

# HCP Breaks Ground on the Second Phase of the Cove at Oyster Point in South San Francisco, Fueled by Strong Demand and Record Low Vacancy Rates

IRVINE, Calif. and SAN FRANCISCO, Jan. 29, 2016 /PRNewswire/ -- HCP (NYSE: HCP) and CBRE Group, Inc. announced today that HCP will break ground on the second phase of The Cove at Oyster Point ("The Cove"), its newest life science development located in South San Francisco. For more information on The Cove, visit [www.CoveSSF.com](http://www.CoveSSF.com).

"We are extremely pleased with the progress of the first phase at the Cove, which commenced one year ago. The reception of the project in the marketplace has been exceptional and is validated by the successful leasing of half of the space currently under construction. The Cove has set an unparalleled standard of design that caters to life science companies seeking a vibrant workplace in which to innovate and collaborate," stated Jon Bergschneider, Executive Vice President of HCP Life Science Estates.

When complete, the Cove will be a 1 million square foot, fully integrated, waterfront campus located on Oyster Point Boulevard in South San Francisco. The campus design consists of seven buildings ranging in size from 115,000 square feet to 182,000 square feet in both single- and multi-tenant building configurations. It will be a pre-certified LEED Silver project featuring 5.5 acres of outdoor green space and a state of the art 30,000 square foot amenity center which will open in the third quarter of 2016, including food service, fitness, meeting space, as well as retail and a future on-site hotel.

The first phase of the project, which commenced construction in February 2015, consists of two buildings totaling up to 250,000 square feet and will be completed in the third quarter of 2016. The second phase of the project will consist of an additional two buildings totaling up to 230,000 square feet, a four-story parking garage, and 20,000 square feet of retail and restaurant space to serve the project and surrounding community. Occupancy of the second phase is targeted for the third quarter of 2017.

"There has been significant interest in the project as life science companies stay focused on recruiting and retention in today's competitive landscape," added CBRE's Rick Friday, who along with Chris Jacobs has been engaged by HCP to exclusively handle leasing of the project. "The project's location, design and amenities are critical to that effort."

"We are pleased to welcome our newest clients, CytomX Therapeutics and Denali Therapeutics, into the HCP portfolio, both of which will move into the Cove in the second half of this year," stated Scott Bohn, Vice President of HCP Life Science Estates. "Given the positive market activity on the remaining 135,000 square feet of the first phase, we are continuing with the next logical step in the delivery of the Cove."

"The market has only improved over the past year with increasing rental rates and zero vacancy in South San Francisco. There is a tremendous need for additional supply to accommodate the growth of life science users," according to CBRE's Chris Jacobs.

HCP is a premier owner and developer of life science and office real estate on the West Coast. HCP is the largest life science property owner in the Bay Area with over 5 million square feet, including over 3 million square feet in South San Francisco. HCP is a pioneer of life science development in South San Francisco with a track record of delivering first class life science campuses in this market since the mid-1990s.

## About HCP

HCP, Inc. is a fully integrated real estate investment trust (REIT) that invests primarily in real estate serving the healthcare industry in the United States. HCP's portfolio of assets is diversified among five distinct sectors: senior housing, post-acute/skilled nursing, life science, medical office and hospital. A publicly traded company since 1985, HCP: (i) was the first healthcare REIT selected to the S&P 500 index; (ii) has increased its dividend per share for 31 consecutive years; (iii) is the only REIT included in the S&P 500 Dividend Aristocrats index; and (iv) is recognized as a global leader in sustainability as a member of the Dow Jones and FTSE4Good

sustainability indices, as well as the recipient in three of the past four years of both the GRESB Global Healthcare Sector Leader and the NAREIT Healthcare Leader in the Light Award. For more information regarding HCP, visit [www.hcpi.com](http://www.hcpi.com).

### **HCP Forward-Looking Statements**

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements made by HCP in this release or relating hereto which are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, among other things, statements regarding the development of The Cove and HCP's anticipated outcomes. These statements are made as of the date hereof, are not guarantees of future performance and are subject to known and unknown risks, uncertainties, assumptions and other factors — many of which are out of HCP's control and difficult to forecast — that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. These risks and uncertainties include but are not limited to the risks associated with general economic conditions and other risks and uncertainties described from time to time in HCP's Securities and Exchange Commission filings, including its 2014 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. HCP assumes no, and hereby disclaims any, obligation to update any of the foregoing or any other forward-looking statements as a result of new information or new or future developments, except as otherwise required by law.

### **About CBRE Group, Inc.**

CBRE Group, Inc. (NYSE: CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (in terms of 2014 revenue). The Company has more than 70,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 400 offices (excluding affiliates) worldwide. CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting. Please visit our website at [www.cbre.com](http://www.cbre.com).

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Additional assets available online:  [Photos \(2\)](#)

<https://ir.healthpeak.com/2016-01-29-HCP-Breaks-Ground-on-the-Second-Phase-of-the-Cove-at-Oyster-Point-in-South-San-Francisco-Fueled-by-Strong-Demand-and-Record-Low-Vacancy-Rates>