Hudson Pacific Properties, Inc.
Form 424B5
January 12, 2015
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED January 12, 2015

PROSPECTUS SUPPLEMENT

(To Prospectus dated January 12, 2015)

9,500,000 Shares

Common Stock

We are offering 9,500,000 shares of our common stock, $0.01 par value per share.

We are organized and conduct our operations to qualify as a real estate investment trust, or REIT, for federal income tax purposes. To assist us in complying with certain federal income tax requirements applicable to REITs, our charter contains certain restrictions relating to the ownership and transfer of our stock, including an ownership limit of 9.8% of the outstanding shares of our common stock.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol HPP, and the last reported sale price of our common stock on the NYSE on January 9, 2015 was $32.05 per share.

See Risk Factors beginning on page S-13 of this prospectus supplement and the risks set forth under the caption Item 1A. Risk Factors included in our most recent Annual Report on Form 10-K, which is incorporated by reference herein, for certain risks relevant to an investment in our common stock.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

We have granted the underwriters an option to purchase up to 1,425,000 additional shares of our common stock on the same terms and conditions set forth above for 30 days after the date of this prospectus supplement.

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

The common stock sold in this offering will be ready for delivery in book-entry form through The Depository Trust Company on or about , 2015.

Wells Fargo Securities **BofA Merrill Lynch** **Goldman, Sachs & Co.**

Barclays **Morgan Stanley** **KeyBanc Capital Markets**

The date of this prospectus supplement is , 2015

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You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or any applicable free writing prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in any jurisdiction where it is unlawful to make such offer or solicitation. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any applicable free writing prospectus and the documents incorporated by reference herein or therein is accurate only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS

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

To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or documents incorporated by reference herein or therein, the information in this prospectus supplement will supersede such information. In addition, any statement in a filing we make with the Securities and Exchange Commission that adds to, updates or changes information contained in an earlier filing we made with the Securities and Exchange Commission shall be deemed to modify and supersede such information in the earlier filing.

This prospectus supplement does not contain all of the information that is important to you. You should read the accompanying prospectus as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. See Incorporation by Reference in this prospectus supplement and Where You Can Find More Information; Incorporation by Reference in the accompanying prospectus. Unless otherwise indicated or unless the context requires otherwise, references in this prospectus supplement to we, our, us and our company refer to Hudson Pacific Properties, Inc., a Maryland corporation, Hudson Pacific Properties, L.P., and any of our other subsidiaries. Hudson Pacific Properties, L.P. is a Maryland limited partnership of which we are the sole general partner and to which we refer in this prospectus supplement as our operating partnership. References in this prospectus supplement to our revolving credit facility mean our operating partnership s $300 million senior unsecured revolving credit facility and references in this prospectus supplement to our term loan facility mean our operating partnership s $150 million senior unsecured term loan facility.

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FORWARD-LOOKING INFORMATION

This prospectus supplement and the accompanying prospectus and the documents that we incorporate by reference in each contain 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, and Section 21E of the Exchange Act of 1934, as amended, or the Exchange Act). Also, documents we subsequently file with the Securities and Exchange Commission and incorporate by reference will contain forward-looking statements.

In particular, statements pertaining 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, 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 prospectus supplement and the accompanying prospectus and the documents that we incorporate by reference in each are based on management s beliefs and assumptions made by, and information currently available to, management. You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, should, seeks, approximately, intends, plans, pro forma, estimates or anticipates or the negative of thes similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking 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, trends, uncertainties or factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all).

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 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 to achieve an investment grade credit 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;

environmental uncertainties and risks related to adverse weather conditions and natural disasters;

financial market fluctuations;

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- the occurrence of any event, change or other circumstances that would compromise our ability to complete the acquisition of the Target Portfolio within the expected period or at all;

- risks related to acquisitions generally, including the disruption 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, including the Target Portfolio, realize the anticipated benefits of acquisitions or capitalize on value creation opportunities;

- changes in real estate and zoning laws and increases in real property tax rates; and

- other factors affecting the real estate industry generally.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, or new information, data or methods, future events or other changes. 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. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section entitled Risk Factors, including the risks incorporated therein, from our most recent Annual Report on Form 10-K for the year ended December 31, 2013 and our other periodic reports filed with the Securities and Exchange Commission and incorporated by reference herein.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in our common stock. We urge you to read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully, including the financial statements and notes to those financial statements incorporated by reference herein and therein. Please read Risk Factors for more information about important risks that you should consider before investing in our common stock.

Hudson Pacific Properties, Inc.

We are a full-service, vertically integrated real estate company focused on owning, operating and acquiring high-quality office properties and state-of-the-art media and entertainment properties in select growth markets primarily in Northern and Southern California and the Pacific Northwest. Our investment strategy focuses on high barrier-to-entry, in-fill locations with favorable, long-term supply demand characteristics in select markets, including Los Angeles, Orange County, San Diego, San Francisco, Silicon Valley and Seattle.

As of December 31, 2014, our portfolio included office properties, comprising an aggregate of approximately 5.5 million square feet, and media and entertainment properties, comprising approximately 0.9 million square feet of sound-stage, office and supporting production facilities. We also own undeveloped density rights for approximately 1.9 million square feet of future development space. Our properties are concentrated in premier submarkets that have high barriers to entry with limited supply of land, high construction costs and rigorous entitlement processes.

We have elected to be taxed as a REIT for federal income tax purposes, commencing with our taxable year ended December 31, 2010. We believe that we have operated in a manner that has allowed us to qualify as a REIT for federal income tax purposes commencing with such taxable year, and we intend to continue operating in such a manner. We conduct substantially all of our business through our operating partnership, of which we serve as the sole general partner.

Recent Developments

Target Portfolio Acquisition

On December 6, 2014, we entered into an asset purchase agreement, or the purchase agreement, with certain affiliates of The Blackstone Group L.P., or Blackstone, which we refer to herein as the seller parties, pursuant to which we agreed to acquire a portfolio of 26 high-quality office assets totaling approximately 8.2 million square feet and two development parcels in the San Francisco Peninsula and Silicon Valley, or the Target Properties, from the seller parties. Pursuant to the terms of the purchase agreement, in consideration for the purchase and sale of the Target Properties, our operating partnership will deliver to the seller parties a cash payment of $1.75 billion and equity consideration consisting of an aggregate amount of up to 63,474,791 shares of our common stock and common units of limited partnership interest in our operating partnership, or common units, subject in each case to adjustments as described therein. The number of shares of our common stock to be issued will be equal to 9.8% of the total issued and outstanding shares of our common stock (excluding any restricted shares of our common stock then issued and outstanding but, for purposes of such calculation, after giving effect to the issuance of the common stock to the seller parties) on the close of business two business days immediately prior to the date of the consummation of the acquisition. The remainder of the equity consideration will consist of common units.

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The issuance of the equity consideration will require the affirmative vote of a majority of votes cast at a meeting of our stockholders, which meeting is currently scheduled in March 2015. We refer to the Target Properties collectively herein as the Target Portfolio.

Rationale for Acquisition

We expect the acquisition of the Target Portfolio to have the following benefits.

High-Quality Portfolio. We believe the Target Properties, which consist of a critical mass of high-quality office assets in the San Francisco Peninsula and Silicon Valley, present an acquisition opportunity of a size and quality not otherwise available in their respective geographic markets.

Opportunity to Leverage Existing Operating Platform. We believe the Target Properties present an opportunity for us to leverage our existing operating platform to create near- and long-term value through our leasing, operating, repositioning and development expertise.

Embedded Leasing Potential. We believe a number of the Target Properties currently have above-market vacancy and below-market rental rates, presenting an opportunity to increase our net operating income through the initial lease-up of vacancies and releasing expiring below-market leases at market rental rates. We believe the in-place rental rates at the Target Properties are on average approximately 15% below our estimate of comparable rental rates in their respective markets.

Large Unencumbered Asset Base. The Target Properties will not be encumbered by indebtedness, presenting us with the opportunity to place new financing and create a large unencumbered asset base to support a potential investment grade rating in the future.

Long-term Relationship with Blackstone. We believe we will benefit from a long-term relationship with Blackstone as a sizable equity holder, including the opportunity to potentially leverage Blackstone s industry relationships, global capital sources and market intelligence.

Increased Scale Advantages. We believe we will benefit from the combination of the Target Properties with our existing property portfolio, including through increased market capitalization and scale, improved access to the capital markets, strong cash flow growth potential, a stronger balance sheet, enhanced investment and redevelopment opportunities, broadened tenant mix, increased geographic and asset-class diversity, improved overhead efficiency ratios and potential cost synergies.

Overview of the Target Portfolio

As of September 30, 2014, the Target Properties were approximately 85.4% leased (giving effect to leases signed but not commenced as of that date). All the properties are located in Northern California. As of September 30, 2014, the weighted average remaining lease term for the properties was 36 months.

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The following table sets forth certain information relating to each of the Target Properties as of September 30, 2014.

Property	Submarket	Year Built/ Renovated	Square Feet(1)	Percent Leased(2)	Percent Occupied(3)	Annualized Base Rent(4)	Annualized Base Rent Per Occupied Square Foot(5)
OFFICE PROPERTIES							
Bayhill Office Center	Peninsula	1982/1987	554,328	92.3%	73.1%	$ 12,376,740	$ 30.54
One Bay Plaza	Peninsula	1979	195,739	80.9%	78.9%	4,318,317	27.96
Bay Park Plaza	Peninsula	1985/1998	260,183	84.5%	84.5%	6,605,641	30.06
Metro Center Tower(6)	Peninsula	1985-1988	730,215	58.9%	51.7%	15,700,834	41.59
Peninsula Office Park	Peninsula	1971/1998	510,456	80.0%	80.0%	15,009,285	36.73
Shorebreeze I & II	Redwood Shores	1985-1986	230,932	83.8%	80.0%	7,124,154	38.58
333 Twin Dolphin Plaza	Redwood Shores	1985	182,789	86.6%	86.6%	5,977,976	37.75
555 Twin Dolphin Plaza	Redwood Shores	1989	198,936	87.2%	85.1%	6,863,709	40.56
Towers at Shore Center	Redwood Shores	2002	334,483	96.0%	96.0%	25,371,950	79.03
Skyway Landing	Redwood Shores	2000	247,173	92.9%	92.9%	7,649,247	33.31
2180 Sand Hill Road	Palo Alto	1976	45,613	65.0%	65.0%	2,222,680	74.97
Embarcadero Place	Palo Alto	1984	197,241	86.6%	86.6%	3,998,592	23.40
Palo Alto Square(7)	Palo Alto	1971/1985	328,251	96.4%	95.6%	17,091,519	54.44
Clocktower Square(8)	Palo Alto	1967/1983	100,344	100.0%	100.0%	5,092,703	50.75
Page Mill Center(9)	Palo Alto	1972	176,245	62.8%	62.8%	6,945,859	62.78
Lockheed(10)	Palo Alto	1991	46,759	100.0%	100.0%	1,603,136	34.29
3400 Hillview(11)	Palo Alto	1991	207,857	100.0%	100.0%	12,203,284	58.71
Foothill Research Center(12)	Palo Alto	1991	195,366	50.9%	40.6%	3,817,287	48.09
Campus Center	Silicon Valley	2001/2007-08	471,580	100.0%	100.0%	14,147,400	30.00
Techmart Commerce Ctr(13)	Silicon Valley	1987	284,440	73.2%	71.8%	6,582,610	32.22
Patrick Henry Drive	Silicon Valley	1981	68,987	0.0%	0.0%		
Gateway	San Jose Airport	1981-84,1998	608,626	85.9%	84.5%	13,267,338	25.81
Metro Plaza	San Jose Airport	1986-1987	456,921	85.9%	85.9%	10,314,168	26.28
1740 Technology	San Jose Airport	1986/1994	206,876	98.4%	98.4%	5,696,904	27.97
Concourse	San Jose Airport	1980/2000	944,386	95.9%	85.6%	20,509,825	25.36
Skyport Plaza	San Jose Airport	2001	418,086	99.1%	99.1%	9,665,745	23.33
Portfolio Total/Weighted Average:			**8,202,812**	**85.4%**	**8**		