ALEXANDRIA REAL ESTATE EQUITIES INC
Form 424B5
March 09, 2017

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Filed pursuant to rule 424(b)(5)
Registration No. 333-207762

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus Supplement, dated March 9, 2017

PROSPECTUS SUPPLEMENT
(To prospectus dated November 3, 2015)

6,100,000 Shares

Alexandria Real Estate Equities, Inc.

Common Stock

This is a public offering of common stock of Alexandria Real Estate Equities, Inc. We are offering 2,100,000 shares of our common stock and expect to enter into a forward sale agreement with each of JPMorgan Chase Bank, N.A., London Branch, Bank of America, N.A., and Citibank, N.A., which we refer to in this capacity as the forward purchasers. In connection with the forward sale agreements, the forward purchasers or their affiliates are borrowing from third parties and selling to the underwriters an aggregate of 4,000,000 shares of our common stock that will be delivered in this offering.

We will receive proceeds in this offering from the sale of the shares of common stock that we are issuing and selling in this offering, but we will not initially receive any proceeds from the sale of shares of our common stock by the forward purchasers. We expect to physically settle the forward sale agreements (by the delivery of shares of our common stock) and receive proceeds from the sale of those shares of our common stock upon one or more forward settlement dates no later than March 9, 2018. We may also elect to cash settle or net share settle all or a portion of our obligations under a forward sale agreement if we conclude it is in our best interest to do so. If we elect to cash settle a forward sale agreement, we may not receive any proceeds and we may owe cash to the relevant forward purchaser in certain circumstances. If we elect to net share settle a forward sale agreement, we will not receive any proceeds, and we may owe shares of our common stock to the relevant forward purchaser in certain circumstances. See "Underwriting (Conflicts of Interest) Forward Sale Agreements."

If any forward purchaser or its affiliate does not sell on the anticipated closing date of this offering all of the shares of our common stock to be sold by it to the underwriters, we will issue and sell to the underwriters a number of shares of our common stock equal to the number of shares of our common stock that the forward purchaser or its affiliate did not sell and the number of shares underlying the relevant forward sale agreement will be decreased in respect of the number of shares that we issue and sell.

Our common stock is listed on the New York Stock Exchange under the symbol "ARE." The last reported sale price of our common stock on the New York Stock Exchange on March 8, 2017 was $115.69 per share.

Investing in our common stock involves risks. See "Risk Factors" beginning on page S-8 of this prospectus supplement and "Risk Factors" beginning on page 1 of the accompanying prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount[(1)]	$	$
Proceeds, before expenses, to us[(2)]	$	$

(1) See "Underwriting (Conflicts of Interest)."

(2) We expect to receive net proceeds from the sale of the shares of our common stock, before fees and estimated expenses, of $ million, including from the initial issuance and sale by us of 2,100,000 shares of our common stock to the underwriters and upon full physical settlement of the forward sale agreements, which we expect to occur no later than March 9, 2018. For the purposes of calculating the aggregate net proceeds to us, we have assumed that the forward sale agreements will be fully physically settled based on the initial forward sale price of $ per share, which is the public offering price less the underwriting discount shown above. The forward sale price is subject to adjustment pursuant to the terms of each of the forward sale agreements, and the actual proceeds, if any, to us will be calculated as described in this prospectus supplement. Although we expect to settle the forward sale agreements entirely by the full physical delivery of shares of our common stock in exchange for cash proceeds, we may elect cash settlement or net share settlement for all or a portion of our obligations under any forward sale agreement. See "Underwriting (Conflicts of Interest) Forward Sale Agreements" for a description of the forward sale agreements.

We have granted the underwriters a 30-day option from the date of this prospectus supplement, exercisable in whole or in part from time to time, to purchase up to an additional 915,000 shares of our common stock at the initial price to the public less the underwriting discount. Upon any exercise of such option, we may elect that such additional shares of common stock be sold by the forward purchasers or their respective affiliates to the underwriters, in which case we will enter into additional forward sale agreements with the forward purchasers in respect of the number of shares that are subject to the exercise of such option. Unless the context requires otherwise, the term "forward sale agreement" as used in this prospectus supplement includes any additional forward sale agreement that we enter into in connection with the exercise, by the underwriters, of their option to purchase additional shares of our common stock. In the event that we enter into any additional forward sale agreement, if any forward purchaser or its affiliates does not deliver and sell all of the shares of our common stock to be sold by it in connection with the exercise of such option, we will issue and sell to the underwriters a number of shares of our common stock equal to the number of shares that the forward purchaser or its affiliates does not deliver and sell, and the number of shares underlying the relevant forward sale agreement will not be increased in respect of the number of shares that we issue and sell.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about March , 2017 through the book-entry facilities of The Depository Trust Company.

Joint Book-Running Managers

J.P. Morgan **BofA Merrill Lynch** **Citigroup**

The date of this prospectus supplement is March , 2017

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any "free writing prospectus" we authorize to be delivered to you. We, the underwriters and the forward purchasers (and their affiliates) have not authorized anyone else to provide you with different or additional information. If anyone provides you with different or additional information you should not rely on it. We, the underwriters and the forward purchasers (and their affiliates) are not, making an offer of these securities or soliciting an offer to buy these securities in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, and any authorized "free writing prospectus" is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates. The descriptions set forth in this prospectus supplement replace and supplement, where inconsistent, the description of the general terms and provisions set forth in the accompanying prospectus.

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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," "projected," 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 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 tenants;

Tenant base concentration within the science and technology industries;

Risks affecting our life science industry 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 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 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 funding for the U.S. Food & Drug Adminstration, U.S. National Institute of Health and other government agencies;

Lower rental rates and/or higher vacancy rates;

Failure to renew or replace expiring leases;

Defaults of leases by 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 United States 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;

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- Changes in the method of determining the London Interbank Offered Rate or the replacement of LIBOR with an alternative reference rate;

- Potential changes to the U.S. tax laws; and

- Potential developments from recent political events.

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 beginning on page S-8 and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 beginning on page 6, and the other information contained in our reports filed with the Securities and Exchange Commission. 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," "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 December 31, 2016, and assumes that the underwriters do not exercise their option to purchase up to 915,000 additional shares of common stock as described in "Underwriting (Conflicts of Interest)."

Alexandria Real Estate Equities, Inc.

Overview

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 an urban office REIT uniquely focused on collaborative life science and technology campuses in AAA innovation cluster locations with a total market capitalization of $14.2 billion and an asset base in North America of 25.2 million square feet as of December 31, 2016. The asset base in North America includes 19.9 million rentable square feet ("RSF") of operating properties and development and redevelopment of new Class A properties (under construction or pre-construction) and 5.3 million square feet of future ground-up development projects. Founded in 1994, we pioneered this niche and have 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. We are known for our high-quality and diverse tenant base, with approximately 49% of our annual rental revenue as of December 31, 2016, generated from investment-grade tenants. We have a longstanding and proven track record of developing Class A properties clustered in urban life science and technology campuses that provide our 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. 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 properties clustered in urban campuses. These key urban campus locations are characterized by high barriers to entry for new landlords, high barriers to exit for tenants, and a limited supply of available space. They represent highly desirable locations for tenancy by life 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 tenants and to source additional value-creation real estate.

Recent Developments

Pending and Recent Property Acquisitions

Pending Acquisition of 303 Binney Street

In January 2017, we entered into a definitive purchase and sale agreement to acquire a building and three land parcels in the East Cambridge submarket of Greater Boston for a purchase price of $80.3 million. We expect to complete the acquisition in March 2017 and lease the property back to the seller on a short-term basis. The property is currently entitled for the development of 163,399 square

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feet for office or office/laboratory use and the potential development of 45,626 square feet for residential use. We expect to seek additional entitlements for office or office/laboratory use.

Pending Acquisition of Future Ground-up Development Site in San Francisco

In March 2017, we entered into a purchase and sale agreement to acquire a future ground-up development site ranging from 10.0 to 12.0 acres in our Greater Stanford submarket of San Francisco for a purchase price of $61.0 million. We expect to pursue aggregate entitlements ranging from 400,000 to 600,000 RSF for a multi-building development. We anticipate leasing the existing property back to the seller on a short-term basis until we obtain entitlements.

Acquisition of 88 Bluxome Street

In January 2017, we acquired land parcels aggregating 2.6 acres at 88 Bluxome Street in our Mission Bay/SoMa submarket of San Francisco for a purchase price of $130.0 million. We are currently obtaining entitlements for the development of this site and anticipate an aggregate of 1.1 million RSF to be available for construction of two buildings in separate phases. We have leased the property back to the seller until we obtain entitlements.

Acquisition of 49% Interest in 1455 and 1515 Third Street Real Estate Joint Venture

In November 2016, we acquired the remaining 49% interest in our real estate joint venture with Uber Technologies, Inc. ("Uber") for $90.1 million. The real estate joint venture owned land parcels located at 1455 and 1515 Third Street and a parking garage structure in our Mission Bay/SoMa submarket of San Francisco. In connection with the acquisition of the remaining interest in the land and parking garage, we leased these assets to Uber for 75 years, beginning in November 2016. The $90.1 million purchase price includes $56.8 million payable in 2017.

Redemption of Series E Preferred Stock

In March 2017, we announced the redemption of all 5,200,000 outstanding shares of our 6.45% Series E Cumulative Redeemable Preferred Stock (the "Series E Preferred Stock"). The Series E Preferred Stock will be redeemed at a redemption price of $25.00 per share on April 14, 2017. As previously announced, the $0.403125 per share dividend on the Series E Preferred Stock for the first quarter of 2017 will be paid separately on April 17, 2017 to holders of record of the Series E Preferred Stock as of March 31, 2017.

Other Recent Developments

Novartis AG lease extensions

In January 2017, we executed lease extensions with Novartis AG aggregating 302,626 RSF at 100 and 200 Technology Square in our Cambridge submarket of Greater Boston, at average rental rate increases of 42% and 20% (cash), respectively.

Annual Base Rent from Investment-Grade Tenants Update

In February 2017, Takeda Pharmaceutical Company Limited ("Takeda") acquired ARIAD Pharmaceuticals, Inc. Takeda holds investment-grade ratings of A1 (Moody's) and A+ (S&P). If the acquisition had been completed as of December 31, 2016, 53% of our annual revenue would have been from investment-grade tenants and 81% of our annual rental revenue from our top 20 tenants would have been from investment-grade tenants.

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Issuance of Unsecured Senior Notes

In March 2017, we issued and sold $425.0 million aggregate principal amount of our 3.95% senior notes due 2028 (the "Notes"), in a registered public offering. The net proceeds of $420.3 million from the sale of the Notes were used to reduce outstanding borrowings under our unsecured senior line of credit and for general corporate purposes. The Notes are fully and unconditionally guaranteed, on a senior basis, by Alexandria Real Estate Equities, L.P., our operating partnership.

Partial Repayment of 2019 Unsecured Senior Bank Term Loan

In February 2017, we repaid $200.0 million of our 2019 unsecured senior bank term loan and reduced the total outstanding balance from $400.0 million to $200.0 million.

Upgrade in Credit Rating

In February 2017, Standard & Poor's Global Ratings upgraded our corporate credit rating to BBB/Stable from BBB /positive.

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THE OFFERING

The offering terms are summarized below solely for convenience. For a more complete description of the terms of our common stock, see the section entitled "Description of Common Stock" in the accompanying prospectus.

Issuer	Alexandria Real Estate Equities, Inc.
Shares of Common Stock Offered by Us	2,100,000 shares of common stock.
Shares of Common Stock Offered by the Forward Purchasers or Affiliates Thereof	4,000,000 shares of common stock (or 4,915,000 shares of common stock if the underwriters' option to purchase additional shares is exercised in full).(1)(2)
Shares of Common Stock to Be Outstanding Immediately after the Offering, but before the Settlement of the Forward Sale Agreements	90,974,483 shares of common stock.(3)
Shares of Common Stock to Be Outstanding after the Sale of Common Stock by Us and the Settlement of the Forward Sale Agreements Assuming Full Physical Settlement	94,974,483 shares of common stock (or 95,889,483 shares of common stock if the underwriters' option to purchase additional shares is exercised in full).(3)

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Accounting Treatment of the Transaction	Before any issuance of shares of our common stock upon physical settlement of any forward sale agreements, such forward sale agreements will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares of our common stock that would be issued upon full physical settlement of such forward sale agreement over the number of shares of our common stock that could be purchased by us in the market (based on the average market price during the period) using the proceeds receivable upon full physical settlement (based on the adjusted forward sale price at the end of the reporting period). Consequently, prior to physical settlement or net share settlement of the forward sale agreements and subject to the occurrence of certain events, we anticipate there will be no dilutive effect on our earnings per share except during periods when the average market price of our common stock is above the per share forward sale price, which is initially $ (which is the price at which the underwriter agrees to buy the shares of our common stock offered hereby), subject to adjustment based on a floating interest rate factor equal to a specified daily rate less a spread, and subject to decrease by an amount per share specified in the forward sale agreements on each of certain dates specified in the forward sale agreements. However, if we decide to physically settle or net share settle any forward sale agreement, delivery of our shares on any physical settlement or net share settlement of such forward sale agreement will result in dilution to our earnings per share and return on equity.
Conflicts of Interest	All of the proceeds of this offering (excluding proceeds paid to us with respect to the 2,100,000 shares of our common stock sold by us and any shares of our common stock that we may sell to the underwriters in lieu of the forward purchasers or their affiliates selling our common stock to the underwriters) will be paid to the forward purchasers. See "Use of Proceeds." As a result, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Citigroup Global Markets Inc. or their affiliates will receive more than 5% of the net proceeds of this offering, not including the underwriting discount.

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	In the event the pending acquisitions described in "Summary Recent Developments" above are not consummated and we elect to physically settle the forward sale agreements, we expect to use the proceeds from such settlements to fund recently completed acquisitions, including amounts payable in 2017, near-term highly leased development projects, and the redemption of our outstanding Series E Preferred Stock, with any remaining proceeds being held for general working capital and other corporate purposes, including the reduction of the outstanding balance on our unsecured senior line of credit, if any. See "Use of Proceeds." Affiliates of each of the underwriters are lenders under our unsecured line of credit and will receive a pro rata portion of the net proceeds from the physical settlement of the forward sale agreements to the extent that we use any such proceeds to reduce the outstanding balance thereunder. See "Underwriting (Conflicts of Interest)."
New York Stock Exchange Symbol	ARE
Use of Proceeds	We will receive proceeds from the 2,100,000 shares of our common stock that we issue and sell in this offering, but we will not initially receive any proceeds from the sale of shares of our common stock by the forward purchasers or their affiliates. We expect to receive net proceeds of approximately $ million (or $ million if the underwriters' option to purchase additional shares is exercised in full) (in each case after deducting fees and estimated expenses related to the forward sale agreements and this offering), subject to certain adjustments pursuant to the forward sale agreements, only upon full physical settlement of the forward sale agreements, which we expect will be no later than March 9, 2018.(1)(2)(3)(4) We intend to use the net proceeds from the sale of the 2,100,000 shares of our common stock we are offering and any net proceeds that we receive upon the settlement of the forward sale agreements (and from the sale of any shares of common stock sold by us to the underwriters in connection with this offering) to fund pending and recently completed acquisitions described in "Summary Recent Developments" above, near-term highly leased development projects, and the redemption of our outstanding Series E Preferred Stock, with any remaining proceeds being held for general working capital and other corporate purposes, including the reduction of the outstanding balance on our unsecured senior line of credit, if any. 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, which may include the reduction of the outstanding balances under our unsecured senior bank term loans, the repayment of other debt and selective development, redevelopment or acquisition of properties. See "Use of Proceeds" and "Risk Factors."

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Risk Factors	You should read carefully the "Risk Factors" beginning on page S-8 of this prospectus supplement and page 1 of the accompanying prospectus for certain considerations relevant to an investment in our common stock.

(1) The forward purchasers have advised us that they or their affiliates intend to acquire shares of common stock to be sold under this prospectus supplement through borrowings from third-party stock lenders. Subject to the occurrence of certain events, we will not be obligated to deliver shares of common stock, if any, under the forward sale agreements until final physical or net share settlement of the forward sale agreements, which we expect will be no later than March 9, 2018. Except in certain circumstances, and subject to certain conditions, we have the right to elect cash settlement or net share settlement under the forward sale agreements. See "Underwriting (Conflicts of Interest) Forward Sale Agreements" for a description of the forward sale agreements.

(2) We have granted the underwriters an option to purchase up to an additional 915,000 shares of our common stock. The numbers in the summary assume that we have elected to enter into additional forward sale agreements with respect to the exercise by the underwriters of their option to purchase additional shares.

(3) The number of shares of common stock to be outstanding upon the completion of the sale of common stock by us and physical settlement of the forward sale agreements is based on 88,874,483 shares of common stock outstanding as of March 7, 2017.

(4) The forward sale price is subject to adjustment pursuant to the terms of the forward sale agreement, and any net proceeds to us are subject to settlement of the forward sale agreement. Unless the specified daily rate increases substantially prior to the settlement of the forward sale agreement, we expect to receive less than the initial forward sale price per share upon physical settlement of the forward sale agreement.

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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 and our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which is incorporated herein by reference.

Risks Related to Pending and Recently Completed Acquisitions

We cannot assure you that the acquisitions will be completed on a timely basis or at all.

There are a number of risks and uncertainties relating to the pending and recently completed acquisitions described in "Summary Recent Developments" above. For example, the pending acquisitions may not be completed, or may not be completed in the time frame, on the terms or in the manner currently anticipated, as a result of a number of factors, including the failure of the parties to satisfy one or more of the conditions to closing. There can be no assurance that the conditions to closing will be satisfied or waived or that other events will not intervene to delay or result in the failure to close the pending acquisitions. The agreements related to the pending acquisitions may be terminated by the parties thereto under certain circumstances. Delays in closing or the failure to close the pending acquisitions in their entirety or at all may result in our incurring significant additional costs in connection with such delay or failure and/or failing to achieve the anticipated benefits of the pending and recently completed acquisitions. Any delay in closing or a failure to close could have a negative impact on our business and the trading price of our common stock.

In the event the pending acquisitions described in "Summary Recent Developments" above are not consummated and we elect to physically settle the forward sale agreements, we expect to use the proceeds from such settlement(s) to fund near-term highly leased development projects, with any remaining proceeds being held for general working capital and other corporate purposes, including the reduction of the outstanding balance on our unsecured senior line of credit, if any. However, we would have broad authority to use such net proceeds for other purposes that may not be accretive to our earnings per share and funds from operations per share. Affiliates of each of the underwriters are lenders under our unsecured senior line of credit and will receive a pro rata portion of the net proceeds from the physical settlement of the forward sale agreements to the extent that we use any such proceeds to reduce the outstanding balance thereunder. See "Underwriting (Conflicts of Interest)."

The pending acquisitions, if completed, and the recently completed acquisitions may not achieve their expected benefits.

There can be no assurance that we will be able to realize the expected benefits of the pending and recently completed acquisitions. Our ability to realize the anticipated benefits of the pending and recently completed acquisitions will depend, to a large extent, on our ability to obtain additional entitlements and successfully lease and develop/redevelop the acquired properties. In addition, the pending and recently completed acquisitions may result in material unanticipated problems, including:

- we may not be able to obtain additional entitlements beyond those currently approved for these properties; our inability to obtain entitlements and increase the rentable square footage of these properties may significantly impact future returns;

- market conditions may result in challenges in attracting new tenants, leasing these properties, and/or achieving the rental rates we expect;

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- total construction costs to develop/redevelop these properties may exceed the projected costs; and
- the properties may be subject to unknown or contingent liabilities for which we may have no or limited recourse against the sellers, including for liabilities for clean-up or remediation of environmental conditions, claims of existing tenants, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise.

Many of these risks will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenue, disruptions in our current plans and operations and diversion of our management's time and energy, which could have a material adverse effect on our business, financial condition, results of operations and/or cash flows. Additionally, we may not realize the full benefits of the pending and recently completed acquisitions within the anticipated time frame or at all. All of these factors could cause dilution to our earnings per share, decrease or delay the expected accretive effect of the pending and recently completed acquisitions, and negatively impact the price of our common stock.

Risks Related to this Offering

The market price and trading volume of our common stock may vary substantially.

The stock markets, including the New York Stock Exchange, on which our common stock is listed, historically have experienced significant price and volume fluctuations. As a result, the market price of our common stock is likely to be similarly volatile, and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including those listed in this "Risk Factors" section of this prospectus supplement and others such as:

- our operating performance and the performance of other similar companies;
- actual or anticipated changes in our business strategy or prospects;
- actual or anticipated variations in our quarterly operating results or dividends;
- equity issuances by us, or stock resales by our stockholders or the perception that such issuances or resales could occur;
- the passage of legislation or other regulatory developments that adversely affect us or the assets in which we seek to invest;
- changes in market valuations of similar companies;
- additions to or departures of our key personnel;
- actions by our stockholders;
- adverse market reaction to any increased indebtedness we may incur in the future;
- changes in accounting principles;

speculation in the press or investment community;

the realization of any of the other risk factors presented in this prospectus supplement or the accompanying prospectus; and

general market and economic conditions.

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In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert management's attention and resources, which could have a material adverse effect on our cash flows, our ability to execute our business strategy and our ability to make distributions to our stockholders.

Common stock eligible for future sale may have adverse effects on our share price.

Sales of substantial amounts of our common stock into the public market, through this offering or otherwise, or the perception that such sales could occur, may adversely affect the market price of our common stock. Immediately prior to this offering, we had 88,874,483 shares of our common stock issued and outstanding.

In addition, we may issue additional shares in subsequent public offerings or private placements to make new investments or for other purposes. We are not required to offer any such shares to existing stockholders on a preemptive basis. Therefore, it may not be possible for existing stockholders to participate in such future share issuances, which may dilute the existing stockholders' interests in us.

Future offerings of debt or preferred equity securities, which could rank senior to our common stock, may adversely affect the market price of our common stock.

If we decide to issue debt or preferred equity securities in the future, which could rank senior to our common stock, it is likely that they will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any additional convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. We and, indirectly, our stockholders, will bear the cost of issuing and servicing such securities. Because our decision to issue additional debt or preferred equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus holders of our common stock will bear the risk of our future offerings reducing the market price of our common stock and diluting the value of their stock holdings in us.

Investing in our common stock may involve a high degree of risk.

The investments that we make in accordance with our investment objectives may result in a high amount of risk when compared to alternative investment options and volatility or loss of principal. Our investments may be highly speculative and aggressive, and therefore an investment in our common stock may not be suitable for someone with lower risk tolerance.

Risks Related to the Forward Sale Agreements

Provisions contained in the forward sale agreements could result in substantial dilution to our earnings per share and return on equity or result in substantial cash payment obligations.

If any forward purchaser or its affiliate does not sell all the shares of our common stock to be sold by it pursuant to the terms of the underwriting agreement (including because insufficient shares of our common stock were made available by securities lenders for borrowing at a stock loan cost below a specified threshold), we will issue and sell directly to the underwriters the number of shares of our common stock not sold by the relevant forward purchaser or its affiliate and, under such circumstances, the number of shares of our common stock underlying the relevant forward sale agreement will be decreased by the number of shares of our common stock that we issue and sell. The stock loan market is volatile, and it is uncertain whether sufficient shares of our common stock will be made available prior to closing.

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Each forward purchaser will have the right to accelerate its forward sale agreement (with respect to all or any portion of the transaction under such forward sale agreement that the forward purchaser determines is affected by an event described below) and require us to settle on a date specified by such forward purchaser if:

- in such forward purchaser's commercially reasonable judgment, it or its affiliate (x) is unable to hedge in a commercially reasonable manner its exposure under such forward sale agreement because insufficient shares of our common stock have been made available for borrowing by securities lenders or (y) would incur a stock loan cost in excess of a specified threshold to hedge in a commercially reasonable manner its exposure under such forward sale agreement;

- we declare any dividend, issue or distribution on shares of our common stock (a) payable in cash in excess of specified amounts, (b) that constitutes an extraordinary dividend under the forward sale agreement, (c) payable in securities of another company as a result of a spin-off or similar transaction, or (d) of any other type of securities (other than our common stock), rights, warrants or other assets for payment at less than the prevailing market price;

- certain ownership thresholds applicable to such forward purchaser and its affiliates are exceeded;

- an event is announced that if consummated would result in a specified extraordinary event (including certain mergers or tender offers, as well as certain events involving our nationalization, or insolvency, or a delisting of our common stock) or the occurrence of a change in law or disruption in the forward purchaser's ability to hedge its exposure under the forward sale agreement; or

- certain other events of default or termination events occur, including, among others, any material misrepresentation made in connection with such forward sale agreement or our insolvency (each as more fully described in each forward sale agreement).

A forward purchaser's decision to exercise its right to accelerate the settlement of any forward sale agreement will be made irrespective of our interests, including our need for capital. In such cases, we could be required to issue and deliver shares of our common stock under the physical settlement provisions of the applicable forward sale agreement irrespective of our capital needs, which would result in dilution to our earnings per share and return on equity.

We expect that the forward sale agreements will settle no later than March 9, 2018. However, a forward sale agreement may be settled earlier in whole or in part at our option. Subject to certain conditions, we have the right to elect physical, cash or net share settlement under each forward sale agreement. A forward sale agreement will be physically settled by delivery of shares of our common stock, unless we elect to cash settle or net share settle such forward sale agreement. Delivery of shares of our common stock upon physical settlement (or, if we elect net share settlement, upon such settlement to the extent we are obligated to deliver shares of our common stock) will result in dilution to our earnings per share and return on equity. If we elect cash settlement or net share settlement with respect to all or a portion of the shares of our common stock underlying a forward sale agreement, we expect the applicable forward purchaser (or an affiliate thereof) to purchase a number of shares of our common stock in secondary market transactions over an unwind period to:

- return shares of our common stock to securities lenders in order to unwind such forward purchaser's hedge (after taking into consideration any shares of our common stock to be delivered by us to such forward purchaser, in the case of net share settlement); and

- if applicable, in the case of net share settlement, deliver shares of our common stock to us to the extent required in settlement of such forward sale agreement.

In addition, the purchase of shares of our common stock in connection with a forward purchaser or its affiliate unwinding the forward purchaser's hedge positions could cause the price of shares of our

common stock to increase over such time (or prevent a decrease over such time), thereby increasing the amount of cash we would owe to such forward purchaser (or decreasing the amount of cash that the forward purchaser would owe us) upon a cash settlement of the relevant forward sale agreement or increasing the number of shares of our common stock we would deliver to such forward purchaser (or decreasing the number of shares of our common stock that such forward purchaser would deliver to us) upon net share settlement of the relevant forward sale agreement.

The forward sale price that we expect to receive upon physical settlement of a forward sale agreement will be subject to adjustment on a daily basis based on a floating interest rate factor equal to a specified daily rate less a spread and will be decreased based on certain specified amounts during the term of the applicable forward sale agreement. If the specified daily rate is less than the spread on any day, the interest factor will result in a daily reduction of the forward sale price. As of the date of this prospectus supplement, the specified daily rate was less than the spread. If the weighted average price at which a forward purchaser (or its affiliate) is able to purchase shares during the applicable unwind period under a forward sale agreement is above the relevant forward sale price, in the case of cash settlement, we would pay the applicable forward purchaser under such forward sale agreement an amount in cash equal to the difference or, in the case of net share settlement, we would deliver to such forward purchaser a number of shares of our common stock having a value equal to the difference. Thus, we could be responsible for a potentially substantial cash payment in the case of cash settlement. If the weighted average price at which a forward purchaser (or its affiliate) is able to purchase shares during the applicable unwind period under a forward sale agreement is below the relevant forward sale price, in the case of cash settlement, we would be paid the difference in cash by the relevant forward purchaser under such forward sale agreement or, in the case of net share settlement, we would receive from such forward purchaser a number of shares of our common stock having a value equal to the difference. See "Underwriting (Conflicts of Interest) Forward Sale Agreements" for information on the forward sale agreements.

In case of our bankruptcy or insolvency, the forward sale agreements would automatically terminate, and we would not receive the expected proceeds from the sale of shares of our common stock.

If we or a regulatory authority with jurisdiction over us institutes, or we consent to, a proceeding seeking a judgment in bankruptcy or insolvency or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or we or a regulatory authority with jurisdiction over us presents a petition for our winding-up or liquidation, or we consent to such a petition, the forward sale agreements will automatically terminate. If a forward sale agreement so terminates, we would not be obligated to deliver to the applicable forward purchaser any shares of our common stock not previously delivered, and such forward purchaser would be discharged from its obligation to pay the relevant forward sale price per share in respect of any shares of our common stock not previously settled. Therefore, to the extent that there are any shares of our common stock with respect to which such forward sale agreement has not been settled at the time of the commencement of any such bankruptcy or insolvency proceedings, we would not receive the relevant forward sale price per share in respect of those shares of our common stock.

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USE OF PROCEEDS

We will receive proceeds from the 2,100,000 shares of our common stock that we issue and sell in this offering, but we will not initially receive any proceeds from the sale of shares of our common stock by the forward purchasers or their affiliates.

Assuming full physical settlement of the forward sale agreements at an initial forward sale price of $ per share and that the underwriters have not exercised their option to purchase additional shares of common stock, we expect to receive net proceeds of approximately $ million (including from the 2,100,000 shares of our common stock issued and sold by us in this offering, after deducting fees and estimated expenses related to the forward sale agreements and this offering), subject to certain adjustments pursuant to the forward sale agreements, upon settlement of the forward sale agreements, which settlement we expect will occur no later than March 9, 2018. The forward sale price that we expect to receive upon physical settlement of a forward sale agreement will be subject to adjustment on a daily basis based on a floating interest rate factor equal to a specified daily rate less a spread and will be decreased based on amounts related to expected dividends on shares of our common stock during the term of the applicable forward sale agreement. If the specified daily rate is less than the spread on any day, the interest factor will result in a daily reduction of the forward sale price. As of the date of this prospectus supplement, the specified daily rate was less than the spread.

We expect to receive net proceeds of approximately $ million (or $ million if the underwriters' option to purchase additional shares is exercised in full) (in each case after deducting fees and estimated expenses related to the forward sale agreements and this offering), subject to certain adjustments pursuant to the forward sale agreements, only upon full physical settlement of the forward sale agreements, which we expect will be no later than March 9, 2018.

We intend to use the net proceeds from the sale of the 2,100,000 shares of our common stock that we issue and sell in this offering and any net proceeds that we receive upon the settlement of the forward sale agreements (and from the sale of any shares of common stock sold by us to the underwriters in connection with this offering) to fund pending and recently completed acquisitions, near-term highly leased development projects, and the redemption of Series E Preferred Stock, with any remaining proceeds being held for general working capital and other corporate purposes, including the reduction of the outstanding balance on our unsecured senior line of credit, if any. We expect the pending and recently completed acquisitions will require approximately $328.1 million to close or to pay down temporary sources of funding. 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, which may include the reduction of the outstanding balances under our unsecured senior bank term loans, the repayment of other debt and selective development, redevelopment or acquisition of properties. Affiliates of each of the underwriters are lenders under our unsecured line of credit and will receive a pro rata portion of the net proceeds from the physical settlement of the forward sale agreements to the extent that we use any such proceeds to reduce the outstanding balance thereunder. See "Underwriting (Conflicts of Interest)."

If, however, we elect to cash settle the forward sale agreements, we would expect to receive an amount of net proceeds that is significantly lower than the estimate included under this caption, and we may not receive any net proceeds (or may owe cash to the forward purchasers). If we elect to net share settle the forward sale agreements in full, we would not receive any proceeds from the forward purchasers.

Before any issuance of shares of our common stock upon physical settlement of any forward sale agreements, such forward sale agreements will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares of our common stock that would be issued upon full physical settlement of such forward sale agreement over the number of shares of our common stock that could be purchased by us in the market (based on the average market price during the period) using the proceeds receivable upon full physical settlement (based on the adjusted forward sale price at the end of the reporting period).

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CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2016:

- on an actual basis; and

- on a pro forma basis giving effect to (i) the issuance and sale of $425.0 million aggregate principal amount of our 3.95% senior notes due 2028 on March 3, 2017 and the use of our net proceeds of $420.3 million from the sale for the reduction of the outstanding balance on our unsecured senior line of credit and (ii) the partial repayment of $200.0 million of our 2019 unsecured senior bank term loan; and

- on a pro forma as adjusted basis after giving effect to (i) the issuance and sale of $425.0 million aggregate principal amount of our 3.95% senior notes due 2028 on March 3, 2017, and the use of our net proceeds of $420.3 million from the sale for the reduction of the outstanding balance on our unsecured senior line of credit, (ii) the partial repayment of $200.0 million of our 2019 unsecured senior bank term loan, (iii) proceeds in this offering from the sale of the shares of common stock that we are issuing and selling, (iv) the full physical settlement of the forward sale agreements based on an initial forward sale price equal to the net offering price set forth on the front cover of this prospectus supplement, and (v) our use of the net proceeds of this offering, as described herein under the caption "Use of Proceeds." It does not include up to an additional 915,000 shares of our common stock that may be sold pursuant to the underwriters' option to purchase additional shares.