

BioMed Realty Trust Inc
Form 10-K
February 09, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT

PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

Commission File Number: 1-32261 (BioMed Realty Trust, Inc.)

000-54089 (BioMed Realty, L.P.)

BIOMED REALTY TRUST, INC.

BIOMED REALTY, L.P.

(Exact name of registrant as specified in its charter)

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<p>Maryland (State or other jurisdiction of incorporation or organization)</p>	<p>20-1142292 (BioMed Realty Trust, Inc.) 20-1320636 (BioMed Realty, L.P.) (I.R.S. Employer Identification No.)</p>
<p>17190 Bernardo Center Drive San Diego, California (Address of Principal Executive Offices)</p>	<p>92128 (Zip Code)</p>
<p>(858) 485-9840 (Registrant's telephone number, including area code)</p>	

Securities registered pursuant to Section 12(b) of the Act:

	Title of Each Class	Name of Each Exchange on Which Registered
BioMed Realty Trust, Inc.	Common Stock, \$0.01 Par Value	New York Stock Exchange
BioMed Realty Trust, Inc.	7.375% Series A Cumulative Redeemable	New York Stock Exchange
BioMed Realty, L.P.	Preferred Stock, \$0.01 Par Value None	None

Securities registered pursuant to Section 12(g) of the Act:

BioMed Realty Trust, Inc.	None
BioMed Realty, L.P.	None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933.

BioMed Realty Trust, Inc.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
BioMed Realty, L.P.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

BioMed Realty Trust, Inc.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
BioMed Realty, L.P.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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.

BioMed Realty Trust, Inc.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
BioMed Realty, L.P.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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BioMed Realty Trust, Inc. Yes No
BioMed Realty, L.P. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

BioMed Realty Trust, Inc.:

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

BioMed Realty, L.P.:

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

BioMed Realty Trust, Inc. Yes No
BioMed Realty, L.P. Yes No

The aggregate market value of the 130,145,213 shares of common stock of BioMed Realty Trust, Inc. held by non-affiliates of the registrant was \$2,503,993,898 based upon the last reported sale price of \$19.24 per share on the New York Stock Exchange on June 30, 2011, the last business day of its most recently completed second quarter.

The number of outstanding shares of BioMed Realty Trust, Inc.'s common stock, par value \$0.01 per share, as of February 9, 2012 was 154,223,155.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of BioMed Realty Trust, Inc.'s Proxy Statement with respect to its 2012 Annual Meeting of Stockholders to be filed not later than 120 days after the end of the registrant's fiscal year are incorporated by reference into Part III hereof.

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EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the fiscal year ended December 31, 2011 of BioMed Realty Trust, Inc., a Maryland corporation, and BioMed Realty, L.P., a Maryland limited partnership of which BioMed Realty Trust, Inc. is the parent company and general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this report to we, us, our or our company refer to BioMed Realty Trust, Inc. together with its consolidated subsidiaries, including BioMed Realty, L.P. Unless otherwise indicated or unless the context requires otherwise, all references in this report to our operating partnership or the operating partnership refer to BioMed Realty, L.P. together with its consolidated subsidiaries.

BioMed Realty Trust, Inc. operates as a real estate investment trust, or REIT, and the general partner of BioMed Realty, L.P. As of December 31, 2011, BioMed Realty Trust, Inc. owned an approximate 98.1% partnership interest and other limited partners, including some of our directors, executive officers and their affiliates, owned the remaining 1.9% partnership interest (including long term incentive plan units) in BioMed Realty, L.P. As the sole general partner of BioMed Realty, L.P., BioMed Realty Trust, Inc. has the full, exclusive and complete responsibility for the operating partnership's day-to-day management and control.

There are a few differences between our company and our operating partnership, which are reflected in the disclosure in this report. We believe it is important to understand the differences between our company and our operating partnership in the context of how BioMed Realty Trust, Inc. and BioMed Realty, L.P. operate as an interrelated consolidated company. BioMed Realty Trust, Inc. is a REIT, whose only material asset is its ownership of partnership interests of BioMed Realty, L.P. As a result, BioMed Realty Trust, Inc. does not conduct business itself, other than acting as the sole general partner of BioMed Realty, L.P., issuing public equity from time to time and guaranteeing certain debt of BioMed Realty, L.P. BioMed Realty Trust, Inc. itself does not hold any indebtedness but guarantees some of the secured and unsecured debt of BioMed Realty, L.P. BioMed Realty, L.P. holds substantially all the assets of the company and holds the ownership interests in the company's joint ventures. BioMed Realty, L.P. conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by BioMed Realty Trust, Inc., which are generally contributed to BioMed Realty, L.P. in exchange for partnership units, BioMed Realty, L.P. generates the capital required by the company's business through BioMed Realty, L.P.'s operations, by BioMed Realty, L.P.'s direct or indirect incurrence of indebtedness or through the issuance of partnership units.

Noncontrolling interests and stockholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of BioMed Realty Trust, Inc. and those of BioMed Realty, L.P. The operating partnership and long term incentive plan units in BioMed Realty, L.P. that are not owned by BioMed Realty Trust, Inc. are accounted for as partners' capital in BioMed Realty, L.P.'s financial statements and as noncontrolling interests in BioMed Realty Trust, Inc.'s financial statements. The noncontrolling interests in BioMed Realty, L.P.'s financial statements include the interests of joint venture partners. The noncontrolling interests in BioMed Realty Trust, Inc.'s financial statements include the same noncontrolling interests at the BioMed Realty, L.P. level as well as the limited partnership unitholders of BioMed Realty, L.P., not including BioMed Realty Trust, Inc. The differences between stockholders' equity and partners' capital result from the differences in the equity issued at the BioMed Realty Trust, Inc. and BioMed Realty, L.P. levels.

We believe combining the annual reports on Form 10-K of BioMed Realty Trust, Inc. and BioMed Realty, L.P. into this single report:

better reflects how management and the analyst community view the business as a single operating unit,

enhances investor understanding of our company by enabling them to view the business as a whole and in the same manner as management,

is more efficient for our company and results in savings in time, effort and expense, and

is more efficient for investors by reducing duplicative disclosure and providing a single document for their review.

To help investors understand the significant differences between our company and our operating partnership, this report presents the following separate sections for each of BioMed Realty Trust, Inc. and BioMed Realty, L.P.:

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consolidated financial statements,

the following notes to the consolidated financial statements:

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Equity / Partners' Capital,

Debt, and

Earnings Per Share / Unit,

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities, and

Liquidity and Capital Resources in Management's Discussion and Analysis of Financial Condition and Results of Operations.

This report also includes separate Item 9A. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of BioMed Realty Trust, Inc. and BioMed Realty, L.P. in order to establish that the Chief Executive Officer and the Chief Financial Officer of BioMed Realty Trust, Inc. have made the requisite certifications and BioMed Realty Trust, Inc. and BioMed Realty, L.P. are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

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BIOMED REALTY TRUST, INC. AND BIOMED REALTY, L.P.

FORM 10-K ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

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PART I

ITEM 1. BUSINESS

Forward-Looking Statements

We make statements in this report that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act). In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. Forward-looking statements involve numerous risks and uncertainties, and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise, and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, should, seeks, approximately, intends, plans, estimates, or similar words and phrases or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

adverse economic or real estate developments in the life science industry or in our target markets, including the inability of our tenants to obtain funding to run their businesses,

our dependence on significant tenants,

our failure to obtain necessary outside financing on favorable terms or at all, including the continued availability of our unsecured line of credit,

general economic conditions, including downturns in the national and local economies,

volatility in financial and securities markets,

defaults on or non-renewal of leases by tenants,

our inability to compete effectively,

increased interest rates and operating costs,

our inability to successfully complete real estate acquisitions, developments and dispositions,

risks and uncertainties affecting property development and construction,

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our failure to successfully operate acquired properties and operations,

reductions in asset valuations and related impairment charges,

the loss of services of one or more of our executive officers,

BioMed Realty Trust, Inc.'s failure to qualify or continue to qualify as a REIT,

our failure to maintain our investment grade corporate credit ratings or a downgrade in our investment grade corporate credit ratings from one or more of the rating agencies,

government approvals, actions and initiatives, including the need for compliance with environmental requirements,

the effects of earthquakes and other natural disasters,

lack of or insufficient amounts of insurance, and

changes in real estate, zoning and other laws and increases in real property tax rates.

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While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section below entitled Item 1A. Risk Factors.

General

We own, acquire, develop, redevelop, lease and manage laboratory and office space for the life science industry. Our tenants primarily include biotechnology and pharmaceutical companies, scientific research institutions, government agencies and other entities involved in the life science industry. Our properties are generally located in markets with well-established reputations as centers for scientific research, including Boston, San Francisco, San Diego, Maryland, New York/New Jersey, Pennsylvania and Seattle. BioMed Realty Trust, Inc., a Maryland corporation, and BioMed Realty, L.P., a Maryland limited partnership, were formed on April 30, 2004 and commenced operations on August 11, 2004, after completing BioMed Realty Trust, Inc.'s initial public offering. BioMed Realty Trust, Inc. operates as a REIT for federal income tax purposes. BioMed Realty, L.P. is the entity through which BioMed Realty Trust, Inc. conducts its business and owns its assets. At December 31, 2011, we owned or had interests in properties comprising approximately 12.4 million rentable square feet.

Our senior management team has significant experience in the real estate industry, principally focusing on properties designed for life science tenants. We operate as a fully integrated, self-administered and self-managed REIT, providing property management, leasing, development and administrative services to our properties. As of February 8, 2012, we had 166 employees.

Our principal offices are located at 17190 Bernardo Center Drive, San Diego, California 92128. Our telephone number at that location is (858) 485-9840. Our website is located at www.biomedrealty.com. We make available through our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to such reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. You can also access on our website our Code of Business Conduct and Ethics, Corporate Governance Guidelines, Audit Committee Charter, Compensation Committee Charter, and Nominating and Corporate Governance Committee Charter.

2011 Highlights

Leasing

During 2011, we executed 87 leasing transactions representing approximately 1.6 million square feet, including 52 new leases totaling approximately 1.1 million square feet and 35 leases amended to extend their terms, totaling approximately 540,500 square feet. Significant transactions included:

Property	September 30, Market	September 30, Tenant	September 30, Square Feet
<i>New Leases</i>			
301 Binney Street	Boston	Ironwood Pharmaceuticals, Inc.	52,000
301 Binney Street	Boston	Living Proof, Inc.	20,000
Center for Life Science Boston	Boston	Harvard University	31,000
Center for Life Science Boston	Boston	Pfizer, Inc	17,000
Coolidge Avenue	Boston	Blend Therapeutics, Inc.	20,000
Vassar Street	Boston	BIND Biosciences, Inc.	33,000
Vassar Street	Boston	Epizyme, Inc.	18,000
Vassar Street	Boston	Sun Catalytix, Inc.	10,000
Bridgeview Technology Park I	San Francisco	BioNovo, Inc.	61,000
Industrial Road	San Francisco	Intrexon Corporation	27,000
Pacific Research Center South	San Francisco	Logitech, Inc.	264,000
3545-3575 John Hopkins Court	San Diego	aTyr Pharma, Inc.	17,000
Sorrento Plaza	San Diego	Halozyme, Inc.	30,000
1701 / 1711 Research Boulevard	Maryland	Meso Scale Diagnostics	105,000

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Property	September 30, Market	September 30, Tenant	September 30, Square Feet
Ardley Park	New York/New Jersey	Acorda Therapeutics, Inc.	138,000
Landmark at Eastview	New York/New Jersey	Psychogenics, Inc.	33,000
Landmark at Eastview	New York/New Jersey	Regeneron Pharmaceuticals, Inc.	40,000
530 Fairview Avenue	Seattle	NanoString Technologies, Inc.	19,000
<i>Renewals, Amendments or Extensions</i>			
21 Erie Street	Boston	Vertex Pharmaceuticals Incorporated	21,000
Forbes Boulevard	San Francisco	JFC International, Inc.	121,000
Gateway Business Park	San Francisco	Federal Express Corporation	50,000
Gateway Business Park	San Francisco	Genentech, Inc.	19,000
11388 Sorrento Valley Road	San Diego	Halozyme, Inc.	28,000
Waples Street	San Diego	Amira Pharmaceuticals, Inc.	28,000
55 / 65 West Watkins Mill Road	Maryland	MedImmune, LLC	40,000
Landmark at Eastview	New York/New Jersey	MPM Silicones, LLC	64,000
530 Fairview Avenue	Seattle	NanoString Technologies, Inc.	18,000
Patriot Drive	University Related	Other Nextreme Thermal Solutions, Inc.	14,000
<i>Acquisitions</i>			

During 2011, we acquired approximately 1.0 million rentable square feet of laboratory and office space, which was 85% leased at acquisition on a weighted-average basis, and approximately 700,000 square feet of development potential for approximately \$398.2 million:

Property	September 30, Market	September 30, Rentable Square Feet(1)	September 30, Investment	September 30, Percent Leased at Acquisition
1701 / 1711 Research Blvd	Maryland	104,743	\$ 17,500	100.0%
450 Kendall Street (Kendall G)	Boston		8,229	n/a
Ardley Park	New York / New Jersey	160,500	18,000	100.0%
Wateridge Circle	San Diego	106,490	46,500	100.0%
Rogers Street Properties (2)	Boston	601,695	308,000	75.7%
Total / weighted average		973,428	\$ 398,229	85.0%

(1) Rentable square feet at time of acquisition.

(2) We acquired the remaining 80% interest in 320 Bent Street (comprising 184,405 square foot of laboratory and office space), 301 Binney Street (comprising 417,290 square feet of laboratory and office space), 301 Binney Street Garage (a 503 stall garage), and Kendall Crossing Apartments (a 37 unit apartment building) from Prudential Real Estate Investors, or PREI. We previously acquired a 20% interest in these properties in April 2007 concurrent with a joint venture we entered into with PREI. See Note 12 of the Notes to Consolidated Financial Statements included elsewhere herein for more information.

Financings

Significant capital raising activities during 2011 included the following:

March 2011: Issued \$400.0 million aggregate principal amount of 3.85% Unsecured Senior Notes due 2016.

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July 2011: Entered into a new, expanded \$750.0 million unsecured line of credit, replacing the previous unsecured line of credit, with interest paid on drawings under the new line of credit set at LIBOR plus 155 basis points, subject to adjustments based on changes in our credit ratings.

August 2011: Extended the maturity date to August 2013 for the construction loan secured by the 650 East Kendall Street property, which is owned through the company's joint venture with a fund managed by PREI.

November 2011: Raised net proceeds of \$399.6 million through the follow-on public offering of 22,562,922 shares of common stock.

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Other financing transactions during 2011 included the following:

Paid off approximately \$60.2 million in mortgage notes with a weighted average interest rate of 7.43%.

August 2011: Repurchased 1,280,000 shares of the company's Series A preferred stock for approximately \$31.1 million, or \$24.30 per share, net of accrued dividends of approximately \$250,000, or \$0.20 per share.

October 2011: Repurchased and redeemed in full the remaining principal balance of \$19.8 million of the company's Exchangeable Senior Notes due 2026, or the Notes due 2026.

Dividends

During 2011, we declared aggregate dividends on BioMed Realty Trust, Inc.'s common stock of \$0.80 per common share, representing a 27% increase over common stock dividends declared in 2010, and aggregate dividends on BioMed Realty Trust, Inc.'s Series A preferred stock of \$1.84376 per preferred share.

Distributions

During 2011, we declared aggregate distributions on BioMed Realty, L.P.'s operating partnership units and long-term incentive plan units (individually referred to as LTIP units and collectively with the operating partnership units referred to as OP units) of \$0.80 per OP unit, representing a 27% increase over aggregate distributions for OP units declared in 2010, and aggregate distributions on BioMed Realty, L.P.'s Series A preferred units of \$1.84376 per preferred unit.

Growth Strategy

Our success and future growth potential are based upon the specialized real estate opportunities within the life science industry. Our growth strategy is designed to meet the sizable demand and specialized requirements of life science tenants by leveraging the knowledge and expertise of a management team focused on serving this large and growing industry.

Our internal growth strategy includes:

negotiating leases with contractual rental rate increases in order to provide predictable and consistent earnings growth,

creating strong relationships with our tenants to enable us to identify and capitalize on opportunities to renew or extend existing leases or to provide expansion space,

redeveloping currently owned non-laboratory space into higher yielding laboratory facilities, and

developing new laboratory and office space on land we have acquired for development.

Our external growth strategy includes:

acquiring well-located properties leased to high-quality life science tenants with attractive in-place yields and long-term growth potential,

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investing in properties with leasing opportunities, capitalizing on our industry relationships to enter into new leases, and

investing in redevelopment and development projects, capitalizing on our development platform that we believe will serve as an additional catalyst for future growth.

Target Markets

Our target markets Boston, San Francisco, San Diego, Maryland, New York/New Jersey, Pennsylvania, Seattle and research parks near or adjacent to universities have emerged as the primary hubs for research, development and production in the life science industry. Each of these markets benefits from the presence of mature life science companies, which provide

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scale and stability to the market, as well as academic and university environments and government entities to contribute innovation, research, personnel and capital to the private sector. In addition, the clustered research environments within these target markets typically provide a high quality of life for the research professionals and a fertile ground for new life science ideas and ventures.

Positive Life Science Industry Trends

We expect continued long-term growth in the life science industry due to several factors:

the aging of the U.S. population resulting from the transition of baby boomers to senior citizens, which has increased the demand for new drugs and health care treatment alternatives to extend, improve and enhance their quality of life,

the high level of research and development expenditures, as represented by a Pharmaceutical Research and Manufacturers of America (PhRMA) survey indicating that research and development spending by U.S. pharmaceutical research and biotechnology companies climbed to a record \$67.4 billion in 2010, and

escalating health care costs, which drive the demand for better drugs, less expensive treatments and more services in an attempt to manage such costs.

We are uniquely positioned to benefit from these favorable long-term dynamics through the demand for space for research, development and production by our life science industry tenants.

Experienced Management

We have created and continue to develop a premier life science real estate-oriented management team, dedicated to maximizing current and long-term returns for our stockholders. Alan D. Gold, our company's Chief Executive Officer and Chairman, has acquired, developed, financed, owned, leased or managed in excess of \$5.7 billion in life science real estate. Through this experience, our management team has established extensive industry relationships among life science tenants, property owners and real estate brokers. In addition, our experienced independent board members provide management with a broad range of knowledge in real estate, the sciences, life science company operations, and large public company finance and management.

Regulation

General

Our properties are subject to various laws, ordinances and regulations, including regulations relating to common areas. We believe that we have the necessary permits and approvals to operate each of our properties.

Americans with Disabilities Act

Our properties must comply with Title III of the Americans with Disabilities Act, or ADA, to the extent that such properties are public accommodations as defined by the ADA. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where such removal is readily achievable. We believe that our properties are in substantial compliance with the ADA and that we will not be required to make substantial capital expenditures to address the requirements of the ADA. The tenants are generally responsible for any additional amounts required to conform their construction projects to the ADA. However, noncompliance with the ADA could result in imposition of fines or an award of damages to private litigants. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our properties and to make alterations as appropriate in this respect.

Environmental Matters

Under various federal, state and local environmental laws and regulations, a current or previous owner, operator or tenant of real estate may be required to investigate and remediate releases or threats of releases of hazardous or toxic substances or petroleum products at such property, and

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may be held liable for property damage, personal injury damages and investigation, clean-up and monitoring costs incurred in connection with the actual or threatened contamination. Such laws typically impose clean-up responsibility and liability without regard to fault, or whether the owner, operator or tenant knew of or caused the presence of the contamination. The liability under such laws may be joint and several for the full amount of the investigation, clean-up and monitoring costs incurred or to be incurred or actions to be undertaken, although a party held jointly and severally

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liable may obtain contributions from the other identified, solvent, responsible parties of their fair share toward these costs. These costs may be substantial, and can exceed the value of the property. The presence of contamination, or the failure to properly remediate contamination, on a property may adversely affect the ability of the owner, operator or tenant to sell or rent that property or to borrow using such property as collateral, and may adversely impact our investment in that property.

Federal asbestos regulations and certain state laws and regulations require building owners and those exercising control over a building's management to identify and warn, via signs, labels or other notices, of potential hazards posed by the actual or potential presence of asbestos-containing materials, or ACMs, in their building. The regulations also set forth employee training, record-keeping and due diligence requirements pertaining to ACMs and potential ACMs. Significant fines can be assessed for violating these regulations. Building owners and those exercising control over a building's management may be subject to an increased risk of personal injury lawsuits by workers and others exposed to ACMs and potential ACMs as a result of these regulations. The regulations may affect the value of a building containing ACMs and potential ACMs in which we have invested. Federal, state and local laws and regulations also govern the removal, encapsulation, disturbance, handling and/or disposal of ACMs and potential ACMs when such materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. Such laws may impose liability for improper handling or a release to the environment of ACMs and potential ACMs and may provide for fines to, and for third parties to seek recovery from, owners or operators of real properties for personal injury or improper work exposure associated with ACMs and potential ACMs. See Risk Factors Risks Related to the Real Estate Industry We could incur significant costs related to governmental regulation and private litigation over environmental matters involving asbestos-containing materials, which could adversely affect our operations, the value of our properties, and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders under Item 1A. below.

Federal, state and local environmental laws and regulations also require removing or upgrading certain underground storage tanks and regulate the discharge of storm water, wastewater and other pollutants; the emission of air pollutants; the generation, management and disposal of hazardous or toxic chemicals, substances or wastes; and workplace health and safety. Life science industry tenants, including certain of our tenants, engage in various research and development activities involving the controlled use of hazardous materials, chemicals, biological and radioactive compounds. Some of our tenants, particularly those in the biotechnology, life sciences and technology manufacturing industries, routinely handle hazardous substances and wastes as part of their operations at our properties, including acetonitrile, alcohol, ammonia, argon, batteries, carbon dioxide, chemical solvents, cryogenic gases, dichlorophenol, diesel fuel for emergency generators, fluorine, hydrocarbons, hydrogen, medical waste, methane, naturalyte acid, neon, nitrogen, nitrous oxide, oxygen, radioactive material and tetrahydrofuran. Many of these compounds and materials are used in the experiments, clinical trials, research and development and light manufacturing efforts conducted by our tenants. Although we believe that the tenants' activities involving such materials comply in all material respects with applicable laws and regulations, the risk of contamination or injury from these materials cannot be completely eliminated. In the event of such contamination or injury, we could be held liable for any damages that result, and any such liability could exceed our resources and our environmental remediation insurance coverage. Licensing requirements governing use of radioactive materials by tenants may also restrict the use of or ability to transfer space in buildings we own. See Risk Factors Risks Related to the Real Estate Industry We could incur significant costs related to government regulation and private litigation over environmental matters involving the presence, discharge or threat of discharge of hazardous or toxic substances, which could adversely affect our operations, the value of our properties, and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders under Item 1A. below.

In addition, our leases generally provide that (1) the tenant is responsible for all environmental liabilities relating to the tenant's operations, (2) we are indemnified for such liabilities and (3) the tenant must comply with all environmental laws and regulations. Such a contractual arrangement, however, does not eliminate our statutory liability or preclude claims against us by governmental authorities or persons who are not parties to such an arrangement. Noncompliance with environmental or health and safety requirements may also result in the need to cease or alter operations at a property, which could affect the financial health of a tenant and its ability to make lease payments. In addition, if there is a violation of such a requirement in connection with a tenant's operations, it is possible that we, as the owner of the property, could be held accountable by governmental authorities (or other injured parties) for such violation and could be required to correct the violation and pay related fines. In certain situations, we have agreed to indemnify tenants for conditions preceding their lease term, or that do not result from their operations.

Prior to closing any property acquisition, we obtain environmental assessments in a manner we believe prudent in order to attempt to identify potential environmental concerns at such properties. These assessments are carried out in accordance with an appropriate level of due diligence and generally include a physical site inspection, a review of relevant federal, state and local environmental and health agency database records, one or more interviews with appropriate site-related personnel, review of the property's chain of title and review of historic aerial photographs and other information on past uses of the property. We may also conduct limited subsurface investigations and test for substances of concern where the results of the first phase of the environmental assessments or other information indicate possible contamination or where our consultants recommend such procedures.

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While we may purchase our properties on an as is basis, most of our purchase contracts contain an environmental contingency clause, which permits us to reject a property because of any environmental hazard at such property. We receive environmental reports on all prospective properties.

We believe that our properties comply in all material respects with all federal and state regulations regarding hazardous or toxic substances and other environmental matters.

Insurance

We carry commercial general liability, all-risk property insurance (subject to policy terms, conditions, limitations and exclusions), including fire and extended coverage, terrorism and loss of rental income insurance covering all of our properties under a blanket portfolio policy, with the exception of property insurance on our McKellar Court property in San Diego and 9911 Belward Campus Drive and Shady Grove Road properties in Maryland, which is carried directly by the tenants in accordance with the terms of their respective leases, and builders risk policies for any projects under construction. In addition, we carry workers compensation coverage for injury to our employees. We believe the policy specifications and insured limits are adequate given the relative risk of loss, cost of the coverage and standard industry practice. We also carry environmental insurance for our properties. This insurance, subject to certain exclusions and deductibles, covers the cost to remediate environmental damage caused by unintentional future spills or the historic presence of previously undiscovered hazardous substances, as well as third-party bodily injury and property damage claims related to the release of hazardous substances. We intend to carry similar insurance with respect to future acquisitions as appropriate. A substantial portion of our properties are located in areas subject to earthquake loss, such as San Diego and San Francisco, California and Seattle, Washington. Although we presently carry earthquake insurance on our properties, the amount of earthquake insurance coverage we carry may not be sufficient to fully cover losses from earthquakes. In addition, we may discontinue earthquake, terrorism, windstorm or other insurance, or may elect not to procure such insurance, on some or all of our properties in the future if the cost of the premiums for any of these policies exceeds, in our judgment, the value of the coverage discounted for the risk of loss. See Risk Factors Risks Related to the Real Estate Industry Uninsured and underinsured losses could adversely affect our operating results and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders under Item 1A. below.

Competition

We face competition from various entities for investment opportunities in properties for life science tenants, including other REITs, such as health care REITs and suburban office property REITs, pension funds, insurance companies, investment funds and companies, partnerships, and developers. Because properties designed for life science tenants typically contain improvements that are specific to tenants operating in the life science industry, we believe that we will be able to maximize returns on investments as a result of:

our expertise in understanding the real estate needs of life science industry tenants,

our ability to identify, acquire and develop properties with generic laboratory infrastructure that appeal to a wide range of life science industry tenants, and

our expertise in identifying and evaluating life science industry tenants.

However, some of our competitors have greater financial resources than we do and may be able to accept more risks, including risks with respect to the creditworthiness of a tenant or the geographic proximity of its investments. In the future, competition from these entities may reduce the number of suitable investment opportunities offered to us or increase the bargaining power of property owners seeking to sell. Further, as a result of their greater resources, those entities may have more flexibility than we do in their ability to offer rental concessions to attract tenants. These concessions could put pressure on our ability to maintain or raise rents and could adversely affect our ability to attract or retain tenants. Additionally, our ability to compete depends upon, among other factors, trends of the national and local economies, investment alternatives, financial condition and operating results of current and prospective tenants, availability and cost of capital, construction and renovation costs, taxes, governmental regulations, legislation and population trends.

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Foreign Operations

We do not engage in any foreign operations or derive any revenue from foreign sources.

ITEM IA. RISK FACTORS

For purposes of this section, the term “stockholders” means the holders of shares of BioMed Realty Trust, Inc.’s common stock and preferred stock and the term “unitholders” means the holders of BioMed Realty, L.P.’s OP units and preferred units.

Risks Related to Our Properties, Our Business and Our Growth Strategy

Because we lease our properties to a limited number of tenants, and to the extent we depend on a limited number of tenants in the future, the inability of any single tenant to make its lease payments could adversely affect our business and our ability to make distributions to BioMed Realty, L.P.’s unitholders or BioMed Realty Trust, Inc.’s stockholders.

As of December 31, 2011, we had 170 tenants in our portfolio of 12.4 million square feet. Our largest tenant, Human Genome Sciences, Inc., represented 11.4% of our annualized base rent, and 9.2% of our total leased rentable square footage as of December 31, 2011. There can be no assurance that any tenant will be able to make timely rental payments or avoid defaulting under its lease. If a tenant defaults, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment.

Our revenue and cash flow, and consequently our ability to make distributions to BioMed Realty, L.P.’s unitholders and BioMed Realty Trust, Inc.’s stockholders, could be materially adversely affected if any of our significant tenants were to become bankrupt or insolvent, suffer a downturn in their business, curtail or suspend their operations, or fail to renew their leases at all or renew on terms less favorable to us than their current terms.

Life science entities, which comprise the vast majority of our tenant base, face high levels of regulation, expense and uncertainty that may adversely affect their ability to pay us rent and consequently adversely affect our business.

Life science entities comprise the vast majority of our tenant base and, as a result, adverse conditions affecting the life science industry will more adversely affect our business, and thus our ability to make distributions to BioMed Realty, L.P.’s unitholders and BioMed Realty Trust, Inc.’s stockholders, than if our business strategy included a more diverse tenant base. Life science industry tenants, particularly those involved in developing and marketing drugs and drug delivery technologies, fail from time to time as a result of various factors. Many of these factors are particular to the life science industry. For example:

Our tenants require significant outlays of funds for the research and development and clinical testing of their products and technologies and many of them have a history of recurring losses. The current economic environment has significantly impacted the ability of these companies to access the capital markets, including both equity financing through public offerings and debt financing. The pace of venture capital funding has also declined from previous levels, further restricting access to capital for these companies. In addition, state and federal government budgets have been negatively impacted by the current economic environment and, as a result certain programs, including grants related to biotechnology research and development, may be at risk of being eliminated or cut back significantly. If private investors, the government, public markets or other sources of funding are unavailable to support such development, a tenant’s business may fail.

The research and development, clinical testing, manufacture and marketing of some of our tenants’ products require federal, state and foreign regulatory approvals. The approval process is typically long, expensive and uncertain. Even if our tenants have sufficient funds to seek approvals, one or all of their products may fail to obtain the required regulatory approvals on a timely basis or at all. Furthermore, our tenants may only have a small number of products under development. If one product fails to receive the required approvals at any stage of development, it could significantly adversely affect our tenant’s entire business and its ability to pay rent.

Our tenants may be unable to adequately protect their intellectual property under patent, copyright or trade secret laws. Failure to do so could jeopardize their ability to profit from their efforts and to protect their products from competition.

Collaborative relationships with other life science entities may be crucial to the development, manufacturing, distribution or marketing of our tenants' products. If these other entities fail to fulfill their obligations under these collaborative arrangements, our tenants' businesses will suffer.

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Legislation to reform the U.S. healthcare system may include government intervention in product pricing and other changes that adversely affect reimbursement for our tenants' marketable products. In addition, sales of many of our tenants' marketable products are dependent, in large part, on the availability and extent of reimbursement from government health administration authorities, private health insurers and other organizations. Changes in government regulations, price controls or third-party payors' reimbursement policies may reduce reimbursement for our tenants' marketable products and adversely impact our tenants' businesses.

We cannot assure you that our tenants in the life science industry will be successful in their businesses. If our tenants' businesses are adversely affected, they may default on their obligations to third parties, including their obligations to pay rent or pay for tenant improvements relating to space they lease, which could adversely affect our financial condition, results of operations and cash flow.

The bankruptcy of a tenant may adversely affect the income produced by and the value of our properties.

The bankruptcy or insolvency of a tenant may adversely affect the income produced by our properties. If any tenant becomes a debtor in a case under the Bankruptcy Code, we cannot evict the tenant solely because of the bankruptcy. The bankruptcy court also might authorize the tenant to reject and terminate its lease with us, which would generally result in any unpaid, pre-bankruptcy rent being treated as an unsecured claim. An unsecured claim may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims. In addition, our claim against the tenant for unpaid, future rent would be subject to a statutory cap equal to the greater of (1) one year of rent or (2) 15% of the remaining rent on the lease (not to exceed three years of rent). This cap might be substantially less than the remaining rent actually owed under the lease. Additionally, a bankruptcy court may require us to turn over to the estate all or a portion of any deposits, amounts in escrow, or prepaid rents. Our claim for unpaid, pre-bankruptcy rent, our lease termination damages and claims relating to damages for which we hold deposits or other amounts that we were forced to repay would likely not be paid in full. During the years ended December 31, 2011 and 2010, we incurred approximately \$191,000 and \$0, respectively, of rental operations expense related to early lease terminations and tenant receivables that were deemed to be uncollectible due to tenants that filed for bankruptcy at the time of lease termination or shortly thereafter.

We may fail to obtain the financial results expected from the properties we acquire, develop or renovate, making them unprofitable or less profitable than we had expected, or operate new properties successfully, which could harm our financial condition and ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

We continue to evaluate the market for available properties and may acquire office, laboratory and other properties when opportunities exist. We also may develop or substantially renovate office and other properties. Acquisition, development and renovation activities are subject to significant risks, including:

we may spend more time or money than we budget to improve or renovate acquired properties or to develop new properties,

we may be unable to quickly and efficiently integrate new properties, particularly if we acquire portfolios of properties, into our existing operations,

market and economic conditions may result in higher than expected vacancy rates and lower than expected rental rates,

we may face higher operating costs than we anticipated for properties that we acquire, develop or renovate, including insurance premiums, utilities, real estate taxes and costs of complying with changes in governmental regulations,

we may face higher requirements for capital improvements than we anticipated for properties that we acquire, develop or renovate, particularly in older structures,

we may fail to retain tenants that have pre-leased our properties under development if we do not complete the construction of these properties in a timely manner or to the tenants' specifications,

we have a limited history in conducting ground-up construction activities,

if we develop properties, we may encounter delays or refusals in obtaining all necessary zoning, land use, building, occupancy and other required governmental permits and authorizations,

acquired and developed properties may have defects we do not discover through our inspection processes, including latent defects that may not reveal themselves until many years after we put a property in service, and

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we may acquire land, properties or entities owning properties, which are subject to liabilities and for which, in the case of unknown liabilities, we may have limited or no recourse.

The realization of any of the above risks could significantly and adversely affect our financial condition, results of operations, cash flow, per share trading price of our securities, ability to satisfy our debt service obligations and ability to pay distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

Because particular upgrades are required for life science tenants, improvements to our properties involve greater expenditures than traditional office space, which costs may not be covered by the rents our tenants pay.

The improvements generally required for our properties' infrastructure are more costly than for other property types. Typical infrastructural improvements include the following:

reinforced concrete floors,

upgraded roof structures for greater load capacity,

increased floor-to-ceiling clear heights,

heavy-duty HVAC systems,

enhanced environmental control technology,

significantly upgraded electrical, gas and plumbing infrastructure, and

laboratory benchwork.

We cannot assure you that our tenants will pay higher rents on our properties than tenants in traditional office space or that the rents paid will cover the additional costs of upgrading the properties.

Because of the unique and specific improvements required for our life science tenants, we may be required to incur substantial renovation costs to make our properties suitable for other life science tenants or other office tenants, which could adversely affect our operating performance.

We acquire or develop properties that include laboratory space and other features that we believe are generally desirable for life science industry tenants. However, different life science industry tenants may require different features in their properties, depending on each tenant's particular focus within the life science industry. If a current tenant is unable to pay rent and vacates a property, we may incur substantial expenditures to modify the property before we are able to re-lease the space to another life science industry tenant. This could hurt our operating performance and the value of your investment. Also, if the property needs to be renovated to accommodate multiple tenants, we may incur substantial expenditures before we are able to re-lease the space.

Additionally, our properties may not be suitable for lease to traditional office tenants without significant expenditures or renovations. Accordingly, any downturn in the life science industry may have a substantial negative impact on our properties' values.

Our success depends on key personnel with extensive experience dealing with the real estate needs of life science tenants, and the loss of these key personnel could threaten our ability to operate our business successfully.

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Our future success depends, to a significant extent, on the continued services of our management team. In particular, we depend on the efforts of Alan D. Gold, our Chairman and Chief Executive Officer, R. Kent Griffin, Jr., our President and Chief Operating Officer, Greg N. Lubushkin, our Chief Financial Officer, Gary A. Kreitzer, our Executive Vice President and General Counsel, and Matthew G. McDevitt, our Executive Vice President, Real Estate. Among the reasons that Messrs. Gold, Griffin, Lubushkin, Kreitzer and McDevitt are important to our success are that they have extensive real estate and finance experience, and strong reputations within the life science industry. Our management team has developed informal relationships through past business dealings with numerous members of the scientific community, life science investors, current and prospective life science industry tenants and real estate brokers. We expect that their reputations will continue to attract business and investment opportunities before the active marketing of properties and will assist us in negotiations with lenders, existing and potential tenants, and industry personnel. If we lost their services, our relationships with such lenders, existing and prospective tenants, and industry personnel could suffer. We do not have employment agreements with any of our executive officers.

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We may not be successful in acquiring and integrating properties that meet our investment criteria, which may impede our growth.

In addition to properties consisting of 2.3 million rentable square feet of laboratory and office space we acquired in connection with our initial public offering in August 2004, as of December 31, 2011, we had acquired or had acquired an interest in properties consisting of an additional 10.1 million rentable square feet of laboratory and office space (net of property dispositions). We continue to evaluate the market of available properties and may acquire properties when strategic opportunities exist. Changing market conditions, including competition from others, may diminish our opportunities for acquiring a desired property on favorable terms or at all. Even if we enter into agreements for the acquisition of properties, these agreements are subject to customary conditions to closing, including completion of due diligence investigations to our satisfaction. We also may be unable to obtain financing on favorable terms (or at all), including continued access to our unsecured line of credit, which may be necessary or desirable to fund property acquisitions. We may not be able to quickly and efficiently integrate any properties that we acquire into our organization and manage and lease the new properties in a way that allows us to realize the financial returns that we expect. In addition, we may incur unanticipated costs to make necessary improvements or renovations to acquired properties. Furthermore, our efforts to integrate new property acquisitions may divert management's attention away from or cause disruptions to the operations at our existing properties. If we fail to successfully acquire new properties or integrate them into our portfolio, or if newly acquired properties fail to perform as we expect, our results of operations, financial condition and ability to pay distributions could suffer.

The geographic concentration of our properties in Boston, California and Maryland makes our business particularly vulnerable to adverse conditions affecting these markets.

As of December 31, 2011, our Boston properties represented 34.2% of our annualized base rent and 23.4% of our total leased square footage. As of December 31, 2011, our California properties located in San Francisco and San Diego represented 31.9% of our annualized base rent and 37.9% of our total leased square footage. As of December 31, 2011, our Maryland properties represented 14.8% of our annualized base rent and 15.0% of our total leased square footage. Because of this concentration in three geographic regions, we are particularly vulnerable to adverse conditions affecting Boston, California and Maryland, including general economic conditions, increased competition, a downturn in the local life science industry, real estate conditions, terrorist attacks, earthquakes and wildfires and other natural disasters occurring in these regions. In addition, we cannot assure you that these markets will continue to grow or remain favorable to the life science industry. The performance of the life science industry and the economy in general in these geographic markets may affect occupancy, market rental rates and expenses, and thus may affect our performance and the value of our properties. We are also subject to greater risk of loss from earthquakes or wildfires because of our properties' concentration in California. The close proximity of our 14 properties in San Francisco to a fault line makes them more vulnerable to earthquakes than properties in many other parts of the country. Likewise, the wildfires occurring in the San Diego area, most recently in 2003 and in 2007, may make the 24 properties we own in the San Diego area more vulnerable to fire damage or destruction than properties in many other parts of the country.

Our tax indemnification and debt maintenance obligations require us to make payments if we sell certain properties or repay certain debt, which could limit our operating flexibility.

In our formation transactions, Messrs. Gold and Kreitzer and certain other individuals contributed properties to our operating partnership. If we were to dispose of these contributed assets in a taxable transaction, Messrs. Gold and Kreitzer and the other contributors of those assets would suffer adverse tax consequences. In connection with these contribution transactions, we agreed to indemnify Messrs. Gold and Kreitzer and one other contributor against such adverse tax consequences for a period of ten years. This indemnification will help those contributors to preserve their tax positions after their contributions. The tax indemnification provisions were not negotiated in an arm's length transaction but were determined by our management team. We have also agreed to use reasonable best efforts consistent with our fiduciary duties to maintain at least \$8.0 million of debt, some of which must be property specific, that these three contributors can guarantee in order to defer any taxable gain they may incur if our operating partnership repays existing debt. These tax indemnification and debt maintenance obligations may affect the way in which we conduct our business. During the indemnification period, these obligations may impact the timing and circumstances under which we sell the contributed properties or interests in entities holding the properties. For example, these tax indemnification payments could effectively reduce or eliminate any gain we might otherwise realize upon the sale or other disposition of the related properties. Accordingly, even if market conditions might otherwise dictate that it would be desirable to dispose of these properties, the existence of the tax indemnification obligations could result in a decision to retain the properties in our portfolio to avoid having to pay the tax indemnity payments. The existence of the debt maintenance obligations could require us to maintain debt at a higher level than we might otherwise choose. Higher debt levels could adversely affect our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

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While we may seek to enter into tax-efficient joint ventures with third-party investors, we currently have no intention of disposing of these properties or interests in entities holding the properties in transactions that would trigger our tax indemnification obligations. The involuntary condemnation of one or more of these properties during the indemnification period could, however, trigger the tax indemnification obligations described above. The tax indemnity would equal the amount of the federal and state income tax liability the contributor would incur with respect to the gain allocated to the contributor. The calculation of the indemnity payment would not be reduced due to the time value of money or the time remaining within the indemnification period. The terms of the contribution agreements also require us to gross up the tax indemnity payment for the amount of income taxes due as a result of the tax indemnity payment. Messrs. Gold, and Kreitzer are potential recipients of these indemnification payments. Because of these potential payments their personal interests may diverge from those of BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

Risks Related to the Real Estate Industry

Our performance and value are subject to risks associated with the ownership and operation of real estate assets and with factors affecting the real estate industry.

Our ability to make expected distributions to BioMed Realty, L.P.'s unitholders and BioMed Realty Trust, Inc.'s stockholders depends on our ability to generate revenues in excess of expenses, our scheduled principal payments on debt and our capital expenditure requirements. Events and conditions that are beyond our control may decrease our cash available for distribution and the value of our properties. These events include:

local oversupply, increased competition or reduced demand for life science office and laboratory space,

inability to collect rent from tenants,

vacancies or our inability to rent space on favorable terms,

potential changes in U.S. accounting standards regarding leases making leasing of our properties less attractive to tenants,

increased operating costs, including insurance premiums, utilities and real estate taxes,

the ongoing need for capital improvements, particularly in older structures,

unanticipated delays in the completion of our development or redevelopment projects,

costs of complying with changes in governmental regulations, including usage, zoning, environmental and tax laws,

the relative illiquidity of real estate investments,

changing submarket demographics, and

civil unrest, acts of war and natural disasters, including earthquakes, floods and fires, which may result in uninsured and underinsured losses.

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In addition, we could experience a general decline in rents or an increased incidence of defaults under existing leases if any of the following occur:

civil unrest, acts of war and natural disasters, including earthquakes, floods and fires, which may result in uninsured and underinsured losses.

future periods of economic slowdown or recession,

rising interest rates,

declining demand for real estate, or

the public perception that any of these events may occur.

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Any of these events could adversely affect our financial condition, results of operations, cash flow, per share trading price of BioMed Realty Trust, Inc.'s common stock or preferred stock, ability to satisfy our debt service obligations and ability to pay distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

Illiquidity of real estate investments may make it difficult for us to sell properties in response to market conditions and could harm our financial condition and ability to make distributions.

Equity real estate investments are relatively illiquid and therefore will tend to limit our ability to vary our portfolio promptly in response to changing economic or other conditions. To the extent the properties are not subject to triple-net leases, some significant expenditures such as real estate taxes and maintenance costs are generally not reduced when circumstances cause a reduction in income from the investment. Should these events occur, our income and funds available for distribution could be adversely affected. If any of the parking leases or licenses associated with our Cambridge portfolio were to expire, or if we were unable to assign these leases to a buyer, it would be more difficult for us to sell these properties and would adversely affect our ability to retain current tenants or attract new tenants at these properties. In addition, as a REIT, BioMed Realty Trust, Inc. may be subject to a 100% tax on net income derived from the sale of property considered to be held primarily for sale to customers in the ordinary course of our business. We may seek to avoid this tax by complying with certain safe harbor rules that generally limit the number of properties we may sell in a given year, the aggregate expenditures made on such properties prior to their disposition, and how long we retain such properties before disposing of them. However, we can provide no assurance that we will always be able to comply with these safe harbors. If compliance is possible, the safe harbor rules may restrict our ability to sell assets in the future and achieve liquidity that may be necessary to fund distributions.

Declining real estate valuations and impairment charges could adversely affect our earnings and financial condition.

We review the carrying value of our properties when circumstances, such as adverse market conditions (including conditions resulting from the ongoing challenges facing the U.S. economy), indicate potential impairment may exist. We base our review on an estimate of the future undiscounted cash flows (excluding interest charges) expected to result from the property's use and eventual disposition. We consider factors such as future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. If our evaluation indicates that we may be unable to recover the carrying value of a property, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair-value of the property. These losses have a direct impact on our net income because recording an impairment loss results in an immediate negative adjustment to net income. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. A worsening real estate market may cause us to reevaluate the assumptions used in our impairment analysis. Although we generally plan to own and operate our existing portfolio of properties over the long term, our ability and/or our intent with regard to the operation of our properties may change to dictate an earlier sale date, and an impairment loss may be recognized in connection with such a proposed sale to reduce the property to the lower of the carrying amount or fair-value less costs to sell. Such impairment charges could be material, and could adversely affect our financial condition, results of operations and per share trading price of BioMed Realty Trust, Inc.'s common stock and preferred stock.

We may be unable to renew leases, lease vacant space or re-lease space as leases expire, which could adversely affect our business and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

If we cannot renew leases, we may be unable to re-lease our properties at rates equal to or above the current rate. Even if we can renew leases, tenants may be able to negotiate lower rates as a result of market conditions. Market conditions may also hinder our ability to lease vacant space in newly developed or redeveloped properties. In addition, we may enter into or acquire leases for properties that are specially suited to the needs of a particular tenant. Such properties may require renovations, tenant improvements or other concessions in order to lease them to other tenants if the initial leases terminate. Any of these factors could adversely impact our financial condition, results of operations, cash flow, per share trading price of BioMed Realty Trust, Inc.'s common stock or preferred stock, our ability to satisfy our debt service obligations and our ability to pay distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

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Significant competition may decrease or prevent increases in our properties occupancy and rental rates and may reduce our investment opportunities.

We face competition from various entities for investment opportunities in properties for life science tenants, including other REITs, such as health care REITs and suburban office property REITs, pension funds, insurance companies, investment funds and companies, partnerships, and developers. Many of these entities have substantially greater financial resources than we do and may be able to accept more risk than we can prudently manage, including risks with respect to the creditworthiness of a tenant or the geographic location of its investments. In the future, competition from these entities may reduce the number of suitable investment opportunities offered to us or increase the bargaining power of property owners seeking to sell. Further, as a result of their greater resources, those entities may have more flexibility than we do in their ability to offer rental concessions to attract tenants. This could put pressure on our ability to maintain or raise rents and could adversely affect our ability to attract or retain tenants. As a result, our financial condition, results of operations, cash flow, per share trading price of BioMed Realty Trust, Inc.'s common stock or preferred stock, ability to satisfy our debt service obligations and ability to pay distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders may be adversely affected.

Changes in accounting pronouncements could adversely affect our operating results, in addition to the reported financial performance of our tenants.

Accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Uncertainties posed by various initiatives of accounting standard-setting by the Financial Accounting Standards Board and the Securities and Exchange Commission, which create and interpret applicable accounting standards for U.S. companies, may change the financial accounting and reporting standards or their interpretation and application of these standards that govern the preparation of our financial statements. Proposed changes include, but are not limited to, changes in lease accounting and the adoption of accounting standards likely to require the increased use of fair-value measures.

These changes could have a material impact on our reported financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in potentially material restatements of prior period financial statements. Similarly, these changes could have a material impact on our tenants' reported financial condition or results of operations or could affect our tenants' preferences regarding leasing real estate.

Uninsured and underinsured losses could adversely affect our operating results and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

We carry commercial general liability, all-risk property insurance (subject to policy terms, conditions, limitations and exclusions), including fire and extended coverage, terrorism and loss of rental income insurance, covering all of our properties under a blanket portfolio policy, with the exception of property insurance on our McKellar Court, 9911 Belward Campus Drive and Shady Grove Road locations, which is carried directly by the tenants in accordance with the terms of their respective leases, and builders' risk policies for any projects under construction. In addition, we carry workers' compensation coverage for injury to our employees. We also carry environmental insurance for our properties. This insurance, subject to certain exclusions and deductibles, covers the cost to remediate environmental damage caused by unintentional future spills or the historic presence of previously undiscovered hazardous substances, as well as third-party bodily injury and property damage claims related to the release of hazardous substances. We intend to carry similar insurance with respect to future acquisitions as appropriate. A substantial portion of our properties are located in areas subject to earthquake loss, such as San Diego and San Francisco, California and Seattle, Washington. Although we presently carry earthquake insurance on our properties, the amount of earthquake insurance coverage we carry may not be sufficient to fully cover losses from earthquakes. In addition, we may discontinue earthquake, terrorism, windstorm or other insurance, or may elect not to procure such insurance, on some or all of our properties in the future if the cost of the premiums for any of these policies exceeds, in our judgment, the value of the coverage discounted for the risk of loss.

If we experience a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged.

The financial condition of one or more of these insurance companies could significantly deteriorate to the point that they may be unable to pay future insurance claims. This risk has increased as a result of the current economic environment and ongoing disruptions in the financial markets. The inability of any of these insurance companies to pay future claims under our policies may adversely affect our financial condition and results of operations.

We could incur significant costs related to government regulation and private litigation over environmental matters involving the presence, discharge or threat of discharge of hazardous or toxic substances, which could adversely affect our operations, the value of our properties, and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

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Our properties may be subject to environmental liabilities. Under various federal, state and local laws, a current or previous owner, operator or tenant of real estate can face liability for environmental contamination created by the presence, discharge or threat of discharge of hazardous or toxic substances. Liabilities can include the cost to investigate, clean up and monitor the actual or threatened contamination and damages caused by the contamination (or threatened contamination). Environmental laws typically impose such liability on the current owner regardless of:

the owner's knowledge of the contamination,

the timing of the contamination,

the cause of the contamination, or

the party responsible for the contamination.

The liability under such laws may be strict, joint and several, meaning that we may be liable regardless of whether we knew of, or were responsible for, the presence of the contaminants, and the government entity or private party may seek recovery of the entire amount from us even if there are other responsible parties. Liabilities associated with environmental conditions may be significant and can sometimes exceed the value of the affected property. The presence of hazardous substances on a property may adversely affect our ability to sell or rent that property or to borrow using that property as collateral.

Some of our properties have had contamination in the past that required cleanup. In most cases, we believe the contamination has been effectively remediated, and that any remaining contamination either does not require remediation or that the costs associated with such remediation will not be material to us. However, we cannot guarantee that additional contamination will not be discovered in the future or any identified contamination will not continue to pose a threat to the environment or that we will not have continued liability in connection with such prior contamination. Our Kendall Square properties, in Cambridge, Massachusetts, are located on the site of a former manufactured gas plant. Various remedial actions were performed on these properties, including soil stabilization to control the spread of oil and hazardous materials in the soil. Another of our properties, Elliott Avenue, has known soil contamination beneath a portion of the building located on the property. Based on environmental consultant reports, management does not believe any remediation of the Elliott Avenue property would be required unless major structural changes were made to the building that resulted in the soil becoming exposed. In addition, the remediation of certain environmental conditions at off-site parcels located in Cambridge, Massachusetts, which was an assumed obligation of our joint venture, PREI II LLC, has been substantially completed as of December 31, 2009. We do not expect these matters to materially adversely affect such properties value or the cash flows related to such properties, but we can provide no assurances to that effect.

Environmental laws also:

may require the removal or upgrade of underground storage tanks,

regulate the discharge of storm water, wastewater and other pollutants,

regulate air pollutant emissions,

regulate hazardous materials generation, management and disposal, and

regulate workplace health and safety.

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Life science industry tenants, our primary tenant industry focus, frequently use hazardous materials, chemicals, heavy metals, and biological and radioactive compounds. Our tenants' controlled use of these materials subjects us and our tenants to laws that govern using, manufacturing, storing, handling and disposing of such materials and certain byproducts of those materials. We are unaware of any of our existing tenants violating applicable laws and regulations, but we and our tenants cannot completely eliminate the risk of contamination or injury from these materials. If our properties become contaminated, or if a party is injured, we could be held liable for any damages that result. Such liability could exceed our resources and any environmental remediation insurance coverage we have, which could adversely affect our operations, the value of our properties, and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders. Licensing requirements governing use of radioactive materials by tenants may also restrict the use of or ability to transfer space in buildings we own.

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We could incur significant costs related to governmental regulation and private litigation over environmental matters involving asbestos-containing materials, which could adversely affect our operations, the value of our properties, and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

Environmental laws also govern the presence, maintenance and removal of ACMs and may impose fines and penalties, including orders prohibiting the use of the affected property by us or our tenants, if we fail to comply with these requirements. Failure to comply with these laws, or even the presence of ACMs, may expose us to third-party liability. Some of our properties contain ACMs, and we could be liable for such fines or penalties, as described above in Item 1. Business Regulation Environmental Matters.

Our properties may contain or develop harmful mold, which could lead to liability for adverse health effects and costs of remediating the problem, which could adversely affect the value of the affected property and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing because exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold at any of our properties could require us to undertake a costly remediation program to contain or remove the mold from the affected property. In addition, the presence of significant mold could expose us to liability to our tenants, their or our employees, and others if property damage or health concerns arise.

Compliance with the Americans with Disabilities Act (ADA) and similar laws may require us to make significant unanticipated expenditures.

All of our properties are required to comply with the ADA. The ADA requires that all public accommodations must meet federal requirements related to access and use by disabled persons. Although we believe that our properties substantially comply with present requirements of the ADA, we have not conducted an audit of all of such properties to determine compliance. If one or more properties are not in compliance with the ADA, then we would be required to bring the non-compliant properties into compliance. Compliance with the ADA could require removing access barriers. Non-compliance could result in imposition of fines by the U.S. government or an award of damages and/or attorneys' fees to private litigants, or both. Additional federal, state and local laws also may require us to modify properties or could restrict our ability to renovate properties. Complying with the ADA or other legislation could be very expensive. If we incur substantial costs to comply with such laws, our financial condition, results of operations, cash flow, per share trading price of BioMed Realty Trust, Inc.'s common stock or preferred stock, our ability to satisfy our debt service obligations and our ability to pay distributions to BioMed Realty, L.P.'s unitholders and BioMed Realty Trust, Inc.'s stockholders could be adversely affected.

We may incur significant unexpected costs to comply with fire, safety and other regulations, which could adversely impact our financial condition, results of operations, and ability to make distributions.

Our properties are subject to various federal, state and local regulatory requirements, such as state and local fire and safety requirements, building codes and land use regulations. Failure to comply with these requirements could subject us to governmental fines or private litigant damage awards. In addition, we do not know whether existing requirements will change or whether future requirements, including any requirements that may emerge from pending or future climate change legislation, will require us to make significant unanticipated expenditures that will adversely impact our financial condition, results of operations, cash flow, the per share trading price of BioMed Realty Trust, Inc.'s common stock or preferred stock, our ability to satisfy our debt service obligations and our ability to pay distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

Risks Related to Our Capital Structure

A downgrade in our investment grade credit rating could materially adversely affect our business and financial condition.

In April 2010, we received investment grade corporate credit ratings from two rating agencies. There can be no assurance that we will be able to maintain our current credit ratings. Any downgrades in terms of ratings or outlook by either or both of the rating agencies could have a material adverse impact on our cost and availability of capital, which could in turn have a material adverse impact on our financial condition, results of operations and liquidity and a material adverse effect on the market price of BioMed Realty Trust, Inc.'s common stock.

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Debt obligations expose us to increased risk of property losses and may have adverse consequences on our business operations and our ability to make distributions.

We have used and will continue to use debt to finance property acquisitions. Our use of debt may have adverse consequences, including the following:

We may not be able to refinance or extend our existing debt. If we cannot repay, refinance or extend our debt at maturity, in addition to our failure to repay our debt, we may be unable to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders at expected levels or at all.

Even if we are able to refinance or extend our existing debt, the terms of any refinancing or extension may not be as favorable as the terms of our existing debt. If the refinancing involves a higher interest rate, it could adversely affect our cash flow and ability to make distributions to unitholders and stockholders.

Required payments of principal and interest may be greater than our cash flow from operations.

We may be forced to dispose of one or more of our properties, possibly on disadvantageous terms, to make payments on our debt.

One or more lenders under our \$750.0 million unsecured line of credit could refuse to fund their financing commitment to us or could fail, and we may not be able to replace the financing commitment of any such lenders on favorable terms, or at all.

If we default on our debt obligations, the lenders or mortgagees may foreclose on our properties that secure those loans. Further, if we default under a mortgage loan, we will automatically be in default on any other loan that has cross-default provisions, and we may lose the properties securing all of these loans.

A foreclosure on one of our properties will be treated as a sale of the property for a purchase price equal to the outstanding balance of the secured debt. If the outstanding balance of the secured debt exceeds our tax basis in the property, we would recognize taxable income on foreclosure without realizing any accompanying cash proceeds to pay the tax (or to make distributions based on REIT taxable income).

As of December 31, 2011, we had outstanding mortgage indebtedness of \$584.6 million, excluding \$3.3 million of debt premium; \$180.0 million of outstanding aggregate principal amount of the Exchangeable Senior Notes due 2030, or the Notes due 2030; \$400.0 million of outstanding aggregate principal amount of the Unsecured Senior Notes due 2016, or the Notes due 2016, excluding \$2.2 million of debt discount; \$250.0 million of outstanding aggregate principal amount of the Unsecured Senior Notes due 2020, or the Notes due 2020, excluding \$2.2 million of debt discount; \$268.0 million in outstanding borrowings under our \$750.0 million unsecured line of credit; and \$27.8 million of borrowings under a secured loan representing our proportionate share of indebtedness in our unconsolidated partnerships. We expect to incur additional debt in connection with future acquisitions and development. Our organizational documents do not limit the amount or percentage of debt that we may incur. As of December 31, 2011, the principal payments due for our consolidated indebtedness were \$40.5 million in 2012, \$8.3 million in 2013 and \$339.0 million in 2014. Principal payments due for our consolidated indebtedness that mature in 2012 include mortgages secured by our 6828 Nancy Ridge Drive and Sidney Street properties and in 2014 include a mortgage secured by our Center for Life Science | Boston property. Given current economic conditions including, but not limited to, the ongoing challenges impacting the global financial system, we may be unable to refinance these obligations when due, which may negatively affect our ability to conduct operations.

Disruptions in the financial markets and the downturn of the broader U.S. economy could affect our ability to obtain debt financing on reasonable terms, or at all, and have other adverse effects on us.

In recent years, the U.S. credit markets have experienced significant dislocations and liquidity disruptions. These circumstances have materially impacted liquidity in the debt markets, making financing terms for some borrowers less attractive, and in certain cases have resulted in the

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unavailability of certain types of debt financing. Uncertainty in the credit markets may negatively impact our ability to access additional debt financing or to refinance existing debt maturities on reasonable terms (or at all), which may negatively affect our ability to conduct operations, make acquisitions and fund current and future development and redevelopment projects. In addition, if the financial position of the lenders under our unsecured line of credit worsened they could default on their obligations to make available to us the funds under that facility. A prolonged downturn in the credit markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly. In addition, these factors could make it more difficult for us to sell properties or

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adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of debt financing or difficulties in obtaining debt financing. Adverse events in the credit markets could also have an adverse effect on other financial markets in the United States and globally, including the stock markets, which could make it more difficult or costly for us to raise capital through the issuance of common stock, preferred stock or other equity securities.

Reduced access to liquidity could have a negative impact on the U.S. economy, affecting consumer confidence and spending and negatively impacting the volume and pricing of real estate transactions. If there were a downturn in the national economy, the value of our properties, as well as the income we receive from our properties, could be adversely affected.

Disruptions in the financial markets could also have other adverse effects on us or the economy generally, which could adversely affect our ability to service our debt obligations and our ability to pay distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

Increases in interest rates could increase the amount of our debt payments, adversely affecting our ability to service our debt obligations and pay distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

Interest we pay could reduce cash available for payments with respect to distributions. Additionally, if we incur variable rate debt, including borrowings under our \$750.0 million unsecured line of credit, to the extent not adequately hedged, increases in interest rates would increase our interest costs. These increased interest costs would reduce our cash flows and our ability to make payments with respect to distributions to BioMed Realty, L.P.'s unitholders and BioMed Realty Trust, Inc.'s stockholders. In addition, if we need to repay existing debt during a period of rising interest rates, we could be required to liquidate one or more of our investments in properties at times that may not permit realization of the maximum return on such investments.

The terms governing our unsecured line of credit, Notes due 2016 and Notes due 2020 include restrictive covenants relating to our operations, which could limit our ability to respond to changing market conditions and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

The terms of our unsecured line of credit impose restrictions on us that affect our distribution and operating policies and our ability to incur additional debt, including financial covenants relating to the minimum amounts of net worth, fixed charge coverage, unsecured debt service coverage, overall leverage and unsecured leverage ratios, the maximum amount of secured indebtedness and certain investment limitations. The indentures governing the Notes due 2016 and the Notes due 2020 also contain financial and operating covenants that, among other things, restrict our ability to take specific actions, even if we believe them to be in our best interest, including restrictions on our ability to (1) consummate a merger, consolidation or sale of all or substantially all of our assets and (2) incur additional secured and unsecured indebtedness.

The covenants relating to our unsecured line of credit, Notes due 2016 and Notes due 2020 may adversely affect our flexibility and our ability to achieve our operating plans. Our ability to comply with these covenants and other provisions relating to our credit agreement governing our unsecured line of credit and the indentures governing the Notes due 2016 and the Notes due 2020 may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events adversely impacting us. The breach of any of these covenants could result in a default under our indebtedness, which could cause those and other obligations to become due and payable. If any of our indebtedness is accelerated, we may not be able to repay it, pursue our business plan or make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders.

If we fail to obtain external sources of capital, which is outside of our control, we may be unable to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders, maintain our REIT qualification, or fund growth.

In order to maintain BioMed Realty Trust, Inc.'s qualification as a REIT and to avoid incurring a nondeductible excise tax, we are required, among other things, to distribute annually at least 90% of BioMed Realty Trust, Inc.'s REIT taxable income, excluding any net capital gain. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of BioMed Realty Trust, Inc.'s net taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we rely on third-party sources to fund our capital needs. We may not be able to obtain financings on favorable terms or at all. Our access to third-party sources of capital depends, in part, on:

general market conditions,

the market's perception of our growth potential,

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with respect to acquisition financing, the market's perception of the value of the properties to be acquired,

our current debt levels,

our current and expected future earnings,

our cash flow and cash distributions, and

the market price per share of BioMed Realty Trust, Inc.'s common stock or preferred stock.

Our inability to obtain capital from third-party sources will adversely affect our business and limit our growth. Without sufficient capital, we may not be able to acquire or develop properties when strategic opportunities exist, satisfy our debt service obligations or make the cash distributions to BioMed Realty Trust, Inc.'s stockholders necessary to maintain our qualification as a REIT.

We have and may continue to engage in hedging transactions, which can limit our gains and increase exposure to losses.

We have and may continue to enter into hedging transactions to protect us from the effects of interest rate fluctuations on floating rate debt. Our hedging transactions may include entering into interest rate swap agreements or interest rate cap or floor agreements, or other interest rate exchange contracts. Hedging activities may not have the desired beneficial impact on our results of operations or financial condition. No hedging activity can completely insulate us from the risks associated with changes in interest rates. Moreover, interest rate hedging could fail to protect us or adversely affect us because, among other things:

Available interest rate hedging may not correspond directly with the interest rate risk for which we seek protection.

The duration or the amount of the hedge may not match the duration or amount of the related liability.

The party owing money in the hedging transaction may default on its obligation to pay.

The credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction.

The value of derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair-value. Downward adjustments, or mark-to-market losses, would reduce our stockholders' equity.

Hedging involves risk and typically involves costs, including transaction costs, that may reduce our overall returns on our investments. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. These costs will also limit the amount of cash available for distribution to stockholders. We generally intend to hedge as much of the interest rate risk as management determines is in our best interests given the cost of such hedging transactions. The REIT qualification rules may limit our ability to enter into hedging transactions by requiring us to limit our income from hedges. If we are unable to hedge effectively because of the REIT rules, we will face greater interest rate exposure than may be commercially prudent.

Risks Related to Our Organizational Structure

BioMed Realty Trust, Inc.'s charter and Maryland law contain provisions that may delay, defer or prevent a change of control transaction and may prevent stockholders from receiving a premium for their shares.

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BioMed Realty Trust, Inc. s charter, including the articles supplementary with respect to its preferred stock, contains ownership limits that may delay, defer or prevent a change of control transaction. BioMed Realty Trust, Inc s charter, with certain exceptions, authorizes BioMed Realty Trust, Inc. s directors to take such actions as are necessary and desirable to preserve its qualification as a REIT. Unless exempted by its board of directors, no person may own more than 9.8% of the value of BioMed Realty Trust, Inc. s outstanding shares of capital stock or more than 9.8% in value or number (whichever is more restrictive) of the outstanding shares of its common stock or Series A preferred stock. The board may not grant such an exemption to a person whose ownership in excess of 9.8% of BioMed Realty Trust, Inc. s outstanding shares would result in BioMed Realty Trust, Inc. s failure to qualify as a REIT. These restrictions on transferability and ownership will not apply if BioMed Realty Trust, Inc. s board of directors determines that it is no longer in BioMed Realty Trust, Inc. s best interests to qualify as a REIT. The ownership limit may delay or impede a transaction or a change of control that might involve a premium price for BioMed Realty Trust, Inc. s common stock or otherwise be in the best interests of its stockholders.

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BioMed Realty Trust, Inc. could authorize and issue stock without stockholder approval that may delay, defer or prevent a change of control transaction. BioMed Realty Trust, Inc.'s charter authorizes it to issue additional authorized but unissued shares of its common stock or preferred stock. In addition, BioMed Realty Trust, Inc.'s board of directors may classify or reclassify any unissued shares of BioMed Realty Trust, Inc.'s common stock or preferred stock and may set the preferences, rights and other terms of the classified or reclassified shares. The board may also, without stockholder approval, amend BioMed Realty Trust, Inc.'s charter to increase or decrease the authorized number of shares of BioMed Realty Trust, Inc.'s common stock or preferred stock that it may issue. The board of directors could establish a class or series of common stock or preferred stock that could, depending on the terms of such class or series, delay, defer or prevent a transaction or a change of control that might involve a premium price for BioMed Realty Trust, Inc.'s common stock or otherwise be in the best interests of its stockholders.

Certain provisions of Maryland law could delay, defer or prevent a change of control transaction. Certain provisions of the Maryland General Corporation Law, or the MGCL, may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control. In some cases, such an acquisition or change of control could provide BioMed Realty Trust, Inc.'s stockholders with the opportunity to realize a premium over the then-prevailing market price of their shares. These MGCL provisions include:

business combination provisions that, subject to limitations, prohibit certain business combinations between us and an interested stockholder or an affiliate of an interested stockholder for certain periods. An interested stockholder is generally any person who beneficially owns 10% or more of the voting power of BioMed Realty Trust, Inc.'s outstanding voting shares or an affiliate or associate of ours who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of BioMed Realty Trust, Inc.'s then outstanding stock. A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which he otherwise would have become an interested stockholder. Business combinations with an interested stockholder are prohibited for five years after the most recent date on which the stockholder becomes an interested stockholder. After that period, the MGCL imposes two super-majority voting requirements on such business combinations, and

control share provisions that provide that holders of control shares of BioMed Realty Trust, Inc. acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter (excluding interested shares). Control shares are voting shares that, when aggregated with all other shares owned by the stockholder or in respect of which the stockholder is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors. A control share acquisition is the direct or indirect acquisition of ownership or control of control shares.

In the case of the business combination provisions of the MGCL, we opted out by resolution of BioMed Realty Trust, Inc.'s board of directors with respect to any business combination between us and any person provided such business combination is first approved by BioMed Realty Trust, Inc.'s board of directors (including a majority of directors who are not affiliates or associates of such person). In the case of the control share provisions of the MGCL, we opted out pursuant to a provision in BioMed Realty Trust, Inc.'s bylaws. However, BioMed Realty Trust, Inc.'s board of directors may by resolution elect to opt in to the business combination provisions of the MGCL. Further, we may opt in to the control share provisions of the MGCL in the future by amending BioMed Realty Trust, Inc.'s bylaws, which BioMed Realty Trust, Inc.'s board of directors can do without stockholder approval.

The partnership agreement of BioMed Realty, L.P., Maryland law, and BioMed Realty Trust, Inc.'s charter and bylaws also contain other provisions that may delay, defer or prevent a transaction or a change of control that might involve a premium price for BioMed Realty Trust, Inc.'s common stock or otherwise be in the best interests of its stockholders.

BioMed Realty Trust, Inc.'s board of directors may amend our investing and financing policies in a manner that could increase the risk we default under our debt obligations or that could harm our business and results of operations.

BioMed Realty Trust, Inc.'s board of directors has adopted a policy of targeting our indebtedness at approximately 50% of our total asset book value. However, our organizational documents do not limit the amount or percentage of debt that we may incur, nor do they limit the types of properties we may acquire or develop. BioMed Realty Trust, Inc.'s board of directors may

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alter or eliminate our current policy on borrowing or investing at any time without stockholder approval. Changes in our strategy or in our investment or leverage policies could expose us to greater credit risk and interest rate risk and could also result in a more leveraged balance sheet. These factors could result in an increase in our debt service and could adversely affect our cash flow and our ability to make distributions to BioMed Realty, L.P.'s unitholders or BioMed Realty Trust, Inc.'s stockholders. Higher leverage also increases the risk we could default on our debt.

We may invest in properties with other entities, and our lack of sole decision-making authority or reliance on a co-venturer's financial condition could make these joint venture investments risky.

We have in the past and may continue in the future to co-invest with third parties through partnerships, joint ventures or other entities. We may acquire non-controlling interests or share responsibility for managing the affairs of a property, partnership, joint venture or other entity. In such events, we would not be in a position to exercise sole decision-making authority regarding the property or entity. Investments in entities may, under certain circumstances, involve risks not present were a third party not involved. These risks include the possibility that partners or co-venturers:

might become bankrupt or fail to fund their share of required capital contributions,

may have economic or other business interests or goals that are inconsistent with our business interests or goals, and

may be in a position to take actions contrary to our policies or objectives.

Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the partner or co-venturer would have full control over the partnership or joint venture. Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort on our business. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers if:

we structure a joint venture or conduct business in a manner that is deemed to be a general partnership with a third party, in which case we could be liable for the acts of that third party,

third-party managers incur debt or other liabilities on behalf of a joint venture which the joint venture is unable to pay, and the joint venture agreement provides for capital calls, in which case we could be liable to make contributions as set forth in any such joint venture agreement, or

we agree to cross-default provisions or to cross-collateralize our properties with the properties in a joint venture, in which case we could face liability if there is a default relating to those properties in the joint venture or the obligations relating to those properties.

We have investments in joint ventures with PREI, which were formed in the second quarter of 2007. While we, as managing member, are authorized to carry out the day-to-day management of the business and affairs of the PREI joint ventures, PREI's prior written consent is required for certain decisions, including decisions relating to financing, budgeting and the sale or pledge of interests in the properties owned by the PREI joint ventures.

Risks Related to BioMed Realty Trust, Inc.'s REIT Status

BioMed Realty Trust, Inc.'s failure to qualify as a REIT under the Code would result in significant adverse tax consequences to us and would adversely affect our business.

We believe that we have operated and intend to continue operating in a manner intended to allow BioMed Realty Trust, Inc. to qualify as a REIT for federal income tax purposes under the Internal Revenue Code of 1986, as amended, or the Code. Qualification as a REIT involves the

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application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The fact that we hold substantially all of our assets through our operating partnership further complicates the application of the REIT requirements. Even a seemingly minor technical or inadvertent mistake could jeopardize BioMed Realty Trust, Inc.'s REIT status. BioMed Realty Trust, Inc.'s REIT status depends upon various factual matters and circumstances that may not be entirely within our control. For example, in order for BioMed Realty Trust, Inc. to qualify as a REIT, at least 95% of our gross income in any year must be derived from qualifying sources, and we must satisfy a number of requirements regarding the composition of our assets. Also, BioMed Realty Trust, Inc. must make distributions to stockholders aggregating annually at least 90% of BioMed Realty Trust, Inc.'s REIT taxable income, excluding

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capital gains. In addition, new legislation, regulations, administrative interpretations or court decisions, each of which could have retroactive effect, may make it more difficult or impossible for BioMed Realty Trust, Inc. to qualify as a REIT, or could reduce the desirability of an investment in a REIT relative to other investments. We have not requested and do not plan to request a ruling from the IRS that BioMed Realty Trust, Inc. qualifies as a REIT, and the statements in this report are not binding on the IRS or any court. Accordingly, we cannot be certain that BioMed Realty Trust, Inc. has qualified or will continue to qualify as a REIT.

If BioMed Realty Trust, Inc. fails to qualify as a REIT in any taxable year, we will face serious adverse tax consequences that would substantially reduce the funds available to make payments of principal and interest on the debt securities we issue and for distribution to BioMed Realty Trust, Inc.'s stockholders. If BioMed Realty Trust, Inc. fails to qualify as a REIT:

we would not be allowed to deduct distributions to stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates,

we could also be subject to the federal alternative minimum tax and possibly increased state and local taxes, and

unless we are entitled to relief under applicable statutory provisions, BioMed Realty Trust, Inc. could not elect to be taxed as a REIT for four taxable years following the year in which BioMed Realty Trust, Inc. was disqualified.

In addition, if BioMed Realty Trust, Inc. fails to qualify as a REIT, we will not be required to make distributions to stockholders; however, all distributions to BioMed Realty Trust, Inc.'s stockholders would be subject to tax as qualifying corporate dividends to the extent of our current and accumulated earnings and profits. As a result of all these factors, BioMed Realty Trust, Inc.'s failure to qualify as a REIT could impair our ability to expand our business and raise capital and would adversely affect the value of BioMed Realty Trust, Inc.'s common stock and preferred stock.

To maintain BioMed Realty Trust, Inc.'s REIT status, we may be forced to borrow funds during unfavorable market conditions to make distributions to BioMed Realty Trust, Inc.'s stockholders.

For BioMed Realty Trust, Inc. to qualify as a REIT, we generally must distribute to BioMed Realty Trust, Inc.'s stockholders at least 90% of our REIT taxable income each year, determined by excluding any net capital gain, and we will be subject to regular corporate income taxes to the extent that we distribute less than 100% of our REIT taxable income each year. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. To maintain BioMed Realty Trust, Inc.'s REIT status and avoid the payment of income and excise taxes we may need to borrow funds to meet the REIT distribution requirements. These borrowing needs could result from:

differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes,

the effect of non-deductible capital expenditures,

the creation of reserves, or

required debt or amortization payments.

We may need to borrow funds at times when the then-prevailing market conditions are not favorable for borrowing. These borrowings could increase our costs or reduce our equity and adversely affect the value of BioMed Realty Trust, Inc.'s common stock or preferred stock.

To maintain BioMed Realty Trust, Inc.'s REIT status, we may be forced to forego otherwise attractive opportunities.

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For BioMed Realty Trust, Inc. to qualify as a REIT, we must satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to BioMed Realty Trust, Inc.'s stockholders and the ownership of BioMed Realty Trust, Inc.'s stock. We may be required to make distributions to BioMed Realty Trust, Inc.'s stockholders at times when it would be more advantageous to reinvest cash in our business or when we do not have funds readily available for distribution. Thus, compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

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Risks Related to the Ownership of BioMed Realty Trust, Inc. Stock

The market price and trading volume of BioMed Realty Trust, Inc. s common stock may be volatile.

The market price of BioMed Realty Trust, Inc. s common stock has recently been, and may continue to be, volatile. In addition, the trading volume in BioMed Realty Trust, Inc. s common stock may fluctuate and cause significant price variations to occur. We cannot assure you that the market price of BioMed Realty Trust, Inc. s common stock will not fluctuate or decline significantly in the future.

Some of the factors that could negatively affect BioMed Realty Trust, Inc. s share price or result in fluctuations in the price or trading volume of BioMed Realty Trust, Inc. s common stock include:

actual or anticipated variations in our quarterly operating results or distributions,

changes in our funds from operations or earnings estimates,

publication of research reports about us or the real estate industry,

increases in market interest rates that lead purchasers of BioMed Realty Trust, Inc. s shares to demand a higher yield,

changes in market valuations of similar companies,

adverse market reaction to any additional debt we incur or acquisitions we make in the future,

additions or departures of key management personnel,

actions by institutional stockholders,

speculation in the press or investment community,

the realization of any of the other risk factors presented in this report, and

general market and economic conditions.

Broad market fluctuations could negatively impact the market price of BioMed Realty Trust, Inc. s common stock or preferred stock.

The stock market has experienced continuing significant price and volume fluctuations that have affected the market price of many companies in industries similar or related to ours and that have been unrelated to these companies operating performance. These broad market fluctuations could reduce the market price of BioMed Realty Trust, Inc. s common stock or preferred stock. Furthermore, our operating results and prospects may be below the expectations of public market analysts and investors or may be lower than those of companies with comparable market capitalizations. Either of these factors could lead to a material decline in the market price of BioMed Realty Trust, Inc. s common stock or preferred stock.

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Market interest rates may have an adverse effect on the market price of BioMed Realty Trust, Inc. s securities.

One of the factors that will influence the price of BioMed Realty Trust, Inc. s common stock and preferred stock will be the dividend yield on such stock (as a percentage of the price of the stock) relative to market interest rates. An increase in market interest rates may lead prospective purchasers of BioMed Realty Trust, Inc. s common stock or Series A preferred stock to expect a higher dividend yield, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of BioMed Realty Trust, Inc. s common stock and Series A preferred stock to fall.

Our distributions to unitholders and stockholders may decline at any time.

We may not continue our current level of distributions to unitholders and stockholders. BioMed Realty Trust, Inc. s board of directors will determine future distributions based on a number of factors, including:

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cash available for distribution,

operating results,

our financial condition, especially in relation to our anticipated future capital needs,

then current expansion plans,

the distribution requirements for REITs under the Code, and

other factors our board deems relevant.

In April 2009, in an effort to maintain financial flexibility in light of the current capital markets environment, we reset our annual dividend rate on shares of BioMed Realty Trust, Inc.'s common stock and the annual distribution rate on BioMed Realty, L.P.'s OP units to \$0.44 per share or unit, starting in the second quarter of 2009. We subsequently increased these rates to \$0.56 per share or unit, starting in the fourth quarter of 2009, to \$0.60 per share or unit, starting in the second quarter of 2010, to \$0.68 per share or unit, starting in the third quarter of 2010, and to \$0.80 per share or unit, starting in the first quarter of 2011. The decision to declare and pay dividends on shares of BioMed Realty Trust, Inc.'s common stock or distributions to BioMed Realty, L.P.'s OP units in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of BioMed Realty Trust, Inc.'s board of directors in light of conditions then existing, including our earnings, financial condition, capital requirements, debt maturities, the availability of debt and equity capital, applicable REIT and legal restrictions and the general overall economic conditions and other factors. Any change in our dividend policy could have a material adverse effect on the market price of BioMed Realty Trust, Inc.'s common stock.

The number of shares of BioMed Realty Trust, Inc.'s common stock available for future sale could adversely affect the market price of BioMed Realty Trust, Inc.'s common stock.

We cannot predict whether future issuances of shares of BioMed Realty Trust, Inc.'s common stock or the availability of shares for resale in the open market will decrease the market price per share of BioMed Realty Trust, Inc.'s common stock. As of December 31, 2011, 154,101,482 shares of BioMed Realty Trust, Inc.'s common stock were issued and outstanding, as well as BioMed Realty L.P.'s operating partnership units and LTIP units which may be exchanged for 2,593,538 and 386,441 shares of BioMed Realty Trust, Inc.'s common stock, respectively, based on the number of shares of common stock, operating partnership units and LTIP units outstanding as of December 31, 2011. In addition, as of December 31, 2011, we had reserved an additional 2,039,029 shares of common stock for future issuance under our incentive award plan, and 10,017,858 shares potentially issuable upon exchange of the Notes due 2030 (based on the exchange rate as of December 31, 2011). Sales of substantial amounts of shares of BioMed Realty Trust, Inc.'s common stock in the public market, or upon exchange of operating partnership units, LTIP units, or the Notes due 2030, or the perception that such sales might occur, could adversely affect the market price of BioMed Realty Trust, Inc.'s common stock.

Furthermore, under the rules adopted by the Securities and Exchange Commission regarding registration and offering procedures, if we meet the definition of a well-known seasoned issuer under Rule 405 of the Securities Act, we are permitted to file an automatic shelf registration statement that will be immediately effective upon filing. On September 4, 2009, we filed such an automatic shelf registration statement, as amended, which may permit us, from time to time, to offer and sell debt securities, common stock, preferred stock, warrants and other securities to the extent necessary or advisable to meet our liquidity needs.

Any of the following could have an adverse effect on the market price of BioMed Realty Trust, Inc.'s common stock:

the exchange of operating partnership units, LTIP units or the Notes due 2030,

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additional grants of LTIP units, restricted stock or other securities to our directors, executive officers and other employees under our incentive award plan,

additional issuances of preferred stock with liquidation or distribution preferences, and

other issuances of BioMed Realty Trust, Inc.'s common stock.

Additionally, the existence of operating partnership units, LTIP units or the Notes due 2030 and shares of BioMed Realty Trust, Inc.'s common stock reserved for issuance upon exchange of operating partnership units, LTIP units or the Notes due 2030 and under our incentive award plan may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future sales of shares of BioMed Realty Trust, Inc.'s common stock may be dilutive to existing stockholders.

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From time to time we also may issue shares of BioMed Realty Trust, Inc.'s common stock or BioMed Realty, L.P. operating partnership units in connection with property, portfolio or business acquisitions. We may grant additional demand or piggyback registration rights in connection with these issuances. Sales of substantial amounts of BioMed Realty Trust, Inc.'s common stock, or the perception that these sales could occur, may adversely affect the prevailing market price of BioMed Realty Trust, Inc.'s common stock or may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES**Existing Portfolio**

At December 31, 2011, we owned or had interests in a portfolio with an aggregate of approximately 12.4 million rentable square feet.

The following reflects the classification of our properties between stabilized properties (operating properties in which more than 90% of the rentable square footage is under lease), lease up properties (operating properties in which less than 90% of the rentable square footage is under lease), long-term lease up properties (our Pacific Industrial Center, Pacific Research Center North and Pacific Research Center South properties), redevelopment properties (properties that are currently being prepared for their intended use), unconsolidated partnership properties (properties which we partially own, but are not included in our consolidated financial statements) and development potential (representing management's estimates of rentable square footage if development of these properties was undertaken) at December 31, 2011:

	September 30, Gross Book Value (In thousands)	September 30, Buildings	September 30, Rentable Square Feet	September 30, Weighted Average Leased (1)
Stabilized	\$ 2,894,818	97	7,026,962	99.3%
Lease up	954,149	34	3,234,394	62.6%
Current operating portfolio	3,848,967	131	10,261,356	90.2%
Long-term lease up	314,196	10	1,389,517	50.4%
Total operating portfolio	4,163,163	141	11,650,873	87.2%
Redevelopment	59,442	9	357,817	54.1%
Unconsolidated partnership portfolio	33,389	3	352,863	20.6%
Development potential	180,116		3,667,000	
Total portfolio	\$ 4,436,110	153	16,028,553	

(1) Calculated based on gross book value for each asset multiplied by the percentage leased.

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Our total portfolio by market at December 31, 2011 was as follows:

Market	September 30, Leased Square Feet	September 30, Annualized Base Rent (In thousands)	September 30, Current (1) Percent of Annualized Base Rent	September 30, Annualized Base Rent per Leased Sq Ft	September 30, Annualized Base Rent (In thousands)	September 30, Expiration (2) Percent of Annualized Base Rent	September 30, Annualized Base Rent per Leased Sq Ft
Boston	2,362,369	\$ 131,394	34.2%	\$ 55.62	\$ 139,425	31.1%	\$ 59.02
San Francisco	1,955,680	61,686	16.1%	31.54	76,228	17.0%	38.98
San Diego	1,861,633	60,630	15.8%	32.57	74,261	16.5%	39.89
Maryland	1,512,126	56,985	14.8%	37.69	72,885	16.2%	48.20
New York / New Jersey	1,220,702	40,460	10.5%	33.14	50,273	11.2%	41.18
Pennsylvania	642,380	14,552	3.8%	22.65	15,816	3.5%	24.62
Seattle	161,079	7,527	2.0%	46.73	8,373	1.9%	51.98
University Related Other	359,890	10,629	2.8%	29.53	11,505	2.6%	31.97
Total portfolio / weighted average	10,075,859	\$ 383,863	100.0%	\$ 38.10	\$ 448,766	100.0%	\$ 44.54

(1) Current annualized base rent is the monthly contractual rent as of the current quarter ended, or if rent has not yet commenced, the first monthly rent payment due at each rent commencement date, multiplied by 12 months.

(2) Annualized base rent at expiration is the monthly contractual rent as of date of expiration of the applicable lease (not including any extension option(s)), multiplied by 12 months.

Properties we owned, or had an ownership interest in, at December 31, 2011 were as follows:

Property	September 30, Rentable Square Feet	September 30, Percent Leased
Boston		
Albany Street	75,003	100.0%
320 Bent Street	184,405	78.8%
301 Binney Street	417,290	74.4%
301 Binney Street Garage	503 Stalls	99.0%
Center for Life Science Boston	704,159	97.9%
Charles Street	47,912	100.0%
Coolidge Avenue	37,684	86.5%
21 Erie Street	48,627	100.0%
40 Erie Street	100,854	100.0%
47 Erie Street Parking Structure	447 Stalls	100.0%
Fresh Pond Research Park	90,702	18.1%
500 Kendall Street (Kendall D)	349,325	98.5%
675 W. Kendall Street (Kendall A)	302,919	98.7%
Kendall Crossing Apartments	37 Apts.	100.0%

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Sidney Street	191,904	100.0%
Vassar Street	60,845	100.0%
San Francisco		
Ardentech Court	55,588	100.0%

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Property	September 30, Rentable Square Feet	September 30, Percent Leased
Ardenwood Venture (1)	72,500	55.2%
Bayshore Boulevard	183,344	100.0%
Bridgeview Technology Park I	201,567	87.6%
Bridgeview Technology Park II	50,400	57.0%
Dumbarton Circle	44,000	100.0%
Forbes Boulevard	240,000	50.4%
Gateway Business Park	284,013	99.7%
Industrial Road	171,344	100.0%
Kaiser Drive	87,953	56.8%
Pacific Industrial Center	305,026	
Pacific Research Center North	661,245	50.4%
Pacific Research Center South	423,246	62.3%
Science Center at Oyster Point	204,887	100.0%
San Diego		
Balboa Avenue	35,344	100.0%
Bernardo Center Drive	61,286	100.0%
4570 Executive Drive	125,219	100.0%
4775 / 4785 Executive Drive	62,896	
Faraday Avenue	28,704	100.0%
Gazelle Court	176,000	100.0%
3525 John Hopkins Court	48,306	100.0%
3545-3575 John Hopkins Court	72,192	74.5%
6114-6154 Nancy Ridge Drive	196,557	100.0%
6828 Nancy Ridge Drive	42,138	100.0%
Pacific Center Boulevard	66,745	100.0%
Road to the Cure	67,998	63.8%
San Diego Science Center	105,364	80.6%
10240 Science Center Drive	49,347	100.0%
10255 Science Center Drive	53,740	100.0%
Sorrento Plaza	31,184	100.0%
Sorrento Valley Boulevard	54,924	100.0%
11388 Sorrento Valley Road	35,940	100.0%
Sorrento West	164,074	99.8%
Torreyana Road	81,204	100.0%
9865 Towne Centre Drive	94,866	100.0%
9885 Towne Centre Drive	104,870	100.0%
Waples Street	50,055	100.0%
Wateridge Circle	106,490	100.0%
Maryland		
Beckley Street	77,225	100.0%
9911 Belward Campus Drive	289,912	100.0%
9920 Belward Campus Drive	51,181	100.0%
9704 Medical Center Drive	122,600	100.0%
9708-9714 Medical Center Drive (2)	92,574	
1701 / 1711 Research Blvd (2)	104,743	100.0%
Shady Grove Road	635,058	100.0%

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Property	September 30, Rentable Square Feet	September 30, Percent Leased
Tributary Street	91,592	100.0%
50 West Watkins Mill Road	57,410	100.0%
55 / 65 West Watkins Mill Road	82,405	100.0%
New York / New Jersey		
Ardsley Park (2)	160,500	100.0%
Graphics Drive	72,300	64.2%
Landmark at Eastview	763,218	85.6%
Landmark at Eastview II	360,520	100.0%
One Research Way	49,421	
Pennsylvania		
Eisenhower Road	27,750	100.0%
George Patterson Boulevard	71,500	100.0%
King of Prussia	374,387	100.0%
Phoenixville Pike	104,400	86.7%
Spring Mill Drive	76,561	87.4%
900 Uniqema Boulevard (3)	11,293	100.0%
1000 Uniqema Boulevard (3)	59,821	
Seattle		
Elliott Avenue	154,341	
500 Fairview Avenue	22,213	100.0%
530 Fairview Avenue	96,188	80.2%
Monte Villa Parkway	51,000	37.5%
217th Place	67,799	62.9%
University Related Other		
Paramount Parkway (4)	61,603	100.0%
Patriot Drive (5)	48,394	82.0%
Trade Centre Avenue (6)	78,023	100.0%
Walnut Street (7)	149,984	100.0%
Weston Parkway (8)	30,589	100.0%
Total Consolidated Portfolio / Weighted-Average	12,008,690	83.3%
Unconsolidated Portfolio:		
McKellar Court (9)	72,863	100.0%
650 E. Kendall Street (Kendall B) (10)	280,000	
350 E. Kendall Street Garage (Kendall F) (10)	1,409 Stalls	100.0%
Total Portfolio / Weighted-Average	12,361,553	81.5%

(1) We own an 87.5% membership interest in the limited liability company that owns this property.

(2) The property was under redevelopment at December 31, 2011.

(3) Located in New Castle, Delaware.

(4) Located in Morrisville, North Carolina.

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- (5) Located in Durham, North Carolina.
- (6) Located in Longmont, Colorado.
- (7) Located in Boulder, Colorado.

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- (8) Located in Cary, North Carolina.
- (9) We own the general partnership interest in the limited partnership that owns the McKellar Court property, which entitles us to 75% of the extraordinary cash flows after repayment of the partners' capital contributions and 22% of the operating cash flows. The property is located in San Diego, California.
- (10) We are a member of the limited liability companies that own a portfolio of properties in Cambridge, Massachusetts, which entitles us to approximately 20% of the operating cash flows.

Tenant Information

As of December 31, 2011, our consolidated and unconsolidated properties were leased to 174 tenants, and we estimate that 85% of our annualized base rent was derived from tenants that were research institutions or public companies or their subsidiaries. The following is a summary of our ten largest tenants based on percentage of our annualized base rent as of December 31, 2011:

Tenant	September 30, Leased Square Feet	September 30, Annualized Base Rent Current (1) (In thousands)	September 30, Annualized Base Rent per Leased Sq Ft Current	September 30, Percent of Annualized Base Rent Current Total Portfolio	September 30, Lease Expiration
Human Genome Sciences, Inc.	924,970	\$ 43,611	\$ 47.15	11.4%	June 2026
Vertex Pharmaceuticals Incorporated (2)	685,286	33,704	49.18	8.8%	Multiple
Elan Pharmaceuticals, Inc. (3)	414,430	26,915	64.94	7.0%	Multiple
Beth Israel Deaconess Medical Center, Inc.	362,364	25,543	70.49	6.7%	July 2023
Regeneron Pharmaceuticals, Inc.	552,612	23,236	42.05	6.1%	July 2024
Sanofi (4)	418,003	19,469	46.58	5.1%	Multiple
Ironwood Pharmaceuticals, Inc.	210,259	10,758	51.17	2.8%	February 2016
Merck & Co., Inc. (5)	214,946	10,386	48.32	2.7%	Multiple
Children's Hospital Corporation	150,215	9,401	62.58	2.4%	May 2023
Janssen Biotech, Inc. (Johnson & Johnson)	374,387	8,743	23.35	2.3%	April 2014
Total / weighted average (6)	4,307,472	\$ 211,766	\$ 49.16	55.3%	

- (1) Based on current annualized base rent. Current annualized base rent is the monthly contractual rent as of the current quarter ended, or if rent has not yet commenced, the first monthly rent payment due at each rent commencement date, multiplied by twelve months.
- (2) 81,204 square feet expire October 2013, 292,758 square feet expire January 2016, 20,608 square feet expire May 2017, and 290,716 square feet expire May 2018.
- (3) 138,963 square feet expire December 2012, 15,482 square feet expire January 2013, 55,098 square feet expire December 2014, 115,888 square feet expire April 2024, and 88,999 square feet expire February 2025.
- (4) 343,000 square feet expire August 2018 and 75,003 square feet expire October 2018.

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- (5) This tenant guarantees rent on 39,053 square feet leased at Landmark at Eastview and 30,589 square feet leased at Weston Parkway. 39,053 square feet expire July 2012, 30,589 square feet expire January 2014 and 145,304 square feet expire September 2016.

- (6) Without regard to any early lease terminations and/or renewal options.

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Our leases are typically structured for terms of five to 15 years, with extension options, and include a fixed rental rate with scheduled annual escalations. From time to time, we offer rent concessions to new tenants, including periods of free rent or contractual rent discounted from prevailing market rates. Any decision to offer a rent concession, however, is made on a case-by-case basis after taking into account factors such as anticipated lease terms, general and local market conditions, local practices and tenant characteristics. Approximately 99.4% of current annualized base rent at December 31, 2011 was earned from triple-net leases. Triple-net leases are those in which tenants pay not only base rent, but also some or all real estate taxes and operating expenses of the leased property. Current annualized base rent is the monthly contractual rent as of the current quarter ended, or if rent has not yet commenced, the first monthly rent payment due at each rent commencement date, multiplied by twelve months. Tenants typically reimburse us for the full direct cost, without regard to a base year or expense stop, for use of lighting, heating and air conditioning, and certain capital improvements necessary to maintain the property in its original condition. We are generally responsible for structural repairs.

ITEM 3. LEGAL PROCEEDINGS

Although we are involved in legal proceedings arising in the ordinary course of business, we are not currently a party to any legal proceedings nor is any legal proceeding threatened against us that we believe would have a material adverse effect on our financial position, results of operations or liquidity.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES (BIOMED REALTY TRUST, INC.)**

BioMed Realty Trust, Inc.'s common stock has been listed on the New York Stock Exchange, or NYSE, under the symbol BMR since August 6, 2004. On February 8, 2012, the reported closing sale price per share for BioMed Realty Trust, Inc.'s common stock on the NYSE was \$19.28 and there were approximately 267 holders of record. The following table sets forth, for the periods indicated, the high, low and last sale prices in dollars on the NYSE for our common stock and the distributions we declared per share.

Period	September 30,	September 30,	September 30,	September 30,
	High	Low	Last	Cash Dividend per Common Share
First Quarter 2010	\$ 17.88	\$ 13.36	\$ 16.54	\$ 0.14
Second Quarter 2010	\$ 19.50	\$ 15.04	\$ 16.09	\$ 0.15
Third Quarter 2010	\$ 19.25	\$ 14.79	\$ 17.92	\$ 0.17
Fourth Quarter 2010	\$ 19.50	\$ 16.64	\$ 18.65	\$ 0.17
First Quarter 2011	\$ 19.19	\$ 16.72	\$ 19.02	\$ 0.20
Second Quarter 2011	\$ 20.86	\$ 18.14	\$ 19.24	\$ 0.20
Third Quarter 2011	\$ 21.03	\$ 14.94	\$ 16.57	\$ 0.20
Fourth Quarter 2011	\$ 18.95	\$ 15.44	\$ 18.08	\$ 0.20

Information about our equity compensation plans is incorporated by reference in Item 12 of Part III of this annual report on Form 10-K.

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities (BioMed Realty, L.P.)

There is no established public trading market for BioMed Realty, L.P.'s OP units. As of February 8, 2012, there were 19 holders of record of BioMed Realty, L.P.'s OP units, including BioMed Realty Trust, Inc. The following table sets forth, for the periods indicated, the distributions we declared with respect to BioMed Realty, L.P.'s OP units for the periods indicated.

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Period	September 30, Cash Distribution per Unit
First Quarter 2010	\$ 0.14
Second Quarter 2010	\$ 0.15
Third Quarter 2010	\$ 0.17
Fourth Quarter 2010	\$ 0.17
First Quarter 2011	\$ 0.20
Second Quarter 2011	\$ 0.20
Third Quarter 2011	\$ 0.20
Fourth Quarter 2011	\$ 0.20

As of December 31, 2011, there were 156,695,020 operating partnership units and 386,441 LTIP units outstanding, and (1) there were no operating partnership units subject to outstanding options or warrants to purchase, (2) there were no securities convertible into BioMed Realty, L.P.'s operating partnership units and (3) there were no operating partnership units that have been, or are proposed to be, publicly offered by us. As of December 31, 2011, there were 133,661,318 operating partnership units which could be sold pursuant to Rule 144 under the Securities Act, subject to other restrictions on transfer in the securities laws or in BioMed Realty, L.P.'s partnership agreement. Currently, pursuant to the terms of BioMed Realty, L.P.'s partnership agreement, any transfer of OP units by the limited partners, except to us, as general partner, to an affiliate of the transferring limited partner, to other original limited partners, to immediate family members of the transferring limited partner, to a trust for the benefit of a charitable beneficiary, or to a lending institution as collateral for a bona fide loan, subject to specified limitations, will be subject to a right of first refusal by us and must be made only to accredited investors as defined under Rule 501 of the Securities Act.

We intend to continue to declare quarterly distributions on BioMed Realty, L.P.'s OP units and BioMed Realty Trust, Inc.'s common stock. The actual amount and timing of future distributions will be at the discretion of BioMed Realty Trust, Inc.'s board of directors and will depend upon our financial condition in addition to the requirements of the Code, and no assurance can be given as to the amounts or timing of future distributions. In addition, our credit facility and the indentures governing the Notes due 2016 and Notes due 2020 contain financial covenants which may limit our ability to pay distributions to BioMed Realty, L.P.'s unitholders and BioMed Realty Trust, Inc.'s common stockholders. We do not anticipate that our ability to pay distributions will be impaired by the terms of our credit facility, or the indentures governing the Notes due 2016 and Notes due 2020. However, there can be no assurances in that regard.

Sales of Unregistered Equity Securities

During 2011, BioMed Realty, L.P. issued operating partnership units in private placements in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended, in the amounts and for the consideration set forth below:

During the year ended December 31, 2011, BioMed Realty Trust, Inc. issued, net of forfeitures, an aggregate of 470,780 shares of its common stock in connection with restricted stock awards under its incentive award plan for no cash consideration. For each share of common stock issued by BioMed Realty Trust, Inc. in connection with such an award, BioMed Realty, L.P. issued a restricted operating partnership unit to BioMed Realty Trust, Inc. During the year ended December 31, 2011, BioMed Realty, L.P. issued, net of forfeitures, an aggregate of 470,780 restricted operating partnership units to BioMed Realty Trust, Inc., as required by BioMed Realty, L.P.'s partnership agreement.

On November 17, 2011, BioMed Realty Trust, Inc. sold 22,562,922 shares of its common stock in an underwritten public offering. BioMed Realty Trust, Inc. contributed the net proceeds from this offering of approximately \$399.6 million, after deducting the underwriter's discount and commissions and offering expenses, to BioMed Realty, L.P. in exchange for 22,562,922 operating partnership units. The shares of common stock were offered and sold under a prospectus supplement and related prospectus filed with the Securities and Exchange Commission pursuant to our shelf registration statement on Form S-3 (File No. 333-161751).

Stock Performance Graph

The following graph shows a comparison from December 31, 2006 to December 31, 2011 of cumulative total shareholder return, calculated on a dividend reinvested basis, for BioMed Realty Trust, Inc., the S&P 500 Stock Index, or the S&P 500, and the National Association of Real Estate Investment Trusts, Inc. Equity REIT Total Return Index, or the Industry Index, which

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includes all tax-qualified equity REITs listed on the NYSE. The graph assumes \$100 was invested in each of BioMed Realty Trust, Inc.'s common stock, the S&P 500 and the Industry Index on December 31, 2006. Data points on the graph are annual. Note that historic stock price performance is not necessarily indicative of future stock price performance.

Table of Contents**ITEM 6. SELECTED FINANCIAL DATA**

The following sets forth selected consolidated financial and operating information which is derived from our audited consolidated financial statements. The following data should be read in conjunction with our consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 of this report.

BIOMED REALTY TRUST, INC.

(Dollars in thousands, except share data)

	September 30, 2011	September 30, 2010	September 30, 2009	September 30, 2008	September 30, 2007
Statements of Income:					
Revenues:					
Total revenues	\$ 439,699	\$ 386,437	\$ 361,166	\$ 301,973	\$ 266,109
Expenses:					
Rental operations	128,809	112,438	104,824	84,729	71,142
Depreciation and amortization	142,681	115,355	109,620	84,227	72,202
General and administrative	30,966	25,901	22,455	22,659	21,474
Acquisition related expenses	1,099	3,053	464	175	396
Total expenses	303,555	256,747	237,363	191,790	165,214
Income from operations	136,144	129,690	123,803	110,183	100,895
Equity in net loss of unconsolidated partnerships	(2,489)	(1,645)	(2,390)	(1,200)	(893)
Interest expense, net	(89,181)	(86,073)	(64,690)	(40,687)	(27,796)
Other (expense)/income	(1,760)	(2,658)	3,467	(5,165)	
Income from continuing operations	42,714	39,314	60,190	63,131	72,206
Income from discontinued operations before gain on sale of assets					639
Gain on sale of real estate assets					1,087
Income from discontinued operations					1,726
Net income	42,714	39,314	60,190	63,131	73,932
Net income attributable to noncontrolling interests	(525)	(498)	(1,468)	(2,077)	(2,531)
Net income attributable to the Company	42,189	38,816	58,722	61,054	71,401
Preferred stock dividends	(16,033)	(16,963)	(16,963)	(16,963)	(16,868)
Cost on redemption of preferred stock	(165)				
Net income available to common stockholders	\$ 25,991	\$ 21,853	\$ 41,759	\$ 44,091	\$ 54,533
Income from continuing operations per share available to common stockholders:					
Basic earnings per share	\$ 0.19	\$ 0.19	\$ 0.45	\$ 0.61	\$ 0.81
Diluted earnings per share	\$ 0.19	\$ 0.19	\$ 0.45	\$ 0.61	\$ 0.80

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Net income per share available to common stockholders:										
Basic earnings per share	\$	0.19	\$	0.19	\$	0.45	\$	0.61	\$	0.83
Diluted earnings per share	\$	0.19	\$	0.19	\$	0.45	\$	0.61	\$	0.83
Weighted-average common shares outstanding:										
Basic		132,625,915		112,698,704		91,011,123		71,684,244		65,303,204
Diluted		135,609,843		115,718,199		91,851,002		75,408,153		68,738,694

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	September 30, 2011	September 30, 2010	September 30, 2009	September 30, 2008	September 30, 2007
Cash dividends declared per common share	\$ 0.80	\$ 0.63	\$ 0.70	\$ 1.34	\$ 1.24
Cash dividends declared per preferred share	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.83
Balance Sheet Data (at period end):					
Investments in real estate, net	\$ 3,950,246	\$ 3,536,114	\$ 2,971,767	\$ 2,960,429	\$ 2,807,599
Total assets	4,428,545	3,959,754	3,283,274	3,229,314	3,058,631
Total indebtedness	1,681,425	1,497,465	1,361,805	1,341,099	1,489,585
Total liabilities	1,816,349	1,646,858	1,459,342	1,591,365	1,641,850
Total equity	2,612,196	2,312,896	1,823,932	1,637,949	1,416,781
Other Data:					
Cash flows from/(used in):					
Operating activities	175,031	161,895	144,128	115,046	114,965
Investing activities	(604,331)	(710,986)	(156,666)	(218,661)	(409,301)
Financing activities	424,244	550,636	11,038	111,558	282,151

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	September 30, 2011	September 30, 2010	September 30, Years Ended December 31, 2009	September 30, 2008	September 30, 2007
Statements of Income:					
Revenues:					
Total revenues	\$ 439,699	\$ 386,437	\$ 361,166	\$ 301,973	\$ 266,109
Expenses:					
Rental operations	128,809	112,438	104,824	84,729	71,142
Depreciation and amortization	142,681	115,355	109,620	84,227	72,202
General and administrative	30,966	25,901	22,455	22,659	21,474
Acquisition related expenses	1,099	3,053	464	175	396
Total expenses	303,555	256,747	237,363	191,790	165,214
Income from operations	136,144	129,690	123,803	110,183	100,895
Equity in net loss of unconsolidated partnerships	(2,489)	(1,645)	(2,390)	(1,200)	(893)
Interest expense, net	(89,181)	(86,073)	(64,690)	(40,687)	(27,796)
Other (expense)/income	(1,760)	(2,658)	3,467	(5,165)	
Income from continuing operations	42,714	39,314	60,190	63,131	72,206
Income from discontinued operations before gain on sale of assets					639
Gain on sale of real estate assets					1,087
Income from discontinued operations					1,726
Net income	42,714	39,314	60,190	63,131	73,932
Net income/(loss) attributable to noncontrolling interests	44	48	64	9	(45)
Net income attributable to the operating partnership	42,758	39,362	60,254	63,140	73,887
Preferred unit dividends	(16,033)	(16,963)	(16,963)	(16,963)	(16,868)
Cost on redemption of preferred units	(165)				
Net income available to the operating partnership	\$ 26,560	\$ 22,399	\$ 43,291	\$ 46,177	\$ 57,019
Income from continuing operations attributable to unitholders:					
Basic earnings per unit	\$ 0.19	\$ 0.19	\$ 0.45	\$ 0.61	\$ 0.80
Diluted earnings per unit	\$ 0.19	\$ 0.19	\$ 0.45	\$ 0.61	\$ 0.80
Net income per unit attributable to unitholders:					
Basic earnings per unit	\$ 0.19	\$ 0.19	\$ 0.45	\$ 0.61	\$ 0.83
Diluted earnings per unit	\$ 0.19	\$ 0.19	\$ 0.45	\$ 0.61	\$ 0.83
Weighted-average units outstanding:					
Basic	135,549,934	115,572,569	94,005,382	74,753,230	68,219,557
Diluted	135,549,934	115,572,569	94,005,382	75,408,153	68,738,694

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Cash distributions declared per unit	\$ 0.80	\$ 0.63	\$ 0.70	\$ 1.34	\$ 1.24
Cash distributions declared per preferred unit	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.83
Balance Sheet Data (at period end):					
Investments in real estate, net	\$ 3,950,246	\$ 3,536,114	\$ 2,971,767	\$ 2,960,429	\$ 2,807,599
Total assets	4,428,545	3,959,754	3,283,274	3,229,314	3,058,631
Total indebtedness	1,681,425	1,497,465	1,361,805	1,341,099	1,489,585
Total liabilities	1,816,349	1,646,858	1,459,342	1,591,365	1,641,850
Total capital	2,612,196	2,312,896	1,823,932	1,637,949	1,416,781
Other Data:					
Cash flows from/(used in):					
Operating activities	175,031	161,895	144,128	115,046	114,965
Investing activities	(604,331)	(710,986)	(156,666)	(218,661)	(409,301)
Financing activities	424,244	550,636	11,038	111,558	282,151

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report. We make statements in this section that are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section above entitled Item 1. Business Forward-Looking Statements. Certain risk factors may cause our actual results, performance or achievements to differ materially from those expressed or implied by the following discussion. For a discussion of such risk factors, see the section above entitled Item 1A. Risk Factors.

Overview

As used herein, the terms we, us, our or the Company refer to BioMed Realty Trust, Inc., a Maryland corporation, and any of our subsidiaries, including BioMed Realty, L.P., a Maryland limited partnership of which BioMed Realty Trust, Inc. is the parent company and general partner, which may be referred to herein as the operating partnership. BioMed Realty Trust, Inc. conducts its business and owns its assets through the operating partnership and operates as a fully integrated, self-administered and self-managed REIT. The operating partnership is focused on acquiring, developing, owning, leasing and managing laboratory and office space for the life science industry. Our tenants primarily include biotechnology and pharmaceutical companies, scientific research institutions, government agencies and other entities involved in the life science industry. Our properties are generally located in markets with well-established reputations as centers for scientific research, including Boston, San Francisco, Maryland, San Diego, New York/New Jersey, Pennsylvania, and Seattle.

We were formed on April 30, 2004 and completed BioMed Realty Trust, Inc.'s initial public offering on August 11, 2004.

At December 31, 2011, we owned or had interests in a portfolio with an aggregate of approximately 12.4 million rentable square feet.

Factors Which May Influence Future Operations

Our long-term corporate strategy is to continue to focus on acquiring, developing, owning, leasing and managing laboratory and office space for the life science industry. As of December 31, 2011, our current consolidated operating portfolio was 90.2% leased on a weighted average basis to 170 tenants. As of December 31, 2010, our current consolidated operating portfolio was 88.6% leased on a weighted average basis to 149 tenants. The increase in the overall leased percentage was due to an increase in leased square feet related to increased leasing activity. Our current operating portfolio increased by approximately 745,000 rentable square feet, or 7.8%, and total leased square footage increased by approximately 1.1 million square feet, or 12.6%, during the same period.

Leases representing approximately 5.2% of our leased square footage expire during 2012 and leases representing approximately 5.7% of our leased square footage expire during 2013. Our leasing strategy for 2012 focuses on leasing vacant space, negotiating renewals for leases scheduled to expire during the year, and identifying new tenants or existing tenants seeking additional space to occupy the spaces for which we are unable to negotiate such renewals. We may proceed with additional new developments and acquisitions, as real estate and capital market conditions permit.

As a direct result of the recent economic recession, we believe that the fair-values of some of our properties may have declined below their respective carrying values. However, to the extent that a property has a substantial remaining estimated useful life and management does not believe that the property will be disposed of prior to the end of its useful life, it would be unusual for undiscounted cash flows to be insufficient to recover the property's carrying value. We presently have the ability and intent to continue to own and operate our existing portfolio of properties and estimated undiscounted future cash flows from the operation of the properties are expected to be sufficient to recover the carrying value of each property. Accordingly, we do not believe that the carrying value of any of our properties is impaired. If our ability and/or our intent with regard to the operation of our properties otherwise dictate an earlier sale date, an impairment loss may be recognized to reduce the property to fair-value and such loss could be material.

Redevelopment/Development Properties

We are actively engaged in the redevelopment and development of certain properties in our portfolio. We believe that these activities will ultimately result in a return on our additional investment once the redevelopment and development activities have been completed and the properties are leased. However, redevelopment and development activities involve inherent risks and assumptions relating to our ability to fully lease the properties. Our objective is to have these properties fully leased upon completion of the construction activities. However, our ability to fully lease the properties may be adversely affected by

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changing market conditions, including periods of economic slowdown or recession, rising interest rates, declining demand for life science office and laboratory space, local oversupply of real estate assets, or competition from others, any of which may diminish our opportunities for leasing the property on favorable terms or at all. In addition, we may fail to retain tenants that have leased our properties, or may face significant monetary penalties, if we do not complete the construction of these properties in a timely manner or to the tenants' specifications. Further, our competitors with greater resources may have more flexibility than we do in their ability to offer rental concessions to attract tenants to their properties, which could put pressure on our ability to attract tenants at rental rates that will provide an expected return on our additional investment in these properties. As a result, we may be unable to fully lease some of our redevelopment/development properties in a timely manner upon the completion of major construction activities.

We also rely on external sources of debt and equity funding to provide capital for our redevelopment and development projects. Although we believe that we currently have sufficient borrowing capacity and will be able to obtain additional funding as necessary, we may be unable to obtain financing on reasonable terms (or at all) or we may be forced to seek alternative sources of potentially less attractive financing, which may require us to adjust our business and construction plans accordingly. Further, we may spend more time or money than anticipated to redevelop or develop our properties due to delays or refusals in obtaining all necessary zoning, land use, building, occupancy and other required governmental permits and authorizations or other unanticipated delays in the construction.

The following summarizes our consolidated properties under redevelopment at December 31, 2011:

Property	September 30, Current Rentable Square Feet	September 30, Percent Leased	September 30, Estimated In-Service Date(1)
Redevelopment			
9708-9714 Medical Center Drive	92,574		Q1 2013
Ardsley Park	160,500	100.0%	Q2 2012
1701 / 1711 Research Blvd	104,743	100.0%	Q2 2013
Total/Weighted-Average	357,817	74.1%	

- (1) Our estimate of the time in which redevelopment will be substantially complete. We estimate that the projects will be substantially complete and held available for their intended use upon the completion of tenant improvements, but no later than one year from the cessation of major construction activities. We currently estimate that we will invest up to an additional \$35.1 million before the redevelopment of these properties is substantially complete.

Lease Expirations

The following is a summary of lease expirations over the next ten calendar years for leases in place at December 31, 2011. This table assumes that none of the tenants exercise renewal options or early termination rights, if any, at or prior to the scheduled expirations:

Year of Lease Expiration	September 30, Leased Square Feet	September 30, Percent of Leased Square Feet	September 30, Current Annualized Base Rent (In thousands)	September 30, Percent of Current Annualized Base Rent	September 30, Current Annualized Base Rent per Leased Square Feet
Month-to-month	25,999	0.3%	\$ 820	0.2%	\$ 31.54
2012	527,434	5.2%	23,511	6.2%	44.58
2013	572,267	5.7%	13,433	3.5%	23.47
2014	786,974	7.8%	21,839	5.7%	27.75
2015	469,196	4.7%	15,335	4.0%	32.68
2016	1,408,277	14.0%	54,595	14.2%	38.77

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2017	206,491	2.0%	6,313	1.6%	30.57
2018	1,189,141	11.8%	52,732	13.7%	44.34
2019	290,589	2.9%	8,942	2.3%	30.77
2020	400,771	4.0%	16,273	4.2%	40.60
2021	583,390	5.8%	13,948	3.6%	23.91
Thereafter	3,615,330	35.8%	156,122	40.8%	43.18
Total Portfolio / Weighted Average	10,075,859	100.0%	\$ 383,863	100.0%	\$ 38.10

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The success of our leasing and development strategy will be dependent upon the general economic conditions and more specifically real estate market conditions and life science industry trends in the United States and in our target markets of Boston, San Francisco, San Diego, Maryland, New York/New Jersey, Pennsylvania and Seattle and research parks near or adjacent to universities. We cannot give any assurance that leases will be renewed or that available space will be released at rental rates equal to or above the current contractual rental rates or at all.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to use judgment in the application of accounting policies, including making estimates and assumptions. We base our estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied resulting in a different presentation of our financial statements. On an ongoing basis, we evaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current information. Below is a discussion of accounting policies that we consider critical in that they address the most material parts of our financial statements, require complex judgment in their application or require estimates about matters that are inherently uncertain.

Investments in Real Estate

Investments in real estate are carried at depreciated cost. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and improvements	Remaining useful life, not to exceed 40 years
Tenant improvements	Shorter of the useful lives or the terms of the related leases
Furniture, fixtures, and equipment	