SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

Current Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) September 30, 1998

PS BUSINESS PARKS, INC.
(Exact name of registrant as specified in its charter)

California	1-10709	95-4300881
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	I.R.S. Employer Identification Number)

701 Western Avenue, Glendale, California 91201-2397
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (818) 244-8080

N/A
(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

During the period June 11, 1998 through September 30, 1998, PS Business Parks, Inc. (the "Company" or "PSB"), through its consolidated partnerships, acquired 4 commercial properties located in Virginia and Maryland, containing approximately 468,000 net rentable square feet, and approximately 7.2 acres of vacant land in Texas at an aggregate purchase price of approximately $38.6 million. The Company is not affiliated with the sellers and the purchase price was established through arm's length negotiation. The Company obtained the funds to acquire the facilities from its equity offerings in May,1998.

The following table provides certain information concerning the facilities acquired:

<TABLE>
<CAPTION>

Name and Location	Seller	Date of Acquisition	Property Type	Purchase Price	Net Rentable Square Footage	Occupancy at Closing
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Northpointe D Sterling, Virginia	D&R Immobilien Verwaltung GMBH & Co. Holding KG	6/11/98	Industrial & Office	$3,577,000(1)	47,200	100%
Northpointe G Sterling, Virginia	D&R Immobilien Verwaltung GMBH & Co. Holding KG	6/11/98	Industrial & Office	3,746,000(2)	48,900	100%
Gunston Lorton, Virginia	First and Second Gunston L.P.	6/17/98	Industrial & Office	21,820,000(3)	246,500	94%
Spectrum 95	8700 SD					

Landover, Maryland	Corporation	9/30/98	Industrial & Office	8,473,000(4)	125,500	98%
Subtotal - operating facilities				37,616,000	468,100	96%
Vacant land - Irving, Texas (approx. 7.2 acres)	Pequot, L.C.	9/28/98		996,000	-	
Totals				$38,612,000	468,100	

Notes to Purchase Price:

(1) Acquired for cash of $1,764,000, the assumption of an existing mortgage payable of $1,714,000 and the issuance of 4,332 OP Units having a value of $99,000.
(2) Acquired for cash of $1,678,000, the assumption of an existing mortgage payable of $1,964,000 and the issuance of 4,550 OP Units having a value of $104,000.
(3) Acquired for cash of $10,049,000 and the assumption of an existing mortgage payable of $11,771,000.
(4) Acquired for cash of 8,317,000 and the issuance of 6,540 OP Units having a value of $156,000.

</TABLE>

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a)(3) Financial Statements specified by Rule 3.14 of Regulation S-X

Northpointe D and G Properties

* Report of Independent Auditors
* Combined Statements of Revenues and Certain Expenses for the six months ended June 30, 1998 (unaudited) and for the year ended December 31, 1997
* Notes to Combined Statements of Revenues and Certain Expenses

The Gunston Property

* Report of Independent Auditors
* Statements of Revenues and Certain Expenses for the six months ended June 30, 1998 (unaudited) and for the year ended December 31, 1997
* Notes to Statements of Revenues and Certain Expenses

The Spectrum 95 Property

* Report of Independent Auditors
* Statements of Revenues and Certain Operating Expenses for the six months ended June 30, 1998 (unaudited) and for the year ended December 31, 1997
* Notes to Statements of Revenues and Certain Operating Expenses

(b) Pro forma Consolidated Financial Statements

(c) Exhibits

23. Consent of Independent Auditors

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 hereunto duly authorized.

PS BUSINESS PARKS, INC.

Date: November 13, 1998

By: /s/ Jack Corrigan
Jack Corrigan
Vice President and Chief Financial Officer

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
of PS Business Parks, Inc.

We have audited the accompanying combined statement of revenues and certain expenses of the Northpointe D and G Properties (as defined in Note 1) ("Statement") for the year ended December 31, 1997. The Statement is the responsibility of the property's management. Our responsibility is to express an opinion on the above mentioned statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission.

In our opinion, the Statement presents fairly the combined revenues and certain expenses of the Northpointe D and G Properties for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

Los Angeles, California
August 26, 1998

NORTHPOINTE D and G PROPERTIES

COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES

	Six months ended June 30, 1998	Year ended December 31, 1997
	(unaudited)	
Rental revenues	$475,000	$930,000
Certain operating expenses	(87,000)	(176,000)
Interest expense	(161,000)	(228,000)
Rental revenues in excess of certain expenses	$227,000	$526,000

See accompany notes

NORTHPOINTE D and G PROPERTIES

Notes to Combined Statements of Revenues and Certain Expenses

1. BACKGROUND AND BASIS OF COMBINATION

The accompanying combined statements of revenues and certain expenses include the accounts of the Northpointe D and G Properties (Northpointe Properties), located in Virginia and acquired by PS Business Parks, Inc. ("PSB") in June 1998. The combined statements are prepared in order to comply with Rule 3.14 of Regulation S-X of the Securities and Exchange Commission.

The combined statements of revenue and certain expenses include only the accounts and activity of the Northpointe Properties. Items which are not comparable to the future operations of the Northpointe Properties have been excluded. Such items include depreciation, amortization, management fees, miscellaneous income, and straight line rent adjustments.

An audited combined statement is being presented for the most recent fiscal year available instead of the three most recent years based on the following factors: (i) the Northpointe Properties are acquired from an unaffiliated party and (ii) based on the investigation of the Northpointe Properties by PSB, management is not aware of any material factors relating to the Northpointe Properties that would cause this financial information not to be necessarily indicative of future operating results other than the factors specifically considered by PSB as described below.

In the decision to acquire the Northpointe Properties, PSB considered the competition from other commercial property owners, the location, the leases, the rental rates and the occupancy levels of the properties.

PSB has reviewed the expenses of the Northpointe Properties, including salaries of on-site personnel, utilities, property taxes, supplies, insurance and repairs and maintenance. PSB expects that operating expenses in the future will be consistent with those reported for 1997 and the six months ended June 30, 1998. PSB expects to be able to pass inflationary operating expense increases in future periods through to its tenants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The leases of the Northpointe Properties are accounted for as operating leases. Minimum rent revenues are recognized on an accrual basis over the respective lease term. Recoveries from tenants are recognized as income in the period the applicable costs are accrued.

Use of Estimates

The preparation of the combined statements of revenues and certain expenses in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and certain expenses during the reporting periods. Actual results could differ from those estimates.

3. MORTGAGE DEBT

The Northpointe Properties provide collateral for mortgage notes with approximate outstanding balances at December 31, 1997 of $1,735,000 and $1,984,000. The mortgage notes bear interest at 8.0% and 8.5%, respectively with due dates of April 2003 and July 2007, respectively.

4. PROPERTY RENTALS

Future minimum rental revenues under non-cancelable leases as of December 31, 1997 are as follows:

1998	$ 821,000
1999	816,000
2000	807,000
2001	766,000
2002	380,000
Thereafter	1,197,000
	$ 4,787,000

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
of PS Business Parks, Inc.

We have audited the accompanying statement of revenues and certain expenses of the Gunston Property (as defined in Note 1) ("Statement") for the year ended December 31, 1997. The Statement is the responsibility of the property's management. Our responsibility is to express an opinion on the above mentioned statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission.

In our opinion, the Statement presents fairly the revenues and certain expenses of the Gunston Property for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

Los Angeles, California
August 6, 1998

THE GUNSTON PROPERTY

Statements of Revenues and Certain Expenses

	Six months ended June 30, 1998	Year ended December 31, 1997
	(Unaudited)	
Rental revenues	$1,215,000	$ 2,299,000
Certain operating expenses	(135,000)	(383,000)
Interest expense	(456,000)	(951,000)
Rental revenues in excess of certain expenses	$ 624,000	$ 965,000

See accompany notes

THE GUNSTON PROPERTY

Notes to Statements of Revenues and Certain Expenses

1. BACKGROUND AND BASIS FOR PRESENTATION

The accompanying statements of revenues and certain expenses include the accounts of the Gunston Property, located in Virginia and acquired by PS Business Parks, Inc. ("PSB") in June 1998. The statements are prepared in order to comply with Rule 3.14 of Regulation S-X of the Securities and Exchange Commission.

The statements of revenue and certain expenses include only the accounts and activity of the Gunston Property. Items which are not comparable to the future operations of the Gunston Property have been excluded. Such items include depreciation, amortization, management fees, miscellaneous income and straight line rent adjustments.

An audited statement is being presented for the most recent fiscal year available instead of the three most recent years based on the following factors: (i) the Gunston Property is acquired from an unaffiliated party and (ii) based on the investigation of the Gunston Property by PSB, management is not aware of any material factors relating to the Gunston Property that would cause this financial information not to be necessarily indicative of future operating results other than the factors specifically considered by PSB as described below.

In the decision to acquire the Gunston Property, PSB considered the competition from other commercial property owners, the location, the leases, the rental rates and the occupancy level of the property.

PSB has reviewed the expenses of the Gunston Property, including salaries of on-site personnel, utilities, property taxes, supplies, insurance and repairs and maintenance. PSB expects that certain expenses will be approximately $100,000 (unaudited) per annum higher in the future than amounts incurred under the 1997 ownership structure of the prior owner ($50,000 higher than the amounts reported for the six months ended June 30, 1998). PSB expects to be able to pass inflationary operating expense increases in future periods through to its tenants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenues Recognition

The Gunston Property leases are accounted for as operating leases. Minimum rent revenues are recognized on an accrual basis over the respective lease term. Recoveries from tenants are recognized as income in the period the applicable costs are accrued.

Use of Estimates

The preparation of the statements of revenues and certain operating expenses in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of revenues and certain operating expenses during the reporting periods. Actual results could differ from those estimates.

3. MORTGAGE DEBT

The Gunston Property provides collateral for a mortgage note with an approximate outstanding balance at December 31, 1997 of $12,110,000. The mortgage note bears interest at 7.625% and is due May 2004.

4. PROPERTY RENTALS

Future minimum rental revenues under non-cancelable leases as of December 31, 1997 are as follows:

1998	$ 2,263,000
1999	1,927,000
2000	1,240,000
2001	1,148,000
2002	864,000
Thereafter	13,000
	$ 7,455,000

5. RELATED PARTY

Fredericks Construction Co. Inc., an affiliate of the Seller, occupied a rent-free space in the business park.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
of PS Business Parks, Inc.

We have audited the accompanying statement of revenues and certain operating expenses of the Spectrum 95 Property (as defined in Note 1) ("Statement") for the year ended December 31, 1997. The Statement is the responsibility of the property's management. Our responsibility is to express an opinion on the above mentioned statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission.

In our opinion, the Statement presents fairly the revenues and certain operating expenses of the Spectrum 95 Property for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

Los Angeles, California
September 21, 1998

<TABLE>
<CAPTION>

THE SPECTRUM 95 PROPERTY

Statements of Revenues and Certain Operating Expenses

	Six months ended June 30, 1998	Year ended December 31, 1997
	(Unaudited)	
<S>	<C>	<C>
Rental revenue	$ 384,000	$ 850,000
Certain operating expenses	(96,000)	(183,000)
Excess rental revenues over certain operating expenses	$ 288,000	$ 667,000

</TABLE>

THE SPECTRUM 95 PROPERTY

Notes to Statements of Revenues and Certain Operating Expenses

1. BACKGROUND AND BASIS OF PRESENTATION

The accompanying statements of revenues and certain operating expenses include the accounts of the Spectrum 95 Property, located in Maryland and acquired by PS Business Parks, Inc. ("PSB") in September 1998. The statements are prepared in order to comply with Rule 3.14 of Regulation S-X of the Securities and Exchange Commission.

The statements of revenue and certain operating expenses include only the accounts and activity of the Spectrum 95 Property. Items which are not comparable to the future operations of the Spectrum 95 Property have been excluded. Such items include depreciation, amortization, management fees, miscellaneous income and straight line rent adjustments.

An audited statement is being presented for the most recent fiscal year available instead of the three most recent years based on the following factors: (i) the Spectrum 95 Property is acquired from an unaffiliated party and (ii) based on the investigation of the Spectrum 95 Property by PSB, management is not aware of any material factors relating to the Spectrum 95 Property that would cause this financial information not to be necessarily indicative of future operating results other than the factors specifically considered by PSB, as described below.

In the decision to acquire the Spectrum 95 Property, PSB considered the competition from other commercial property owners, the location, the leases, the rental rates and the occupancy level of the property.

PSB has reviewed the expenses of the Spectrum 95 Property, including salaries of on-site personnel, utilities, property taxes, supplies, insurance and repairs and maintenance. PSB expects that operating expenses in the future will be consistent with those reported for 1997 and the six months ended June 30, 1998. PSB expects to be able to pass inflationary operating expense increases in future periods through to its tenants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Spectrum 95 Property leases are accounted for as operating leases. Minimum rent revenues are recognized on an accrual basis over the respective lease term. Recoveries from tenants are recognized as income in the period the applicable costs are accrued.

Use of Estimates

The preparation of the statements of revenues and certain operating expenses in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of revenues and certain operating expenses during the reporting periods. Actual results could differ from those estimates.

3. PROPERTY RENTALS

Future minimum rental revenues under non-cancelable leases as of December 31, 1997 are as follows:

1998	$ 603,000
1999	622,000
2000	475,000
2001	219,000
2002	195,000
Thereafter	434,000
	$ 2,548,000

ITEM 7(B) PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

PS Business Parks, Inc. (the "Company" or "PSB") is the successor to American Office Park Properties, Inc. ("AOPP") and the survivor in the merger (the "Merger") of PSB into Public Storage Properties XI, Inc. ("PSP11") on March 17, 1998. Based upon the terms of the merger (see below), for financial reporting and accounting purposes the merger has been accounted for as a reverse acquisition whereby PSB is deemed to have acquired PSP11. However, PSP11 is the continuing legal entity and registrant for both Securities and Exchange Commission filing purposes and income tax reporting purposes. All subsequent references to PSB prior to March 17, 1998, refer to AOPP.

The following unaudited pro forma consolidated financial statements were prepared to reflect the acquisition of real estate facilities by PSB through its consolidated partnerships during the period of June 11, 1998 through September 30 1998. During that period, PSB acquired four commercial properties located in Virginia and Maryland, containing approximately 468,000 net rentable square feet, and approximately 7.2 acres of vacant land in Texas for an aggregate cost of approximately $38.6 million. PSB used available cash and proceeds from the issuance of common stock to fund the transactions.

In addition, the pro forma consolidated financial statements reflect the March 17, 1998 Merger, which is described in the Public Storage Properties XI, Inc. Proxy Statement and Prospectus dated February 5, 1998 (the "Proxy Statement"). Pursuant to the Merger:

* PSB merged into PSP11.

* Each outstanding share of PSP11 Common Stock, with the exception of 106,155 shares which elected to receive $20.50 in cash per share, continues to be owned by current holders.

* Each share of PSP11 Common Stock Series B and each share of PSP11 Common Stock Series C converted into .8641 shares of PSP11 Common Stock.

* Each share of PSB Common Stock converted into 1.18 shares of PSP11 Common Stock.

* The surviving corporation in the Merger was renamed PS Business Parks, Inc.

* Concurrent with the Merger, PSP11 exchanged (the "Exchange") 11 mini-warehouses and two properties that combine mini-warehouse and commercial space for 11 commercial properties owned by Public Storage, Inc. ("PSI").

The Merger has been accounted for as a reverse merger whereby PSB is treated as the accounting acquirer using the purchase method. This has been determined based upon the following:

* The former shareholders and unitholders of PSB own in excess of 80% of the merged companies.

* The business focus post Merger will continue to be that of PSB's

which includes the acquisition, ownership and management of commercial properties. Prior to the Merger, PSP11's business focus has been primarily on the ownership and operation of its self-storage facilities which represented approximately 81% of its portfolio.

In addition to adjustments to reflect the recently acquired properties and the Merger, pro forma adjustments were made to reflect the following transactions (all share and Operating Partnership unit amounts have been adjusted to reflect the conversion factor of 1.18 pursuant to the Merger):

1. On April 1, 1997, PSB (through the operating partnership) acquired four commercial properties from PSI in exchange for 1,480,968 OP Units.

2. On July 31, 1997, PSB acquired two commercial properties from an unaffiliated third party for cash totaling $33,310,000. PSB raised the cash for this acquisition by issuing 2,025,769 shares of PSB Common Stock primarily to PSI for cash totaling $33,800,000.

3. On September 24, 1997, PSB acquired one commercial property (the "Largo Property") from an unaffiliated third party for an aggregate cost of $10,283,000, consisting of cash of $9,959,000 and the issuance of 14,384 Operating Partnership units ("OP Units") having a value of $324,000.

4. On December 10, 1997, PSB purchased a commercial property (the "Northpointe Property") for $3,854,000, consisting of cash of $3,554,000 and the issuance of 13,111 OP Units having a value of $300,000.

5. On December 24, 1997, PSB completed a transaction whereby PSB issued 1,785,007 OP Units and 3,504,758 shares of PSB common stock to a subsidiary of a state pension fund, and the subsidiary of the state pension fund, through a merger and contribution, transferred to PSB six commercial properties (the "Acquiport Properties" - $118,655,000) and $1,000,000 cash. PSB incurred $3,300,000 in transaction costs. On January 9, 1998, the subsidiary of the state pension fund exercised its option to convert its OP Units into shares of PSB common stock on a one-for-one basis.

6. In January 1998, PSB entered into an agreement with a group of institutional investors under which PSB would issue up to 6,744,074 shares of PSB common stock at $22.88 per share in separate tranches. The first tranche, 2,185,189 shares or $50.0 million, was issued in January 1998. The remainder of the shares ($105 million) was issued on May 6, 1998. The funds were used to finance a portion of the acquisition cost of the Principal Properties.

7. On January 13, 1998, PSB purchased a commercial property (the "Ammendale Property") for $22,518,000, consisting of cash of $22,325,000 and the issuance of 8,428 OP Units having a value of $193,000.

8. In March 1998, PSB purchased two commercial properties (the "March Acquisitions", referred to in the Proxy Statement dated February 5, 1998 as the "Proposed Acquisition Properties") from unaffiliated third parties for an aggregate cost of $32,916,000, composed of $17,377,000 cash, the issuance of 44,250 OP Units having a value of $1,013,000, and the assumption of mortgage notes payable of $14,526,000.

9. On May 4, 1998, PSB acquired 28 commercial properties (the "Principal Properties") for an aggregate cost of approximately $190.5 million in cash.

10. In May 1998, PSB completed two common stock offerings, raising net proceeds in aggregate totaling $118.9 million through the issuance of 5,025,800 common shares.

The pro forma consolidated balance sheet at June 30, 1998 has been prepared to reflect the aforementioned acquisition of a commercial property and vacant land which occurred after June 30, 1998.

The pro forma consolidated statement of income for the six months ended June 30, 1998 has been prepared assuming (i) the aforementioned acquisitions of commercial properties and vacant land (ii) the issuance of $155.0 million of PSB Common Stock to institutional investors, (iii) the issuance of $118.9 million of Common Stock to public investors and (iv) the Merger between PSB and PSP11, as if all such transactions were completed at the beginning of fiscal 1998. The operations of all property acquisitions are based on the historical operating results for 1998.

The pro forma consolidated statement of income for the year ended December 31, 1997 has been prepared assuming (i) the aforementioned acquisitions of commercial properties and vacant land (ii) the issuance of $155.0 million of PSB Common Stock to institutional investors, (iii) the issuance of $118.9 million of Common Stock to public investors and (iv) the Merger between PSB and PSP11, as if all such transactions were completed at the beginning of fiscal 1997. The operations of all property acquisitions are based on the historical operating results for 1997.

The pro forma adjustments are based upon available information and upon certain assumptions as set forth in the notes to the pro forma consolidated financial statements that PSP11 and PSB believe are reasonable in the circumstances. The pro forma consolidated financial statements and accompanying notes should be read in conjunction with the historical financial statements of PSP11, PSB, and certain financial information with respect to properties acquired. (SEE "FINANCIAL STATEMENTS -ACQUIRED PROPERTIES, -PSI EXCHANGE PROPERTIES, -BALDON PROPERTIES, -LARGO PROPERTY, -ACQUIPORT PROPERTIES, -PROPOSED ACQUISITION PROPERTIES, -NORTHPOINTE PROPERTY, AND -AMMENDALE PROPERTY INCLUDED IN THE ABOVE REFERENCED PROXY STATEMENT). The following pro forma consolidated financial statements do not purport to represent what PSB's results of operations would actually have been if the transactions in fact had occurred at the beginning of the dates indicated or to project PSB's results of operations for any future date or period.

<TABLE>
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PS BUSINESS PARKS, INC.
PRO FORMA CONSOLIDATED BALANCE SHEET
June 30, 1998
(Unaudited)
(Amounts in thousands, except share and per share data)

	PSB (Historical)	Property Acquisitions (Note 1)	PSB (Pro Forma)
ASSETS			
<S>	<C>	<C>	<C>
Cash and cash equivalents	$ 36,355	$ (9,313)	$ 27,042
Real estate facilities, net of accumulated depreciation	635,498	9,469	644,967
Intangible assets, net of accumulated amortization	1,733	-	1,733
Other assets	2,180	-	2,180
Total assets	$ 675,766	$ 156	$ 675,922
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accrued and other liabilities	$ 11,256	$ -	$ 11,256
Notes payable	29,890	-	29,890
Minority interest	151,225	156	151,381
Shareholders' equity:			
Common stock, $0.01 par value, 100,000,000 shares authorized, 23,635,650 issued and outstanding at June 30, 1998	236	-	236
Paid-in capital	482,167	-	482,167
Cumulative net income	14,530	-	14,530
Cumulative distribution paid	(13,538)	-	(13,538)
Total shareholders' equity	483,395	-	483,395
Total liabilities and shareholders' equity	$ 675,766	$ 156	$ 675,922
Book value per share of common stock (Note 2)	$ 20.45		$ 20.45

Shares outstanding 23,635,650	23,635,650

</TABLE>

See Accompanying Notes to Pro Forma Consolidated Balance Sheet.

PS BUSINESS PARKS, INC.
NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEET
June 30, 1998
(Unaudited)

1. ACQUISITION OF REAL ESTATE FACILITIES

On September 28, 1998, PSB purchased vacant land for an aggregate cost of $996,000 in cash.

On September 30, 1998, PSB acquired the Spectrum 95 Property for an aggregate cost of $8,473,000 consisting of $8,317,000 cash and the issuance of 6,540 OP Units having a value of $156,000.

The following pro forma adjustments have been made to the pro forma consolidated balance sheet as of June 30, 1998 to reflect the acquisition of the above commercial properties and the related issuance of OP Units:

<TABLE>
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	(in 000's)
<S>	<C>
* Cash and cash equivalents has been decreased to reflect the cash portion of the acquisition cost of the properties purchased, as follows:	
Vacant land..	$ (996)
Spectrum 95 Property...	(8,317)
	$ (9,313)
* Real estate facilities has been adjusted to reflect the acquisition cost of the facilities acquired:	
Vacant land..	$ 996
Spectrum 95 Property...	8,473
	$ 9,469
* Minority interest has been increased to reflect the issuance of 6,540 OP Units in connection with the acquisition of the Spectrum 95 Property..	156

</TABLE>

2. BOOK VALUE PER SHARE OF COMMON STOCK

Book value per share has been determined by dividing total shareholders' equity by the outstanding shares of Common Stock. The following summarizes the shares outstanding:

<TABLE>
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	Common shares outstanding
<S>	<C>
* PSB historical shares outstanding at June 30, 1998....................	23,635,650

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PS BUSINESS PARKS, INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
For the Six Months Ended June 30 1998
(Unaudited)
(Amounts in thousands, except per share data)

PSB

		Pro Forma Adjustments				Pro Forma Merger Adjustments	
	PSB (Historical)	Acquisition of real estate from third parties (Note 1)	Other adjustments (Note 2)	PSB Pre-Merger (Pro forma)	PSP11 Historical)	Exchange of real estate facilities (Note 4)	PSB Post-Merger (Pro forma)
REVENUES:							
Rental income:							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Commercial properties	$ 35,824	10,805	-	46,629	232	1,744	48,605
Mini-warehouse properties	-	-	-	-	1,280	(1,280)	-
Facility management fees	331	-	-	331	-	(99)	232
Interest and other income	544	-	-	544	-	-	544
	36,699	10,805	-	47,504	1,512	365	49,381
EXPENSES:							
Cost of operations:							
Commercial properties	10,982	3,081	-	14,063	86	666	14,815
Mini-warehouse properties	-	-	-	-	434	(434)	-
Cost of managing facilities	37	-	-	37	-	(13)	24
Depreciation and amortization	6,556	3,353	-	9,909	250	68	10,227
General and administrative	996	-	150	1,146	36	-	1,182
Interest expense	1,069	888	(400)	1,557	-	-	1,557
	19,640	7,322	(250)	26,712	806	287	27,805
Income before minority interest in income	17,059	3,483	250	20,792	706	78	21,576
Minority interest in income(Note 6)	(5,683)	-	573	(5,110)	-	(25)	(5,135)
Net income	$ 11,376	$ 3,483	$ 823	$15,682	$ 706	$ 53	$ 16,441
Net income per share (Note 3 and 5):							
Basic	$ 0.76			$ 0.69			$ 0.70
Dilute	$ 0.76			$ 0.69			$ 0.69
Weighted average shares(Note 3 and 5):							
Basic	14,926			22,677			23,636
Diluted	14,978			22,729			23,687

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</TABLE>

See Accompanying Notes to Pro-Forma Consolidated Statements of Income.

PS BUSINESS PARKS, INC.

NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF INCOME
For the Six Months Ended June 30, 1998
(Unaudited)

1. ACQUISITION OF REAL ESTATE FACILITIES

During 1998, PSB has completed the acquisition of several properties:

* On January 13, 1998, PSB purchased a commercial property (the "Ammendale Property") for $22,518,000, consisting of cash of $22,325,000 and the issuance of 8,428 OP units having a value of $193,000.

* March Acquisition Properties: In March 1998, PSB purchased two commercial properties from unaffiliated third parties for an aggregate cost of $32,916,000 consisting of cash totaling $17,377,000, the issuance of 44,250 OP Units having a value of $1,013,000 and the assumption of $14,526,000 of mortgage debt.

* On May 4, 1998, PSB acquired the Principal Properties for an aggregate cost of approximately $190.5 million in cash. PSB financed the acquisition costs through the use of available cash, cash proceeds from the issuance of common stock in May 1998, and borrowings from an affiliate.

* On June 11, 1998, PSB acquired two commercial properties (the "Northpointe Properties") for an aggregate cost of $7,323,000 consisting of $3,442,000 in cash, $3,678,000 in debt assumption and the issuance of 8,882 OP Units having a value of $203,000.

* On June 17, 1998, PSB acquired a commercial property (the "Gunston Property") for an aggregate cost of $21,820,000 consisting of $10,049,000 in cash and $11,771,000 in debt assumption.

* On September 30, 1998, PSB acquired the Spectrum 95 property for an aggregate cost of $8,473,000 consisting of $8,317,000 in cash and the issuance of 6,540 OP Units having a value of $156,000.

The following pro forma adjustments have been made to reflect the operations of these properties as if such properties had been acquired at the beginning of the year:

<TABLE>
<CAPTION>

	(in 000's)
<S>	<C>
* Rental income has been increased to reflect the pro forma rental income of the properties, as if these facilities were owned by PSB throughout 1998:	
* Rental income for 1998 for the following properties:	
Ammendale Property	1,562
March Acquisitions	2,363
Principal Properties	11,472
Northpointe Properties	475
Gunston Property	1,215
Spectrum 95 Property	384
* Less: the portion of rental income with respect to these properties which has been included in PSB's historical amounts	(6,666)
	$ 10,805

</TABLE>

<TABLE>
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	(in 000's)
<S>	<C>
* Cost of operations has been increased to reflect the pro forma cost of operations of these properties, as if they were owned by PSB throughout the entire period presented:	
* Cost of operations for the entire year's properties' historical operations:	

Ammendale Property	379
March Acquisitions	1,085
Principal Properties	3,058
Northpointe Properties	87
Gunston Property	135
Spectrum 95 Property	96
* Less: the portion of cost of operations with respect to these properties which has been included in PSB's historical amounts	(1,759)
	$ 3,081
* Depreciation has been increased to reflect six months' depreciation expense	$ 3,353
* Interest expense has been increased to reflect the historical interest expense for each of the periods presented with respect to the assumption of mortgage notes payable	$ 888

2. OTHER PRO FORMA ADJUSTMENTS

* A pro forma adjustment has been made to increase general and administrative expense to reflect additional costs with respect to payroll as PSB hires acquisition and executive personnel	$ 150
* A pro forma adjustment has been made to decrease interest expense as if the proceeds from the common stock offerings were available at the beginning of the period to paydown the borrowings from Public Storage, Inc.	$ (400)
* A pro forma adjustment has been made to decrease "Minority interest in income" to reflect the decrease in minority ownership as a result of the common stock offerings (representing the difference between the pro forma amounts less the historical amounts included in PSB's historical financial statements)	$ 573

</TABLE>

<TABLE>
<CAPTION>

3. NET INCOME PER COMMON SHARE (PSB PRE-MERGER PRO FORMA) HAS BEEN COMPUTED AS FOLLOWS:

<S>	<C>
Historical net income	$ 11,376,000
Historical weighted average common shares	14,926,093
Historical net income per common share	$ 0.76
Pro forma net income	$ 15,682,000
Pro forma weighted average common shares (1)	22,676,860
Pro forma net income per common share	$ 0.69

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(1)

Historical weighted average shares	14,926,093
Adjusted for:	
Issuance of common stock in January 1998 to subsidiary of a state pension fund in connection with conversion of OP Units into common stock (1,785,007 shares less 1,696,250 included in the historical amounts)	88,757
Issuance of common stock in January 1998 in connection with the exercise of stock options (39,023 shares less 26,735 included in the historical amounts)	12,288
Pro forma issuance of common stock to institutional investors (6,774,074 shares less 3,217,414 included in the historical amounts)	3,556,660
Pro forma issuance of common stock to the public (5,025,800 shares less 932,738 included in the historical amounts)	4,093,062
Total Pre-Merger pro forma weighted average shares	22,676,860

</TABLE>

4. PRO FORMA MERGER ADJUSTMENTS - EXCHANGE OF PROPERTIES:

Concurrent with the Merger, PSP11 exchanged 11 mini-warehouses and two properties that combine mini-warehouse and commercial space for 11 commercial properties owned by PSI.

<TABLE>
<CAPTION>

<S>	(in 000's) <C>
* Rental income- commercial properties has been increased to reflect the rental income with respect to the 11 commercial properties received through the Exchange for the period before the merger and exchange of properties......................................	$ 1,744
* Rental income- mini-warehouses has been decreased to eliminate the rental income with respect to the 11 mini-warehouse facilities and two properties that combine mini-warehouse and commercial space given up through the Exchange.............................	$ (1,280)
* A pro forma adjustment has been made to facility management fees to:	
* eliminate the historical facility management fees related to 11 commercial properties acquired in the Exchange as such fee will no longer be charged to these properties as PSB will own them..	$ (87)
* eliminate the historical facility management fees related to the two commercial properties of PSP11 acquired in the Merger..	$ (12)
	$ (99)
* A pro forma adjustment has been made to cost of operations to:	
* eliminate historical management fees paid to PSB to manage PSP11's two commercial properties which are included in historical amounts and as a result of the Merger will no longer be incurred..	$ (12)
* reflect the cost of operations of the 11 commercial properties acquired in the Exchange (before cost of management) for the period before the merger and exchange of properties..	665
* reflect the cost of management for PSP11's two commercial properties and the 11 commercial properties acquired in the Exchange...	13
	$ 666
* Cost of operations- mini-warehouses has been decreased to eliminate the cost of operations with respect to the 11 mini-warehouse facilities and two properties that combine mini-warehouse and commercial space given up through the Exchange...........	$ (434)
* Cost of managing facilities has been decreased to eliminate the historical cost of managing the two PSP11 commercial properties and the 11 commercial properties acquired in the Exchange, such costs are reclassified to Cost of operations- commercial properties..	$ (13)

</TABLE>

<TABLE>
<CAPTION>

<S>	(in 000's) <C>
* A pro forma adjustment has been made to depreciation expense to:	
* Eliminate the historical depreciation expense of PSP11's facilities...	$ (248)
* Record depreciation expense based on the acquired cost of the remaining PSP11 facilities ($47,553,000 cost, 20% allocated to land, the remaining cost allocated to buildings, depreciated straight-line over 25 316 years).................	$ 68
* A pro forma adjustment has been made to increase the minority interests' share of income based upon its pro rata ownership interest in the above pro forma adjustments.................................	$ (25)

5. POST-MERGER PRO FORMA NET INCOME PER SHARE OF COMMON STOCK HAS BEEN COMPUTED AS FOLLOWS:

SIX MONTHS ENDED
JUNE 30, 1998

Post-Merger pro forma net income	$ 16,441,000
Post-Merger pro forma weighted average common shares (1)	23,635,650
Pro forma net income per share of Common Stock	$ 0.70

(1)

Pre-Merger pro forma weighted average shares from Note 3 above	22,676,860
Issuance of common stock to PSP11's Series A common shareholders (1,713,782 shares less 994,184 shares included in the historical amounts)	719,598
Issuance of common stock to PSP11's Series B and C common shareholders (569,655 shares less 330,463 shares included in the historical amounts)	239,192
Post-Merger pro forma weighted average Common Stock common shares	23,635,650

</TABLE>

6. MINORITY INTEREST:

Minority interest represents ownership interests of OP Units in the consolidated Operating Partnership which are not owned by PSB. The OP Units, subject to certain conditions of the Operating Partnership Agreement, are convertible into Common Shares of PSB on a one-for-one basis. Pro forma weighted average OP Units outstanding during each period owned by minority interests totaled 7,400,951. The following table summarizes the ownership interests:

<TABLE>
<CAPTION>

<S>	SIX MONTHS ENDED JUNE 30, 1998 <C>
Pro forma PSB Common Shares outstanding	23,635,650
Pro forma OP Units owned by minority interests which are convertible into PSB Common Shares	7,400,951
Total PSB Common Shares outstanding assuming conversion of OP Units	31,036,601
Percentage ownership of PSB Common Shares outstanding	76.2%
Percentage ownership of minority interests	23.8%
Total ownership interest	100.0%

</TABLE>

<TABLE>
<CAPTION>

PS BUSINESS PARKS, INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
For the Year Ended December 31, 1997
(Unaudited)
(Amounts in thousands, except per share data)

<S>	PSB (Historical) <C>	Pro Forma Adjustments: Acquisition of real estate from affiliates (Note 1) <C>	Pro Forma Adjustments: Acquisition of real estate from third parties (Note 2) <C>	Pro Forma Adjustments: Other adjustments (Note 3) <C>	PSB Pre-Merger (Pro forma) <C>
Revenues:					
Rental income:					
Commercial properties	$ 30,169	$ 1,038	$ 50,964	$ -	$ 82,171
Mini-warehouse properties	-	-	-	-	-
Facility management fees	956	(52)	-	-	904
Interest and other income	453	-	-	-	453

	31,578	986	50,964	-	83,528
Expenses:					
Cost of operations:					
Commercial properties	12,330	363	13,157	-	25,850
Mini-warehouse properties	-	-	-	-	-
Cost of managing facilities	189	(12)	-	-	177
Depreciation and amortization	5,195	92	11,919	-	17,206
General and administrative	1,461	-	-	300	1,761
Interest expense	1	-	2,284	-	2,285
	19,176	443	27,360	300	47,279
Income (loss) before minority interest in income	12,402	543	23,604	(300)	36,249
Minority interest in income (Note 7)	(8,566)	-	-	(678)	(9,244)
Net income (loss)	$3,836	$543	$23,604	$(978)	$27,005
Net income per share (Note 4 and 6):					
Basic	$ 1.23				$ 1.26
Diluted	$ 1.23				$ 1.26
Weighted average shares (Note 4 and 6):					
Basic	3,117				21,352
Diluted	3,117				21,352

</TABLE>
<TABLE>
<CAPTION>

PS BUSINESS PARKS, INC.
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
For the Year Ended December 31, 1997
(Unaudited)
(Amounts in thousands, except per share data)

	PSP11 (Historical)	Pro Forma Merger Adjustments — Exchange of real estate facilities (Note 5)	PSB Post-Merger (Pro forma)
Revenues:			
Rental income:			
<S>	<C>	<C>	<C>
Commercial properties	$ 1,418	$ 8,008	$ 91,597
Mini-warehouse properties	6,143	(6,143)	-
Facility management fees	-	(471)	433

Interest and other income	82	-	535
	7,643	1,394	92,565
Expenses:			
Cost of operations:			
Commercial properties	682	3,271	29,803
Mini-warehouse properties	2,082	(2,082)	-
Cost of managing facilities	-	(93)	84
Depreciation and amortization	1,198	324	18,728
General and administrative	201	-	1,962
Interest expense	-	-	2,285
	4,163	1,420	52,862
Income before minority interest in income	3,480	(26)	39,703
Minority interest in income (Note 7)	-	(248)	(9,492)
Net income (loss)	$3,480	$(274)	$30,211
Net income per share (Note 4 and 6):			
Basic			$ 1.28
Diluted			$ 1.28
Weighted average shares (Note 4 and 6)			
Basic			23,636
Diluted			23,636

</TABLE>

See Accompanying Notes to Pro-Forma Consolidated Statements of Income.

PS BUSINESS PARKS, INC.

NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF INCOME

For the Year Ended December 31, 1997

(Unaudited)

1. ACQUISITION OF REAL ESTATE FACILITIES FROM AFFILIATES (THE "ACQUIRED PROPERTIES")

On April 1, 1997, the Operating Partnership acquired four commercial properties from PSI in exchange for 1,480,968 OP Units.

The following pro forma adjustments have been made to the pro forma consolidated statements of income to reflect the above as if the transaction was completed as of January 1, 1997:

<TABLE>
<CAPTION>

<S>	(in 000's) <C>
* Rental income has been increased to reflect:	
* the pro forma rental income as if the real estate facilities acquired on April 1, 1997 were owned by PSB throughout the entire period..	$ 4,127
* less the rental income with respect to these properties included in PSB's historical amounts...	(3,089)
Total incremental rental income...	$ 1,038
* Facility management fee income has been decreased to eliminate PSB's historical management fee income (5% of rental income) with respect to the commercial properties acquired on April 1, 1997, as such fee is not collected on owned facilities.................................	$ (52)
* Cost of operations has been increased as follows:	
* To reflect the pro forma cost of operations as if the real estate facilities acquired on April 1, 1997 were owned by PSB throughout the entire full period...	$ 1,227
* The above adjustment excludes facility management fees, accordingly, a pro forma adjustment has been made to reflect the actual cost of management...	41
* To eliminate cost of operations included in PSB's historical	

amounts	(905)
Total incremental cost of operations	$ 363
* Cost of managing facilities has been decreased to eliminate the costs associated with the management fee income with respect to the properties acquired on April 1, 1997. The reduction in management fee income will result in a reduction in cost of operations with respect to facility management	$ (12)
* Depreciation has been increased to reflect the incremental depreciation of the commercial properties acquired on April 1, 1997	$ 92

</TABLE>

2. ACQUISITION OF REAL ESTATE FACILITIES FROM THIRD PARTIES

During 1997 and 1998, PSB has completed the acquisition of several properties:

* Baldon Properties: In July 1997, PSB issued 2,025,769 shares of common stock primarily to PSI for cash totaling $33,310,000. PSB used substantially all of the proceeds to acquire two commercial properties in July 1997 from an unaffiliated third party for $33,800,000 in cash.

* Largo Property: On September 24, 1997, PSB acquired one commercial property for an aggregate cost of $10,283,000, consisting of $9,959,000 cash and the issuance of 14,384 OP units having a value of $324,000.

* On December 10, 1997, PSB purchased a commercial property (the "Northpointe Property") for $3,854,000, consisting of cash of $3,554,000 and the issuance of 13,111 OP units having a value of $300,000.

* Acquiport Properties: On December 24, 1997, PSB completed a transaction where PSB issued 1,785,007 OP Units and 3,504,758 shares of PSB common stock to a subsidiary of a state pension fund, and the subsidiary of the state pension fund, through a merger and contribution, transferred to PSB six commercial properties ($118,655,000) and $1,000,000 cash. The Company incurred $3,300,000 in transaction costs. In January 1998, the subsidiary of the state pension fund exercised its option to convert the OP units into shares of PSB common stock.

* On January 13, 1998, PSB purchased a commercial property (the "Ammendale Property") for $22,518,000, consisting of cash of $22,325,000 and the issuance of 8,428 OP units having a value of $193,000.

* March Acquisition Properties: In March 1998, PSB purchased two commercial properties from unaffiliated third parties for an aggregate cost of $32,916,000 consisting of cash totaling $17,377,000, the issuance of 44,250 OP Units having a value of $1,013,000 and the assumption of $14,526,000 of mortgage debt.

* On May 4, 1998, PSB acquired the Principal Properties for an aggregate cost of approximately $190.5 million in cash. PSB financed the acquisition costs through the use of available cash, cash proceeds from the issuance of common stock in May 1998, and borrowings from an affiliate.

* On June 11, 1998, PSB acquired two commercial properties (the "Northpointe Properties") for an aggregate cost of $7,323,000 consisting of $3,442,000 in cash, $3,678,000 in debt assumption and the issuance of 8,882 OP Units having a value of $203,000.

* On June 17, 1998, PSB acquired a commercial property (the "Gunston Property") for an aggregate cost of $21,820,000 consisting of $10,049,000 in cash and $11,771,000 in debt assumption.

* On September 30, 1998, PSB acquired the Spectrum 95 property for an aggregate cost of $8,473,000 consisting of $8,317,000 in cash and the issuance of 6,540 OP Units having a value of $156,000.

The following pro forma adjustments have been made to reflect the operations of these properties as if such properties had been acquired at the beginning of the year:

<TABLE>
<CAPTION>

(in 000's)

<S>	<C>
* Rental income has been increased to reflect the pro forma rental income of the properties, as if these facilities were owned by PSB throughout 1997:	
* Rental income for 1997 for the following properties:	
Baldon properties..	$ 6,570
Largo property...	1,343
Acquiport properties..	14,813
Northpointe Property..	631
Ammendale Property..	2,883
March Acquisitions..	3,916
Principal Properties..	19,861
Northpointe Properties..	930
Gunston Property..	2,299
Spectrum 95 Property..	850
* Less: the portion of rental income with respect to these properties which has been included in PSB's historical amounts...............	(3,132)
	$ 50,964
* Cost of operations has been increased to reflect the pro forma cost of operations of these properties, as if they were owned by PSB throughout the entire period presented:	
* Cost of operations for the entire year's properties' historical operations:	
Baldon..	$ 2,280
Largo...	367
Acquiport Properties..	3,059
Northpointe Property..	125
Ammendale Property..	640
March Acquisitions..	1,089
Principal Properties..	4,160
Northpointe Properties..	76
Gunston Property..	383
Spectrum 95 Property..	183
* Less: the portion of cost of operations with respect to these properties which has been included in PSB's historical amounts....................	(1,157)
* Plus: Pro forma adjustment to reflect additional estimated personnel cost to manage the facilities and property taxes.................................	1,852
	$13,157
* Depreciation has been increased to reflect a full year's depreciation expense..	$ 11,919
* Interest expense has been increased to reflect the historical interest expense for each of the periods presented with respect to the assumption of mortgage notes payable...	$ 2,284

</TABLE>

3. OTHER PRO FORMA ADJUSTMENTS

<TABLE>
<CAPTION>

<S>	(in 000's) <C>
* A pro forma adjustment has been made to increase general and administrative expense to reflect additional costs with respect to payroll as PSB hires acquisition and executive personnel.........................	$ 300
* Many of the properties acquired were acquired by the consolidated Operating Partnership in exchange for OP Units of PSB. Such ownership interests are represented as minority interest in the consolidated financial statements. Accordingly, a pro forma adjustment has been made to increase "Minority interest in income" to reflect the incremental income associated with pro forma adjustments allocable to the minority interest (representing the difference between the pro forma amounts less the historical amounts included in PSB's historical financial statements)...	$ (678)

</TABLE>

4. NET INCOME PER COMMON SHARE (PSB PRE-MERGER PRO FORMA) HAS BEEN COMPUTED AS FOLLOWS:

<TABLE>
<CAPTION>
<S> <C>

Historical net income	$ 3,836,000
Historical weighted average shares	3,116,688
Historical net income per share	$ 1.23
Pro forma net income	$ 27,005,000
Pro forma weighted average shares (1)	21,352,213
Pro forma net income per share	$ 1.26

(1)

Historical weighted average shares (common and equivalents)	3,116,688
Adjusted for:	
Issuance of common shares in July 1997 in connection with property acquisitions (2,025,769 shares less 851,507 included in the historical amounts)	1,174,262
Issuance of common stock to subsidiary of a state pension fund on December 24, 1997 (3,504,758 shares less 67,399 shares included in the historical amounts)	3,437,359
Issuance of common stock to subsidiary of a state pension fund in connection with conversion of OP Units into common stock	1,785,007
Issuance of common stock in connection with the exercise of stock options	39,023
Pro forma issuance of common stock to institutional investors	6,774,074
Pro forma issuance of common stock to the public	5,025,800
Total Pre-Merger pro forma weighted average shares	21,352,213

</TABLE>

5. PRO FORMA MERGER ADJUSTMENTS - EXCHANGE OF PROPERTIES:

Concurrent with the Merger, PSP11 exchanged 11 mini-warehouses and two properties that combine mini-warehouse and commercial space for 11 commercial properties owned by PSI.

<TABLE>
<CAPTION>

	(in 000's)
<S>	<C>
* Rental income- commercial properties has been increased to reflect the rental income with respect to the 11 commercial properties received through the Exchange	$ 8,008
* Rental income- mini-warehouses has been decreased to eliminate the rental income with respect to the 11 mini-warehouse facilities and two properties that combine mini-warehouse and commercial space given up through the Exchange	$ (6,143)
* A pro forma adjustment has been made to facility management fees to:	
* eliminate the historical facility management fees related to 11 commercial properties acquired in the Exchange as such fee will no longer be charged to these properties as PSB will own them	$ (400)
* eliminate the historical facility management fees related to the two commercial properties of PSP11 acquired in the Merger	(71)
	$ (471)
* A pro forma adjustment has been made to cost of operations to:	
* eliminate historical management fees paid to PSB to manage PSP11's two commercial properties which are included in historical amounts and as a result of the Merger will no longer be incurred	$ (71)
* reflect the cost of operations of the 11 commercial properties acquired in the Exchange (before cost of management)	3,249
* reflect the cost of management for PSP11's two commercial properties and the 11 commercial properties acquired in the Exchange	93

	$ 3,271
* Cost of operations- mini-warehouses has been decreased to eliminate the cost of operations with respect to the 11 mini-warehouse facilities and two properties that combine mini-warehouse and commercial space given up through the Exchange..................................	$ (2,082)
* Cost of managing facilities has been decreased to eliminate the historical cost of managing the two PSP11 commercial properties and the 11 commercial properties acquired in the Exchange, such costs are reclassified to Cost of operations- commercial properties.........................	$ (93)

</TABLE>

<TABLE>
<CAPTION>

<S>	(in 000's) <C>
* A pro forma adjustment has been made to depreciation expense to reflect the:	
* Eliminate the historical depreciation expense of PSP11's facilities..	$ (1,198)
* Record depreciation expense based on the acquired cost of the remaining PSP11 facilities ($47,553,000 cost, 20% allocated to land, the remaining cost allocated to buildings, depreciated straight-line over 25 years)...	1,522
	$ 324
* A pro forma adjustment has been made to increase the minority interests' share of income based upon its pro rata ownership interest in the above pro forma adjustments.................................	$ (248)

</TABLE>

<TABLE>
<CAPTION>
6. POST-MERGER PRO FORMA NET INCOME PER SHARE OF COMMON STOCK HAS BEEN. COMPUTED AS FOLLOWS:

<S>	Year Ended December 31, 1997 <C>
Post-Merger pro forma net income..	$ 30,211,000
Post-Merger pro forma weighted average common shares (1)	23,635,650
Pro forma net income per share..	$ 1.28
(1)	
Pre-Merger pro forma weighted average shares from Note 4 above..........................	21,352,213
Issuance of common stock to PSP11's Series A common shareholders	1,713,782
Issuance of common stock to PSP11's Series B and C common shareholders.................	569,655
Post-Merger pro forma weighted average shares..	23,635,650

7. MINORITY INTEREST:

Minority interest represents ownership interests of OP Units in the consolidated Operating Partnership which are not owned by PSB. The OP Units, subject to certain conditions of the Operating Partnership Agreement, are convertible into Common Shares of PSB on a one-for-one basis. Pro forma weighted average OP Units outstanding during each period owned by minority interests totaled 7,400,951. The following table summarizes the ownership interests:

	Year Ended December 31, 1997
Pro forma PSB Common Shares outstanding	23,635,650
Pro forma OP Units owned by minority interests which are convertible into PSB Common Shares	7,400,951
Total PSB Common Shares outstanding assuming conversion of OP Units	31,036,601
Percentage ownership of PSB Common Shares outstanding	76.2%
Percentage ownership of minority interests	23.8%
Total ownership interest	100.0%

</TABLE>

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-48313) of PS Business Parks, Inc., pertaining to the PS Business Parks, Inc. 1997 Stock Option and Incentive Plan, and the Registration Statement on Form S-3 (No. 333-50463) and the related prospectus of (i) our report dated February 23, 1998 except for Note 9 as to which the date is March 18, 1998, with respect to the consolidated financial statements of PS Business Parks, Inc. (successor to American Office Park Properties, Inc.) included in the Current Report on Form 8-K/A dated April 17, 1998 of PS Business Parks, Inc., (ii) our report dated April 21, 1998 on the combined statement of revenues and certain operating expenses of the Principal Properties for the year ended December 31, 1997 included in the Current Report on Form 8-K dated May 4, 1998 of PS Business Parks, Inc., (iii) our report dated August 26, 1998 on the combined statement of revenues and certain expenses of the Northpointe D and G Properties for the year ended December 31, 1997 included in the Current Report on Form 8-K/A dated September 30, 1998 of PS Business Parks, Inc., (iv) our report dated August 6, 1998 on the statement of revenues and certain expenses of the Gunston Property for the year ended December 31, 1997 included in the Current Report on Form 8-K/A dated September 30, 1998 of PS Business Parks, Inc. and (v) our report dated September 21, 1998 on the statement of revenues and certain operating expenses of the Spectrum 95 Property for the year ended December 31, 1997 included in the Current Report on Form 8-K/A dated September 30, 1998 of PS Business Parks, Inc.

/s/ ERNST & YOUNG LLP

Los Angeles, California
November 12, 1998