



Hudson Pacific Properties Announces Capital Plan For Office Campus In Northern California

Los Angeles, March 24, 2017 – Hudson Pacific Properties, Inc. (NYSE: HPP) today announced it will be launching a significant capital plan to reposition its 471,580-square-foot [Campus Center](#) asset in Milpitas, California.

Construction will begin in January 2018 immediately following the lease expiration of Campus Center's existing tenant, Cisco Systems. Cisco had previously indicated it would opt out of its lease at the end of 2017 and provided formal notice this week of its intention to leave.

The repositioning will include several of Hudson Pacific's signature improvements: entrance and lobby renovations; over 100,000 square feet of contemporary, market-ready office space; master-planned landscaping; and enhanced outdoor recreation areas, including dedicated sporting areas, patios, collaborative seating and direct hiking trail access. NBBJ is the architect of record for the common area improvements with Shlemmer Algaze Associates on point for interior design. Brokerage firm Cushman & Wakefield is marketing the property for lease.

"Campus Center is another opportunity for us to create value by making substantial asset-level improvements that will be attractive to top-tier tenants," said Victor Coleman, Chairman and Chief Executive Officer of [Hudson Pacific Properties](#). "Demand for high-quality office space remains strong in Silicon Valley, and we're tracking multiple users in the market with requirements in excess of 400,000 square feet. We view this lease expiration as an opportunity to engage with another large tenant like Cisco or find several large tenants for the property."

Campus Center consists of three office and R&D buildings with the ability to develop up to approximately one million square feet of additional office, R&D, warehouse or manufacturing space. The 65-acre property is in Santa Clara County near McCarthy Ranch and is proximate to a number of leading global technology firms. Campus Center is also close to public transit and the I-880 and 237 Freeway interchange, and is easily accessible to downtown San Jose, San Jose International Airport, Silicon Valley, as well as downtown Oakland and Oakland International Airport.

In connection with the early termination notice, Hudson Pacific received a payment of \$10.4 million. The company expects to write off approximately \$5.9 million of non-cash items (i.e. straight-line rent receivable and above/below market rent lease adjustment) associated with the early termination. This will result in net amortization beginning with the second quarter of approximately \$1.5 million per quarter through the remainder of this year.

About Hudson Pacific Properties

Hudson Pacific Properties is a vertically integrated real estate company focused on acquiring,

repositioning, developing and operating high quality office and state-of-the-art media and entertainment properties in select West Coast markets. Hudson Pacific invests across the risk-return spectrum, favoring opportunities where it can employ leasing, capital investment and management expertise to create additional value. Founded in 2006 as Hudson Capital, the company went public in 2010, electing to be taxed as a real estate investment trust. Through the years, Hudson Pacific has strategically assembled a portfolio totaling over 17 million square feet, including land for development, in high growth, high-barrier-to-entry submarkets throughout Northern and Southern California and the Pacific Northwest. The company is a leading provider of design-forward, next-generation workspaces for a variety of tenants, with a focus on Fortune 500 and leading growth companies, many in the technology, media and entertainment sectors. As a long-term owner, Hudson Pacific prioritizes tenant satisfaction and retention, providing highly customized build-outs and working proactively to accommodate tenants' growth. Hudson Pacific trades as a component of the Russell 2000® and the Russell 3000® indices. For more information visit HudsonPacificProperties.com.

Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the company's control, which may cause actual results to differ significantly from those expressed in any forward-looking statement. All forward-looking statements reflect the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause the company's future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in the company's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the Securities and Exchange Commission, or SEC, on February 21, 2017 and other risks described in documents subsequently filed by the company from time to time with the SEC.

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