ALEXANDRIA REAL ESTATE EQUITIES INC
Form 424B5
November 09, 2015

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee
Alexandria Real Estate Equities, Inc. 4.30% Senior Notes due 2026	$300,000,000	99.624%	$298,872,000	$30,096(1)
Alexandria Real Estate Equities, L.P. Guarantee of 4.30% Notes due 2026	(2)	(2)	(2)	(2)

(1) The filing fee of $30,096 is calculated in accordance with Rules 457(o) and 457(r) of the Securities Act of 1933, as amended, or the Act. In accordance with Rules 456(b) and 457(r) of the Act, the registrants initially deferred payment of all of the registration fees for the Registration Statement filed by the registrants on November 3, 2015.

(2) No separate consideration will be received for the guarantees. Pursuant to Rule 457(n) under the Act, no separate fee is payable with respect to the guarantee being registered hereby.

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Filed pursuant to Rule 424(b)(5)
Registration No: 333-207762 and 333-207762-01

PROSPECTUS SUPPLEMENT
(To prospectus dated November 3, 2015)

$300,000,000

Alexandria Real Estate Equities, Inc.

4.30% Senior Notes due 2026
Fully and Unconditionally Guaranteed by Alexandria Real Estate Equities, L.P.

We are offering $300,000,000 of 4.30% senior notes due 2026 (the "notes").

The notes will bear interest at the rate of 4.30% per year. Interest on the notes is payable on January 15 and July 15 of each year, beginning on July 15, 2016. The notes will mature on January 15, 2026. The notes will be fully and unconditionally guaranteed by our subsidiary, Alexandria Real Estate Equities, L.P., a Delaware limited partnership. We may redeem some or all of the notes at any time prior to maturity and as described under the caption "Description of Notes and Guarantee Our Redemption Rights." If the notes are redeemed on or after October 15, 2025, the redemption price will not include a make-whole provision. We will issue the notes only in registered form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The notes will be our unsecured senior obligations and will rank equally in right of payment with all of our other unsecured senior indebtedness from time to time outstanding and will be effectively subordinated in right of payment to all of our existing and future secured indebtedness and to all existing and future liabilities and preferred equity, whether secured or unsecured, of our subsidiaries other than Alexandria Real Estate Equities, L.P.

No market currently exists for the notes. We do not intend to list the notes on any national securities exchange.

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

	Per Note	Total
Public offering price(1)	99.624%	$298,872,000
Underwriting discounts and commissions	0.825%	$2,475,000
Proceeds, before expenses, to us(1)	98.799%	$296,397,000

(1)

Plus accrued interest, if any, from the original date of issue.

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 underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company against payment on or about November 17, 2015.

Goldman, Sachs & Co.	**BofA Merrill Lynch**	**Citigroup**	**J.P. Morgan**

Barclays	**BBVA**	**Capital One Securities**	**Credit Agricole CIB**	**Scotiabank**	**TD Securities**

Cowen and Company
Evercore ISI
Credit Suisse
Mizuho Securities
PNC Capital Markets LLC
Regions Securities LLC
SMBC Nikko

BB&T Capital Markets	**BNP PARIBAS**	**HSBC**	**Santander**	**SunTrust Robinson Humphrey**

The date of this prospectus supplement is November 5, 2015.

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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," "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:

- Worldwide economic recession, lack of confidence, and/or high structural unemployment;
- Recent financial and economic trouble in emerging-market economies;
- Regional and local economic crises which could adversely impact global markets, such as those experienced in China, Greece and Puerto Rico;
- Negative impact on economic growth resulting from the combination of federal income tax increases, debt policy and government spending restrictions;
- Failure of the United States (the "U.S.") federal government to manage its fiscal matters or to raise or further suspend the debt ceiling, and changes in the amount of federal debt;
- Potential and further downgrade of the U.S. credit rating;
- The continuation of the ongoing economic crisis in Europe;
- Monetary policy actions by the Federal Reserve;
- Potential and further downgrades of the credit ratings of major financial institutions, or their perceived creditworthiness;
- Changes in laws, regulations, and financial accounting standards;
- 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;

Increased interest rates and operating costs;

Financial, banking, and credit market conditions;

Inflation or deflation;

Prolonged period of stagnant growth;

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;

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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 nature and extent of future competition;

General and local economic conditions;

Adverse developments concerning the science and technology industries and/or our science and technology client tenants;

Client tenant base concentration within the science and technology industries;

Risks affecting our life science industry client tenants, including, but not limited to, high levels of regulation, the safety and efficacy of their products, funding requirements for product research and development, and changes in technology, patent expiration and intellectual property protection;

Risks affecting our technology industry client tenants, including, but not limited to, an uncertain regulatory environment, rapid technological changes, a dependency on the maintenance and security of the Internet infrastructure, significant funding requirements for product research and development, and inadequate intellectual property protections;

Potential decreases in government funding for our U.S. government client tenants;

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;

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

Lower rental rates and/or higher vacancy rates;

Failure to renew or replace expiring leases;

Defaults of leases by client tenants;

Our failure to comply with laws or changes in the law;

Compliance with environmental laws;

The financial condition of our insurance carriers;

Extreme weather conditions or climate change;

Terrorist attacks;

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

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

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

Fluctuations in foreign currency exchange rates;

Security breaches through cyber-attacks or cyber-intrusions;

The ability of our third-party managers to provide quality services and amenities with respect to our properties; and

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- Changes in the method of determining the London Interbank Offered Rate.

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, 2014, and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015. 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.

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 the notes. In this prospectus supplement and the accompanying prospectus, unless otherwise indicated, the "Company," "Alexandria," "we," "us," and "our" refer to Alexandria Real Estate Equities, Inc. and its subsidiaries, and "GAAP" refers to generally accepted accounting principles in the United States. Unless otherwise indicated, the information in this prospectus supplement is as of September 30, 2015.

Alexandria Real Estate Equities, Inc.

Overview

We are a self-administered, and self-managed urban office REIT uniquely focused on collaborative science and technology campuses in AAA innovation cluster locations with a total market capitalization of $10.8 billion as of September 30, 2015, and an asset base of 31.5 million square feet, including 19.9 million rentable square feet of operating properties and development and redevelopment projects under construction, as well as an additional 11.6 million square feet of near-term and future ground-up development projects. We pioneered this niche in 1994 and have since established a dominant market presence in key locations, including Greater Boston, San Francisco, New York City, San Diego, Seattle, Maryland, and Research Triangle Park. We are known for our high-quality and diverse client tenant base. We have a longstanding and proven track record of developing Class A assets clustered in urban science and technology campuses that provide our innovative client tenants with highly dynamic and collaborative environments that enhance their ability to successfully recruit and retain world-class talent and inspire productivity, efficiency, creativity, and success. We believe these advantages result in higher occupancy levels, longer lease terms, higher rental income, higher returns, and greater long-term asset value.

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. A key element of our strategy is our unique focus on Class A assets clustered in urban campuses. These key urban campus locations are characterized by high barriers to entry for new landlords, and a limited supply of available space. They represent highly desirable locations for tenancy by science and technology entities because of their close proximity to concentrations of specialized skills, knowledge, institutions, and related businesses. Our strategy also includes drawing upon our deep and broad real estate, science, and technology relationships in order to identify and attract new and leading client tenants and to source additional value-creation real estate opportunities.

Recent Developments

Sale of Partial Interests in Real Estate

In July 2015, we executed an agreement to sell a 70% interest in our 305,212 rentable square foot property at 225 Binney Street in our Cambridge submarket in Greater Boston to TIAA-CREF for $190.1 million, representing a 4.5% cash capitalization rate. We expect to complete the sale in the fourth quarter of 2015.

In October 2015, we executed an agreement to sell a 49.9% interest in our 158,267 rentable square foot property at 1500 Owens Street in our Mission Bay submarket in San Francisco to TIAA-CREF for $73.4 million, representing a 4.8% cash capitalization rate. Due diligence is expected to be completed by the buyer on or around November 6, 2015. We expect to complete the sale in the fourth quarter of 2015.

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Sale of 75/125 Shoreway Road

In October 2015, we executed an agreement for the sale of 75/125 Shoreway Road in our Palo Alto/Stanford Research Park submarket in San Francisco, to a high-quality institutional investor for a sales price of $38.5 million, representing a 5.8% cash capitalization rate. We expect to complete the sale in the fourth quarter of 2015.

Issuance of Secured Construction Loan

In October 2015, we closed a secured construction loan with aggregate commitments available for borrowing aggregating $350.0 million, for our development project at 50/60 Binney Street in our Cambridge submarket. This loan bears interest at a rate of LIBOR+150 bps.

Repayment of Secured Note Payable

In October 2015, we repaid a $76 million secured note payable with an effective interest rate of 5.73%.

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The Offering

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section entitled "Description of Notes and Guarantee" of this prospectus supplement contains a more detailed description of the terms and conditions of the notes and the indenture governing the notes. As used in this section, unless stated otherwise, the terms "we," "us," "our," and the "Company" refer to Alexandria Real Estate Equities, Inc. and not to any of its subsidiaries, and references to the "Operating Partnership" or "guarantor" refer solely to Alexandria Real Estate Equities, L.P. and not to any of its subsidiaries.

Issuer Alexandria Real Estate Equities, Inc.

Guarantor Alexandria Real Estate Equities, L.P.

Issuer/Guarantor Structure

(1) As of September 30, 2015. For purposes of this chart, the operating properties have been classified at the lowest level at which a majority ownership is held for the entities shown.

(2) Comprised of our 2.75% unsecured senior notes payable due 2020 (the "2.75% unsecured senior notes payable"), 4.60% unsecured senior notes payable due 2022 (the "4.60% unsecured senior notes payable"), 3.90% unsecured senior notes payable due 2023 (the "3.90% unsecured senior notes payable") and 4.50% unsecured senior notes payable due 2029 (the "4.50% unsecured senior notes payable").

(3) Comprised of our unsecured senior bank term loan with an outstanding principal balance of $600 million (as of September 30, 2015) and a maturity date of January 3, 2019 (the "2019 unsecured senior bank term loan") and our unsecured senior bank term loan with an

outstanding principal balance of $350 million (as of September 30, 2015) and a maturity date of January 15, 2021 (the "2021 unsecured senior bank term loan"). The maturity dates for these two term loans assume that we exercise (i) the two six-month extension options available on each loan and (ii) the third extension option available on the 2021 unsecured senior bank term loan to extend the term to January 15, 2021.

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Securities Offered	$300,000,000 principal amount of 4.30% notes due 2026
Ranking	As of September 30, 2015, we had outstanding $773.6 million of secured indebtedness and $3.54 billion of senior unsecured indebtedness (exclusive of trade payables, distributions payable, accrued expenses and committed letters of credit) on a consolidated basis. In addition, as of September 30, 2015, we had an interest in an unconsolidated joint venture with $175.3 million of secured indebtedness, with our share of this secured indebtedness totaling $48.2 million based on our ownership interest in this unconsolidated joint venture. All of our outstanding secured indebtedness as of September 30, 2015 was attributable to indebtedness of our subsidiaries other than Alexandria Real Estate Equities, L.P.
	The notes will be our senior unsecured obligations and will rank equally with each other and with all of our existing and future other senior unsecured indebtedness. However, the notes will be effectively subordinated to our existing and future mortgages and other secured indebtedness (to the extent of the value of the collateral securing such indebtedness) and to all existing and future preferred equity and liabilities, whether secured or unsecured, of our subsidiaries other than Alexandria Real Estate Equities, L.P.
Guarantee	The notes will be fully and unconditionally guaranteed by Alexandria Real Estate Equities, L.P. The guarantee will be a senior unsecured obligation of Alexandria Real Estate Equities, L.P. and will rank equally in right of payment with other senior unsecured obligations of Alexandria Real Estate Equities, L.P.
Interest	The notes will bear interest at a rate of 4.30% per year.
Interest Payment Dates	Interest on the notes will be payable semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2016.
Maturity	The notes will mature on January 15, 2026 unless previously redeemed by us at our option prior to such date.
Our Redemption Rights	At any time before October 15, 2025, we may redeem the notes at our option and in our sole discretion, in whole or from time to time in part, at the redemption price specified herein. If the notes are redeemed on or after October 15, 2025, the redemption price will be equal to the sum of 100% of the principal amount of the notes being redeemed, plus accrued and unpaid interest thereon.
	See "Description of Notes and Guarantee Our Redemption Rights" in this prospectus supplement.

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Certain Covenants	The indenture governing the notes contains certain covenants that, among other things, limit our, our guarantor's and our subsidiaries' ability to: consummate a merger, consolidation or sale of all or substantially all of our assets, and incur secured or unsecured indebtedness. These covenants are subject to a number of important exceptions and qualifications. See "Description of Notes and Guarantee" in this prospectus supplement.
Use of Proceeds	We expect that the net proceeds of this offering will be approximately $295.3 million, after deducting the underwriters' discounts and commissions and our estimated offering expenses. We intend to use the net proceeds from this offering for the reduction of the outstanding balance on our unsecured senior line of credit. We may then also borrow from time to time under our unsecured senior line of credit to provide funds for general working capital and other corporate purposes, including the repayment of debt and selective development or redevelopment of properties. Affiliates of certain of the underwriters are lenders under our unsecured senior line of credit and will receive a portion of the net proceeds from this offering. See "Underwriting Conflicts of Interest" and "Underwriting Other Relationships" in this prospectus supplement.
Trading	The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system. The underwriters have advised us that they intend to make a market in the notes. However, the underwriters will have no obligation to do so, and we cannot assure you that a market for the notes will develop or be maintained.
Book-Entry Form	The notes will be issued in the form of one or more fully-registered global notes in book-entry form, which will be deposited with, or on behalf of, The Depository Trust Company, commonly known as DTC. Beneficial interests in the global certificate representing the notes will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and such interests may not be exchanged for certificated notes, except in limited circumstances.

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Additional Notes	We may, without the consent of holders of the notes, increase the principal amount of the notes by issuing additional notes in the future on the same terms and conditions as the notes, except for any difference in the issue price and interest accrued prior to the issue date of the additional notes, and with the same CUSIP number as the notes offered hereby so long as such additional notes are fungible for U.S. federal income tax purposes with the notes offered hereby.
Conflicts of Interest	Affiliates of certain of the underwriters are lenders under our unsecured senior line of credit and will receive a portion of the net proceeds from this offering. See "Underwriting Conflicts of Interest" and "Underwriting Other Relationships" in this prospectus supplement.
Risk Factors	In analyzing an investment in the notes we are offering pursuant to this prospectus supplement, you should carefully consider, along with other matters included or incorporated by reference in this prospectus supplement, the information set forth under "Risk Factors" beginning on page S-7.

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RISK FACTORS

An investment in our notes 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 and our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which is incorporated herein by reference.

Risks Relating to this Offering

Our business operations may not generate the cash needed to service our indebtedness.

We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will enable us to pay our indebtedness, including the notes we are offering in this prospectus supplement. If our cash flows and future borrowings are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the notes. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations.

The effective subordination of the notes and guarantee may limit our ability to satisfy our obligations under the notes.

The notes are unsecured and therefore effectively will be subordinated to any of our and our subsidiaries' existing and future secured obligations. As a result, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding of our Company and/or the guarantor of the notes, our assets and the assets of the guarantor will be available to satisfy obligations of our secured debt before any payment may be made on the notes. To the extent that our assets and the assets of the guarantor cannot satisfy in full our secured debt, the holders of such debt would have a claim for any shortfall that would rank equally in right of payment with the notes. In such an event, we may not have sufficient assets remaining to pay amounts on any or all of the notes.

The notes will be issued by us and guaranteed only by the guarantor. Any claims of holders of the notes to the assets of our subsidiaries other than the guarantor derive from our direct and indirect equity interests in those subsidiaries. Claims of those subsidiaries' creditors (including general creditors and taxing authorities) will generally have priority as to the assets of those subsidiaries over our own equity interest claims and will therefore have priority over the holders of the notes. Consequently, the notes will be effectively subordinated to all liabilities, whether or not secured, of such subsidiaries, and possibly of any subsidiaries that we may in the future acquire or establish, as well as any indebtedness that may be incurred or guaranteed by certain of our existing and future subsidiaries other than the guarantor.

All of our outstanding secured indebtedness, as of September 30, 2015, was attributable to indebtedness of our subsidiaries other than the guarantor. As of September 30, 2015, all of our outstanding senior unsecured indebtedness was attributable only to the Company and the guarantor, and will rank pari passu with the notes.

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We will continue to have the ability to incur debt after this offering; if we incur substantial additional debt, these higher levels of debt may affect our ability to pay principal and interest on the notes.

Although the agreements governing our unsecured senior line of credit and certain other indebtedness limit, and the indenture governing the notes will limit, our ability to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. If we incur substantial additional indebtedness in the future, these higher levels of indebtedness could have important consequences to you, because:

- it could affect our ability to satisfy our obligations under the notes;
- a substantial portion of our available funds would have to be dedicated to interest and principal payments and may not then be available for operations, working capital, capital expenditures, the selective redevelopment, development and acquisition of properties, or general corporate or other purposes;
- it may impair our ability to obtain additional financing in the future;
- it may limit our flexibility in planning for, or reacting to, changes in our business and industry; and
- it may make us more vulnerable to downturns in our business, our industry or the economy in general.

The indenture governing the notes will contain certain covenants that limit our operating flexibility.

The indenture governing the notes will contain certain covenants that, among other things, will restrict our, our guarantor's, and our subsidiaries' ability to take specific actions, even if we believe them to be in our best interest, including restrictions on our ability to:

- consummate a merger, consolidation or sale of all or substantially all of our assets, and
- incur secured or unsecured indebtedness.

In addition, our 4.60% unsecured senior notes payable, 3.90% unsecured senior notes payable, 2.75% unsecured senior notes payable, 4.50% unsecured senior notes payable, unsecured senior line of credit, 2019 unsecured senior bank term loan, and 2021 unsecured senior bank term loan require us to meet specified financial ratios and the indenture governing the notes will require us to maintain at all times a specified ratio of unencumbered assets to unsecured debt. These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these and other provisions of the indenture governing the notes, the indenture governing the 4.60% unsecured senior notes payable, 3.90% unsecured senior notes payable, 2.75% unsecured senior notes payable and 4.50% unsecured senior notes payable, and our unsecured senior line of credit, 2019 unsecured senior bank term loan, and 2021 unsecured senior bank term loan may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events beyond our control. The breach of any of these covenants, including those contained in our unsecured senior line of credit, the indenture governing the notes and the indenture governing the 4.60% unsecured senior notes payable, 3.90% unsecured senior notes payable, 2.75% unsecured senior notes payable and 4.50% unsecured senior notes payable, could result in a default under our indebtedness, which could cause those and other obligations to become due and payable. If any of our indebtedness is accelerated, we may not be able to repay it.

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If an active and liquid trading market for the notes does not develop, the market price of the notes may decline and you may be unable to sell your notes.

The notes are a new issue of securities for which there is currently no public market. We do not intend to list the notes on any national securities exchange or for a quotation of the notes on any quotation system. Accordingly, an active trading market may not develop for the notes. Even if a trading market for the notes develops, the market may not be liquid. If an active trading market does not develop, you may be unable to resell your notes or may only be able to sell them at a substantial discount.

We may invest or spend the net proceeds in this offering in ways with which you may not agree and in ways that may not earn a profit.

We intend to use the net proceeds from this offering for the reduction of the outstanding balance on our unsecured senior line of credit. We may then also borrow from time to time under our unsecured senior line of credit to provide funds for general working capital and other corporate purposes, including the repayment of debt and selective development or redevelopment of properties. However, we will retain broad discretion over the use of the proceeds from this offering. You may not agree with the ways we decide to use these proceeds, and our use of the proceeds may not yield any profits.

We may redeem your notes at our option, which may adversely affect your return.

As described under "Description of Notes and Guarantee Our Redemption Rights," we have the right to redeem the notes in whole or in part from time to time. We may choose to exercise this redemption right when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the notes.

An increase in market interest rates could result in a decrease in the value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase the notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

Adverse changes in our credit ratings could negatively affect our financing ability.

Our credit ratings may affect the amount of capital we can access, as well as the terms and pricing of any debt we may incur. There can be no assurance that we will be able to maintain our current credit ratings. In the event that our current credit ratings are downgraded or removed, we would most likely incur higher borrowing costs and experience greater difficulty in obtaining additional financing, which would in turn have a material adverse impact on our financial condition, results of operations, and liquidity.

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USE OF PROCEEDS

We expect to receive approximately $295.3 million in net proceeds from the sale of the notes in this offering after payment of our expenses related to this offering and underwriting discounts and commissions. We intend to use the net proceeds from this offering for the reduction of the outstanding balance on our unsecured senior line of credit. We may then also borrow from time to time under our unsecured senior line of credit to provide funds for general working capital and other corporate purposes, including the repayment of debt and selective development or redevelopment of properties. As of September 30, 2015, we had approximately $843 million outstanding under our unsecured senior line of credit with a weighted average interest rate of approximately 1.19%. Our unsecured senior line of credit matures in January 2019, provided that we exercise our sole right to extend the maturity twice by an additional six months after each exercise. Affiliates of each of Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Barclays Capital Inc., BBVA Securities Inc., Capital One Securities, Inc., Credit Agricole Securities (USA) Inc., Scotia Capital (USA) Inc., TD Securities (USA) LLC, Credit Suisse Securities (USA) LLC, Mizuho Securities USA Inc., PNC Capital Markets LLC, Regions Securities LLC, SMBC Nikko Securities America, Inc., BB&T Capital Markets, a division of BB&T Securities, LLC, HSBC Securities (USA) Inc., Santander Investment Securities Inc. and SunTrust Robinson Humphrey, Inc. are lenders under our unsecured senior line of credit. See "Underwriting (Conflicts of Interest)."

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CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2015:

on an actual basis; and

on a pro forma basis giving effect to (i) the sale of the notes; and (ii) our use of the net proceeds from the sale of notes for the reduction of the outstanding balance on our unsecured senior line of credit.

The information set forth in the following table should be read in conjunction with, and is qualified in its entirety by, the financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, which are incorporated by reference into this prospectus supplement.

	As of September 30, 2015	
(Dollars in thousands, except per share amounts)	**Actual**	**Pro Forma**
Debt:		
Secured notes payable	$ 773,619	$ 773,619
Unsecured senior notes payable	1,747,613	2,046,485
Unsecured senior line of credit	843,000	547,743
Unsecured senior bank term loans(1)	950,000	950,000
Commitments and Contingencies		
Redeemable noncontrolling interests	14,218	14,218
Alexandria Real Estate Equities, Inc.'s stockholders' equity:		
Preferred stock, $0.01 par value per share; 100,000,000 shares authorized:		
7.00% Series D Cumulative Convertible Preferred Stock; 10,000,000 shares authorized; 9,486,500 issued and outstanding on an actual and pro forma basis; $25.00 liquidation value per share	237,163	237,163
6.45% Series E Cumulative Redeemable Preferred Stock; 5,200,000 shares authorized, issued and outstanding on an actual and pro forma basis; $25.00 liquidation value per share	130,000	130,000
Common stock, $0.01 par value per share; 100,000,000 shares authorized; 71,790,890 shares issued and outstanding on an actual and pro forma basis(2)	718	718
Excess stock, $0.01 par value per share; 200,000,000 shares authorized; 0 shares issued and outstanding on an actual and pro forma basis		
Additional paid-in capital	3,356,043	3,356,043
Accumulated other comprehensive income(3)	35,238	35,238
Alexandria's stockholders' equity	3,759,162	3,759,1