

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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 22, 2022

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

Maryland  
(State or Other Jurisdiction of Incorporation)

1-10709  
(Commission File Number)

95-4300881  
(I.R.S. Employer Identification Number)

701 Western Avenue, Glendale, California  
(Address of principal executive offices)

91201-2349  
(Zip Code)

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

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

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class  | Trading Symbol | Name of Each Exchange on Which Registered |
|--|----------------|---|
| Common Stock, \$0.01 par value per share   | PSB            | New York Stock Exchange                   |
| Depository Shares Each Representing 1/1,000 of a 5.250% Cum Pref Share, Series X, \$0.01 par value | PSBPrX         | New York Stock Exchange                   |
| Depository Shares Each Representing 1/1,000 of a 5.200% Cum Pref Share, Series Y, \$0.01 par value | PSBPrY         | New York Stock Exchange                   |
| Depository Shares Each Representing 1/1,000 of a 4.875% Cum Pref Share, Series Z, \$0.01 par value | PSBPrZ         | New York Stock Exchange                   |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition**

On February 22, 2022, PS Business Parks, Inc. (the “Company”) reported its results of operations and financial condition for the quarter and year ended December 31, 2021. The full text of the press release issued in connection with this announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The Company’s Supplemental Information Package for the fourth quarter of 2021 is attached as Exhibit 99.2. The information in Item 2.02 of this Form 8-K and the Exhibits attached hereto pursuant to Item 9.01 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits****(d) Exhibits**

|              |  |
|--------------|--|
| Exhibit 99.1 | <a href="#">Press release dated February 22, 2022.</a>                       |
| Exhibit 99.2 | <a href="#">Supplemental Information, Fourth Quarter 2021.</a>               |
| Exhibit 104  | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

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**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.

Date: February 22, 2022

PS BUSINESS PARKS, INC.

By: /s/ Adeel Khan  
Adeel Khan  
Chief Financial Officer

## News Release

PS Business Parks, Inc.  
701 Western Avenue  
Glendale, CA 91201-2349  
psbusinessparks.com




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For Release: Immediately  
Date: February 22, 2022  
Contact: Adeel Khan  
(818) 244-8080, Ext. 8975

**PS Business Parks, Inc. Reports Results for the Quarter and Year Ended December 31, 2021**

**GLENDALE, California**—PS Business Parks, Inc. (NYSE:PSB), a real estate investment trust (“REIT”), today announced financial and operating results for the quarter and year ended December 31, 2021.

**Financial and Operational Highlights for the Three Months and Year Ended December 31, 2021**

- Net income allocable to common stockholders for the three months and year ended December 31, 2021 was \$267.4 million, or \$9.66 per diluted common share, and \$393.1 million, or \$14.22 per diluted common share, respectively.
- FFO for the three months and year ended December 31, 2021 was \$1.53 per share and \$6.67 per share, respectively, representing a decrease of -7.8% and an increase of 2.5% from the same periods in 2020.
- Core FFO for the three months and year ended December 31, 2021 was \$1.81 and \$6.97 per share, respectively, representing an increase of 9.0% and 6.1% from the same periods in 2020.
- Cash NOI for the Company’s total portfolio was \$77.6 million and \$306.8 million for the three months and year ended December 31, 2021, respectively, representing an increase of 4.8% and 7.0% for the same periods in 2020.
- Cash NOI for the Company’s Same Park portfolio was \$71.8 million and \$279.8 million for the three months and year ended December 31, 2021, respectively, representing an increase of 6.5% and 8.0% for the same periods in 2020.
- Weighted average occupancy for the Company’s Total Park portfolio was 95.5% and 94.3% during the three months and year ended December 31, 2021, respectively, compared to 92.4% and 92.2% for the same periods in 2020.
- Weighted average occupancy for the Company’s Same Park portfolio was 95.7% and 94.4% during the three months and year ended December 31, 2021, respectively, compared to 92.7% for both comparable periods in 2020.
- Comparable rental rates for the Company’s Total Park portfolio for the three and twelve months on 1.8 million and 7.4 million rentable square feet were 16.4% and 14.7% on a net effective rent growth basis, and 6.1% and 5.2% on a cash basis, respectively.
- During the three months ended December 31, 2021, the Company acquired Jupiter Business Park, a 141,000 square foot industrial business park located in Plano, Texas, for a total purchase price of \$25.6 million, inclusive of capitalized transaction cost.
- During the three months ended December 31, 2021, the Company sold Lusk, a 371,000 square foot industrial-flex business park located in San Diego, California, for net sale proceeds of \$311.1 million, Ammendale, a 53,000 square foot industrial building located in Beltsville, Maryland, for net sale proceeds of \$4.5 million and Royal Tech 10, a 70,000 square foot industrial-flex building located in Irving, Texas, for net sale proceeds of \$8.8 million.

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**Financial Results:**

Net income allocable to common stockholders was \$267.4 million or \$9.66 per diluted share and \$393.1 million or \$14.22 per diluted share, for the three months and year ended December 31, 2021, respectively.

FFO for the quarter and year ended December 31, 2021 was \$1.53 per share and \$6.67 per share, respectively, representing a decrease of 7.8% and an increase of 2.5% from the same periods in 2020. The decrease in FFO per share for the fourth quarter was due to a \$6.4 million non-cash charge related to the redemption of the Series W preferred stock and \$3.6 million charge for a state income tax provision due to differences between state and federal tax codes. The increase in FFO per share for the year was the result of higher NOI, partially offset by the \$6.4 million non-cash charge related to the redemption of the Series W preferred stock and the \$3.6 million for state income tax provision, as discussed above, as well as higher general and administrative expense primarily driven by stock compensation expense.

Core FFO for the quarter and year ended December 31, 2021 was \$1.81 and \$6.97 per share, respectively, representing an increase of 9.0% and 6.1% from the same periods in 2020. For the quarter ended December 31, 2021, Core FFO excludes the impact of (i) the \$6.4 million non-cash charge related to the redemption of the Series W preferred stock and (ii) the \$3.6 million of state income tax provision discussed above. For the year ended December 31, 2021, along with the items excluded for the quarter, Core FFO also excludes the impact of a one-time cost associated with the Company's reincorporation as a Maryland corporation of \$0.5 million incurred during the second quarter of 2021. For the year ended December 31, 2020, Core FFO excludes the impact of (i) accelerated amortization of stock compensation expense of \$1.7 million related to the retirement of our former President and CEO and (ii) non-capitalizable demolition costs of \$0.3 million.

FAD for the quarter and year ended December 31, 2021 was \$54.3 million and \$210.7 million, respectively, representing an increase of 13.2% and 10.8%, respectively, from the same periods in 2020. The increase in FAD for the quarter and year ended December 31, 2021 and 2020 is primarily attributable to higher Cash NOI driven by higher weighted average occupancy, higher rent growth, decrease in rent deferrals (net of amounts repaid,) a decrease in rent abatements in 2021 compared to the same periods in prior year and lower preferred distributions resulting from the redemption of Series W preferred stock during fourth quarter of 2021.

Same Park NOI was \$72.2 million and \$280.9 million for the three months and year ended December 31, 2021, respectively, representing increases of 8.6% and 7.0% over the same periods in 2020, respectively.

The Company also reports NOI on a cash basis, which excludes non-cash rental income such as amortization of deferred rent receivable and other non-cash items, and also excludes rents that have been deferred or abated during the period. Same Park Cash NOI was \$71.8 million and \$279.8 million for the quarter and year ended December 31, 2021, respectively, representing increases of 6.5% and 8.0% over the same periods in 2020, respectively. The increase in Same Park Cash NOI for the three months ended December 31, 2021 was primarily driven by higher weighted average occupancy in the fourth quarter of 2021, which was 95.7% versus 92.7% in the fourth quarter of 2020. The increase in Same Park Cash NOI for the year ended December 31, 2021 was primarily driven by higher weighted average occupancy, which was 94.4% in 2021 versus 92.7% in 2020. The Company noted that Same Park Cash Rental Income per occupied square foot increased by 4.9% during the year, from \$15.76 in 2020 to \$16.53 in 2021.

The following table presents the unaudited details of the change in Same Park rental income for the three months and years ended December 31, 2021 and 2020 (in thousands):

|                                      | For the Three Months Ended December 31, |                  |                 |             | For the Years Ended December 31, |                   |                  |             |
|--------------------------------------|---|------------------|-----------------|-------------|----------------------------------|-------------------|------------------|-------------|
|                                      | 2021                                    | 2020             | \$ Change       | % Change    | 2021                             | 2020              | \$ Change        | % Change    |
| <b>Rental income</b>                 |   |                  |                 |             |                                  |                   |                  |             |
| Base rental income                   | \$ 74,607                               | \$ 70,432        | \$ 4,175        | 5.9%        | \$ 291,169                       | \$ 280,499        | \$ 10,670        | 3.8%        |
| Expense recovery income              | 24,591                                  | 22,265           | 2,326           | 10.4%       | 96,248                           | 88,534            | 7,714            | 8.7%        |
| Lease buyout income                  | 538                                     | 257              | 281             | 109.3%      | 1,856                            | 1,044             | 812              | 77.8%       |
| Rent receivable recovery/(write-off) | (73)                                    | (195)            | 122             | (62.6%)     | (12)                             | (1,515)           | 1,503            | (99.2%)     |
| Abatements                           | (8)                                     | (96)             | 88              | (91.7%)     | (312)                            | (1,285)           | 973              | (75.7%)     |
| Deferrals                            | —                                       | (109)            | 109             | (100.0%)    | (292)                            | (5,253)           | 4,961            | (94.4%)     |
| Deferral repayments                  | 250                                     | 1,787            | (1,537)         | (86.0%)     | 1,773                            | 2,953             | (1,180)          | (40.0%)     |
| Fee Income                           | 101                                     | 225              | (124)           | (55.1%)     | 695                              | 904               | (209)            | (23.1%)     |
| Cash Rental Income                   | 100,006                                 | 94,566           | 5,440           | 5.8%        | 391,125                          | 365,881           | 25,244           | 6.9%        |
| Non-Cash Rental Income (1)           | 414                                     | (959)            | 1,373           | (143.2%)    | 1,096                            | 3,567             | (2,471)          | (69.3%)     |
| Total rental income                  | <u>\$ 100,420</u>                       | <u>\$ 93,607</u> | <u>\$ 6,813</u> | <u>7.3%</u> | <u>\$ 392,221</u>                | <u>\$ 369,448</u> | <u>\$ 22,773</u> | <u>6.2%</u> |

(1) Non-cash rental income includes amortization of deferred rent receivable (net of write-offs), in-place lease intangible, tenant improvement reimbursement, and lease incentives.

The following table presents the unaudited operating results of the Company's Same Park facilities for the three months and years ended December 31, 2021 and 2020 (in thousands, except per square foot amounts):

|   | For the Three Months Ended December 31, |                  |                 |             | For the Years Ended December 31, |                   |                  |             |
|---|---|------------------|-----------------|-------------|----------------------------------|-------------------|------------------|-------------|
|   | 2021                                    | 2020             | \$ Change       | % Change    | 2021                             | 2020              | \$ Change        | % Change    |
| <b>Rental income</b>                            |   |                  |                 |             |                                  |                   |                  |             |
| Cash Rental Income (1) (2)                      | \$ 100,006                              | \$ 94,566        | \$ 5,440        | 5.8%        | \$ 391,125                       | \$ 365,881        | \$ 25,244        | 6.9%        |
| Non-Cash Rental Income (1) (3)                  | 414                                     | (959)            | 1,373           | (143.2%)    | 1,096                            | 3,567             | (2,471)          | (69.3%)     |
| Total rental income                             | 100,420                                 | 93,607           | 6,813           | 7.3%        | 392,221                          | 369,448           | 22,773           | 6.2%        |
| <b>Adjusted Cost of Operations (1)</b>          |   |                  |                 |             |                                  |                   |                  |             |
| Property taxes                                  | 9,936                                   | 9,827            | 109             | 1.1%        | 41,958                           | 41,184            | 774              | 1.9%        |
| Utilities                                       | 4,746                                   | 4,235            | 511             | 12.1%       | 18,066                           | 17,170            | 896              | 5.2%        |
| Repairs and maintenance                         | 6,452                                   | 6,680            | (228)           | (3.4%)      | 23,064                           | 22,697            | 367              | 1.6%        |
| Compensation                                    | 4,137                                   | 3,835            | 302             | 7.9%        | 16,082                           | 15,522            | 560              | 3.6%        |
| Snow removal                                    | 9                                       | 162              | (153)           | (94.4%)     | 1,021                            | 233               | 788              | 338.2%      |
| Property insurance                              | 1,227                                   | 1,036            | 191             | 18.4%       | 4,778                            | 3,943             | 835              | 21.2%       |
| Other expenses                                  | 1,678                                   | 1,340            | 338             | 25.2%       | 6,364                            | 6,111             | 253              | 4.1%        |
| Total Adjusted Cost of Operations               | 28,185                                  | 27,115           | 1,070           | 3.9%        | 111,333                          | 106,860           | 4,473            | 4.2%        |
| NOI (1)   | <u>\$ 72,235</u>                        | <u>\$ 66,492</u> | <u>\$ 5,743</u> | <u>8.6%</u> | <u>\$ 280,888</u>                | <u>\$ 262,588</u> | <u>\$ 18,300</u> | <u>7.0%</u> |
| Cash NOI (1)                                    | \$ 71,821                               | \$ 67,451        | \$ 4,370        | 6.5%        | \$ 279,792                       | \$ 259,021        | \$ 20,771        | 8.0%        |
| <b>Selected Statistical Data</b>                |   |                  |                 |             |                                  |                   |                  |             |
| Rentable square footage at period end           | 25,053                                  | 25,053           | —               | —           | 25,053                           | 25,053            | —                | —           |
| NOI margin (1)                                  | 71.9%                                   | 71.0%            | —               | 0.9%        | 71.6%                            | 71.1%             | —                | 0.5%        |
| Cash NOI margin (1)                             | 71.8%                                   | 71.3%            | —               | 0.5%        | 71.5%                            | 70.8%             | —                | 0.7%        |
| Weighted average square foot occupancy          | 95.7%                                   | 92.7%            | —               | 3.0%        | 94.4%                            | 92.7%             | —                | 1.7%        |
| Revenue per Occupied Square Foot (1)            | \$ 16.74                                | \$ 16.12         | \$ 0.62         | 3.8%        | \$ 16.58                         | \$ 15.91          | \$ 0.67          | 4.2%        |
| Revenue per Available Foot (RevPAF) (1)         | \$ 16.03                                | \$ 14.95         | \$ 1.08         | 7.2%        | \$ 15.66                         | \$ 14.75          | \$ 0.91          | 6.2%        |
| Cash Rental Income per Occupied Square Foot (1) | \$ 16.67                                | \$ 16.29         | \$ 0.38         | 2.3%        | \$ 16.53                         | \$ 15.76          | \$ 0.77          | 4.9%        |
| Cash Rental Income per Available Foot (1)       | \$ 15.97                                | \$ 15.10         | \$ 0.87         | 5.8%        | \$ 15.61                         | \$ 14.60          | \$ 1.01          | 6.9%        |

(1) Defined in Definitions/Non-GAAP Discussion.

(2) Detail of the components of Cash Rental Income can be found in the table presented under financial results above.

(3) Same Park Non-Cash Rental Income is presented net of deferred rent receivable write-offs of \$0.1 million and \$0.4 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.3 million and \$3.0 million for the years ended December 31, 2021 and 2020, respectively.

## **Operating Results:**

Total portfolio weighted average occupancy<sup>(1)</sup> was 95.5% and 94.3% during the three and twelve months ended December 31, 2021, respectively, compared to 92.4% and 92.2% for the same periods in 2020.

## **Leasing Production (2)**

During the three months and year ended December 31, 2021, the Company executed leases on 1.8 million and 7.4 million square feet, respectively, compared to 1.8 million and 7.1 million for the three months and year ended December 31, 2020, respectively. The table below represents cash rental rate growth and net effective rent growth<sup>(3)</sup> by product type for leases executed during the three months and year ended December 31, 2021.

| Product type    | For the Three Months ended December 31, 2021 |                         |  | For the Twelve Months ended December 31, 2021 |                         |  |
|-----------------|--|-------------------------|--|---|-------------------------|--|
|                 | Leasing volume                               | Cash rental rate growth | Net effective rent growth <sup>(3)</sup> | Leasing volume                                | Cash rental rate growth | Net effective rent growth <sup>(3)</sup> |
| Industrial      | 1,246,000                                    | 11.5%                   | 25.7%                                    | 5,211,000                                     | 9.4%                    | 21.7%                                    |
| Industrial-flex | 302,000                                      | 1.2%                    | 8.0%                                     | 1,514,000                                     | 1.0%                    | 7.2%                                     |
| Office          | 207,000                                      | -2.3%                   | 4.7%                                     | 712,000                                       | -5.6%                   | 0.7%                                     |
| Total           | 1,755,000                                    | 6.1%                    | 16.4%                                    | 7,437,000                                     | 5.2%                    | 14.7%                                    |

The average lease term of the leases executed during the three months ended December 31, 2021 was 3.6 years, with associated average transaction costs (tenant improvements and leasing commissions) of \$3.15 per square foot. For comparative purposes, average lease term and transaction costs on leases executed in the same period of 2020 were 3.3 years and \$2.90 per square foot, respectively.

For the three and twelve months ended December 31, 2021 and for all comparative periods presented herein, the Company has excluded assets held for sale as of December 31, 2021 as follows:

- 702,000 square foot industrial-flex business park located in Irving, Texas.

For the three and twelve months ended December 31, 2021 and for all comparative periods presented herein, the Company has also excluded assets sold in 2021 as follows:

- 198,000 square foot office-oriented flex business park located in Chantilly, Virginia, sold in June 2021;
- 244,000 square foot office park located in Herndon, Virginia, sold in July 2021;
- 22,000 square foot industrial-flex building located in Irving, Texas, sold in September 2021;
- 371,000 square foot industrial-flex business park located in San Diego, California, sold in October 2021;
- 53,000 square foot industrial building located in Beltsville, Maryland, sold in December 2021, and
- 70,000 square foot industrial-flex business building located in Irving, Texas, sold in December 2021.

Also excluded from the respective periods in 2020 are assets sold comprising 40,000 square feet sold in September 2020 and 113,000 square feet sold in January 2020.

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(1) Total portfolio occupancy statistics exclude assets sold or held for sale as of December 31, 2021.

(2) Leasing Production excludes assets sold or held for sale as of December 31, 2021.

(3) Net effective rent represents average rental payments for the term of a lease on a straight-line basis in accordance with U.S. generally accepted accounting principles ("GAAP") and excludes operating expense reimbursements.

## Quarterly Financial Data

The following table summarizes unaudited selected quarterly financial data with respect to the Same Park portfolio (in thousands, except per square foot amounts.)

|   | For the Three Months Ended |           |              |             | Full Year  |
|---|----------------------------|-----------|--------------|-------------|------------|
|   | March 31                   | June 30   | September 30 | December 31 |            |
| <b>Cash Rental income (1)</b>                           |                            |           |              |             |            |
| 2021  | \$ 95,010                  | \$ 96,948 | \$ 99,161    | \$ 100,006  | \$ 391,125 |
| 2020  | \$ 93,109                  | \$ 86,705 | \$ 91,501    | \$ 94,566   | \$ 365,881 |
| <b>Adjusted Cost of Operations (1)</b>                  |                            |           |              |             |            |
| 2021  | \$ 28,017                  | \$ 26,661 | \$ 28,470    | \$ 28,185   | \$ 111,333 |
| 2020  | \$ 26,669                  | \$ 25,439 | \$ 27,637    | \$ 27,115   | \$ 106,860 |
| <b>Cash NOI (1)</b>                                     |                            |           |              |             |            |
| 2021  | \$ 66,993                  | \$ 70,287 | \$ 70,691    | \$ 71,821   | \$ 279,792 |
| 2020  | \$ 66,440                  | \$ 61,266 | \$ 63,864    | \$ 67,451   | \$ 259,021 |
| <b>Weighted average square foot occupancy</b>           |                            |           |              |             |            |
| 2021  | 93.2%                      | 93.9%     | 94.8%        | 95.7%       | 94.4%      |
| 2020  | 92.9%                      | 92.4%     | 92.6%        | 92.7%       | 92.7%      |
| <b>Cash Rental Income per Occupied Square Foot (1)</b>  |                            |           |              |             |            |
| 2021  | \$ 16.28                   | \$ 16.49  | \$ 16.70     | \$ 16.67    | \$ 16.53   |
| 2020  | \$ 16.00                   | \$ 14.97  | \$ 15.78     | \$ 16.29    | \$ 15.76   |
| <b>Cash Rental Income per Available Square Foot (1)</b> |                            |           |              |             |            |
| 2021  | \$ 15.17                   | \$ 15.48  | \$ 15.83     | \$ 15.97    | \$ 15.61   |
| 2020  | \$ 14.87                   | \$ 13.84  | \$ 14.61     | \$ 15.10    | \$ 14.60   |

(1) Defined in Definitions/Non-GAAP Discussion.

## COVID-19 Pandemic/Rent Collections Update

During the three months ended December 31, 2021, the Company granted \$0 of rent deferral and \$0 of rent abatement compared to the \$0.2 million of rent deferral and \$0.1 million of rent abatement granted for the three months ended December 31, 2020. During the year ended December 31, 2021, the Company granted \$0.5 million of rent deferral and \$0.3 million of rent abatement which was significantly lower than the \$5.7 million of rent deferrals and \$1.3 million of rent abatements granted during the year ended December 31, 2020. Since the onset of the COVID-19 pandemic, the Company has entered into rent relief agreements consisting of \$6.2 million of rent deferrals and \$1.6 million of rent abatements. As of December 31, 2021, the 317 current customers that received rent relief account for 9.5% of rental income. Also as of December 31, 2021, the Company had collected \$5.3 million of rent deferral repayment, representing 99.8% of the amounts scheduled to be repaid through December 2021. An additional \$0.9 million of rent deferral repayment is scheduled to be repaid thereafter.

As of February 18, 2022, the Company had collected 99.9% of revenue billed during the year ended December 31, 2021. The Company noted that the fourth quarter of 2021 marked the sixth consecutive quarter of normal accounts receivable write-off activity. During the three months and year ended December 31, 2021, the Company wrote off \$0.1 million and \$0.1 million of accounts receivable, net of recoveries, respectively, compared to \$0.2 million and \$1.6 million written off during the three months and year ended December 31, 2020, respectively. During the three months and year ended December 31, 2021, the Company wrote off \$0.1 million and \$0.3 million of deferred rent receivable, respectively, which is significantly lower than the \$0.4 million and \$3.1 million written off during the three months and year ended December 31, 2020, respectively.



As of December 31, 2021, the Company had open rent relief requests from less than 1% of its customers. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Certain Factors that May Impact Future Results—Impact of COVID-19 Pandemic” in our Form 10-K for the year ended December 31, 2021 for more information.

#### **Acquisition and Dispositions Update**

In December 2021, the Company acquired Jupiter Business Park, a 141,000 square foot industrial business park located in Plano, Texas, for a total purchase price of \$25.6 million, inclusive of capitalized transaction cost.

In December 2021, the Company sold a 53,000 square foot industrial building, that was part of Ammendale, located in Beltsville, Maryland, for net sale proceeds of \$4.5 million and gain on sale of \$3.2 million and Royal Tech 10 a 70,000 square foot industrial-flex business park located in Irving, Texas, for net sale proceeds of \$8.8 million and gain on sale of \$6.3 million.

In October 2021, the Company sold Lusk, a 371,000 square foot industrial-flex business park located in San Diego, California, for net sale proceeds of \$311.1 million and gain on sale of \$301.2 million.

#### **Capital Activity**

On November 3, 2021, the Company redeemed all outstanding depository shares representing interests in its 5.20% Cumulative Preferred Stock, Series W, at \$25.00 per share plus accrued dividends from October 1, 2021, through the date of redemption. The aggregate redemption amount, inclusive of prorated dividends, paid to the holders was \$190.7 million. The Company recorded a non-cash charge related to the redemption of preferred securities of \$6.4 million for the three months and year ended December 31, 2021.

#### **Distributions Declared**

On February 21, 2022, the Company’s Board of Directors declared a quarterly dividend of \$1.05 per common share. Distributions were also declared on the various series of depository shares, each representing 1/1,000 of a share of preferred stock. Distributions for both shares of common stock and preferred stock will be payable on March 31, 2022 to stockholders of record on March 16, 2022.

#### **Supplemental Information and Investor Presentation:**

The Company’s supplemental financial reporting package as well as an updated investor presentation are available on the Company’s investor relations website at [www.ir.psbusinessparks.com](http://www.ir.psbusinessparks.com).

#### **Earnings Release, Investor Conference Webcast and Conference Call:**

The Company will host a webcast and conference call on Wednesday, February 23, 2022, at 10:00 a.m. PST (1:00 p.m. EST) to review fourth quarter results, discuss recent events and conduct a question-and-answer period. The live webcast will be available on the Company’s investor relations website at [ir.psbusinessparks.com](http://ir.psbusinessparks.com).

#### **To Participate in the Telephone Conference Call:**

Phone #: (866) 831-8713

Pass Code: PSBQ421

#### **Conference Call Playback:**

Phone #: (800) 925-9942

The playback can be accessed through March 2, 2022.

## Company Information

PS Business Parks, Inc. (NYSE:PSB), a S&P MidCap 400 company, is a REIT that acquires, develops, owns, and operates commercial properties, predominantly multi-tenant industrial, industrial-flex, and low-rise suburban office space. Located primarily in major coastal markets, PS Business Parks' 97 properties serve approximately 5,000 tenants in 28 million square feet of space as of December 31, 2021. The portfolio also includes 800 residential units (including units in-process).

## Forward-Looking Statements

When used within this press release, the words "may," "believes," "anticipates," "plans," "expects," "seeks," "estimates," "intends," and similar expressions are intended to identify "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results and performance of the Company to be materially different from those expressed or implied in the forward-looking statements, including but not limited to: (i) the duration and severity of the COVID-19 pandemic and its impact on our business and our customers; (ii) changes in general economic and business conditions, including as a result of the economic fallout of the COVID-19 pandemic; (iii) potential regulatory actions to close our facilities or limit our ability to evict delinquent customers; (iv) decreases in rental rates or increases in vacancy rates/failure to renew or replace expiring leases; (v) tenant defaults; (vi) the effect of the recent credit and financial market conditions; (vii) our failure to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"); (viii) the economic health of our customers; (ix) the health of our officers and directors; (x) increases in operating costs; (xi) casualties to our properties not covered by insurance; (xii) the availability and cost of capital; (xiii) increases in interest rates and its effect on our stock price; (xiv) security breaches, including ransomware, or a failure of our networks, systems or technology which could adversely impact our operations or our business, customer and employee relationships or result in fraudulent payments; (xv) the impact of inflation; and (xvi) other factors discussed in the Company's SEC reports, including quarterly reports on Form 10-Q, reports on Form 8-K, and annual reports on Form 10-K.

Additional information about PS Business Parks, Inc., including more financial analysis of the fourth quarter operating results, is available on the Company's website at [psbusinessparks.com](http://psbusinessparks.com).

## Definitions/Discussion of Non-GAAP Financial Measures:

**Adjusted Cost of Operations:** Adjusted cost of operations represents cost of operations, excluding non-cash stock compensation expense for employees whose compensation expense is recorded in cost of operations, which can vary significantly period to period based upon the performance of the Company. The GAAP measure most directly comparable to adjusted cost of operations is cost of operations.

**Cash NOI:** Cash NOI represents NOI adjusted to exclude non-cash items included in rental income and in cost of operations. The non-cash rental income includes amortization of deferred rent receivable (net of write-offs), in-place lease intangible, tenant improvement reimbursements, and lease incentives. The non-cash expense is equal to stock compensation expense for employees whose compensation expense is recorded in cost of operations. We believe that cash NOI assists investors in analyzing cash flow performance of our business parks. The GAAP measure most directly comparable to cash NOI is net income.

**Cash NOI Margin:** Cash NOI margin is computed by dividing Cash NOI by Cash Rental Income.

**Cash Rental Income:** Cash rental income represents rental income, excluding non-cash rental income, specifically amortization of deferred rent receivable (net of write-offs), in-place lease intangible, tenant improvement reimbursements, and lease incentives.

**Cash Rental Income per Occupied Square Feet and Cash Rental Income per Available Square Foot:** Computed by dividing Cash Rental Income for the period by weighted average occupied and available square feet for the same period. Cash rental income per occupied and available square foot for the three-month period shown is annualized.

**Core Funds from Operations (Core FFO):** We calculate Core FFO by adjusting FFO, as defined below, excluding the impact of (i) charges related to the redemption of preferred stock and (ii) other nonrecurring income or expense items as appropriate. Management believes that Core FFO is a useful supplemental measure as it provides a more meaningful and consistent comparison of operating performance and allows investors to more easily compare the Company's operating results. Because certain of these adjustments have a real economic impact on our financial condition and results from operations, the utility of Core FFO as a measure of our performance is limited. Other REITs may not calculate Core FFO in a consistent manner. Accordingly, our Core FFO may not be comparable to other REITs' Core FFO. Core FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

**Funds Available for Distribution (FAD):** FAD is a non-GAAP measure that represents Core FFO adjusted to (a) deduct recurring capital improvements that maintains the condition of our real estate, tenant improvements and lease commissions and (b) remove certain non-cash rental income or expenses such as amortization of deferred rent receivable and non-cash stock compensation expense. We believe our presentation of FAD assists investors and analysts in analyzing and comparing our operating and financial performance between reporting periods. FAD is not a substitute for GAAP net cash flow in evaluating our liquidity or ability to pay dividends, because they exclude investing and financing activities presented on our statements of cash flows. The GAAP measure most directly comparable to FAD is operating cash flow from our statements of cash flows.

**Funds from Operations (FFO):** We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts (“NAREIT”). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, gains (or losses) from sales of assets incidental to our business, impairment losses of depreciable operating property or assets incidental to our business, real estate related depreciation and amortization (excluding amortization of deferred financing costs and amortization of above/below-market lease intangibles) and after adjustments for unconsolidated joint ventures. Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization, gains and losses from property dispositions, other than temporary impairments of unconsolidated real estate entities, and impairment on our investment in real estate, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of performance used by other REITs, FFO may be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate or interpret FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs’ FFO. FFO should not be used as a measure of our liquidity and is not indicative of funds available for our cash needs, including our ability to pay dividends. FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance. A reconciliation of net income, the nearest GAAP equivalent, to FFO is under the additional financial data section.

**Net Operating Income (NOI):** We utilize NOI, a non-GAAP financial measure, to evaluate the operating performance of our business parks. We define NOI as rental income less adjusted cost of operations (described above). We believe NOI assists investors in analyzing the performance and value of our business parks by excluding (i) corporate overhead (i.e. general and administrative expenses) because it does not relate to the results of our business parks, (ii) depreciation and amortization expense because it does not accurately reflect changes in the fair value of our business parks and (iii) non-cash stock compensation expense because this expense item can vary significantly from period to period and thus impact comparability across periods. The GAAP measure most directly comparable to NOI is net income.

**NOI Margin:** NOI margin is computed by dividing NOI by rental income.

**Revenue Per Occupied Square Foot and Revenue per Available Square Foot (RevPAF):** Computed by dividing rental income for the period by weighted average occupied and available square feet for the same period. Revenue per occupied square foot and RevPAF for the three month period shown is annualized.

**Same Park Portfolio:** The Company believes that evaluation of the Same Park portfolio, defined as all properties owned and operated as of December 31, 2021 that were acquired prior to January 1, 2019, provides an informative view of how the Company’s portfolio has performed over comparable periods. As of December 31, 2021, the Same Park portfolio consisted of 25.1 million rentable square feet, or 92.8% of the Company’s 27.0 million total rentable square feet, excluding the Company’s 95.0% interest in a 395-unit multifamily property and 702,000 square feet of assets held for sale.

Additional financial data attached.

PS BUSINESS PARKS, INC.  
CONSOLIDATED BALANCE SHEETS  
(In thousands, except share data)

|  | December 31,        |                     |
|--|---------------------|---------------------|
|  | 2021                | 2020                |
| <b>ASSETS</b>  |                     |                     |
| Cash and cash equivalents  | \$ 27,074           | \$ 69,083           |
| Real estate facilities, at cost  |                     |                     |
| Land   | 867,345             | 843,765             |
| Buildings and improvements   | 2,239,137           | 2,080,895           |
|  | 3,106,482           | 2,924,660           |
| Accumulated depreciation   | (1,178,397)         | (1,101,739)         |
|  | 1,928,085           | 1,822,921           |
| Properties held for sale, net  | 33,609              | 75,138              |
| Land and building held for development, net  | 78,990              | 37,922              |
|  | 2,040,684           | 1,935,981           |
| Rent receivable  | 1,621               | 1,519               |
| Deferred rent receivable   | 37,581              | 36,788              |
| Other assets   | 16,262              | 14,334              |
| Total assets   | <u>\$ 2,123,222</u> | <u>\$ 2,057,705</u> |
| <b>LIABILITIES AND EQUITY</b>  |                     |                     |
| Accrued and other liabilities  | \$ 97,151           | \$ 82,065           |
| Credit facility  | 32,000              | —                   |
| Total liabilities  | 129,151             | 82,065              |
| Commitments and contingencies  |                     |                     |
| Equity   |                     |                     |
| PS Business Parks, Inc.'s stockholders' equity   |                     |                     |
| Preferred stock, \$0.01 par value, 50,000,000 shares authorized, 30,200 and 37,790 shares issued and outstanding at December 31, 2021 and 2020, respectively       | 755,000             | 944,750             |
| Common stock, \$0.01 par value, 100,000,000 shares authorized, 27,589,807 and 27,488,547 shares issued and outstanding at December 31, 2021 and 2020, respectively | 275                 | 274                 |
| Paid-in capital  | 752,444             | 738,022             |
| Accumulated earnings   | 226,737             | 73,631              |
| Total PS Business Parks, Inc.'s stockholders' equity   | 1,734,456           | 1,756,677           |
| Noncontrolling interests   | 259,615             | 218,963             |
| Total equity   | 1,994,071           | 1,975,640           |
| Total liabilities and equity   | <u>\$ 2,123,222</u> | <u>\$ 2,057,705</u> |

PS BUSINESS PARKS, INC.  
CONSOLIDATED STATEMENTS OF INCOME  
(In thousands, except per share amounts)

|   | For the Three Months<br>Ended December 31, |                  | For the Years<br>Ended December 31, |                   |
|---|--|------------------|-------------------------------------|-------------------|
|   | 2021                                       | 2020             | 2021                                | 2020              |
| Rental income   | \$ 110,844                                 | \$ 105,088       | \$ 438,703                          | \$ 415,623        |
| Expenses  |  |                  |                                     |                   |
| Cost of operations  | 32,738                                     | 32,023           | 130,896                             | 125,513           |
| Depreciation and amortization                                 | 24,130                                     | 23,668           | 93,486                              | 96,314            |
| General and administrative                                    | 4,728                                      | 3,152            | 19,057                              | 14,526            |
| Total operating expenses                                      | <u>61,596</u>                              | <u>58,843</u>    | <u>243,439</u>                      | <u>236,353</u>    |
| Interest and other income                                     | 946  | 222              | 2,536                               | 1,234             |
| Interest and other expense                                    | (3,943)                                    | (172)            | (4,646)                             | (1,072)           |
| Gain on sale of real estate facilities                        | 310,758                                    | —                | 359,875                             | 27,273            |
| Net income  | 357,009                                    | 46,295           | 553,029                             | 206,705           |
| Allocation to noncontrolling interests                        | <u>(70,915)</u>                            | <u>(7,147)</u>   | <u>(104,270)</u>                    | <u>(33,158)</u>   |
| Net income allocable to PS Business Parks, Inc.               | 286,094                                    | 39,148           | 448,759                             | 173,547           |
| Allocation to preferred stockholders based upon Distributions | (10,485)                                   | (12,047)         | (46,624)                            | (48,186)          |
| Preferred securities redemption charge                        | (6,434)                                    | —                | (6,434)                             | —                 |
| Allocation to restricted stock unit holders                   | <u>(1,785)</u>                             | <u>(173)</u>     | <u>(2,613)</u>                      | <u>(716)</u>      |
| Net income allocable to common stockholders                   | <u>\$ 267,390</u>                          | <u>\$ 26,928</u> | <u>\$ 393,088</u>                   | <u>\$ 124,645</u> |
| Net income per share of common stock                          |  |                  |                                     |                   |
| Basic   | \$ 9.70                                    | \$ 0.98          | \$ 14.28                            | \$ 4.54           |
| Diluted   | \$ 9.66                                    | \$ 0.98          | \$ 14.22                            | \$ 4.52           |
| Weighted average common stocks outstanding                    |  |                  |                                     |                   |
| Basic   | 27,565                                     | 27,488           | 27,534                              | 27,475            |
| Diluted   | 27,671                                     | 27,572           | 27,636                              | 27,563            |

PS BUSINESS PARKS, INC.  
Computation of FFO, Core FFO, and FAD  
(In thousands, except per share amounts)

|   | For the Three Months<br>Ended December 31, |           | For the Years<br>Ended December 31, |            |
|---|--|-----------|-------------------------------------|------------|
|   | 2021                                       | 2020      | 2021                                | 2020       |
| Net income allocable to common stockholders   | \$ 267,390                                 | \$ 26,928 | \$ 393,088                          | \$ 124,645 |
| Adjustments   |  |           |                                     |            |
| Gain on sale of real estate facilities  | (310,758)                                  | —         | (359,875)                           | (27,273)   |
| Depreciation and amortization expense   | 24,130                                     | 23,668    | 93,486                              | 96,314     |
| Net income allocated to noncontrolling interests  | 70,915                                     | 7,147     | 104,270                             | 33,158     |
| Net income allocated to restricted stock unit holders   | 1,785                                      | 173       | 2,613                               | 716        |
| FFO allocated to joint venture partner  | (11)                                       | (16)      | (78)                                | (118)      |
| FFO allocable to diluted common stock and units (1)   | 53,451                                     | 57,900    | 233,504                             | 227,442    |
| Maryland reincorporation costs  | —  | —         | 510                                 | —          |
| Non-capitalizable demolition costs  | —  | —         | —                                   | 335        |
| Acceleration of stock compensation expense due to President and Chief Executive Officer retirement    | —  | —         | —                                   | 1,687      |
| Preferred securities redemption charge  | 6,434                                      | —         | 6,434                               | —          |
| Income tax expense  | 3,600                                      | —         | 3,600                               | —          |
| Core FFO allocable to diluted common stock and units (1)  | 63,485                                     | 57,900    | 244,048                             | 229,464    |
| Adjustments   |  |           |                                     |            |
| Recurring capital improvements  | (3,299)                                    | (3,108)   | (11,649)                            | (9,521)    |
| Tenant improvements   | (3,512)                                    | (4,909)   | (14,767)                            | (15,948)   |
| Capitalized lease commissions   | (3,281)                                    | (3,653)   | (8,719)                             | (8,878)    |
| Non-cash rental income (1)  | (857)                                      | 627       | (2,800)                             | (4,713)    |
| Non-cash stock compensation expense (2)   | 2,073                                      | 1,257     | 8,495                               | 3,961      |
| Cash paid for taxes in lieu of stock upon vesting of restricted stock units                           | (260)                                      | (114)     | (3,940)                             | (4,216)    |
| FAD allocable to diluted common stock and units (1)   | \$ 54,349                                  | \$ 48,000 | \$ 210,668                          | \$ 190,149 |
| Distributions to common stockholders, noncontrolling interests, and restricted stock unit holders (3) | \$ 36,833                                  | \$ 36,750 | \$ 147,163                          | \$ 146,873 |
| Distribution payout ratio   | 67.8%                                      | 76.6%     | 69.9%                               | 77.2%      |
| Reconciliation of Earnings per stock to FFO per share   |  |           |                                     |            |
| Net income per common stock—diluted   | \$ 9.66                                    | \$ 0.98   | \$ 14.22                            | \$ 4.52    |
| Gain on sale of real estate facilities  | (8.87)                                     | —         | (10.29)                             | (0.78)     |
| Net income allocated to restricted stock unit holders   | 0.05                                       | 0.01      | 0.07                                | 0.02       |
| Depreciation and amortization expense   | 0.69                                       | 0.67      | 2.67                                | 2.75       |
| FFO per share (1)   | \$ 1.53                                    | \$ 1.66   | \$ 6.67                             | \$ 6.51    |
| Maryland reincorporation costs  | —  | —         | 0.02                                | —          |
| Non-capitalizable demolition costs  | —  | —         | —                                   | 0.01       |
| Acceleration of stock compensation expense due to President and Chief Executive Officer retirement    | —  | —         | —                                   | 0.05       |
| Preferred securities redemption charge  | 0.18                                       | —         | 0.18                                | —          |
| Income tax expense  | 0.10                                       | —         | 0.10                                | —          |
| Core FFO per share (1)  | \$ 1.81                                    | \$ 1.66   | \$ 6.97                             | \$ 6.57    |
| Weighted average outstanding:   |  |           |                                     |            |
| Common stock  | 27,565                                     | 27,488    | 27,534                              | 27,475     |
| Operating partnership units   | 7,305                                      | 7,305     | 7,305                               | 7,305      |
| Restricted stock units  | 46   | 57        | 50                                  | 51         |
| Common stock equivalents  | 106  | 84        | 102                                 | 88         |
| Total diluted common stock and units  | 35,022                                     | 34,934    | 34,991                              | 34,919     |

(1) Defined in Definitions/Non-GAAP Discussion

(2) Amounts shown are net of accelerated stock compensation expense related to the former President and Chief Executive Officer retirement, which is also excluded from the computation of Core FFO.

(3) Excludes special dividend distribution to common stockholders, noncontrolling interests and restricted stock unit holders.

PS BUSINESS PARKS, INC.  
Reconciliation of Selected Non-GAAP Measures to Analogous GAAP Measures  
(In thousands)

|  | For the Three Months Ended December 31, |                  |                   |               | For the Years Ended December 31, |                   |                   |               |
|--|---|------------------|-------------------|---------------|----------------------------------|-------------------|-------------------|---------------|
|  | 2021                                    | 2020             | \$ Change         | % Change      | 2021                             | 2020              | \$ Change         | % Change      |
| <b>Rental income</b>                   |   |                  |                   |               |                                  |                   |                   |               |
| Same Park (1)                          | \$ 100,420                              | \$ 93,607        | \$ 6,813          | 7.3%          | \$ 392,221                       | \$ 369,448        | \$ 22,773         | 6.2%          |
| Non-Same Park                          | 5,664                                   | 3,126            | 2,538             | 81.2%         | 17,829                           | 9,311             | 8,518             | 91.5%         |
| Multifamily                            | 2,186                                   | 2,215            | (29)              | (1.3%)        | 9,069                            | 9,464             | (395)             | (4.2%)        |
| Assets sold or held for sale (2)       | 2,574                                   | 6,140            | (3,566)           | (58.1%)       | 19,584                           | 27,400            | (7,816)           | (28.5%)       |
| Total rental income                    | <u>110,844</u>                          | <u>105,088</u>   | <u>5,756</u>      | <u>5.5%</u>   | <u>438,703</u>                   | <u>415,623</u>    | <u>23,080</u>     | <u>5.6%</u>   |
| <b>Cost of operations</b>              |   |                  |                   |               |                                  |                   |                   |               |
| Adjusted Cost of Operations (1)        |   |                  |                   |               |                                  |                   |                   |               |
| Same Park                              | 28,185                                  | 27,115           | 1,070             | 3.9%          | 111,333                          | 106,860           | 4,473             | 4.2%          |
| Non-Same Park                          | 1,794                                   | 1,054            | 740               | 70.2%         | 5,523                            | 3,661             | 1,862             | 50.9%         |
| Multifamily                            | 1,242                                   | 1,180            | 62                | 5.3%          | 4,647                            | 4,264             | 383               | 9.0%          |
| Assets sold or held for sale (2)       | 1,125                                   | 2,247            | (1,122)           | (49.9%)       | 7,636                            | 9,518             | (1,882)           | (19.8%)       |
| Stock compensation expense (3)         | 392                                     | 427              | (35)              | (8.2%)        | 1,757                            | 1,210             | 547               | 45.2%         |
| Total cost of operations               | <u>32,738</u>                           | <u>32,023</u>    | <u>715</u>        | <u>2.2%</u>   | <u>130,896</u>                   | <u>125,513</u>    | <u>5,383</u>      | <u>4.3%</u>   |
| <b>Net operating income (2)</b>        |   |                  |                   |               |                                  |                   |                   |               |
| Same Park                              | 72,235                                  | 66,492           | 5,743             | 8.6%          | 280,888                          | 262,588           | 18,300            | 7.0%          |
| Non-Same Park                          | 3,870                                   | 2,072            | 1,798             | 86.8%         | 12,306                           | 5,650             | 6,656             | 117.8%        |
| Multifamily                            | 944                                     | 1,035            | (91)              | (8.8%)        | 4,422                            | 5,200             | (778)             | (15.0%)       |
| Assets sold or held for sale (2)       | 1,449                                   | 3,893            | (2,444)           | (62.8%)       | 11,948                           | 17,882            | (5,934)           | (33.2%)       |
| Stock compensation expense (3)         | (392)                                   | (427)            | 35                | (8.2%)        | (1,757)                          | (1,210)           | (547)             | 45.2%         |
| Depreciation and amortization expense  | (24,130)                                | (23,668)         | (462)             | 2.0%          | (93,486)                         | (96,314)          | 2,828             | (2.9%)        |
| General and administrative expense     | (4,728)                                 | (3,152)          | (1,576)           | 50.0%         | (19,057)                         | (14,526)          | (4,531)           | 31.2%         |
| Interest and other income              | 946                                     | 222              | 724               | 326.1%        | 2,536                            | 1,234             | 1,302             | 105.5%        |
| Interest and other expense             | (3,943)                                 | (172)            | (3,771)           | 2192.4%       | (4,646)                          | (1,072)           | (3,574)           | 333.4%        |
| Gain on sale of real estate facilities | 310,758                                 | —                | 310,758           | 100.0%        | 359,875                          | 27,273            | 332,602           | 1219.5%       |
| Net income                             | <u>\$ 357,009</u>                       | <u>\$ 46,295</u> | <u>\$ 310,714</u> | <u>671.2%</u> | <u>\$ 553,029</u>                | <u>\$ 206,705</u> | <u>\$ 346,324</u> | <u>167.5%</u> |

(1) Defined in Definitions/Non-GAAP Discussion.

(2) As of December 31, 2021 and 2020, the Company had reclassified to properties held for sale a 702,000 square foot industrial-flex business park located in Irving, Texas. Also included in the respective periods are assets sold in 2021 and 2020:

- 198,000 square foot office-oriented flex business park located in Chantilly, Virginia, sold in June 2021;
- 244,000 square foot office park located in Herndon, Virginia, sold in July 2021;
- 22,000 square foot industrial-flex building located in Irving, Texas, sold in September 2021;
- 371,000 square foot industrial-flex business park located in San Diego, California, sold in October 2021;
- 53,000 square foot industrial building located in Beltsville, Maryland, sold in December 2021;
- 70,000 square foot industrial-flex building located in Irving, Texas, sold in December 2021;
- 113,000 square feet sold in January 2020, and
- 40,000 square feet sold in September 2020.

(3) Stock compensation expense, as shown here, represents stock compensation expense for employees whose compensation expense is recorded in cost of operations. Note that stock compensation expense attributable to the executive management team (including divisional vice presidents) and other corporate employees is recorded within general and administrative expense.



PSBUSINESSPARKS.



## SUPPLEMENTAL INFORMATION

### FOURTH QUARTER 2021

701 WESTERN AVENUE | GLENDALE, CA 91201 | 818.244.8080 | PSBUSINESSPARKS.COM | NYSE: PSB





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### **Forward-Looking Statements**

When used within this supplemental information package, the words “may,” “believes,” “anticipates,” “plans,” “expects,” “seeks,” “estimates,” “intends,” and similar expressions are intended to identify “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results and performance of the Company to be materially different from those expressed or implied in the forward-looking statements, including but not limited to: (i) the duration and severity of the COVID-19 pandemic and its impact on our business and our customers; (ii) changes in general economic and business conditions, including as a result of the economic fallout of the COVID-19 pandemic; (iii) potential regulatory actions to close our facilities or limit our ability to evict delinquent customers; (iv) decreases in rental rates or increases in vacancy rates/failure to renew or replace expiring leases; (v) tenant defaults; (vi) the effect of the recent credit and financial market conditions; (vii) our failure to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”); (viii) the economic health of our customers; (ix) the health of our officers and directors; (x) increases in operating costs; (xi) casualties to our properties not covered by insurance; (xii) the availability and cost of capital; (xiii) increases in interest rates and its effect on our stock price; (xiv) security breaches, including ransomware, or a failure of our networks, systems or technology which could adversely impact our operations or our business, customer and employee relationships or result in fraudulent payments; (xv) the impact of inflation; and (xvi) other factors discussed in the Company’s SEC reports, including quarterly reports on Form 10-Q, reports on Form 8-K, and annual reports on Form 10-K.



**Executive Management Team**

Stephen W. Wilson  
 Maria R. Hawthorne  
 Dan M. Chandler III  
 Adeel Khan  
 Trenton Groves

Interim President and Chief Executive Officer  
 Interim Chief Operating Officer  
 President and Chief Executive Officer (On leave)  
 Chief Financial Officer and Corporate Secretary  
 SVP, Chief Accounting Officer

**Board of Directors**

Ronald L. Havner, Jr.  
 Stephen W. Wilson  
 Maria R. Hawthorne  
 Dan M. Chandler III  
 Jennifer Holden Dunbar  
 M. Christian Mitchell  
 Irene H. Oh  
 Kristy M. Pipes  
 Gary E. Pruitt  
 Robert S. Rollo  
 Joseph D. Russell, Jr.  
 Peter Schultz

Chairman of the Board  
 Director, Interim President and Chief Executive Officer  
 Director, Interim Chief Operating Officer  
 President and Chief Executive Officer (On leave)  
 Director  
 Director  
 Director  
 Director  
 Director  
 Director  
 Director

**Investor Relations Information**

Adeel Khan

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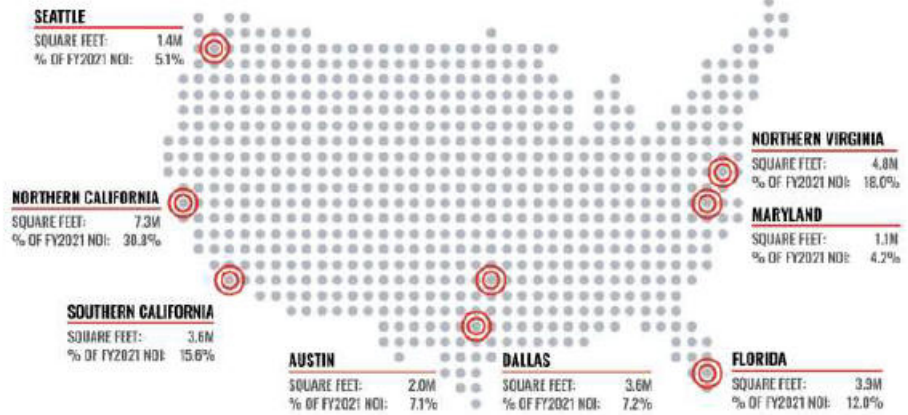
**Equity Research Coverage**

| <u>FIRM</u>           | <u>ANALYST</u>  | <u>PHONE</u> | <u>EMAIL</u>                    |
|-----------------------|-----------------|--------------|---------------------------------|
| Citi                  | Manny Korchman  | 212-816-1382 | emmanuel.korchman@citi.com      |
| Green Street Advisors | Vince Tibone    | 949-640-8780 | vtibone@greenstreetadvisors.com |
| JP Morgan             | Anthony Paolone | 212-622-6682 | anthony.paolone@jpmorgan.com    |
| KeyBanc               | Craig Mailman   | 917-368-2316 | cmailman@key.com                |
| Wells Fargo           | Blaine Heck     | 443-263-6529 | blaine.heck@wellsfargo.com      |

PS Business Parks, Inc. is followed by the analysts listed above. Please note that any opinions, estimates or forecasts regarding PS Business Parks, Inc.'s performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of PS Business Parks, Inc. or its management. PS Business Parks, Inc. does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.



|   |               |
|---|---------------|
| TOTAL NUMBER OF PROPERTIES  | 97            |
| TOTAL RENTABLE SQUARE FEET  | 27,712,000 SF |
| TOTAL RENTABLE SQUARE FEET EXCLUDING ASSETS HELD FOR SALE           | 27,010,000 SF |
| TOTAL PORTFOLIO OCCUPANCY   | 95.3%         |
| SAME PARK PORTFOLIO OCCUPANCY                                       | 96.4%         |
| 2021 SAME PROPERTY PORTFOLIO NOI GROWTH                             | 7.0%          |
| 2021 SAME PROPERTY PORTFOLIO CASH NOI GROWTH                        | 8.0%          |
| 2021 COMPANY SHARE OF CORE FFO PER SHARE GROWTH                     | 6.1%          |
| CREDIT RATINGS (S&P/MOODY'S)  | A-, BBB-/Baa2 |
| NET DEBT TO TOTAL COMBINED MARKET CAPITALIZATION                    | 0.1%          |
| NET DEBT & PREFERRED EQUITY TO TOTAL COMBINED MARKET CAPITALIZATION | 10.6%         |
| NET DEBT TO ADJUSTED EBITDAre                                       | 2.6x          |



89.6% OF SQUARE FEET FROM INDUSTRIAL AND INDUSTRIAL-FLEX SPACE



|   | Three Months Ended |                    |               |                |                   |
|---|--------------------|--------------------|---------------|----------------|-------------------|
|   | December 31, 2021  | September 30, 2021 | June 30, 2021 | March 31, 2021 | December 31, 2020 |
| <b>Financial Results:</b>   |                    |                    |               |                |                   |
| Rental income   | \$ 110,844         | \$ 110,448         | \$ 109,364    | \$ 108,047     | \$ 105,088        |
| Net income  | \$ 357,009         | \$ 78,463          | \$ 70,050     | \$ 47,507      | \$ 46,295         |
| Net Operating Income (NOI) <sup>(1)</sup>                                     | \$ 78,498          | \$ 77,785          | \$ 77,996     | \$ 75,285      | \$ 73,492         |
| Cash NOI <sup>(1)</sup>   | \$ 77,641          | \$ 77,332          | \$ 77,813     | \$ 73,978      | \$ 74,119         |
| Core FFO <sup>(1)</sup>   | \$ 63,485          | \$ 60,328          | \$ 61,816     | \$ 58,419      | \$ 57,900         |
| Core FFO per common stock – diluted <sup>(1)</sup>                            | \$ 1.81            | \$ 1.72            | \$ 1.77       | \$ 1.67        | \$ 1.66           |
| <b>EBITDAre</b>   | \$ 74,224          | \$ 72,599          | \$ 73,503     | \$ 70,624      | \$ 70,096         |
| Dividend declared per share of common stock                                   | \$ 1.05            | \$ 1.05            | \$ 1.05       | \$ 1.05        | \$ 1.05           |
| <b>Portfolio Statistics:</b>  |                    |                    |               |                |                   |
| Total rentable square footage at period end <sup>(2)</sup>                    | 27,010,000         | 26,869,000         | 26,151,000    | 26,151,000     | 26,068,000        |
| Weighted average occupancy  | 95.5%              | 94.7%              | 93.8%         | 93.2%          | 92.4%             |
| Period end Occupancy  | 95.9%              | 95.5%              | 94.5%         | 93.6%          | 93.7%             |
| Rent Change - Cash  | 6.1%               | 5.0%               | 3.1%          | 6.4%           | 4.0%              |
| Rent Change - Net Effective   | 16.4%              | 15.4%              | 10.7%         | 16.4%          | 13.1%             |
| <b>Same Park Performance:</b>   |                    |                    |               |                |                   |
| Same Park Portfolio weighted average occupancy                                | 95.7%              | 94.8%              | 93.9%         | 93.2%          | 92.7%             |
| Same Park Portfolio NOI growth <sup>(3)</sup>                                 | 8.6%               | 8.5%               | 10.5%         | 0.5%           | -1.5%             |
| Same Park Portfolio Cash NOI growth <sup>(1)(3)</sup>                         | 6.5%               | 10.7%              | 14.7%         | 0.8%           | 0.8%              |
| <b>Capitalization:</b>  |                    |                    |               |                |                   |
| Total shares and units issued and outstanding at period end <sup>(4)</sup>    | 34,895,162         | 34,851,508         | 34,846,819    | 34,822,294     | 34,793,902        |
| Total equity market capitalization  | \$ 6,426,642       | \$ 5,462,625       | \$ 5,160,177  | \$ 5,382,830   | \$ 4,623,066      |
| Series W, X, Y and Z Preferred Stock <sup>(5)</sup>                           | \$ 755,000         | \$ 944,750         | \$ 944,750    | \$ 944,750     | \$ 944,750        |
| Total consolidated debt   | \$ 32,000          | \$ —               | \$ —          | \$ —           | \$ —              |
| Unrestricted cash   | \$ (27,074)        | \$ (46,594)        | \$ (115,965)  | \$ (69,492)    | \$ (69,083)       |
| Total combined market capitalization (net debt plus equity)                   | \$ 7,186,568       | \$ 6,360,781       | \$ 5,988,902  | \$ 6,258,088   | \$ 5,498,733      |
| <b>Ratios:</b>  |                    |                    |               |                |                   |
| Net debt & preferred equity to total combined market capitalization           | 10.6%              | 14.1%              | 13.8%         | 14.0%          | 15.9%             |
| Net debt to total combined market capitalization                              | 0.1%               | n/a                | n/a           | n/a            | n/a               |
| Ratio of EBITDAre to fixed charges and preferred distributions <sup>(6)</sup> | 6.9x               | 5.9x               | 6.0x          | 5.8x           | 5.8x              |
| Net debt and preferred equity to EBITDAre <sup>(7)</sup>                      | 2.6x               | 3.1x               | 2.8x          | 3.1x           | 3.1x              |

- (1) For definition/discussion of non-GAAP financial measures and reconciliations to their nearest GAAP equivalents, see the definitions section & reconciliation section beginning on page 27 and page 11 of this report, respectively.
- (2) Excludes assets sold or held for sale
- (3) Represents the quarter over quarter percentage change in NOI and Cash NOI for the Same Park Portfolio.
- (4) Total shares and units issued and outstanding at period end is comprised of common stock and common operating partnership units.
- (5) Series W Preferred Stock redeemed in November 2021.
- (6) For each period shown, ratio of total fixed charges to EBITDAre is calculated using the respective quarter's annualized fixed charges divided by the respective quarter's annualized EBITDAre.
- (7) For each period shown, ratio of debt and preferred equity to EBITDAre is calculated using total net debt and preferred equity reported during the quarter divided by the respective quarter's annualized EBITDAre.



|  | December 31, 2021 | December 31, 2020 |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| Cash and cash equivalents                            | \$ 27,074         | \$ 69,083 (a)     |
| Real estate facilities, at cost                      |                   |                   |
| Land   | 867,345           | 843,765           |
| Buildings and improvements                           | 2,239,137         | 2,080,895         |
|  | 3,106,482         | 2,924,660         |
| Accumulated depreciation                             | (1,178,397)       | (1,101,739)       |
|  | 1,928,085         | 1,822,921 (b)     |
| Properties held for sale, net <sup>(1)</sup>         | 33,609            | 75,138            |
| Land and building held for development, net          | 78,990            | 37,922            |
|  | 2,040,684         | 1,935,981         |
| Rent receivable                                      | 1,621             | 1,519 (c)         |
| Deferred rent receivable                             | 37,581            | 36,788            |
| Other assets   | 16,262            | 14,334 (d)        |
| Total assets   | \$ 2,123,222      | \$ 2,057,705      |
| <b>LIABILITIES AND EQUITY</b>                        |                   |                   |
| Accrued and other liabilities                        | \$ 97,151         | \$ 82,065 (e)     |
| Credit facility                                      | 32,000            | —                 |
| Total liabilities                                    | 129,151           | 82,065            |
| Equity   |                   |                   |
| PS Business Parks, Inc.'s stockholders' equity:      |                   |                   |
| Preferred stock                                      | 755,000           | 944,750           |
| Common stock   | 275               | 274               |
| Paid-in capital                                      | 752,444           | 738,022 (f)       |
| Accumulated earnings                                 | 226,737           | 73,631 (g)        |
| Total PS Business Parks, Inc.'s stockholders' equity | 1,734,456         | 1,756,677         |
| Noncontrolling interests                             | 259,615           | 218,963           |
| Total equity   | 1,994,071         | 1,975,640         |
| Total liabilities and equity                         | \$ 2,123,222      | \$ 2,057,705      |

See following page for additional detail related to the tickmarks shown in the table above.

(1) As of December 31, 2021 and 2020, respectively, the Company had reclassified to properties held for sale ("AHFS") a total of 702,000 square feet in both periods. See Definitions and Non-GAAP Disclosures for listing of assets classified as AHFS and Assets Sold in 2021 and 2020.



|   |                   |                   |                        |
|---|-------------------|-------------------|------------------------|
| <b>(a) Change in cash and cash equivalents</b>                              |                   |                   |                        |
| Beginning cash balance at December 31, 2020                                 |                   |                   | \$ 69,083              |
| Net cash provided by operating activities                                   |                   |                   | 302,237                |
| Net cash provided by investing activities                                   |                   |                   | 169,366                |
| Net cash used in financing activities                                       |                   |                   | (513,612)              |
| Ending cash balance at December 31, 2021                                    |                   |                   | <u>\$ 27,074</u>       |
| <b>(b) Change in real estate facilities, at cost</b>                        |                   |                   |                        |
| Beginning balance at December 31, 2020                                      |                   |                   | \$ 1,822,921           |
| Acquisition of real estate  |                   |                   | 146,302                |
| Recurring capital improvements  |                   |                   | 11,649                 |
| Tenant improvements, gross  |                   |                   | 14,903                 |
| Capitalized lease commissions   |                   |                   | 8,719                  |
| Nonrecurring capital improvements   |                   |                   | 2,705                  |
| Depreciation and amortization of real estate facilities                     |                   |                   | (90,175)               |
| Transfer from land and building held for development, net                   |                   |                   | 9,052                  |
| Transfer to properties held for sale, net                                   |                   |                   | 2,009                  |
| Ending balance at December 31, 2021   |                   |                   | <u>\$ 1,928,085</u>    |
| <b>(c) Change in rent receivable</b>  |                   |                   |                        |
|   | December 31, 2021 | December 31, 2020 | Increase<br>(Decrease) |
| Non-government customers  | \$ 1,186          | \$ 646            | \$ 540                 |
| U.S. Government customers   | 435               | 873               | (438)                  |
|   | <u>\$ 1,621</u>   | <u>\$ 1,519</u>   | <u>\$ 102</u>          |
| <b>(d) Change in other assets</b>   |                   |                   |                        |
|   | December 31, 2021 | December 31, 2020 | Increase<br>(Decrease) |
| Lease intangible assets, net  | \$ 8,555          | \$ 9,058          | \$ (503)               |
| Prepaid property taxes and insurance  | 3,439             | 3,121             | 318                    |
| Other   | 4,268             | 2,155             | 2,113                  |
|   | <u>\$ 16,262</u>  | <u>\$ 14,334</u>  | <u>\$ 1,928</u>        |
| <b>(e) Change in accrued and other liabilities</b>                          |                   |                   |                        |
|   | December 31, 2021 | December 31, 2020 | Increase<br>(Decrease) |
| Customer security deposits  | \$ 42,027         | \$ 38,457         | \$ 3,570               |
| Accrued property taxes  | 13,289            | 12,513            | 776                    |
| Customer prepaid rent   | 14,232            | 12,518            | 1,714                  |
| Lease intangible liabilities, net   | 6,330             | 6,392             | (62)                   |
| Accrued tax liability   | 3,600             | —                 | 3,600                  |
| Other   | 17,673            | 12,185            | 5,488                  |
|   | <u>\$ 97,151</u>  | <u>\$ 82,065</u>  | <u>\$ 15,086</u>       |
| <b>(f) Change in paid-in capital</b>  |                   |                   |                        |
| Beginning paid-in capital at December 31, 2020                              |                   |                   | \$ 738,022             |
| Charge related to the redemption of preferred securities                    |                   |                   | 6,434                  |
| Issuance costs  |                   |                   | (105)                  |
| Exercise of stock options   |                   |                   | 5,011                  |
| Stock compensation expense, net   |                   |                   | 7,022                  |
| Cash paid for taxes in lieu of stock upon vesting of restricted stock units |                   |                   | (3,940)                |
| Ending paid-in capital at December 31, 2021                                 |                   |                   | <u>\$ 752,444</u>      |
| <b>(g) Change in accumulated earnings</b>                                   |                   |                   |                        |
| Beginning accumulated earnings at December 31, 2020                         |                   |                   | \$ 73,631              |
| Net income  |                   |                   | 448,759                |
| Charge related to the redemption of preferred securities                    |                   |                   | (6,434)                |
| Distributions to preferred stockholders                                     |                   |                   | (46,624)               |
| Distributions to common stockholders  |                   |                   | (242,595)              |
| Ending accumulated earnings at December 31, 2021                            |                   |                   | <u>\$ 226,737</u>      |



|   | Three Months Ended |                    |               |                |                   |
|---|--------------------|--------------------|---------------|----------------|-------------------|
|   | December 31, 2021  | September 30, 2021 | June 30, 2021 | March 31, 2021 | December 31, 2020 |
| Rental income                                   | \$ 110,844         | \$ 110,448         | \$ 109,364    | \$ 108,047     | \$ 105,088        |
| Expenses:                                       |                    |                    |               |                |                   |
| Cost of operations                              | 32,738             | 33,091             | 31,849        | 33,218         | 32,023            |
| Depreciation and amortization                   | 24,130             | 23,857             | 22,514        | 22,985         | 23,668            |
| General and administrative                      | 4,728              | 5,148              | 4,799         | 4,382          | 3,152             |
| Total operating expenses                        | 61,596             | 62,096             | 59,162        | 60,585         | 58,843            |
| Interest and other income                       | 946                | 411                | 923           | 256            | 222               |
| Interest and other expense <sup>(1)</sup>       | (3,943)            | (224)              | (268)         | (211)          | (172)             |
| Gain on sale of real estate facilities          | 310,758            | 29,924             | 19,193        | —              | —                 |
| Net income                                      | 357,009            | 78,463             | 70,050        | 47,507         | 46,295            |
| Allocation to noncontrolling interests          | (70,915)           | (13,850)           | (12,094)      | (7,411)        | (7,147)           |
| Net income allocable to PS Business Parks, Inc. | 286,094            | 64,613             | 57,956        | 40,096         | 39,148            |
| Allocation to preferred stockholders            | (10,485)           | (12,046)           | (12,047)      | (12,046)       | (12,047)          |
| Preferred securities redemption charge          | (6,434)            | —                  | —             | —              | —                 |
| Allocation to restricted stock unit holders     | (1,785)            | (350)              | (314)         | (164)          | (173)             |
| Net income allocable to common stockholders     | \$ 267,390         | \$ 52,217          | \$ 45,595     | \$ 27,886      | \$ 26,928         |
| Net income per share of common stock            |                    |                    |               |                |                   |
| Basic   | \$ 9.70            | \$ 1.90            | \$ 1.66       | \$ 1.01        | \$ 0.98           |
| Diluted   | \$ 9.66            | \$ 1.89            | \$ 1.65       | \$ 1.01        | \$ 0.98           |
| Weighted average common stock outstanding       |                    |                    |               |                |                   |
| Basic   | 27,565             | 27,543             | 27,531        | 27,495         | 27,488            |
| Diluted   | 27,671             | 27,635             | 27,632        | 27,594         | 27,572            |

<sup>(1)</sup> Other expense includes \$3.6 million related to state tax provision in the fourth quarter of 2021.



(unaudited and in thousands, except per share data)

|   | For the Three Months Ended<br>December 31, |            | For the Years Ended<br>December 31, |            |     |
|---|--|------------|-------------------------------------|------------|-----|
|   | 2021                                       | 2020       | 2021                                | 2020       |     |
| Rental income                                   | \$ 110,844                                 | \$ 105,088 | \$ 438,703                          | \$ 415,623 | (a) |
| Expenses:                                       |  |            |                                     |            |     |
| Cost of operations                              | 32,738                                     | 32,023     | 130,896                             | 125,513    | (b) |
| Depreciation and amortization                   | 24,130                                     | 23,668     | 93,486                              | 96,314     |     |
| General and administrative                      | 4,728                                      | 3,152      | 19,057                              | 14,526     | (c) |
| Total operating expenses                        | 61,596                                     | 58,843     | 243,439                             | 236,353    |     |
| Interest and other income                       | 946  | 222        | 2,536                               | 1,234      | (d) |
| Interest and other expense                      | (3,943)                                    | (172)      | (4,646)                             | (1,072)    | (e) |
| Gain on sale of real estate facilities          | 310,758                                    | —          | 359,875                             | 27,273     |     |
| Net income                                      | 357,009                                    | 46,295     | 553,029                             | 206,705    |     |
| Allocation to noncontrolling interests          | (70,915)                                   | (7,147)    | (104,270)                           | (33,158)   |     |
| Net income allocable to PS Business Parks, Inc. | 286,094                                    | 39,148     | 448,759                             | 173,547    |     |
| Allocation to preferred stockholders            | (10,485)                                   | (12,047)   | (46,624)                            | (48,186)   |     |
| Preferred securities redemption charge          | (6,434)                                    | —          | (6,434)                             | —          |     |
| Allocation to restricted stock unit holders     | (1,785)                                    | (173)      | (2,613)                             | (716)      |     |
| Net income allocable to common stockholders     | \$ 267,390                                 | \$ 26,928  | \$ 393,088                          | \$ 124,645 |     |
| Net income per share of common stock            |  |            |                                     |            |     |
| Basic   | \$ 9.70                                    | \$ 0.98    | \$ 14.28                            | \$ 4.54    |     |
| Diluted   | \$ 9.66                                    | \$ 0.98    | \$ 14.22                            | \$ 4.52    |     |
| Weighted average common stock outstanding       |  |            |                                     |            |     |
| Basic   | 27,565                                     | 27,488     | 27,534                              | 27,475     |     |
| Diluted   | 27,671                                     | 27,572     | 27,636                              | 27,563     |     |

See following page for additional detail related to the tickmarks shown in the table above.





|   | For the Three Months Ended<br>December 31, |                   |                   | Increase<br>(Decrease) | For the Years Ended<br>December 31, |                   | Increase<br>(Decrease) |
|---|--|-------------------|-------------------|------------------------|-------------------------------------|-------------------|------------------------|
|   | 2021                                       | 2020              |                   |                        | 2021                                | 2020              |                        |
| <b>(a) Rental income:</b>   |  |                   |                   |                        |                                     |                   |                        |
| Same Park <sup>(1)(2)</sup>   | \$ 100,006                                 | \$ 94,566         | \$ 5,440          | \$ 391,125             | \$ 365,881                          | \$ 25,244         |                        |
| Same Park non-cash rental income <sup>(1)(3)</sup>                  | 414  | (959)             | 1,373             | 1,096                  | 3,567                               | (2,471)           |                        |
| Non-Same Park <sup>(1)(2)</sup>                                     | 5,329                                      | 2,494             | 2,835             | 16,139                 | 8,252                               | 7,887             |                        |
| Non-Same Park non-cash rental income <sup>(1)(3)</sup>              | 335  | 632               | (297)             | 1,690                  | 1,059                               | 631               |                        |
| Multifamily   | 2,186                                      | 2,215             | (29)              | 9,069                  | 9,464                               | (395)             |                        |
| Rental income from assets sold or held for sale <sup>(4)</sup>      | 2,574                                      | 6,140             | (3,566)           | 19,584                 | 27,400                              | (7,816)           |                        |
|   | <u>\$ 110,844</u>                          | <u>\$ 105,088</u> | <u>\$ 5,756</u>   | <u>\$ 438,703</u>      | <u>\$ 415,623</u>                   | <u>\$ 23,080</u>  |                        |
| <b>(b) Cost of operations:</b>                                      |  |                   |                   |                        |                                     |                   |                        |
| Same Park <sup>(1)</sup>  | \$ 28,185                                  | \$ 27,115         | \$ 1,070          | \$ 111,333             | \$ 106,860                          | \$ 4,473          |                        |
| Same Park non-cash expense <sup>(1)(5)</sup>                        | 356  | 391               | (35)              | 1,597                  | 1,103                               | 494               |                        |
| Non-Same Park <sup>(1)</sup>  | 1,794                                      | 1,054             | 740               | 5,523                  | 3,661                               | 1,862             |                        |
| Non-Same Park non-cash expense <sup>(1)(5)</sup>                    | 23   | 11                | 12                | 65                     | 29                                  | 36                |                        |
| Multifamily   | 1,242                                      | 1,180             | 62                | 4,647                  | 4,264                               | 383               |                        |
| Operating expenses from assets sold or held for sale <sup>(4)</sup> | 1,138                                      | 2,272             | (1,134)           | 7,731                  | 9,596                               | (1,865)           |                        |
|   | <u>\$ 32,738</u>                           | <u>\$ 32,023</u>  | <u>\$ 715</u>     | <u>\$ 130,896</u>      | <u>\$ 125,513</u>                   | <u>\$ 5,383</u>   |                        |
| <b>(c) General and administrative expenses:</b>                     |  |                   |                   |                        |                                     |                   |                        |
| Compensation expense  | \$ 1,752                                   | \$ 880            | \$ 872            | \$ 6,787               | \$ 5,488                            | \$ 1,299          |                        |
| Stock compensation expense  | 1,681                                      | 830               | 851               | 6,738                  | 4,438                               | 2,300             |                        |
| Professional fees and other   | 1,295                                      | 1,442             | (147)             | 5,532                  | 4,600                               | 932               |                        |
|   | <u>\$ 4,728</u>                            | <u>\$ 3,152</u>   | <u>\$ 1,576</u>   | <u>\$ 19,057</u>       | <u>\$ 14,526</u>                    | <u>\$ 4,531</u>   |                        |
| <b>(d) Interest and other income:</b>                               |  |                   |                   |                        |                                     |                   |                        |
| Management fee income   | \$ 59                                      | \$ 64             | \$ (5)            | \$ 258                 | \$ 262                              | \$ (4)            |                        |
| Interest income   | 7  | 5                 | 2                 | 18                     | 370                                 | (352)             |                        |
| Other income  | 880  | 153               | 727               | 2,260                  | 602                                 | 1,658             |                        |
|   | <u>\$ 946</u>                              | <u>\$ 222</u>     | <u>\$ 724</u>     | <u>\$ 2,536</u>        | <u>\$ 1,234</u>                     | <u>\$ 1,302</u>   |                        |
| <b>(e) Interest and other expense:</b>                              |  |                   |                   |                        |                                     |                   |                        |
| Interest expense and credit facility fee <sup>(6)</sup>             | \$ (100)                                   | \$ (80)           | \$ (20)           | \$ (346)               | \$ (318)                            | \$ (28)           |                        |
| Amortization of credit facility origination costs                   | (150)                                      | (58)              | (92)              | (382)                  | (230)                               | (152)             |                        |
| Other expense <sup>(7)</sup>  | (3,693)                                    | (34)              | (3,659)           | (3,918)                | (524)                               | (3,394)           |                        |
|   | <u>\$ (3,943)</u>                          | <u>\$ (172)</u>   | <u>\$ (3,771)</u> | <u>\$ (4,646)</u>      | <u>\$ (1,072)</u>                   | <u>\$ (3,574)</u> |                        |

(1) Refer to page 27, Definitions and Non-GAAP Disclosures, for the definitions of Same Park and Non-Same Park.

(2) Same Park rental income is presented net of (a) accounts receivable write-offs of \$0.1 million and \$0.2 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.0 million and \$1.5 million for the years ended December 31, 2021 and 2020, respectively, and (b) rent deferrals and abatements of \$0.0 million and \$0.2 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.6 million and \$6.5 million for the years ended December 31, 2021 and 2020, respectively. Non-Same Park rental income is presented net of (a) accounts receivable write-offs of \$0.0 million for each of the three months and years ended December 31, 2021 and 2020, and (b) rent deferrals and abatements of \$0.0 million for each of the three months ended December 31, 2021 and 2020, and \$0.2 million and \$0.0 million for the years ended December 31, 2021 and 2020, respectively.

(3) Non-cash rental income represents amortization of deferred rent receivable, amortization of above and below market rents, net, and amortization of lease incentives and tenant improvement reimbursements. Same Park non-cash rental income is presented net of deferred rent receivable write-offs of \$0.1 million and \$0.4 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.3 million and \$3.0 million for the years ended December 31, 2021 and 2020, respectively. Non-Same Park non-cash rental income is presented net of deferred rent receivable write-offs of \$0 million for each of the three months and years ended December 31, 2021 and 2020.

(4) Amounts shown for the year ended December 31, 2021 and 2020 include operating results attributable the Assets Sold in 2021 and Assets Sold in 2020, respectively. Refer to page 27, Definitions and Non-GAAP Disclosures, for the definitions of Assets Sold in 2021 and Assets Sold 2020.

(5) Non-cash expense represents stock compensation expense attributable to employees whose compensation expense is recorded in costs of operations.

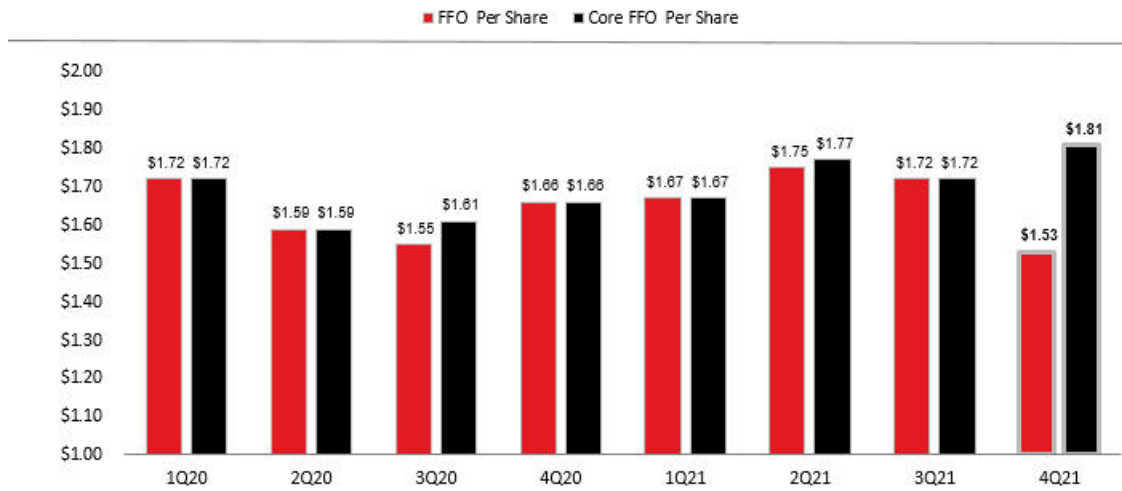
(6) Interest expense was \$0.0 million for each of the three months and years ended December 31, 2021 and 2020.

(7) Other expense includes \$3.6 million related to state tax provision in the fourth quarter of 2021.



(unaudited and in thousands, except per share amounts)

|  | Three Months Ended |                    |                  |                  |                   |
|--|--------------------|--------------------|------------------|------------------|-------------------|
|  | December 31, 2021  | September 30, 2021 | June 30, 2021    | March 31, 2021   | December 31, 2020 |
| Net income allocable to common stockholders                                | \$ 267,390         | \$ 52,217          | \$ 45,595        | \$ 27,886        | \$ 26,928         |
| Adjustments  |                    |                    |                  |                  |                   |
| Gain on sale of real estate facilities                                     | (310,758)          | (29,924)           | (19,193)         | —                | —                 |
| Depreciation and amortization  | 24,130             | 23,857             | 22,514           | 22,985           | 23,668            |
| Net income allocable to noncontrolling interests                           | 70,915             | 13,850             | 12,094           | 7,411            | 7,147             |
| Net income allocable to restricted stock unit holders                      | 1,785              | 350                | 314              | 164              | 173               |
| FFO allocated to joint venture partner                                     | (11)               | (22)               | (18)             | (27)             | (16)              |
| <b>FFO allocable to diluted common stock and units <sup>(1)</sup></b>      | <b>\$ 53,451</b>   | <b>\$ 60,328</b>   | <b>\$ 61,306</b> | <b>\$ 58,419</b> | <b>\$ 57,900</b>  |
| Maryland reincorporation costs   | —                  | —                  | 510              | —                | —                 |
| Preferred securities redemption charge                                     | 6,434              | —                  | —                | —                | —                 |
| Income tax expense   | 3,600              | —                  | —                | —                | —                 |
| <b>Core FFO allocable to diluted common stock and units <sup>(1)</sup></b> | <b>\$ 63,485</b>   | <b>\$ 60,328</b>   | <b>\$ 61,816</b> | <b>\$ 58,419</b> | <b>\$ 57,900</b>  |
| Weighted average outstanding   |                    |                    |                  |                  |                   |
| Common stock   | 27,565             | 27,543             | 27,531           | 27,495           | 27,488            |
| Operating partnership units  | 7,305              | 7,305              | 7,305            | 7,305            | 7,305             |
| Restricted stock units   | 46                 | 33                 | 32               | 47               | 57                |
| Common stock equivalents   | 106                | 92                 | 101              | 99               | 84                |
| <b>Total diluted common stock and units</b>                                | <b>35,022</b>      | <b>34,973</b>      | <b>34,969</b>    | <b>34,946</b>    | <b>34,934</b>     |
| FFO per share  | \$ 1.53            | \$ 1.72            | \$ 1.75          | \$ 1.67          | \$ 1.66           |
| Core FFO per share   | \$ 1.81            | \$ 1.72            | \$ 1.77          | \$ 1.67          | \$ 1.66           |





**Non-GAAP FFO, Core FFO and Funds Available for Distribution (FAD) Reconciliations**  
(unaudited and in thousands, except per share amounts)

|  | For the Three Months Ended<br>December 31, |                 | For the Years Ended<br>December 31, |                  |
|--|--|-----------------|-------------------------------------|------------------|
|  | 2021                                       | 2020            | 2021                                | 2020             |
| Net income allocable to common stockholders  | \$ 267,390                                 | \$ 26,928       | \$ 393,088                          | \$ 124,645       |
| Adjustments  |  |                 |                                     |                  |
| Gain on sale of real estate facilities   | (310,758)                                  | —               | (359,875)                           | (27,273)         |
| Depreciation and amortization  | 24,130                                     | 23,668          | 93,486                              | 96,314           |
| Net income allocable to noncontrolling interests   | 70,915                                     | 7,147           | 104,270                             | 33,158           |
| Net income allocable to restricted stock unit holders  | 1,785                                      | 173             | 2,613                               | 716              |
| FFO allocated to joint venture partner   | (11)                                       | (16)            | (78)                                | (118)            |
| FFO allocable to diluted common stock and units <sup>(1)</sup>                                     | 53,451                                     | 57,900          | 233,504                             | 227,442          |
| Maryland reincorporation costs   | —  | —               | 510                                 | —                |
| Non-capitalizable demolition costs   | —  | —               | —                                   | 335              |
| Acceleration of stock compensation expense due to President and Chief Executive Officer retirement | —  | —               | —                                   | 1,687            |
| Preferred securities redemption charge   | 6,434                                      | —               | 6,434                               | —                |
| Income tax expense   | 3,600                                      | —               | 3,600                               | —                |
| <b>Core FFO allocable to diluted common stock and units <sup>(1)</sup></b>                         | <b>63,485</b>                              | <b>57,900</b>   | <b>244,048</b>                      | <b>229,464</b>   |
| Adjustments  |  |                 |                                     |                  |
| Recurring capital improvements   | (3,233)                                    | (2,880)         | (11,335)                            | (8,306)          |
| Tenant improvements  | (3,462)                                    | (4,725)         | (13,680)                            | (13,972)         |
| Capitalized lease commissions  | (3,274)                                    | (3,459)         | (8,492)                             | (8,153)          |
| Total recurring capital expenditures for assets sold or held for sale                              | (117)                                      | (582)           | (1,615)                             | (3,892)          |
| Total multifamily capital expenditures   | (6)  | (24)            | (13)                                | (24)             |
| Non-cash rental income <sup>(2)</sup>  | (857)                                      | 627             | (2,800)                             | (4,713)          |
| Non-cash stock compensation expense <sup>(3)</sup>   | 2,073                                      | 1,257           | 8,495                               | 3,961            |
| Cash paid for taxes in lieu of stock upon vesting of restricted stock units                        | (260)                                      | (114)           | (3,940)                             | (4,216)          |
| <b>FAD allocable to diluted common stock and units <sup>(1)</sup></b>                              | <b>54,349</b>                              | <b>48,000</b>   | <b>210,668</b>                      | <b>190,149</b>   |
| Distributions to common stockholders <sup>(4)</sup>  | (28,969)                                   | (28,863)        | (115,682)                           | (115,396)        |
| Distributions to noncontrolling interests - common units <sup>(4)</sup>                            | (7,671)                                    | (7,671)         | (30,683)                            | (30,683)         |
| Distributions to restricted stock unit holders <sup>(4)</sup>                                      | (176)                                      | (185)           | (721)                               | (654)            |
| Distributions to noncontrolling interests - joint venture  | (17)                                       | (31)            | (77)                                | (140)            |
| <b>Free cash available after fixed charges</b>   | <b>17,516</b>                              | <b>11,250</b>   | <b>63,505</b>                       | <b>43,276</b>    |
| Non-recurring property renovations <sup>(1)</sup>  | (1,686)                                    | (1,203)         | (2,705)                             | (1,715)          |
| Investment in multifamily development  | (12,903)                                   | (4,504)         | (43,443)                            | (9,598)          |
| Investment in industrial development   | (1,223)                                    | (1,306)         | (2,604)                             | (7,149)          |
| <b>Retained cash <sup>(4)</sup></b>  | <b>\$ 1,704</b>                            | <b>\$ 4,237</b> | <b>\$ 14,753</b>                    | <b>\$ 24,814</b> |
| Weighted average outstanding   |  |                 |                                     |                  |
| Common stock   | 27,565                                     | 27,488          | 27,534                              | 27,475           |
| Operating partnership units  | 7,305                                      | 7,305           | 7,305                               | 7,305            |
| Restricted stock units   | 46   | 57              | 50                                  | 51               |
| Common stock equivalents   | 106  | 84              | 102                                 | 88               |
| Total diluted common stock and units   | <u>35,022</u>                              | <u>34,934</u>   | <u>34,991</u>                       | <u>34,919</u>    |
| FFO per share  | \$ 1.53                                    | \$ 1.66         | \$ 6.67                             | \$ 6.51          |
| Core FFO per share   | \$ 1.81                                    | \$ 1.66         | \$ 6.97                             | \$ 6.57          |
| FAD distribution payout ratio <sup>(5)</sup>   | 67.8%                                      | 76.6%           | 69.9%                               | 77.2%            |

(1) Refer to page 27, Definitions and Non-GAAP Disclosures, for the definition of FFO, Core FFO, FAD, Non-Recurring Property Renovations and Retained Cash.  
(2) Non-cash rental income includes amortization of deferred rent receivable (net of write-offs), in-place lease intangible, tenant improvement reimbursements, and lease incentives.  
(3) Amounts shown are net of accelerated stock compensation expense related to the former President and Chief Executive Officer retirement, which is also excluded from the computation of Core FFO.  
(4) Excludes special dividend distribution to common stockholders, noncontrolling interest and restricted stock unit holders.  
(5) FAD distribution payout ratio is equal to total distributions to common stockholders, unit holders, restricted stock unit holders and our joint venture partner divided by FAD during the same reporting period.



NET OPERATING INCOME

|  | For the Three Months Ended<br>December 31, |                  |             | For the Years Ended<br>December 31, |                   |             |
|--|--|------------------|-------------|-------------------------------------|-------------------|-------------|
|  | 2021                                       | 2020             | % Change    | 2021                                | 2020              | % Change    |
| <b>Rental income</b>                       |  |                  |             |                                     |                   |             |
| Same Park (1) (2) (3)                      | \$ 100,420                                 | \$ 93,607        | 7.3%        | \$ 392,221                          | \$ 369,448        | 6.2%        |
| Non-Same Park (1)                          | 5,664                                      | 3,126            | 81.2%       | 17,829                              | 9,311             | 91.5%       |
| Multifamily                                | 2,186                                      | 2,215            | (1.3%)      | 9,069                               | 9,464             | (4.2%)      |
| Assets sold or held for sale               | 2,574                                      | 6,140            | (58.1%)     | 19,584                              | 27,400            | (28.5%)     |
| <b>Total rental income</b>                 | <b>110,844</b>                             | <b>105,088</b>   | <b>5.5%</b> | <b>438,703</b>                      | <b>415,623</b>    | <b>5.6%</b> |
| <b>Adjusted cost of operations (1) (5)</b> |  |                  |             |                                     |                   |             |
| Same Park (1)                              | 28,185                                     | 27,115           | 3.9%        | 111,333                             | 106,860           | 4.2%        |
| Non-Same Park (1)                          | 1,794                                      | 1,054            | 70.2%       | 5,523                               | 3,661             | 50.9%       |
| Multifamily                                | 1,242                                      | 1,180            | 5.3%        | 4,647                               | 4,264             | 9.0%        |
| Assets sold or held for sale               | 1,125                                      | 2,247            | (49.9%)     | 7,636                               | 9,518             | (19.8%)     |
| <b>Total adjusted cost of operations</b>   | <b>32,346</b>                              | <b>31,596</b>    | <b>2.4%</b> | <b>129,139</b>                      | <b>124,303</b>    | <b>3.9%</b> |
| <b>Net operating income</b>                |  |                  |             |                                     |                   |             |
| Same Park (1)                              | 72,235                                     | 66,492           | 8.6%        | 280,888                             | 262,588           | 7.0%        |
| Non-Same Park (1)                          | 3,870                                      | 2,072            | 86.8%       | 12,306                              | 5,650             | 117.8%      |
| Multifamily                                | 944  | 1,035            | (8.8%)      | 4,422                               | 5,200             | (15.0%)     |
| Assets sold or held for sale               | 1,449                                      | 3,893            | (62.8%)     | 11,948                              | 17,882            | (33.2%)     |
| <b>Total net operating income</b>          | <b>\$ 78,498</b>                           | <b>\$ 73,492</b> | <b>6.8%</b> | <b>\$ 309,564</b>                   | <b>\$ 291,320</b> | <b>6.3%</b> |

CASH NET OPERATING INCOME

|  | For the Three Months Ended<br>December 31, |                  |             | For the Years Ended<br>December 31, |                   |             |
|--|--|------------------|-------------|-------------------------------------|-------------------|-------------|
|  | 2021                                       | 2020             | % Change    | 2021                                | 2020              | % Change    |
| <b>Cash rental income (1) (5)</b>          |  |                  |             |                                     |                   |             |
| Same Park (1) (2) (4)                      | \$ 100,006                                 | \$ 94,566        | 5.8%        | \$ 391,125                          | \$ 365,881        | 6.9%        |
| Non-Same Park (1)                          | 5,329                                      | 2,494            | 113.7%      | 16,139                              | 8,252             | 95.6%       |
| Multifamily                                | 2,186                                      | 2,247            | (2.7%)      | 9,069                               | 9,492             | (4.5%)      |
| Assets sold or held for sale               | 2,466                                      | 6,408            | (61.5%)     | 19,570                              | 27,285            | (28.3%)     |
| <b>Total cash rental income</b>            | <b>109,987</b>                             | <b>105,715</b>   | <b>4.0%</b> | <b>435,903</b>                      | <b>410,910</b>    | <b>6.1%</b> |
| <b>Adjusted cost of operations (1) (5)</b> |  |                  |             |                                     |                   |             |
| Same Park (1)                              | 28,185                                     | 27,115           | 3.9%        | 111,333                             | 106,860           | 4.2%        |
| Non-Same Park (1)                          | 1,794                                      | 1,054            | 70.2%       | 5,523                               | 3,661             | 50.9%       |
| Multifamily                                | 1,242                                      | 1,180            | 5.3%        | 4,647                               | 4,264             | 9.0%        |
| Assets sold or held for sale               | 1,125                                      | 2,247            | (49.9%)     | 7,636                               | 9,518             | (19.8%)     |
| <b>Total adjusted cost of operations</b>   | <b>32,346</b>                              | <b>31,596</b>    | <b>2.4%</b> | <b>129,139</b>                      | <b>124,303</b>    | <b>3.9%</b> |
| <b>Cash net operating income</b>           |  |                  |             |                                     |                   |             |
| Same Park (1)                              | 71,821                                     | 67,451           | 6.5%        | 279,792                             | 259,021           | 8.0%        |
| Non-Same Park (1)                          | 3,535                                      | 1,440            | 145.5%      | 10,616                              | 4,591             | 131.2%      |
| Multifamily                                | 944  | 1,067            | (11.5%)     | 4,422                               | 5,228             | (15.4%)     |
| Assets sold or held for sale               | 1,341                                      | 4,161            | (67.8%)     | 11,934                              | 17,767            | (32.8%)     |
| <b>Total cash net operating income</b>     | <b>\$ 77,641</b>                           | <b>\$ 74,119</b> | <b>4.8%</b> | <b>\$ 306,764</b>                   | <b>\$ 286,607</b> | <b>7.0%</b> |

- Refer to page 27, Definition and Non-GAAP Disclosures, for the definitions of Same Park, Non-Same Park, Cash Rental Income, Adjusted Cost of Operations, EBITDAre, and Cost of Operations table.
- Same Park rental income and cash rental income include lease buyout income of \$0.5 million and \$0.3 million for the three months ended December 31, 2021 and 2020, respectively, and \$1.9 million and \$1.0 million for the years ended December 31, 2021 and 2020, respectively.
- Same Park rental income is presented net of (a) accounts receivable write-offs of \$0.1 million and \$0.2 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.0 million and \$1.5 million for the years ended December 31, 2021 and 2020, respectively, and (b) deferred rent receivable write-offs of \$0.1 million and \$0.4 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.3 million and \$3.0 million for the years ended December 31, 2021 and 2020, respectively.
- Same Park cash rental income is presented net of (a) accounts receivable write-offs of \$0.1 million and \$0.2 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.0 million and \$1.5 million for the years ended December 31, 2021 and 2020, respectively, and (b) rent deferrals and abatements of \$0.0 million and \$0.2 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.6 million and \$6.5 million for the years ended December 31, 2021 and 2020, respectively.
- Refer to page 10 for a reconciliation of cash rental income to rental income and adjusted cost of operations to cost of operations as reported on our GAAP statements of income.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION FOR REAL ESTATE (EBITDAre) (1)

|   | For the Three Months Ended<br>December 31, |                  |                 | For the Years Ended<br>December 31, |                   |                  |
|---|--|------------------|-----------------|-------------------------------------|-------------------|------------------|
|   | 2021                                       | 2020             | \$ Change       | 2021                                | 2020              | \$ Change        |
| Net income  | \$ 357,009                                 | \$ 46,295        | \$ 310,714      | \$ 553,029                          | \$ 206,705        | \$ 346,324       |
| Net interest (income) expense                                 | 243  | 133              | 110             | 710                                 | 178               | 532              |
| Depreciation and amortization                                 | 24,130                                     | 23,668           | 462             | 93,486                              | 96,314            | (2,828)          |
| Gain on sale of real estate facilities and development rights | (310,758)                                  | —                | (310,758)       | (359,875)                           | (27,273)          | (332,602)        |
| Income tax expense  | 3,600                                      | —                | 3,600           | 3,600                               | —                 | 3,600            |
| <b>EBITDAre</b>   | <b>\$ 74,224</b>                           | <b>\$ 70,096</b> | <b>\$ 4,128</b> | <b>\$ 290,950</b>                   | <b>\$ 275,924</b> | <b>\$ 15,026</b> |

- Refer to page 27, Definition and Non-GAAP Disclosures, for the definitions of Same Park, Non-Same Park, Cash Rental Income, Adjusted Cost of Operations, EBITDAre, and Cost of Operations table.



|  | December 31, 2021          |                  |                 |                  | December 31, 2020          |                  |                  |                  | Total<br>% Change |
|--|----------------------------|------------------|-----------------|------------------|----------------------------|------------------|------------------|------------------|-------------------|
|  | For the Three Months Ended |                  |                 |                  | For the Three Months Ended |                  |                  |                  |                   |
|  | Industrial                 | Flex             | Office          | Total            | Industrial                 | Flex             | Office           | Total            |                   |
| <b>Cash rental income (1)</b>          |                            |                  |                 |                  |                            |                  |                  |                  |                   |
| Northern California                    | \$ 24,411                  | \$ 2,603         | \$ 2,521        | \$ 29,535        | \$ 21,823                  | \$ 2,390         | \$ 2,888         | \$ 27,101        | 9.0%              |
| Southern California                    | 10,057                     | 3,373            | 213             | 13,643           | 9,306                      | 3,055            | 224              | 12,585           | 8.4%              |
| Dallas                                 | 3,194                      | 2,028            | —               | 5,222            | 2,971                      | 1,798            | —                | 4,769            | 9.5%              |
| Austin                                 | 2,374                      | 5,972            | —               | 8,346            | 2,208                      | 6,315            | —                | 8,523            | (2.1%)            |
| Northern Virginia                      | 5,187                      | 5,551            | 9,266           | 20,004           | 5,094                      | 5,620            | 9,296            | 20,010           | 0.0%              |
| South Florida                          | 12,479                     | 603              | 62              | 13,144           | 11,270                     | 507              | 38               | 11,815           | 11.2%             |
| Seattle                                | 3,250                      | 1,746            | 145             | 5,141            | 3,055                      | 1,737            | 132              | 4,924            | 4.4%              |
| Suburban Maryland                      | 1,187                      | —                | 3,784           | 4,971            | 1,135                      | —                | 3,704            | 4,839            | 2.7%              |
| <b>Total</b>                           | <b>62,139</b>              | <b>21,876</b>    | <b>15,991</b>   | <b>100,006</b>   | <b>56,862</b>              | <b>21,422</b>    | <b>16,282</b>    | <b>94,566</b>    | <b>5.8%</b>       |
| <b>Adjusted cost of operations (1)</b> |                            |                  |                 |                  |                            |                  |                  |                  |                   |
| Northern California                    | 5,244                      | 710              | 843             | 6,797            | 4,958                      | 686              | 771              | 6,415            | 6.0%              |
| Southern California                    | 2,334                      | 944              | 84              | 3,362            | 2,155                      | 885              | 98               | 3,138            | 7.1%              |
| Dallas                                 | 829                        | 652              | —               | 1,481            | 872                        | 725              | —                | 1,597            | (7.3%)            |
| Austin                                 | 722                        | 2,110            | —               | 2,832            | 754                        | 2,245            | —                | 2,999            | (5.6%)            |
| Northern Virginia                      | 1,568                      | 1,733            | 3,834           | 7,135            | 1,398                      | 1,768            | 3,574            | 6,740            | 5.9%              |
| South Florida                          | 3,414                      | 165              | 41              | 3,620            | 3,035                      | 150              | 16               | 3,201            | 13.1%             |
| Seattle                                | 822                        | 418              | 56              | 1,296            | 780                        | 410              | 55               | 1,245            | 4.1%              |
| Suburban Maryland                      | 303                        | —                | 1,359           | 1,662            | 349                        | —                | 1,431            | 1,780            | (6.6%)            |
| <b>Total</b>                           | <b>15,236</b>              | <b>6,732</b>     | <b>6,217</b>    | <b>28,185</b>    | <b>14,301</b>              | <b>6,869</b>     | <b>5,945</b>     | <b>27,115</b>    | <b>3.9%</b>       |
| <b>Cash NOI (1)</b>                    |                            |                  |                 |                  |                            |                  |                  |                  |                   |
| Northern California                    | 19,167                     | 1,893            | 1,678           | 22,738           | 16,865                     | 1,704            | 2,117            | 20,686           | 9.9%              |
| Southern California                    | 7,723                      | 2,429            | 129             | 10,281           | 7,151                      | 2,170            | 126              | 9,447            | 8.8%              |
| Dallas                                 | 2,365                      | 1,376            | —               | 3,741            | 2,099                      | 1,073            | —                | 3,172            | 17.9%             |
| Austin                                 | 1,652                      | 3,862            | —               | 5,514            | 1,454                      | 4,070            | —                | 5,524            | (0.2%)            |
| Northern Virginia                      | 3,619                      | 3,818            | 5,432           | 12,869           | 3,696                      | 3,852            | 5,722            | 13,270           | (3.0%)            |
| South Florida                          | 9,065                      | 438              | 21              | 9,524            | 8,235                      | 357              | 22               | 8,614            | 10.6%             |
| Seattle                                | 2,428                      | 1,328            | 89              | 3,845            | 2,275                      | 1,327            | 77               | 3,679            | 4.5%              |
| Suburban Maryland                      | 884                        | —                | 2,425           | 3,309            | 786                        | —                | 2,273            | 3,059            | 8.2%              |
| <b>Total</b>                           | <b>\$ 46,903</b>           | <b>\$ 15,144</b> | <b>\$ 9,774</b> | <b>\$ 71,821</b> | <b>\$ 42,561</b>           | <b>\$ 14,553</b> | <b>\$ 10,337</b> | <b>\$ 67,451</b> | <b>6.5%</b>       |
| <b>Percentage by Product Type</b>      | <b>65.3%</b>               | <b>21.1%</b>     | <b>13.6%</b>    | <b>100.0%</b>    | <b>63.1%</b>               | <b>21.6%</b>     | <b>15.3%</b>     | <b>100.0%</b>    |                   |

| Cash NOI Period Growth by Type | Industrial | Flex | Office |
|--------------------------------|------------|------|--------|
|                                | 10.2%      | 4.1% | -5.4%  |

(1) Refer to page 27, Definitions and Non-GAAP Disclosures, for the definitions of Same Park, Cash Rental Income, Adjusted Cost of Operations, and Cash NOI.



|  | December 31, 2021   |              |              |               | December 31, 2020   |              |              |               | Total<br>% Change |
|--|---------------------|--------------|--------------|---------------|---------------------|--------------|--------------|---------------|-------------------|
|  | Industrial          | Flex         | Office       | Total         | Industrial          | Flex         | Office       | Total         |                   |
|  | For the Years Ended |              |              |               | For the Years Ended |              |              |               |                   |
| <b>Cash rental income (1)</b>          |                     |              |              |               |                     |              |              |               |                   |
| Northern California                    | \$ 94,414           | \$ 10,040    | \$ 10,516    | \$ 114,970    | \$ 84,337           | \$ 9,357     | \$ 12,139    | \$ 105,833    | 8.6%              |
| Southern California                    | 39,072              | 13,423       | 852          | 53,347        | 34,879              | 12,108       | 815          | 47,802        | 11.6%             |
| Dallas                                 | 12,568              | 7,995        | —            | 20,563        | 11,780              | 7,490        | —            | 19,270        | 6.7%              |
| Austin                                 | 9,191               | 25,223       | —            | 34,414        | 8,270               | 24,546       | —            | 32,816        | 4.9%              |
| Northern Virginia                      | 20,381              | 22,270       | 35,731       | 78,382        | 19,972              | 21,327       | 35,718       | 77,017        | 1.8%              |
| South Florida                          | 47,351              | 2,094        | 186          | 49,631        | 42,102              | 1,880        | 137          | 44,119        | 12.5%             |
| Seattle                                | 12,723              | 7,075        | 556          | 20,354        | 11,831              | 6,873        | 607          | 19,311        | 5.4%              |
| Suburban Maryland                      | 4,357               | —            | 15,107       | 19,464        | 4,146               | —            | 15,567       | 19,713        | (1.3%)            |
| Total                                  | 240,057             | 88,120       | 62,948       | 391,125       | 217,317             | 83,581       | 64,983       | 365,881       | 6.9%              |
| <b>Adjusted cost of operations (1)</b> |                     |              |              |               |                     |              |              |               |                   |
| Northern California                    | 20,074              | 2,755        | 3,127        | 25,956        | 19,340              | 2,672        | 3,109        | 25,121        | 3.3%              |
| Southern California                    | 9,343               | 3,575        | 345          | 13,263        | 9,053               | 3,473        | 344          | 12,870        | 3.1%              |
| Dallas                                 | 4,015               | 3,085        | —            | 7,100         | 3,885               | 3,260        | —            | 7,145         | (0.6%)            |
| Austin                                 | 3,184               | 9,486        | —            | 12,670        | 3,022               | 9,019        | —            | 12,041        | 5.2%              |
| Northern Virginia                      | 6,190               | 6,823        | 13,970       | 26,983        | 5,785               | 6,333        | 13,264       | 25,382        | 6.3%              |
| South Florida                          | 12,770              | 607          | 99           | 13,476        | 11,841              | 562          | 67           | 12,470        | 8.1%              |
| Seattle                                | 3,279               | 1,701        | 253          | 5,233         | 3,192               | 1,635        | 224          | 5,051         | 3.6%              |
| Suburban Maryland                      | 1,237               | —            | 5,415        | 6,652         | 1,243               | —            | 5,537        | 6,780         | (1.9%)            |
| Total                                  | 60,092              | 28,032       | 23,209       | 111,333       | 57,361              | 26,954       | 22,545       | 106,860       | 4.2%              |
| <b>Cash NOI (1)</b>                    |                     |              |              |               |                     |              |              |               |                   |
| Northern California                    | 74,340              | 7,285        | 7,389        | 89,014        | 64,997              | 6,685        | 9,030        | 80,712        | 10.3%             |
| Southern California                    | 29,729              | 9,848        | 507          | 40,084        | 25,826              | 8,635        | 471          | 34,932        | 14.7%             |
| Dallas                                 | 8,553               | 4,910        | —            | 13,463        | 7,895               | 4,230        | —            | 12,125        | 11.0%             |
| Austin                                 | 6,007               | 15,737       | —            | 21,744        | 5,248               | 15,527       | —            | 20,775        | 4.7%              |
| Northern Virginia                      | 14,191              | 15,447       | 21,761       | 51,399        | 14,187              | 14,994       | 22,454       | 51,635        | (0.5%)            |
| South Florida                          | 34,581              | 1,487        | 87           | 36,155        | 30,261              | 1,318        | 70           | 31,649        | 14.2%             |
| Seattle                                | 9,444               | 5,374        | 303          | 15,121        | 8,639               | 5,238        | 383          | 14,260        | 6.0%              |
| Suburban Maryland                      | 3,120               | —            | 9,692        | 12,812        | 2,903               | —            | 10,030       | 12,933        | (0.9%)            |
| Total                                  | \$ 179,965          | \$ 60,088    | \$ 39,739    | \$ 279,792    | \$ 159,956          | \$ 56,627    | \$ 42,438    | \$ 259,021    | 8.0%              |
| <b>Percentage by Product Type</b>      | <b>64.3%</b>        | <b>21.5%</b> | <b>14.2%</b> | <b>100.0%</b> | <b>61.7%</b>        | <b>21.9%</b> | <b>16.4%</b> | <b>100.0%</b> |                   |

| Cash NOI Period Growth by Type | Industrial | Flex | Office |
|--------------------------------|------------|------|--------|
|                                | 12.5%      | 6.1% | -6.4%  |

(1) Refer to page 27, Definitions and Non-GAAP Disclosures, for the definitions of Same Park, Cash Rental Income, Adjusted Cost of Operations, and Cash NOI.



|  | As of December 31, 2021 |                                  |              | As of December 31, 2020 |                                  |              |
|--|-------------------------|----------------------------------|--------------|-------------------------|----------------------------------|--------------|
|  | Total                   | % of Total Market Capitalization | Wtd Avg Rate | Total                   | % of Total Market Capitalization | Wtd Avg Rate |
| <b>Common Stock:</b>   |                         |                                  |              |                         |                                  |              |
| Common stock (27,589,807 and 27,488,547 shares outstanding as of December 31, 2021 and 2020, respectively) <sup>(1)</sup>      | \$ 5,081,215            | 70.7%                            |              | \$ 3,652,403            | 66.4%                            |              |
| Common operating partnership units (7,305,355 units outstanding as of December 31, 2021 and 2020, respectively) <sup>(1)</sup> | 1,345,427               | 18.7%                            |              | 970,663                 | 17.7%                            |              |
| Total common equity and operating partnership units <sup>(1)</sup>   | \$ 6,426,642            | 89.4%                            |              | \$ 4,623,066            | 84.1%                            |              |
| <b>Preferred Equity:</b>   |                         |                                  |              |                         |                                  |              |
| 5.200% Series W preferred stock (7,590,000 depository shares outstanding) redeemed 11/20/21                                    | \$ -                    | -                                |              | \$ 189,750              | 3.5%                             |              |
| 5.250% Series X preferred stock (9,200,000 depository shares outstanding) callable 9/21/22                                     | 230,000                 | 3.2%                             |              | 230,000                 | 4.2%                             |              |
| 5.200% Series Y preferred stock (8,000,000 depository shares outstanding) callable 12/7/22                                     | 200,000                 | 2.8%                             |              | 200,000                 | 3.6%                             |              |
| 4.875% Series Z preferred stock (13,000,000 depository shares outstanding) callable 11/4/24                                    | 325,000                 | 4.5%                             |              | 325,000                 | 5.9%                             |              |
| Total preferred equity   | \$ 755,000              | 10.5%                            | 5.08%        | \$ 944,750              | 17.2%                            | 5.10%        |
| <b>Unsecured Debt:</b>   |                         |                                  |              |                         |                                  |              |
| Credit facility borrowing (\$400.0 million at LIBOR + 0.70%) <sup>(2)</sup>  | \$ 32,000               | 0.4%                             | 0.80%        | \$ -                    |                                  |              |
| Credit facility borrowing (\$250.0 million at LIBOR + 0.825%) <sup>(2)</sup>   | -                       |                                  |              | -                       |                                  |              |
| Unrestricted cash  | (27,074)                | (0.4%)                           |              | (69,083)                | (1.3%)                           |              |
| Net debt   | \$ 4,926                | 0.1%                             |              | \$ (69,083)             | (1.3%)                           |              |
| <b>Total net debt and preferred equity</b>   | \$ 759,926              | 10.6%                            | 4.90%        | \$ 875,667              | 15.9%                            | 5.10%        |
| <b>Total implied market capitalization</b>   | \$ 7,186,568            | 100.0%                           |              | \$ 5,498,733            | 100.0%                           |              |
| <b>Interest expense and related expenses</b> <sup>(3)</sup>  | \$ 1,000                |                                  |              | \$ 552                  |                                  |              |
| <b>Preferred distributions</b>   | 41,940                  |                                  |              | 48,188                  |                                  |              |
| <b>Total fixed charges and preferred distributions</b>   | \$ 42,940               |                                  |              | \$ 48,740               |                                  |              |
| <b>Ratio of EBITDAre to fixed charges and preferred distributions</b> <sup>(4)</sup>   | 6.9x                    |                                  |              | 5.8x                    |                                  |              |
| <b>Ratio of net debt and preferred equity to EBITDAre</b> <sup>(5)</sup>   | 2.6x                    |                                  |              | 3.1x                    |                                  |              |

(1) Total common equity is calculated as the total number of common stock and operating partnership units outstanding multiplied by the Company's closing share price at the end of each respective period shown. Closing share prices on December 31, 2021 and December 31, 2020 were \$184.17 and \$132.87, respectively.

(2) In August 2021, the Company amended and restated its Credit Facility which increased the aggregate principal amount of the Credit Facility from \$250.0 million to \$400.0 million.

(3) Interest expense and related expenses includes facility fees associated with our unsecured credit facility.

(4) For each period shown, ratio of total fixed charges to EBITDAre is calculated using the respective quarter's annualized fixed charges divided by the respective quarter's annualized EBITDAre.

(5) For each period shown, ratio of debt and preferred equity to EBITDAre is calculated using total net debt and preferred equity reported during the quarter divided by the respective quarter's annualized EBITDAre.



|   | For the Years Ended December 31, |           |
|---|----------------------------------|-----------|
|   | 2021                             | 2020      |
| Commercial Recurring Capital Expenditures <sup>(1)</sup>        |                                  |           |
| Same Park   |                                  |           |
| Capital improvements  | \$ 11,139                        | \$ 8,288  |
| Tenant improvements   | 13,085                           | 13,833    |
| Lease commissions   | 8,117                            | 6,049     |
| Total Same Park Recurring Capital Expenditures                  | 32,341                           | 28,170    |
| Non-Same Park   |                                  |           |
| Capital improvements  | 196                              | 18        |
| Tenant improvements   | 595                              | 139       |
| Lease commissions   | 375                              | 2,104     |
| Total Non-Same Park Recurring Capital Expenditures              | 1,166                            | 2,261     |
| Total Recurring Capital Expenditures                            | 33,507                           | 30,431    |
| Assets sold or held for sale Recurring Capital Expenditures     | 1,615                            | 3,892     |
| Total commercial Recurring Capital Expenditures                 | 35,122                           | 34,323    |
| Non-recurring Property Renovations <sup>(1)</sup>               | 2,705                            | 1,715     |
| Multifamily capital expenditures                                | 13                               | 24        |
| Total capital expenditures                                      | \$ 37,840                        | \$ 36,062 |
| Same Park Recurring Capital Expenditures as a percentage of NOI | 11.5%                            | 10.7%     |

<sup>(1)</sup> Refer to page 27, Definitions and Non-GAAP Disclosures, for the definitions of Recurring Capital Expenditures and Non-recurring Property Renovations.





PROPERTY INFORMATION

|  | For the Three Months Ended December 31, |            |          | For the Years Ended December 31, |            |          |
|--|---|------------|----------|----------------------------------|------------|----------|
|  | 2021                                    | 2020       | % Change | 2021                             | 2020       | % Change |
| <b>Total Portfolio <sup>(1)</sup></b>                          |   |            |          |                                  |            |          |
| Total rentable square footage at period end                    | 27,010,000                              | 26,068,000 | 3.6%     | 27,010,000                       | 26,068,000 | 3.6%     |
| Weighted average occupancy                                     | 95.5%                                   | 92.4%      | 3.4%     | 94.3%                            | 92.2%      | 2.3%     |
| Period end occupancy   | 95.9%                                   | 93.7%      | 2.3%     | 95.9%                            | 93.7%      | 2.3%     |
| Cash rental income per occupied square foot <sup>(2)(3)</sup>  |   |            |          |                                  |            |          |
| Industrial   | \$ 14.35                                | \$ 13.90   | 3.2%     | \$ 14.21                         | \$ 13.36   | 6.4%     |
| Flex   | \$ 19.70                                | \$ 19.38   | 1.7%     | \$ 20.00                         | \$ 19.04   | 5.0%     |
| Office   | \$ 25.47                                | \$ 25.47   | 0.0%     | \$ 25.16                         | \$ 24.83   | 1.3%     |
| Total cash rental income per occupied square foot              | \$ 16.38                                | \$ 16.16   | 1.4%     | \$ 16.35                         | \$ 15.68   | 4.3%     |
| Cash rental income per available square foot <sup>(2)(3)</sup> |   |            |          |                                  |            |          |
| Industrial   | \$ 13.94                                | \$ 12.89   | 8.1%     | \$ 13.62                         | \$ 12.34   | 10.4%    |
| Flex   | \$ 18.52                                | \$ 18.13   | 2.2%     | \$ 18.64                         | \$ 17.67   | 5.5%     |
| Office   | \$ 22.15                                | \$ 22.55   | (1.8%)   | \$ 21.80                         | \$ 22.50   | (3.1%)   |
| Total cash rental income per available square foot             | \$ 15.64                                | \$ 14.93   | 4.8%     | \$ 15.43                         | \$ 14.46   | 6.7%     |
| <b>Same Park Portfolio <sup>(2)</sup></b>                      |   |            |          |                                  |            |          |
| Total rentable square footage at period end                    | 25,053,000                              | 25,053,000 | —        | 25,053,000                       | 25,053,000 | —        |
| Weighted average occupancy                                     | 95.7%                                   | 92.7%      | 3.2%     | 94.4%                            | 92.7%      | 1.8%     |
| Period end occupancy   | 96.4%                                   | 93.7%      | 2.9%     | 96.4%                            | 93.7%      | 2.9%     |
| Cash rental income per occupied square foot <sup>(2)(4)</sup>  |   |            |          |                                  |            |          |
| Industrial   | \$ 14.60                                | \$ 14.01   | 4.2%     | \$ 14.34                         | \$ 13.41   | 6.9%     |
| Flex   | \$ 19.65                                | \$ 19.33   | 1.7%     | \$ 19.96                         | \$ 19.00   | 5.1%     |
| Office   | \$ 25.47                                | \$ 25.47   | 0.0%     | \$ 25.16                         | \$ 24.83   | 1.3%     |
| Total cash rental income per occupied square foot              | \$ 16.67                                | \$ 16.29   | 2.3%     | \$ 16.53                         | \$ 15.76   | 4.9%     |
| Cash rental income per available square foot <sup>(2)(4)</sup> |   |            |          |                                  |            |          |
| Industrial   | \$ 14.26                                | \$ 13.05   | 9.3%     | \$ 13.77                         | \$ 12.47   | 10.4%    |
| Flex   | \$ 18.48                                | \$ 18.10   | 2.1%     | \$ 18.61                         | \$ 17.65   | 5.4%     |
| Office   | \$ 22.15                                | \$ 22.55   | (1.8%)   | \$ 21.80                         | \$ 22.50   | (3.1%)   |
| Total cash rental income per available square foot             | \$ 15.97                                | \$ 15.10   | 5.8%     | \$ 15.61                         | \$ 14.60   | 6.9%     |
| <b>Non-Same Park Portfolio <sup>(2)</sup></b>                  |   |            |          |                                  |            |          |
| Total rentable square footage at period end                    | 1,957,000                               | 1,015,000  | 92.8%    | 1,957,000                        | 1,015,000  | 92.8%    |
| Weighted average occupancy                                     | 92.2%                                   | 86.1%      | 7.1%     | 92.6%                            | 78.2%      | 18.4%    |
| Period end occupancy   | 89.4%                                   | 93.9%      | (4.8%)   | 89.4%                            | 93.9%      | (4.8%)   |
| Cash rental income per occupied square foot <sup>(2)(5)</sup>  |   |            |          |                                  |            |          |
| Industrial   | \$ 11.80                                | \$ 11.32   | 4.2%     | \$ 12.40                         | \$ 11.96   | 3.7%     |
| Flex   | \$ 22.94                                | \$ 22.34   | 2.7%     | \$ 22.19                         | \$ 21.36   | 3.9%     |
| Total cash rental income per occupied square foot              | \$ 12.26                                | \$ 12.27   | (0.1%)   | \$ 12.97                         | \$ 13.00   | (0.2%)   |
| Cash rental income per available square foot <sup>(2)(5)</sup> |   |            |          |                                  |            |          |
| Industrial   | \$ 10.89                                | \$ 9.72    | 12.0%    | \$ 11.49                         | \$ 9.22    | 24.6%    |
| Flex   | \$ 20.91                                | \$ 19.80   | 5.6%     | \$ 20.51                         | \$ 18.92   | 8.4%     |
| Total cash rental income per available square foot             | \$ 11.31                                | \$ 10.57   | 7.0%     | \$ 12.02                         | \$ 10.16   | 18.3%    |
| <b>Multifamily Portfolio</b>                                   |   |            |          |                                  |            |          |
| Number of units  | 395                                     | 395        | —        | 395                              | 395        | —        |
| Average rent per unit <sup>(6)</sup>                           | \$ 2,078                                | \$ 2,084   | (0.3%)   | \$ 2,078                         | \$ 2,084   | (0.3%)   |
| Weighted average occupancy                                     | 94.5%                                   | 93.7%      | 0.9%     | 94.5%                            | 92.9%      | 1.8%     |
| Period end occupancy   | 95.7%                                   | 94.9%      | 0.8%     | 95.7%                            | 94.9%      | 0.8%     |

(1) Excludes assets sold of 494,000 square feet, and 0 square feet, for the three months ended December 31, 2021, and 2020, respectively, and 958,000 square feet and 153,000 square feet for the years ended December 31, 2021 and 2020, respectively. Operating metrics from our multifamily asset are excluded from total portfolio operating metrics.

(2) Refer to page 27, Definitions and Non-GAAP Disclosures, for the definitions of Revenue per Occupied Square Foot, RevPAF, Same Park and Non-Same Park.

(3) Included in the calculation of Total Park revenue per occupied square foot and RevPAF is (a) lease buyout income of \$0.5 million and \$0.3 million for the three months ended December 31, 2021 and 2020, respectively, and \$1.9 million and \$1.0 million for the years ended December 31, 2021 and 2020, respectively, (b) accounts receivable write-offs of \$0.1 million and \$0.2 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.0 million and \$1.5 million for the years ended December 31, 2021 and 2020, respectively, and (c) deferred rent receivable write-offs of \$0.1 million and \$0.4 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.3 million and \$3.0 million for the years ended December 31, 2021 and 2020, respectively.

(4) Included in the calculation of Same Park revenue per occupied square foot and RevPAF is (a) lease buyout income of \$0.5 million and \$0.3 million for the three months ended December 31, 2021 and 2020, respectively, and \$1.9 million and \$1.0 million for the years ended December 31, 2021 and 2020, respectively, (b) accounts receivable write-offs of \$0.1 million and \$0.2 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.0 million and \$1.5 million for the years ended December 31, 2021 and 2020, respectively, and (c) deferred rent receivable write-offs of \$0.1 million and \$0.4 million for the three months ended December 31, 2021 and 2020, respectively, and \$0.3 million and \$3.0 million for the years ended December 31, 2021 and 2020, respectively.

(5) Included in the calculation of Non-Same Park revenue per occupied square foot and RevPAF is (a) lease buyout income of \$0.0 million for both each of the three months and years ended December 31, 2021 and 2020, (b) accounts receivable write-offs of \$0 for each of the three months and years ended December 31, 2021 and 2020, and (c) deferred rent receivable write-offs of \$0.0 million for both the three months and years ended December 31, 2021 and 2020.

(6) Average rent per unit is defined as the total potential monthly rental revenue (actual rent for occupied apartment units plus market rent for vacant apartment units) divided by the total number of rentable apartment units.



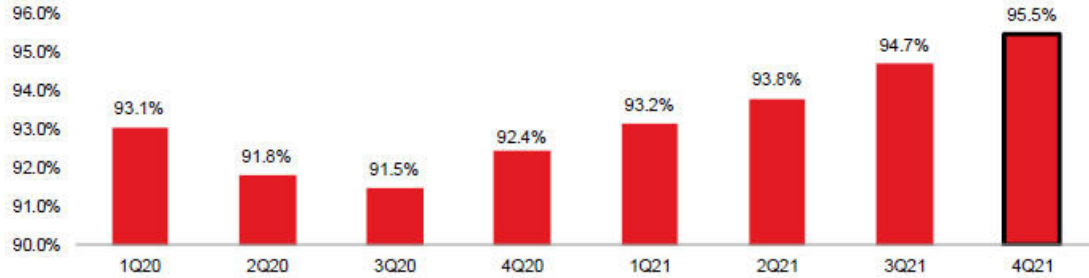
Rentable Square Footage of Properties by Product Type as of December 31, 2021 <sup>(1)</sup>

| Markets                           | Industrial    | Flex         | Office       | Total         | % of Total    |
|-----------------------------------|---------------|--------------|--------------|---------------|---------------|
| Northern California               | 6,391         | 593          | 340          | 7,324         | 27.1%         |
| Southern California               | 2,989         | 582          | 31           | 3,602         | 13.3%         |
| Dallas                            | 2,242         | 793          | —            | 3,035         | 11.3%         |
| Austin                            | 755           | 1,208        | —            | 1,963         | 7.3%          |
| Northern Virginia                 | 1,810         | 1,242        | 1,726        | 4,778         | 17.7%         |
| South Florida                     | 3,728         | 126          | 12           | 3,866         | 14.3%         |
| Seattle                           | 1,052         | 270          | 28           | 1,350         | 5.0%          |
| Suburban Maryland                 | 341           | —            | 751          | 1,092         | 4.0%          |
| <b>Total</b>                      | <b>19,308</b> | <b>4,814</b> | <b>2,888</b> | <b>27,010</b> | <b>100.0%</b> |
| <i>Percentage by Product Type</i> | 71.5%         | 17.8%        | 10.7%        | 100.0%        |               |

Weighted Average Occupancy Rates by Product Type for the Three Months Ended December 31, 2021 <sup>(1)</sup>

Weighted Average Occupancy Rates by Product Type for the Year Ended December 31, 2021 <sup>(1)</sup>

| Markets             | Three Months Ended December 31, 2021 <sup>(1)</sup> |              |              |              | Year Ended December 31, 2021 <sup>(1)</sup> |              |              |              |
|---------------------|---|--------------|--------------|--------------|---|--------------|--------------|--------------|
|                     | Industrial  | Flex         | Office       | Total        | Industrial                                  | Flex         | Office       | Total        |
| Northern California | 97.0%   | 95.3%        | 75.6%        | 95.9%        | 95.6%                                       | 91.4%        | 78.4%        | 94.4%        |
| Southern California | 98.5%   | 95.8%        | 96.0%        | 98.0%        | 97.7%                                       | 94.8%        | 95.8%        | 97.2%        |
| Dallas              | 94.9%   | 92.1%        | —            | 94.1%        | 90.1%                                       | 88.2%        | —            | 89.5%        |
| Austin              | 99.1%   | 89.7%        | —            | 93.3%        | 97.5%                                       | 92.6%        | —            | 94.5%        |
| Northern Virginia   | 93.9%   | 98.1%        | 87.9%        | 92.8%        | 94.1%                                       | 97.4%        | 86.9%        | 92.4%        |
| South Florida       | 98.6%   | 95.7%        | 100.0%       | 98.5%        | 97.6%                                       | 87.1%        | 100.0%       | 97.3%        |
| Seattle             | 98.2%   | 92.6%        | 68.1%        | 96.5%        | 95.5%                                       | 94.4%        | 68.0%        | 94.7%        |
| Suburban Maryland   | 97.9%   | —            | 89.5%        | 92.1%        | 98.0%                                       | —            | 89.4%        | 92.1%        |
| <b>Total</b>        | <b>97.2%</b>  | <b>94.0%</b> | <b>86.8%</b> | <b>95.5%</b> | <b>95.8%</b>                                | <b>93.2%</b> | <b>86.5%</b> | <b>94.3%</b> |



(1) Excludes assets sold or held for sale as of December 31, 2021.



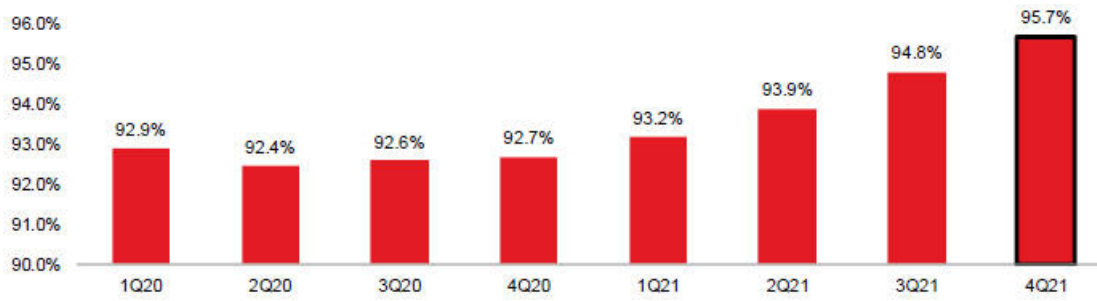
Rentable Square Footage of Same Park Properties by Product Type as of December 31, 2021 <sup>(1)</sup>

| Markets                           | Industrial    | Flex         | Office       | Total         | % of Total    |
|-----------------------------------|---------------|--------------|--------------|---------------|---------------|
| Northern California               | 6,391         | 514          | 340          | 7,245         | 28.9%         |
| Southern California               | 2,299         | 582          | 31           | 2,912         | 11.6%         |
| Dallas                            | 1,300         | 793          | —            | 2,093         | 8.4%          |
| Austin                            | 755           | 1,208        | —            | 1,963         | 7.8%          |
| Northern Virginia                 | 1,564         | 1,242        | 1,726        | 4,532         | 18.1%         |
| South Florida                     | 3,728         | 126          | 12           | 3,866         | 15.4%         |
| Seattle                           | 1,052         | 270          | 28           | 1,350         | 5.4%          |
| Suburban Maryland                 | 341           | —            | 751          | 1,092         | 4.4%          |
| <b>Total</b>                      | <b>17,430</b> | <b>4,735</b> | <b>2,888</b> | <b>25,053</b> | <b>100.0%</b> |
| <i>Percentage by Product Type</i> | 69.6%         | 18.9%        | 11.5%        | 100.0%        |               |

Same Park Weighted Average Occupancy Rates by Product Type for the Three Months Ended December 31, 2021 <sup>(1)</sup>

Same Park Weighted Average Occupancy Rates by Product Type for the Year Ended December 31, 2021 <sup>(1)</sup>

| Markets             | Same Park Weighted Average Occupancy Rates by Product Type for the Three Months Ended December 31, 2021 <sup>(1)</sup> |              |              |              | Same Park Weighted Average Occupancy Rates by Product Type for the Year Ended December 31, 2021 <sup>(1)</sup> |              |              |              |
|---------------------|--|--------------|--------------|--------------|--|--------------|--------------|--------------|
|                     | Industrial   | Flex         | Office       | Total        | Industrial   | Flex         | Office       | Total        |
| Northern California | 97.0%  | 96.0%        | 75.6%        | 95.9%        | 95.6%  | 91.4%        | 78.4%        | 94.5%        |
| Southern California | 98.1%  | 95.8%        | 96.0%        | 97.7%        | 97.4%  | 94.8%        | 95.8%        | 96.9%        |
| Dallas              | 95.1%  | 92.1%        | —            | 93.9%        | 91.2%  | 88.2%        | —            | 90.1%        |
| Austin              | 99.1%  | 89.7%        | —            | 93.3%        | 97.5%  | 92.6%        | —            | 94.5%        |
| Northern Virginia   | 98.7%  | 98.1%        | 87.9%        | 94.4%        | 95.6%  | 97.4%        | 86.9%        | 92.8%        |
| South Florida       | 98.6%  | 95.7%        | 100.0%       | 98.5%        | 97.6%  | 87.1%        | 100.0%       | 97.3%        |
| Seattle             | 98.2%  | 92.6%        | 68.1%        | 96.5%        | 95.5%  | 94.4%        | 68.0%        | 94.7%        |
| Suburban Maryland   | 97.9%  | —            | 89.5%        | 92.1%        | 98.0%  | —            | 89.4%        | 92.1%        |
| <b>Total</b>        | <b>97.7%</b>   | <b>94.1%</b> | <b>86.8%</b> | <b>95.7%</b> | <b>96.1%</b>   | <b>93.2%</b> | <b>86.5%</b> | <b>94.4%</b> |



<sup>(1)</sup> Excludes assets sold or held for sale as of December 31, 2021.



| Total Portfolio Activity <sup>(1) (2)</sup> |                     |                  |                    |                                     |  |  |  |
|---|---------------------|------------------|--------------------|-------------------------------------|--|--|--|
|   | Wtd. Avg. Occupancy | Leasing Volume   | Customer Retention | Transaction Costs per Executed Foot | Transaction Costs as a % of Rents <sup>(3)</sup> | Cash Rental Rate Change <sup>(3)</sup> | Net Effective Rent Change <sup>(3)</sup> |
| <b>Industrial <sup>(1)</sup></b>            |                     |                  |                    |                                     |  |  |  |
| Northern California                         | 97.0%               | 376,000          | 79.6%              | \$ 3.92                             | 6.6%   | 10.3%                                  | 23.9%                                    |
| Southern California                         | 98.5%               | 195,000          | 85.7%              | 1.66                                | 3.4%   | 11.6%                                  | 25.6%                                    |
| Dallas                                      | 94.9%               | 152,000          | 72.5%              | 3.37                                | 9.5%   | 7.8%                                   | 18.8%                                    |
| Austin                                      | 99.1%               | 86,000           | 46.6%              | 6.26                                | 10.2%  | 23.2%                                  | 81.7%                                    |
| Northern Virginia                           | 93.9%               | 107,000          | 36.8%              | 4.94                                | 13.0%  | 0.8%                                   | 3.6%                                     |
| South Florida                               | 98.6%               | 231,000          | 69.9%              | 1.00                                | 2.7%   | 16.0%                                  | 31.2%                                    |
| Seattle                                     | 98.2%               | 79,000           | 54.5%              | 3.60                                | 6.9%   | 11.5%                                  | 22.2%                                    |
| Suburban Maryland                           | 97.9%               | 20,000           | 100.0%             | 7.05                                | 29.3%  | -3.0%                                  | -0.8%                                    |
| <b>Industrial Totals by Market</b>          | <b>97.2%</b>        | <b>1,246,000</b> | <b>74.6%</b>       | <b>\$ 3.24</b>                      | <b>6.8%</b>                                      | <b>11.5%</b>                           | <b>25.7%</b>                             |
| <b>Flex <sup>(1)</sup></b>                  |                     |                  |                    |                                     |  |  |  |
| Northern California                         | 95.3%               | 47,000           | 76.6%              | \$ 0.75                             | 1.9%   | 4.3%                                   | 9.0%                                     |
| Southern California                         | 95.8%               | 44,000           | 80.9%              | 1.04                                | 3.1%   | 0.7%                                   | 3.9%                                     |
| Dallas                                      | 92.1%               | 73,000           | 82.7%              | 2.82                                | 11.4%  | 8.8%                                   | 18.4%                                    |
| Austin                                      | 89.7%               | 48,000           | 67.0%              | 6.63                                | 16.5%  | 7.1%                                   | 21.9%                                    |
| Northern Virginia                           | 98.1%               | 72,000           | 94.1%              | 2.15                                | 7.8%   | -7.8%                                  | 0.5%                                     |
| South Florida                               | 95.7%               | 1,000            | 100.0%             | —                                   | 0.0%   | 7.0%                                   | 14.3%                                    |
| Seattle                                     | 92.6%               | 17,000           | 50.5%              | 0.95                                | 2.5%   | 2.5%                                   | 8.5%                                     |
| <b>Flex Totals by Market</b>                | <b>94.0%</b>        | <b>302,000</b>   | <b>69.7%</b>       | <b>\$ 2.56</b>                      | <b>8.0%</b>                                      | <b>1.2%</b>                            | <b>8.0%</b>                              |
| <b>Office</b>                               |                     |                  |                    |                                     |  |  |  |
| Northern California                         | 75.6%               | 29,000           | 70.7%              | \$ 0.88                             | 1.6%   | -9.6%                                  | -4.2%                                    |
| Southern California                         | 96.0%               | 3,000            | 56.8%              | 1.10                                | 2.3%   | 3.5%                                   | 11.2%                                    |
| Northern Virginia                           | 87.9%               | 134,000          | 82.8%              | 3.88                                | 3.9%   | 0.4%                                   | 7.1%                                     |
| South Florida                               | 100.0%              | —                | —                  | —                                   | —  | —                                      | —  |
| Seattle                                     | 68.1%               | 4,000            | 74.1%              | —                                   | —  | 1.5%                                   | 10.8%                                    |
| Suburban Maryland                           | 89.5%               | 37,000           | 98.9%              | 4.77                                | 8.2%   | -8.8%                                  | -0.5%                                    |
| <b>Office Totals by Market</b>              | <b>86.8%</b>        | <b>207,000</b>   | <b>71.7%</b>       | <b>\$ 3.51</b>                      | <b>4.1%</b>                                      | <b>-2.3%</b>                           | <b>4.7%</b>                              |
| <b>Company Totals by Type</b>               | <b>95.5%</b>        | <b>1,755,000</b> | <b>70.6%</b>       | <b>\$ 3.15</b>                      | <b>6.4%</b>                                      | <b>6.1%</b>                            | <b>16.4%</b>                             |

<sup>(1)</sup> Excludes assets sold or held for sale as of December 31, 2021.

<sup>(2)</sup> Average lease term for leases executed during the quarter-ended December 31, 2021 was 3.6 years.

<sup>(3)</sup> Refer to page 27, Definitions and Non-GAAP Disclosures, for the definitions of Transaction Costs as a Percentage of Rents, Cash Rental Rate Change, and Net Effective Rent Change.



|                                    | Total Portfolio Activity <sup>(1)(2)</sup> |                  |                    |                                     |  |  |  |  |
|------------------------------------|--|------------------|--------------------|-------------------------------------|--|--|--|--|
|                                    | Wtd. Avg. Occupancy                        | Leasing Volume   | Customer Retention | Transaction Costs per Executed Foot | Transaction Costs as a % of Rents <sup>(3)</sup> | Cash Rental Rate Change <sup>(3)</sup> | Net Effective Rent Change <sup>(3)</sup> |  |
| <b>Industrial <sup>(1)</sup></b>   |  |                  |                    |                                     |  |  |  |  |
| Northern California                | 95.6%                                      | 1,532,000        | 76.3%              | \$ 3.10                             | 5.4%   | 12.1%                                  | 27.3%                                    |  |
| Southern California                | 97.7%                                      | 923,000          | 79.9%              | 2.27                                | 5.8%   | 7.6%                                   | 16.2%                                    |  |
| Dallas                             | 90.1%                                      | 589,000          | 79.0%              | 3.66                                | 14.4%  | 4.9%                                   | 13.6%                                    |  |
| Austin                             | 97.5%                                      | 294,000          | 74.0%              | 2.67                                | 6.9%   | 13.5%                                  | 41.0%                                    |  |
| Northern Virginia                  | 94.1%                                      | 482,000          | 63.2%              | 4.81                                | 10.3%  | 3.7%                                   | 9.4%                                     |  |
| South Florida                      | 97.6%                                      | 998,000          | 59.9%              | 1.29                                | 3.5%   | 11.5%                                  | 25.6%                                    |  |
| Seattle                            | 95.5%                                      | 279,000          | 74.0%              | 3.91                                | 9.6%   | 11.5%                                  | 21.2%                                    |  |
| Suburban Maryland                  | 98.0%                                      | 114,000          | 68.5%              | 3.12                                | 8.3%   | -2.1%                                  | 4.9%                                     |  |
| <b>Industrial Totals by Market</b> | <b>95.8%</b>                               | <b>5,211,000</b> | <b>71.9%</b>       | <b>\$ 2.85</b>                      | <b>6.6%</b>                                      | <b>9.4%</b>                            | <b>21.7%</b>                             |  |
| <b>Flex <sup>(1)</sup></b>         |  |                  |                    |                                     |  |  |  |  |
| Northern California                | 91.4%                                      | 237,000          | 69.1%              | \$ 1.23                             | 2.8%   | 1.2%                                   | 5.3%                                     |  |
| Southern California                | 94.8%                                      | 207,000          | 76.5%              | 2.10                                | 4.3%   | 1.0%                                   | 8.5%                                     |  |
| Dallas                             | 88.2%                                      | 263,000          | 76.8%              | 3.22                                | 12.4%  | 4.8%                                   | 15.4%                                    |  |
| Austin                             | 92.6%                                      | 169,000          | 34.1%              | 5.10                                | 12.8%  | 1.1%                                   | 7.2%                                     |  |
| Northern Virginia                  | 97.4%                                      | 508,000          | 91.9%              | 4.46                                | 8.4%   | -2.1%                                  | 3.1%                                     |  |
| South Florida                      | 87.1%                                      | 42,000           | 74.6%              | 1.69                                | 3.2%   | 8.3%                                   | 20.7%                                    |  |
| Seattle                            | 94.4%                                      | 88,000           | 47.5%              | 2.25                                | 5.7%   | 6.1%                                   | 13.3%                                    |  |
| <b>Flex Totals by Market</b>       | <b>93.2%</b>                               | <b>1,514,000</b> | <b>70.9%</b>       | <b>\$ 3.29</b>                      | <b>7.4%</b>                                      | <b>1.0%</b>                            | <b>7.2%</b>                              |  |
| <b>Office</b>                      |  |                  |                    |                                     |  |  |  |  |
| Northern California                | 78.4%                                      | 85,000           | 60.6%              | \$ 0.82                             | 1.6%   | -12.0%                                 | -10.4%                                   |  |
| Southern California                | 95.8%                                      | 10,000           | 57.3%              | 2.16                                | 4.9%   | 3.2%                                   | 10.5%                                    |  |
| Northern Virginia                  | 86.9%                                      | 458,000          | 69.6%              | 8.89                                | 9.7%   | -4.1%                                  | 2.4%                                     |  |
| South Florida                      | 100.0%                                     | —                | —                  | —                                   | —  | —                                      | —  |  |
| Seattle                            | 68.0%                                      | 12,000           | 41.1%              | 8.08                                | 13.6%  | 5.7%                                   | 15.5%                                    |  |
| Suburban Maryland                  | 89.4%                                      | 147,000          | 78.4%              | 3.11                                | 6.0%   | -5.8%                                  | 2.9%                                     |  |
| <b>Office Totals by Market</b>     | <b>86.5%</b>                               | <b>712,000</b>   | <b>69.9%</b>       | <b>\$ 6.63</b>                      | <b>8.6%</b>                                      | <b>-5.6%</b>                           | <b>0.7%</b>                              |  |
| <b>Company Totals by Type</b>      | <b>94.3%</b>                               | <b>7,437,000</b> | <b>71.4%</b>       | <b>\$ 3.30</b>                      | <b>7.1%</b>                                      | <b>5.2%</b>                            | <b>14.7%</b>                             |  |

<sup>(1)</sup> Excludes assets sold or held for sale as of December 31, 2021.

<sup>(2)</sup> Average lease term for leases executed during the year-ended December 31, 2021 was 3.4 years.

<sup>(3)</sup> Refer to page 27, Definitions and Non-GAAP Disclosures, for the definitions of Transaction Costs as a Percentage of Rents, Cash Rental Rate Change, and Net Effective Rent Change.



| Lease Expirations - Total Portfolio <sup>(1)</sup> |                       |   |               |                                     |
|--|-----------------------|---|---------------|-------------------------------------|
| Year of Lease Expiration                           | Leased Square Footage | Annualized Rental Income <sup>(2)</sup> | % Total       | % of Total Annualized Rental Income |
| 2022   | 5,842                 | \$ 100,237                              | 21.9%         | 21.9%                               |
| 2023   | 6,066                 | 103,001                                 | 22.5%         | 22.5%                               |
| 2024   | 4,880                 | 86,647                                  | 19.0%         | 19.0%                               |
| 2025   | 3,497                 | 63,211                                  | 13.8%         | 13.8%                               |
| 2026   | 2,454                 | 43,908                                  | 9.6%          | 9.6%                                |
| Thereafter   | 3,254                 | 60,490                                  | 13.2%         | 13.2%                               |
| <b>Total</b>                                       | <b>25,993</b>         | <b>\$ 457,494</b>                       | <b>100.0%</b> | <b>100.0%</b>                       |

| Lease Expirations - Industrial |                       |   |                 |                                     |
|--------------------------------|-----------------------|---|-----------------|-------------------------------------|
| Year of Lease Expiration       | Leased Square Footage | Annualized Rental Income <sup>(2)</sup> | % of Industrial | % of Total Annualized Rental Income |
| 2022                           | 3,947                 | \$ 56,025                               | 19.2%           | 12.2%                               |
| 2023                           | 4,370                 | 64,749                                  | 22.2%           | 14.2%                               |
| 2024                           | 3,510                 | 55,601                                  | 19.1%           | 12.2%                               |
| 2025                           | 2,479                 | 37,465                                  | 12.8%           | 8.2%                                |
| 2026                           | 1,838                 | 29,227                                  | 10.0%           | 6.4%                                |
| Thereafter                     | 2,806                 | 48,632                                  | 16.7%           | 10.6%                               |
| <b>Total</b>                   | <b>18,950</b>         | <b>\$ 291,699</b>                       | <b>100.0%</b>   | <b>63.8%</b>                        |

| Lease Expirations - Flex <sup>(1)</sup> |                       |   |               |                                     |
|---|-----------------------|---|---------------|-------------------------------------|
| Year of Lease Expiration                | Leased Square Footage | Annualized Rental Income <sup>(2)</sup> | % of Flex     | % of Total Annualized Rental Income |
| 2022                                    | 1,224                 | \$ 26,518                               | 27.5%         | 5.8%                                |
| 2023                                    | 1,067                 | 21,716                                  | 22.5%         | 4.7%                                |
| 2024                                    | 894                   | 18,553                                  | 19.2%         | 4.1%                                |
| 2025                                    | 683                   | 15,335                                  | 15.9%         | 3.3%                                |
| 2026                                    | 351                   | 7,196                                   | 7.5%          | 1.6%                                |
| Thereafter                              | 304                   | 7,161                                   | 7.4%          | 1.6%                                |
| <b>Total</b>                            | <b>4,523</b>          | <b>\$ 96,479</b>                        | <b>100.0%</b> | <b>21.1%</b>                        |

| Lease Expirations - Office |                       |   |               |                                     |
|----------------------------|-----------------------|---|---------------|-------------------------------------|
| Year of Lease Expiration   | Leased Square Footage | Annualized Rental Income <sup>(2)</sup> | % of Office   | % of Total Annualized Rental Income |
| 2022                       | 671                   | \$ 17,694                               | 25.5%         | 3.9%                                |
| 2023                       | 629                   | 16,536                                  | 23.9%         | 3.6%                                |
| 2024                       | 476                   | 12,493                                  | 18.0%         | 2.7%                                |
| 2025                       | 335                   | 10,411                                  | 15.0%         | 2.3%                                |
| 2026                       | 265                   | 7,485                                   | 10.8%         | 1.6%                                |
| Thereafter                 | 144                   | 4,697                                   | 6.8%          | 1.0%                                |
| <b>Total</b>               | <b>2,520</b>          | <b>\$ 69,316</b>                        | <b>100.0%</b> | <b>15.1%</b>                        |

<sup>(1)</sup> Excludes assets held for sale as of December 31, 2021.

<sup>(2)</sup> Annualized rental income represents annualized outgoing rents inclusive of related estimated expense recoveries. Actual rental income amounts may vary depending upon re-leasing of expiring spaces



## Lease Expirations - Northern California

| Year of Lease Expiration | Leased Square Footage | Annualized Rental Income <sup>(2)</sup> | % of No. CA | % of Total Annualized Rental Income |
|--------------------------|-----------------------|---|-------------|-------------------------------------|
| 2022                     | 1,096                 | \$ 22,053                               | 16.4%       | 4.8%                                |
| 2023                     | 1,375                 | 26,187                                  | 19.6%       | 5.7%                                |
| 2024                     | 1,222                 | 22,411                                  | 16.7%       | 4.9%                                |
| 2025                     | 900                   | 14,960                                  | 11.2%       | 3.3%                                |
| 2026                     | 990                   | 18,578                                  | 13.9%       | 4.1%                                |
| Thereafter               | 1,588                 | 29,688                                  | 22.2%       | 6.5%                                |
| Total                    | 7,171                 | \$ 133,877                              | 100.0%      | 29.3%                               |

## Lease Expirations - Southern California

| Year of Lease Expiration | Leased Square Footage | Annualized Rental Income <sup>(2)</sup> | % of So. CA | % of Total Annualized Rental Income |
|--------------------------|-----------------------|---|-------------|-------------------------------------|
| 2022                     | 928                   | \$ 17,801                               | 25.8%       | 3.9%                                |
| 2023                     | 869                   | 16,897                                  | 24.6%       | 3.7%                                |
| 2024                     | 697                   | 14,490                                  | 21.1%       | 3.2%                                |
| 2025                     | 390                   | 7,430                                   | 10.8%       | 1.6%                                |
| 2026                     | 176                   | 3,410                                   | 5.0%        | 0.8%                                |
| Thereafter               | 486                   | 8,768                                   | 12.7%       | 1.9%                                |
| Total                    | 3,546                 | \$ 68,796                               | 100.0%      | 15.1%                               |

## Lease Expirations - Dallas (1)

| Year of Lease Expiration | Leased Square Footage | Annualized Rental Income <sup>(2)</sup> | % of Dallas | % of Total Annualized Rental Income |
|--------------------------|-----------------------|---|-------------|-------------------------------------|
| 2022                     | 813                   | \$ 8,853                                | 26.9%       | 1.9%                                |
| 2023                     | 809                   | 9,150                                   | 27.8%       | 2.0%                                |
| 2024                     | 493                   | 6,000                                   | 18.2%       | 1.3%                                |
| 2025                     | 294                   | 3,436                                   | 10.4%       | 0.8%                                |
| 2026                     | 393                   | 4,342                                   | 13.2%       | 0.9%                                |
| Thereafter               | 86                    | 1,146                                   | 3.5%        | 0.3%                                |
| Total                    | 2,888                 | \$ 32,927                               | 100.0%      | 7.2%                                |

## Lease Expirations - Austin

| Year of Lease Expiration | Leased Square Footage | Annualized Rental Income <sup>(2)</sup> | % of Austin | % of Total Annualized Rental Income |
|--------------------------|-----------------------|---|-------------|-------------------------------------|
| 2022                     | 391                   | \$ 8,131                                | 21.7%       | 1.8%                                |
| 2023                     | 305                   | 6,138                                   | 16.3%       | 1.3%                                |
| 2024                     | 374                   | 8,277                                   | 22.1%       | 1.8%                                |
| 2025                     | 420                   | 9,153                                   | 24.4%       | 2.0%                                |
| 2026                     | 115                   | 2,771                                   | 7.4%        | 0.6%                                |
| Thereafter               | 235                   | 3,037                                   | 8.1%        | 0.6%                                |
| Total                    | 1,840                 | \$ 37,507                               | 100.0%      | 8.1%                                |

(1) Excludes assets held for sale as of December 31, 2021.

(2) Annualized rental income represents annualized outgoing rents inclusive of related estimated expense recoveries. Actual rental income amounts may vary depending upon re-leasing of expiring spaces.



| Lease Expirations - Northern Virginia |                       |   |             |                                     |
|---------------------------------------|-----------------------|---|-------------|-------------------------------------|
| Year of Lease Expiration              | Leased Square Footage | Annualized Rental Income <sup>(1)</sup> | % of No. VA | % of Total Annualized Rental Income |
| 2022                                  | 1,106                 | \$ 21,476                               | 24.4%       | 4.7%                                |
| 2023                                  | 837                   | 15,823                                  | 18.0%       | 3.5%                                |
| 2024                                  | 738                   | 14,176                                  | 16.1%       | 3.1%                                |
| 2025                                  | 804                   | 17,491                                  | 19.9%       | 3.8%                                |
| 2026                                  | 333                   | 6,965                                   | 7.9%        | 1.5%                                |
| Thereafter                            | 563                   | 12,025                                  | 13.7%       | 2.6%                                |
| Total                                 | 4,381                 | \$ 87,956                               | 100.0%      | 19.2%                               |

| Lease Expirations - South Florida |                       |   |             |                                     |
|-----------------------------------|-----------------------|---|-------------|-------------------------------------|
| Year of Lease Expiration          | Leased Square Footage | Annualized Rental Income <sup>(1)</sup> | % of So. FL | % of Total Annualized Rental Income |
| 2022                              | 1,036                 | \$ 12,626                               | 24.1%       | 2.8%                                |
| 2023                              | 1,124                 | 15,199                                  | 29.0%       | 3.3%                                |
| 2024                              | 950                   | 13,749                                  | 26.2%       | 3.0%                                |
| 2025                              | 394                   | 5,213                                   | 9.9%        | 1.1%                                |
| 2026                              | 242                   | 3,871                                   | 7.4%        | 0.8%                                |
| Thereafter                        | 90                    | 1,771                                   | 3.4%        | 0.4%                                |
| Total                             | 3,836                 | \$ 52,429                               | 100.0%      | 11.4%                               |

| Lease Expirations - Suburban Maryland |                       |   |              |                                     |
|---------------------------------------|-----------------------|---|--------------|-------------------------------------|
| Year of Lease Expiration              | Leased Square Footage | Annualized Rental Income <sup>(1)</sup> | % of Sub. MD | % of Total Annualized Rental Income |
| 2022                                  | 213                   | \$ 3,949                                | 18.2%        | 0.9%                                |
| 2023                                  | 294                   | 6,403                                   | 29.5%        | 1.4%                                |
| 2024                                  | 158                   | 3,563                                   | 16.4%        | 0.8%                                |
| 2025                                  | 135                   | 2,615                                   | 12.0%        | 0.6%                                |
| 2026                                  | 90                    | 2,293                                   | 10.6%        | 0.5%                                |
| Thereafter                            | 128                   | 2,883                                   | 13.3%        | 0.6%                                |
| Total                                 | 1,018                 | \$ 21,706                               | 100.0%       | 4.8%                                |

| Lease Expirations - Seattle |                       |   |              |                                     |
|-----------------------------|-----------------------|---|--------------|-------------------------------------|
| Year of Lease Expiration    | Leased Square Footage | Annualized Rental Income <sup>(1)</sup> | % of Seattle | % of Total Annualized Rental Income |
| 2022                        | 259                   | \$ 5,348                                | 24.0%        | 1.1%                                |
| 2023                        | 453                   | 7,204                                   | 32.3%        | 1.6%                                |
| 2024                        | 248                   | 3,981                                   | 17.8%        | 0.9%                                |
| 2025                        | 160                   | 2,913                                   | 13.1%        | 0.6%                                |
| 2026                        | 115                   | 1,678                                   | 7.5%         | 0.4%                                |
| Thereafter                  | 78                    | 1,172                                   | 5.3%         | 0.3%                                |
| Total                       | 1,313                 | \$ 22,296                               | 100.0%       | 4.9%                                |

(1) Annualized rental income represents annualized outgoing rents inclusive of related estimated expense recoveries. Actual rental income amounts may vary depending upon re-leasing of expiring spaces.





Industry Concentration as of December 31, 2021 <sup>(1)(2)</sup>

|                                  | Percentage of<br>Total Rental Income |
|----------------------------------|--------------------------------------|
| Business services                | 23.0%                                |
| Logistics                        | 14.7%                                |
| Technology                       | 10.1%                                |
| Retail, food, and automotive     | 8.6%                                 |
| Construction and engineering     | 8.1%                                 |
| Health services                  | 6.7%                                 |
| Government                       | 5.2%                                 |
| Electronics                      | 2.9%                                 |
| Home furnishings                 | 2.4%                                 |
| Insurance and financial services | 2.0%                                 |
| Aerospace/defense                | 1.8%                                 |
| Communications                   | 1.6%                                 |
| Education                        | 0.9%                                 |
| Other                            | 12.0%                                |
| <b>Total</b>                     | <b>100.0%</b>                        |

Top 10 Customers by Total Annual Rental Income as of December 31, 2021 <sup>(2)</sup>

| Customer                                 | Square<br>Footage | Annualized<br>Rental Income<br><sup>(3)</sup> | Percentage of Total<br>Annualized Rental Income |
|--|-------------------|---|---|
| US Government                            | 465,000           | \$ 11,989                                     | 2.8%  |
| Amazon Inc.                              | 543,000           | 7,071   | 1.6%  |
| KZ Kitchen Cabinet & Stone               | 370,000           | 5,604   | 1.3%  |
| Luminex Corporation                      | 199,000           | 4,419   | 1.0%  |
| ECS Federal, LLC                         | 143,000           | 3,430   | 0.8%  |
| Lockheed Martin Corporation              | 124,000           | 2,724   | 0.6%  |
| Applied Materials, Inc.                  | 173,000           | 2,689   | 0.6%  |
| CentralColo, LLC                         | 96,000            | 2,495   | 0.6%  |
| Great Way Trading & Transportation, Inc. | 177,000           | 2,126   | 0.5%  |
| Costco-Innovel Solutions LLC             | 180,000           | 2,013   | 0.5%  |
| <b>Total</b>                             | <b>2,470,000</b>  | <b>\$ 44,560</b>                              | <b>10.3%</b>                                    |

(1) Industry concentration is categorized based on customers' Standard Industrial Classification Code.

(2) Excludes assets held for sale as of December 31, 2021.

(3) For leases expiring within one year, annualized rental income includes only the income to be received under the existing lease from January 1, 2022 through the respective date of expiration.

Provided within this supplemental information package are measures not defined in accordance with U.S. generally accepted accounting principles (“GAAP”). We believe our presentation of these non-GAAP measures assists investors and analysts in analyzing and comparing our operating and financial performance between reporting periods. These non-GAAP measures discussed below are not substitutes of other measures of financial performance presented in accordance with GAAP. In addition, other real estate investment trusts (“REITs”) may compute these measures differently, so comparisons among REITs may not be helpful.

**Adjusted Cost of Operations** – Adjusted cost of operations represents cost of operations, excluding non-cash stock compensation expense for employees whose compensation expense is recorded in cost of operations, which can vary significantly period to period based upon the performance of the Company. The GAAP measure most directly comparable to adjusted cost of operations is cost of operations.

**Assets sold or held for sale** – Assets sold or held for sale represents

**Assets Sold in 2021:**

- 70,000 square foot industrial-flex building located in Irving, Texas – Sold in December 2021
- 53,000 square foot industrial building located in Beltsville, Maryland – Sold in December 2021
- 371,000 square foot industrial-flex business park located in San Diego, California – Sold in October 2021
- 22,000 square foot industrial-flex building located in Irving, Texas – Sold in September 2021
- 244,000 square foot office business park located in Herndon, Virginia – Sold in July 2021
- 198,000 square foot office-oriented flex business park located in Chantilly, Virginia – Sold in June 2021

**Assets Sold in 2020:**

- 113,000 square foot office building located at Metro Park North in Rockville, Maryland – sold in January 2020
- Two industrial buildings totaling 40,000 square feet located in Redmond, Washington – sold in September 2020 (Subject to eminent domain)

**Assets held for sale as of 12/31/2021:**

- 702,000 square foot industrial-flex business park located in Irving, Texas.

**Cash NOI** – We utilize cash NOI to evaluate the cash flow performance of our business parks. Cash NOI represents NOI adjusted to exclude non-cash items included in rental income and in cost of operations. The non-cash rental income includes amortization of deferred rent receivable (net of write-offs), in-place lease intangible, tenant improvement reimbursements, and lease incentives. The non-cash expense is equal to stock compensation expense for employees whose compensation expense is recorded in cost of operations. We believe that cash NOI assists investors in analyzing cash flow performance of our business parks. The GAAP measure most directly comparable to cash NOI is net income.

**Cash Rental Income** – Cash rental income represents rental income, excluding non-cash rental income, specifically amortization of deferred rent receivable (net of write-offs), in-place lease intangible, tenant improvement reimbursements, and lease incentives.

**Cash Rental Income per Occupied Square Feet and Cash Rental Income per Available Square Foot** – Computed by dividing Cash Rental Income for the period by weighted average occupied and available square feet for the same period. Cash rental income per occupied and available square foot for the three month period shown is annualized.

**Cash Rental Rate Change** – Cash rental rate change percentages are computed by taking the percentage difference between outgoing rents (including estimated expense recoveries) and incoming rents (including estimated expense recoveries) for leases executed during the period. Leases executed on spaces vacant for more than the preceding twelve months have been excluded.



**Core Funds from Operations (Core FFO)** – We calculate Core FFO by adjusting FFO, as defined below, excluding the impact of (i) charges related to the redemption of preferred stock and (ii) other nonrecurring income or expense items as appropriate. Management believes that Core FFO is a useful supplemental measure as it provides a more meaningful and consistent comparison of operating performance and allows investors to more easily compare the Company's operating results. Because certain of these adjustments have a real economic impact on our financial condition and results from operations, the utility of Core FFO as a measure of our performance is limited. Other REITs may not calculate Core FFO in a consistent manner. Accordingly, our Core FFO may not be comparable to other REITs' Core FFO. Core FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

**Cost of Operations** – Reflects Same Park adjusted cost of Operations. See page 13 Net Operating Income (NOI), Cash NOI and EBITDAre.

|                          | For the Three Months Ended December 31, |                  |          | For the Years Ended December 31, |                   |          |
|--------------------------|---|------------------|----------|----------------------------------|-------------------|----------|
|                          | 2021                                    | 2020             | % Change | 2021                             | 2020              | % Change |
| Cost of operations       |   |                  |          |                                  |                   |          |
| Property taxes           | \$ 9,936                                | \$ 9,827         | 1.1%     | \$ 41,958                        | \$ 41,184         | 1.9%     |
| Utilities                | 4,746                                   | 4,235            | 12.1%    | 18,066                           | 17,170            | 5.2%     |
| Repairs and maintenance  | 6,452                                   | 6,680            | (3.4%)   | 23,064                           | 22,697            | 1.6%     |
| Compensation             | 4,137                                   | 3,835            | 7.9%     | 16,082                           | 15,522            | 3.6%     |
| Snow removal             | 9                                       | 162              | (94.4%)  | 1,021                            | 233               | 338.2%   |
| Property insurance       | 1,227                                   | 1,036            | 18.4%    | 4,778                            | 3,943             | 21.2%    |
| Other expenses           | 1,678                                   | 1,340            | 25.2%    | 6,364                            | 6,111             | 4.1%     |
| Total cost of operations | <u>\$ 28,185</u>                        | <u>\$ 27,115</u> | 3.9%     | <u>\$ 111,333</u>                | <u>\$ 106,860</u> | 4.2%     |

**Earnings before Interest, Taxes, Depreciation and Amortization for Real Estate ("EBITDAre")** – EBITDAre is defined by the National Association of Real Estate Investment Trusts ("NAREIT") and is often utilized to evaluate the performance of real estate companies. EBITDAre is calculated as GAAP net income before interest, depreciation and amortization and adjusted to exclude gains or losses from sales of depreciable real estate assets and impairment charges on real estate assets. We believe our presentation of EBITDAre assists investors and analysts in evaluating the operating performance of our business activities, including the impact of general and administrative expenses, and without the impact from gains or losses from sales of depreciable real estate assets. The GAAP measure most directly comparable EBITDAre is net income.

**Free Cash Available after Fixed Charges** – Free cash available after fixed charges represents FAD less dividends and distributions.

**Funds Available for Distribution (FAD)** – FAD is a non-GAAP measure that represents Core FFO adjusted to (a) deduct recurring capital improvements that maintains the condition of our real estate, tenant improvements and lease commissions and (b) remove certain non-cash rental income or expenses such as amortization of deferred rent receivable and non-cash stock compensation expense. We believe our presentation of FAD assists investors and analysts in analyzing and comparing our operating and financial performance between reporting periods. FAD is not a substitute for GAAP net cash flow in evaluating our liquidity or ability to pay dividends, because they exclude investing and financing activities presented on our statements of cash flows. The GAAP measure most directly comparable to FAD is operating cash flow from our statements of cash flows.

**Funds from Operations (FFO)** – We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, gains (or losses) from sales of assets incidental to our business, impairment losses of depreciable operating property or assets incidental to our business, real estate related depreciation and amortization (excluding amortization of deferred financing costs and amortization of above/below-market lease intangibles) and after adjustments for unconsolidated joint ventures. Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization, gains and losses from property dispositions, other than temporary impairments of unconsolidated real estate entities, and impairment on our investment in real estate, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of performance used by other REITs, FFO may be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate or interpret FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable.



to such other REITs' FFO. FFO should not be used as a measure of our liquidity and is not indicative of funds available for our cash needs, including our ability to pay dividends. FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance. A reconciliation of net income, the nearest GAAP equivalent, to FFO is under the additional financial data section.

**Net Effective Rent Growth** – Average net effective rent growth represents the weighted average percentage change in net effective rents for leases executed during a period compared against the prior leases for the same units. Net effective rent represents average rental payments for the term of a lease on a straight-line basis, against the ending lease rates on prior leases for the same units, excluding operating expense reimbursements.

**Net Operating Income (NOI)** – We utilize NOI, a non-GAAP financial measure, to evaluate the operating performance of our business parks. We define NOI as rental income less adjusted cost of operations (described below). We believe NOI assists investors in analyzing the performance and value of our business parks by excluding (i) corporate overhead (i.e. general and administrative expenses) because it does not relate to the results of our business parks, (ii) depreciation and amortization expense because it does not accurately reflect changes in the fair value of our business parks and (iii) non-cash stock compensation expense because this expense item can vary significantly from period to period and thus impact comparability across periods. The GAAP measure most directly comparable to NOI is net income.

**Non-Recurring Property Renovations** – Non-recurring property renovations represents renovations that substantially enhance the value of a property, including capitalized costs associated with repositioning acquired assets.

**Non-Same Park** – Non-Same Park includes assets acquired on or subsequent to January 1, 2019.

**Recurring Capital Expenditures** – Recurring capital expenditures are capitalized costs necessary to continue to operate the property at its current economic value. Capital improvements in excess of \$2,000 with a useful life greater than 24 months are capitalized. Lease transaction costs (i.e. tenant improvements and leasing commissions) of \$1,000 or more for leases with terms greater than 12 months are capitalized. All leasing costs, including first generation tenant improvements and leasing commissions, are included in recurring capital expenditures.

**Retained Cash** – Retained cash represents free cash available after fixed charges less non-recurring property renovations and funds used for development and redevelopment.

**Same Park** – The Company believes that evaluation of the Same Park portfolio, defined as all properties owned and operated as of December 31, 2021 that were acquired prior to January 1, 2019, provides an informative view of how the Company's portfolio has performed over comparable periods. As of December 31, 2021, the Same Park portfolio consisted of 25.1 million rentable square feet, or 92.8% of the Company's 27.0 million total rentable square feet, excluding the Company's 95.0% interest in a 395-unit multifamily property and 702,000 square feet of assets held for sale.

**Transaction Costs as a Percentage of Rents** – Transaction costs as a percentage of rents are computed by taking the total transaction costs divided by the total rents (including estimated expense recoveries) over the term of the lease.