

ALEXANDRIA REAL ESTATE EQUITIES INC
Form 424B5
May 14, 2013

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Common Stock	7,590,000	\$73.50	\$557,865,000	\$76,092.79

(1)

Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and reflects the potential additional issuance of shares of common stock pursuant to an option granted to the underwriters.

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Filed Pursuant to Rule 424(b)5
Registration File No: 333-181881

PROSPECTUS SUPPLEMENT
(To prospectus dated June 4, 2012)

6,600,000 Shares

Alexandria Real Estate Equities, Inc.

Common Stock

We are selling 6,600,000 shares of our common stock, par value \$0.01 per share. Our common stock is listed on the New York Stock Exchange under the symbol "ARE." On May 13, 2013, the last reported sale price of our common stock on the New York Stock Exchange was \$75.63 per share.

Investing in our common stock involves risks. See "Risk Factors" on page S-7.

	Per Share	Total
Public offering price	\$73.50	\$485,100,000
Underwriting discount	\$2.94	\$19,404,000
Proceeds, before expenses, to us	\$70.56	\$465,696,000

In addition to the underwriting discount, the underwriters may receive from purchasers of the shares normal brokerage commissions in amounts agreed with such purchasers.

The underwriters may also purchase up to 990,000 additional shares of our common stock from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement.

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

The shares of our common stock will be ready for delivery on or about May 17, 2013.

BofA Merrill Lynch

Citigroup

J.P. Morgan

RBS

Scotiabank

Baird
Capital One Southcoast
Evercore Partners

BB&T Capital Markets
Credit Agricole CIB
Mitsubishi UFJ Securities
SunTrust Robinson Humphrey

BNY Mellon Capital Markets, LLC
Credit Suisse
SMBC Nikko

The date of this prospectus supplement is May 14, 2013.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with any 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 supplement, the accompanying prospectus, and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations, and prospects may have changed since those dates.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify the forward-looking statements by their use of forward-looking words, such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," or "anticipates," or the negative of those words or similar words. Forward-looking statements involve inherent risks and uncertainties regarding events, conditions and financial trends that may affect our future plans of operation, business strategy, results of operations and financial position. A number of important factors could cause actual results to differ materially from those included within or contemplated by the forward-looking statements, including, but not limited to the following:

Negative worldwide economic, financial, and banking conditions, and the recent slowdown of the United States ("U.S.") economy;

Worldwide economic recession, lack of confidence, and/or high structural unemployment;

Potential defaults on national debt by certain countries;

Potential and further downgrade of the U.S. credit rating;

The continuation of the ongoing economic crisis in Europe;

Failure of the U.S. government to agree on a debt ceiling or deficit reduction plan;

Inability of the U.S. government to avoid the fiscal cliff or sequestration;

Potential and further downgrades of the credit ratings of major financial institutions, or their perceived creditworthiness;

Financial, banking, and credit market conditions;

The seizure or illiquidity of credit markets;

Failure to meet market expectations for our financial performance;

Our inability to obtain capital (debt, construction financing, and/or equity) or refinance debt maturities;

Potential negative impact of capital plan objectives to reduce our balance sheet leverage;

Our inability to comply with financial covenants in our debt agreements;

Inflation or deflation;

Prolonged period of stagnant growth;

Increased interest rates and operating costs;

Adverse economic or real estate developments in our markets;

Our failure to successfully complete and lease our existing space held for redevelopment and new properties acquired for that purpose and any properties undergoing development;

Significant decreases in our active development, active redevelopment, or preconstruction activities, resulting in significant increases in our interest, operating, and payroll expenses;

Our failure to successfully operate or lease acquired properties;

The financial condition of our insurance carriers;

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General and local economic conditions;

Government changes to the healthcare system and its negative impact on our client tenants;

Adverse developments concerning the life science industry and/or our life science client tenants;

Client tenant base concentration within life science industry;

Potential decreases in U.S. National Institute of Health funding;

U.S. government client tenants may not receive government funding;

Government-driven changes to the healthcare system that may reduce pricing of drugs, negatively impact healthcare coverage, or negatively impact reimbursement of healthcare services and products;

The nature and extent of future competition;

Lower rental rates and/or higher vacancy rates;

Failure to renew or replace expiring leases;

Defaults on or non-renewal of leases by client tenants;

Availability of and our ability to attract and retain qualified personnel;

Our failure to comply with laws or changes in law;

Compliance with environmental laws;

Extreme weather conditions or climate change;

Our failure to maintain our status as a real estate investment trust ("REIT") for federal tax purposes;

Changes in laws, regulations, and financial accounting standards;

Certain ownership interests outside the U.S. that may subject us to different or greater risks than those associated with our domestic operations;

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Fluctuations in foreign currency exchange rates;

Security breaches through cyber-attacks or cyber-intrusions;

Changes in the method of determining the London Interbank Offered Rate ("LIBOR"); and

Negative impact on economic growth resulting from the combination of federal income tax increases and government spending restrictions.

This list of risks and uncertainties is not exhaustive. For a discussion of these and other factors that could cause actual results to differ from those contemplated in the forward-looking statements, please see the discussion under "Risk Factors" contained in this prospectus supplement and the other information contained in our publicly available filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013. We do not undertake any responsibility to update any of these factors or to announce publicly any revisions to forward-looking statements, whether as a result of new information, future events or otherwise.

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SUMMARY

The following summary may not contain all of the information that is important to you. You should read this entire prospectus supplement, the accompanying prospectus, and the documents incorporated by reference into the accompanying prospectus carefully before deciding whether to invest in our common stock. In this prospectus supplement and the accompanying prospectus, unless otherwise indicated, the "Company," "we," "us," and "our" refer to Alexandria Real Estate Equities, Inc. and its subsidiaries and "GAAP" refers to accounting principles generally accepted in the U.S. Unless otherwise indicated, the information in this prospectus supplement is as of March 31, 2013, and assumes that the underwriters do not exercise their option to purchase up to 990,000 additional shares of common stock as described in "Underwriting (Conflicts of Interest)."

Alexandria Real Estate Equities, Inc.

Overview

We are a self-administered and self-managed investment grade REIT. We are the largest and leading REIT focused principally on owning, operating, developing, redeveloping, and acquiring high-quality, sustainable real estate for the broad and diverse life science industry. Founded in 1994, we are the first REIT to identify and pursue the laboratory niche and have since had the first-mover advantage in the core life science cluster locations including Greater Boston, San Francisco Bay Area, San Diego, New York City, Seattle, Suburban Washington, D.C., and Research Triangle Park. Our high-credit client tenants span the life science industry, including renowned academic and medical institutions, multinational pharmaceutical companies, public and private biotechnology entities, U.S. government research agencies, medical device companies, industrial biotech companies, venture capital firms, and life science product and service companies.

Our primary business objective is to maximize stockholder value by providing our stockholders with the greatest possible total return and long-term asset value based on a multifaceted platform of internal and external growth. The key elements to our strategy include our consistent focus on high-quality assets and operations in the top life science cluster locations with our properties located in close proximity to life science entities, driving growth and technological advances within each cluster. These locations are characterized by high barriers to entry for new landlords, high barriers to exit for client tenants, and limited supply of available space. They represent highly desirable locations for tenancy by life science entities because of the close proximity to concentrations of specialized skills, knowledge, institutions, and related businesses. Our strategy also includes drawing upon our deep and broad life science and real estate relationships in order to attract new and leading life science client tenants and value-added real estate.

As of March 31, 2013:

We had 173 properties aggregating approximately 16.7 million rentable square feet ("RSF"), composed of approximately 14.2 million RSF of operating properties, approximately 2.1 million RSF undergoing active development, and approximately 0.4 million RSF undergoing active redevelopment;

Our properties were located in leading life science markets, including: Greater Boston, San Francisco Bay Area, San Diego, New York City, Seattle, Suburban Washington, D.C., and Research Triangle Park;

Our operating properties were approximately 93.0% leased;

We had six active ground-up development projects in process in North America, including an unconsolidated joint venture development project, aggregating approximately 1,854,859 RSF. We

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also had seven active projects undergoing conversion into laboratory space through redevelopment in North America, aggregating approximately 331,380 RSF;

We have a diverse group of client tenants, with our largest single tenant, Novartis AG, accounting for 7.1% of our annualized base rent;

Investment-grade client tenants represented 46% of our total annualized base rent; and

Approximately 94% of our leases (on a RSF basis) were triple net leases, requiring client tenants to pay substantially all real estate taxes, insurance, utilities, common area expenses, and other operating expenses (including increases thereto) in addition to base rent. Additionally, approximately 96% of our leases (on a RSF basis) contained effective annual rent escalations that were either fixed or indexed based on a consumer price index or another index, and approximately 92% of our leases (on a RSF basis) provided for the recapture of certain capital expenditures.

Growth and Core Operating Strategies

We continue to demonstrate the strength and durability of our core operations, providing life science laboratory space to the broad and diverse life science industry. Our internal growth has been consistent, as demonstrated by our same property net operating income ("NOI") performance, high and relatively stable occupancy, and continuing improvement of cash flows from the leasing activity of our core operating assets. In addition, we continue to focus on our external growth through the conversion of non-income-producing assets into income-producing assets, which results in cash flow contribution from ground-up development and from redevelopment of non-laboratory space into laboratory space. We intend to selectively acquire properties that we believe provide long-term value to our stockholders. Our strategy for acquisitions will focus on the quality of the submarket locations, improvements, tenancy, and overall return. We believe the life science industry will remain keenly focused on locations in close proximity to key innovation drivers in each major life science submarket. Owning and operating the best assets in the best locations provides the best upside potential and provides the most downside risk mitigation. This being the case, we will also focus on locations that we believe will deliver high cash flows, stability, and returns as we work to deliver the highest value to our stockholders.

We also intend to continue to focus on the completion and delivery of our existing active development and redevelopment projects in North America, aggregating approximately 1,854,859 RSF, and 331,380 RSF, respectively. Additionally, we intend to continue with preconstruction activities for certain land parcels for future ground-up development in order to preserve and create value for these projects. These important preconstruction activities add significant value to our land for future ground-up development and are required for the ultimate vertical construction of the buildings. We also continue to be very prudent with any future decisions to add new projects to our active ground-up developments. Future ground-up development projects will likely require significant pre-leasing from high-quality and/or creditworthy entities.

We intend to continue to transition our balance sheet debt from short-term and medium-term unsecured variable rate bank debt to long-term unsecured fixed rate debt. We are focused on the recycling of sale proceeds from non-core suburban assets for investment into higher-value urban or central business district ("CBD") assets and teaming with high-quality capital partners, as appropriate. We expect sources of funds for construction activities and repayment of outstanding debt to be provided by opportunistic sales of real estate, joint ventures, cash flows from operations, new secured or unsecured debt, and the issuance of additional equity securities, as appropriate. We intend to combine these sources of capital in order to achieve and maintain our overall balance sheet leverage target.

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We seek to maximize balance sheet liquidity and flexibility, cash flows, and cash available for distribution to our stockholders through the ownership, operation, management, and selective acquisition, development, and redevelopment of life science properties, as well as management of our balance sheet. In particular, we seek to maximize balance sheet liquidity and flexibility, cash flows, and cash available for distribution by:

Maintaining significant liquidity through borrowing capacity under our unsecured senior line of credit and cash and cash equivalents;

Minimizing the amount of near-term debt maturities in a single year;

Maintaining low to modest leverage;

Minimizing variable interest rate risk;

Maintaining strong and stable operating cash flows;

Re-tenanting and re-leasing space at higher rental rates to the extent possible, while minimizing tenant improvement costs;

Maintaining solid occupancy while also maintaining high lease rental rates;

Realizing contractual rental rate escalations, which are currently provided for in approximately 96% of our leases (on a RSF basis);

Implementing effective cost control measures, including negotiating pass-through provisions in client tenant leases for operating expenses and certain capital expenditures;

Improving investment returns through leasing of vacant space and replacement of existing client tenants with new client tenants at higher rental rates;

Achieving higher rental rates from existing client tenants as existing leases expire;

Selectively selling properties, including land parcels, to reduce outstanding debt;

Selectively acquiring high-quality life science properties in our target life science cluster markets at prices that enable us to realize attractive returns;

Selectively redeveloping existing office, warehouse, or shell space, or newly acquired properties, into generic life science laboratory space that can be leased at higher rental rates in our target life science cluster markets;

Selectively developing properties in our target life science cluster markets; and

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Recycling non-core assets for capital deployment in key "brain trust" clusters for future value.

We continue to expect to achieve a net debt to adjusted earnings before interest, taxes, depreciation, and amortization ("EBITDA") ratio of approximately 6.5x targeted by December 31, 2013.

First Quarter 2013 Highlights

Funds from operations ("FFO") per share diluted, of \$1.11, up 3%, for the three months ended March 31, 2013, over the three months ended March 31, 2012.

Adjusted funds from operations ("AFFO") per share diluted, of \$1.08, up 6%, for the three months ended March 31, 2013, over the three months ended March 31, 2012.

Earnings per share diluted of \$0.36, up 20%, for the three months ended March 31, 2013, over March 31, 2012.

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Core Operating Metrics

Total revenues were \$150.4 million, up 11%, for the three months ended March 31, 2013, compared to total revenues for the three months ended March 31, 2012, of \$135.7 million;

NOI was \$105.2 million, up 10%, for the three months ended March 31, 2013, compared to NOI for the three months ended March 31, 2012, of \$95.3 million;

Investment-grade client tenants represented 46% of total annualized base rent;

Investment-grade client tenants represented 78% of top 10 client tenants' annualized base rent;

Operating margins remained steady at 70% for the three months ended March 31, 2013;

Annual rent escalations in 96% of leases;

Same property NOI increased by 8.8% and 0.4% on a cash and GAAP basis, respectively, for the three months ended March 31, 2013, compared to same property NOI for the three months ended March 31, 2012;

Solid leasing activity during the three months ended March 31, 2013;

Executed 44 leases for 703,000 RSF, including 457,000 RSF of development and redevelopment space;

RSF of remaining expiring leases in 2013 are modest at 4.1% of total RSF;

Rental rate increase of 5.9% and 12.7% on a cash and GAAP basis, respectively, on renewed/re-leased space

Key life science space leasing;

ARIAD Pharmaceuticals, Inc. leased 244,000 RSF in the greater Boston market;

Onyx Pharmaceuticals, Inc. leased 107,250 RSF in the San Francisco Bay Area market; and

Occupancy of 94.2% for North America operating properties as of March 31, 2013, and occupancy of 91.8% for North America operating and redevelopment properties as of March 31, 2013, compared to occupancy of 94.6% for North America operating properties as of December 31, 2012, and occupancy of 91.6% for North America operating and redevelopment properties as of December 31, 2012.

FFO per share diluted, AFFO per share diluted, NOI, and same property NOI are non-GAAP measures. For information on the Company's FFO, AFFO, NOI, and same property NOI, including definitions and reconciliations to the most directly comparable GAAP measures, see page S-21.

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Value-Added Opportunities and External Growth

As of March 31, 2013, we had six ground-up development projects in process in North America, including an unconsolidated joint venture development project, aggregating approximately 1,854,859 RSF. We also had seven active projects undergoing conversion into laboratory space through redevelopment, aggregating approximately 331,380 RSF. These projects, along with recently delivered projects, certain future projects, and contribution from same properties, are expected to contribute significant increases in rental income, NOI, and cash flows.

During the three months ended March 31, 2013, we executed leases aggregating 355,000 and 102,000 RSF, respectively, related to our development and redevelopment projects.

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Our initial stabilized yield on a cash basis reflects cash rents at date of stabilization and does not reflect contractual rent escalations beyond the stabilization date. Our cash rents related to our value-added projects are expected to increase over time and our average stabilized cash yields are expected, in general, to be greater than our initial stabilized yields. Initial stabilized yield is calculated as the ratio of the estimated amounts of NOI and our investment in the property at stabilization ("Initial Stabilized Yield").

The following table summarizes the commencement of key development projects during the three months ended March 31, 2013 (dollars in thousands, except per RSF amounts):

Address/Market	Commencement Date	RSF	Pre-Leased %	Investment at Cost Per Completion		Initial Stabilized Yield		Key Client Tenant
				RSF		Cash	GAAP	
<i>Development</i>								
75/125 Binney Street/Greater Boston	January 2013	386,275	63%	\$ 351,439	\$ 910	8.0%	8.2%	ARIAD Pharmaceuticals, Inc.
269 East Grand Avenue/San Francisco Bay Area	March 2013	107,250	100%	\$ 51,300	\$ 478	8.1%	9.3%	Onyx Pharmaceuticals, Inc.

Balance Sheet Strategy and Significant Milestones

Subsequent to this offering, our balance sheet strategy will continue to focus on our achievement of a net debt to adjusted EBITDA ratio of approximately 6.5x targeted by December 31, 2013, by funding our significant Class A development and redevelopment projects in top life science cluster locations with leverage-neutral sources of capital and with the continuing execution of our asset recycling program. Our leverage will reflect periodic increases and decreases quarter to quarter as we execute and deliver our construction projects and execute our capital plan, including our asset recycling program. Our strategy to improve leverage includes the following:

We expect growth in annualized EBITDA from the fourth quarter 2012 to the fourth quarter 2013 due primarily to the completion of significant value-added projects, which are 93.0% leased.

We have re-evaluated our previous decision to execute a partial sale of our interest in our 75/125 Binney Street development project and now plan to retain 100% ownership of the project. This reassessment will allow us to fully capture the potential upside from this project and will increase our planned investment to the extent of our incremental projected ownership retention of the project.

We will continue to execute our asset recycling program to monetize non-strategic income-producing and non-income-producing assets to reduce outstanding debt and provide funds for reinvestment into Class A, CBD, and urban locations in close proximity to leading academic medical research centers. As of March 31, 2013, we have completed all significant sales of non-strategic income-producing assets targeted for 2013.

We sold \$124.3 million of income-producing asset sales during the three months ended March 31, 2013 (such sold assets generated a weighted-average unlevered internal rate of return of 11% during the period we previously owned such assets).

We are targeting sales of approximately \$149 million to \$189 million in non-income-producing assets for the remainder of the year ending December 31, 2013, including \$45 million of non-income-producing asset sales under negotiation. This targeted sales range reflects a reduction of \$60 million to \$70 million from our prior targeted sales range, due to

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our re-evaluation of our previous decision to execute a partial sale of our interest in our 75/125 Binney Street development project.

Our liquidity available under our unsecured senior line of credit and from cash and cash equivalents was approximately \$1.0 billion as of March 31, 2013.

We anticipate reducing our unhedged variable rate debt as a percentage of total debt to less than 18% targeted by December 31, 2013.

Our increased available capital will position us to take advantage of near-term growth opportunities, including key cluster developments and near-term future property acquisition opportunities.

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RISK FACTORS

An investment in our common stock involves risks. New risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. You should carefully consider the risks referred to in the section of the accompanying prospectus entitled "Forward-Looking Statements," as well as the risks identified in this prospectus supplement, our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013, which are incorporated herein by reference.

ALEXANDRIA REAL ESTATE EQUITIES, INC.

General

We are a Maryland corporation formed in October 1994 that has elected to be taxed as a REIT for federal income tax purposes. We are the largest and leading REIT focused principally on owning, operating, developing, redeveloping, and acquiring high-quality, sustainable real estate for the broad and diverse life science industry. Founded in 1994, we are the first REIT to identify and pursue the laboratory niche and have since had the first-mover advantage in the core life science cluster locations including Greater Boston, San Francisco Bay Area, San Diego, New York City, Seattle, Suburban Washington, D.C., and Research Triangle Park. Our high-credit client tenants span the life science industry, including renowned academic and medical institutions, multinational pharmaceutical companies, public and private biotechnology entities, U.S. government research agencies, medical device companies, industrial biotech companies, venture capital firms, and life science product and service companies.

As of March 31, 2013, we had 173 properties aggregating 16.7 million RSF, composed of approximately 14.2 million RSF of operating properties, approximately 2.1 million RSF undergoing active development, and approximately 0.4 million RSF undergoing active redevelopment. Our operating properties were approximately 93.0% leased as of March 31, 2013. Our primary sources of revenues are rental income and tenant recoveries from leases of our properties. Investment-grade client tenants represented 46% of our total annualized base rent as of March 31, 2013. The comparability of financial data from period to period is affected by the timing of our property acquisition, development, and redevelopment activities.

Business Objectives and Strategies

Our primary business objective is to maximize stockholder value by providing our stockholders with the greatest possible total return and long-term asset value based on a multifaceted platform of internal and external growth. The key elements to our strategy include our consistent focus on high-quality assets and operations in the top life science cluster locations with our properties located in close proximity to life science entities, driving growth and technological advances within each cluster. These locations are characterized by high barriers to entry for new landlords, high barriers to exit for client tenants and limited supply of available space. They represent highly desirable locations for tenancy by life science entities because of the close proximity to concentrations of specialized skills, knowledge, institutions, and related businesses. Our strategy also includes drawing upon our deep and broad life science and real estate relationships in order to attract new and leading life science client tenants and value-added real estate.

We focus our property operations and investment activities principally in key life science markets, including Greater Boston, San Francisco Bay Area, San Diego, Greater NYC, Suburban Washington, D.C., Seattle, and Research Triangle Park.

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Our client tenant base is broad and diverse within the life science industry and reflects our focus on regional, national, and international client tenants with substantial financial and operational resources. For a more detailed description of our properties and client tenants, see "Properties." We have an experienced board of directors and are led by a senior management team with extensive experience in both the real estate and life science industries.

2013 Highlights*Core Operations*

The key elements to our strategy include our consistent focus on high-quality assets and operations in the top life science cluster locations; our properties are located adjacent to life science entities, driving growth and technological advances within each cluster. These adjacency locations are characterized by high barriers to entry for new landlords, high barriers to exit for client tenants, and limited supply of available space. They represent highly desirable locations for tenancy by life science entities because of the close proximity to concentrations of specialized skills, knowledge, institutions, and related businesses. Our strategy also includes drawing upon our deep and longstanding life science and real estate relationships in order to attract new and leading life science client tenants that provide us with our unique ability to create value through strong tenant retention and strategic development and redevelopment projects.

The following table presents information regarding our asset base and value-added projects as of March 31, 2013, and December 31, 2012:

Rentable square feet	March 31, 2013	December 31, 2012
Operating properties	14,168,626	14,992,086
Development properties	2,060,299	1,566,774
Redevelopment properties	430,523	547,092
Total rentable square feet	16,659,448	17,105,952
Number of properties	173	178
Occupancy of operating properties	93.0%	93.4%
Occupancy of operating and redevelopment properties	90.1%	89.8%
Annualized base rent per leased rentable square foot	\$ 34.92	\$ 34.59

Leasing

For the three months ended March 31, 2013, we executed a total of 44 leases for approximately 703,000 RSF at 29 different properties (excluding month-to-month leases). Of this total, approximately 156,000 RSF related to new or renewal leases of previously leased space (renewed/re-leased space), and approximately 547,000 RSF related to developed, redeveloped, or previously vacant space. Of the 547,000 RSF, approximately 457,000 RSF related to our development or redevelopment projects, and the remaining approximately 90,000 RSF related to previously vacant space. Rental rates for renewed/re-leased spaces were, on average, approximately 5.9% higher on a cash basis and approximately 12.7% higher on a GAAP basis than rental rates for the respective expiring leases. Additionally, we granted tenant concessions, including free rent averaging approximately 1.2 months, with respect to the 703,000 RSF leased during the three months ended March 31, 2013. Approximately 65.9% of the number of leases executed during the three months ended March 31, 2013, did not include concessions for free rent. The weighted average lease term based on leased square feet for the leases executed during the three months ended March 31, 2013, was 8.7 years.

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As of March 31, 2013, approximately 94% of our leases (on a RSF basis) were triple net leases, requiring client tenants to pay substantially all real estate taxes, insurance, utilities, common area expenses, and other operating expenses (including increases thereto) in addition to base rent. Additionally, approximately 96% of our leases (on a RSF basis) contained effective annual rent escalations that were either fixed or indexed based on a consumer price index or another index, and approximately 92% of our leases (on a RSF basis) provided for the recapture of certain capital expenditures.

The following table summarizes our leasing activity at our properties:

	Three		Twelve		Year Ended						
	Months Ended		Months Ended		December 31, 2012		December 31, 2011		December 31, 2010		
	Cash	GAAP	Cash	GAAP	Cash	GAAP	Cash	GAAP	Cash	GAAP	
<i>Leasing activity:</i>											
Lease expirations											
Number of leases	49	49	152	152	162	162	158	158	129	129	
Rentable square footage	360,956	360,956	2,183,948	2,183,948	2,350,348	2,350,348	2,689,257	2,689,257	2,416,291	2,416,291	
Expiring rates	\$ 32.83	\$ 30.21	\$ 30.95	\$ 28.15	\$ 30.03	\$					