We use FFO per share to calculate annual cash bonuses for certain employees.

However, FFO should not be viewed as an alternative measure of our operating performance because it does not reflect either depreciation and amortization costs or the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, which are significant economic costs and could materially impact our results from operations.

The following table presents a reconciliation of net income (loss) to FFO (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Net income (loss)	$ 3,546	$ 7,030	$ (4,069)	$ 18,441
Adjustments:				
Depreciation and amortization—Consolidated	91,438	84,178	183,631	166,939
Depreciation and amortization—Non-real estate assets	(4,485)	(590)	(8,917)	(1,167)
Depreciation and amortization—Company's share from unconsolidated real estate entities	1,320	1,550	2,689	3,061
Impairment loss—Real estate assets	3,250	—	15,253	—
Unrealized loss (gain) on non-real estate investments	1,818	(5,018)	168	(10,793)
Tax impact of unrealized gain on non-real estate investment	—	1,876	—	1,876
FFO attributable to non-controlling interests	(18,687)	(15,839)	(38,687)	(32,462)
FFO attributable to preferred shares and units	(5,200)	(153)	(10,643)	(306)
FFO TO COMMON STOCKHOLDERS AND UNITHOLDERS	**$ 73,000**	**$ 73,034**	**$ 139,425**	**$ 145,589**

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information about our market risk is disclosed in Part II, Item 7A, of our 2021 Annual Report on Form 10-K and is incorporated herein by reference. There have been no material changes for the six months ended June 30, 2022 to the information provided in Part II, Item 7A, of our 2021 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures (Hudson Pacific Properties, Inc.)

Hudson Pacific Properties, Inc. maintains disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in Hudson Pacific Properties, Inc.'s reports under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, Hudson Pacific Properties, Inc. carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures as of the end of the period covered by this report.

Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded, as of that time, that Hudson Pacific Properties, Inc.'s disclosure controls and procedures were effective in providing a reasonable level of assurance that information Hudson Pacific Properties, Inc. is required to disclose in reports that Hudson Pacific Properties, Inc. files under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Disclosure Controls and Procedures (Hudson Pacific Properties, L.P.)

Hudson Pacific Properties, L.P. maintains disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in Hudson Pacific Properties, L.P.'s reports under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. (the sole general partner of Hudson Pacific Properties, L.P.), as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, Hudson Pacific Properties, L.P. carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. (the sole general partner of Hudson Pacific Properties, L.P.), of the effectiveness of the design and operation of the disclosure controls and procedures as of the end of the period covered by this report.

Based on the foregoing, the Chief Executive Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. (the sole general partner of Hudson Pacific Properties, L.P.) concluded, as of that time, that Hudson Pacific Properties, L.P.'s disclosure controls and procedures were effective in providing a reasonable level of assurance that information Hudson Pacific Properties, L.P. is required to disclose in reports that Hudson Pacific Properties, L.P. files under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. (the sole general partner of Hudson Pacific Properties, L.P.), as appropriate, to allow for timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting (Hudson Pacific Properties, Inc.)

There have been no changes that occurred during the second quarter of the year covered by this report in Hudson Pacific Properties, Inc.'s internal control over financial reporting identified in connection with the evaluation referenced above that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Changes in Internal Control Over Financial Reporting (Hudson Pacific Properties, L.P.)

There have been no changes that occurred during the second quarter of the year covered by this report in Hudson Pacific Properties, L.P.'s internal control over financial reporting identified in connection with the evaluation referenced above that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a party to various lawsuits, claims and other legal proceedings arising out of, or incident to, our ordinary course of business. We are not currently a party, as plaintiff or defendant, to any legal proceedings that we believe to be material or that, individually or in the aggregate, would be expected to have a material adverse effect on our business, financial condition, results of operations or cash flows if determined adversely to us.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors included in the section entitled “Risk Factors” in our 2021 Annual Report on Form 10-K. Please review the Risk Factors set forth in our 2021 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Recent Sales of Unregistered Securities:

During the second quarter of 2022, our operating partnership issued partnership units in private placements in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act, in the amounts and for the consideration set forth below:

During the second quarter of 2022, we issued an aggregate of 24,806 shares of our common stock in connection with the vesting of restricted stock awards for no cash consideration, out of which no shares of common stock were forfeited to us in connection with tax withholding obligations. For each share of common stock issued by us in connection with such an award, our operating partnership issued a restricted common unit to us as provided in our operating partnership’s Agreement of Limited Partnership. During the second quarter of 2022, our operating partnership issued an aggregate of 24,806 units to us in connection with these transactions.

All other issuances of unregistered equity securities of our operating partnership during the six months ended June 30, 2022 have previously been disclosed in filings with the SEC. For all issuances of units to us, our operating partnership relied on our status as a publicly traded NYSE-listed company with $9.1 billion in total consolidated assets and as our operating partnership’s majority owner and sole general partner as the basis for the exemption under Section 4(a)(2) of the Securities Act.

(b) Use of Proceeds from Registered Securities: None

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers:

The following table summarizes the repurchases of the Company equity securities during the second quarter of 2022:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum That May Yet Be Purchased Under The Plans or Programs[2][3]
May 1- May 31, 2022	587,259	$ 20.18	587,259	$ 76,947,290
June 1 - June 30, 2022[1]	2,387,137	$ 16.90	2,387,137	$ 36,623,832
TOTAL	**2,974,396**	**$ 17.55**	**2,974,396**	

1. During the first quarter of 2022, the Company entered into an uncollared accelerated share repurchase agreement (“ASR”) to purchase $100 million of its own outstanding common stock. The Company made an initial payment of $100 million and received an initial delivery of 3,315,133 shares of common stock representing 85% of the total $100 million agreement based on the closing price of our common stock on the transaction date. Final settlement of the agreement occurred during the second quarter of 2022 based on the daily volume-weighted average price during the measurement period, less a negotiated discount, and resulted in the delivery of an additional 869,037 shares of common stock.
2. Our board of directors authorized a share repurchase program to buy up to $250.0 million of the outstanding common stock of Hudson Pacific Properties, Inc. The program does not have a termination date, and repurchases may commence or be discontinued at any time.
3. The maximum that may yet be purchased under the plans or programs is shown net of repurchases.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description	Incorporated by Reference Form	File No.	Exhibit No.	Filing Date
3.1	Articles of Amendment and Restatement of Hudson Pacific Properties, Inc.	S-11/A	333-164916	3.1	May 12, 2010
3.2	Second Amended and Restated Bylaws of Hudson Pacific Properties, Inc.	8-K	001-34789	3.1	January 12, 2015
3.3	First Amendment to the Second Amended and Restated Bylaws of Hudson Pacific Properties, Inc.	8-K	001-34789	3.1	March 22, 2022
3.4	Fifth Amended and Restated Agreement of Limited Partnership of Hudson Pacific Properties, L.P.	8-K	001-34789	3.2	November 16, 2021
3.5	Certificate of Limited Partnership of Hudson Pacific Properties, L.P.	10-Q	001-34789	3.4	November 4, 2016
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, Inc.+				
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, Inc.+				
31.3	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, L.P.+				
31.4	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, L.P.+				
32.1	Certifications by Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, Inc.+				
32.2	Certifications by Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, L.P.+				
101	The following financial information from Hudson Pacific Properties, Inc.'s and Hudson Pacific Properties, L.P.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statements of Comprehensive (Loss) Income (unaudited), (iv) Consolidated Statements of Equity (unaudited), (v) Consolidated Statements of Capital (unaudited), (vi) Consolidated Statements of Cash Flows (unaudited) and (vii) Notes to Unaudited Consolidated Financial Statements*				
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)				

* Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

** Denotes a management contract or compensatory plan or arrangement.

\+ Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		HUDSON PACIFIC PROPERTIES, INC.
Date:	July 29, 2022	/s/ VICTOR J. COLEMAN
		Victor J. Coleman **Chief Executive Officer (Principal Executive Officer)**

		HUDSON PACIFIC PROPERTIES, INC.
Date:	July 29, 2022	/s/ HAROUT K. DIRAMERIAN
		Harout K. Diramerian **Chief Financial Officer (Principal Financial Officer)**

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		HUDSON PACIFIC PROPERTIES, L.P.
Date:	July 29, 2022	/s/ VICTOR J. COLEMAN
		Victor J. Coleman **Chief Executive Officer (Principal Executive Officer)**
		HUDSON PACIFIC PROPERTIES, L.P.
Date:	July 29, 2022	/s/ HAROUT K. DIRAMERIAN
		Harout K. Diramerian **Chief Financial Officer (Principal Financial Officer)**

Exhibit 31.1

CERTIFICATION

I, Victor J. Coleman, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2022	/s/ VICTOR J. COLEMAN
	Victor J. Coleman
	Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Harout K. Diramerian, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2022

/s/ HAROUT K. DIRAMERIAN

Harout K. Diramerian
Chief Financial Officer

CERTIFICATION

I, Victor J. Coleman, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, L.P.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2022	/s/ VICTOR J. COLEMAN
	Victor J. Coleman Chief Executive Officer

Exhibit 31.4

CERTIFICATION

I, Harout K. Diramerian, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, L.P.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2022

/s/ HAROUT K. DIRAMERIAN
Harout K. Diramerian
Chief Financial Officer

Exhibit 32.1

WRITTEN STATEMENT
PURSUANT TO
18 U.S.C. SECTION 1350

The undersigned, Victor J. Coleman, Chief Executive Officer, and Harout K. Diramerian, Chief Financial Officer of Hudson Pacific Properties, Inc. (the "Company"), hereby certify as of the date hereof, solely for the purposes of 18 U.S.C. §1350, that:

(i) the Quarterly Report on Form 10-Q for the period ended June 30, 2022 of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date:	July 29, 2022	/s/ VICTOR J. COLEMAN
		Victor J. Coleman Chief Executive Officer
Date:	July 29, 2022	/s/ HAROUT K. DIRAMERIAN
		Harout K. Diramerian Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

WRITTEN STATEMENT
PURSUANT TO
18 U.S.C. SECTION 1350

The undersigned, Victor J. Coleman, Chief Executive Officer, and Harout K. Diramerian, Chief Financial Officer of Hudson Pacific Properties, Inc. in its capacity as sole general partner of Hudson Pacific Properties, L.P. (the "Company"), hereby certify as of the date hereof, solely for the purposes of 18 U.S.C. §1350, that:

(i) the Quarterly Report on Form 10-Q for the period ended June 30, 2022 of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date:	July 29, 2022	/s/ VICTOR J. COLEMAN
		Victor J. Coleman Chief Executive Officer Hudson Pacific Properties, Inc., sole general partner of Hudson Pacific Properties, L.P.
Date:	July 29, 2022	/s/ HAROUT K. DIRAMERIAN
		Harout K. Diramerian Chief Financial Officer Hudson Pacific Properties, Inc., sole general partner of Hudson Pacific Properties, L.P.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.