

Hudson Pacific Properties and Allianz Real Estate to Acquire Iconic Ferry Building in Downtown San Francisco

Hudson Pacific and Allianz form joint venture to own and operate property

*Iconic asset includes ~200,000 square feet of Class A office
and ~75,000 square feet of retail*

LOS ANGELES (October 8, 2018)—Hudson Pacific Properties, Inc. (NYSE: HPP) and Allianz Real Estate today announced that they have formed a joint venture to acquire a leasehold interest in the land and improvements of the historic Ferry Building from Equity Office, an affiliate of the Blackstone Group, for \$291 million before prorations, credits and closing costs.

The Ferry Building, which includes 192,532 square feet of Class A office and 75,486 square feet of retail, is located along San Francisco’s popular waterfront Embarcadero at the foot of Market Street, and is one of the city’s most famous landmarks. Hudson Pacific owns a 55% interest in the joint venture and will serve as the managing member and day-to-day operator of the property, while Allianz owns a 45% interest. The all-cash transaction was approved by the Port of San Francisco and is expected to close this week. The remaining term on the ground lease is 49 years.

“The acquisition of the Ferry Building fits perfectly with our strategy of identifying creative ways to improve the performance of exceptional real estate within global centers of tech innovation,” said Victor Coleman, Chairman and CEO of Hudson Pacific Properties. “As a long-term owner-operator of Bay Area real estate, we take our stewardship of this world-renowned San Francisco landmark seriously. We are thrilled about the opportunity to further position the Ferry Building as a premier Class A office and retail destination through new amenities, activities and events. We are pleased to partner with Allianz on this transaction, and look forward to exploring additional investment opportunities together.”

“Investing alongside Hudson Pacific Properties, we are pleased to become a part of the history and enduring legacy of this magnificent property,” said Christoph Donner, Chief Executive Officer of Allianz Real Estate of America. “Since it opened in 1898, the Ferry Building has been preserved and improved, evolving into a great architectural achievement. Visitors, vendors and tenants are attracted by its unparalleled offerings. This opportunity forges a strong alliance among like-minded investors that see significant potential in generational real estate. It is our intent to protect and enhance the Ferry Building’s stature, vitality and contributions to the community.”

“We are proud to have been part of the Ferry Building’s evolution over the past several years as an icon of the San Francisco waterfront, since our initial investment through Equity Office and we are very pleased to be selling to Hudson Pacific Properties and Allianz, who will be outstanding and visionary owners and will continue as great stewards of this historic property,” said Kenneth Caplan, Global Co-Head of Real Estate at Blackstone. “We’d like to thank the Ferry Building’s team for their leadership and fully believe in their strategy for the future.”

Featuring unrivaled amenities, picturesque public open spaces and breathtaking views of the San Francisco Bay, the Ferry Building's waterfront neighborhood has attracted a host of the city's esteemed Fortune 500, blue-chip technology and professional services firms. It is the center of a transit hub that connects all of San Francisco's neighborhoods and the surrounding bay communities.

The Ferry Building is fully leased to top-tier companies, including SS&C Technologies, Inc., Meltwater, Inc., Meritage Group LP and Niantic, Inc., as well as popular restaurants and retail tenants such as The Slanted Door and Blue Bottle Coffee. The Ferry Building Marketplace, a world class public food market, is organized along a dramatic indoor street, the Nave, and attracts more than 8.8 million visitors a year.

Hudson Pacific will provide details regarding the impact of the Ferry Building acquisition on full-year 2018 FFO guidance upon closing.

About Hudson Pacific Properties

Hudson Pacific Properties is a visionary real estate investment trust that owns and operates more than 17 million square feet of marquee office and studio properties. Focused on premier West Coast epicenters of innovation, media and technology, its anchor tenants include Fortune 500 and leading growth companies such as Netflix, Google, Square, Uber, NFL Enterprises and more. Hudson Pacific is publicly traded on the NYSE under the symbol HPP, and listed as a component of the Russell 2000® and the Russell 3000® indices. For more information visit HudsonPacificProperties.com.

Forward-Looking Statements for Hudson Pacific Properties

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, 2017 filed with the Securities and Exchange Commission, or SEC, on February 16, 2018, and other risks described in documents subsequently filed by the company from time to time with the SEC.

About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 88 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing over 660 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.4 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index. In 2017, over 140,000 employees in more than 70 countries achieved total revenue of 126 billion euros and an operating profit of 11 billion euros for the group.

About Allianz Real Estate

Allianz Real Estate is the strategic real estate organization within the Allianz Group and a leading international real estate investment and asset manager. Allianz Real Estate develops and executes worldwide tailored portfolio and investment strategies on behalf of the Allianz companies, considering direct as well as indirect investments and real estate loans. The operational management of investments and assets is currently performed in 5 regions, West Europe (Belgium, France, Italy, Luxembourg, Portugal, Spain), North & Central Europe (Austria, CEE, Germany, Ireland, Nordics), Switzerland, USA and Asia Pacific. The headquarters of Allianz Real Estate are located in Munich and Paris. Allianz Real Estate has approximately 56 billion euros assets under management.

These assessments are, as always, subject to the disclaimer provided below.

Forward-Looking Statements for Allianz and Allianz Real Estate

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.



Privacy Note for Allianz and Allianz Real Estate

Allianz SE is committed to protecting your personal data. Find out more in our [Privacy Statement](#).

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