NEWS RELEASE

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PS Business Parks, Inc. (AMEX:PSB) announced operating results for the third quarter ending September 30, 1998

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PS Business Parks announces FFO of $.54 per share, an increase of 17.4%, and a 9.9% "Same Park" Net Operating Income Growth.

GLENDALE, California - PS Business Parks, Inc. (AMEX: PSB), announced today operating results for the third quarter ending September 30, 1998.

Funds From Operations ("FFO") before minority interest were $16.7 million or $0.54 per share/OP unit for the third quarter of 1998 compared to $5.0 million or $0.46 per share/OP Unit for the same period in 1997. This represents a 17.4% increase in FFO per share based on 31.1 million and 10.9 million weighted average shares/OP units outstanding during the third quarter of 1998 and 1997, respectively. The growth in FFO in total and on a per share basis is due to the performance of the Company's "Same Park" operations (see below) combined with unleveraged acquisitions made during 1998.

Net income for the third quarter was $9.7 million on revenues of $26.3 million compared to net income of $1.2 million on revenues of $8.7 million for the third quarter of 1997. Net income per share on a diluted basis was $0.41 and $0.33 for the third quarter of 1998 and 1997, respectively.

For the first three quarters of 1998, FFO before minority interest was $40.3 million or $1.59 per share/OP unit compared to $12.9 million or $1.36 per share/OP Unit for the first three quarters of 1997. This represents a 16.9% increase in FFO per share based on 25.4 million and 9.4 million weighted average shares/OP units outstanding for the nine months ended September 30, 1998 and 1997, respectively. The growth in FFO in total and on a per share basis is due to the performance of the Company's "Same Park" operations (see below) combined with unleveraged acquisitions made during 1998.

Net income for the first three quarters of 1998 was $21.1 million on revenues of $63.0 million compared to net income of $2.7 million on revenues of $22.1 million for the same period of 1997. Net income per share on a diluted basis was $1.17 and $1.00 for the first nine months of 1998 and 1997, respectively.

Property operations

In order to evaluate the performance of the Company's overall portfolio, management analyzes the operating performance of a consistent group of properties. These 51 properties in which the Company currently has an ownership interest (herein referred to as the "Same Park" facilities) have been managed by the Company for the past three years. The following tables summarize the pre-depreciation historical operating results of the Same Park facilities in addition to statistics related to the whole portfolio.

1. Operations for the three and nine months ended September 30, 1998 and 1997 represent the historical operations of the 51 properties; however, the Company did not own all of the properties throughout the periods presented and therefore such operations are not reflected in the Company's historical operating results. All such properties were owned effective March 17, 1998.
2. Rental revenues do not include effect of straight line accounting.
3. Gross margin is computed by dividing property net operating income by rental revenues.
4. Realized rent per square foot represents the actual revenues earned per occupied square foot.

Total Portfolio Statistics

1. Rental revenues do not include effect of straight line accounting.
2. Gross profit margin is computed by dividing property net operating income by rental revenues.
3. Realized rent per square foot represents the actual revenues earned per occupied square foot.

Property Acquisitions

Although the Company had approximately $40 million of cash to invest in addition to its $100 million unused line of credit, the Company's pace of acquisitions slowed dramatically during the third quarter. Competitive bidding on properties reduced yields below what the Company considered attractive. The Company remains poised for increased activity as volatile capital markets appear to have reduced competition for acquisitions that meet the Company's criteria.

During the third quarter, the Company added one property in the Washington D.C. market for approximately $8.5 million. The property contains approximately 125,000 square feet and is in a market in which the Company currently operates.

Commencement of Development

The Company plans to develop office and flex properties that are located within or adjacent to existing parks. The properties will be developed using the expertise of local development companies on a fee basis. The development program is designed to enhance the Company's existing portfolio. There are two projects currently under development.

One project is a 61,000 square foot office/flex building in the Las Colinas suburb of Dallas, Texas. The project will have dock loading capabilities and an above standard parking ratio of five cars per thousand square feet. The Company currently has approximately 725,000 square feet of rentable space in Las Colinas.

In addition, the Company began a 70,000 square foot office project in the Beaverton suburb of Portland, Oregon. The Company currently has approximately one million square feet in this market. The three story brick and glass structure is located in the Company's Woodside corporate park adjacent to Nike's world headquarters.

Both of these projects are expected to be completed in the second quarter of 1999.

Line of Credit

As previously announced, on August 6, 1998, the Company entered into an unsecured $100 million line of credit agreement with Wells Fargo Bank bearing interest at LIBOR plus 0.80%. The Company expects to use the line of credit for temporary financing of future acquisitions.

Distributions Declared

A $0.25 per common share quarterly dividend was declared by the Board of Directors on November 5, 1998. The dividend is payable on December 31, 1998 to shareholders of record as of the close of business on December 15, 1998.

The Board of Directors has established a distribution policy to maximize the retention of cash flow. Distributions for the third quarter represent 46% of FFO and 56% of funds available for distributions ("FAD").

PSB 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 has interests in 98 commercial properties (approximately 10.3 million net rentable square feet) located in 11 states, primarily California (3,977,000 sq. ft), Texas (2,107,000 sq. ft.), Oregon (1,102,000 sq. ft.), Virginia (1,208,000 sq. ft.), and Maryland (1,107,000 sq. ft.).

Forward-Looking Statements

Certain matters discussed within this press release are forward-looking statements within the meaning of the federal securities law. Although PSB believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Factors that could cause actual results to differ materially from PSB's expectations include general economic conditions, local real estate conditions, the condition of property to be acquired, interest rates, availability of equity and debt financing and risks detailed from time to time in the Company's SEC reports.

Additional financial data attached.

PS BUSINESS PARKS, INC.
SELECTED FINANCIAL DATA
(Unaudited)

PS BUSINESS PARKS, Inc.