

News Release

PS Business Parks, Inc.
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For Release:	Immediately
Date:	March 1, 2002
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Glendale, California - PS Business Parks, Inc. (AMEX: PSB), announces it has entered into an unsecured term loan agreement with Fleet National Bank. In addition, the Company has recognized a gain for accounting purposes from the disposition of a property of \$5.3 million which had previously been deferred.

Credit Facility Agreement

The Company has entered into a seven year \$50 million term loan agreement with Fleet National Bank. The note bears interest at libor plus 1.45% and is due on February 20, 2009. In addition, the Company incurred a one-time facility fee of 0.35% or \$175,000 for the facility. The Company expects to use the proceeds of the loan to reduce the amount drawn on its line of credit with Wells Fargo Bank, N.A.

Disposition of Property

As previously announced, a property located in San Diego, California totaling 77,000 square feet was disposed of through a three-party (section 1031) like-kind exchange transaction during the fourth quarter of 2001. The ultimate purchaser paid approximately \$9 million (\$8.6 million net of closing costs) for the property in the form of \$1.6 million in cash and a note receivable for \$7.4 million due within twelve months. The Company deferred the gain for accounting purposes of approximately \$5.3 million until the ultimate purchaser obtained third-party financing for the property.

During February 2002, the Company collected substantially all of the note receivable and will recognize a gain of \$5.3 million for accounting purposes that had previously been deferred pending collection of the note.

Company Information

PSB is a self-advised and self-managed equity real estate investment trust that acquires, develops, owns and operates commercial properties, primarily flex, multi-tenant office and industrial 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 space). As of December 31, 2001, PSB wholly-owned approximately 14.8 million net rentable square feet of commercial space with approximately 3,300 customers located in 9 states, concentrated primarily in California (4,673,000 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.).

Additional information about PS Business Parks, Inc. is available on the Internet. The Company's web site is www.psbusinessparks.com.

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