



PSBUSINESSPARKS

**Analysis of Operating Results
and Financial Condition**

March 31, 2007

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE THREE MONTHS ENDED MARCH 31, 2007**

INDEX

	<u>Page</u>
Fact Sheet	1
Funds from Operations (FFO)	2 - 3
Capital Structure	4
Consolidated Balance Sheets	5 - 6
Consolidated Income Statements	7 - 8
Capital Expenditure Analysis	9
Portfolio Analysis	10 - 23

PS BUSINESS PARKS, INC.
FIRST QUARTER FACT SHEET
(in thousands, except per share amounts)

OPERATING DATA				
	FOR THE THREE MONTHS ENDED			% Change
	03/31/07	03/31/06		
Total operating revenues	\$ 65,307	\$ 58,903		10.9%
Net income allocable to common shareholders	\$ 5,923	\$ 5,062		17.0%
Net income per common share - diluted:				
Continuing operations	\$ 0.27	\$ 0.21		28.6%
Discontinued operations	\$ -	\$ 0.02		(100.0%)
Net income per common share - diluted	\$ 0.27	\$ 0.23		17.4%
Weighted average common shares outstanding - basic	21,316	21,437		(0.6%)
Weighted average common shares outstanding - diluted	21,690	21,708		(0.1%)
Weighted average common OP units outstanding	7,305	7,305		N/A
Total fully-converted diluted shares	28,995	29,013		(0.1%)

FUNDS FROM OPERATIONS				
	FOR THE THREE MONTHS ENDED			% Change
	03/31/07	03/31/06		
FFO allocable to common shareholders	\$ 29,593	\$ 26,687		10.9%
Diluted FFO per common share and units	\$ 1.02	\$ 0.92		10.9%

PROPERTY INFORMATION				
	FOR THE THREE MONTHS ENDED			% Change
	03/31/07	03/31/06		
<u>Total Owned Portfolio (1)</u> (excluding discontinued operations)				
Net rentable square footage at period end	19,429	17,858		8.8%
Weighted average occupancy	93.2%	92.7%		0.5%
Annualized realized rent per sq. ft. (2)	\$ 14.76	\$ 14.32		3.1%
REVPAR (3)	\$ 13.76	\$ 13.27		3.7%
<u>Same Park Portfolio (1)</u>				
Net rentable square footage at period end	17,492	17,492		N/A
Weighted average occupancy	93.4%	92.7%		0.8%
Annualized realized rent per sq. ft. (2)	\$ 14.39	\$ 14.23		1.1%
REVPAR (3)	\$ 13.44	\$ 13.19		1.9%

- (1) Amounts exclude discontinued operations.
(2) Represents the annualized revenues earned per occupied square foot.
(3) Represents the annualized revenues earned per total square foot.

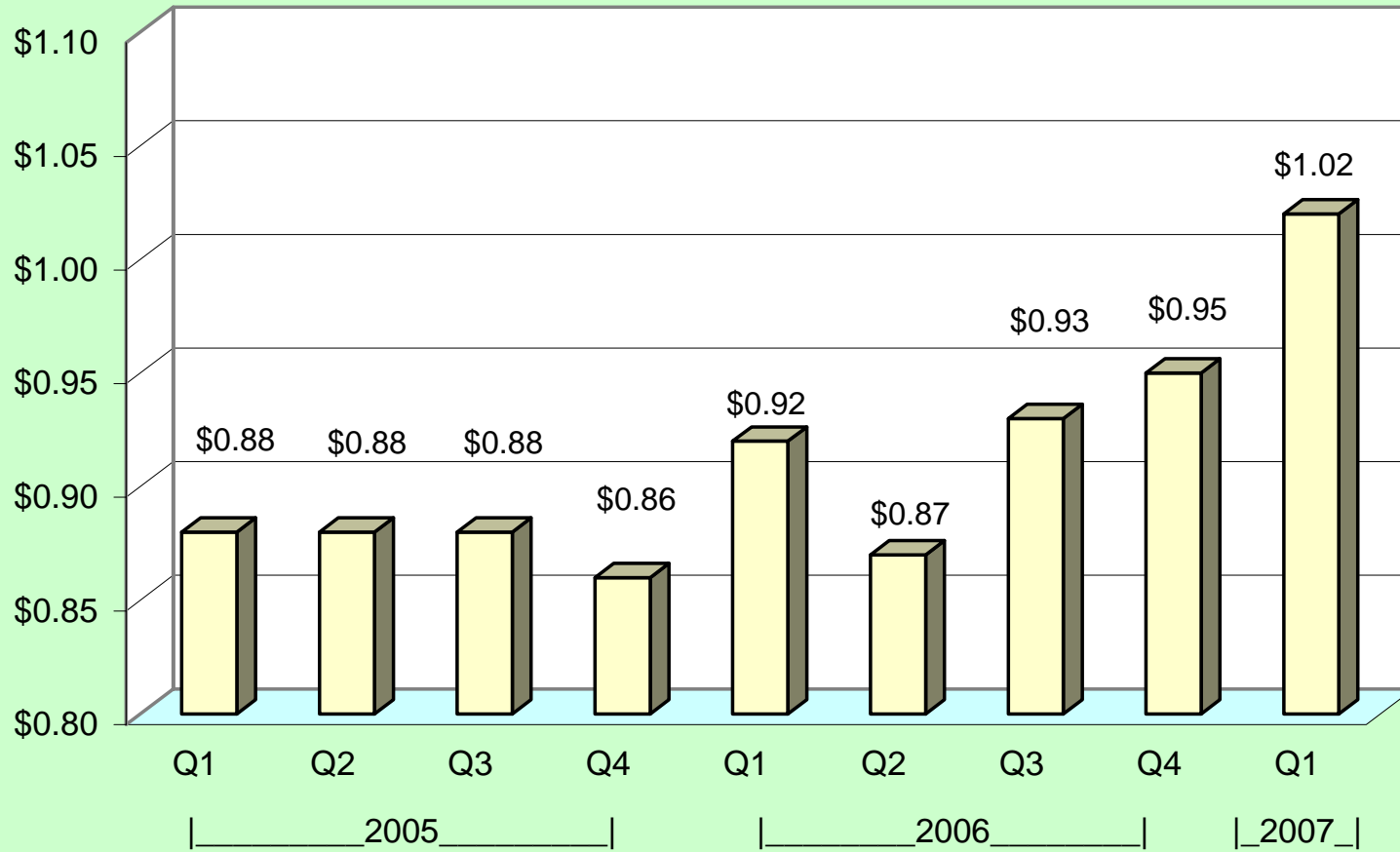
BALANCE SHEET DATA				
	03/31/07	12/31/06		% Change
Total assets	\$ 1,562,251	\$ 1,462,864		6.8%
Minority interest - preferred	\$ 94,750	\$ 82,750		14.5%
Minority interest - common	\$ 164,196	\$ 165,469		(0.8%)
Perpetual preferred stock	\$ 716,250	\$ 622,500		15.1%
Common shareholders' equity	\$ 479,318	\$ 482,703		(0.7%)
Total common shares outstanding at period end	21,326	21,311		0.1%
Book value per common share	\$ 22.48	\$ 22.65		(0.8%)

MARKET VALUE INFORMATION				
	03/31/07	12/31/06		% Change
Market value of common stock and common OP units	\$ 2,019,060	\$ 2,023,463		(0.2%)
Total debt	61,716	67,048		(8.0%)
Total preferred equity	811,000	705,250		15.0%
Total market capitalization	\$ 2,891,776	\$ 2,795,761		3.4%
Stock price at the end of the period	\$ 70.52	\$ 70.71		(0.3%)

PS BUSINESS PARKS, INC.
ANALYSIS OF FUNDS FROM OPERATIONS
(in thousands, except per share amounts)

	FOR THE THREE MONTHS ENDED		Increase (Decrease)	% Change
	03/31/07	03/31/06		
<u>Funds from operations (FFO):</u>				
Net income allocable to common shareholders	\$ 5,923	\$ 5,062	\$ 861	17.0%
Adjustments:				
Gain on disposition of real estate	-	(711)	(711)	(100.0%)
Depreciation and amortization	21,640	20,612	1,028	5.0%
Minority interest in income - common units	2,030	1,724	306	17.7%
FFO allocable to common shareholders/unitholders	<u>\$ 29,593</u>	<u>\$ 26,687</u>	<u>\$ 2,906</u>	<u>10.9%</u>
Weighted average common shares outstanding	21,316	21,437	(121)	(0.6%)
Weighted average common OP units outstanding	7,305	7,305	-	0.0%
Weighted average common stock equivalents outstanding	374	271	103	38.0%
Total pro forma fully-converted shares	<u>28,995</u>	<u>29,013</u>	<u>(18)</u>	<u>(0.1%)</u>
Diluted FFO per common share/OP unit	<u>\$ 1.02</u>	<u>\$ 0.92</u>	<u>\$ 0.10</u>	<u>10.9%</u>
<u>Funds available for distribution (FAD):</u>				
Funds from operations	\$ 29,593	\$ 26,687	\$ 2,906	10.9%
Adjustments:				
Capital improvements	(1,822)	(1,004)	818	81.5%
Tenant improvements	(4,439)	(3,543)	896	25.3%
Lease commissions	(1,034)	(511)	523	102.3%
Straight-line rent	(208)	(589)	(381)	(64.7%)
Stock compensation expense	638	526	112	21.3%
In-place lease adjustment	27	53	(26)	(49.1%)
Lease incentives net of tenant improvement reimbursements	58	130	(72)	(55.4%)
FAD	<u>\$ 22,813</u>	<u>\$ 21,749</u>	<u>\$ 1,064</u>	<u>4.9%</u>
Diluted FAD per common share/OP unit	<u>\$ 0.79</u>	<u>\$ 0.75</u>	<u>\$ 0.04</u>	<u>5.3%</u>
<u>Cash available for debt repayments and reinvestments:</u>				
FAD	\$ 22,813	\$ 21,749	\$ 1,064	4.9%
Distributions to common shareholders	(6,183)	(6,189)	(6)	(0.1%)
Distributions to common OP unit holders	(2,119)	(2,119)	-	0.0%
Cash available for debt repayments and reinvestments	<u>\$ 14,511</u>	<u>\$ 13,441</u>	<u>\$ 1,070</u>	<u>8.0%</u>
FAD payout ratio	<u>36.4%</u>	<u>38.2%</u>	<u>(1.8%)</u>	<u>(4.7%)</u>

Reported Diluted FFO Per Common Share/OP Unit



PS BUSINESS PARKS, INC.
CAPITAL STRUCTURE
(in thousands)

	As of March 31, 2007			As of December 31, 2006		
	Total	% of Total Market Capitalization	WTD Average Rate	Total	% of Total Market Capitalization	WTD Average Rate
Long-Term Debt:						
7.290% mortgage note, due February 2009	\$ 5,449			\$ 5,490		
5.730% mortgage note, due March 2013	14,684			14,743		
5.520% mortgage note, due May 2013	10,432			10,483		
5.680% mortgage note, due May 2013	10,436			10,486		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$976,000 on \$16.7 million mortgage note with stated rate of 7.200%)	17,654			17,759		
5.610% mortgage note, due January 2011 (includes unamortized premium of \$242,000 on \$2.8 million mortgage note with stated rate of 7.610%)	3,061			3,085		
8.190% mortgage note, repaid March 2007	-			5,002		
Total mortgage notes payable(1)	61,716	2.1%	5.94%	67,048	2.4%	6.11%
Total debt	61,716	2.1%	5.94%	67,048	2.4%	6.11%
Preferred Equity						
7.950% Series G preferred operating partnership units (800,000 units outstanding) callable 10/30/07	20,000			20,000		
7.000% Series H preferred stock (8,200,000 depository shares outstanding) callable 1/30/09	205,000			205,000		
6.875% Series I preferred stock (3,000,000 depository share outstanding) callable 4/21/09	75,000			75,000		
7.500% Series J preferred operating partnership units (1,710,000 units outstanding) callable 5/27/09	42,750			42,750		
7.950% Series K preferred stock (2,300,000 depository shares outstanding) callable 6/30/09	57,500			57,500		
7.600% Series L preferred stock (2,300,000 depository shares outstanding) callable 8/31/09	57,500			57,500		
7.200% Series M preferred stock (3,300,000 depository shares outstanding) callable 5/2/10	82,500			82,500		
7.125% Series N preferred operating partnership units (800,000 units outstanding) callable 12/12/10	20,000			20,000		
7.375% Series O preferred stock (3,800,000 depository shares outstanding) callable 6/16/11	95,000			95,000		
6.700% Series P preferred stock (5,750,000 depository shares outstanding) callable 1/17/12	143,750			-		
6.550% Series Q preferred operating partnership units (480,000 units outstanding) callable 3/12/12	12,000			-		
8.750% Series F preferred stock (2,000,000 depository shares outstanding) redeemed 1/29/07	-			50,000		
Total preferred equity	811,000	28.1%	7.16%	705,250	25.2%	7.37%
Total debt and preferred equity	872,716	30.2%	7.07%	772,298	27.6%	7.26%
Common stock (21,325,669 and 21,311,005 shares outstanding as of March 31, 2007 and December 31, 2006, respectively)	1,503,886			1,506,901		
Common operating partnership units (7,305,355 units outstanding as of March 31, 2007 and December 31, 2006)	515,174			516,562		
Total common equity(2)	2,019,060	69.8%		2,023,463	72.4%	
Total market capitalization	\$ 2,891,776	100%		\$ 2,795,761	100%	

(1) Principal maturity dates are represented by the following chart:

	Principal Maturity Dates						
	2007	2008	2009	2010	2011	Thereafter	Total
Park East III	\$ 126	\$ 179	\$ 5,144	\$ -	\$ -	\$ -	\$ 5,449
Rose Canyon	174	244	261	277	293	13,435	14,684
Meadows	164	237	258	278	15,741	-	16,678
Palm Beach	340	477	507	536	3,178	18,649	23,687
Meadows Loan Premium	142	198	208	218	210	-	976
Palm Beach Loan Premium	44	61	64	67	6	-	242
	\$ 990	\$ 1,396	\$ 6,442	\$ 1,376	\$ 19,428	\$ 32,084	\$ 61,716

(2) Closing stock price was \$70.52 and \$70.71 as of March 31, 2007 and December 31, 2006, respectively.

PS BUSINESS PARKS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	03/31/07	12/31/06	Increase (Decrease)	% Change
<u>ASSETS</u>				
Cash and cash equivalents	\$ 66,374	\$ 66,282	\$ 92	(a) 0.1%
Real estate facilities, at cost:				
Land	485,898	439,777	46,121	10.5%
Buildings and equipment	1,432,128	1,353,442	78,686	5.8%
	<u>1,918,026</u>	<u>1,793,219</u>	<u>124,807</u>	(b) 7.0%
Accumulated depreciation	(462,976)	(441,336)	21,640	4.9%
	<u>1,455,050</u>	<u>1,351,883</u>	<u>103,167</u>	7.6%
Land held for development	7,869	9,011	(1,142)	(12.7%)
	<u>1,462,919</u>	<u>1,360,894</u>	<u>102,025</u>	7.5%
Rent receivable	3,675	2,080	1,595	(c) 76.7%
Deferred rent receivables	21,662	21,454	208	1.0%
Other assets	7,621	12,154	(4,533)	(d) (37.3%)
Total assets	<u>\$ 1,562,251</u>	<u>\$ 1,462,864</u>	<u>\$ 99,387</u>	<u>6.8%</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Accrued and other liabilities	\$ 46,021	\$ 42,394	\$ 3,627	(e) 8.6%
Preferred stock called for redemption	-	50,000	(50,000)	(100.0%)
Mortgage notes payable	61,716	67,048	(5,332)	(8.0%)
Total liabilities	107,737	159,442	(51,705)	(32.4%)
Minority interests:				
Preferred units	94,750	82,750	12,000	14.5%
Common units	164,196	165,469	(1,273)	(0.8%)
Shareholders' equity:				
Preferred stock	716,250	572,500	143,750	25.1%
Common stock	213	213	-	0.0%
Paid-in capital	394,923	398,048	(3,125)	(f) (0.8%)
Cumulative net income	501,994	483,403	18,591	3.8%
Cumulative distributions	(417,812)	(398,961)	18,851	(g) 4.7%
Total shareholders' equity	<u>1,195,568</u>	<u>1,055,203</u>	<u>140,365</u>	<u>13.3%</u>
Total liabilities and shareholders' equity	<u>\$ 1,562,251</u>	<u>\$ 1,462,864</u>	<u>\$ 99,387</u>	<u>6.8%</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED BALANCE SHEETS
VARIANCE EXPLANATIONS
(in thousands)

(a) Change in cash and cash equivalents			
Beginning cash balance		\$	66,282
Net cash provided by operating activities			47,898
Net cash used in investing activities			(121,234)
Net cash provided by financing activities			73,428
Ending cash balance		\$	<u>66,374</u>
(b) Change in real estate facilities, at cost:			
Beginning balance		\$	1,793,219
Property acquisitions			116,243
Property renovations			127
Transfer from land held for development			1,142
Building improvements			1,822
Tenant improvements			4,439
Lease commissions			1,034
Ending balance		\$	<u>1,918,026</u>
(c) Rent receivable consists of the following:			
	<u>03/31/07</u>	<u>12/31/06</u>	<u>Change</u>
U.S. Government tenants	\$ 1,023	\$ 1,039	\$ (16)
Other	2,952	1,341	1,611
Allowance for bad debt	(300)	(300)	-
	<u>\$ 3,675</u>	<u>\$ 2,080</u>	<u>\$ 1,595</u>
(d) Change in other assets:			
	<u>03/31/07</u>	<u>12/31/06</u>	<u>Change</u>
Insurance claim receivable	\$ 884	\$ 1,359	\$ (475)
Prepaid insurance	94	922	(828)
Prepaid property taxes	1,166	2,184	(1,018)
Lease incentives, net	2,012	2,148	(136)
Mortgage impounds	1,403	1,063	340
In-place lease adjustment, net	598	656	(58)
Other	1,464	3,822	(2,358)
	<u>\$ 7,621</u>	<u>\$ 12,154</u>	<u>\$ (4,533)</u>
(e) Accrued and other liabilities consists of:			
	<u>03/31/07</u>	<u>12/31/06</u>	<u>Change</u>
Prepaid rent	\$ 6,857	\$ 6,883	\$ (26)
Accrued property taxes	5,737	4,905	832
Security deposits	18,720	17,879	841
In-place lease adjustment, net	1,043	-	1,043
Reserves for acquisition costs	2,811	3,031	(220)
Other	10,853	9,696	1,157
	<u>\$ 46,021</u>	<u>\$ 42,394</u>	<u>\$ 3,627</u>
(f) Change in paid-in capital:			
Beginning paid-in capital		\$	398,048
Shelf registration			(88)
Issuance of preferred stock			(4,183)
Exercise of stock options			125
Restricted stock and stock compensation			173
Adjustment to reflect minority interest to underlying ownership			848
Ending paid in capital		\$	<u>394,923</u>
(g) Change in cumulative distributions:			
Beginning cumulative distributions		\$	398,961
Distributions to preferred shareholders			12,668
Distributions to common shareholders			6,183
Ending cumulative distributions		\$	<u>417,812</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED
(in thousands, except per share amounts)

	03/31/07	03/31/06	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 65,124	\$ 58,754	\$ 6,370 (a)	10.8%
Facility management fees	183	149	34	22.8%
Total operating revenues	<u>65,307</u>	<u>58,903</u>	<u>6,404</u>	<u>10.9%</u>
Expenses:				
Cost of operations	20,439	17,946	2,493 (b)	13.9%
Depreciation and amortization	21,640	20,586	1,054	5.1%
General and administrative	1,702	1,650	52 (c)	3.2%
Total operating expenses	<u>43,781</u>	<u>40,182</u>	<u>3,599</u>	<u>9.0%</u>
Other income and expenses:				
Interest and other income	1,801	2,000	(199)	(10.0%)
Interest expense	(1,107)	(513)	594 (d)	115.8%
Total other income and expenses	<u>694</u>	<u>1,487</u>	<u>(793)</u>	<u>(53.3%)</u>
Income from continuing operations before minority interests	<u>22,220</u>	<u>20,208</u>	<u>2,012</u>	<u>10.0%</u>
Minority interests in continuing operations:				
Minority interest in income - preferred units	(1,599)	(2,781)	(1,182)	(42.5%)
Minority interest in income - common units	(2,030)	(1,568)	462	29.5%
Total minority interests in continuing operations	<u>(3,629)</u>	<u>(4,349)</u>	<u>(720)</u>	<u>(16.6%)</u>
Income from continuing operations	<u>18,591</u>	<u>15,859</u>	<u>2,732</u>	<u>17.2%</u>
Discontinued operations:				
Loss from discontinued operations	-	(97)	(97) (e)	(100.0%)
Gain on disposition of real estate	-	711	(711)	(100.0%)
Minority interest in earnings attributable to discontinued operations - common units	-	(156)	(156)	(100.0%)
Income from discontinued operations	<u>-</u>	<u>458</u>	<u>(458)</u>	<u>(100.0%)</u>
Net Income	<u>18,591</u>	<u>16,317</u>	<u>2,274</u>	<u>13.9%</u>
Net Income allocable to preferred shareholders				
Preferred distributions	12,668	11,255	1,413	12.6%
Total preferred distributions	<u>12,668</u>	<u>11,255</u>	<u>1,413</u>	<u>12.6%</u>
Net Income allocable to common shareholders	<u>\$ 5,923</u>	<u>\$ 5,062</u>	<u>\$ 861</u>	<u>17.0%</u>
Net income per common share - basic:				
Continuing operations	\$ 0.28	\$ 0.21	\$ 0.07	33.3%
Discontinued operations	\$ -	\$ 0.02	\$ (0.02)	(100.0%)
Net Income	\$ 0.28	\$ 0.24	\$ 0.04	16.7%
Net income per common share - diluted:				
Continuing operations	\$ 0.27	\$ 0.21	\$ 0.06	28.6%
Discontinued operations	\$ -	\$ 0.02	\$ (0.02)	(100.0%)
Net Income	\$ 0.27	\$ 0.23	\$ 0.04	17.4%
Weighted average common shares outstanding:				
Basic	<u>21,316</u>	<u>21,437</u>	<u>(121)</u>	<u>(0.6%)</u>
Diluted	<u>21,690</u>	<u>21,708</u>	<u>(18)</u>	<u>(0.1%)</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENT OF INCOME
VARIANCE EXPLANATIONS
FOR THE THREE MONTHS ENDED
(in thousands)

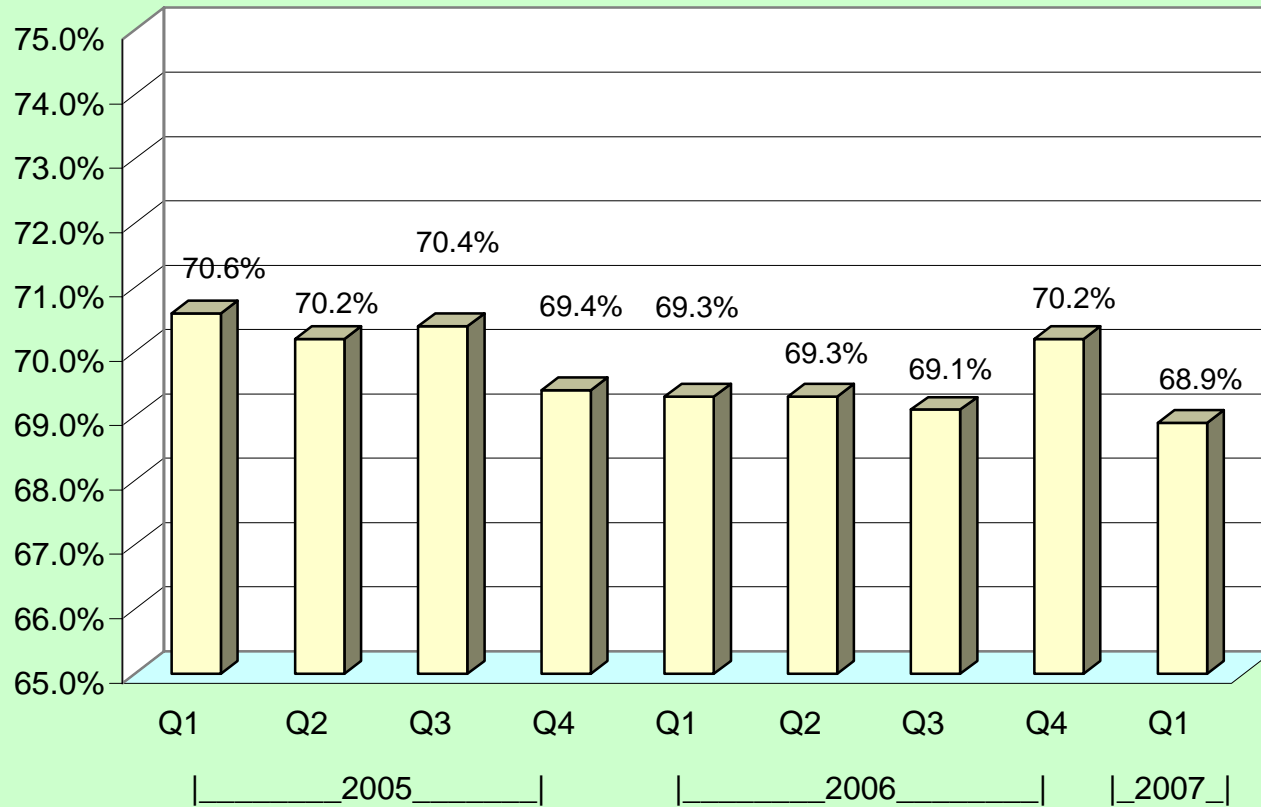
	<u>03/31/07</u>	<u>03/31/06</u>	<u>Change</u>
(a) Rental income:			
Same Park	\$ 58,794	\$ 57,167	\$ 1,627
Acquisitions	6,122	998	5,124
Straight-line rent	208	589	(381)
	<u>\$ 65,124</u>	<u>\$ 58,754</u>	<u>\$ 6,370</u>
(b) Cost of operations:			
Same Park	\$ 18,279	\$ 17,718	\$ 561
Acquisitions	2,160	228	1,932
	<u>\$ 20,439</u>	<u>\$ 17,946</u>	<u>\$ 2,493</u>
(c) General and administrative expenses:			
Compensation expense	\$ 834	\$ 774	\$ 60
Long term stock compensation expense	363	422	(59)
Professional fees	168	179	(11)
Other	337	275	62
	<u>\$ 1,702</u>	<u>\$ 1,650</u>	<u>\$ 52</u>
(d) Interest expense:			
Mortgage notes payable	\$ 1,020	\$ 424	\$ 596
Facilities fees & other charges	87	89	(2)
	<u>\$ 1,107</u>	<u>\$ 513</u>	<u>\$ 594</u>
(e) Net (loss) income from discontinued operations:			
Rental revenue	\$ -	\$ -	\$ -
Operating expenses	-	(71)	(71)
Depreciation expense	-	(26)	(26)
	<u>\$ -</u>	<u>\$ (97)</u>	<u>\$ (97)</u>

PS BUSINESS PARKS, INC.
Analysis of Capital Expenditures
(in thousands)

<u>Recurring capital expenditures (1)</u>	<u>Three Months Ended March 31, 2007 Costs</u>	<u>Cost per Weighted Average Square Foot</u>
Capital improvements (2)	\$1,822	\$0.10
Tenant improvements	4,439	\$0.23
Leasing commissions	1,034	\$0.05
Total recurring capital expenditures	<u>\$7,295</u>	<u>\$0.39</u>
<u>Non-recurring capital expenditures</u>		
Property renovations	\$127	
Total non-recurring capital expenditures	<u>\$127</u>	

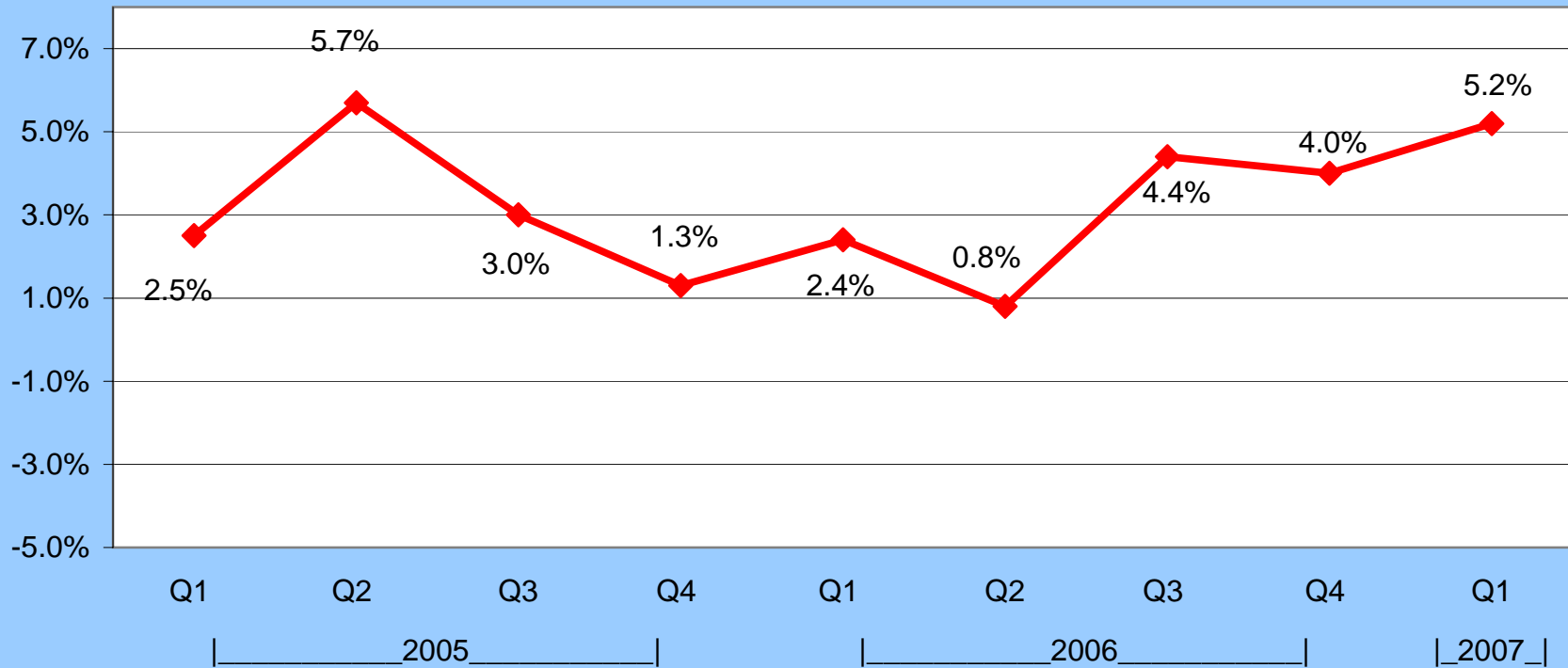
- (1) The company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Costs in excess of \$1,000 for tenant improvements and \$2,000 for maintenance capital expenditures with a useful life greater than 24 months are capitalized. It excludes deferred maintenance and leasing costs committed to by previous owners for acquired properties, leasing costs committed to by previous owners for acquired properties, renovations that substantially enhance the value of a property and first generation leasing costs on development properties. Lease-up costs on acquired properties are included in recurring capital expenditures. Repairs and maintenance expenses were \$4.9 million or approximately \$0.26 per weighted average square foot for the three months ended March 31, 2007 compared to \$4.2 million or approximately \$0.24 per weighted average square foot during the three months ended March 31, 2006.
- (2) Major costs include roof, HVAC and parking lot replacement as well as other major repairs that extend the life of the respective component of the building.

Same Park Gross Operating Margin Percentage *



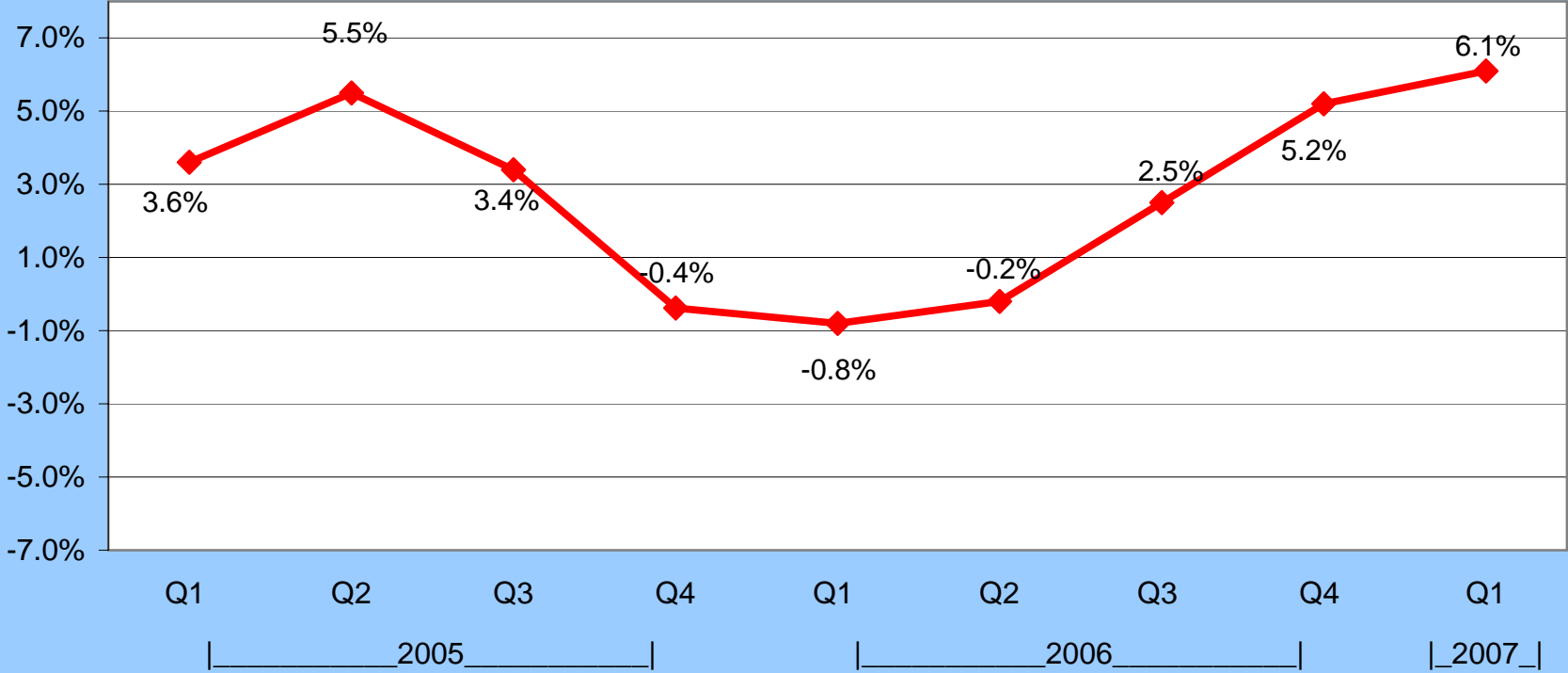
* Gross margin is computed by dividing property net operating income by rental income for Same Park properties owned in each period.

Change in Same Park Revenue *



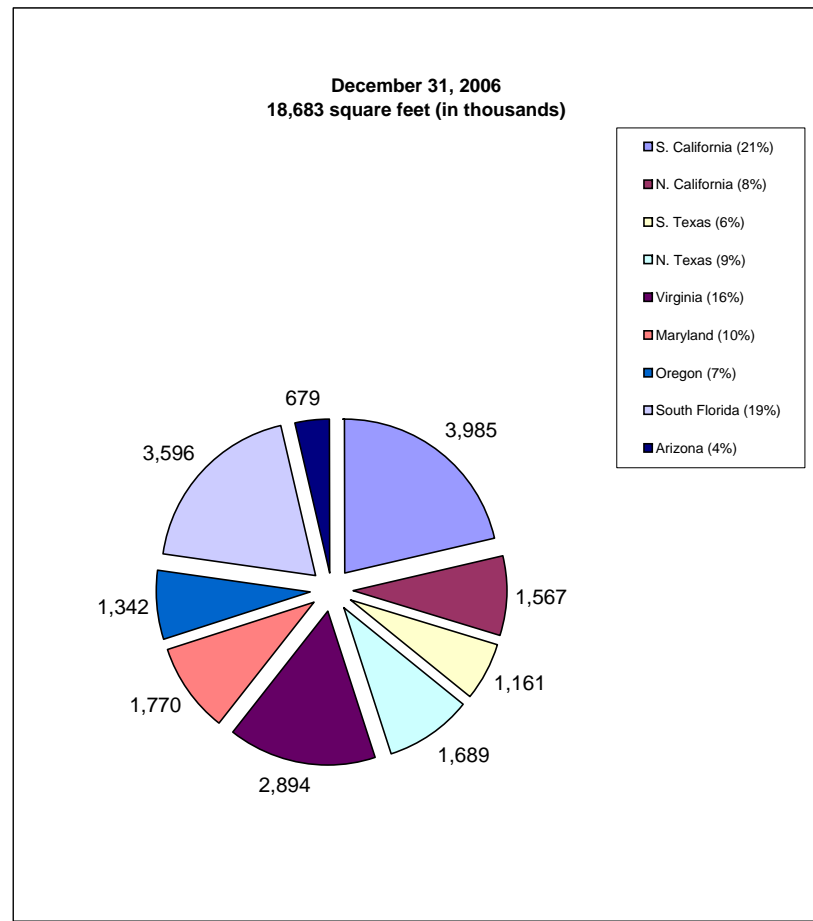
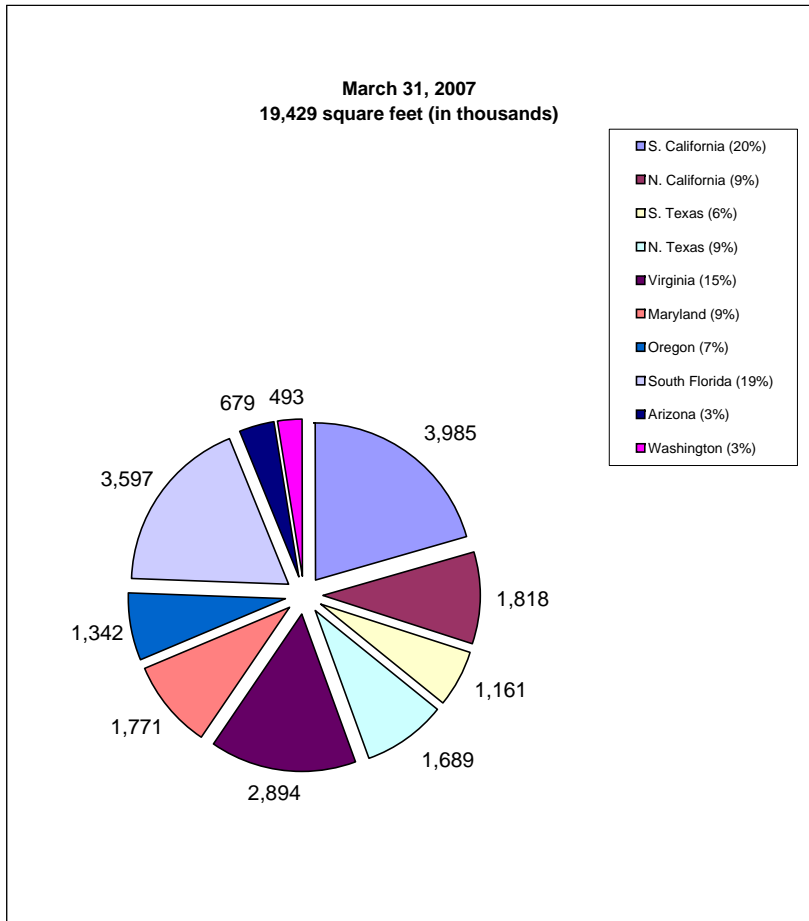
* Percentage represents the change over the comparable period in the previous year based on Same Park operating assets as reported in each period. Q1 '06 and Q1 '07 exclude a \$1.8 million bankruptcy settlement received in Q1' 06.

Change in Same Park NOI *



* Percentage represents the change over the comparable period in the previous year based on Same Park operating assets as reported in each period. Q1 '06 and Q1 '07 exclude a \$1.8 million bankruptcy settlement received in Q1 '06.

Total Owned Rentable Square Footage by Region *



* Square footage excludes discontinued operations.

PS BUSINESS PARKS, INC.
PORTFOLIO CONCENTRATION SUMMARY
(in thousands)

Industry Concentration as of March 31, 2007

	<u>% of Total Rental Income</u>
Business Services	12.5%
Government	10.7%
Financial Services	9.9%
Contractors	9.4%
Computer Hardware, Software and Related Service	9.1%
Warehouse, Transportation and Logistics	8.9%
Health Services	7.2%
Retail	5.6%
Communications	5.7%
Home Furnishings	3.9%
Electronics	3.2%
	<u>86.1%</u>

Top Ten Customers by Total Annual Rental Income as of March 31, 2007

<u>Tenant</u>	<u>Square Footage</u>	<u>Annualized Rental Income (1)</u>	<u>% of Total Annualized Rental Income</u>
U.S. Government	469	\$ 12,386	4.6%
Kaiser Permanente	194	4,280	1.6%
Santa Clara County	97	3,192	1.2%
Intel	214	3,095	1.2%
Wells Fargo Bank	102	1,706	0.6%
AARP	102	1,542	0.6%
Northrop Grumman	58	1,542	0.6%
Axcelis Technologies	89	1,499	0.6%
American Intercontinental University	74	1,236	0.5%
MCI	73	1,234	0.5%
	<u>1,472</u>	<u>\$ 31,712</u>	<u>12.0%</u>

(1) For leases expiring within one year, annualized rental income represents income to be received under existing leases from March 31, 2007 through date of expiration.

PS BUSINESS PARKS, INC.
TOTAL OWNED PORTFOLIO OVERVIEW
(in thousands)

Rentable Square Footage of Properties as of March 31, 2007					
Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	631	3,199	16.5%
Northern Virginia	-	948	1,946	2,894	14.9%
Northern California	407	431	981	1,819	9.4%
Maryland	-	883	887	1,770	9.1%
Dallas	231	-	1,458	1,689	8.7%
Orange County	-	704	911	1,615	8.3%
Los Angeles County	712	31	859	1,602	8.1%
Portland	-	188	1,126	1,314	6.8%
Austin	-	-	787	787	4.1%
San Diego County	-	-	768	768	4.0%
Phoenix	-	-	679	679	3.5%
Seattle	-	28	493	521	2.7%
Palm Beach	-	-	398	398	2.0%
Houston	-	131	243	374	1.9%
Total	3,906	3,356	12,167	19,429	100.0%
Percentage by Product Type	20.1%	17.3%	62.6%	100.0%	

Average Occupancy Rates by Product Type for the Three Months Ended March 31, 2007				
Primary Markets	Industrial	Office	Flex	Total
Miami	99.4%	100.0%	92.9%	98.2%
Northern Virginia	-	92.6%	93.4%	93.1%
Northern California	89.7%	95.2%	89.3%	92.4%
Maryland	-	91.9%	97.7%	94.8%
Dallas	100.0%	-	80.2%	82.9%
Orange County	-	96.1%	94.8%	95.4%
Los Angeles County	92.6%	97.8%	94.5%	93.7%
Portland	-	96.7%	91.9%	92.6%
Austin	-	-	93.2%	93.2%
San Diego County	-	-	91.6%	91.6%
Phoenix	-	-	91.4%	91.4%
Seattle	-	94.0%	89.9%	90.0%
Palm Beach	-	-	95.6%	95.6%
Houston	-	96.3%	85.7%	89.4%
	97.2%	93.9%	91.4%	93.2%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended March 31, 2007			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	98.5%	95.1%	98.2%
Northern Virginia	92.3%	94.6%	93.1%
Northern California	93.3%	88.3%	92.4%
Maryland	95.5%	89.2%	94.8%
Dallas	83.4%	80.6%	82.9%
Orange County	97.8%	93.2%	95.4%
Los Angeles County	92.6%	94.6%	93.7%
Portland	92.9%	91.4%	92.6%
Austin	92.7%	94.8%	93.2%
San Diego County	-	91.6%	91.6%
Phoenix	-	91.4%	91.4%
Seattle	-	90.0%	90.0%
Palm Beach	-	95.6%	95.6%
Houston	-	89.4%	89.4%
	93.7%	91.9%	93.2%

Note:

Includes all properties reported in continuing operations as of March 31, 2007.

The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

PS BUSINESS PARKS, INC.
SAME PARK PORTFOLIO OVERVIEW
(in thousands)

Rentable Square Footage of Properties as of March 31, 2007					
Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	631	3,199	18.3%
Northern Virginia	-	948	1,839	2,787	15.9%
Dallas	231	-	1,458	1,689	9.7%
Orange County	-	704	911	1,615	9.2%
Los Angeles County	712	31	770	1,513	8.6%
Northern California	407	430	663	1,500	8.6%
Portland	-	188	1,154	1,342	7.7%
Maryland	-	719	520	1,239	7.1%
Austin	-	-	787	787	4.5%
San Diego County	-	-	768	768	4.4%
Phoenix	-	-	679	679	3.9%
Houston	-	131	243	374	2.1%
Total	3,906	3,163	10,423	17,492	100.0%
Percentage by Product Type	22.3%	18.1%	59.6%	100.0%	

Average Occupancy Rates by Product Type for the Three Months Ended March 31, 2007				
Primary Markets	Industrial	Office	Flex	Total
Miami	99.4%	100.0%	92.9%	98.2%
Northern Virginia	-	92.6%	94.0%	93.5%
Dallas	100.0%	-	80.2%	82.9%
Orange County	-	96.1%	94.8%	95.4%
Los Angeles County	92.6%	97.8%	96.5%	94.7%
Northern California	89.7%	95.2%	94.7%	93.5%
Portland	-	96.7%	91.9%	92.5%
Maryland	-	92.7%	97.7%	94.8%
Austin	-	-	93.2%	93.2%
San Diego County	-	-	91.6%	91.6%
Phoenix	-	-	91.4%	91.4%
Houston	-	96.3%	85.7%	89.4%
	97.2%	94.2%	91.7%	93.4%

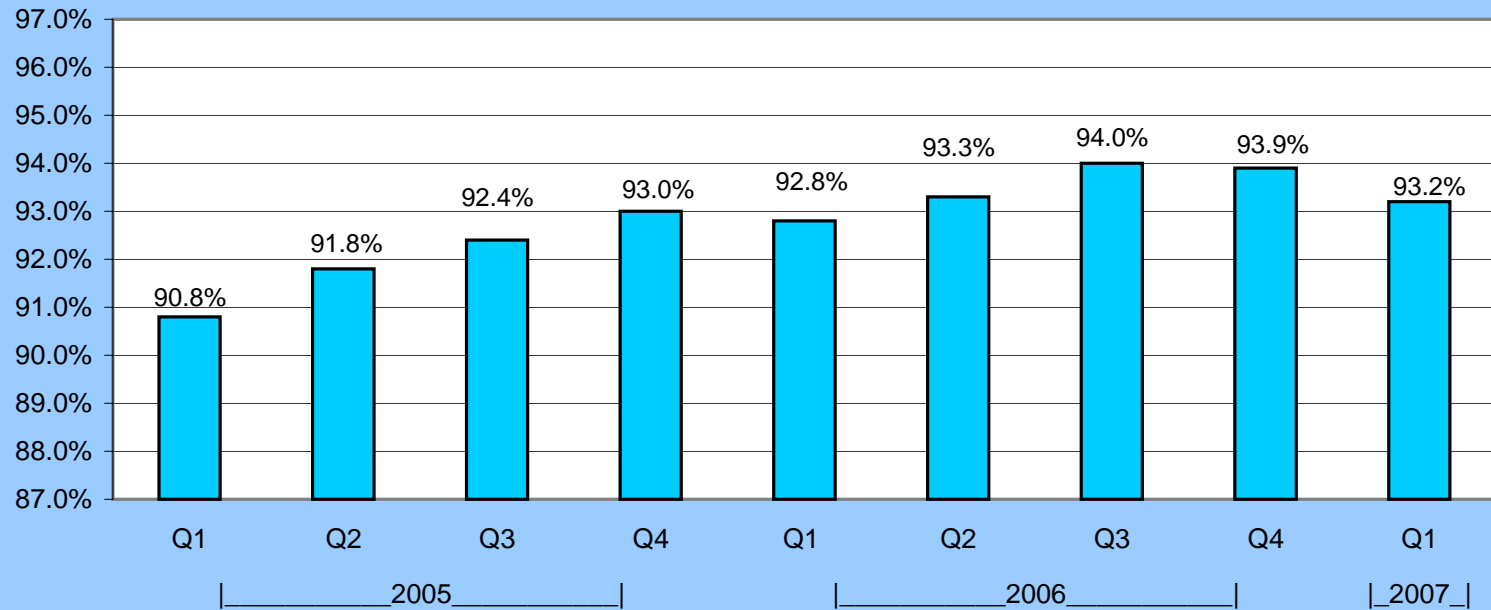
Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended March 31, 2007			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	98.5%	95.1%	98.2%
Northern Virginia	92.8%	94.6%	93.5%
Dallas	83.4%	80.6%	82.9%
Orange County	97.8%	93.2%	95.4%
Los Angeles County	92.6%	96.6%	94.7%
Northern California	93.3%	93.8%	93.5%
Portland	92.9%	91.1%	92.5%
Maryland	94.8%	94.1%	94.8%
Austin	92.7%	94.8%	93.2%
San Diego County	-	91.6%	91.6%
Phoenix	-	91.4%	91.4%
Houston	-	89.4%	89.4%
	93.7%	92.8%	93.4%

Note:

Includes all properties included in continuing operations owned since January 1, 2006.

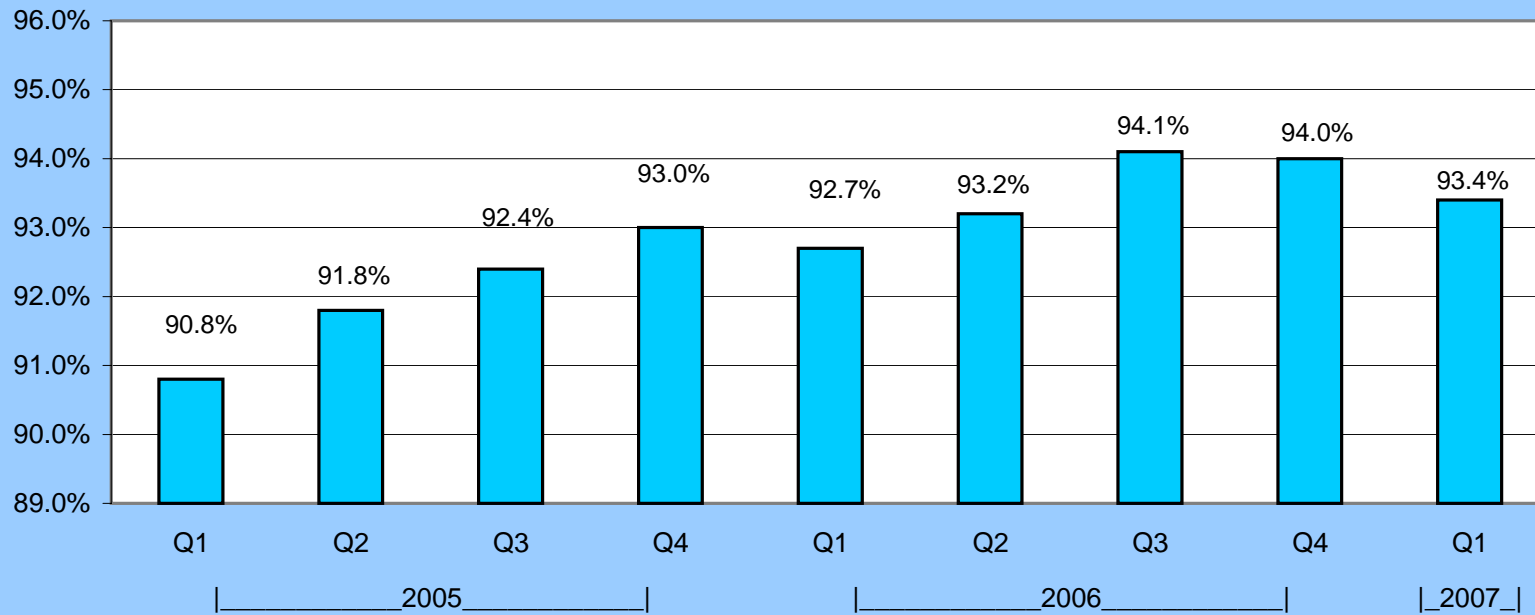
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

Total Owned Portfolio Weighted Average Occupancy *



* Represents the weighted average occupancy for total owned portfolio held in continuing operations as reported in each period.

Same Park Weighted Average Occupancy *



* Represents the Same Park weighted average occupancy as reported in each period.

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of March 31, 2007

(in thousands)

Lease Expirations - Flex					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2007	1,952	\$ 27,289	15.7%	9.7%	
2008	2,730	41,332	23.8%	14.8%	
2009	2,366	34,721	19.9%	12.4%	
2010	1,142	17,080	9.8%	6.1%	
2011	1,003	18,329	10.5%	6.5%	
Thereafter	1,922	35,345	20.3%	12.6%	
	<u>11,115</u>	<u>\$ 174,096</u>	<u>100.0%</u>	<u>62.1%</u>	

Lease Expirations - Office					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2007	346	\$ 7,752	10.4%	2.8%	
2008	685	15,475	20.7%	5.6%	
2009	527	11,124	14.9%	4.0%	
2010	635	15,616	20.9%	5.6%	
2011	390	10,034	13.4%	3.6%	
Thereafter	571	14,736	19.7%	5.3%	
	<u>3,154</u>	<u>\$ 74,737</u>	<u>100.0%</u>	<u>26.9%</u>	

Lease Expirations - Industrial					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2007	462	\$ 3,594	11.8%	1.3%	
2008	884	6,822	22.4%	2.4%	
2009	882	7,119	23.4%	2.6%	
2010	844	6,632	21.8%	2.4%	
2011	406	3,518	11.6%	1.3%	
Thereafter	364	2,732	9.0%	1.0%	
	<u>3,842</u>	<u>\$ 30,417</u>	<u>100.0%</u>	<u>11.0%</u>	

Lease Expirations - Total					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2007	2,760	\$ 38,635	13.8%	13.8%	
2008	4,299	63,629	22.8%	22.8%	
2009	3,775	52,964	19.0%	19.0%	
2010	2,621	39,328	14.1%	14.1%	
2011	1,799	31,881	11.4%	11.4%	
Thereafter	2,857	52,813	18.9%	18.9%	
	<u>18,111</u>	<u>\$ 279,250</u>	<u>100.0%</u>	<u>100.0%</u>	

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of March 31, 2007
(in thousands)

Southern California				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	633	\$ 10,226	15.3%	3.7%
2008	1,018	17,122	25.6%	6.1%
2009	854	14,315	21.4%	5.1%
2010	646	10,479	15.7%	3.8%
2011	316	5,938	8.9%	2.1%
Thereafter	334	8,760	13.1%	3.1%
	<u>3,801</u>	<u>\$ 66,840</u>	<u>100.0%</u>	<u>23.9%</u>

Northern California				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	347	\$ 4,607	19.4%	1.6%
2008	507	8,916	37.5%	3.2%
2009	298	3,770	15.8%	1.4%
2010	169	1,908	8.0%	0.7%
2011	84	1,114	4.7%	0.4%
Thereafter	220	3,478	14.6%	1.2%
	<u>1,625</u>	<u>\$ 23,793</u>	<u>100.0%</u>	<u>8.5%</u>

Southern Texas				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	152	\$ 1,481	12.2%	0.5%
2008	314	3,360	27.7%	1.2%
2009	267	2,859	23.6%	1.0%
2010	89	1,019	8.4%	0.4%
2011	52	627	5.2%	0.2%
Thereafter	209	2,789	22.9%	1.0%
	<u>1,083</u>	<u>\$ 12,135</u>	<u>100.0%</u>	<u>4.3%</u>

Northern Texas				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	119	\$ 1,121	7.2%	0.4%
2008	155	1,527	9.8%	0.6%
2009	207	1,678	10.8%	0.6%
2010	163	1,427	9.2%	0.5%
2011	100	1,216	7.8%	0.4%
Thereafter	678	8,605	55.2%	3.1%
	<u>1,422</u>	<u>\$ 15,574</u>	<u>100.0%</u>	<u>5.6%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of March 31, 2007
(in thousands)

South Florida					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2007	628	\$ 6,283	19.5%	2.2%	
2008	873	7,318	22.7%	2.6%	
2009	760	7,046	21.9%	2.5%	
2010	659	5,694	17.7%	2.0%	
2011	376	3,845	12.0%	1.5%	
Thereafter	187	1,990	6.2%	0.7%	
	<u>3,483</u>	<u>32,176</u>	<u>100.0%</u>	<u>11.5%</u>	

Northern Virginia					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2007	268	\$ 4,114	7.6%	1.5%	
2008	642	12,441	23.0%	4.5%	
2009	470	8,672	16.1%	3.1%	
2010	391	7,731	14.3%	2.8%	
2011	161	3,460	6.4%	1.2%	
Thereafter	790	17,629	32.6%	6.3%	
	<u>2,722</u>	<u>\$ 54,047</u>	<u>100.0%</u>	<u>19.4%</u>	

Maryland					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2007	232	\$ 5,607	14.1%	2.0%	
2008	217	5,043	12.6%	1.8%	
2009	267	4,932	12.4%	1.8%	
2010	308	7,719	19.3%	2.7%	
2011	339	8,861	22.2%	3.2%	
Thereafter	328	7,726	19.4%	2.8%	
	<u>1,691</u>	<u>\$ 39,888</u>	<u>100.0%</u>	<u>14.3%</u>	

Oregon					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2007	102	\$ 1,682	8.0%	0.6%	
2008	321	4,732	22.7%	1.7%	
2009	345	5,754	27.5%	2.1%	
2010	98	2,001	9.6%	0.7%	
2011	302	5,753	27.6%	2.1%	
Thereafter	47	958	4.6%	0.3%	
	<u>1,215</u>	<u>\$ 20,880</u>	<u>100.0%</u>	<u>7.5%</u>	

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of March 31, 2007

(in thousands)

Washington					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2007	107	\$ 1,599	23.9%	0.6%	
2008	109	1,485	22.2%	0.5%	
2009	138	1,808	27.1%	0.6%	
2010	38	581	8.7%	0.2%	
2011	48	790	11.8%	0.2%	
Thereafter	22	420	6.3%	0.2%	
	<u>462</u>	<u>\$ 6,683</u>	<u>100.0%</u>	<u>2.4%</u>	

Arizona					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2007	172	\$ 1,915	26.5%	0.7%	
2008	143	1,685	23.3%	0.6%	
2009	169	2,130	29.4%	0.8%	
2010	60	769	10.6%	0.3%	
2011	21	277	3.8%	0.1%	
Thereafter	42	458	6.4%	0.2%	
	<u>607</u>	<u>\$ 7,234</u>	<u>100.0%</u>	<u>2.7%</u>	

Total					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2007	2,760	\$ 38,635	13.8%	13.8%	
2008	4,299	63,629	22.8%	22.8%	
2009	3,775	52,964	19.0%	19.0%	
2010	2,621	39,328	14.1%	14.1%	
2011	1,799	31,881	11.4%	11.4%	
Thereafter	2,857	52,813	18.9%	18.9%	
	<u>18,111</u>	<u>\$ 279,250</u>	<u>100.0%</u>	<u>100.0%</u>	

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of March 31, 2007

(in thousands)

Lease Expirations - Large Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	1,075	\$ 13,933	8.5%	5.0%
2008	2,375	33,121	20.3%	11.9%
2009	2,185	27,334	16.7%	9.8%
2010	1,815	24,865	15.2%	8.9%
2011	1,348	23,252	14.3%	8.3%
Thereafter	2,307	40,827	25.0%	14.6%
Total	11,105	\$ 163,332	100.0%	58.5%

Lease Expirations - Small Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	1,685	\$ 24,702	21.3%	8.8%
2008	1,924	30,508	26.3%	10.9%
2009	1,590	25,630	22.1%	9.2%
2010	806	14,463	12.5%	5.2%
2011	451	8,629	7.4%	3.1%
Thereafter	550	11,986	10.4%	4.3%
Total	7,006	\$ 115,918	100.0%	41.5%

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	2,760	\$ 38,635	13.8%	13.8%
2008	4,299	63,629	22.8%	22.8%
2009	3,775	52,964	19.0%	19.0%
2010	2,621	39,328	14.1%	14.1%
2011	1,799	31,881	11.4%	11.4%
Thereafter	2,857	52,813	18.9%	18.9%
Total	18,111	\$ 279,250	100.0%	100.0%