

News Release

PS Business Parks, Inc.
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For Release:	Immediately
Date:	January 25, 2005
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PS Business Parks, Inc. Announces Tax Treatment of 2004 Dividends

GLENDALE, California – PS Business Parks, Inc. (AMEX: PSB) announced today the tax treatment of the Company's 2004 dividends. For the tax year ended December 31, 2004, distributions for the common stock and all the various series of preferred stocks were classified as follows:

Ordinary Income	91.2876%
Long-Term Capital Gain	8.7124%
Total	<u>100.0000%</u>

The ordinary income dividends do not constitute "qualified dividend income."

The portion of the capital gain distribution that represents unrecaptured section 1250 gain is 34.8559 percent.

For corporate shareholders a portion of the total long-term capital gain is required to be recaptured as ordinary income. The portion of the long-term capital gain that is subject to recapture is 6.9712 percent.

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 3.61% of each distribution to its shareholders for the tax year ended December 31, 2004 consists of alternative minimum tax adjustments (i.e., for each \$1 of dividend reportable by a shareholder, 3.61¢ 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 2004 dividends from the Company (the sum of the amounts shown in Boxes 1a and 2a of the Company's 2004 Form 1099-DIV) times 3.61%.

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 17 (depreciation on assets placed in service after 1986). 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 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 a number of uses (including office, assembly, showroom, laboratory, light manufacturing and warehouse space). As of December 31, 2004,

PSB wholly owned approximately 18.0 million net rentable square feet of commercial space with approximately 3,700 customers located in eight states, concentrated primarily in California (5,160,000 sq. ft.), Texas (2,852,000 sq. ft.), Florida (3,330,000 sq. ft.), Oregon (1,939,000 sq. ft.), Virginia (2,786,000 sq. ft.) and Maryland (1,242,000 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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