

## **Third Phase of Construction at HCP's The Cove at Oyster Point in South San Francisco to Begin, Fueled by Strong Leasing Activity**

IRVINE, Calif. and SAN FRANCISCO, Nov. 1, 2016 [/PRNewswire/](#) -- HCP (NYSE:HCP) announced today that it will break ground on an additional two buildings constituting the third phase of The Cove at Oyster Point ("The Cove"), its newest life science development located in the epicenter of South San Francisco's life science cluster.

"We are extremely pleased with the leasing velocity through the first two phases of The Cove, which started construction in the first quarter of 2015. We are now 62 percent leased overall and excited to build upon our momentum by initiating Phase III, the next logical step in the development, to provide much needed expansion space for the South San Francisco life science community," said Jon Bergschneider, Executive Vice President of HCP Life Science Estates.

The Cove is the first new multi-tenant life science development in South San Francisco in over a decade and the only mixed use development of its kind in the Bay Area. When complete, Phase III of The Cove will add two new Class A buildings totaling approximately 336,000 square feet. Construction will commence early next year with planned deliveries throughout the second half of 2018. A future fourth phase of the project will add a seventh and final 165,000 square foot building.

"With overall vacancy below 3 percent and a continued maturation of the life science industry, the number of companies interested in a new ground up development with the quality and scale The Cove offers has grown significantly," said Chris Jacobs of CBRE Group, Inc.

The first phase of The Cove, which consists of two buildings totaling 247,000 square feet, was completed in the second half of 2016 and is currently 73 percent leased. Anchor tenants Denali Therapeutics and CytomX Therapeutics commenced occupancy in August and October of 2016, respectively. Additionally, Foundry & Lux, HCP's 30,000 square foot amenity center developed in partnership with the Bon Appétit Management Company, opened to the public in October 2016. The innovative restaurant concept includes a café for morning coffee, juices, and lighter fare; a large market hall offering a wide array of lunch options; and an evening lounge with a wood burning pizza oven, bar, bowling lanes, pool table, and outdoor fireplace seating in addition to a state-of-the-art fitness center. Outdoor sport courts, bocce ball and horseshoe pits are also part of this project creating a hub where professionals from all phases of The Cove and the greater South San Francisco life science community can collaborate.

The second phase of The Cove, which is presently under construction and 50 percent leased, consists of two buildings totaling up to 230,000 square feet, a parking structure, and retail space including a restaurant which will serve the project and surrounding community. Occupancy of the second phase is targeted to commence the fourth quarter of 2017 and will include biopharmaceutical company AstraZeneca. The Cove also includes an upscale boutique, business class hotel with an international brand presently under construction and scheduled to open in 2017.

"The Cove has injected a new dynamic into the local market offering an amenity rich, Class A environment catered to the way today's life science companies work and interact," stated Scott Bohn, Vice President of HCP Life Science Estates.

"The quality of the project and the amenity package that The Cove has delivered to South San Francisco is a game changer. The feedback from the market has been incredible and is driving significant interest," said Rick Friday of CBRE who along with Chris Jacobs represents HCP on the project leasing.

Upon completion, The Cove will be a 1 million square foot, pre-certified LEED silver, fully integrated, waterfront life science campus located on Oyster Point Boulevard in South San Francisco. The project will consist of seven buildings ranging in size from 115,000 square feet to 182,000 square feet in both single and multi-tenant building configurations.

HCP has successfully delivered numerous life science developments in South Francisco since the mid-1990s.

HCP is the largest life science property owner in the Bay Area with over five million square feet, including over three million square feet in South San Francisco. For more information on The Cove, visit [www.CoveSSF.com](http://www.CoveSSF.com).

## **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 owns a large-scale portfolio diversified across multiple sectors, led by senior housing, life science and medical office. Recognized as a global leader in sustainability, HCP has been a publicly traded company since 1985 and was the first healthcare REIT selected to the S&P 500 index. For more information regarding HCP, visit [www.hcpi.com](http://www.hcpi.com).

## **HCP Forward-Looking Statements**

Statements in this release that are not historical factual statements 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, including without limitation targeted occupancy and completion timing. All forward-looking 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 and its management'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: HCP's ability to complete the development, or portions thereof, in the contemplated timeframes or at all; the risk that HCP may not be able to achieve the benefits of the development, or any of them, within expected timeframes or at all, or within expected cost projections; and other risks and uncertainties described from time to time in HCP's Securities and Exchange Commission filings. HCP cautions investors not to place undue reliance on any forward-looking statements. HCP assumes no, and hereby disclaims any, obligation to update any forward-looking statements as a result of new information or new or future developments, except as otherwise required by law.

## **Contacts**


Jonathan M. Bergschneider  
Executive Vice President - Life Science Estates  
(650) 875-1004  
[jbergschneider@hcpi.com](mailto:jbergschneider@hcpi.com)

Thomas M. Herzog  
Executive Vice President and Chief Financial Officer  
(949) 407-0400  
[investorrelations@hcpi.com](mailto:investorrelations@hcpi.com)

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