

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended March 31, 1997

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 1-10709

PUBLIC STORAGE PROPERTIES XI, INC.

(Exact name of registrant as specified in its charter)

----- California ----- (State or other jurisdiction of incorporation or organization)	95-4300881 ----- (I.R.S. Employer Identification Number)
701 Western Ave Glendale, California ----- (Address of principal executive offices)	91201-2397 ----- (Zip Code)
Registrant's telephone number, including area code:	(818) 244-8080 -----

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
--- ---

The number of shares outstanding of the Company's classes of common stock as of March 31, 1997:

1,819,937 shares of \$.01 par value Series A shares
184,453 shares of \$.01 par value Series B shares
522,618 shares of \$.01 par value Series C shares

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PUBLIC STORAGE PROPERTIES XI, INC.
CONDENSED BALANCE SHEETS

<CAPTION>

	March 31, 1997	December 31, 1996
	-----	-----
--		
ASSETS	(Unaudited)	

<S>	<C>	<C>
Cash and cash equivalents	\$1,623,000	\$1,290,000
Rent and other receivables	34,000	53,000
Prepaid expenses	116,000	142,000
Real estate facilities at cost:		
Building, land improvements and equipment	26,630,000	26,526,000
Land	12,118,000	12,118,000
--	-----	-----
	38,748,000	38,644,000
Less accumulated depreciation	(12,280,000)	(12,000,000)
--	-----	-----
	26,468,000	26,644,000
--	-----	-----
Total assets	\$28,241,000	\$28,129,000
=====	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable	\$632,000	\$633,000
Dividends payable	681,000	681,000
Advance payments from renters	209,000	198,000
Shareholders' equity:		
Series A common, \$.01 par value, 2,828,989 shares authorized, 1,819,937 shares issued and outstanding in 1997 and 1996	18,000	18,000
Convertible Series B common, \$.01 par value, 184,453 shares authorized, issued and outstanding	2,000	2,000
Convertible Series C common, \$.01 par value, 522,618 shares authorized, issued and outstanding	5,000	5,000
Paid-in-capital	32,421,000	32,421,000
Cumulative net income	26,754,000	25,971,000
Cumulative distributions	(32,481,000)	(31,800,000)
--	-----	-----
Total shareholders' equity	26,719,000	26,617,000
--	-----	-----
Total liabilities and shareholders' equity	\$28,241,000	\$28,129,000
=====	=====	=====

</TABLE>

See accompanying notes.

<TABLE>

PUBLIC STORAGE PROPERTIES XI, INC.
CONDENSED STATEMENTS OF INCOME
(UNAUDITED)

<CAPTION>

	Three Months Ended March 31,	
	1997	1996
REVENUES:		
<S>	<C>	<C>
Rental income	\$1,823,000	\$1,736,000
Interest income	13,000	5,000
	-----	-----
	1,836,000	1,741,000
	-----	-----
COSTS AND EXPENSES:		
Cost of operations	615,000	578,000
Management fees paid to affiliates	106,000	93,000
Depreciation	280,000	274,000
Administrative	52,000	56,000
Interest expense	-	3,000
	-----	-----
	1,053,000	1,004,000
	-----	-----
NET INCOME	\$783,000	\$737,000
	=====	=====
Primary earnings per share - Series A	\$0.40	\$0.37
	=====	=====
Fully diluted earnings per share - Series A	\$0.31	\$0.29
	=====	=====
Dividends declared per share:		
Series A	\$0.34	\$0.34
	=====	=====
Series B	\$0.34	\$0.34
	=====	=====
Weighted average Common shares outstanding:		
Primary - Series A	1,819,937	1,841,804
	=====	=====
Fully diluted - Series A	2,527,008	2,548,875
	=====	=====

</TABLE>

See accompanying notes.

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<TABLE>

Public Storage Properties XI, Inc.
Condensed Statement of Shareholders' Equity
(Unaudited)

<CAPTION>

Amount	Series A		Convertible Series B		Convertible Series C	
	Shares	Amount	Shares	Amount	Shares	Amount

	<C>	<C>	<C>	<C>	<C>	<C>
Balances at December 31, 1996	1,819,937	\$18,000	184,453	\$2,000	522,618	\$5,000
Net income						
Cash distributions declared:						
\$.34 per share - Series A						
\$.34 per share - Series B						
Balances at March 31, 1997	1,819,937	\$18,000	184,453	\$2,000	522,618	\$5,000

</TABLE>
<TABLE>

Public Storage Properties XI, Inc.
Condensed Statement of Shareholders' Equity
(Unaudited)

<CAPTION>

	Paid-in capital	Cumulative net income	Cumulative distributions	Total shareholders' equity
Balances at December 31, 1996	\$32,421,000	\$25,971,000	(\$31,800,000)	\$26,617,000
Net income		783,000		783,000
Cash distributions declared:				
\$.34 per share - Series A			(618,000)	(618,000)
\$.34 per share - Series B			(63,000)	(63,000)
Balances at March 31, 1997	\$32,421,000	\$26,754,000	(\$32,481,000)	\$26,719,000

</TABLE>

See accompanying notes.

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<TABLE>

PUBLIC STORAGE PROPERTIES XI, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<CAPTION>

	Three Months Ended March 31,	
	1997	1996 (Restated)
Cash flows from operating activities:		
Net income	\$783,000	\$737,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	280,000	274,000
Decrease in rent and other receivables	19,000	62,000
Decrease (increase) in prepaid expenses	26,000	(1,000)

Amortization of prepaid management fees	-	77,000
(Decrease) increase in accounts payable	(1,000)	4,000
Increase in advance payments from renters	11,000	35,000
	-----	-----
Total adjustments	335,000	451,000
	-----	-----
Net cash provided by operating activities	1,118,000	1,188,000
	-----	-----
Cash flows from investing activities:		
Additions to real estate facilities	(104,000)	(53,000)
	-----	-----
Net cash used in investing activities	(104,000)	(53,000)
	-----	-----
Cash flows from financing activities:		
Distributions paid to shareholders	(681,000)	(694,000)
Borrowing on credit facility	-	250,000
Repayment of borrowing on credit facility	-	(250,000)
Purchase of Company Series A common stock	-	(350,000)
	-----	-----
Net cash used in financing activities	(681,000)	(1,044,000)
	-----	-----
Net increase in cash and cash equivalents	333,000	91,000
Cash and cash equivalents at the beginning of the period	1,290,000	746,000
	-----	-----
Cash and cash equivalents at the end of the period	\$1,623,000	\$837,000
	=====	=====

</TABLE>

See accompanying notes.

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PUBLIC STORAGE PROPERTIES XI, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

- The accompanying unaudited condensed financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures contained herein are adequate to make the information presented not misleading. These unaudited condensed financial statements should be read in conjunction with the financial statements and related notes appearing in the Company's Form 10-K for the year ended December 31, 1996.
- In the opinion of management, the accompanying unaudited condensed financial statements reflect all adjustments, consisting of only normal accruals, necessary to present fairly the Company's financial position at March 31, 1997 and December 31, 1996, the results of its operations for the three months ended March 31, 1997 and 1996 and its cash flows for the three months then ended.
- The results of operations for the three months ended March 31, 1997 are not necessarily indicative of the results expected for the full year.
- Certain prior year amounts have been reclassified in order to conform with current year presentation.
- The Company has an unsecured revolving credit facility with a bank for borrowings up to \$3,000,000 for working capital purposes and to repurchase the Company's stock. Outstanding borrowings on the credit facility, at the Company's option, bear interest at either the bank's prime rate plus .25% or the bank's LIBOR rate plus 2.25%. Interest is payable monthly. On December 31, 1999, all unpaid principal and accrued interest is due and payable. At March 31, 1997 and for the three months then ended, there was no outstanding balance on the credit facility.

PUBLIC STORAGE PROPERTIES XI, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of certain significant factors occurring during the periods presented in the accompanying Condensed Financial Statements.

RESULTS OF OPERATIONS.

The Company's net income for the three months ended March 31, 1997 and 1996 was \$783,000 and \$737,000, respectively, representing an increase of \$46,000 or 6%. This increase is primarily the result of an increase in property net operating income (rental income less cost of operations, management fees paid to affiliates and depreciation expense) at the Company's mini-warehouse facilities.

Rental income for the three months ended March 31, 1997 and 1996 was \$1,823,000 and \$1,736,000, respectively, representing an increase of \$87,000 or 5%. The Company's mini-warehouse operations contributed \$71,000 to the increase in rental income. Approximately 85% of the increase in mini-warehouse rental income was generated by the Company's two California properties due to an increase in rental rates. The Company's business park operations also showed an increase in rental income due to an increase in rental rates.

The Company's mini-warehouse operations had weighted average occupancy levels of 91% and 89% for the three months ended March 31, 1997 and 1996, respectively. The Company's business park operations had weighted average occupancy levels of 95% and 97% for the three months ended March 31, 1997 and 1996, respectively.

Cost of operations (including management fees paid to affiliates and depreciation expense) for the three months ended March 31, 1997 and 1996 was \$1,001,000 and \$945,000, respectively, representing an increase of \$56,000 or 6%. This increase is primarily attributable to an increase in management fees and property taxes partially offset by a decrease in repairs and maintenance costs. The increase in property taxes is mainly due to an unfavorable comparison to a one-time tax refund received in early 1996 from appealing prior years tax assessments at the Company's Nesconset, New York property. Repairs and maintenance costs decreased due to a decrease in snow removal costs incurred in 1997 compared to 1996. Snow removal costs were higher in 1996 than amounts typically incurred due to higher than normal snow levels experienced at the Company's mini-warehouse facilities located in the eastern states.

In 1995, the Company prepaid eight months of 1996 management fees on its mini-warehouse operations discounted at a 14% effective rate to compensate for early payment. As a result, management fee expense for the three months ended March 31, 1996 was \$8,000 lower than it would have been under the customary, undiscounted fee structure.

During the three months ended March 31, 1996, the Company incurred \$3,000 in interest expense on its line of credit facility. No such expense was incurred during the same period in 1997 since the Company did not have any borrowings against its credit facility.

LIQUIDITY AND CAPITAL RESOURCES.

Cash flows from operating activities (\$1,118,000 for the three months ended March 31, 1997) and cash reserves were sufficient to meet all current obligations and distributions of the Company during the three months ended March 31, 1997. Management expects cash flows from operations will be sufficient to fund capital expenditures and quarterly distributions.

The Company has an unsecured revolving credit facility with a bank for borrowings up to \$3,000,000 for working capital purposes and to repurchase the Company's stock. Outstanding borrowings on the credit facility, at the Company's option, bear interest at either the bank's prime rate plus .25% or the bank's

LIBOR rate plus 2.25%. Interest is payable monthly. On December 31, 1999, all unpaid principal and accrued interest is due and payable. At March 31, 1997 and for the three months then ended, there was no outstanding balance on the credit facility.

The Company's Board of Directors has authorized the Company to purchase up to 400,000 shares of Series A common stock. As of March 31, 1997, the Company had repurchased 301,275 shares of Series A common stock, none of which were purchased in the first quarter of 1997.

The bylaws of the Company provide that, during 1997, unless shareholders have previously approved such a proposal, the shareholders will be presented with a proposal to approve or disapprove (a) the sale or financing of all or substantially all of the properties and (b) the distribution of the proceeds from such transaction and, in the case of a sale, the liquidation of the Company.

The Company has elected and intends to continue to qualify as a real estate investment trust ("REIT") for Federal income tax purposes. As a REIT, the Company must meet, among other tests, sources of income, share ownership, and certain asset tests. The Company is not taxed on that portion of its taxable income which is distributed to its shareholders provided that at least 95% of its taxable income is so distributed to its shareholders prior to filing of the Company's tax return. The primary difference between book income and taxable income is depreciation expense. In 1996, the Company's Federal tax depreciation was \$1,229,000.

SUPPLEMENTAL INFORMATION.

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Funds from operations (FFO) is defined by the Company, consistent with the definition of FFO by the National Association of Real Estate Investment Trusts (NAREIT), as net income (loss) (computed in accordance with generally accepted accounting principles) before depreciation and extraordinary or non-recurring items. FFO for the three months ended March 31, 1997 and 1996 was \$1,063,000 and \$1,011,000, respectively. FFO is presented because the Company, as well as many industry analysts, consider FFO to be one measure of the performance of the Company, ie, one that generally reflects changes in the Company's net operating income. FFO does not take into consideration scheduled principal payments on debt and capital improvements. Accordingly, FFO is not necessarily a substitute for the Company's cash flow or net income as a measure of the Company's liquidity or operating performance or ability to pay distributions. Furthermore, the NAREIT definition of FFO does not address the treatment of certain items and all REITs do not treat items the same way in computing FFO. Accordingly, comparisons of levels of FFO among REITs may not necessarily be meaningful.

PART II. OTHER INFORMATION

ITEMS 1 through 5 are inapplicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(A) EXHIBITS: The following exhibit is included herein:
(27) Financial Data Schedule

(B) REPORTS ON FORM 8-K
None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATED: May 14, 1997

PUBLIC STORAGE PROPERTIES XI, INC.

BY: /s/ David P. Singelyn

David P. Singelyn
Vice President and
Chief Financial Officer

<TABLE> <S> <C>

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