

FOR IMMEDIATE RELEASE

JOINT VENTURE BETWEEN PCCP, LLC AND KEARNY REAL ESTATE COMPANY ACQUIRES EMERALD PLAZA, A 30-STORY OFFICE PROPERTY IN DOWNTOWN SAN DIEGO

Los Angeles, CA, January 3, 2017 – PCCP, LLC announced today it has formed a joint venture with Kearny Real Estate Company to acquire Emerald Plaza, an iconic 30-story, 364,000-square-foot office building in downtown San Diego. The Class A asset is 70 percent occupied and the joint venture plans to add value in several ways. The new ownership will make capital improvements to common areas including tenant suites, elevator, and system upgrades; as well as through active management and leasing. The HFF investment sales team representing the seller was led by senior managing directors Ryan Gallagher and Nick Psyllos, director Nick Frasco and Michael Leggett, co-head of HFF’s West Coast team. Acquisition financing was provided by Wells Fargo.

Built in 1990 and located at 402 West Broadway, Emerald Plaza was developed as a full city block mixed-use project that also includes the Westin Hotel, which was not part of the transaction. The office tower has a wedding cake design with floorplates that decrease in size as the building goes up in height ranging from 18,500 to 2,900 square feet. Emerald Plaza is connected via a central lobby to the adjacent Westin which provides tenants convenient amenities including a ground floor bar and lounge, restaurant, coffee stand, and meeting space. Emerald Plaza is also located adjacent to two new courthouses and the main downtown public transit station which offers Amtrak and San Diego Trolley service.

“The acquisition of Emerald Plaza is a great opportunity to buy Class A real estate at an attractive basis in a strong submarket. We have a great partner and have developed a strategic business plan to renovate common areas, inject new energy through hands-on management, and lease the asset to stabilization in an improving market,” said Mike Johnson, vice president with PCCP.

Johnson added: “This is the fifth joint venture between PCCP and Kearny over the past 12 years and we are pleased to be working with them once again. Kearny is an experienced real estate owner and operator that has a history of success and proven expertise in the downtown San Diego market.”

The downtown San Diego office submarket has seen substantial demand increases as the trend for an urban environment has strengthened over recent years. The submarket has an approximately 6.7 percent vacancy for Class A office space. As a result, Class A rents have increased 9.7 percent over the last 12 months.

About PCCP, LLC: PCCP, LLC is a premier real estate finance and investment management firm focused on commercial real estate debt and equity investments. PCCP has more than \$6.5 billion in assets under management on behalf of institutional investors. With offices in New York, San Francisco and Los Angeles, PCCP has a proven track record for providing real estate owners and investors with a broad range of funding options to meet capital requirements. PCCP originates and services each of its investments, ensuring that clients benefit from added value and outstanding investment returns. Since its inception in 1998, PCCP has successfully raised, invested and managed more than \$12 billion of institutional capital through a series of investment vehicles including private equity funds, separate accounts and joint ventures. PCCP continues to seek investment opportunities with proven operators seeking fast and reliable capital. Learn more about PCCP at www.pccpllc.com.

About Kearny Real Estate Company: Kearny Real Estate Company is a leading investment and development organization with over 23 years of office and industrial experience in Southern California. Kearny has managed or developed more than 200 assets with a value in excess of \$4.4 billion. The firm focuses almost exclusively on Southern California and has offices in Los Angeles and Downtown San Diego.

About HFF: HFF and HFFS (HFF Securities L.P.) are owned by HFF, Inc. (NYSE: HF). HFF operates out of 23 offices nationwide and is a leading provider of commercial real estate and capital markets services to the U.S. commercial real estate industry. HFF together with its affiliate HFFS offer clients a fully integrated national capital markets platform including debt placement, investment sales, equity placement, advisory services, loan sales and commercial loan servicing. For more information please visit hfflp.com or follow HFF on Twitter [@HFF](https://twitter.com/HFF). Holliday Fenoglio Fowler, L.P., acting by and through Holliday GP Corp., a real estate broker licensed with the California Department of Real Estate, License Number 01385740.”

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