



Joel S. Marcus

**EDITORS' NOTE** Joel Marcus cofounded Alexandria Real Estate Equities, Inc. in 1994 and has served as Chief Executive Officer since 1997 and Chairman of the Board of Directors since 2007. He is also cofounder of Alexandria Venture Investments and the Alexandria Summit. From 1986 to 1994, he was a partner at the law firm of Brobeck, Phleger & Harrison LLP and, from 1984 to 1994, also served as General Counsel and Secretary of Kirin-Amgen, Inc. Marcus was formerly a certified public accountant and tax manager with Arthur Young & Company specializing in the financing and taxation of REITs. He received his undergraduate and Juris Doctor degrees from the University of California, Los Angeles. Marcus serves on the boards of the Accelerator Corporation, of which he was one of the original architects and cofounders; Foundation for the National Institutes of Health (FNIH); Intra-Cellular Therapies, Inc.; Multiple Myeloma Research Foundation (MMRF); and the Partnership for New York City. Marcus received the Ernst & Young 1999 Entrepreneur of the Year Award (Los Angeles – Real Estate).

**COMPANY BRIEF** Alexandria Real Estate Equities, Inc. ([www.are.com](http://www.are.com)), is the largest and leading REIT focused principally on owning, operating, developing, redeveloping, and acquiring high-quality and sustainable real estate for the broad and diverse life science industry. Founded in 1994, Alexandria was the first REIT to identify and pursue the laboratory niche and has since had the first-mover advantage in the core life science cluster locations including Greater Boston, the San Francisco Bay Area, San Diego, New York City, Seattle, suburban Washington, D.C., and Research Triangle Park.

**What are the origins of Alexandria Real Estate Equities and what differentiates the brand in the market?**

# Creating Life Science Clusters

**An Interview with Joel S. Marcus,  
Chairman, Chief Executive Officer, and Founder, Alexandria Real Estate Equities, Inc.**

In the early '90s, we saw the need for a unique facility that catered to high-intensity research in the pharmaceutical and biotech industries as well as to universities, nonprofits, government, and product and service companies. The concept was to provide technical facilities that could be leased instead of the firm having to build its own facility.

Our buildings are specially designed for this use: they have high ceilings and heavy floor-load capacity, and they're driven by robust infrastructure that can supply unusually clean air and other necessities to help drive research.

We felt health care would be a huge opportunity over time. Only about 10 percent of health care dollars go into pharmaceutical and biotech products, but those sectors have the unique ability to create novel breakthroughs in diagnosis, detection, prevention, and ultimately cures for disease.

We started with \$19 million of capital. Our total market cap today is more than \$8 billion. We're an investment grade rated company and we're the dominant provider of lab space in each of our markets, which are largely in the great scientific markets of the East and West Coasts. We have a small presence in Asia and a slightly bigger one in India, but our focus is the U.S.

No other company has developed our fully integrated approach from property management through leasing and on to full-scale development.

In addition, we have an on-balance sheet venture capital arm and we make strategic investments in novel technologies.

**What is your "cluster model" and how has it been a focus from the beginning?**

We invented this concept and it combines four critical traits: you need to have a great location in the knowledge centers from where one can recruit young, smart workers to this research world; you need to have a deep base of great, novel, innovative science; you need a deep base of talent to run these companies and conduct the scientific work; and you need risk capital.

We have made sure that each of these critical attributes exists in each of our markets. By working with our network – those who work in the real estate sector, science sector, management sector, and capital sector – we have helped the ecosystem thrive in each of those locations, which makes this such fertile ground for doing great work.

New York is the most recent cluster we're creating. Previously, it was a great location with great science and risk capital, but with less on-the-ground, entrepreneurial management talent. We have been working with many institutions, tech

transfer people, venture capitalists, and institutional investors in trying to help build that ecosystem. It also lacked any commercially available lab space so we have created over 700,000 square feet of product there that has brought together innovative science, particularly in oncology and neuroscience.

**What amenities do your buildings offer?**

Throughout all of our locations and our clusters, we offer a variety of highly unique amenities that drive productivity, collaboration, innovation, and our tenant's ability to recruit and retain the best talent. We partner with the highest quality food service operators to create innovative food service destinations for our tenants. We try to foster that creative thinking through the use of urban farms we have on site or healthy menus that focus on wellness.

We also have interesting fitness offerings, like onsite spin classes or training with personal trainers.

Also, a huge part of the life science industry is about collaboration so we not only offer conference and event spaces but we build the content to bring these diverse groups together.

**What was the genesis of your urban farm in New York?**

As part of the Alexandria Center for Life Science, we developed one of the largest urban farms in New York City – the Riverpark Farm – in partnership with Tom Colicchio and the wickcraft team.

All of the produce goes to the Riverpark restaurant at the Alexandria Center for Life Science. We also have community programs there so we bring in students from the neighboring areas to learn about urban farming. This project won The Municipal Art Society of New York's Livable City Award.

**What was your goal in developing the Alexandria Summit?**

In 2009, I came up with the idea of convening a Davos-like, C-level meeting focusing on critical areas of scientific development that need attention from the ecosystem members. It brings together clinicians, researchers, government, industry, pharma, and bio in an open forum with high-level, interactive panels. Based on these summits, we have made significant progress in moving agendas forward.

**On what do you focus your corporate social responsibility efforts?**

We make substantial donations to the medical science community. We also allocate funding to military families and people who have served the country overseas.

We also reach out through events like the Alexandria Summit. We feel we can do the most good through our efforts to bring the life science industry together. ●