

News Release

PS Business Parks, Inc.
701 Western Avenue
P.O. Box 25050
Glendale, CA 91221-5050
www.psbusinessparks.com

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Contact: Mr. Jack Corrigan
(818) 244-8080, Ext. 663

PS Business Parks, Inc. Announces Tax Treatment of 2001 Dividends

GLENDALE, California – PS Business Parks, Inc. (AMEX: PSB) announced today the tax treatment of the Company's 2001 dividends. For the tax year ended December 31, 2001, distributions for the common stock, 9 1/4% Cumulative Preferred Stock, Series A and 9 1/2% Cumulative Preferred Stock, Series D were all ordinary income for the third and fourth quarters. For the first and second quarters of 2001, distributions were a combination of ordinary income and long-term capital gain.

	2001				Total
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Ordinary Income	52.39%	90.88%	100.00%	100.00%	87.98%
Long-Term Capital Gain	47.61%	9.12%	0.00%	0.00%	12.02%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Alternative Minimum Tax

Alternative minimum tax adjustments are to be apportioned between a real estate investment trust ("REIT") and its shareholders under Internal Revenue Code Section 59(d). Although regulations have not yet been issued under that provision, based on regulations issued pursuant to a similar provision of prior law and the legislative history of the current provision, it appears that such alternative minimum tax adjustments are to be apportioned to a REIT's shareholders to the extent that the REIT distributes its regular taxable income. It is the Company's policy to distribute all of its regular taxable income and accordingly, all of the Company's alternative minimum tax adjustments are being apportioned to the Company's shareholders.

The Company has determined that 11.38% of each ordinary income distribution to its shareholders for the tax year ended December 31, 2001 consists of alternative minimum tax adjustments (*i.e.*, for each \$1 of ordinary dividend reportable by a shareholder, 11.38¢ represents an alternative minimum tax adjustment). To determine your share of the Company's alternative minimum tax adjustments, multiply the aggregate dollar amount of your reportable 2001 ordinary dividends from the Company (the sum of the amounts shown in Box 1 of the Company's 1099-DIV) times 11.38%.

If you are an individual, please refer to Internal Revenue Service Form 6251, Alternative Minimum Tax-Individuals. Your share of alternative minimum tax adjustments should be input as a positive amount in Part I, Line 8 (post-1986 depreciation; difference between regular tax and AMT depreciation). If you are a corporation, please refer to Internal Revenue Service Form 4626, Alternative Minimum Tax-Corporations. Your share of alternative minimum tax adjustments should be input as a positive amount in Line 2, letter "a" (depreciation of post-1986 property).

If you have questions, please consult your tax advisor for further guidance.

Company Information

PSB is a self-advised and self-managed equity real estate investment trust specializing in the ownership, management, acquisition, development and redevelopment of business parks containing principally office "flex" space. The Company defines "flex" space as buildings that are configured with a combination of office and warehouse space and can be designed to fit an almost limitless number of uses (including office, assembly, showroom, laboratory, light manufacturing and warehouse under one roof). As of December 31, 2001, PSB had interests in approximately 15.1 million net rentable square feet with approximately 3,500 customers located in 9 states, concentrated primarily in California (4,967,000 sq. ft.), Texas (2,983,000 sq. ft.), Oregon (1,973,000 sq. ft.), Virginia (2,621,000 sq. ft.) and Maryland (1,769,000 sq. ft.).

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