UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

_X_ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2002

OR

____ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________ to ____________

Commission file number 1-12993

ALEXANDRIA REAL ESTATE EQUITIES, INC.
(Exact name of registrant as specified in its charter)

Maryland	95-4502084
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

135 North Los Robles Avenue, Suite 250, Pasadena, California 91101
(Address of principal executive offices)

(626) 578-0777
(Registrant's telephone number, including area code)

N/A
- - - - - - - - - - - - - - - - - - - -
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No ________

As of November 12, 2002, 18,972,507 shares of common stock, par value $.01 per share, were outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (UNAUDITED)

Alexandria Real Estate Equities, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets
(Unaudited)
(dollars in thousands)

	September 30, 2002	December 31, 2001
Assets		
Rental properties, net	$ 911,971	$ 796,626
Property under development	54,598	65,250
Cash and cash equivalents	3,593	2,376
Tenant security deposits and other restricted cash	11,044	11,528
Secured note receivable	--	6,000
Tenant receivables	1,517	3,123
Deferred rent	24,213	20,593
Other assets	72,389	56,650
Total assets	$ 1,079,325	$ 962,146
Liabilities and stockholders' equity		
Secured notes payable	$ 277,976	$ 245,161
Unsecured line of credit and unsecured term loan	264,000	328,000
Accounts payable, accrued expenses and tenant security deposits	39,384	48,057
Dividends payable	11,346	8,290
Total liabilities	592,706	629,508
Stockholders' equity:		
Series A preferred stock	38,588	38,588
Series B preferred stock	57,500	--
Common stock	190	163
Additional paid-in capital	402,041	301,818
Deferred compensation	(2,450)	(1,782)
Retained earnings	--	--
Accumulated other comprehensive income	(9,250)	(6,149)
Total stockholders' equity	486,619	332,638
Total liabilities and stockholders' equity	$ 1,079,325	$ 962,146

See accompanying notes.

Alexandria Real Estate Equities, Inc. and Subsidiaries

Condensed Consolidated Income Statements
(Unaudited)
(dollars in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Revenues:				
Rental	$ 29,641	$ 25,505	$ 85,939	$ 72,666
Tenant recoveries	8,102	6,607	21,887	18,814
Interest and other income	321	618	1,155	2,644
	38,064	32,730	108,981	94,124
Expenses:				
Rental operations	8,440	6,925	22,365	19,555
General and administrative	3,203	2,885	9,984	8,578
Interest	6,082	7,278	19,676	21,522
Depreciation and amortization	8,582	8,191	25,376	22,388
	26,307	25,279	77,401	72,043
Net income before extraordinary item	11,757	7,451	31,580	22,081
Extraordinary item:				
Loss on early extinguishment of debt	1,002	--	1,002	--
Net income	10,755	7,451	30,578	22,081
Dividends on preferred stock	2,225	916	6,354	2,748
Net income available to common stockholders	$ 8,530	$ 6,535	$ 24,224	$ 19,333
Basic income per common share:				
-Before extraordinary item	$ 0.52	$ 0.41	$ 1.47	$ 1.22
-Extraordinary item	$ 0.05	$ --	$ 0.06	$ --
-Net income available to common stockholders	$ 0.47	$ 0.41	$ 1.41	$ 1.22
Diluted income per common share:				
-Before extraordinary item	$ 0.51	$ 0.40	$ 1.44	$ 1.20
-Extraordinary item	$ 0.05	$ --	$ 0.06	$ --
-Net income available to common stockholders	$ 0.46	$ 0.40	$ 1.39	$ 1.20
Weighted average shares of common stock outstanding:				
-Basic	18,329,443	16,135,399	17,169,003	15,875,151
-Diluted	18,556,300	16,413,591	17,463,727	16,118,022

See accompanying notes.

Alexandria Real Estate Equities, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows
(Unaudited)
(dollars in thousands)

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
Operating Activities		
Net income	$ 30,578	$ 22,081
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary loss on early extinguishment of debt	1,002	--
Depreciation and amortization	25,376	22,388
Amortization of loan fees and costs	1,957	924
Amortization of premiums on secured notes	(270)	(257)
Stock compensation expense	2,736	1,897
Changes in operating assets and liabilities:		
Tenant security deposits and other restricted cash	484	(8,726)
Tenant receivables	1,606	(94)
Deferred rent	(3,620)	(4,215)
Other assets	(11,678)	(9,101)
Accounts payable, accrued expenses and tenant security deposits	(9,575)	8,022
Net cash provided by operating activities	38,596	32,919
Investing Activities		
Purchase of rental properties	(50,325)	(55,746)
Additions to rental properties	(41,166)	(49,324)
Additions to property under development	(34,691)	(38,446)
Additions to investments	(12,031)	(6,902)
Net cash used in investing activities	(138,213)	(150,418)
Financing Activities		
Proceeds from secured notes payable	44,663	47,937
Net proceeds from issuance of preferred stock	55,129	--
Net proceeds from issuance of common stock	97,601	16,751
Proceeds from exercise of stock options	3,551	3,344
(Principal reductions to) net borrowings from unsecured line of credit and unsecured term loan	(64,000)	77,000
Principal reductions of secured notes payable	(12,419)	(3,239)
Proceeds from repayment of note receivable	6,000	--
Dividends paid on common stock	(24,427)	(21,603)
Dividends paid on preferred stock	(5,264)	(2,747)
Net cash provided by financing activities	100,834	117,443
Net increase (decrease) in cash and cash equivalents	1,217	(56)
Cash and cash equivalents at beginning of period	2,376	2,776
Cash and cash equivalents at end of period	$ 3,593	$ 2,720

See accompanying notes.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Background and Basis of Presentation

Background

Alexandria Real Estate Equities, Inc. is a real estate investment trust ("REIT") formed in 1994. We are engaged primarily in the ownership, operation, management, acquisition, expansion and selective development and redevelopment of properties containing a combination of office and laboratory space. We refer to these properties as "life science facilities." Our life science facilities are designed and improved for lease primarily to pharmaceutical, biotechnology, life science product and service companies, not-for-profit scientific research institutions, universities and related government agencies. As of September 30, 2002, our portfolio consisted of 87 properties in nine states with approximately 5.6 million rentable square feet.

We have prepared the accompanying interim financial statements in accordance with accounting principles generally accepted in the United States and in conformity with the rules and regulations of the Securities and Exchange Commission. In our opinion, the interim financial statements presented herein reflect all adjustments, consisting solely of normal and recurring adjustments, which are necessary to fairly present the interim financial statements. The results of operations for the interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. These financial statements should be read in conjunction with the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2001.

Basis of Presentation and Significant Accounting Policies

The accompanying condensed consolidated financial statements include the accounts of Alexandria Real Estate Equities, Inc. and its subsidiaries. All significant intercompany balances and transactions have been eliminated.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income consists of the following (in thousands):

	September 30, 2002	December 31, 2001
Unrealized (loss) gain on marketable securities	$ (1,369)	$ 829
Unrealized loss on interest rate swap agreements	(7,881)	(6,978)
	$ (9,250)	$ (6,149)

The following table provides a reconciliation of comprehensive income (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Net income	$ 10,755	$ 7,451	$ 30,578	$ 22,081
Unrealized loss on marketable securities	(388)	(4,660)	(2,198)	(1,383)
Unrealized loss on interest rate swap agreements	(1,913)	(2,336)	(903)	(4,369)
Comprehensive income	$ 8,454	$ 455	$ 27,477	$ 16,329

Investments

We hold equity investments in certain publicly traded companies and privately held entities primarily involved in the life science industry. All of our investments in publicly traded companies are considered "available for sale" under the provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"), and are recorded at fair value and included in other assets in the accompanying balance sheets. Fair value has been determined by the closing trading price at the balance sheet date, with unrealized gains and losses shown as a separate component of stockholders' equity. The classification of investments under SFAS 115 is determined at the time each investment is made, and such determination is reevaluated at each balance sheet date. The cost of investments sold is determined using the specific identification method, with realized gains and losses included in interest and other income. The following table summarizes our available-for-sale securities (in thousands):

	September 30, 2002	December 31, 2001
Cost of available-for-sale securities	$ 3,124	$ 3,192
Gross unrealized gains	174	1,527
Gross unrealized losses	(1,543)	(698)
Fair value of available-for-sale securities	$ 1,755	$ 4,021

Investments in privately held entities are included in other assets and totaled $36,516,000 as of September 30, 2002. Under the provisions of Accounting Principles Board Opinion No. 18, these investments are accounted for under the cost method as we do not significantly influence the investees' operating or financial policies. Write-downs to estimated fair value are recognized when there are indicators of a decrease in value of an investment which is other than temporary. In that situation, we would recognize an impairment loss to the extent the carrying amount exceeds the fair value of the investment.

2. Rental Properties and Property Under Development

Rental properties consist of the following (in thousands):

	September 30, 2002	December 31, 2001
Land	$ 145,487	$ 121,005
Buildings and improvements	767,750	667,435
Tenant and other improvements	104,313	92,276
	1,017,550	880,716
Less accumulated depreciation	(105,579)	(84,090)
	$ 911,971	$ 796,626

In September 2002, we completed the development of two office/laboratory properties comprising an aggregate of 99,500 square feet in the Eastern Massachusetts market.

In July 2002, we acquired a 3.0 acre land development parcel in the San Francisco Bay market for $8 million in cash. In August 2002, we acquired a second land parcel in the San Francisco Bay market containing approximately 6.1 acres for $3.2 million in cash. This second parcel is subject to a ground lease for 80 years (including extension options). These land parcels are suitable for developing an aggregate of approximately 228,000 square feet of office/laboratory space.

3. Secured Note Receivable

In connection with the acquisition of a life science facility in San Diego, California, in March 1998, we made a $6,000,000 loan to the sole tenant of the property, fully secured by a first deed of trust on certain improvements at the property. The loan carried interest at a rate of 11% per year and was repaid in March 2002.

4. Secured Notes Payable and Extraordinary Item

In July 2002, the Company completed a 6.95% secured debt financing for $41.75 million. A portion of the proceeds was used to pay off an existing loan of $7.2 million with an interest rate of 9% per annum ($8 million of the loan had been paid down in December 2001). In connection with extinguishment of this debt, we incurred $1,002,000 in prepayment penalties and costs. This loss has been reflected as an extraordinary item in compliance with Statement of Financial Accounting Standards No. 4, "Reporting Gains and Losses from Extinguishment of Debt". In accordance with Statement of Financial Accounting Standards No. 145, "Recission of FASB Statement No. 4, 44, and 64, Amendment of FASB No. 13, and Technical Corrections", which was issued April 2002 and is effective for calendar years beginning in 2003, this loss will be reclassified to continuing operations in 2003.

5. Unsecured Line of Credit and Unsecured Term Loan

In July 2002, we expanded and extended our unsecured line of credit. Our new line of credit amends the $325 million unsecured line of credit that was scheduled to mature in February 2003 and has been used to pay off our $50 million unsecured term loan. The maximum permitted amount of borrowings under the amended line of credit, which originally provided for borrowings of up to $400 million, was subsequently increased to $425 million in October 2002. See footnote 8, Subsequent Events. The amended line of credit has a maturity date of July 2005, which may be extended at our sole option for an additional one-year period. Borrowings under our unsecured line of credit, as amended, bear interest at a floating rate based on our election of either a LIBOR based rate or the higher of the bank's reference rate and the Federal Funds rate plus 0.5%. For each LIBOR-based advance, we must elect a LIBOR period of one, two, three or six months.

The line of credit contains financial covenants, including, among other things, maintenance of minimum net worth, a total liabilities to gross asset value ratio, and a fixed charge coverage ratio. In addition, the terms of the line of credit restrict, among other things, certain investments, indebtedness, distributions and mergers. As of September 30, 2002, borrowings outstanding on the line of credit carried a weighted average interest rate of 3.31%.

Aggregate borrowings under the line of credit are limited to an amount based on the net operating income derived from a pool of unencumbered assets. As of September 30, 2002, the amount calculated under these provisions was $427 million.

We utilize interest rate swap agreements to hedge our exposure to variable interest rates associated with our unsecured line of credit. These agreements involve the exchange of fixed and floating interest payments without the exchange of the underlying principal amount (the "notional amount"). Interest received under all of our swap agreements is based on the one-month LIBOR rate. The net difference between the interest paid and interest received is reflected as an adjustment to interest expense.

The following table summarizes our interest rate swap agreements as of September 30, 2002 (dollars in thousands):

Transaction Date	Effective Date	Notional Amount	Interest Pay Rate	Termination Date	Fair Value
April 2000	May 30, 2000	$ 50,000	6.995%	January 2, 2003	$ (687)
July 2000	May 31, 2001	$ 50,000	7.070%	May 31, 2003	(1,836)
January 2001	January 31, 2001	$ 50,000	6.350%	December 31, 2002	(589)
March 2002	December 31, 2002	$ 50,000	5.364%	December 31, 2004	(3,137)
July 2002	January 1, 2003	$ 25,000	3.855%	June 30, 2005	(872)
July 2002	January 1, 2003	$ 25,000	3.865%	June 30, 2005	(879)
Total					$ (8,000)

6. Stockholders' Equity

In January 2002, we completed a public offering of 2,300,000 shares of our 9.10% Series B cumulative redeemable preferred stock (including the shares issued upon exercise of the underwriters' over-allotment option). The shares were issued at a price of $25.00 per share, resulting in aggregate proceeds of approximately $55.1 million (after deducting underwriters' discounts and other offering costs). The dividends on our Series B preferred stock are cumulative and accrue from the date of original issuance. We pay dividends in arrears at an annual rate of $2.275 per share. Our Series B preferred stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and is not redeemable prior to January 22, 2007, except in order to preserve our status as a REIT. Investors in our Series B preferred stock generally have no voting rights. On or after January 22, 2007, we may, at our option, redeem our Series B preferred stock, in whole or in part, at any time for cash at a redemption price of $25.00 per share, plus accrued and unpaid dividends.

In February 2002, we sold 418,970 shares of our common stock. The shares were issued at a price of $39.46 per share, resulting in aggregate proceeds of approximately $16.2 million (after deducting underwriting discounts and other offering costs).

In July 2002, we sold 2,000,000 shares of our common stock. The shares were issued at a price of $41.07 per share, resulting in aggregrate proceeds of approximately $81.7 million (after deducting underwriting discounts and other offering costs).

In September 2002, we declared a cash dividend on our common stock aggregating $9,485,000 ($ 0.50 per share) for the calendar quarter ended September 30, 2002. We paid the dividend on October 15, 2002. In September 2002, we declared a cash dividend on our Series A preferred stock aggregating $916,000 ($ 0.59375 per share) for the period from July 15, 2002 through October 15, 2002. We paid the dividend on October 15, 2002. In September 2002, we also declared a cash dividend on our Series B preferred stock aggregating $1,308,000 ($0.56875 per share) for the period July 15, 2002 through October 15, 2002. We paid the dividend on October 15, 2002.

7. Net Income Per Share

The following table shows the computation of net income per share of our common stock outstanding (dollars in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Net income available to common stockholders	$ 8,530	$ 6,535	$ 24,224	$ 19,333
Weighted average shares of common stock outstanding - basic	18,329,443	16,135,399	17,169,003	15,875,151
Add: dilutive effect of stock options and stock grants	226,857	278,192	294,724	242,871
Weighted average shares of common stock outstanding - diluted	18,556,300	16,413,591	17,463,727	16,118,022
Net income per common share:				
- Basic	$ 0.47	$ 0.41	$ 1.41	$ 1.22
- Diluted	$ 0.46	$ 0.40	$ 1.39	$ 1.20
Common dividends declared per share	$ 0.50	$ 0.46	$ 1.50	$ 1.38

8. Subsequent Events

In October 2002, we acquired two office/laboratory properties in Seattle, Washington for approximately $52 million in cash. The properties contain an aggregate of approximately 158,000 square feet of space and are leased to a single life science tenant.

In October 2002, we acquired an 11.0 acre land parcel in San Diego, California for $9.1 million in cash. This parcel is suitable for developing approximately 191,000 square feet of office/laboratory space.

In October 2002, we increased the amount available for borrowing on our unsecured line of credit from $400 million to $425 million.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain information and statements included in this Quarterly Report on Form 10-Q, including, without limitation, statements containing the words "believes," "expects", "may", "will", "should", "seeks", "approximately", "intends", "plans", "estimates" or "anticipates", or the negative of these words or similar words, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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, those described below in this report and under the headings "Business Risks" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2001. We do not take any responsibility to update any of these factors or to announce publicly any revisions to any of the forward-looking statements contained in this or any other document, whether as a result of new information, future events or otherwise. Readers of this Form 10-Q should also read our Securities and Exchange Commission and other publicly filed documents for further discussion regarding such factors.

As used in this Form 10-Q, "we," "our," "ours" and "us" refer to Alexandria Real Estate Equities, Inc. and its subsidiaries.

The following discussion should be read in conjunction with the financial statements and notes appearing elsewhere in this report.

Overview

Since our formation in October 1994, we have devoted substantially all of our resources to the ownership, operation, management, acquisition, expansion and selective redevelopment and development of high quality, strategically located properties containing a combination of office and laboratory space leased principally to tenants in the life science industry. We refer to these properties as "life science facilities".

As of September 30, 2002, our portfolio consisted of 87 properties containing approximately 5.6 million rentable square feet of office/laboratory space. As of that date, our properties were approximately 95% leased, excluding those properties in our redevelopment program. Our primary source of revenue is rental income and tenant recoveries from leases at the properties we own. The comparability of financial data from period to period is affected by the timing of our property acquisition and development activities.

Results of Operations

Comparison of Three Months Ended September 30, 2002 ("Third Quarter 2002") to Three Months Ended September 30, 2001 ("Third Quarter 2001")

Rental revenue increased by $4.1 million, or 16%, to $29.6 million for Third Quarter 2002 compared to $25.5 million for Third Quarter 2001. The increase resulted primarily from rental revenue from properties acquired, placed in service or redeveloped after July 1, 2001. Rental revenue from the properties operating continuously before July 1, 2001 (the "Third Quarter Same Properties") increased by $880,000, or 4%, primarily due to increases in rental rates and occupancy.

Tenant recoveries increased by $1.5 million, or 23%, to $8.1 million for Third Quarter 2002 compared to $6.6 million for Third Quarter 2001. The increase resulted primarily from tenant recoveries from properties acquired, placed in service or redeveloped after July 1, 2001. Tenant recoveries for the Third Quarter Same Properties increased by $597,000, or 11%, primarily due to increases in certain recoverable operating expenses.

Interest and other income decreased by $297,000, or 48%, to $321,000 for Third Quarter 2002 compared to $618,000 for Third Quarter 2001. The decrease resulted primarily from a decrease in interest income from the secured note receivable that was paid off by the borrower in March 2002.

Rental operating expenses increased by $1.5 million, or 22%, to $8.4 million for Third Quarter 2002 compared to $6.9 million for Third Quarter 2001. The increase resulted partially from rental operating expenses from properties acquired, placed in service or redeveloped after July 1, 2001. Operating expenses for the Third Quarter Same Properties increased by $780,000, or 15%, primarily due to increases in property insurance and property taxes, substantially all of which are recoverable from our tenants through tenant recoveries.

The following is a comparison of property operating data computed under accounting principles generally accepted in the United States ("GAAP Basis") and under accounting principles generally accepted in the United States, adjusted to exclude the effect of straight line rent adjustments required by GAAP ("Cash Basis") for the Third Quarter Same Properties (dollars in thousands):

	For the Three Months Ended September 30,		
	2002	**2001**	**Change**
GAAP BASIS:			
Revenue	$ 27,847	$ 26,365	5.6%
Rental operating expenses	5,999	5,219	14.9%
Net operating income	$ 21,848	$ 21,146	3.3%
CASH BASIS (1):			
Revenue	$ 27,419	$ 25,387	8.0%
Rental operating expenses	5,999	5,219	14.9%
Net operating income	$ 21,420	$ 20,168	6.2%

(1) Revenue and operating expenses are computed in accordance with GAAP, except that revenue excludes the effect of straight line rent adjustments.

General and administrative expenses increased by $318,000, or 11%, to $3.2 million for Third Quarter 2002 compared to $2.9 million for Third Quarter 2001. The increase was primarily due to general and administrative expenses associated with the continued expansion in the scope of our national operations.

Interest expense decreased by $1.2 million, or 16%, to $6.1 million for Third Quarter 2002 compared to $7.3 million for Third Quarter 2001. The decrease resulted from a reduction in variable interest rates on our unsecured line of credit.

Depreciation and amortization increased by $391,000, or 5%, to $8.6 million for Third Quarter 2002 compared to $8.2 million for Third Quarter 2001. The increase resulted primarily from depreciation associated with the properties acquired, placed in service or redeveloped after July 1, 2001.

Extraordinary loss on early extinguishment of debt for Third Quarter 2002 of $1 million was incurred as the result of the early retirement of a $7.2 million secured loan. The extraordinary loss is related to prepayment penalities and the write-off of loan costs.

As a result of the foregoing, net income before extraordinary item was $11.8 million for Third Quarter 2002 compared to $7.5 million for Third Quarter 2001.

Comparison of Nine Months Ended September 30, 2002 ("Nine Months 2002") to Nine Months Ended September 30, 2001 ("Nine Months 2001")

Rental revenue increased by approximately $13.3 million, or 18%, to $85.9 million for Nine Months 2002 compared to $72.7 million for Nine Months 2001. The increase resulted primarily from rental revenue from properties acquired, placed in service or redeveloped after January 1, 2001. Rental revenue from properties acquired or placed in service before January 1, 2001 (the "Nine Months Same Properties") increased by $2.2 million, or 4%, primarily due to increases in rental rates and occupancy.

Tenant recoveries increased by approximately $3.1 million, or 16%, to $21.9 million for Nine Months 2002 compared to $18.8 million for Nine Months 2001. The increase resulted primarily from tenant recoveries from properties acquired, placed in service or redeveloped after January 1, 2001. Tenant recoveries from the Nine Months Same Properties increased by $738,000, or 5%, primarily due to increases in certain recoverable operating expenses.

Interest and other income decreased by $1.5 million, or 56%, to $1.2 million for Nine Months 2002 compared to $2.6 million for Nine Months 2001, primarily resulting from a decrease in interest income from the secured note receivable which was paid off in March 2002, and from reduced service fee income and investment income.

Rental operating expenses increased by approximately $2.8 million, or 14%, to $22.4 million for Nine Months 2002 compared to $19.6 million for Nine Months 2001. The increase resulted primarily from properties acquired, placed in service or redeveloped after January 1, 2001. Operating expenses for the Nine Months Same Properties increased by $879,000, or 6%, primarily due to increases in property insurance, substantially all of which are recoverable from our tenants through tenant recoveries.

The following is a comparison of property operating data computed on a GAAP Basis and on a Cash Basis for the Nine Months Same Properties (dollars in thousands):

	For the Nine Months Ended September 30, 2002	For the Nine Months Ended September 30, 2001	Change
GAAP BASIS:			
Revenue	$ 74,378	$ 71,459	4.1%
Rental operating expenses	15,176	14,297	6.1%
Net operating income	$ 59,202	$ 57,162	3.6%
CASH BASIS (1):			
Revenue	$ 72,855	$ 68,911	5.7%
Rental operating expenses	15,176	14,297	6.1%
Net operating income	$ 57,679	$ 54,614	5.6%

(1) Revenue and operating expenses are computed in accordance with GAAP, except that revenue excludes the effect of straight line rent adjustments.

General and administrative expenses increased by approximately $1.4 million, or 16%, to $10.0 million for Nine Months 2002 compared to $8.6 million for Nine Months 2001. The increase was primarily due to the continued expansion in the scope of our national operations.

Interest expense decreased by approximately $1.8 million, or 9%, to $19.7 million for Nine Months 2002 compared to $21.5 million for Nine Months 2001. The decrease resulted from a reduction in variable interest rates on our unsecured line of credit partially offset by indebtedness outstanding during Nine Months 2002 incurred to finance the development and redevelopment of properties which have now been completed.

Depreciation and amortization increased by approximately $3.0 million, or 13%, to $25.4 million for Nine Months 2002 compared to $22.4 million for Nine Months 2001. The increase resulted primarily from depreciation associated with properties acquired, placed in service or redeveloped after January 1, 2001.

Extraordinary loss on early extinguishment of debt for Nine Months 2002 of $1 million was incurred as the result of the early retirement of a $7.2 million secured loan. The extraordinary loss is related to prepayment penalities and the write-off of loan costs.

As a result of the foregoing, net income before extraordinary item was $31.6 million for Nine Months 2002 compared to $22.1 million for Nine Months 2001.

Liquidity and Capital Resources

Cash flows

Net cash provided by operating activities for Nine Months 2002 increased by $5.7 million, to $38.6 million compared to $32.9 million for Nine Months 2001. The increase resulted primarily from increases in operating cash flows from properties acquired, placed in service or redeveloped after January 1, 2001 and by the decrease in restricted cash held in escrow to complete the development of an office/laboratory facility. The increase was partially offset by the decrease in accounts payable, accrued expenses and tenant security deposits.

Net cash used in investing activities decreased by $12.2 million, to $138.2 million for Nine Months 2002 compared to $150.4 million for Nine Months 2001 primarily due to a lower level of acquisition, development and redevelopment activity during Nine Months 2002 compared to Nine Months 2001.

Net cash provided by financing activities decreased by $16.6 million, to $100.8 million for Nine Months 2002 compared to $117.4 million for Nine Months 2001. Cash provided by financing activities for Nine Months 2002 and Nine Months 2001 consisted primarily of net proceeds from our common stock and preferred stock offerings and borrowings from secured notes payable, partially offset by principal reductions on our unsecured line of credit and secured debt and by distributions to stockholders.

Commitments

As of September 30, 2002, we were committed under the terms of construction contracts and certain leases to complete the development of buildings and related improvements at a remaining aggregate cost of $407,000.

As of September 30, 2002, we were also committed to fund approximately $50.6 million for the construction of building infrastructure improvements under the terms of various leases and for certain investments.

As of September 30, 2002, we were committed under the terms of ground leases at five of our properties and one land development parcel. The ground leases have remaining lease terms of 14 to 53 years, with aggregate remaining ground lease payments of approximately $27.4 million.

Restricted cash

Restricted cash as of September 30, 2002 consists of the following (in thousands):

	Amount
Funds held in trust as additional security required under the terms of certain secured notes payable	$ 7,046
Security deposit funds based on the terms of certain lease agreements	1,959
Funds held in escrow to complete the development of an office/laboratory facility	2,039
	$ 11,044

Secured debt

Secured debt as of September 30, 2002 consists of the following (dollars in thousands):

Location of Collateral	Balance at September 30, 2002	Stated Interest Rate	Maturity Date
Worcester, MA (1)	$ 10,418	8.75%	January 2006
Durham, NC (two properties)	12,075	8.68%	December 2006
Gaithersburg, MD (three properties)	9,834	8.25%	August 2007
Cambridge, MA (2)	18,875	9.125%	October 2007
Chantilly, VA and Seattle, WA	34,960	7.22%	May 2008
San Diego, CA (four properties)	41,507	6.95%	July 2009
Worcester, MA and San Diego, CA	18,578	8.71%	January 2010
Gaithersburg, MD (two properties)	24,370	8.33%	November 2010
San Diego, CA (six properties)	23,889	7.75%	July 2011
San Diego, CA	11,707	7.50%	August 2011
Gaithersburg, MD (three properties)	28,093	7.40%	January 2012
Alameda, CA	3,519	7.165%	January 2014
Seattle, WA (two properties)	18,298	7.75%	June 2016
San Francisco, CA (two properties) (3)	21,853	LIBOR + 1.70%	June 2003 (4)
	$ 277,976		

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(1) The balance shown includes an unamortized premium of $405,000. The effective rate of the loan is 7.25%.

(2) The balance shown includes an unamortized premium of $1,439,000. The effective rate of the loan is 7.25%.

(3) The borrowings shown represent the amount drawn on a construction loan that provides for borrowings of up to $25,175,000.

(4) The loan may be extended, at our option, for two additional 15-month periods.

The following is a summary of the scheduled principal payments for our secured debt as of September 30, 2002 (in thousands):

Year	Amount
2002	$ 1,007
2003	27,450
2004	5,304
2005	5,036
2006	24,710
Thereafter	212,625
Subtotal	276,132
Unamortized Premium	1,844
	$ 277,976

Unsecured line of credit and unsecured term loan

In July 2002, we expanded and extended our unsecured line of credit. Our new line of credit amends the $325 million unsecured line of credit that was scheduled to mature in February 2003 and has been used to pay off our $50 million unsecured term loan. The maximum permitted amount of borrowings under the amended line of credit, which originally provided for borrowings of up to $400 million, was subsequently increased to $425 million in October 2002. See footnote 8, Subsequent Events. The amended line of credit has a maturity date of July 2005, which may be extended at our sole option for an additional one-year period. Borrowings under our unsecured line of credit, as amended, bear interest at a floating rate based on our election of either a LIBOR based rate or the higher of the bank's reference rate and the Federal Funds rate plus 0.5%. For each LIBOR-based advance, we must elect a LIBOR period of one, two, three or six months.

The line of credit contains financial covenants, including, among other things, maintenance of minimum net worth, a total liabilities to gross asset value ratio, and a fixed charge coverage ratio. In addition, the terms of the line of credit restrict, among other things, certain investments, indebtedness, distributions and mergers. As of September 30, 2002, borrowings outstanding on the line of credit carried a weighted average interest rate of 3.31%.

Aggregate borrowings under the line of credit are limited to an amount based on the net operating income derived from a pool of unencumbered properties. As of September 30, 2002, the amount calculated under these provisions was $427 million.

We utilize interest rate swap agreements to hedge our exposure to variable interest rates associated with our unsecured line of credit. These agreements involve an exchange of fixed and floating interest payments without the exchange of the underlying principal amount (the "notional amount"). Interest received under all of our swap agreements is based on the one-month LIBOR rate. The net difference between the interest paid and the interest received is reflected as an adjustment to interest expense.

The following table summarizes our interest rate swap agreements (dollars in thousands):

Transaction Date	Effective Date	Notional Amount	Interest Pay Rate	Termination Date	Fair Value
April 2000	May 30, 2000	$ 50,000	6.995%	January 2, 2003	$ (687)
July 2000	May 31, 2001	$ 50,000	7.070%	May 31, 2003	(1,836)
January 2001	January 31, 2001	$ 50,000	6.350%	December 31, 2002	(589)
March 2002	December 31, 2002	$ 50,000	5.364%	December 31, 2004	(3,137)
July 2002	January 1, 2003	$ 25,000	3.855%	June 30, 2005	(872)
July 2002	January 1, 2003	$ 25,000	3.865%	June 30, 2005	(879)
Total					$ (8,000)

We do not believe we are exposed to more than a nominal amount of credit risk in our interest rate swap agreements as the counterparties are established, well-capitalized financial institutions.

Other resources and liquidity requirements

We expect to continue meeting our short-term liquidity and capital requirements generally by using our working capital and net cash provided by operating activities. We believe that net cash provided by operating activities will continue to be sufficient to make the distributions necessary to enable us to continue qualifying as a real estate investment trust. We also believe that net cash provided by operations will be sufficient to fund recurring capital expenditures and leasing commissions.

We expect to meet certain long-term liquidity requirements, such as for property acquisitions, property development and redevelopment activities, scheduled debt maturities, expansions and other non-recurring capital improvements, through net cash provided by operating activities, long-term secured and unsecured indebtedness, including borrowings under our line of credit, and the issuance of additional debt and/or equity securities.

Capital Expenditures and Leasing Costs

The following provides additional information with respect to capital expenditures and leasing costs incurred during the nine months ended September 30, 2002:

Property-related capital expenditures (1)	$ 2,241,000
Leasing costs (2)	$ 1,053,000
Property renovation and redevelopment costs	$ 41,645,000
Property development costs	$ 22,222,000
Purchases of land	$ 12,469,000
Purchases of rental properties	$ 50,325,000

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(1) Property-related capital expenditures include all capital expenditures except capital expenditures that are recoverable from tenants, revenue-enhancing capital expenditures or costs related to the renovation or redevelopment of a property. Capital expenditures fluctuate in any given period due to the nature, extent or timing of improvements required and the extent to which they are recoverable from tenants. Approximately 87% of our leases (based on rentable square feet) provide for the recapture of certain capital expenditures (such as HVAC systems maintenance and/or replacement, roof replacement and parking lot resurfacing). In addition, we implement an active preventative maintenance program at each of our properties to minimize capital expenditures.

(2) Leasing costs consist of tenant improvements and leasing commissions related to leasing of acquired vacant space and second generation space. Leasing costs exclude tenant improvements that are revenue-enhancing.

Inflation

Approximately 84% of our leases (on a square footage basis) are triple net leases that require tenants to pay substantially all real estate taxes and insurance, and common area and other operating expenses, including increases therein. In addition, approximately 11% of our leases (on a square footage basis) require the tenants to pay a majority of operating expenses. Approximately 92% of our leases (on a square footage basis) contain effective annual rent escalations that are either fixed (generally ranging from 3% to 4%) or indexed based on a CPI index. Accordingly, we do not believe that our earnings or cash flow are subject to any significant risk from inflation. An increase in inflation, however, could result in an increase in the cost of our variable borrowings, including our unsecured line of credit.

Funds from Operations

We believe that funds from operations ("FFO") is helpful to investors as an additional measure of the performance of an equity REIT because, along with cash flows from operating activities, financing activities and investing activities, it provides investors with an understanding of our ability to incur and service debt, to make capital expenditures and to make distributions. We compute FFO in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT") in its April 2002 White Paper (the "White Paper"), which may differ from the methodology for calculating FFO utilized by other equity REITs, and, accordingly, may not be comparable to such other REITs. Further, FFO does not represent amounts available for our discretionary use because a portion of FFO is needed for capital replacement or expansion, debt service obligations, or other commitments and uncertainties. The White Paper defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. FFO should not be considered as an alternative to net income determined in accordance with GAAP as an indication of our financial performance or to cash flows from operating activities determined in accordance with GAAP as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions.

The following table presents our FFO for the three and nine months ended September 30, 2002 and 2001 (in thousands):

	For the Three Months Ended September 30,	
	2002	2001
Net income before extraordinary item	$ 11,757	$ 7,451
Add:		
Depreciation and amortization	8,582	8,191
Subtract:		
Dividends on preferred stock	(2,225)	(916)
FFO	$ 18,114	$ 14,726

	For the Nine Months Ended September 30,	
	2002	2001
Net income before extraordinary item	$ 31,580	$ 22,081
Add:		
Depreciation and amortization	25,376	22,388
Subtract:		
Dividends on preferred stock	(6,354)	(2,748)
FFO	$ 50,602	$ 41,721

Property and Lease Information

The following table is a summary of our property portfolio as of September 30, 2002 (dollars in thousands):

Market:	Number of Properties	Rentable Square Feet	Annualized Base Rent	Occupancy Percentage	
Suburban Washington D.C.	20	1,666,993	$ 27,214	98.3%	
California - San Diego	21	863,741	24,489	98.8%	
California - San Francisco Bay	9	582,416	18,306	100.0%	
Southeast	3	188,433	3,067	87.9%	(1)
New Jersey/Suburban Philadelphia	6	344,390	6,165	100.0%	
Eastern Massachusetts	10	696,397	19,653	77.3%	(2)
Washington - Seattle	3	281,948	9,520	100.0%	
Subtotal	72	4,624,318	108,414	95.2%	
Redevelopment properties	15	962,126	10,081	45.3%	
Total	87	5,586,444	$ 118,495	86.6%	

(1) All, or substantially all, of the vacant space is office or warehouse space.

(2) A significant portion of the vacant space in Eastern Massachusetts (76,879 square feet of the 158,267 vacant square feet) is located in the Worcester and Randolph submarkets, which have exhibited significant weakness. The remaining vacant space represents recently developed space in Cambridge, Massachusetts, 54,990 square feet of which has leases commencing in October and November 2002.

The following table provides information with respect to the lease expirations at our properties as of September 30, 2002:

Year of Lease Expiration	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Aggregate Portfolio Lease Square Footage	Annualized Base Rent of Expiring Leases (per square foot)
2002 (1)	22	150,014	3.1%	$17.90
2003	33	446,955	9.2%	$21.27
2004	33	500,205	10.3%	$20.09
2005	19	339,640	7.0%	$26.39
2006	30	721,152	14.9%	$23.58
Thereafter	59	2,681,928	55.5%	$26.21

(1) Represents leases expiring between October 1, 2002 and December 31, 2002.

The following table is a summary of our lease activity for the three months ended September 30, 2002 computed on a GAAP Basis and on a Cash Basis:

	Number of Leases	Square Footage	Expiring Rate	New Rate	Rental Rate Increase		TI'S/Lease Commissions Per Foot	Average Lease Term	
Lease Activity - Expired Leases									
Lease Expirations									
Cash Basis	23	195,390	$20.82	--	--		--	--	
GAAP Basis	23	195,390	$20.34	--	--		--	--	
Renewed / Released Space									
Cash Basis	6	111,960	$20.07	$21.84	8.8%	(2)	$1.75	1.1 years	(1)
GAAP Basis	6	111,960	$19.11	$21.42	12.1%	(2)	$1.75	1.1 years	(1)
Month-to-Month Leases									
Cash Basis	11	51,216	$24.47	$16.95	-30.7%	(3)	--	--	
GAAP Basis	11	51,216	$24.47	$16.95	-30.7%	(3)	--	--	
Total Leasing - Expired Leases									
Cash Basis	17	163,176	$21.45	$20.31	-5.3%		--	--	
GAAP Basis	17	163,176	$20.79	$20.02	-3.7%		--	--	
Redeveloped/Developed/ Vacant Space Leased									
Cash Basis	12	135,858	--	$48.15	--		$5.89	6.5 Years	
GAAP Basis	12	135,858	--	$51.57	--		$5.89	6.5 Years	
All Lease Activity									
Cash Basis	29	299,034	--	$32.95	--		--	--	
GAAP Basis	29	299,034	--	$34.35	--		--	--	

(1) All leases in this category for this quarter were for relatively short-term renewals or extensions.

(2) Excluding a month-to-month lease for 13,700 square feet in the San Francisco Bay market for a property targeted for redevelopment in 2003, rental rates for month-to-month leases were on average approximately 0.5% higher than expiring rates on both a Cash Basis and a GAAP basis.

(3) Excluding a month-to-month lease for 13,700 square feet in the San Francisco Bay market for a property targeted for redevelopment in 2003, rental rates for all lease activity for expired leases were on average approximately 7.2% higher than expiring rates on a Cash Basis and approximately 9.7% higher than expiring rates on a GAAP basis.

The following table is a summary of our lease activity for the nine months ended September 30, 2002 computed on a GAAP Basis and on a Cash Basis:

	Number of Leases	Square Footage	Expiring Rate	New Rate	Rental Rate Increase		TI'S/Lease Commissions Per Foot	Average Lease Term
Lease Activity - Expired Leases								
Lease Expirations								
Cash Basis	56	655,747	$22.09	--	--		--	--
GAAP Basis	56	655,747	$20.78	--	--		--	--
Renew ed / Released Space								
Cash Basis	24	386,077	$22.73	$23.37	2.8%	(1)	$2.16	2.8 Years
GAAP Basis	24	386,077	$21.98	$23.77	8.1%	(1)	$2.16	2.8 Years
Month-to-Month Leases								
Cash Basis	11	51,216	$24.28	$16.95	-30.2%	(2)	--	--
GAAP Basis	11	51,216	$24.18	$16.95	-29.9%	(2)	--	--
Total Leasing - Expired Leases								
Cash Basis	35	437,293	$22.91	$22.61	-1.3%	(3)	--	--
GAAP Basis	35	437,293	$22.24	$22.98	3.3%	(3)	--	--
Redeveloped/Developed/ Vacant Space Leased								
Cash Basis	19	265,320	--	$37.88	--		$18.87	7.0 Years
GAAP Basis	19	265,320	--	$41.50	--		$18.87	7.0 Years
All Lease Activity								
Cash Basis	54	702,613	--	$28.38	--		--	--
GAAP Basis	54	702,613	--	$29.97	--		--	--

(1) Excluding a lease for 8,424 square feet in the San Francisco Bay market, rental rates for renewed or released space were on average approximately 9.5% higher than expiring rates on a Cash Basis and approximately 15.0% higher than expiring rates on a GAAP Basis.

(2) Excluding a month-to-month lease for 13,700 square feet in the San Francisco Bay market for a property targeted for redevelopment in 2003, rental rates for month-to-month leases were on average approximately 2.3% higher than expiring rates on a Cash Basis and approximately 3.2% higher than expiring rates on a GAAP basis.

(3) Excluding the leases in the San Francisco Bay market identified in (a) and (b) above, rental rates for all lease activity for expired leases were on average approximately 9.0% higher than expiring rates on a Cash Basis and approximately 14.2% higher than expiring rates on a GAAP basis.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, commodity prices and equity prices. The primary market risk to which we are exposed is interest rate risk, which is the result of many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors that are beyond our control.

In order to modify and manage the interest characteristics of our outstanding debt and limit the effects of interest rates on our operations, we may utilize a variety of financial instruments, including interest rate swaps, caps, floors and other interest rate exchange contracts. The use of these types of instruments to hedge our exposure to changes in interest rates carries additional risks such as counter-party credit risk and legal enforceability of hedging contracts.

Our future earnings, cash flows and fair values relating to financial instruments are primarily dependent upon market rates of interest, such as LIBOR. However, our interest rate swap agreements are intended to reduce the effects of interest rate changes. Based on interest rates at, and our swap agreements in effect on, September 30, 2002, we estimate that a 1% increase in interest rates on our line of credit, after considering the effect of our interest rate swap agreements, would decrease annual future earnings and cash flows by approximately $1.1 million. We further estimate that a 1% decrease in interest rates on our line of credit, after considering the effect of our interest rate swap agreements in effect on September 30, 2002, would increase annual future earnings and cash flows by approximately $1.1 million. A 1% increase in interest rates on our secured debt and interest rate swap agreements would decrease their aggregate fair value by approximately $15.9 million. A 1% decrease in interest rates on our secured debt and interest rate swap agreements would increase their aggregate fair value by approximately $16.8 million.

These amounts are determined by considering the impact of the hypothetical interest rates on our borrowing cost and our interest rate swap agreements in effect on September 30, 2002. These analyses do not consider the effects of the reduced level of overall economic activity that could exist in such an environment. In addition, in the event of a change of such magnitude, we would consider taking actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, the sensitivity analysis assumes no changes in our capital structure.

Item 4. CONTROLS AND PROCEDURES

As of September 30, 2002, the Company performed an evaluation, under the supervision of the Company's chief executive officer ("CEO") and chief financial officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaulation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of September 30, 2002. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's internal controls subsequent to September 30, 2002.

PART II – OTHER INFORMATION

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

12.1 Computation of Consolidated Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends

99.1 Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K.

On July 22, 2002, we filed a Current Report on Form 8-K with respect to the sale of 2,000,000 shares of our common stock to institutional investors.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on November 14, 2002.

ALEXANDRIA REAL ESTATE EQUITIES, INC.

/s/ Joel S. Marcus

Joel S. Marcus
Chief Executive Officer
(Principal Executive Officer)

/s/ Peter J. Nelson

Peter J. Nelson
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

I, Joel S. Marcus, Chief Executive Officer and Principal Executive Officer of Alexandria Real Estate Equities, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of September 30, 2002;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   (a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   (b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
   (c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ Joel S. Marcus

Joel S. Marcus
Chief Executive Officer
Principal Executive Officer

I, Peter J. Nelson, Chief Financial Officer and Principal Financial and Accounting Officer of Alexandria Real Estate Equities, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of September 30, 2002;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   (a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   (b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
   (c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ Peter J. Nelson

Peter J. Nelson
Chief Financial Officer
Principal Financial and Accounting Officer