NEWS RELEASE

PS Business Parks, Inc.
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PS Business Parks, Inc. ("PSB") announces FFO of $0.59 per share for the first quarter of 1999 compared to $0.50 in 1998, an increase of 18%. PSB also announces "Same Park" net operating income growth of 10.7%.

For Release:	Immediately
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GLENDALE, California - PS Business Parks, Inc. (AMEX: PSB), announced today operating results for the first quarter ending March 31, 1999.

Net income for the first quarter was $9.4 million on revenues of $29.3 million compared to net income of $4.3 million on revenues of $14.8 million for the same period in 1998. Net income per share on a diluted basis was $0.40 and $0.38 for the first quarter of 1999 and 1998, respectively.

Funds from operations ("FFO") before minority interest were $18.4 million or $0.59 per share/OP unit for the first quarter of 1999 compared to $9.4 million or $0.50 per share/OP unit for the same period in 1998. This represents an increase of 18% in FFO per share based on 31.1 million and 18.7 million weighted average shares/OP units outstanding during the first quarter of 1999 and 1998, respectively. The growth in total FFO and on a per share basis is due to the performance of the Company's "Same Park" operations (see below) combined with income from substantially unleveraged acquisitions made during 1998 and 1999.

Property operations

In order to evaluate the performance of the Company's overall portfolio, management analyzes the operating performance of a consistent group of 62 properties (7.2 million net rentable square feet). These 62 properties in which the Company currently has an ownership interest (herein referred to as the "Same Park" facilities) have been managed by the Company since January 1998. The following tables summarize the pre-depreciation historical operating results of the "Same Park" facilities in addition to information on the entire portfolio, excluding the effects of accounting for rental revenues on a straight-line basis. Beginning with the first quarter of 1999, the Company has added 11 properties operated throughout 1998 totaling approximately three million square feet to its "Same Park" facilities. These additional properties have been operated for the comparable periods and will provide a more comprehensive analysis of the portfolio's operations. The "Same Park" facilities now represent approximately 64% of the square footage of our portfolio at March 31, 1999.

Preferred Stock/Unit Offerings

In April 1999, the Company completed a private placement of preferred OP units and a public offering of depositary shares representing fractional interest in preferred stock with net proceeds totaling $65.7 million. The net proceeds from the preferred OP unit placement, completed April 23, 1999 were approximately $12.5 million and the preferred OP units have a preferred distribution rate of 8 7/8% on a par value of $12.75 million. The preferred OP units have equivalent terms to perpetual preferred stock. Net proceeds from the public perpetual preferred stock offering completed April 30, 1999 were $53.2 million, and the preferred stock has a dividend rate of 9 1/4% on a par value of $55 million. Proceeds from the issuances were used to pay off borrowings from an affiliate and a portion will be used to repay a mortgage note payable of approximately $11 million. The remaining proceeds will be used for investment in real estate.

Financial Condition

The Company continued to maintain financial strength and flexibility. The following demonstrates the Company's capacity to finance future growth opportunities.

Rating Agencies Announce Credit Ratings

During April 1999, Moody's Investor Services, Standard & Poor's and Duff & Phelps Credit Rating Co. announced investment grade ratings for the Company's senior unsecured credit. In addition, the agencies announced ratings on the Company's preferred stock issuance of Ba1 from Moody's Investor Services, BB+ from Standard & Poor's and BBB- from Duff & Phelps Credit Rating Co. Interested investors should review separate public announcements from each agency regarding their rating rationale.

Property Acquisitions

As previously announced, the Company acquired approximately 338,000 square feet of commercial space for an aggregate cost of approximately $24 million during the first quarter of 1999. These acquisitions increased our presence in existing markets, which we believe have characteristics necessary for long-term growth. These acquisitions were comprised of 230,000 square feet adjacent to the Company's existing park in Austin, Texas and 108,000 square feet in Northern Virginia and a 9.2 acre parcel of land which the Company plans to develop into a 136,000 square feet flex building.

Development

As previously announced, the Company continues to develop office and flex properties that are located within or adjacent to existing parks. The properties are being developed using the expertise of local development companies on a fee basis. There are two projects currently under development aggregating 131,000 square feet with a total estimated cost of $17 million. Construction of these projects is expected to be completed in June 1999.

Company Information

PSB is a self advised and self-managed equity real estate investment trust specializing in the ownership, management, acquisition and development of business parks containing office "flex" space. As of March 31, 1999, PSB had interests in 114 commercial properties (approximately 11.3 million net rentable square feet) located in 11 states, concentrated primarily in California (4,190,000 sq. ft.), Texas (2,721,000 sq. ft.), Oregon (1,102,000 sq. ft.), Virginia (1,316,000 sq. ft.) and Maryland (1,107,000 sq. ft.).

Forward-Looking Statements

When used within this press release, the words "expects," "believes," "anticipates," "should," "estimates," and similar expressions are intended to identify "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results and performance of the Company to be materially different from those expressed or implied in the forward-looking statements. Such factors include the impact of competition from new and existing commercial facilities which could impact rents and occupancy levels at the Company's facilities, the Company's ability to evaluate, finance, and integrate acquired and developed properties into the Company's existing operations; the Company's ability to effectively compete in the markets that it does