Hudson Pacific Properties, Inc.
Form S-11/A
December 06, 2010
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As filed with the Securities and Exchange Commission on December 6, 2010

Registration No. 333-170751

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-11

FOR REGISTRATION UNDER THE

SECURITIES ACT OF 1933 OF SECURITIES

OF CERTAIN REAL ESTATE COMPANIES

Hudson Pacific Properties, Inc.

(Exact Name of Registrant as Specified in Its Governing Instruments)

11601 Wilshire Blvd., Suite 1600, Los Angeles, California 90025

(310) 445-5700

(Address, Including Zip Code and Telephone Number, Including Area Code,

of Registrant s Principal Executive Offices)

Victor J. Coleman

Chief Executive Officer

Hudson Pacific Properties, Inc.

11601 Wilshire Blvd., Suite 1600, Los Angeles, California 90025

(310) 445-5700

(Name, Address, Including Zip Code and Telephone Number, Including Area Code, of Agent for Service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: ¨

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

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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. ¨

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

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company ¨

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

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion,

Preliminary Prospectus dated December 6, 2010

PROSPECTUS

3,000,000 Shares

% Series B Cumulative Redeemable Preferred Stock

(Liquidation Preference $25.00 per share)

We are offering 3,000,000 shares of our % Series B Cumulative Redeemable Preferred Stock, $0.01 par value per share, which we refer to in this prospectus as our series B preferred stock. We have granted the underwriters an option to purchase up to 450,000 additional shares of our series B preferred stock to cover overallotments.

Dividends on our series B preferred stock will be cumulative from the date of original issue and payable quarterly on or about the last calendar day of each March, June, September and December, commencing on or about December 31, 2010, at the rate of % per annum of its liquidation preference, which is equivalent to $ per annum per share. If following a change of control of our company, either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not listed on the New York Stock Exchange, or NYSE, or quoted on the NASDAQ Stock Market, or NASDAQ (or listed or quoted on a successor exchange or quotation system), holders of our series B preferred stock will be entitled to receive cumulative cash dividends from, and including, the first date on which both the change of control occurred and either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not so listed or quoted, at the increased rate of % per annum per share of the liquidation preference of our series B preferred stock (equivalent to $ per annum per share) for as long as either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not so listed or quoted. The first dividend on our series B preferred stock sold in this offering is payable on December 31, 2010 (in the amount of $ per share).

Except in instances relating to preservation of our qualification as a real estate investment trust, or REIT, or in connection with a change of control of our company, our series B preferred stock is not redeemable prior to December , 2015. On and after December , 2015, we may redeem our series B preferred stock in whole, at any time, or in part, from time to time, for cash at a redemption price of $25.00 per share, plus any accrued and unpaid dividends to, but not including, the date of redemption. If at any time following a change of control either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not listed on the NYSE or quoted on NASDAQ (or listed or quoted on a successor exchange or quotation system), we will have the option to redeem our series B preferred stock, in whole but not in part, within 90 days after the first date on which both the change of control has occurred and either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not so listed or quoted, for cash at $25.00 per share, plus accrued and unpaid dividends, if any, to, but not including, the redemption date. Our series B preferred stock has no maturity date and will remain outstanding indefinitely unless redeemed by us, and it is not subject to any sinking fund or mandatory redemption and is not convertible into any of our other securities.

We are organized and conduct our operations in a manner that will allow us to qualify as a REIT. 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 capital stock, including an ownership limit of 9.8% of the outstanding shares of our series B preferred stock.

No market currently exists for our series B preferred stock. We have applied to list our series B preferred stock on the NYSE under the symbol HPP Pr B. If the application is approved, trading of the series B preferred stock is expected to commence within 30 days after the initial delivery of the series B preferred stock.

See Risk Factors beginning on page 17 of this prospectus for certain risks relevant to an investment in our series B preferred stock.

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

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

The series B preferred stock sold in this offering will be ready for delivery in book-entry form through The Depository Trust Company on or about December , 2010.

Wells Fargo Securities **BofA Merrill Lynch** **Barclays Capital** **Morgan Stanley**

The date of this prospectus is December , 2010

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You should rely only on the information contained in this prospectus, or in any free writing prospectus prepared by us, or information to which we have referred you. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any free writing prospectus prepared by us is accurate only as of their respective dates or on the date or dates that are specified in these documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

We use market data and industry forecasts and projections throughout this prospectus, and in particular in the section entitled Business and Properties. We have obtained substantially all of this information from a market study prepared for us by Rosen Consulting Group, or RCG, a nationally recognized real estate consulting firm. We have paid RCG a fee of $40,000 for such services. See Experts. In addition, we have obtained certain market and industry data from publicly available industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The forecasts and projections are based on industry surveys and the preparers experience in the industry, and there is no assurance that any of the projected amounts will be achieved. We believe that the surveys and market research others have performed are reliable, but we have not independently verified this information. Any forecasts prepared by RCG are based on data (including third party data), models and experience of various professionals, and are based on various assumptions, all of which

are subject to change without notice.

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This prospectus makes reference to the percent leased of the properties in our portfolio. We calculate percent leased as (i) square feet under lease for which rent has commenced, divided by (ii) total square feet, expressed as a percentage.

We are under contract to acquire an office building located at 10950 Washington Boulevard in Culver City, California, which we refer to as the 10950 Washington property. While we believe that we will consummate the acquisition of the 10950 Washington property, we cannot assure you that we will, because consummation of the acquisition remains subject to the satisfaction of customary closing conditions, including the receipt of requisite estoppels and the assumption of indebtedness. Information in this prospectus with respect to the 10950 Washington property, including square feet, tenants, leasing, rents, commissions, credits and allowances and lease expirations, has been provided by the sellers of such property and we are still in the process of conducting our due diligence on the property.

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PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in our series B preferred stock. You should read the entire prospectus carefully, including the section entitled Risk Factors, as well as our historical and pro forma financial statements and related notes included elsewhere in this prospectus, before making an investment decision. Unless the context suggests otherwise, references in this prospectus to we, our, us and our company are to Hudson Pacific Properties, Inc., a Maryland corporation, together with its consolidated subsidiaries, including Hudson Pacific Properties, L.P., a Maryland limited partnership of which we are the sole general partner and which we refer to in this prospectus as our operating partnership. Unless otherwise indicated, the information contained in this prospectus is as of September 30, 2010 and assumes (i) that the underwriters overallotment option is not exercised and (ii) the completion of our acquisition of the 10950 Washington property, the timing and completion of which is uncertain. Additionally, unless otherwise indicated, portfolio property data as of September 30, 2010 relating to square feet, tenants, leasing, rents, commissions, credits and allowances and lease expirations includes such data for 10950 Washington, which we are under contract to acquire.

Hudson Pacific Properties, Inc.

We are a full-service, vertically integrated real estate company focused on owning, operating and acquiring high-quality office properties in select growth markets primarily in Northern and Southern California. Our investment strategy is focused on high barrier-to-entry, in-fill locations with favorable, long-term supply-demand characteristics. These markets include Los Angeles, Orange County, San Diego, San Francisco, Silicon Valley and the East Bay, which we refer to as our target markets. Our portfolio includes ten owned properties and one property under contract, the 10950 Washington property, which collectively total approximately 2.4 million square feet. These properties are strategically located in many of our target markets.

We were formed as a Maryland corporation in 2009 to succeed the business of Hudson Capital, LLC, a Los Angeles-based real estate investment firm founded by Victor J. Coleman and Howard S. Stern, our Chief Executive Officer and President, respectively. We completed our initial public offering on June 29, 2010.

We have access to and are actively pursuing a pipeline of potential acquisitions consistent with our investment strategy. We believe Mr. Coleman s and Mr. Stern s successful history of operating a publicly traded real estate company, significant expertise in operating in the California office sector and extensive, long-term relationships with real estate owners, developers and lenders, coupled with our conservative capital structure and access to capital, will allow us to capitalize on the current market opportunity.

We focus our investment strategy on office properties located in submarkets with growth potential as well as on underperforming properties that provide opportunities to implement a value-add strategy to increase occupancy rates and cash flow. This strategy includes active management, aggressive leasing efforts, focused capital improvement programs, the reduction and containment of operating costs and an emphasis on tenant satisfaction. We believe our senior management team s experience in the California office sector positions us to improve cash flow in our portfolio, as well as any newly acquired properties, as the California economy and the real estate markets begin to recover.

Our portfolio consists of nine office properties totaling approximately 1.5 million square feet, which were approximately 83.2% leased as of September 30, 2010 (or 87.0%, giving effect to leases signed but not commenced as of that date), and two state-of-the-art media and entertainment properties comprising 544,763 square feet of office and support space and approximately 312,669 square feet of sound-stage production facilities. We also own 1.85 acres of undeveloped land adjacent to our media and entertainment properties,

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which, together with redevelopment opportunities at our media and entertainment properties, could support over one million square feet of additional office and support 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 intend to elect to be taxed as a REIT for federal income tax purposes on our federal income tax return for our taxable year ending December 31, 2010. We believe that we have operated, and we intend to continue operating, in a manner that will allow us to qualify as a REIT for federal income tax purposes commencing with such taxable year. We conduct substantially all of our business through our operating partnership, of which we serve as the sole general partner, and own approximately 89.5% of the outstanding common units of partnership interest in our operating partnership, or common units. See Description of the Partnership Agreement of Hudson Pacific Properties, L.P.

Recent Developments

Our Initial Public Offering

We completed our initial public offering on June 29, 2010, pursuant to which we sold an aggregate of 14,720,000 shares of our common stock (including 1,920,000 shares sold pursuant to the exercise of the underwriters overallotment option in full) at an offering price of $17.00 per share. We received net proceeds from our initial public offering (including the underwriters exercise of their overallotment option in full) of approximately $250.2 million before underwriting discounts and commissions and other offering costs. Concurrently with our initial public offering, we completed a private placement of 1,176,471 shares of our common stock to Victor J. Coleman and funds affiliated with Farallon Capital Management, L.L.C. at the initial public offering price per share of $17.00, which we refer to in this prospectus as the private placement. The total proceeds of the private placement were $20.0 million (no underwriting costs were incurred in connection with the private placement).

Investment Activities

On August 13, 2010, we acquired the Del Amo Office property and its related ground sublease for $27.5 million in cash (before closing costs and prorations), which was paid with a portion of the proceeds of our initial public offering. The Del Amo Office property is subject to a ground sublease expiring June 30, 2049.

On August 24, 2010, we acquired a leasehold interest in 9300 Wilshire Boulevard, a six-story office building located in Beverly Hills, California, for $15.0 million in cash (before prorations). The 9300 Wilshire Boulevard property is subject to a ground lease expiring August 14, 2032.

On October 6, 2010, we became obligated under a definitive asset purchase agreement with an unrelated third party to acquire the 10950 Washington property, an office building located in Culver City, California, for approximately $46.0 million, subject to closing costs and prorations. In addition, the purchase of the 10950 Washington property is subject to the completion of various closing conditions, including the receipt of requisite estoppels and the assumption of an existing $30.0 million loan, which could delay or prevent the acquisition of the property. The closing of the acquisition is expected to take place by December 30, 2010, after all necessary approvals for the loan assumption have been received. We cannot assure you that the acquisition will be consummated on the anticipated schedule or at all. If we fail to close the purchase as required after the satisfaction or waiver of all closing conditions, we will be liable to the sellers for liquidated damages in an amount equal to the $1.0 million deposit made by us pursuant to the asset purchase agreement.

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On October 8, 2010, we acquired 222 Kearny Street, a 144,440 square foot, two-building office property located in San Francisco, California, from an unrelated third party for $34.9 million in cash (before prorations), which was funded with $34.5 million of borrowings under our secured revolving credit facility and the remainder from available cash. A portion representing approximately 64% of the building area of the 222 Kearny Street property (excluding the 180 Sutter building) is subject to a long-term ground lease expiring June 14, 2054.

Distributions

On September 22, 2010, we declared a dividend to common stockholders of record and our operating partnership declared a distribution to holders of record of common units, in each case as of September 30, 2010, totaling $2,410,288, or $0.0971 per common share and common unit. This dividend consisted of a quarterly dividend of $0.095 per common share and common unit for the period from July 1, 2010 through September 30, 2010 and a pro rata dividend of $0.0021 per common share and common unit covering the period from the consummation of our initial public offering on June 29, 2010 through June 30, 2010. The dividend and distribution were paid on October 15, 2010.

On September 22, 2010, our operating partnership declared a distribution to holders of record of its 6.25% Cumulative Redeemable Convertible Series A Preferred Units, or series A preferred units, as of September 30, 2010, totaling $199,206, or $0.3992 per series A preferred unit. This distribution consisted of a quarterly dividend of $0.3906 per series A preferred unit for the period from July 1, 2010 through September 30, 2010 and a pro rata dividend of $0.0086 per series A preferred unit covering the period from the consummation of our initial public offering on June 29, 2010 through June 30, 2010. The distribution was paid on October 15, 2010.

Corporate Information

Our principal executive offices are located at 11601 Wilshire Boulevard, Suite 1600, Los Angeles, California 90025. Our telephone number is 310-445-5700. Our Web site address is www.hudsonpacificproperties.com. The information on, or otherwise accessible through, our Web site does not constitute a part of this prospectus.

Our Competitive Strengths

We believe the following competitive strengths distinguish us from other owners and operators of office properties and enable us to capitalize on the general dislocation in the real estate market to successfully expand and operate our portfolio.

- ***Experienced Management Team with a Proven Track Record of Acquiring and Operating Assets and Managing a Public Office REIT.*** Our senior management team, led by Victor J. Coleman and Howard S. Stern, our Chief Executive Officer and President, respectively, has an average of over 20 years of experience in owning, acquiring, developing, operating, financing and selling office properties in California.

- ***Committed and Incentivized Management Team.*** Our senior management team is dedicated to our successful operation and growth, with no real estate business interests outside of our company. Additionally, our senior management team owns approximately 3.9% of our common stock on a fully diluted basis, thereby aligning management s interests with those of our stockholders.

California Focus with Local and Regional Expertise. We are primarily focused on acquiring and managing office properties in Northern and Southern California, both regions that we believe are well positioned for strong economic recoveries. Additionally, our senior executives have focused their entire real estate careers in California, providing us with a deep knowledge of the major California real estate markets and the local and regional industry participants.

Long-Standing Relationships that Provide Access to an Extensive Pipeline of Investment and Leasing Opportunities. We believe our experience, in-depth market knowledge and extensive network of long-standing relationships with real estate developers, real estate owners, national and regional lenders, brokers, tenants and other market participants drive our ability to identify and capitalize on attractive acquisition opportunities and enhance our leasing efforts. For example, we acquired the 222 Kearny Street property in an off-market transaction that was the result of our long-standing relationship with the lender who had acquired the property through foreclosure. In addition, we believe our relationships with two leading investment management firms, Farallon Capital Management, L.L.C., or Farallon, and Morgan Stanley (investment funds affiliated with which contributed properties to us in connection with our initial public offering), will continue to provide us with critical market intelligence, an ongoing acquisition pipeline and potential joint venture partners.

Growth-Oriented, Flexible and Conservative Capital Structure. We believe our flexible and conservative capital structure provides us with an advantage over many of our private and public competitors. We are free from legacy balance sheet issues and have limited near-term maturities, which allows our management to focus on our business and growth strategies rather than balance sheet repair. In addition, based upon the closing price of our common stock on December 2, 2010, we had a debt-to-market capitalization ratio (counting series A preferred units as debt) of approximately 27.0%, which is substantially lower than many of our office REIT peers.

Irreplaceable Media and Entertainment Assets in a Premier California Submarket. Our Sunset Gower and Sunset Bronson media and entertainment properties are located on Sunset Boulevard, just off of the Hollywood Freeway, in the heart of Hollywood, and serve as important facilities for major film and television companies. We believe these assets will remain critical to the media and entertainment business, one of Los Angeles s most important industries, due to their attractive location, a limited supply of developable land and the extensive knowledge required to develop and operate such facilities.

Business and Growth Strategies

Our primary business objectives are to increase operating cash flows, generate long-term growth and maximize stockholder value. Specifically, we intend to pursue the following strategies to achieve these objectives:

Pursue Acquisitions of Distressed and/or Underperforming Office Properties. We intend to capitalize on the attractive investment environment by acquiring properties at meaningful discounts to our estimates of their intrinsic value. Additionally, we intend to acquire properties or portfolios that are distressed due to near-term debt maturities or underperforming properties where we believe better management, focused leasing efforts and/or capital improvements would improve the property s operating performance and value. We believe that our extensive relationships, coupled with our strong balance sheet and access to capital, will allow us to capitalize on value-add opportunities.

Focus on High Barrier-to-Entry Markets. We target in-fill, suburban markets and central business districts primarily in California. These markets have historically had favorable long-term supply/demand characteristics and significant institutional ownership of real estate, which we believe have helped support real estate fundamentals and valuations over the long term. We believe that these factors will help preserve our capital during periods of economic decline and generate above average returns during periods of economic recovery and growth.

Proactive Asset and Property Management. We intend to actively manage our portfolio, employ aggressive leasing strategies and leverage our existing tenant relationships to increase the occupancy rates at our properties, attract high quality tenants and maximize tenant retention rates. In addition, we have targeted ways to further improve net operating income through controlling or reducing operating costs.

Repositioning and Development of Properties. We intend to leverage our real estate expertise to reposition and redevelop our existing properties, as well as properties that we acquire in the future, with the objective of increasing occupancy, rental rates and risk-adjusted returns on our invested capital. We believe our media and entertainment properties and undeveloped land offer significant growth potential, with over one million square feet of possible incremental development and redevelopment space.

Value Creation Through Capital Recycling Program. We intend to pursue an efficient asset allocation strategy that maximizes the value of our investments by selectively disposing of properties for which returns appear to have been maximized and redeploying capital into acquisition, development and redevelopment opportunities with higher return prospects, in each case in a manner that is consistent with our qualification as a REIT.

Summary Risk Factors

You should carefully consider the matters discussed in the Risk Factors section beginning on page 17 of this prospectus prior to deciding whether to invest in our series B preferred stock. Some of these risks include:

All of our properties are located in California, and we therefore are dependent on the California economy and are susceptible to adverse local regulations and natural disasters affecting California.

We derive a significant portion of our rental revenue from tenants in the media and entertainment industry, which makes us particularly susceptible to demand for rental space in that industry.

As of September 30, 2010, the Farallon Funds owned an approximate 35.9% beneficial common interest in our company on a fully diluted basis and have the ability to exercise significant influence on our company.

The purchase of the 10950 Washington property is subject to closing conditions that could delay or prevent the acquisition of the property.

We may be unable to identify and complete acquisitions of properties that meet our criteria, which may impede our growth.

As of September 30, 2010, we had approximately $94.3 million of indebtedness outstanding, and subsequent to September 30, 2010, we have drawn approximately $34.5 million on our secured revolving credit facility. Our debt service obligations with respect to our indebtedness will reduce cash available for distribution, including cash available to pay dividends on our series B preferred stock, and expose us to the risk of default.

Adverse economic and geopolitical conditions and dislocations in the credit markets could have a material adverse effect on our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, per share trading price of our common stock and series B preferred stock and ability to satisfy our debt obligations.

We have a limited operating history and may not be able to operate our business successfully or implement our business strategies as described in this prospectus.

We may be unable to renew leases, lease vacant space or re-let space as leases expire.

Our success depends on key personnel whose continued service is not guaranteed.

Our board of directors may change our investment and financing policies without stockholder approval and we may become more highly leveraged, which may increase our risk of default under our debt obligations.

Failure to qualify as a REIT would have significant adverse consequences to us and the value of our stock.

The series B preferred stock is a new issuance and does not have an established trading market, which may negatively affect its market value and your ability to transfer or sell your shares; our series B preferred stock has no stated maturity date.

Our series B preferred stock is subordinate to our debt, and your interests could be diluted by the issuance of additional preferred stock, including additional series B preferred stock, and by other transactions.

The series B preferred stock will be subordinated to the series A preferred units, which were issued in connection with our initial public offering and have an aggregate liquidation preference of approximately $12.5 million.

We may be unable to make distributions at expected levels and we may be required to borrow funds to make distributions.

Our Properties

Our Portfolio

We currently own, or are under contract to acquire, eleven properties located in eight California submarkets, containing a total of approximately 2.4 million square feet, which properties we refer to as our portfolio. The following table presents an overview of our portfolio, based on information as of September 30, 2010. Rental data presented in the table below for office properties reflects base rent on leases in place as of September 30, 2010 and does not reflect actual cash rents historically received because such data does not reflect abatements or, in the case of triple net or modified gross leases, tenant reimbursements for real estate taxes, insurance, common area or other operating expenses. Rental data presented in the table below for media and entertainment properties reflects actual cash base rents, excluding tenant reimbursements, received during the 12 months ended September 30, 2010. Leases at our media and entertainment properties are typically short-term leases of one year or less, and other than the KTLA lease at our Sunset Bronson property, substantially all of the current in-place leases at our media and entertainment properties will expire in 2010 or 2011.

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Property	City	Year Built/ Renovated	Square Feet(1)	Percent Leased(2)	Annualized Base Rent/ Annual Base Rent(3)	Annualized Base Rent/ Annual Base Rent Per Leased Square Foot(4)	Annualized Net Effective Base Rent Per Leased Square Foot(5)
OFFICE PROPERTIES							
City Plaza	Orange	1969/99	333,922	92.4%	$ 7,720,361	$ 25.02	$ 23.76
875 Howard Street(6)(7)	San Francisco	Various	286,270	44.6	1,613,081	12.62	12.06
First Financial	Encino (LA)	1986	222,423	84.8	6,276,734	33.29	35.61
10950 Washington(8)	Culver City (LA)	Various	158,873	99.5	4,267,320	27.00	29.93
222 Kearny Street(9)	San Francisco	Various	144,440	79.2	4,154,289	36.31	38.28
Del Amo Office(10)	Torrance	1986	113,000	100.0	3,069,070	27.16	28.38
Technicolor Building	Hollywood (LA)	2008	114,958	100.0	4,103,173	35.69	39.04
Tierrasanta	San Diego	1985	104,234	96.8	1,576,460	15.62	16.44
9300 Wilshire Boulevard(7)(11)	Beverly Hills (LA)	1965/2001	58,484	90.5	2,208,098	41.73	42.42
Total/Weighted Average Office Properties:			**1,536,604**	**83.2%(12)**	**$ 34,988,586**	**$ 27.35**	**$ 28.38**
MEDIA & ENTERTAINMENT PROPERTIES							
Sunset Gower(13)	Hollywood (LA)	Various	543,709	67.9%	$ 11,235,379	$ 30.45	
Sunset Bronson	Hollywood (LA)	Various	313,723	71.0	9,018,143	40.48	
Total/Weighted Average Media & Entertainment Properties:			**857,432**	**69.0%**	**$ 20,253,521**	**$ 34.23**	
LAND							
Sunset Bronson Lot A	Hollywood (LA)	N/A	273,913				
Sunset Bronson Redevelopment	Hollywood (LA)	N/A	389,740				
Sunset Gower Redevelopment	Hollywood (LA)	N/A	423,396				
City Plaza	Orange	N/A	360,000				
Total Land Assets:			**1,447,049**				
Portfolio Total:			**3,841,085**				

(1) Square footage for office and media and entertainment properties has been determined by management based upon estimated leasable square feet, which may be less or more than the Building Owners and Managers Association, or BOMA, rentable area. Square footage may change over time due to remeasurement or releasing. Square footage for land assets represents management s estimate of developable square feet, the majority of which remains subject to receipt of entitlement approvals that have not yet been obtained.

(2) Percent leased for office properties is calculated as (i) square footage under commenced leases as of September 30, 2010, divided by (ii) total square feet, expressed as a percentage. Percent leased for media and entertainment properties is the average percent leased for the 12 months ended September 30, 2010. As a result of the short-term nature of the leases into which we enter at our media and entertainment properties, and because entertainment industry tenants generally do not shoot on weekends due to higher costs, we believe stabilized occupancy rates at our media and entertainment properties are lower than those rates achievable at our traditional office assets, where tenants enter into longer-term lease arrangements.

(3) We present rent data for office properties on an annualized basis, and for media and entertainment properties on an annual basis. Annualized base rent for office properties is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended September 30, 2010, by (ii) 12. Total abatements with respect to the office properties for leases in effect as of September 30, 2010 for the 12 months ending September 30, 2011 are $1,441,053 pursuant to leases in effect. Annualized base rent, net of abatements, is $7,200,041 for City Plaza, $6,176,152 for First Financial, $3,926,224 for the Technicolor Building, $1,113,716 for 875 Howard Street and $2,064,260 for 9300 Wilshire Boulevard. There are no abatements associated

with the leases in place as of September 30, 2010 at the Del Amo Office, Tierrasanta, 222 Kearny Street and 10950 Washington properties. Total annualized base rent, net of abatements, for our office properties is $33,547,533. Annual base rent for media and entertainment properties reflects actual base rent for the 12 months ended September 30, 2010, excluding tenant reimbursements. Our leases at our City Plaza, First Financial, and Del Amo Office properties are full service gross leases, and annualized base rent data for these properties does not reflect tenant reimbursements in excess of the base year expense stop. The leases at our Technicolor, Tierrasanta, 875 Howard Street and 10950 Washington properties, as well as the KTLA lease at the Sunset Bronson property, are either triple net leases or modified gross leases pursuant to which the tenant reimburses the landlord or directly pays for some operating expenses, such as real estate taxes, insurance, common area and other operating expenses, and annualized base rent for these properties does not reflect such amounts. We estimate that the full service gross equivalent annualized base rent for these properties is $5,388,866 for the Technicolor Building, $2,093,104 for Tierrasanta, $2,313,275 for 875 Howard Street, and $4,580,780 for 10950 Washington. We estimate that the full service gross equivalent annual base rent is $11,272,172 for Sunset Gower and $10,395,879 for Sunset Bronson.

(4) Annualized base rent per leased square foot for the office properties is calculated as (i) annualized base rent divided by (ii) square footage under lease as of September 30, 2010. Annual base rent per leased square foot for the media and entertainment properties is calculated as (i) actual base rent for the 12 months ended September 30, 2010, excluding tenant reimbursements, divided by (ii) average square feet under lease for the 12 months ended September 30, 2010. We estimate that the full service gross equivalent annualized base rent per leased square foot is $46.88 for the Technicolor Building, $20.74 for Tierrasanta, $18.10 for 875 Howard Street and $28.98 for 10950 Washington, and the full service gross equivalent annual base rent per leased square foot is $30.55 for Sunset Gower and $46.66 for Sunset Bronson.

(5) Annualized net effective base rent per leased square foot represents (i) the contractual base rent for leases in place as of September 30, 2010, calculated on a straight-line basis to amortize free rent periods and abatements, but without regard to tenant improvement allowances and leasing commissions, divided by (ii) the net rentable square footage under lease as of September 30, 2010. Our leases at our City Plaza, First Financial, and Del Amo Office properties are full service gross leases, and annualized net effective base rent data for these properties does not reflect tenant reimbursements in excess of the base year expense stop. The leases at our Technicolor, Tierrasanta and 875 Howard Street properties, as well as the KTLA lease at the Sunset Bronson property, are either triple net leases or modified gross leases pursuant to which the tenant reimburses the landlord or directly pays for some operating expenses, and annualized net effective base rent for these properties does not reflect such amounts. We estimate that the full service gross equivalent annualized net effective base rent per leased square foot for these properties is $49.98 for the Technicolor Building, $21.56 for Tierrasanta, $17.39 for 875 Howard Street and $31.92 for 10950 Washington.

(6) 875 Howard Street consists of two buildings, a retail building of 94,505 square feet that is 100% leased and an office building of 191,765 square feet that underwent redevelopment, which was completed on April 1, 2010.

(7) As of September 30, 2010, we had entered into two leases with respect to our 875 Howard Street and 9300 Wilshire Boulevard properties that had not commenced. The following table sets forth certain data with respect to the uncommenced leases.

	Uncommenced Leases			
Property	Leased Square Feet Under Uncommenced Leases[a]	Annualized Base Rent Under Uncommenced Leases[b]	Annualized Base Rent Per Leased Square Foot Under Uncommenced Leases[c]	Annualized Net Effective Base Rent Per Leased Square Foot Under Uncommenced Leases[d]
875 Howard Street	55,827	$ 1,116,538	$ 20.00	$ 33.20
9300 Wilshire Boulevard	1,243	$ 18,645	$ 15.00	$ 13.42

(a) The uncommenced lease for the 875 Howard Street property, which commences on December 14, 2010, is a ten-year lease expiring on December 13, 2020, and contains no rent abatements. The uncommenced lease for the 9300 Wilshire Boulevard property, which commences on January 1, 2011, is a five-year lease expiring on December 31, 2015, and total abatements under the uncommenced lease for the 12 months ending September 30, 2011 are $7,769. The uncommenced lease at our 9300 Wilshire Boulevard property represents expansion space that is in addition to 6,171 square feet that is currently leased by one of our tenants. See Business and Properties Uncommenced Leases.

(b) Annualized base rent under uncommenced leases is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the first full month under the respective uncommenced leases, by (ii) 12.

(c) Annualized base rent per leased square foot under uncommenced leases is calculated as (i) annualized base rent under uncommenced leases, divided by (ii) leased square feet under uncommenced leases.

(d) Annualized net effective base rent per leased square foot under uncommenced leases represents (i) annualized base rent under uncommenced leases calculated on a straight-line basis to amortize free rent periods and abatements, but without regard to tenant improvement allowances and leasing commissions, divided by (ii) leased square feet under uncommenced leases.

(8) Our acquisition of this property is subject to closing conditions that may not be in our control. See Risk Factors Risks Related to Our Properties and Our Business The purchase of the 10950 Washington property is subject to closing conditions that could delay or prevent the acquisition of the property.

(9) This property was acquired on October 8, 2010. A portion representing approximately 64% of the building area (excluding the 180 Sutter building) is subject to a ground lease that expires June 14, 2054; the remaining portion is owned in fee.

(10) This property is subject to a ground sublease that expires June 30, 2049.

(11) This property is subject to a ground lease that expires August 14, 2032.

(12) After giving effect to uncommenced leases signed as of September 30, 2010, the total percent leased for office properties would have been 87.0% as of September 30, 2010.

(13) Approximately 0.59 acres of this property is subject to a ground lease that expires March 31, 2060; the remaining portion is owned in fee.

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The Offering

The offering terms are summarized below solely for your convenience. For a more complete description of the terms of our series B preferred stock, see Description of Series B Preferred Stock.

Issuer	Hudson Pacific Properties, Inc.
Securities Offered	3,000,000 shares of Series B Cumulative Redeemable Preferred Stock, $0.01 par value per share. We have granted the underwriters an option to purchase up to an additional 450,000 shares of series B preferred stock.
Dividends	Dividends on each share of series B preferred stock will be cumulative from the date of original issue and are payable quarterly in arrears on or about the last calendar day of each March, June, September and December, commencing on or about December 31, 2010, at the rate of % per annum of its liquidation preference, or $ per annum per share. The first dividend on our series B preferred stock sold in this offering is payable on December 31, 2010 and will be in the amount of $ per share.

If following a change of control, either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not listed on the NYSE or quoted on NASDAQ (or listed or quoted on a successor exchange or quotation system), holders will be entitled to receive cumulative cash dividends from, and including, the first date on which both the change of control has occurred and either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not so listed or quoted at the increased rate of % per annum per share of the liquidation preference of our series B preferred stock (equivalent to $ per annum per share) for as long as either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not so listed or quoted. To see how we define change of control for this purpose, see Description of Series B Preferred Stock Dividends below.

Liquidation Preference	If we liquidate, dissolve or wind up our business and affairs, holders of our series B preferred stock will have the right to receive $25.00 per share, plus an amount per share equal to all accrued and unpaid dividends (whether or not earned or declared) to, but not including, the date of payment, before any payments are made to holders of our common stock or other junior securities.
Maturity	Our series B preferred stock has no maturity date and we are not required to redeem our series B preferred stock. Accordingly, our series B preferred stock will remain outstanding indefinitely, unless we decide to redeem it. We are not required to set aside funds to redeem our series B preferred stock.

Ranking	Our series B preferred stock will rank senior to our common stock and any other junior shares that we may issue in the future, on parity with any parity shares that we may issue in the future, and junior to all of our existing and future indebtedness, in each case with respect to payment of dividends and distribution of assets upon liquidation, dissolution or winding up. In addition, the series B preferred stock will be subordinate to the outstanding series A preferred units, which were issued in connection with our initial public offering and have an aggregate liquidation preference of approximately $12.5 million, in the case of our liquidation, dissolution or winding up.
Conversion	Our series B preferred stock is not convertible into or exchangeable for any property or any other securities.
Optional Redemption	Except in limited circumstances relating to the restrictions on ownership and transfer of our stock intended to assist us in qualifying as a REIT or pursuant to our special optional redemption right discussed below, our series B preferred stock is not redeemable prior to December , 2015. On or after December , 2015, we may, at our option, redeem our series B preferred stock, in whole, at any time, or in part, from time to time, for cash at a redemption price of $25.00 per share, plus any accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption.
Special Optional Redemption	If at any time following a change of control, either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not listed on the NYSE or quoted on NASDAQ (or listed or quoted on a successor exchange or quotation system), we will have the option to redeem our series B preferred stock, in whole but not in part, within 90 days after the first date on which both the change of control has occurred and either our series B preferred stock (or any preferred stock of the surviving entity that is issued in exchange for our series B preferred stock) or the common stock of the surviving entity, as applicable, is not so listed or quoted, for cash at $25.00 per share, plus accrued and unpaid dividends (whether or not declared) to, but not including, the redemption date. To see how we define change of control for this purpose, see Description of Series B Preferred Stock Dividends below.
Voting Rights	Holders of our series B preferred stock will generally have no voting rights. However, if dividends on our series B preferred stock are in arrears for six quarterly dividend periods (whether or not consecutive), the holders of our series B preferred stock (voting together as a single class with the holders of any other class or series of parity preferred stock upon which like voting rights have been conferred and are exercisable) will have the right to elect two directors until we pay (or declare and set aside for payment) all such dividends and dividends on our series B preferred stock for the then current quarterly dividend period. In addition, certain amendments to

	our charter that would be material and adverse to the rights of our series B preferred stock cannot be made without the affirmative vote of at least two-thirds of the votes entitled to be cast by holders of outstanding shares of series B preferred stock, voting together as a single class with the holders of all other similarly-affected classes and series of parity preferred stock upon which like voting rights have been conferred.
Information Rights	During any period in which we are not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and any shares of our series B preferred stock are outstanding, we will (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of series B preferred stock, as their names and addresses appear in our record books and without cost to such holders, copies of the annual reports and quarterly reports that we would have been required to file with the Securities and Exchange Commission, or SEC, pursuant to Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required) and (ii) promptly, upon request, supply copies of such reports to any prospective holder of series B preferred stock. We will mail (or otherwise provide) the information to the holders of series B preferred stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the SEC, if we were subject to Section 13 or 15(d) of the Exchange Act.
Listing	We have applied to list our series B preferred stock on the NYSE under the symbol HPP Pr B. We expect trading of the shares of series B preferred stock on the NYSE, if listing is approved, to commence within 30 days after the date of the initial delivery of the shares.
Use of Proceeds	We estimate that the net proceeds from this offering, after deducting underwriting discounts and commissions and estimated expenses, will be approximately $ million ($ million if the underwriters exercise their overallotment option in full). We will contribute the net proceeds of this offering to our operating partnership in exchange for % Series B Cumulative Redeemable Preferred Units of partnership interest in our operating partnership, or series B preferred units, that will have rights as to distributions and upon liquidation, dissolution or winding up that are substantially similar to those of the series B preferred stock. Our operating partnership intends to use the net proceeds to repay indebtedness under our secured revolving credit facility, to fund future acquisitions, and for general working capital purposes, including funding capital expenditures, tenant improvements, leasing commissions, and potentially, paying distributions and post-closing cash prorations.
Restrictions on Ownership	Our charter contains restrictions on the ownership and transfer of our stock that are intended to assist us in complying with the requirements

	for qualification as a REIT. Among other things, upon completion of this offering, our charter will provide that, subject to certain exceptions, no person or entity may actually or beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Internal Revenue Code of 1986, as amended, or the Code, more than 9.8% (in value or in number of shares, whichever is more restrictive) of the outstanding shares of our series B preferred stock. See Description of Series B Preferred Stock Restrictions on Ownership and Transfer and Description of Stock Restrictions on Ownership and Transfer.
Settlement	Delivery of the shares of series B preferred stock will be made against payment therefor on or about December , 2010.
Form	Our series B preferred stock will be maintained in book-entry form registered in the name of the nominee of The Depository Trust Company, except in limited circumstances.
Risk Factors	Investing in our series B preferred stock involves a high degree of risk and the purchasers of our series B preferred stock may lose their entire investment. See Risk Factors on page 17 for a discussion of risk factors you should carefully consider before deciding to invest in our series B preferred stock.

Our Tax Status

We intend to elect to be taxed as a REIT for federal income tax purposes on our federal income tax return for our taxable year ending December 31, 2010. We believe that we have operated, and we intend to continue operating, in a manner that will allow us to qualify as a REIT for federal income tax purposes commencing with such taxable year. To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute at least 90% of our taxable income to our stockholders. As a REIT, we generally will not be subject to federal income tax on our taxable income we currently distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax at regular corporate rates. Even if we qualify for taxation as a REIT, we may be subject to some federal, state and local taxes on our income or property. In addition, the income of any taxable REIT subsidiary that we own will be subject to taxation at regular corporate rates. See Federal Income Tax Considerations.

Summary Selected Financial Data

The following table sets forth selected financial and operating data on a pro forma and historical basis for our company. Our historical financial statements include the real estate activity and holdings of the entities that owned the following properties that were contributed to us in connection with our initial public offering on June 29, 2010: Sunset Gower; the Technicolor Building; Sunset Bronson; City Plaza (which, together, we previously designated as our predecessor) and 875 Howard Street. One of the entities comprising our predecessor, SGS Realty II, LLC (the asset owning entity of the Sunset Gower property and the Technicolor Building) was determined to be the acquirer for accounting purposes. In addition, any interests contributed by the controlling member of the other entities comprising our predecessor and Howard Street Associates, LLC (the asset owning entity of 875 Howard Street) was a transaction of entities under common control. As a result, the contribution of interests in each of these entities has been recorded at historical cost in our historical financial statements. We have changed the presentation in our historical financial statements to include the results of both our predecessor and Howard Street Associates, LLC. The current period financial statements include: (i) the operations of the above entities, (ii) the operations of the following entities that we also acquired in connection with our initial public offering: Glenborough Tierrasanta, LLC, GLB Encino, LLC, and Hudson Capital, LLC, for periods subsequent to our initial public offering; and (iii) the operations of the following entities that we acquired subsequent to our initial public offering: Del Amo Fashion Center Operating Company, LLC and 9300 Wilshire, for periods subsequent to the acquisitions of such entities on August 13, 2010 and August 24, 2010, respectively.

You should read the following selected financial data in conjunction with our combined historical consolidated financial statements and the related notes and with Management s Discussion and Analysis of Financial Condition and Results of Operations, which are included elsewhere in this prospectus.

The historical consolidated balance sheet as of September 30, 2010 and the consolidated statements of operations for the nine months ended September 30, 2010 and 2009 have been derived from the unaudited consolidated financial statements of our company included elsewhere in this prospectus. In the opinion of the management of our company, the historical consolidated statements of operations for the nine months ended September 30, 2010 and 2009 include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the historical financial statements for such periods. The historical combined balance sheets as of December 31, 2009 and 2008 and the combined statements of operations information for each of the periods ended December 31, 2009, 2008 and 2007 have been derived from our historical audited combined financial statements included elsewhere in this prospectus. Our results of operations for the interim periods ended September 30, 2010 and 2009 are not necessarily indicative of the results to be obtained for the full fiscal year.

Our unaudited selected pro forma consolidated financial statements and operating information as of and for the nine months ended September 30, 2010 and for the year ended December 31, 2009 assumes the completion of this offering and our intended use of the proceeds therefrom as of the beginning of the earliest period presented for the operating data and as of the stated date for the balance sheet data. Our unaudited selected pro forma consolidated financial statements also include the effects of our initial public offering, which closed on June 29, 2010, and the related formation transactions that occurred in conjunction with our initial public offering, as if the resulting debt and equity structure were in place as of the first day of the earliest period presented for the operating data and as of the stated date for the balance sheet data. Our unaudited selected pro forma consolidated financial statements also include the effects of certain acquisitions completed by us since our initial public offering, including the acquisition of the 222 Kearny Street property and the expected acquisition by us of the 10950 Washington property, along with any related financing transactions, as if those acquisitions and financing transactions had occurred as of the beginning of the earliest period presented for the operating data and as of the stated date for the balance sheet data. Our pro forma financial information is not necessarily indicative of what our actual financial position and results of operations would have been as of the date and for the periods indicated, nor does it purport to represent our future financial position or results of operations.

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Hudson Pacific Properties, Inc.

	Nine Months Ended September 30,			Year Ended December 31,			
	Pro Forma Consolidated 2010 (Unaudited)	Historical Consolidated 2010 (Unaudited)	Historical Combined 2009 (Unaudited)	Pro Forma Consolidated 2009 (Unaudited)	Historical Combined 2009	2008	2007
	(In thousands, except per share data)						
Statement of Operations Data:							
REVENUES							
Office							
Rental	$ 23,400	$ 12,786	$ 8,349	$ 27,194	$ 11,058	$ 8,235	$ 3,905
Tenant recoveries	4,045	1,915	1,435	5,396	2,029	1,504	620
Other	613	125	152	785	158	41	
Total Office Revenues	28,058	14,826	9,936	33,375	13,245	9,780	4,525
Media & Entertainment							
Rental	15,453	15,453	15,300	19,909	19,909	22,075	4,215
Tenant recoveries	1,179	1,179	1,225	1,463	1,463	1,544	58
Other property-related revenue	7,996	7,996	7,402	7,193	7,193	9,554	2,750
Other	96	96	57	60	60	92	7
Total Media & Entertainment Revenues	24,724	24,724	23,984	28,625	28,625	33,265	7,030
Total revenues	52,782	39,550	33,920	62,000	41,870	43,045	11,555
OPERATING EXPENSES							
Office operating expenses	10,753	5,650	4,328	13,814	6,322	3,003	1,182
Media & entertainment operating expenses	14,983	15,194	14,451	16,069	16,810	19,926	4,732
General and administrative	4,568	2,379		4,376			
Depreciation and amortization	14,008	9,985	8,334	18,805	10,930	9,693	3,592
Total operating expenses	44,312	33,208	27,113	53,064	34,062	32,622	9,506
Income from operations	8,470	6,342	6,807	8,936	7,808	10,423	2,049
OTHER EXPENSE (INCOME)							
Interest expense	7,132	6,196	6,702	12,668	8,774	12,029	6,096
Interest income	(37)	(37)	(9)	(18)	(18)	(48)	(57)
Unrealized loss (gain) on interest rate contracts	(347)	(347)	(208)	(399)	(399)	835	24
Acquisition-related expenses	2,689	2,689				208	
Other expense	(8)	(8)	97	95	95	21	
Total other expense (income)	9,429	8,493	6,582	12,346	8,452	13,045	6,063
Net income (loss)	$ (959)	$ (2,151)	$ 225	$ (3,410)	$ (644)	$ (2,622)	$ (4,014)
Less: Net income attributable to series B cumulative redeemable preferred stock	$ (4,500)	$	$	(6,000)	$	$	$
Less: Net income attributable to preferred non-controlling partnership interest	(585)	(199)		(780)			
Less: Net income attributable to restricted shares	(75)	(25)		(100)			
Add: Net loss (income) attributable to common non-controlling partnership interest		32	(4)		29	81	141
Add: Net loss attributable to Unitholders in the Operating Partnership	651	277		1,094			
(Loss) income attributable to Hudson Pacific Properties, Inc. shareholders / controlling member s equity	$ (5,468)	$ (2,066)	$ 221	$ (9,196)	$ (615)	$ (2,541)	$ (3,873)
	(0.25)			(0.42)			

Net (loss) attributable to shareholders per share basic and diluted				
Weighted average shares of common stock outstanding basic and diluted	21,946,508			21,946,508
Dividends declared per common share	$	$ 0.0971	$	$

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	Nine Months Ended September 30,				Year Ended December 31,		
	Pro Forma Consolidated 2010 (Unaudited)	Historical Consolidated 2010 (Unaudited)	Historical Combined 2009 (Unaudited)	Pro Forma Consolidated 2009 (Unaudited)	Historical Combined 2009	2008	2007
	(In thousands, except per share data)						
Balance Sheet Data (at period end):							
Investment in real estate, net	$ 594,011	$ 515,812	$		$ 412,478	$ 409,192	$ 237,071
Total assets	732,199	623,915			448,234	446,037	264,930
Notes payable	124,349	94,069			189,518	185,594	167,531
Total liabilities	166,339	130,055			221,646	224,306	188,483
Preferred non-controlling partnership interest	12,670	12,670					
Series B preferred stock	75,000						
Non-controlling partnership/members interest	66,322	66,322			3,348	3,282	1,793
Member s/stockholders equity	486,868	414,868			223,240	218,449	74,654
Total equity	553,190	481,190			226,588	221,731	76,447
Other Data:							
Pro forma funds from operations[(1)]	$ 7,964			$ 8,615			
Pro forma funds from operations per share, diluted	$ 0.32			$ 0.35			
Cash flows from:							
Operating activities		$ 3,421	$ 2,250		$ 4,538	$ 20,049	$ (5,433)
Investing activities		(56,667)	(10,112)		(15,457)	(178,526)	(238,903)
Financing activities		90,293	5,754		8,800	163,794	244,832

(1) We calculate funds from operations before non-controlling interest, or FFO, in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. FFO is defined by NAREIT as net income (loss) (computed in accordance with U.S. generally accepted accounting principles, or GAAP), excluding gains (or losses) from sales of depreciable operating property, plus real estate depreciation and amortization (excluding amortization of above (below) market rents for acquisition properties and amortization of deferred financing costs and debt discounts) and after adjustments for unconsolidated partnerships and joint ventures. FFO is a supplemental non-GAAP financial measure. We use FFO as a supplemental performance measure because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, therefore, our FFO may not be comparable to such other REITs FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends. FFO should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP. The following table sets forth a reconciliation of our pro forma net income to pro forma FFO before non-controlling interest for the periods presented:

	Pro Forma	
	Nine Months Ended September 30, 2010 (In thousands)	Year Ended December 31, 2009 (In thousands)
Net loss	$ (959)	$ (3,410)
Adjustments:		
Net income attributable to series B cumulative redeemable preferred stock	(4,500)	(6,000)
Net income attributable to preferred non-controlling partnership interest	(585)	(780)
Real estate depreciation and amortization	14,008	18,805
Funds from operations before common non-controlling interests	$ 7,964	$ 8,615

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Ratios of Earnings to Fixed Charges and Preferred Dividends

Our ratios of earnings to fixed charges and earnings to fixed charges and preferred dividends for the periods indicated are as follows:

	Pro Forma Consolidated Nine Months Ended September 30, 2010	Historical Consolidated Nine Months Ended September 30, 2010	Pro Forma Consolidated Year Ended December 31, 2009	Historical Combined Year Ended December 31,		
				2009	2008	2007
Ratio of Earnings to Fixed Charges	0.85x	0.64x	0.71x	0.88x	0.72x	0.29x
Ratio of Earnings to Fixed Charges and Preferred Dividends	0.51x	0.62x	0.47x	0.88x	0.72x	0.29x

Our ratios of earnings to fixed charges are computed by dividing earnings by fixed charges. Our ratios of earnings to fixed charges and preferred dividends are computed by dividing earnings by the sum of fixed charges and preferred dividends. For these purposes, earnings consist of net income (loss) plus fixed charges. Net income (loss) is computed in accordance with GAAP and includes such non-cash items as real estate depreciation and amortization, amortization of above (below) market rents, and amortization of deferred financing costs and loan premium. Net income (loss) in 2010 also includes one-time transactional costs relating to our initial public offering and related formation transactions and acquisitions subsequent to our initial public offering. Fixed charges consist of interest expense, capitalized interest and amortization of deferred financing fees and loan premium, whether expensed or capitalized, interest within rental expense and preference security dividend requirements of consolidated subsidiaries. Interest income is not included in this computation. Preferred dividends consist of the amount of pre-tax earnings required to pay dividends on the series B preferred stock. Our pro forma ratios are prepared on the basis of our pro forma financial statements. See Hudson Pacific Properties, Inc. Pro Forma Condensed Consolidated Financial Statements.

The computation of ratio of earnings to fixed charges indicates that earnings were inadequate to cover fixed charges on the basis of our pro forma financial statements by approximately $1.1 million for the nine months ended September 30, 2010 and by $3.9 million for the year ended December 31, 2009.

The computation of ratio of earnings to fixed charges and preferred dividends indicates that earnings were inadequate to cover fixed charges and preferred dividends on the basis of our pro forma financial statements by approximately $6.2 million for the nine months ended September 30, 2010 and by $10.7 million for the year ended December 31, 2009.

The computation of ratio of earnings to fixed charges indicates that earnings were inadequate to cover fixed charges on the basis of our historical financial statements by approximately $2.3 million for the nine months ended September 30, 2010 and by $1.1 million, $3.6 million, and $5.1 million for the years ended December 31, 2009, 2008, and 2007, respectively.

The computation of ratio of earnings to fixed charges and preferred dividends indicates that earnings were inadequate to cover fixed charges and preferred dividends on the basis of our historical financial statements by approximately $2.5 million for the nine months ended September 30, 2010 and by $1.1 million, $3.6 million, and $5.1 million for the years ended December 31, 2009, 2008, and 2007, respectively.

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RISK FACTORS

Investing in our series B preferred stock involves risks. In addition to other information contained in this prospectus, you should carefully consider the following factors before acquiring shares of our series B preferred stock offered by this prospectus. The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, results of operations and our ability to make cash distributions to our stockholders, which could cause you to lose all or a part of your investment in our series B preferred stock. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled Forward-Looking Statements.

Risks Related to Our Properties and Our Business

All of our properties are located in California, and we therefore are dependent on the California economy and are susceptible to adverse local regulations and natural disasters affecting California.

All of our properties are located in California, which exposes us to greater economic risks than if we owned a more geographically dispersed portfolio. Further, our properties are concentrated in certain submarkets, exposing us to risks associated with those specific areas. We are susceptible to adverse developments in the California economic and regulatory environment (such as business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes, costs of complying with governmental regulations or increased regulation), as well as to natural disasters that occur in our markets (such as earthquakes and other events). For example, prior to the acquisition of our City Plaza property located in Orange County, California, the area was impacted significantly by the collapse of the subprime mortgage market, which had a material adverse effect on property values, vacancy rates and rents in the area. Had we owned City Plaza at that time, we would have been exposed to those adverse effects, which were more pronounced in Orange County than in other parts of the state and country. We anticipate that we will be exposed to similar risks related to the geographic concentration of our properties in the future. In addition, the State of California continues to suffer from severe budgetary constraints and is regarded as more litigious and more highly regulated and taxed than many other states, all of which may reduce demand for office space in California. Any adverse developments in the economy or real estate market in California, or any decrease in demand for office space resulting from the California regulatory or business environment, could adversely impact our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, the per share trading price of our common stock and series B preferred stock and our ability to satisfy our debt obligations. We cannot assure you of the growth of the California economy or of our future growth rate.

We derive a significant portion of our rental revenue from tenants in the media and entertainment industry, which makes us particularly susceptible to demand for rental space in that industry.

The Sunset Gower, Sunset Bronson, Technicolor Building and 10950 Washington properties in our portfolio are leased to media and entertainment tenants and a significant portion of our rental revenue is derived from tenants in the media and entertainment industry. Consequently, we are susceptible to adverse developments affecting the demand by media and entertainment tenants for office, production, and support space in Southern California and, more specifically, in Hollywood, such as writer, director and actor strikes, industry slowdowns and the relocation of media and entertainment businesses to other locations. Although our Technicolor Building property and the 10950 Washington property are principally occupied and suitable for general office purposes, portions of such properties may require modifications prior to or at the commencement of a lease term if it were to be released to more traditional office users. Although our Sunset Gower and Sunset Bronson properties contain both sound stages and space suitable for office use, they have historically served the entertainment and media industry and will continue to depend on that sector for future tenancy. In addition, our media and entertainment properties tend to be subject to short-term leases of less than one year. As a result, were there to be adverse developments affecting the demand by media and entertainment tenants for office, production, and support space,

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it could affect the occupancy of our media and entertainment properties more quickly than if we had longer term leases. Any adverse development in the media and entertainment industry could adversely affect our financial condition, results of operations, cash flow and the per share trading price of our common stock and series B preferred stock.

The purchase of the 10950 Washington property is subject to closing conditions that could delay or prevent the acquisition of the property.

We have entered into a definitive agreement to acquire the 10950 Washington property. The purchase of the 10950 Washington property is subject to closing conditions, including our receipt of requisite estoppels and our assumption of the existing $30.0 million loan, which could delay or prevent the acquisition of the property. Although we believe that the information in the prospectus with respect to the 10950 Washington property that has been provided to us by the seller of such property, including square feet, tenants, leasing, rents, commissions, credits and allowances and lease expirations is accurate, we cannot assure you that this information is accurate or complete. The closing of the acquisition is expected to take place by December 30, 2010 once all necessary approvals for the loan assumption have been received. We cannot assure you that the acquisition will be consummated on the anticipated schedule or at all. In addition, if we fail to close the purchase as required after the satisfaction or waiver of all closing conditions, we will be liable to the seller for liquidated damages in an amount equal to the $1.0 million deposit made by us under the asset purchase agreement.

Some of our properties are subject to ground leases, the termination or expiration of which could cause us to lose our interest in, and the right to receive rental income from, such properties.

The 9300 Wilshire Boulevard property, 0.59 acres of the the Sunset Gower property and a portion representing 64% of the building area of the 222 Kearny Street property (excluding the 180 Sutter building) are subject to ground leases. If any of these ground leases are terminated following a default or expire without being extended, we may lose our interest in the related property and may no longer have the right to receive any of the rental income from such property, which would adversely affect our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, per share trading price of our common stock and series B preferred stock and ability to satisfy our debt obligations.

The ground sublease for the Del Amo Office property is subject and subordinate to a ground lease, the termination of which could result in a termination of the ground sublease.

The property on which the Del Amo Office building is located is subleased by Del Amo Fashion Center Operating Company, L.L.C., a Delaware limited liability company, or Del Amo, through a long-term ground sublease. The ground sublease is subject and subordinate to the terms of a ground lease between the fee owner of the Del Amo Office property and the sub-landlord under the ground sublease. The fee owner has not granted to the subtenant under the ground sublease any rights of non-disturbance. Accordingly, a termination of the ground lease for any reason, including a rejection thereof by the ground tenant under the ground lease in a bankruptcy proceeding, could result in a termination of the ground sublease. In the event of a termination of the ground sublease, we may lose our interest in the Del Amo Office building and may no longer have the right to receive any of the rental income from the Del Amo Office building. In addition, our lack of any non-disturbance rights from the fee owner may impair our ability to obtain financing for the Del Amo Office building.

We may be unable to identify and complete acquisitions of properties that meet our criteria, which may impede our growth.

Our business strategy involves the acquisition of underperforming office properties. These activities require us to identify suitable acquisition candidates or investment opportunities that meet our criteria and are compatible with our growth strategies. We continue to evaluate the market of available properties and may attempt to acquire properties when strategic opportunities exist. However, we may be unable to acquire any of

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the properties identified as potential acquisition opportunities under Business and Properties Acquisition Pipeline and elsewhere in this prospectus, or that we may identify in the future. Our ability to acquire properties on favorable terms, or at all, may be exposed to the following significant risks:

- potential inability to acquire a desired property because of competition from other real estate investors with significant capital, including publicly traded REITs, private equity investors and institutional investment funds, which may be able to accept more risk than we can prudently manage, including risks with respect to the geographic proximity of investments and the payment of higher acquisition prices;

- we may incur significant costs and divert management attention in connection with evaluating and negotiating potential acquisitions, including ones that we are subsequently unable to complete;

- even if we enter into agreements for the acquisition of properties, these agreements are typically subject to customary conditions to closing, including the satisfactory completion of our due diligence investigations; and

- we may be unable to finance the acquisition on favorable terms or at all.

If we are unable to finance property acquisitions or acquire properties on favorable terms, or at all, our financial condition, results of operations, cash flow, cash available for distribution, including cash available for the payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock could be adversely affected. In addition, failure to identify or complete acquisitions of suitable properties could slow our growth.

Our future acquisitions may not yield the returns we expect.

Our future acquisitions and our ability to successfully operate the properties we acquire in such acquisitions may be exposed to the following significant risks:

- even if we are able to acquire a desired property, competition from other potential acquirers may significantly increase the purchase price;

- we may acquire properties that are not accretive to our results upon acquisition, and we may not successfully manage and lease those properties to meet our expectations;

- our cash flow may be insufficient to meet our required principal and interest payments;

- we may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties;

- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations, and as a result our results of operations and financial condition could be adversely affected;

- market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of the properties, liabilities incurred in the ordinary course of business and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

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If we cannot operate acquired properties to meet our financial expectations, our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock could be adversely affected.

We may acquire properties or portfolios of properties through tax deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell such assets.

In the future we may acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership interests in our operating partnership, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to protect the contributors ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties and/or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell an asset at a time, or on terms, that would be favorable absent such restrictions.

Our growth depends on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all.

In order to maintain our qualification as a REIT, we are required to meet various requirements under the Code, including that we distribute annually at least 90% of our net taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our net taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we intend to rely on third-party sources to fund our capital needs. We may not be able to obtain the financing on favorable terms or at all. Any additional debt we incur will increase our leverage and likelihood of default. Our access to third-party sources of capital depends, in part, on:

- general market conditions;
- the market s perception of our growth potential;
- our current debt levels;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

Recently, the credit markets have been subject to significant disruptions. If we cannot obtain capital from third-party sources, we may not be able to acquire or develop properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders, including our series B preferred stockholders, necessary to maintain our qualification as a REIT.

As of September 30, 2010, we had approximately $94.3 million of indebtedness outstanding, which may expose us to interest rate fluctuations, and our debt service obligations with respect to such indebtedness will reduce cash available for distribution, including cash available to pay dividends on our series B preferred stock, and expose us to the risk of default under our debt obligations.

Our total consolidated indebtedness, as of September 30, 2010, was approximately $94.3 million, of which $37.0 million (or approximately 39.3%) was variable rate debt, which has been fully hedged pursuant to

an interest rate contract, and we may incur significant additional debt to finance future acquisition and development activities. In addition, as of December 2, 2010, we had drawn approximately $34.5 million under our secured revolving credit facility.

Payments of principal and interest on borrowings may leave us with insufficient cash resources to operate our properties or to pay the dividends currently contemplated on our common stock or our series B preferred stock or necessary to maintain our REIT qualification. Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- our cash flow may be insufficient to meet our required principal and interest payments;
- we may be unable to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our ability to meet operational needs;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;
- because a portion of our debt bears interest at variable rates, increases in interest rates could increase our interest expense;
- we may be forced to dispose of one or more of our properties, possibly on unfavorable terms or in violation of certain covenants to which we may be subject;
- we may violate restrictive covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations; and
- our default under any loan with cross default provisions could result in a default on other indebtedness.

If any one of these events were to occur, our financial condition, results of operations, cash flow, ability to make distributions on our common stock and our series B preferred stock and per share trading price of our common stock and series B preferred stock could be adversely affected. Furthermore, foreclosures could create taxable income without accompanying cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Consolidated Indebtedness.

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.

Incurring mortgage and other secured debt obligations increases our risk of property losses because defaults on indebtedness secured by properties may result in foreclosure actions initiated by lenders and ultimately our loss of the property securing any loans for which we are in default. Any foreclosure on a mortgaged property or group of properties could adversely affect the overall value of our portfolio of properties. For tax purposes, a foreclosure of any of our properties that is subject to a nonrecourse mortgage loan would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds.

Our secured revolving credit facility restricts our ability to engage in some business activities.

Our secured revolving credit facility contains customary negative covenants and other financial and operating covenants that, among other things:

restrict our ability to incur additional indebtedness;

- restrict our ability to make certain investments;
- restrict our ability to merge with another company;
- restrict our ability to make distributions to stockholders; and
- require us to maintain financial coverage ratios.

These limitations restrict our ability to engage in some business activities, which could adversely affect our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock. In addition, failure to meet any of these covenants, including the financial coverage ratios, could cause an event of default under and/or accelerate some or all of our indebtedness, which would have a material adverse effect on us. Furthermore, our secured revolving credit facility contains specific cross-default provisions with respect to specified other indebtedness, giving the lenders the right to declare a default if we are in default under other loans in some circumstances.

Adverse economic and geopolitical conditions and dislocations in the credit markets could have a material adverse effect on our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock.

Our business may be affected by market and economic challenges experienced by the U.S. economy or real estate industry as a whole, including the current dislocations in the credit markets and general global economic downturn. These current conditions, or similar conditions existing in the future, may adversely affect our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock as a result of the following potential consequences, among others:

- significant job losses in the financial and professional services industries may occur, which may decrease demand for our office space, causing market rental rates and property values to be negatively impacted;
- our ability to obtain financing on terms and conditions that we find acceptable, or at all, may be limited, which could reduce our ability to pursue acquisition and development opportunities and refinance existing debt, reduce our returns from our acquisition and development activities and increase our future interest expense;
- reduced values of our properties may limit our ability to dispose of assets at attractive prices or to obtain debt financing secured by our properties and may reduce the availability of unsecured loans; and
- one or more lenders under our secured revolving credit facility could refuse to fund their financing commitment to us or could fail and we may not be able to replace the financing commitment of any such lenders on favorable terms, or at all.

In addition, the economic downturn has adversely affected, and may continue to adversely affect, the businesses of many of our tenants. As a result, we may see increases in bankruptcies of our tenants and increased defaults by tenants, and we may experience higher vacancy rates and delays in re-leasing vacant space, which could negatively impact our business and results of operations.

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Failure to hedge effectively against interest rate changes may adversely affect financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock.

If interest rates increase, then so will the interest costs on our unhedged or partially hedged variable rate debt, which could adversely affect our cash flow and our ability to pay principal and interest on our debt and our ability to make distributions to our stockholders. Further, rising interest rates could limit our ability to refinance existing debt when it matures. We seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements that involve risk, such as the risk that counterparties may fail to honor their obligations under these arrangements, and that these arrangements may not be effective in reducing our exposure to interest rate changes. Failure to hedge effectively against interest rate changes may materially adversely affect financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock. In addition, while such agreements are intended to lessen the impact of rising interest rates on us, they also expose us to the risk that the other parties to the agreements will not perform, we could incur significant costs associated with the settlement of the agreements, the agreements will be unenforceable and the underlying transactions will fail to qualify as highly-effective cash flow hedges under Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 815, Derivative and Hedging.

We have a limited operating history and may not be able to operate our business successfully or implement our business strategies as described in this prospectus.

We commenced operations only upon completion of our initial public offering on June 29, 2010. Our portfolio, including the 10950 Washington property (which we are currently under contract to purchase), consists of eleven properties located throughout California, containing a total of approximately 2.4 million net rentable square feet. Our Del Amo Office, 9300 Wilshire Boulevard and 222 Kearny Street properties have only been under our management since they were acquired on August 13, 2010, August 24, 2010 and October 8, 2010, respectively, and three of our other properties have only been under our management since they were acquired in connection with our initial public offering on June 29, 2010. We do not yet own or operate the 10950 Washington property. These properties may have characteristics or deficiencies unknown to us that could affect such properties valuation or revenue potential. In addition, there can be no assurance that the operating performance of the properties will not decline under our management. We cannot assure you that we will be able to operate our business successfully or implement our business strategies as described in this prospectus. Furthermore, we can provide no assurance that our senior management team will replicate its success in its previous endeavors, and our investment returns could be substantially lower than the returns achieved by their previous endeavors.

We have a limited operating history as a REIT and as a publicly traded company and may not be able to successfully operate as a REIT or a publicly traded company.

We have a limited operating history as a REIT and as a publicly traded company. We cannot assure you that the past experience of our senior management team will be sufficient to successfully operate our company as a REIT or a publicly traded company, including the requirements to timely meet disclosure requirements of the SEC and comply with the Sarbanes-Oxley Act of 2002. Since our initial public offering, we have been subject to various requirements related to REITs and publicly traded companies, including requirements to develop and implement control systems and procedures in order to qualify and maintain our qualification as a REIT and satisfy our periodic and current reporting requirements under applicable SEC regulations and comply with New York Stock Exchange, or NYSE, listing standards, and compliance with these requirements could place a significant strain on our management systems, infrastructure and other resources. Failure to operate successfully as a public company or qualify and maintain our qualification as a REIT would have an adverse effect on our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our

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series B preferred stock, per share trading price of our common stock and series B preferred stock and ability to satisfy our debt obligations. See Risks Related to Our Status as a REIT Failure to qualify as a REIT would have significant adverse consequences to us and the value of our common stock.

We face significant competition, which may decrease or prevent increases of the occupancy and rental rates of our properties.

We compete with numerous developers, owners and operators of office properties, many of which own properties similar to ours in the same submarkets in which our properties are located. If our competitors offer space at rental rates below current market rates, or below the rental rates we currently charge our tenants, we may lose existing or potential tenants and we may be pressured to reduce our rental rates below those we currently charge or to offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options in order to retain tenants when our tenants leases expire. As a result, our financial condition, results of operations, cash flow, cash available for distributions, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock could be adversely affected.

We depend on significant tenants, and many of our properties are single-tenant properties or are currently occupied by single tenants.

As of September 30, 2010, the 20 largest tenants in our office portfolio represented approximately 65.5% of the total annualized base rent generated by our office properties. The inability of a significant tenant to pay rent or the bankruptcy or insolvency of a significant tenant may adversely affect the income produced by our properties. If a tenant becomes bankrupt or insolvent, federal law may prohibit us from evicting such tenant based solely upon such bankruptcy or insolvency. In addition, a bankrupt or insolvent tenant may be authorized to reject and terminate its lease with us. Any claim against such tenant for unpaid, future rent would be subject to a statutory cap that might be substantially less than the remaining rent owed under the lease. For the 12 months ended September 30, 2010, our largest tenant was Technicolor, which accounted for 11.7% of our annualized base rent, and therefore represented a significant credit concentration. If Technicolor were to experience a downturn in its business or a weakening of its financial condition resulting in its failure to make timely rental payments or causing it to default under its lease, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment. Any such event described above could have an adverse effect on our financial condition, results of operations, cash flow, cash available for distributions, including cash available for payment of dividends on our series B preferred stock, and the per share trading price of our common stock and series B preferred stock.

Furthermore, Saatchi & Saatchi leases 100% of the Del Amo Office property under the terms of an office lease that permits Saatchi & Saatchi to terminate the lease as to all of the leased premises prior to the stated lease expiration on December 31, 2011, December 31, 2014 and December 31, 2016, in each case upon nine months prior notice and in exchange for payment of an early termination fee estimated to be approximately $5.0 million for 2011, approximately $3.1 million for 2014 and approximately $1.9 million for 2016. As of September 30, 2010, the Saatchi & Saatchi lease comprised approximately 8.8% of our annualized office base rent. To the extent that Saatchi & Saatchi exercises its early termination right, our financial condition, results of operations and cash flow will be adversely affected, and we can provide no assurance that we will be able to generate an equivalent amount of net rental revenue by leasing the vacated space to new third party tenants.

Our financial condition, results of operations, cash flow, cash available for distributions, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock could be adversely affected if any of our significant tenants were to become unable to pay their rent or become bankrupt or insolvent.

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We may be unable to renew leases, lease vacant space or re-let space as leases expire.

As of September 30, 2010, leases representing 0.6% of the square footage of the office properties in our portfolio, including 10950 Washington, will expire in the remainder of 2010, and an additional 13.0% of the square footage of the office properties in our portfolio was available (taking into account uncommenced leases signed as of September 30, 2010). Furthermore, substantially all of the square footage of the media and entertainment properties in our portfolio (other than the KTLA lease of the KTLA facility at Sunset Bronson) will expire in the remainder of 2010 and in 2011. We cannot assure you that leases will be renewed or that our properties will be re-let at net effective rental rates equal to or above the current average net effective rental rates or that substantial rent abatements, tenant improvements, early termination rights or below-market renewal options will not be offered to attract new tenants or retain existing tenants. If the rental rates for our properties decrease, our existing tenants do not renew their leases or we do not re-let a significant portion of our available space and space for which leases will expire, our financial condition, results of operations, cash flow, cash available for distributions, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock could be adversely affected.

We may be required to make rent or other concessions and/or significant capital expenditures to improve our properties in order to retain and attract tenants, causing our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock to be adversely affected.

To the extent adverse economic conditions continue in the real estate market and demand for office space remains low, we expect that, upon expiration of leases at our properties, we will be required to make rent or other concessions to tenants, accommodate requests for renovations, build-to-suit remodeling and other improvements or provide additional services to our tenants. As a result, we may have to make significant capital or other expenditures in order to retain tenants whose leases expire and to attract new tenants in sufficient numbers. Additionally, we may need to raise capital to make such expenditures. If we are unable to do so or capital is otherwise unavailable, we may be unable to make the required expenditures. This could result in non-renewals by tenants upon expiration of their leases, which could cause an adverse effect to our financial condition, results of operations, cash flow, cash available for distribution, including cash available for payment of dividends on our series B preferred stock, and per share trading price of our common stock and series B preferred stock.

The actual rents we receive for the properties in our portfolio may be less than our asking rents, and we may experience lease roll-down from time to time.

As a result of various factors, including competiti