

People, Passion, Purpose

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

EDITORS' NOTE Joel Marcus co-founded Alexandria in 1994 as a garage startup and has led its growth into an S&P 500®, investment-grade REIT with an approximately \$18 billion total market capitalization and significant market presence in leading AAA locations. Marcus founded Alexandria Venture Investments and the Alexandria Summit®. He serves on the boards of Accelerator Life Science Partners and AgTech Accelerator Corporations, both of which he was one of the original architects and co-founders; Applied Therapeutics Inc., Atara Biotherapeutics, Inc., Boragen, Inc., Intra-Cellular Therapies, Inc., MeiraGTx Holdings, Yumanity Therapeutics, FNIH, Friends of Cancer Research, MassBio, NewYorkBIO, The Scripps Research Institute, the 9/11 Memorial & Museum, the Emily Krzyewski Center, the Navy SEAL Foundation, the Partnership for New York City, and Robin Hood Foundation, as well as on NAREIT's 2018 Executive Board. Marcus received the Ernst & Young Entrepreneur Of The Year Award (Los Angeles – Real Estate). He completed his undergraduate and J.D. degrees at the University of California, Los Angeles.



Joel S. Marcus

COMPANY BRIEF Alexandria Real Estate Equities, Inc. (are.com) is an urban office REIT uniquely focused on collaborative life science and technology campuses in AAA innovation cluster locations. Founded in 1994, Alexandria pioneered this niche and has since established a significant market presence in key locations, including Greater Boston, San Francisco, New York City, San Diego, Seattle, Maryland and Research Triangle Park. Alexandria has a long-standing and proven track record of developing Class A properties clustered in urban life science and technology campuses that provide its innovative 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.

Will you highlight the history and heritage of Alexandria Real Estate Equities and how you define the Alexandria advantage?

In 1994, we founded Alexandria Real Estate Equities as a garage startup with

a strategic business plan, \$19 million in Series A capital, and a vision to create a new kind of real estate company uniquely focused on serving the life science industry. The company has always been grounded in this legacy and the big idea. It's why we named the company after Alexandria, Egypt, the scientific capital of the ancient world.

As we began to build out our offerings to support companies in their development of lifesaving therapies, we saw the life science sector's need for strategic risk capital and established Alexandria Venture Investments in 1996. In 2011, we introduced our thought leadership platform by founding the Alexandria Summit® to create an interactive forum to convene a diverse set of key stakeholders to address the most critical challenges in global healthcare, agriculture, and the environment.

Today, Alexandria is an S&P 500 investment-grade REIT with an \$18 billion total market cap (as of June 30, 2018) and a leading presence in all of the major innovation clusters across the United States. Alexandria is much more than a real estate provider: we are an integrated ecosystem leader in the life science industry. What continues to set us apart from all other office REITs is our highly experienced team; our mission to advance human health, overcome global hunger and improve the quality of people's lives; and our consistent and effective execution on our differentiated business model. Our motto – people, passion, purpose – is our huge competitive advantage.

Will you describe Alexandria's cluster model and how critical this model has been to Alexandria's growth?

We founded Alexandria on the belief that four ingredients are essential for creating world-class life science clusters where innovative companies can thrive: location, innovation, talent and capital. Our cluster model gives us a solid framework for developing our clusters around cutting-edge science with highly-skilled scientific and managerial talent and strategic risk capital immediately adjacent to world-renowned academic and medical institutions.

Early on, I had been introduced to Michael Porter's concept of the business

cluster and his insights into the importance of geographical economics to a company's success. Essentially, clusters – identifiable by locational concentrations of interconnected companies and institutions that contribute to a particular industry – increase the productivity of companies in the area through competition to drive the pace of innovation that stimulates growth and new business formation.

Our big move was the adoption of this cluster theory and our decision to pursue the urban cluster campus strategy in Mission Bay, San Francisco (2004), New York City (2005) and Cambridge (2006), which coalesced these clusters and catapulted us to the leadership role in these strategic regions. By providing our innovative tenants with dynamic ecosystems that accelerate discovery and commercialization, our collaborative life science campuses powerfully complement and support these leading life science clusters.

How do you describe Alexandria Center® for Life Science in New York City and the impact that it has had on the City?

Ideally located in Manhattan's East Side Medical Corridor, the Alexandria Center for Life Science is the first and only commercial life science campus in New York City. We've created a diverse ecosystem of high-quality entities from multinational pharma to early- and growth-stage companies with great management talent, leading-edge science and crucial clinical research. It is only since we opened the Alexandria Center in 2010 and made direct venture investments in early-stage life science companies through Alexandria Venture Investments, our strategic venture capital arm, that the city started to emerge as a hub for commercial life science R&D.

In addition to these direct investments, we provide strategic risk capital through Accelerator Life Science Partners, which we expanded to New York City; Alexandria LaunchLabs®, our premier startup platform; and the Alexandria Seed Capital Platform, an innovative funding model catalyzing seed-stage investments. We've also curated numerous creative amenities on the campus, including two Tom Colicchio restaurants, the Apella® event space, and one of the city's largest urban farms to foster collaboration and productivity.

Will you provide an overview of Alexandria's locations and where you see the greatest growth opportunities for the future?

All of our urban innovation cluster locations are adjacent to top universities, top talent, and strategic capital – where companies want to be located. Great cluster locations, like Cambridge, San Francisco, New York City, San Diego and Seattle have intrinsically strong demand from highly innovative entities for Class A properties. These locations are also characterized by high barriers to entry for new landlords, high barriers to exit for tenants and a limited supply of Class A space.

With about 10,000 diseases known to mankind and only about 500 that have been addressed medically, we're still in the early innings of the biology revolution. This scientific pursuit continues to underpin growth of the industry, creating growth opportunities across all of our cluster locations.

Alexandria is known for its culture of innovation. How critical is innovation for Alexandria and where is innovation taking place in the business?

Whether it's by building state-of-the-art facilities that enable our tenants to develop scientific breakthroughs or by pioneering innovative proprietary offerings, we provide promising life science startups and high-impact multinational companies alike with mission-critical infrastructure and vibrant ecosystems scientists need to innovate. In the case of Alexandria LaunchLabs, we're making an investment in the next generation of innovators by providing them with flexible lab and office space at affordable prices, mentorship from established life science professionals, and access to funding through the Alexandria Seed Capital Platform. Fostering innovation and collaboration is in our DNA. It's why we say that, at Alexandria we're building the future of life-changing innovation.

What has made Alexandria so effective at attracting and retaining talent and will you discuss Alexandria's commitment to diversity and inclusion?

People are our most valuable and important asset. As a mission-driven company with an entrepreneurial and team-oriented culture, we've been able to cultivate a talented and dedicated team with a shared purpose for the meaningful work we're doing. We look for passionate people with a growth mindset and diverse perspectives to drive greater insight and big-picture thinking.

We do not have an organizational chart. We operate on the basis of idea meritocracy and according to the insights of Jim Collins, as described in his book *Good to Great* and his concept of "Level 5 Leadership," at the top as well as with unit leaders throughout the company.

Diversity, inclusion and mutual respect are fundamental to our culture. They are vital to our ability to retain talent and to our people's ability to deliver inventive solutions for our tenants. We continually strive to create an inclusive environment that values people for their individual talents and contributions.

Alexandria is heavily engaged in the communities where it operates. Will you discuss Alexandria's commitment to corporate responsibility?

As part of our commitment to corporate responsibility, we focus on sustainability, philanthropy, and volunteerism. We issued our inaugural Corporate Responsibility Report at the end of June. The report captures our important environmental, social, and governance efforts and also includes our 2025 sustainability goals. Our continued aim is to make a positive and meaningful impact on the health, safety and well-being of our tenants,

completed more than 2,700 volunteer hours. A couple of recent key highlights include partnering with the Navy SEAL Foundation as Chair for its Ninth Annual Benefit Dinner in New York City, which raised important funds for the foundation's impactful programs, and participation from 37 Alexandria team members in the New York City Marathon, which benefited Memorial Sloan Kettering Cancer Center.

Alexandria has achieved great success under your leadership. Do you take moments to reflect and celebrate the wins or are you always focused on what is next?

As I noted earlier, our people are our most important asset, so we definitely take time to celebrate their individual and collective contributions. Last year, we celebrated our 20th anniversary as an NYSE listed REIT, and I had the chance to reflect on the incredible transformation Alexandria has undergone from its founding in

1994 to our position today as an industry-leading REIT. It was important to me that we share this major milestone with our entire team, without whom we could not have accomplished such significant growth. While we take moments to recognize each other's and the company's wins, we are always looking forward. We remain excited about the future and are well positioned with regard to our leadership and growth ahead.

What advice do you provide to young people interested in a career in the industry?

It's important to find your passion and purpose in whatever you are doing. This will help put yourself on a path to enjoy your work and your colleagues, and to contribute to something bigger. I would also encourage young people to be proactive and persistent, and to think strategically about their careers. They will need to be flexible and open to multiple solutions for problems – there is usually more than one

right answer, and being prepared to shift direction is a great quality in an employee. Being a team player and egoless (we, not I), and being a good listener are also traits I would recommend honing.

I met my first mentor back when I was just out of law school working at an accounting firm to become a CPA. He took me under his wing and, one day, out of the blue, he said to me, "I'm teaching a tax class at USC. I've got a lot going on, and I'd like you to start teaching some of the classes." I told him I had never taught before, but he said, "You'll figure it out. Just go do it." That was a pivotal moment early in my career and taught me valuable skills, such as public speaking.

So, to all the young people out there considering a career in the real estate, life science, or any another industry, I echo my first mentor: You'll figure it out. Just go do it. ●



Alexandria Center for Life Science – New York City

stockholders, employees, and on the communities in which we live and work. We are very proud of the recognitions we've received for our sustainability programming, most notably our leadership in promoting the health, well-being, and productivity of our tenants and employees through our real estate assets and our internal operations.

In 2017, we launched a new philanthropy and volunteerism initiative, Operation CARE, which leverages our people, resources, network and expertise to provide mission-critical support to leading-edge non-profit organizations doing groundbreaking work with medical research, STEM education, military support services and local communities. Through our Operation CARE programs, including Alexandria Volunteers, Volunteer Rewards and Matching Gifts, our team in 2017 provided funding to more than 175 non-profit organizations and