PSBUSINESSPARKS

Analysis of Operating Results and Financial Condition

For the Periods Ended December 31, 2001

ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE PERIODS ENDED DECEMBER 31, 2001

INDEX

PS BUSINESS PARKS, INC.
FOURTH QUARTER FACT SHEET

OPERATING DATA

	Three Months Ended			Years Ended		
	12/31/01	12/31/00	Difference	12/31/01	12/31/00	Difference
Total revenues	$ 45,949,000	$ 38,294,000	20.0%	$ 170,391,000	$ 150,634,000	13.1%
Net income allocable to common shareholders	$ 9,886,000	$ 16,183,000	(38.9%)	$ 41,016,000	$ 46,093,000	(11.0%)
Net income per common share:						
Basic	$ 0.46	$ 0.70	(34.3%)	$ 1.84	$ 1.98	(7.1%)
Diluted	$ 0.46	$ 0.70	(34.3%)	$ 1.83	$ 1.97	(7.1%)
Weighted average common shares outstanding:						
Basic	21,576,000	23,073,000	(6.5%)	22,350,000	23,284,000	(4.0%)
Diluted	21,692,000	23,196,000	(6.5%)	22,435,000	23,365,000	(4.0%)

FUNDS FROM OPERATIONS

	Three Months Ended			Years Ended		
	12/31/01	12/31/00	Difference	12/31/01	12/31/00	Difference
FFO allocable to common shareholders	$ 17,571,000	$ 16,933,000	3.8%	$ 70,670,000	$ 65,422,000	8.0%
Weighted average common shares outstanding - diluted	21,692,000	23,196,000	(6.5%)	22,435,000	23,365,000	(4.0%)
FFO per common share - diluted	$ 0.81	$ 0.73	11.0%	$ 3.15	$ 2.80	12.5%

PROPERTY INFORMATION

	Three Months Ended			Years Ended		
	12/31/01	12/31/00	Difference	12/31/01	12/31/00	Difference
Net rentable square footage at period end (wholly-owned)	14,817,000	12,096,000	22.5%	14,817,000	12,096,000	22.5%
Same Park Facilities						
Weighted average occupancy	94.9%	97.1%	(2.2%)	95.6%	96.8%	(1.2%)
Annualized realized rent per sq. ft. (1)	$ 13.00	$ 12.18	6.7%	$ 12.78	$ 11.90	7.4%

(1) Realized rent per square foot represents the actual revenues earned per occupied square foot.

BALANCE SHEET DATA

	As of 12/31/01	As of 12/31/00	Difference
Total assets	$ 1,169,955,000	$ 930,756,000	25.7%
Minority interest - preferred	$ 197,750,000	$ 144,750,000	36.6%
Minority interest - common	$ 162,141,000	$ 161,728,000	0.3%
Perpetual preferred stock	$ 121,000,000	$ 55,000,000	120.0%
Common shareholders' equity	$ 478,731,000	$ 509,343,000	(6.0%)
Total common shares outstanding at period end	21,540,000	23,045,000	(6.5%)
Book value per common share	$ 22.23	$ 22.10	0.6%

MARKET VALUE INFORMATION

	As of 12/31/01	As of 12/31/00	Difference
Market value of common stock and OP units	$ 908,622,000	$ 844,577,000	7.6%
Total debt	165,145,000	30,971,000	433.2%
Total preferred stock and OP units	318,750,000	199,750,000	59.6%
Total market capitalization	$ 1,392,517,000	$ 1,075,298,000	29.5%
Stock price	$ 31.50	$ 27.80	13.3%

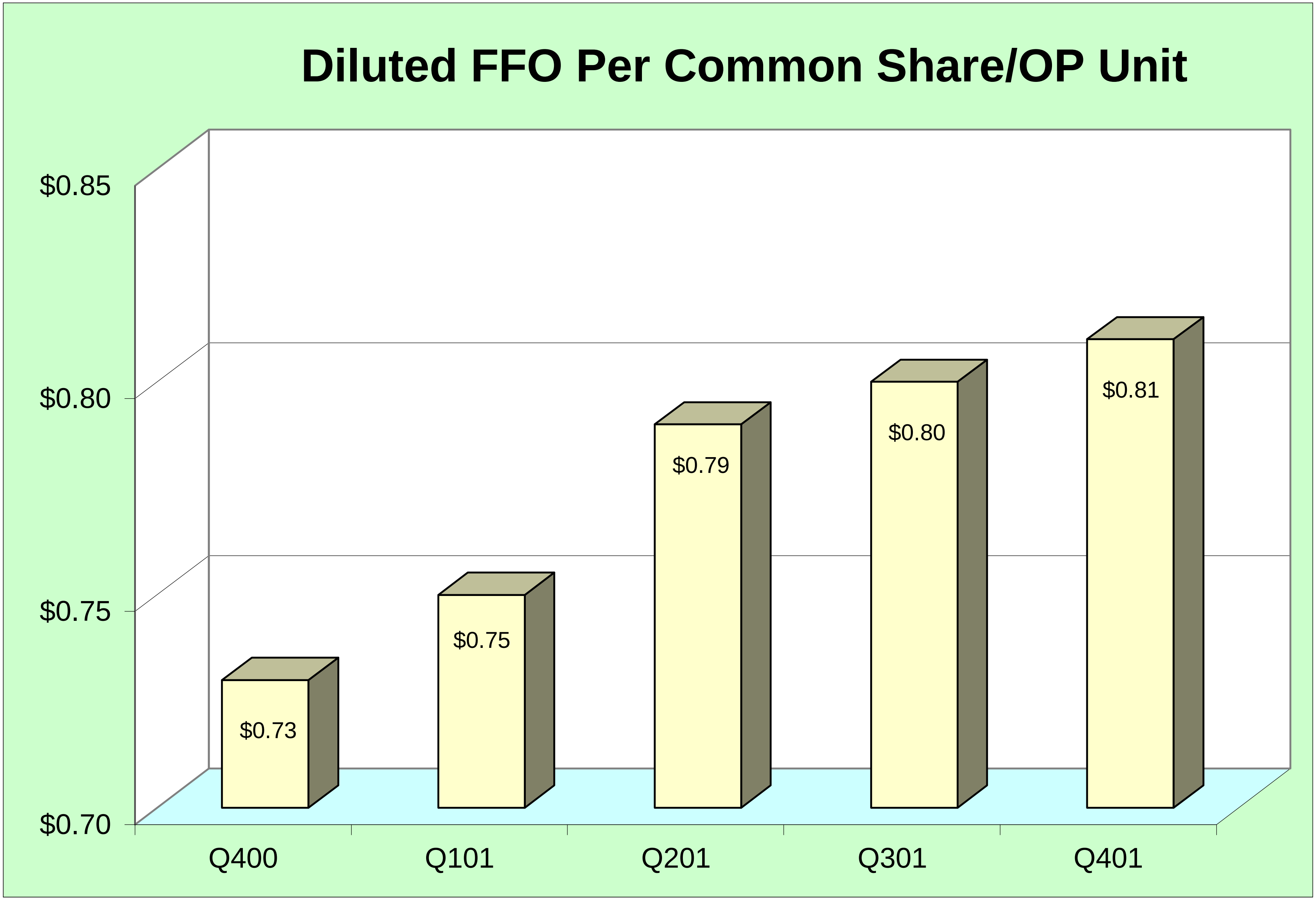
PS BUSINESS PARKS, INC.

Sources and Uses of Funds
For the Year Ended December 31, 2001

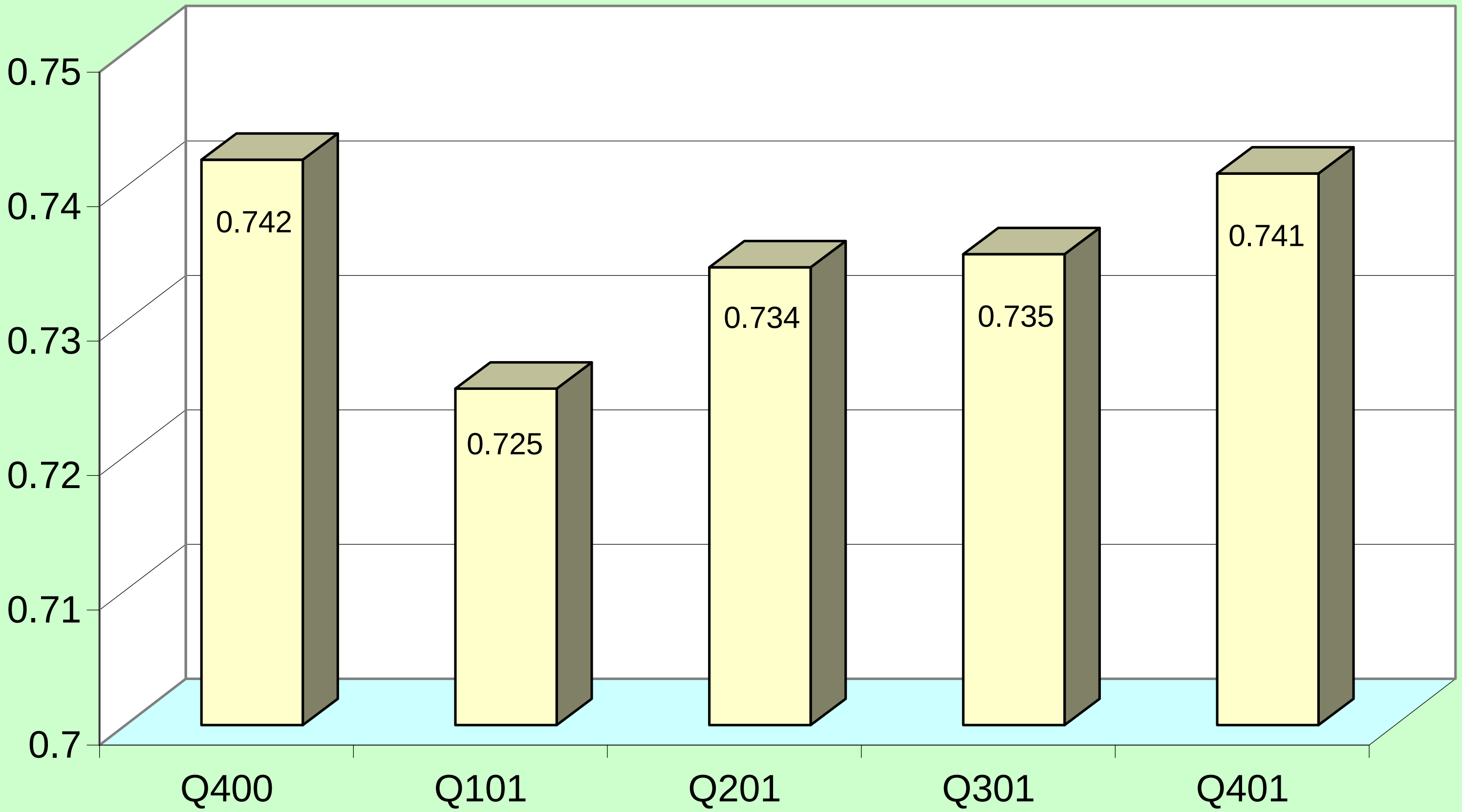
	FY01 (YTD Actual)
Sources of Funds:	
Funds from operations	$ 93,568,000
Joint venture	13,005,000
Disposition of property	1,175,000
Borrowings from line of credit	100,000,000
Borrowings from affiliate	35,000,000
Issuance of preferred stock/unit, net	115,987,000
Exercise of stock options	1,603,000
Sale of marketable securities	6,401,000
Change in working capital	10,091,000
Total Sources of Funds	376,830,000
Uses of Funds:	
Property acquisitions	(301,104,000)
Developed projects and additional acquisition costs	(16,705,000)
Recurring capital expenditures	(11,641,000)
Investment in marketable securities	(9,441,000)
Common dividends and OP distributions	(38,598,000)
Repurchase of common stock/OP units	(44,734,000)
Principal payments on mortgage notes payable	(826,000)
Total Uses of Funds	(423,049,000)
Net decrease in cash balance	(46,219,000)
Beginning cash balance	49,295,000
Ending cash balance	$ 3,076,000

PS BUSINESS PARKS, INC.
ANALYSIS OF FUNDS FROM OPERATIONS

	Three Months Ended 12/31/01	Three Months Ended 12/31/00	Increase (Decrease)	% Change	Years Ended 12/31/01	Years Ended 12/31/00	Increase (Decrease)	% Change
Funds from operations (FFO):								
Net income allocable to common shareholders	$ 9,886,000	$ 16,183,000	$ (6,297,000)	(38.9%)	$ 41,016,000	$ 46,093,000	$ (5,077,000)	(11.0%)
Less gain/loss on investment in marketable securities	7,000	(7,849,000)	7,856,000	(100.1%)	(8,000)	(7,849,000)	7,841,000	N/A
Less gain on disposition of properties	-	-	-	N/A	-	(256,000)	256,000	(100.0%)
Depreciation and amortization	11,009,000	8,914,000	2,095,000	23.5%	41,067,000	35,637,000	5,430,000	15.2%
Depreciation from unconsolidated joint venture	15,000	-	15,000	N/A	15,000	-	15,000	N/A
Minority interest in income	3,335,000	5,163,000	(1,828,000)	(35.4%)	13,382,000	14,556,000	(1,174,000)	(8.1%)
Less effects of straight line rents	(733,000)	(253,000)	(480,000)	189.7%	(1,904,000)	(2,204,000)	300,000	(13.6%)
FFO allocable to common shareholders/unitholders	$ 23,519,000	$ 22,158,000	$ 1,361,000	6.1%	$ 93,568,000	$ 85,977,000	$ 7,591,000	8.8%
Weighted average common shares outstanding	21,576,000	23,073,000	(1,497,000)	(6.5%)	22,350,000	23,284,000	(934,000)	(4.0%)
Weighted average common OP units outstanding	7,305,000	7,336,000	(31,000)	(0.4%)	7,306,000	7,363,000	(57,000)	(0.8%)
Weighted average dilutive stock options	116,000	123,000	(7,000)	(5.7%)	85,000	81,000	4,000	4.9%
Total pro forma fully-converted shares	28,997,000	30,532,000	(1,535,000)	(5.0%)	29,741,000	30,728,000	(987,000)	(3.2%)
FFO per common share/OP unit	$ 0.81	$ 0.73	$ 0.08	11.0%	$ 3.15	$ 2.80	$ 0.35	12.5%
Funds available for distribution (FAD):								
Total funds from operations	$ 23,519,000	$ 22,158,000	$ 1,361,000	6.1%	$ 93,568,000	$ 85,977,000	$ 7,591,000	8.8%
Less capitalized expenditures:								
Maintenance capital expenditures	1,613,000	927,000	686,000	74.0%	4,202,000	3,228,000	974,000	30.2%
Tenant improvements	1,835,000	2,206,000	(371,000)	(16.8%)	4,926,000	5,264,000	(338,000)	(6.4%)
Capitalized lease commissions	847,000	1,036,000	(189,000)	(18.2%)	2,513,000	3,275,000	(762,000)	(23.3%)
Total capitalized expenditures	4,295,000	4,169,000	126,000	3.0%	11,641,000	11,767,000	(126,000)	(1.1%)
FAD	$ 19,224,000	$ 17,989,000	$ 1,235,000	6.9%	$ 81,927,000	$ 74,210,000	$ 7,717,000	10.4%
FAD per common share/OP unit	$ 0.66	$ 0.59	$ 0.07	11.9%	$ 2.75	$ 2.42	$ 0.33	13.6%
Cash available for debt repayments and reinvestments:								
FAD	$ 19,224,000	$ 17,989,000	$ 1,235,000	6.9%	$ 81,927,000	$ 74,210,000	$ 7,717,000	10.4%
Realized gain on PAG	-	6,139,000	(6,139,000)	(100.0%)	-	6,139,000	(6,139,000)	(100.0%)
Distributions to common shareholders	(9,477,000)	(5,761,000)	(3,716,000)	64.5%	(29,027,000)	(23,241,000)	(5,786,000)	24.9%
Distributions to common OP unitholders	(3,215,000)	(1,834,000)	(1,381,000)	75.3%	(9,571,000)	(7,363,000)	(2,208,000)	30.0%
Cash available for debt repayments and reinvestments	$ 6,532,000	$ 16,533,000	$ (10,001,000)	(60.5%)	$ 43,329,000	$ 49,745,000	$ (6,416,000)	(12.9%)


Diluted FFO Per Common Share/OP Unit
$0.85
$0.80
$0.75
$0.70
$0.73
$0.75
$0.79
$0.80
$0.81
Q400
Q101
Q201
Q301
Q401

Gross Operating Margin Percentage*
(Same Park)



* Gross margin is computed by dividing property net operating income by rental income (excluding straight-line rent adjustment).

PS BUSINESS PARKS, INC.
CAPITAL STRUCTURE

Debt at December 31, 2001 consists of the following:	Total	Principal Maturity Dates 2002	2003	2004	2005	2006	Thereafter
7.050% mortgage note, secured by one commercial property, due May 2006	8,374,000	211,000	226,000	242,000	260,000	7,435,000	-
8.190% mortgage note, secured by one commercial property, due March 2007	6,283,000	216,000	235,000	254,000	276,000	300,000	5,002,000
7.290% mortgage note, secured by one commercial property, due February 2009	6,164,000	116,000	125,000	134,000	144,000	155,000	5,490,000
7.280% mortgage note, secured by two commercial properties, due February 2003	4,059,000	137,000	3,922,000	-	-	-	-
8.000% mortgage note, secured by one commercial property, due April 2003	1,930,000	100,000	1,830,000	-	-	-	-
8.500% mortgage note, secured by one commercial property, due July 2007	1,797,000	58,000	63,000	69,000	75,000	81,000	1,451,000
8.000% mortgage note, secured by one commercial property, due April 2003	1,538,000	65,000	1,473,000	-	-		-
Total mortgage notes payable **(1)**	30,145,000	903,000	7,874,000	699,000	755,000	7,971,000	11,943,000

$100 million unsecured line of credit	100,000,000		
Note payable to affiliate	35,000,000		
Total debt	165,145,000		11.9%
Equity at December 31, 2001 consists of the following:			
9.250% Series A preferred stock (2,200,000 depositary shares outstanding)	55,000,000		
8.875% Series B preferred operating partnership units (510,000 units outstanding)	12,750,000		
8.750% Series C preferred operating partnership units (3,200,000 units outstanding)	80,000,000		
9.500% Series D preferred stock (2,640,000 depositary shares outstanding)	66,000,000		
9.250% Series E preferred operating partnership units (2,120,000 units outstanding)	53,000,000		
8.875% Series X preferred operating partnership units (1,600,000 units outstanding)	40,000,000		
8.875% Series Y preferred operating partnership units (480,000 units outstanding)	12,000,000		
Total preferred equity **(2)**	318,750,000		22.9%
Common stock (21,539,783 shares outstanding)	678,503,000	**(3)**	
Common operating partnership units (7,305,355 units outstanding)	230,119,000	**(3)**	
Total common equity **(3)**	908,622,000		65.3%
Total market capitalization	1,392,517,000		100%

(1) The weighted average interest rate and maturity was 7.56% and 4.4 years, respectively.

(2) The weighted average distribution rate on preferred equity is 9.1%.

(3) Value based on December 31, 2001 closing stock price of $31.50.

(4) Does not include 116,000 shares related to stock options for the year ending December 31, 2001 computed using the Treasury Stock method. These stock options are treated as common stock equivalents for purposes of calculating weighted average common shares outstanding used in computing net income and FFO per common share.

PS BUSINESS PARKS, INC.
CONSOLIDATED BALANCE SHEETS

	12/31/01		12/31/00	Increase (Decrease)		% Change
ASSETS						
Cash and cash equivalents	$ 3,076,000		$ 49,295,000	$ (46,219,000)	(a)	-93.8%
Marketable securities	9,134,000		6,065,000	3,069,000		50.6%
Real estate facilities, at cost:						
Land	288,792,000		214,020,000	74,772,000		34.9%
Buildings and equipment	948,899,000		709,328,000	239,571,000		33.8%
	1,237,691,000		923,348,000	314,343,000	(b)	34.0%
Accumulated depreciation	(121,609,000)		(83,841,000)	(37,768,000)		45.0%
	1,116,082,000		839,507,000	276,575,000		32.9%
Properties held for disposition, net	9,498,000		-	9,498,000		N/A
Land held for development	10,629,000		5,737,000	4,892,000		85.3%
Construction in progress	-		19,467,000	(19,467,000)		-100.0%
	1,136,209,000		864,711,000	271,498,000		31.4%
Investment in unconsolidated joint venture	974,000		-	974,000		N/A
Rent receivable	745,000		445,000	300,000		67.4%
Interest receivable	137,000		16,000	121,000		756.3%
Note receivable	7,450,000		-	7,450,000		N/A
Deferred rent receivables	9,601,000		7,697,000	1,904,000		24.7%
Intangible assets, net	679,000		981,000	(302,000)		-30.8%
Other assets	1,950,000		1,546,000	404,000		26.1%
Total assets	$ 1,169,955,000		$ 930,756,000	$ 239,199,000		25.7%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Accrued and other liabilities	$ 45,188,000	(c)	$ 28,964,000	$ 16,224,000		56.0%
Line of credit	100,000,000		-	100,000,000		N/A
Note payable to affiliate	35,000,000		-	35,000,000		N/A
Mortgage notes payable	30,145,000		30,971,000	(826,000)		-2.7%
Total liabilities	210,333,000		59,935,000	150,398,000		250.9%
Minority interest:						
Preferred units	197,750,000		144,750,000	53,000,000		36.6%
Common units	162,141,000		161,728,000	413,000		0.3%
Shareholders' equity:						
Preferred stock	121,000,000		55,000,000	66,000,000		120.0%
Common stock	215,000		230,000	(15,000)		-6.5%
Paid-in capital	422,161,000		464,855,000	(42,694,000)	(d)	-9.2%
Cumulative net income	174,860,000		124,990,000	49,870,000	(e)	39.9%
Comprehensive gain	108,000		-	108,000		N/A
Cumulative distributions	(118,613,000)		(80,732,000)	(37,881,000)	(f)	46.9%
Total shareholders' equity	599,731,000		564,343,000	35,388,000		6.3%
Total liabilities and shareholders' equity	$ 1,169,955,000		$ 930,756,000	$ 239,199,000		25.7%

(a)	See sources and uses of funds on page 2	
(b)	Property acquisitions	$ 301,104,000
	Property dispositions	(3,811,000)
	Developed projects and additional acquisition costs	31,337,000
	Transfer of assets to joint venture	(14,415,000)
	Properties held for disposition	(11,513,000)
	Maintenance capital expenditures	4,202,000
	Tenant improvements	4,926,000
	Lease commissions	2,513,000
		$ 314,343,000
(c)	Accrued and other liabilities at December 31, 2001 consists of:	
	Deferred rental revenue	$ 3,391,000
	Deferred gain on disposition of property	5,366,000
	Accounts payable	2,147,000
	Property taxes	4,868,000
	Security deposits	11,167,000
	Other	4,289,000
	Accrued distributions	4,910,000
	Reserves for acquisition costs	9,050,000
		$ 45,188,000
(d)	Paid-in capital decreased due to the following:	
	Repurchased shares	$ (43,910,000)
	Exercise of stock options	1,602,000
	Preferred stock issuance costs	(1,663,000)
	Minority interest adjustment	1,277,000
		$ (42,694,000)
(e)	Represents net income for the year ended December 31, 2001	
(f)	Distributions to preferred shareholders	$ (8,854,000)
	Distributions to common shareholders	(29,027,000)
		$ (37,881,000)

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED

	12/31/01	12/31/00	Increase (Decrease)	% Change
Revenues:				
Rental income	$ 45,098,000	$ 36,906,000	$ 8,192,000 **(a)**	22.2%
Facility management fees primarily from affiliates	184,000	156,000	28,000	17.9%
Business services	45,000	198,000	(153,000) **(b)**	(77.3%)
Equity income in unconsolidated joint venture	25,000		25,000	N/A
Interest income	592,000	1,030,000	(438,000) **(c)**	(42.5%)
Dividend income	5,000	4,000	1,000	25.0%
	45,949,000	38,294,000	7,655,000	20.0%
Expenses:				
Cost of operations	12,362,000	9,858,000	2,504,000 **(d)**	25.4%
Cost of facility management	41,000	34,000	7,000	20.6%
Cost of business services	112,000	202,000	(90,000)	(44.6%)
Depreciation and amortization	11,009,000	8,914,000	2,095,000	23.5%
General and administrative	1,163,000 **(e)**	1,095,000	68,000	6.2%
Interest expense	783,000 **(f)**	235,000	548,000	233.2%
	25,470,000	20,338,000	5,132,000	25.2%
Income before gain (loss) on investments and minority interest	20,479,000	17,956,000	2,523,000	14.1%
Gain (loss) on investment in marketable securities	(7,000)	7,849,000	(7,856,000)	(100.1%)
Gain on disposition of properties	-	-	-	N/A
Income before minority interest	20,472,000	25,805,000	(5,333,000)	(20.7%)
Minority interest in income - preferred units	(4,411,000)	(3,187,000)	(1,224,000)	38.4%
Minority interest in income - common units	(3,335,000)	(5,163,000)	1,828,000	(35.4%)
Net income	$ 12,726,000	$ 17,455,000	$ (4,729,000)	(27.1%)
Net income allocation:				
Allocable to preferred shareholders	$ 2,840,000	$ 1,272,000	$ 1,568,000	123.3%
Allocable to common shareholders	9,886,000	16,183,000	(6,297,000)	(38.9%)
	$ 12,726,000	$ 17,455,000	$ (4,729,000)	(27.1%)
Net income per common share:				
Basic	$ 0.46	$ 0.70	$ (0.24)	(34.3%)
Diluted	$ 0.46	$ 0.70	(0.24)	(34.3%)
Weighted average common shares outstanding:				
Basic	21,576,000	23,073,000	(1,497,000) **(g)**	(6.5%)
Diluted	21,692,000	23,196,000	(1,504,000) **(g)**	(6.5%)

(a) Rental income has increased due to the following:

"Same Park" facilities	$ 1,286,000
Other facilities	6,426,000
Straight line rent adjustment	480,000
	$ 8,192,000

(b) Business services include licensing fees from telecommunication service providers. Decrease from the prior year is due to the bankruptcy of Darwin Networks, Winstar and Teligent.

(c) Interest income decreased as a result of lower weighted average interest bearing investments ($71M in 2001 vs. $66M in 2000) and weighted average interest rates (3.3% in 2001 vs. 6.3% in 2000).

(d) Cost of operations have increased due to the following:

"Same Park" facilities	$ 244,000
Other facilities	2,260,000
	$ 2,504,000

(e) General and administrative expenses for the three months ended December 31, 2001 consists of:

Professional fees	$ 221,000
Salaries	402,000
General administrative costs	282,000
Internal acquisition costs	134,000
Abandoned projects	-
Other	124,000
	$ 1,163,000

(f) Interest expense for the three months ended December 31, 2001 consists of:

Mortgage notes payable	$ 573,000
Short-term borrowings	236,000
Line of credit facility fee	64,000
Capitalized interest	(90,000)
	$ 783,000

(g) Decrease relates to the repurchase of common shares.

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED

	12/31/01	12/31/00	Increase (Decrease)	% Change
Revenues:				
Rental income	$ 167,062,000	$ 144,171,000	$ 22,891,000 **(a)**	15.9%
Facility management fees primarily from affiliates	683,000	539,000	144,000	26.7%
Business services	353,000	547,000	(194,000) **(b)**	(35.5%)
Equity income in unconsolidated joint venture	25,000	-	25,000	N/A
Interest income	2,251,000	4,076,000	(1,825,000) **(c)**	(44.8%)
Dividend income	17,000	1,301,000	(1,284,000) **(d)**	(98.7%)
	170,391,000	150,634,000	19,757,000	13.1%
Expenses:				
Cost of operations	45,214,000	39,290,000	5,924,000 **(e)**	15.1%
Cost of facility management	152,000	111,000	41,000	36.9%
Cost of business services	572,000	344,000	228,000	66.3%
Depreciation and amortization	41,067,000	35,637,000	5,430,000	15.2%
General and administrative	4,320,000 **(f)**	3,954,000	366,000	9.3%
Interest expense	1,715,000 **(g)**	1,481,000	234,000	15.8%
	93,040,000	80,817,000	12,223,000	15.1%
Income before gain on investments and minority interest	77,351,000	69,817,000	7,534,000	10.8%
Gain on investment in marketable securities	8,000	7,849,000	(7,841,000)	(99.9%)
Gain on disposition of properties	-	256,000	(256,000)	(100.0%)
Income before minority interest	77,359,000	77,922,000	(563,000)	(0.7%)
Minority interest in income - preferred units	(14,107,000)	(12,185,000)	(1,922,000)	15.8%
Minority interest in income - common units	(13,382,000)	(14,556,000)	1,174,000	(8.1%)
Net income	$ 49,870,000	$ 51,181,000	$ (1,311,000)	(2.6%)
Net income allocation:				
Allocable to preferred shareholders	$ 8,854,000	$ 5,088,000	$ 3,766,000	74.0%
Allocable to common shareholders	41,016,000	46,093,000	(5,077,000)	(11.0%)
	$ 49,870,000	$ 51,181,000	$ (1,311,000)	(2.6%)
Net income per common share:				
Basic	$ 1.84	$ 1.98	$ (0.14)	(7.1%)
Diluted	$ 1.83	$ 1.97	$ (0.14)	(7.1%)
Weighted average common shares outstanding:				
Basic	22,350,000	23,284,000	(934,000) **(h)**	(4.0%)
Diluted	22,435,000	23,365,000	(930,000) **(h)**	(4.0%)

(a) Rental income has increased due to the following:

"Same Park" facilities	$ 7,892,000
Other facilities	15,299,000
Straight line rent adjustment	(300,000)
	$ 22,891,000

(b) Business services include licensing fees from telecommunication service providers. Decrease from the prior year due to the bankruptcy of Darwin Networks, Winstar and Teligent.

(c) Interest income decreased as a result of lower weighted average interest bearing investments ($53M in 2001 vs. $62M in 2000) and weighted average interest rates (4.2% in 2001 vs. 6.5% in 2000).

(d) No dividend income was received from Pacific Gulf Properties Inc. ("PAG") during the year ended December 31, 2001.

(e) Cost of operations have increased due to the following:

"Same Park" facilities	$ 1,324,000
Other facilities	4,600,000
	$ 5,924,000

(f) General and administrative expenses for the year ended December 31, 2001 consists of:

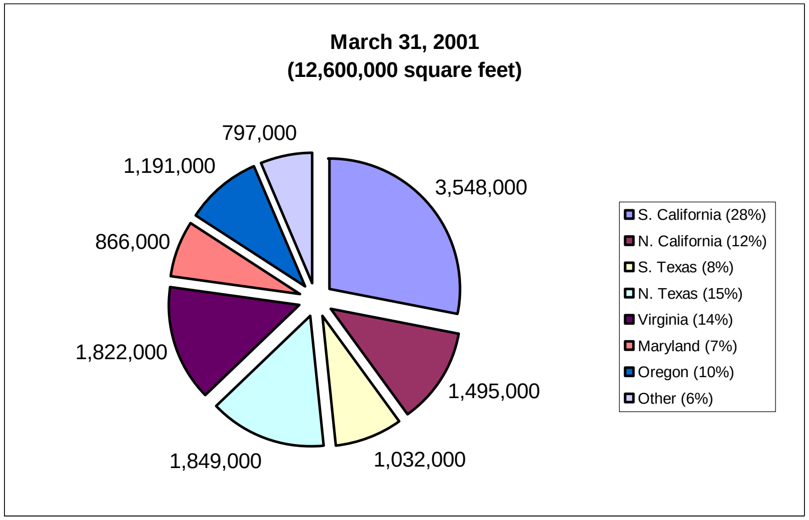
Professional fees	$ 792,000
Salaries	1,587,000
General administrative costs	676,000
Internal acquisition costs	587,000
Abandoned projects	7,000
Other	671,000
	$ 4,320,000

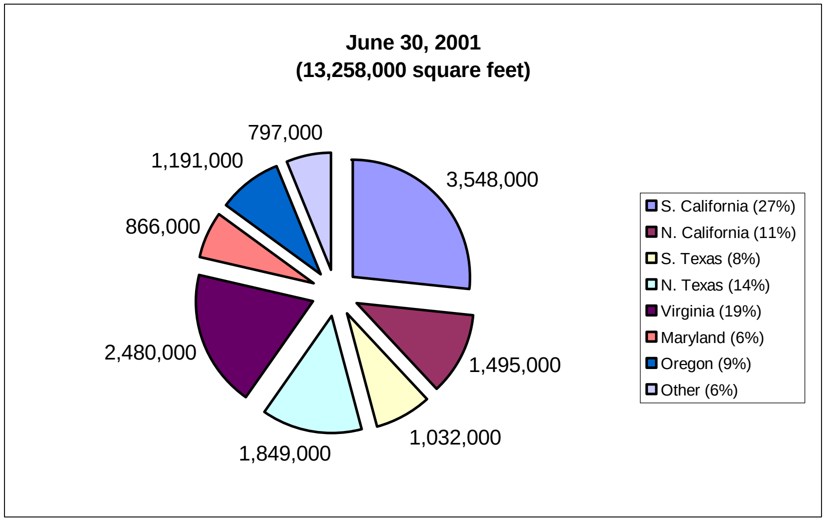
(g) Interest expense for the year ended December 31, 2001 consists of:

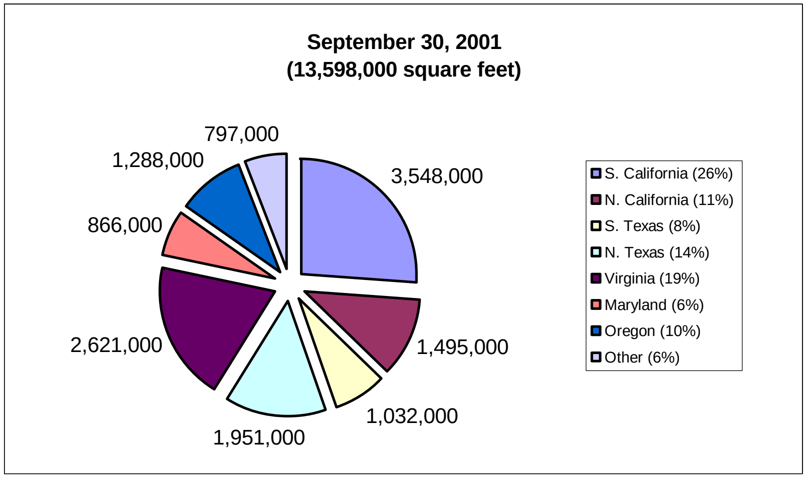
Mortgage notes payable	$ 2,317,000
Short-term borrowings	236,000
Line of credit facility fees	253,000
Capitalized interest	(1,091,000)
	$ 1,715,000

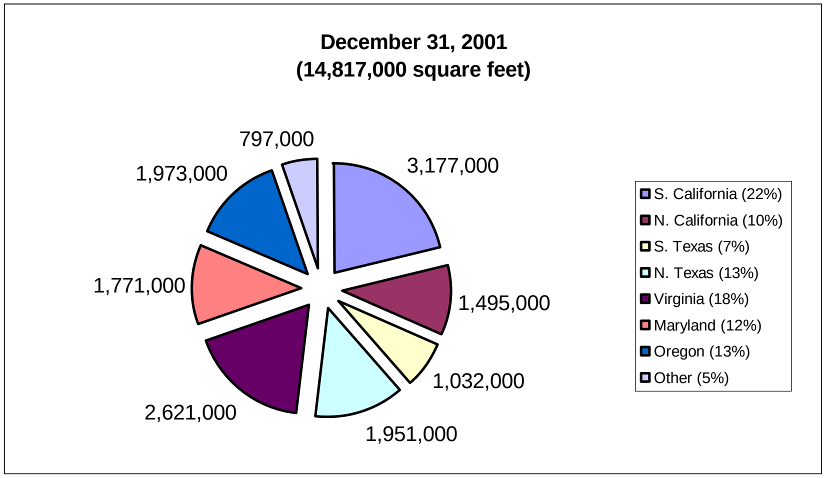
(h) Decrease relates to the repurchase of common shares

Rentable Square Footage by Region









PS BUSINESS PARKS, INC.
PORTFOLIO OVERVIEW

Rentable Square Footage of Properties as of December 31, 2001					
Primary Markets	Industrial	Office	Flex	Total	%
Northern Virginia	-	355,000	2,266,000	2,621,000	17.7%
Los Angeles County	712,000	88,000	770,000	1,570,000	10.6%
Northern California	407,000	430,000	660,000	1,497,000	10.1%
Dallas	-	-	1,576,000	1,576,000	10.6%
Portland	-	346,000	1,627,000	1,973,000	13.3%
Orange County	-	160,000	911,000	1,071,000	7.2%
Maryland	-	720,000	1,051,000	1,771,000	12.0%
Austin	-	-	833,000	833,000	5.6%
San Diego County	-	-	535,000	535,000	3.6%
Phoenix	-	-	569,000	569,000	3.8%
Other	-	330,000	471,000	801,000	5.5%
	1,119,000	2,429,000	11,269,000	14,817,000	100.0%

Average Occupancy Rates by Product Type for the Quarter Ending December 31, 2001				
Primary Markets	Industrial	Office	Flex	Total
Northern Virginia	-	98.7%	95.6%	96.0%
Los Angeles County	90.4%	99.6%	96.8%	94.1%
Northern California	99.6%	92.9%	95.7%	96.8%
Dallas	-	-	94.2%	94.2%
Portland	-	92.3%	97.4%	96.7%
Orange County	-	97.0%	97.5%	97.4%
Maryland	-	96.0%	97.3%	97.2%
Austin	-	-	92.9%	92.9%
San Diego County	-	-	98.8%	98.8%
Phoenix	-	-	84.3%	84.3%
Other	-	77.5%	93.0%	86.6%
	93.8%	91.9%	95.3%	94.8%

Weighted Average Occupancy Rates by Portfolio Type for the Quarter Ending December 31, 2001			
Primary Markets	Large Tenant	Small Tenant	Total
Northern Virginia	95.4%	98.9%	96.0%
Los Angeles County	90.4%	97.1%	94.1%
Northern California	98.7%	92.6%	96.8%
Dallas	96.9%	81.0%	94.2%
Portland	96.9%	93.7%	96.7%
Orange County	98.2%	96.0%	97.4%
Maryland	97.1%	100.0%	97.2%
Austin	93.6%	91.0%	92.9%
San Diego County	-	98.8%	98.8%
Phoenix	93.5%	82.9%	84.3%
Other	86.1%	86.7%	86.6%
	95.9%	92.5%	94.8%

Note:

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

The Company's "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

PS BUSINESS PARKS, INC.
PORTFOLIO ANALYSIS

Industry Concentration as of December 31, 2001	
Computer Hardware, software and related service	13.3%
Business services	11.1%
Government	8.5%
Communications	7.6%
Contractors	6.6%
Financial services	6.1%
Home funishings	5.8%
Retail	5.6%
Electronics	4.1%
Manufacturing and assembly	3.6%
	72.3%

Top Ten Customers by Annual Rent as of December 31, 2001

Tenant	Square Footage	Annual Rents	%
U.S. Government	361,000	7,381,000	3.7%
IBM	292,000	$ 4,287,000	2.1%
Citigroup	262,000	3,650,000	1.8%
Intel	237,000	3,240,000	1.6%
County of Santa Clara	97,000	2,335,000	1.2%
Hughes Network Systems	90,000	2,194,000	1.1%
Pycon, Inc.	134,000	1,986,000	1.0%
Fusion Systems Corp.	135,000	1,746,000	0.9%
Sabre Holdings	100,000	1,707,000	0.8%
MCI Worldcom	121,000	1,680,000	0.8%
	1,829,000	$ 30,206,000	15.0%

PS BUSINESS PARKS, INC.
PORTFOLIO ANALYSIS AS OF December 31, 2001

Lease Expirations - Flex

Year of Lease Expiration	Rentable Square Footage	Annual Rents	%
2002	2,245,000	$ 25,055,000	18.7%
2003	2,152,000	25,991,000	19.4%
2004	1,966,000	22,489,000	16.8%
2005	1,420,000	19,197,000	14.3%
2006	1,226,000	17,775,000	13.2%
Thereafter	1,733,000	23,683,000	17.6%
	10,742,000	$ 134,190,000	100.0%

Lease Expirations - Office

Year of Lease Expiration	Rentable Square Footage	Annual Rents	%
2002	299,000	$ 4,799,000	11.3%
2003	381,000	6,263,000	14.8%
2004	362,000	5,741,000	13.5%
2005	578,000	12,139,000	28.6%
2006	295,000	6,641,000	15.7%
Thereafter	292,000	6,811,000	16.1%
	2,207,000	$ 42,394,000	100.0%

Lease Expirations - Industrial

Year of Lease Expiration	Rentable Square Footage	Annual Rents	%
2002	89,000	$ 525,000	7.9%
2003	163,000	884,000	13.3%
2004	303,000	1,776,000	26.8%
2005	273,000	1,615,000	24.4%
2006	160,000	1,092,000	16.5%
Thereafter	137,000	738,000	11.1%
	1,125,000	$ 6,630,000	100.0%

Lease Expirations - Total

Year of Lease Expiration	Rentable Square Footage	Annual Rents	%
2002	2,634,000	$ 30,380,000	16.6%
2003	2,696,000	$ 33,138,000	18.1%
2004	2,630,000	$ 30,006,000	16.4%
2005	2,272,000	$ 32,951,000	18.0%
2006	1,680,000	$ 25,509,000	13.9%
Thereafter	2,162,000	$ 31,232,000	17.0%
	14,074,000	$ 183,216,000	100.0%

PS BUSINESS PARKS, INC.
PORTFOLIO ANALYSIS AS OF December 31, 2001

Southern California				
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents
2002	723,000	$ 8,838,000	22.5%	4.8%
2003	820,000	10,185,000	26.0%	5.6%
2004	663,000	7,378,000	18.8%	4.0%
2005	467,000	6,379,000	16.3%	3.5%
2006	301,000	4,105,000	10.5%	2.2%
Thereafter	167,000	2,358,000	5.9%	1.3%
	3,141,000	$ 39,243,000	100.0%	21.4%

Northern California				
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents
2002	238,000	$ 2,892,000	14.0%	1.6%
2003	283,000	3,839,000	18.6%	2.1%
2004	251,000	2,895,000	14.0%	1.6%
2005	156,000	1,606,000	7.8%	0.9%
2006	128,000	1,739,000	8.4%	0.9%
Thereafter	476,000	7,670,000	37.2%	4.2%
	1,532,000	$ 20,641,000	100.0%	11.3%

Southern Texas				
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents
2002	223,000	$ 2,133,000	22.4%	1.2%
2003	206,000	2,426,000	25.4%	1.3%
2004	238,000	2,168,000	22.7%	1.2%
2005	190,000	1,972,000	20.7%	1.1%
2006	47,000	567,000	5.9%	0.3%
Thereafter	22,000	272,000	2.9%	0.1%
	926,000	$ 9,538,000	100.0%	5.2%

PS BUSINESS PARKS, INC.
PORTFOLIO ANALYSIS AS OF December 31, 2001

Northern Texas				
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents
2002	282,000	$ 2,944,000	16.5%	1.6%
2003	382,000	4,166,000	23.4%	2.3%
2004	367,000	3,105,000	17.4%	1.7%
2005	194,000	2,387,000	13.4%	1.3%
2006	238,000	3,099,000	17.4%	1.7%
Thereafter	227,000	2,113,000	11.9%	1.2%
	1,690,000	$ 17,814,000	100.0%	9.7%

Northern Virginia				
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents
2002	364,000	$ 4,758,000	12.9%	2.6%
2003	303,000	4,175,000	11.3%	2.3%
2004	450,000	5,469,000	14.8%	3.0%
2005	329,000	5,773,000	15.6%	3.2%
2006	401,000	7,038,000	19.0%	3.8%
Thereafter	660,000	9,797,000	26.4%	5.3%
	2,507,000	$ 37,010,000	100.0%	20.2%

Maryland				
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents
2002	251,000	$ 3,152,000	11.9%	1.7%
2003	223,000	3,202,000	12.0%	1.7%
2004	310,000	4,602,000	17.3%	2.5%
2005	407,000	8,066,000	30.3%	4.4%
2006	175,000	2,963,000	11.1%	1.6%
Thereafter	361,000	4,609,000	17.4%	2.5%
	1,727,000	$ 26,594,000	100.0%	14.5%

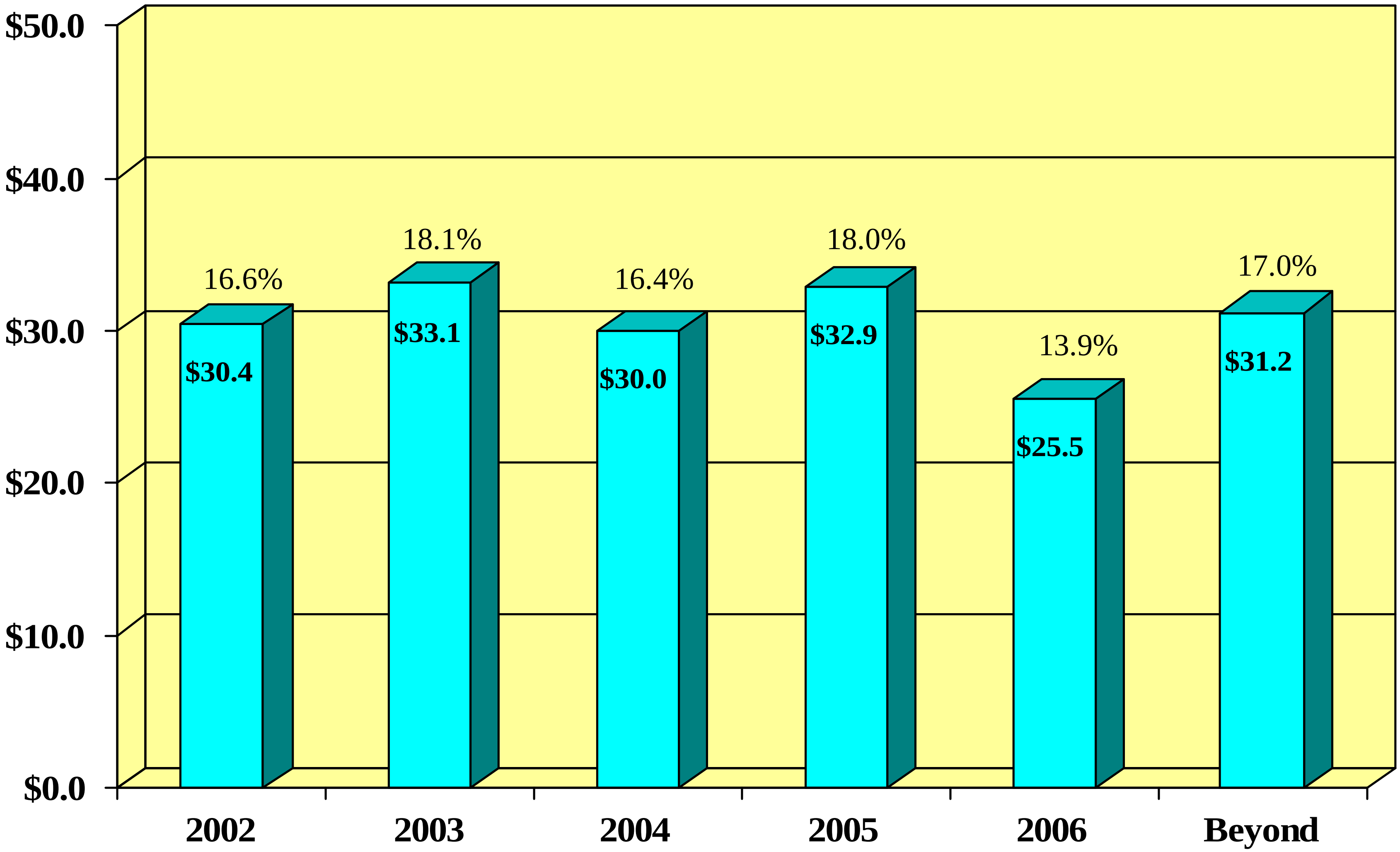
PS BUSINESS PARKS, INC.
PORTFOLIO ANALYSIS AS OF December 31, 2001

Oregon				
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents
2002	244,000	$ 2,660,000	10.6%	1.5%
2003	301,000	3,449,000	13.8%	1.9%
2004	224,000	3,028,000	12.1%	1.7%
2005	509,000	6,560,000	26.2%	3.6%
2006	354,000	5,568,000	22.3%	3.0%
Thereafter	177,000	3,727,000	15.0%	2.0%
	1,809,000	$ 24,992,000	100.0%	13.6%

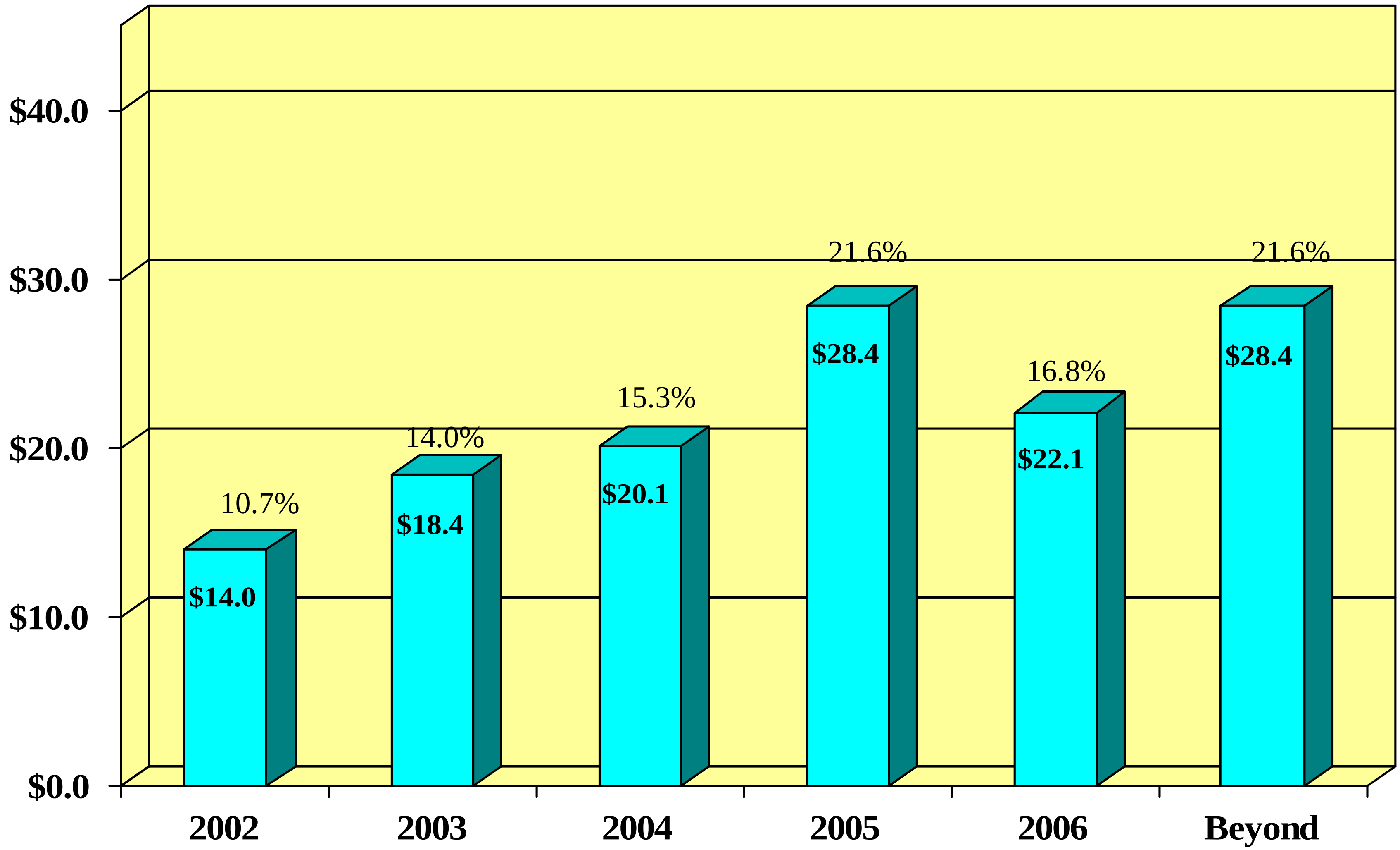
Other				
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents
2002	309,000	$ 3,003,000	40.7%	1.6%
2003	178,000	1,696,000	23.0%	0.9%
2004	127,000	1,361,000	18.4%	0.7%
2005	20,000	208,000	2.8%	0.1%
2006	36,000	430,000	5.8%	0.2%
Thereafter	72,000	686,000	9.3%	0.4%
	742,000	$ 7,384,000	100.0%	4.0%

Total				
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents
2002	2,634,000	$ 30,380,000	16.6%	16.6%
2003	2,696,000	$ 33,138,000	18.1%	18.1%
2004	2,630,000	$ 30,006,000	16.4%	16.4%
2005	2,272,000	$ 32,951,000	18.0%	18.0%
2006	1,680,000	$ 25,509,000	13.9%	13.9%
Thereafter	2,162,000	$ 31,232,000	17.0%	17.0%
	14,074,000	$ 183,216,000	100.0%	100.0%

Lease Expirations (Entire Portfolio) as of December 31, 2001 ($ in millions)



Lease Expirations (Large Tenant Portfolio) as of December 31, 2001 ($ in millions)



Lease Expirations (Small Tenant Portfolio) as of December 31, 2001 ($ in millions)