

NEWS RELEASE

PS Business Parks, Inc.
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Ronald L. Havner, Jr., President and Chief Executive Officer announced today that PS Business Parks, Inc. (AMEX:PSB) purchased two business parks located in Beaverton, Oregon and five business parks located in the Dallas, Texas area

For Release: Immediately
Date: May 6, 1998
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GLENDALE, California--Ronald L. Havner, Jr., President and Chief Executive Officer announced today that PS Business Parks, Inc. (the "Company") (AMEX:PSB) purchased two business parks (approximately 1.0 million rentable square feet) located in Beaverton, Oregon and five business parks (approximately 1.3 million rentable square feet) located in the Dallas, Texas area. The properties were acquired from Principal Mutual Financial Life Insurance Company ("Principal"), an insurance company located in Des Moines, Iowa, and its affiliated companies. The aggregate purchase price was approximately \$190 million. The seven business parks contain 64 buildings totaling approximately 2,265,000 rentable square feet and contain approximately 15 acres of land in the Beaverton market for future development. In addition, the Company contracted to purchase an additional 56,000 square feet in Texas which is currently under construction and pre-leased. The acquisitions significantly increase PSB's market share in both Oregon and Texas, and increase the square footage of commercial properties owned by PSB to approximately 10 million rentable square feet. PSB expects to continue to acquire additional facilities in these and other markets across the country.

Mr. Havner also announced that a group of institutional investors completed the purchase of a total of approximately 4.6 million shares of Common Stock, increasing the number of fully-diluted shares outstanding to approximately 26 million (including approximately 7.4 million shares issuable upon conversion of units of PSB's consolidated partnership). This purchase completes the funding of the \$155 million equity placement committed in January 1998.

In addition to funds available from the sale of common stock to institutional investors (\$105 million), PSB borrowed approximately \$80 million on a line of credit from Public Storage, Inc. (NYSE:PSA), its largest shareholder. PSA has an approximate 48% ownership interest in PSB and its consolidated partnership. The line of credit bears interest at the London Interbank Offered Rate (LIBOR) plus 1.25%.

Chadwick Saylor & Co. initiated the transaction between Principal and the Company and served as its advisor.

PS Business Parks, Inc. is a self-advised and self-managed equity real estate investment trust specializing in the ownership, management and acquisition of business parks containing office "flex" space. PSB is the successor entity, via a merger which occurred on March 17, 1998 to American Office Park Properties, Inc., a private REIT primarily owned by PSA. PSB has interests in 72 properties located in 11 states, primarily California, Texas and Virginia.