



PSBUSINESSPARKSSM

**Analysis of Operating Results
and Financial Condition**

September 30, 2014

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014**

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

NET OPERATING INCOME

	For The Three Months Ended			For The Nine Months Ended		
	09/30/14	09/30/13	% Change	09/30/14	09/30/13	% Change
Rental income:						
Same Park ⁽¹⁾⁽²⁾	\$ 84,994	\$ 83,524	1.8%	\$ 254,823	\$ 248,333	2.6%
Non-Same Park ⁽³⁾	6,044	1,807	234.5%	17,074	4,288	298.2%
Total rental income	91,038	85,331	6.7%	271,897	252,621	7.6%
Cost of operations:						
Same Park ⁽¹⁾⁽²⁾⁽⁴⁾	28,016	27,115	3.3%	83,786	80,213	4.5%
Non-Same Park ⁽³⁾⁽⁴⁾	2,688	795	238.1%	7,369	1,908	286.2%
Total cost of operations	30,704	27,910	10.0%	91,155	82,121	11.0%
Net operating income:						
Same Park ⁽¹⁾⁽²⁾⁽⁴⁾	56,978	56,409	1.0%	171,037	168,120	1.7%
Non-Same Park ⁽³⁾⁽⁴⁾	3,356	1,012	231.6%	9,705	2,380	307.8%
Total net operating income	\$ 60,334	\$ 57,421	5.1%	\$ 180,742	\$ 170,500	6.0%

FUNDS FROM OPERATIONS

	For The Three Months Ended			For The Nine Months Ended		
	09/30/14	09/30/13	% Change	09/30/14	09/30/13	% Change
FFO allocable to common and dilutive shares - as reported	\$ 41,167	\$ 38,322	7.4%	\$ 123,110	\$ 114,405	7.6%
Acquisition transaction costs	124	153	(19.0%)	124	153	(19.0%)
LTEIP amortization ⁽⁴⁾	1,896	1,024	85.2%	5,128	2,987	71.7%
FFO allocable to common and dilutive shares - as adjusted	\$ 43,187	\$ 39,499	9.3%	\$ 128,362	\$ 117,545	9.2%
FFO per common and dilutive share - reported	\$ 1.20	\$ 1.20	-	\$ 3.58	\$ 3.59	(0.3%)
FFO per common and dilutive share - as adjusted	\$ 1.26	\$ 1.24	1.6%	\$ 3.74	\$ 3.69	1.4%
Weighted average common shares outstanding - diluted	27,003	24,472	10.3%	26,988	24,452	10.4%
Weighted average common OP units outstanding	7,305	7,305	-	7,305	7,305	-
Weighted average restricted stock units outstanding	55	92	(40.2%)	54	95	(43.2%)
Total common and dilutive shares	34,363	31,869	7.8%	34,347	31,852	7.8%

PROPERTY INFORMATION

	For The Three Months Ended			For The Nine Months Ended		
	09/30/14	09/30/13	% Change	09/30/14	09/30/13	% Change
<u>Total Portfolio</u> ⁽²⁾						
Total rentable square footage at period end	28,841	27,385	5.3%	28,841	27,385	5.3%
Weighted average occupancy	91.2%	90.2%	1.1%	91.1%	89.7%	1.6%
Period end occupancy	91.3%	90.3%	1.1%	91.3%	90.3%	1.1%
Annualized realized rent per sq. ft. ⁽⁵⁾	\$ 13.90	\$ 13.87	0.2%	\$ 13.92	\$ 13.86	0.4%
REVPAF ⁽⁶⁾	\$ 12.63	\$ 12.46	1.4%	\$ 12.57	\$ 12.30	2.2%
<u>Same Park Portfolio</u> ⁽¹⁾⁽²⁾						
Total rentable square footage at period end	25,811	25,811	-	25,811	25,811	-
Weighted average occupancy	92.8%	91.4%	1.5%	92.6%	91.1%	1.6%
Period end occupancy	93.1%	91.6%	1.6%	93.1%	91.6%	1.6%
Annualized realized rent per sq. ft. ⁽⁵⁾	\$ 14.19	\$ 14.16	0.2%	\$ 14.22	\$ 14.08	1.0%
REVPAF ⁽⁶⁾	\$ 13.17	\$ 12.94	1.8%	\$ 13.16	\$ 12.83	2.6%
<u>Non-Same Park Portfolio</u> ⁽³⁾						
Total rentable square footage at period end	3,030	1,574	92.5%	3,030	1,574	92.5%
Weighted average occupancy	77.5%	69.0%	12.3%	76.9%	62.8%	22.5%
Period end occupancy	76.8%	69.3%	10.8%	76.8%	69.3%	10.8%

MARKET VALUE INFORMATION

	09/30/14		12/31/13	
		% of Total		% of Total
Market value of common stock and common OP units	\$ 2,605,855	67.7%	\$ 2,610,138	67.7%
Total debt	250,000	6.5%	250,000	6.5%
Total preferred equity	995,000	25.8%	995,000	25.8%
Total market capitalization	\$ 3,850,855	100.0%	\$ 3,855,138	100.0%
Stock price at the end of the period	\$ 76.14		\$ 76.42	

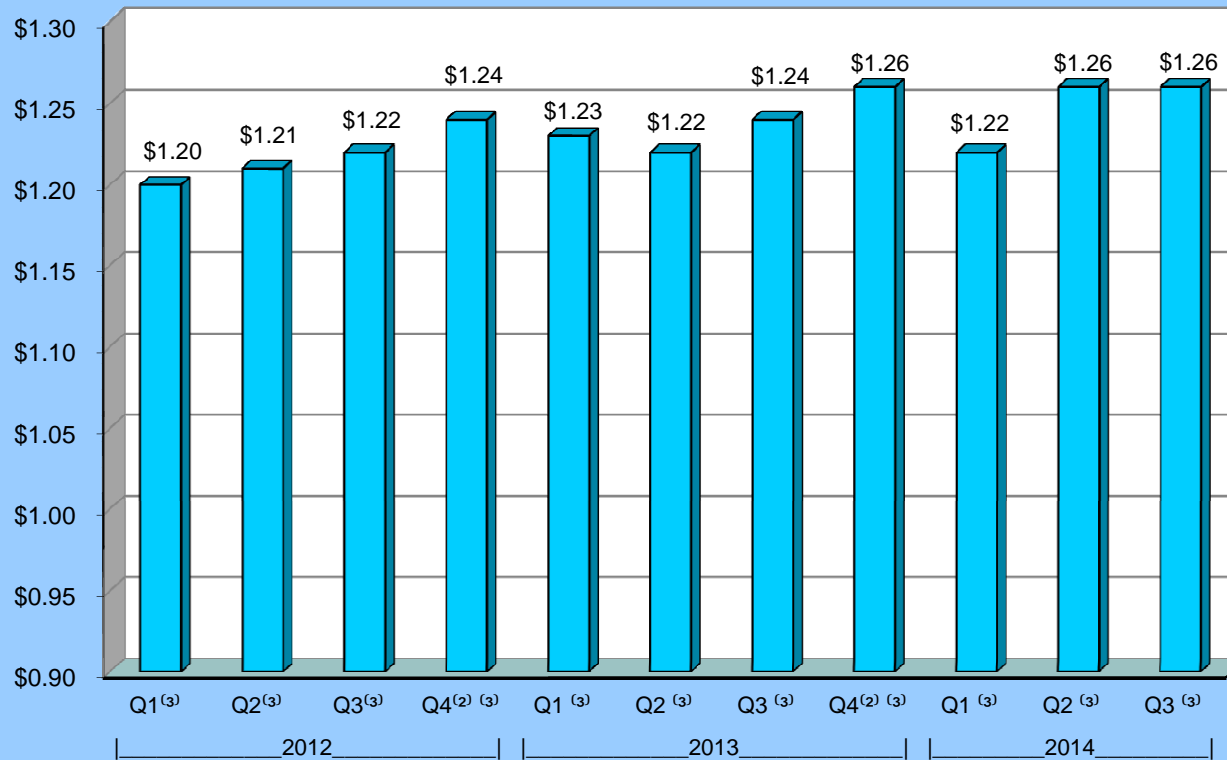
NOTES

- (1) All assets in continuing operations acquired prior to January 1, 2012.
- (2) Excludes assets sold on October 1, 2014.
- (3) All assets acquired subsequent to January 1, 2012.
- (4) In order to provide comparable data points, the Long-Term Equity Incentive Plan ("LTEIP") amortization has been isolated.
- (5) Represents the annualized revenues earned per occupied square foot.
- (6) Represents the annualized revenues earned per total weighted average square foot.

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

	For The Three Months Ended				For The Nine Months Ended			
	09/30/14	09/30/13	Change	% Change	09/30/14	09/30/13	Change	% Change
<u>Funds from operations (FFO):</u>								
Net income allocable to common shareholders	\$ 11,268	\$ 9,001	\$ 2,267	25.2%	\$ 31,034	\$ 26,252	\$ 4,782	18.2%
Adjustments:								
Depreciation and amortization	26,811	26,597	214	0.8%	83,547	80,187	3,360	4.2%
Net income allocable to noncontrolling interests - common units	3,058	2,696	362	13.4%	8,430	7,875	555	7.0%
Net income allocable to restricted stock unit holders	30	28	2	7.1%	99	91	8	8.8%
FFO allocable to common and dilutive shares	<u>\$ 41,167</u>	<u>\$ 38,322</u>	<u>\$ 2,845</u>	<u>7.4%</u>	<u>\$ 123,110</u>	<u>\$ 114,405</u>	<u>\$ 8,705</u>	<u>7.6%</u>
Weighted average common shares outstanding	26,914	24,386	2,528	10.4%	26,892	24,351	2,541	10.4%
Weighted average common OP units outstanding	7,305	7,305	-	-	7,305	7,305	-	-
Weighted average restricted stock units outstanding	55	92	(37)	(40.2%)	54	95	(41)	(43.2%)
Weighted average common share equivalents outstanding	89	86	3	3.5%	96	101	(5)	(5.0%)
Total common and dilutive shares	<u>34,363</u>	<u>31,869</u>	<u>2,494</u>	<u>7.8%</u>	<u>34,347</u>	<u>31,852</u>	<u>2,495</u>	<u>7.8%</u>
FFO per common and dilutive share	<u>\$ 1.20</u>	<u>\$ 1.20</u>	<u>\$ -</u>	<u>0.0%</u>	<u>\$ 3.58</u>	<u>\$ 3.59</u>	<u>\$ (0.01)</u>	<u>(0.3%)</u>
<u>Funds available for distribution (FAD):</u>								
Funds from operations	\$ 41,167	\$ 38,322	\$ 2,845	7.4%	\$ 123,110	\$ 114,405	\$ 8,705	7.6%
Adjustments:								
Recurring capital improvements	(3,713)	(4,590)	877	(19.1%)	(7,494)	(8,194)	700	(8.5%)
Tenant improvements	(8,196)	(8,804)	608	(6.9%)	(19,733)	(21,757)	2,024	(9.3%)
Lease commissions	(3,136)	(1,646)	(1,490)	90.5%	(8,280)	(6,106)	(2,174)	35.6%
Straight-line rent	(560)	(355)	(205)	57.7%	(2,244)	(1,219)	(1,025)	84.1%
Stock compensation expense (excluding LTEIP)	322	363	(41)	(11.3%)	988	1,028	(40)	(3.9%)
LTEIP amortization	1,896	1,024	872	85.2%	5,128	2,987	2,141	71.7%
In-place lease adjustment	(231)	27	(258)	(955.6%)	(672)	148	(820)	(554.1%)
Tenant improvement reimbursements, net of lease incentives	(356)	(370)	14	(3.8%)	(1,195)	(995)	(200)	20.1%
Capitalized interest expense	(240)	-	(240)	(100.0%)	(697)	-	(697)	(100.0%)
FAD	<u>\$ 26,953</u>	<u>\$ 23,971</u>	<u>\$ 2,982</u>	<u>12.4%</u>	<u>\$ 88,911</u>	<u>\$ 80,297</u>	<u>\$ 8,614</u>	<u>10.7%</u>
FAD per common and dilutive share	<u>\$ 0.78</u>	<u>\$ 0.75</u>	<u>\$ 0.03</u>	<u>4.0%</u>	<u>\$ 2.59</u>	<u>\$ 2.52</u>	<u>\$ 0.07</u>	<u>2.8%</u>
<u>Cash available for debt repayment and investments:</u>								
FAD	\$ 26,953	\$ 23,971	2,982	12.4%	\$ 88,911	\$ 80,297	\$ 8,614	10.7%
Distributions to common shareholders	(13,458)	(10,735)	(2,723)	25.4%	(40,351)	(32,158)	(8,193)	25.5%
Distributions to common OP unit holders	(3,653)	(3,214)	(439)	13.7%	(10,958)	(9,642)	(1,316)	13.6%
Distributions to restricted stock unit holders	(30)	(28)	(2)	7.1%	(99)	(91)	(8)	8.8%
Debt Service	-	-	-	-	-	(47)	47	(100.0%)
Joint venture development	(316)	(159)	(157)	98.7%	(1,078)	(212)	(866)	408.5%
Non-recurring property renovations	(1,372)	(3,036)	1,664	(54.8%)	(3,159)	(6,741)	3,582	(53.1%)
Cash available for debt repayment and investments	<u>\$ 8,124</u>	<u>\$ 6,799</u>	<u>\$ 1,325</u>	<u>19.5%</u>	<u>\$ 33,266</u>	<u>\$ 31,406</u>	<u>\$ 1,860</u>	<u>5.9%</u>
FAD distributions payout ratio	<u>63.6%</u>	<u>58.3%</u>			<u>57.8%</u>	<u>52.2%</u>		

Adjusted FFO Per Common and Dilutive Share⁽¹⁾



⁽¹⁾ Where applicable, amounts exclude net gain on repurchase of preferred equity, non-cash distributions related to the redemption/repurchase of preferred equity and acquisition transaction costs.

⁽²⁾ Amounts exclude lease buyout payments of \$1.8 million in Q4'12 and \$2.3 million in Q4'13.

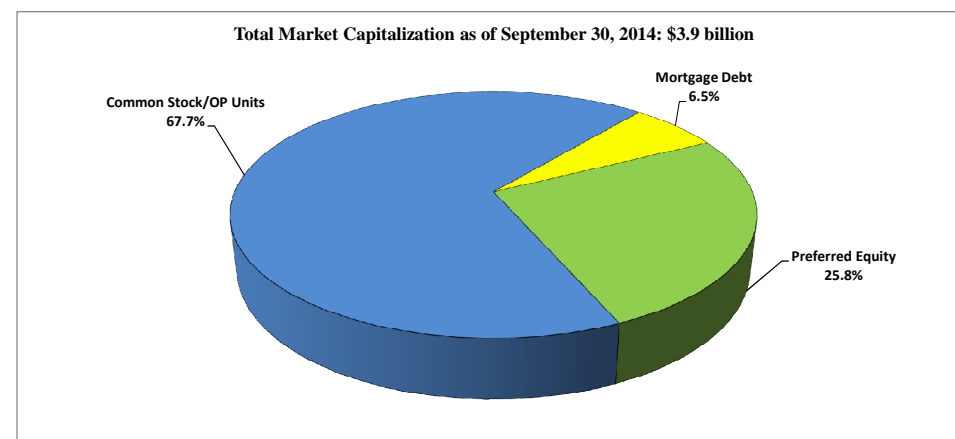
⁽³⁾ Adjusted FFO per share excludes LTEIP amortization.

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

	As of September 30, 2014			As of December 31, 2013		
	Total	% of Total Market Capitalization	WTD Average Rate	Total	% of Total Market Capitalization	WTD Average Rate
Mortgage Debt:						
5.452% mortgage note, due December 2016	\$ 250,000			\$ 250,000		
Total mortgage debt	250,000	6.5%	5.45%	250,000	6.5%	5.45%
Unsecured Debt:						
\$250.0 million unsecured credit facility (LIBOR + 0.925%)	-			-		
Total unsecured debt	-	-	-	-	-	-
Total debt	250,000	6.5%	5.45%	250,000	6.5%	5.45%
Preferred Equity:						
6.875% Series R preferred stock (3,000,000 depository shares outstanding as of 9/30/14) callable 10/15/15	75,000			75,000		
6.450% Series S preferred stock (9,200,000 depository shares outstanding as of 9/30/14) callable 1/18/17	230,000			230,000		
6.000% Series T preferred stock (14,000,000 depository shares outstanding as of 9/30/14) callable 5/14/17	350,000			350,000		
5.750% Series U preferred stock (9,200,000 depository shares outstanding as of 9/30/14) callable 9/14/17	230,000			230,000		
5.700% Series V preferred stock (4,400,000 depository shares outstanding as of 9/30/14) callable 3/14/18	110,000			110,000		
Total preferred equity	995,000	25.8%	6.08%	995,000	25.8%	6.08%
Total debt and preferred equity	1,245,000	32.3%	5.95%	1,245,000	32.3%	5.95%
Common stock (26,919,161 and 26,849,822 shares outstanding as of September 30, 2014 and December 31, 2013, respectively)	2,049,625			2,051,863		
Common operating partnership units (7,305,355 units outstanding as of September 30, 2014 and December 31, 2013)	556,230			558,275		
Total common equity (1)	2,605,855	67.7%		2,610,138	67.7%	
Total market capitalization	\$ 3,850,855	100.0%		\$ 3,855,138	100.0%	

Principal maturity dates are represented by the following chart:

	Principal Maturity Dates					
	2014	2015	2016	2017	2018	Total
5.452% Mortgage Note	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000



(1) Closing stock price was \$76.14 and \$76.42 as of September 30, 2014 and December 31, 2013, respectively.

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

	09/30/14	12/31/13	Change		% Change
<u>ASSETS</u>					
Cash and cash equivalents	\$ 57,535	\$ 31,481	\$ 26,054	(a)	82.8%
Real estate facilities, at cost:					
Land	789,217	781,541	7,676		1.0%
Buildings and equipment	2,194,493	2,152,178	42,315		2.0%
	2,983,710	2,933,719	49,991		1.7%
Accumulated depreciation	(990,782)	(918,202)	(72,580)		7.9%
	1,992,928	2,015,517	(22,589)	(b)	(1.1%)
Properties held for disposition, net	123,011	124,883	(1,872)		(1.5%)
Land and building held for development	24,028	22,253	1,775		8.0%
	2,139,967	2,162,653	(22,686)		(1.0%)
Rent receivable	3,581	5,248	(1,667)	(c)	(31.8%)
Deferred rent receivable	28,036	25,903	2,133		8.2%
Other assets	12,891	13,274	(383)	(d)	(2.9%)
Total assets	\$ 2,242,010	\$ 2,238,559	\$ 3,451		0.2%
<u>LIABILITIES AND EQUITY</u>					
Accrued and other liabilities	\$ 80,454	\$ 73,919	\$ 6,535	(e)	8.8%
Mortgage note payable	250,000	250,000	-		-
Total liabilities	330,454	323,919	6,535		2.0%
Equity:					
PS Business Parks, Inc.'s shareholders' equity:					
Preferred stock	995,000	995,000	-		-
Common stock	268	267	1		0.4%
Paid-in capital	706,503	699,314	7,189	(f)	1.0%
Cumulative net income	1,147,474	1,070,975	76,499		7.1%
Cumulative distributions	(1,133,332)	(1,047,615)	(85,717)	(g)	8.2%
Total PS Business Parks, Inc.'s shareholders' equity	1,715,913	1,717,941	(2,028)		(0.1%)
Noncontrolling interests:					
Common units	195,643	196,699	(1,056)		(0.5%)
Total noncontrolling interests:	195,643	196,699	(1,056)		(0.5%)
Total equity	1,911,556	1,914,640	(3,084)		(0.2%)
Total liabilities and equity	\$ 2,242,010	\$ 2,238,559	\$ 3,451		0.2%

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

(a) Change in cash and cash equivalents:			
Beginning cash balance			\$ 31,481
Net cash provided by operating activities			178,958
Net cash used in investing activities			(59,283)
Net cash used in financing activities			(93,621)
Ending cash balance			<u>\$ 57,535</u>
(b) Change in real estate facilities, at cost:			
Beginning balance			\$ 2,015,517
Property acquisitions			19,082
Nonrecurring capital improvements			3,159
Recurring capital improvements			7,494
Tenant improvements, gross			21,071
Lease commissions			8,280
Transfer to land and building held for development			1,872
Depreciation and amortization			(83,547)
Ending balance			<u>\$ 1,992,928</u>
(c) Rent receivable consists of:			
	<u>09/30/14</u>	<u>12/31/13</u>	<u>Change</u>
Non-government tenants	\$ 1,642	\$ 2,294	\$ (652)
U.S. Government tenants	2,339	3,354	(1,015)
Allowance for doubtful accounts	(400)	(400)	-
	<u>\$ 3,581</u>	<u>\$ 5,248</u>	<u>\$ (1,667)</u>
(d) Other assets consist of:			
	<u>09/30/14</u>	<u>12/31/13</u>	<u>Change</u>
In-place lease adjustment, net	\$ 2,742	\$ 3,708	\$ (966)
Prepaid property taxes	2,903	2,990	(87)
Prepaid insurance	2,780	1,915	865
Lease incentives, net	708	716	(8)
Other	3,758	3,945	(187)
	<u>\$ 12,891</u>	<u>\$ 13,274</u>	<u>\$ (383)</u>
(e) Accrued and other liabilities consist of:			
	<u>09/30/14</u>	<u>12/31/13</u>	<u>Change</u>
Security deposits	\$ 28,307	\$ 26,884	\$ 1,423
Accrued property taxes	16,355	6,943	9,412
Prepaid rent	16,186	17,233	(1,047)
In-place lease adjustment and tenant improvement reimbursements, net	8,386	9,676	(1,290)
Other	11,220	13,183	(1,963)
	<u>\$ 80,454</u>	<u>\$ 73,919</u>	<u>\$ 6,535</u>
(f) Change in paid-in capital:			
Beginning paid-in capital			\$ 699,314
Issuance cost of preferred stock			-
Exercise of stock options			3,053
Stock compensation, net			5,608
Adjustment to reflect noncontrolling interests to underlying ownership			(1,472)
Ending paid in capital			<u>\$ 706,503</u>
(g) Change in cumulative distributions:			
Beginning cumulative distributions			\$ (1,047,615)
Distributions to preferred shareholders			(45,366)
Distributions to common shareholders			(40,351)
Ending cumulative distributions			<u>\$ (1,133,332)</u>

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

	For The Three Months Ended		Change	% Change
	09/30/14	09/30/13		
Revenues:				
Rental income	\$ 95,627	\$ 89,772	\$ 5,855	(a) 6.5%
Facility management fees	164	162	2	1.2%
Total operating revenues	<u>95,791</u>	<u>89,934</u>	<u>5,857</u>	6.5%
Expenses:				
Cost of operations	33,102	29,901	3,201	(b) 10.7%
Depreciation and amortization	26,811	26,597	214	0.8%
General and administrative	3,078	2,635	443	(c) 16.8%
Total operating expenses	<u>62,991</u>	<u>59,133</u>	<u>3,858</u>	6.5%
Other income and expense:				
Interest and other income	90	63	27	42.9%
Interest and other expense	(3,412)	(4,017)	605	(d) (15.1%)
Total other income and expense	<u>(3,322)</u>	<u>(3,954)</u>	<u>632</u>	(16.0%)
Income from continuing operations	<u>29,478</u>	<u>26,847</u>	<u>2,631</u>	9.8%
Net income	<u>\$ 29,478</u>	<u>\$ 26,847</u>	<u>\$ 2,631</u>	9.8%
Net income allocation:				
Net income allocable to noncontrolling interests:				
Noncontrolling interests - common units	\$ 3,058	\$ 2,696	\$ 362	13.4%
Total net income allocable to noncontrolling interests	<u>3,058</u>	<u>2,696</u>	<u>362</u>	13.4%
Net income allocable to PS Business Parks, Inc.:				
Preferred shareholders	15,122	15,122	-	0.0%
Restricted stock unit holders	30	28	2	7.1%
Common shareholders	11,268	9,001	2,267	25.2%
Total net income allocable to PS Business Parks, Inc.	<u>26,420</u>	<u>24,151</u>	<u>2,269</u>	9.4%
	<u>\$ 29,478</u>	<u>\$ 26,847</u>	<u>\$ 2,631</u>	9.8%
Net income per common share				
Basic	\$ 0.42	\$ 0.37	\$ 0.05	13.5%
Diluted	\$ 0.42	\$ 0.37	\$ 0.05	13.5%
Weighted average common shares outstanding:				
Basic	<u>26,914</u>	<u>24,386</u>	<u>2,528</u>	10.4%
Diluted	<u>27,003</u>	<u>24,472</u>	<u>2,531</u>	10.3%

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENT OF INCOME
VARIANCE DETAIL
(in thousands)

	For The Three Months Ended		Change
	09/30/14	09/30/13	
(a) Rental income:			
Same Park	\$ 84,849	\$ 83,392	\$ 1,457
Non-Same Park	5,843	1,641	4,202
Same Park straight-line rent	145	132	13
Non-Same Park straight-line rent	201	166	35
Sold Assets	4,589	4,441	148
	<u>\$ 95,627</u>	<u>\$ 89,772</u>	<u>\$ 5,855</u>
(b) Cost of Operations:			
Same Park	\$ 28,016	\$ 27,115	\$ 901
Non-Same Park	2,688	795	1,893
Sold Assets	1,752	1,648	104
LTEIP amortization	646	343	303
	<u>\$ 33,102</u>	<u>\$ 29,901</u>	<u>\$ 3,201</u>
(c) General and administrative expenses:			
Cash and non-cash compensation expense	\$ 1,142	\$ 1,284	\$ (142)
LTEIP amortization	1,250	681	569
Professional fees	202	199	3
Acquisition transaction costs	124	153	(29)
Other	360	318	42
	<u>\$ 3,078</u>	<u>\$ 2,635</u>	<u>\$ 443</u>
(d) Interest and other expense:			
Mortgage notes payable	\$ (3,483)	\$ (3,483)	\$ -
Term loan	-	(320)	320
Capitalized interest	240	-	240
Facilities fees & other charges	(169)	(214)	45
	<u>\$ (3,412)</u>	<u>\$ (4,017)</u>	<u>\$ 605</u>

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

	For The Nine Months Ended		Change	% Change
	9/30/2014	9/30/2013		
Revenues:				
Rental income	\$ 284,934	\$ 265,822	\$ 19,112	(a) 7.2%
Facility management fees	495	477	18	3.8%
Total operating revenues	<u>285,429</u>	<u>266,299</u>	<u>19,130</u>	7.2%
Expenses:				
Cost of operations	98,081	88,005	10,076	(b) 11.4%
Depreciation and amortization	83,547	80,187	3,360	4.2%
General and administrative	8,928	7,404	1,524	(c) 20.6%
Total operating expenses	<u>190,556</u>	<u>175,596</u>	<u>14,960</u>	8.5%
Other income and expense:				
Interest and other income	247	175	72	41.1%
Interest and other expense	(10,191)	(12,566)	2,375	(d) (18.9%)
Total other income and expense	<u>(9,944)</u>	<u>(12,391)</u>	<u>2,447</u>	(19.7%)
Income from continuing operations	<u>84,929</u>	<u>78,312</u>	<u>6,617</u>	8.4%
Net income	<u>\$ 84,929</u>	<u>\$ 78,312</u>	<u>\$ 6,617</u>	8.4%
Net income allocation:				
Net income allocable to noncontrolling interests:				
Noncontrolling interests - common units	<u>\$ 8,430</u>	<u>\$ 7,875</u>	<u>\$ 555</u>	7.0%
Total net income allocable to noncontrolling interests	8,430	7,875	555	7.0%
Net income allocable to PS Business Parks, Inc.:				
Preferred shareholders	45,366	44,094	1,272	2.9%
Restricted stock unit holders	99	91	8	8.8%
Common shareholders	<u>31,034</u>	<u>26,252</u>	<u>4,782</u>	18.2%
Total net income allocable to PS Business Parks, Inc.	<u>76,499</u>	<u>70,437</u>	<u>6,062</u>	8.6%
	<u>\$ 84,929</u>	<u>\$ 78,312</u>	<u>\$ 6,617</u>	8.4%
Net income per common share				
Basic	\$ 1.15	\$ 1.08	\$ 0.07	6.5%
Diluted	\$ 1.15	\$ 1.07	\$ 0.08	7.5%
Weighted average common shares outstanding:				
Basic	<u>26,892</u>	<u>24,351</u>	<u>2,541</u>	10.4%
Diluted	<u>26,988</u>	<u>24,452</u>	<u>2,536</u>	10.4%

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENT OF INCOME
VARIANCE DETAIL
(in thousands)

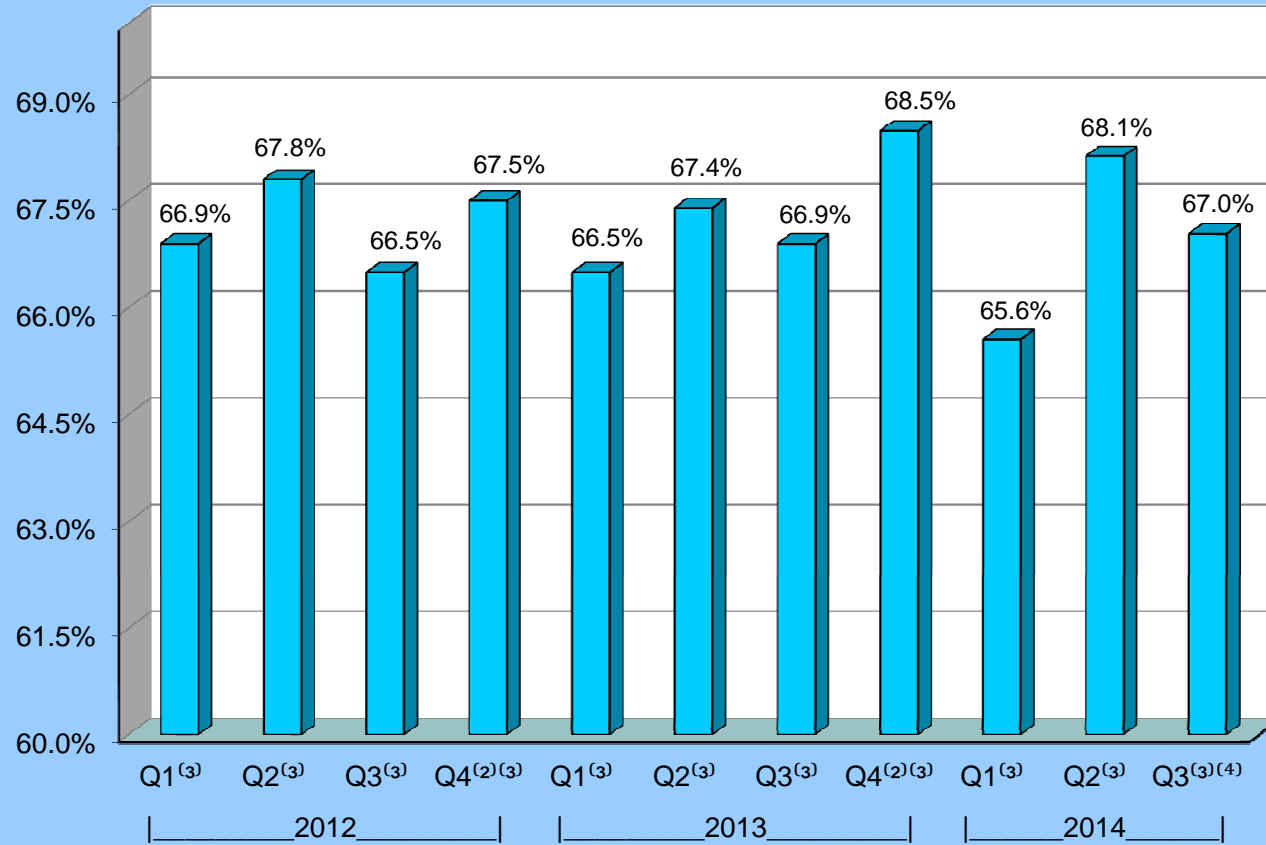
	For The Nine Months Ended		Change
	09/30/14	09/30/13	
(a) Rental income:			
Same Park	\$ 253,839	\$ 247,658	\$ 6,181
Non-Same Park	16,481	3,843	12,638
Same Park straight-line rent	984	675	309
Non-Same Park straight-line rent	593	445	148
Sold Assets	13,037	13,201	(164)
	<u>\$ 284,934</u>	<u>\$ 265,822</u>	<u>\$ 19,112</u>
(b) Cost of operations:			
Same Park	\$ 83,786	\$ 80,213	\$ 3,573
Non-Same Park	7,369	1,908	5,461
Sold Assets	5,095	4,941	154
LTEIP amortization	1,831	943	888
	<u>\$ 98,081</u>	<u>\$ 88,005</u>	<u>\$ 10,076</u>
(c) General and administrative expenses:			
Cash and non-cash compensation expense	\$ 3,746	\$ 3,665	\$ 81
LTEIP amortization	3,297	2,044	1,253
Professional fees	662	579	83
Acquisition transaction costs	124	153	(29)
Other	1,099	963	136
	<u>\$ 8,928</u>	<u>\$ 7,404</u>	<u>\$ 1,524</u>
(d) Interest and other expense:			
Mortgage notes payable	\$ (10,335)	\$ (10,437)	\$ 102
Term loan	-	(1,265)	1,265
Capitalized interest	697	-	697
Facilities fees & other charges	(553)	(864)	311
	<u>\$ (10,191)</u>	<u>\$ (12,566)</u>	<u>\$ 2,375</u>

PS BUSINESS PARKS, INC.
Analysis of Capital Expenditures
(in thousands, except per square foot data)

<u>Recurring capital expenditures</u> ⁽¹⁾	<u>For The Year Ended September 30, 2014</u>	<u>Cost per Weighted Average Square Foot</u>
Capital improvements	\$7,494	\$0.25
Tenant improvements	19,733	\$0.66
Lease commissions	8,280	\$0.28
Total recurring capital expenditures	<u>\$35,507</u>	\$1.19
 <u>Non-recurring property renovations</u>		
Non-recurring property renovations	\$3,159	

- (1) The Company defines "recurring capital expenditures" as those 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 in excess of \$1,000 for leases with terms greater than 12 months are capitalized. It excludes renovations that substantially enhance the value of a property and first generation leasing costs on development properties. Lease-up costs on acquired properties are included in recurring capital expenditures. Repairs and maintenance expense was \$20.8 million or approximately \$0.73 per weighted average square foot for the nine months ended September 30, 2014 compared to \$17.7 million or approximately \$0.65 per weighted average square foot for the nine months ended September 30, 2013.

Same Park Gross Operating Margin Percentage ⁽¹⁾



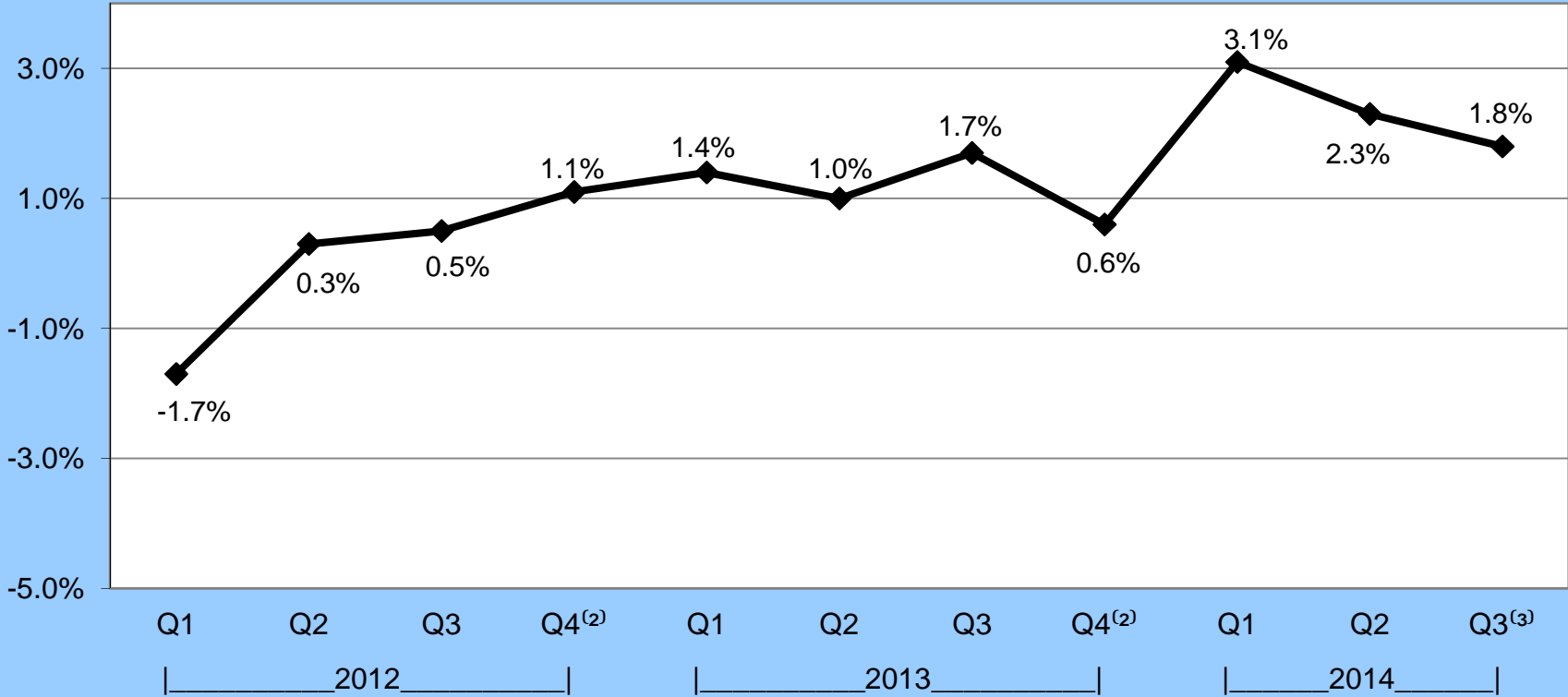
⁽¹⁾ Gross margin is computed by dividing property net operating income by rental income for Same Park properties in each period.

⁽²⁾ Amounts exclude lease buyout payments of \$1.8 million in Q4'12 and \$2.3 million in Q4'13.

⁽³⁾ Amounts exclude LTEIP amortization.

⁽⁴⁾ Amount excludes assets sold on October 1, 2014.

Change in Same Park Revenue⁽¹⁾

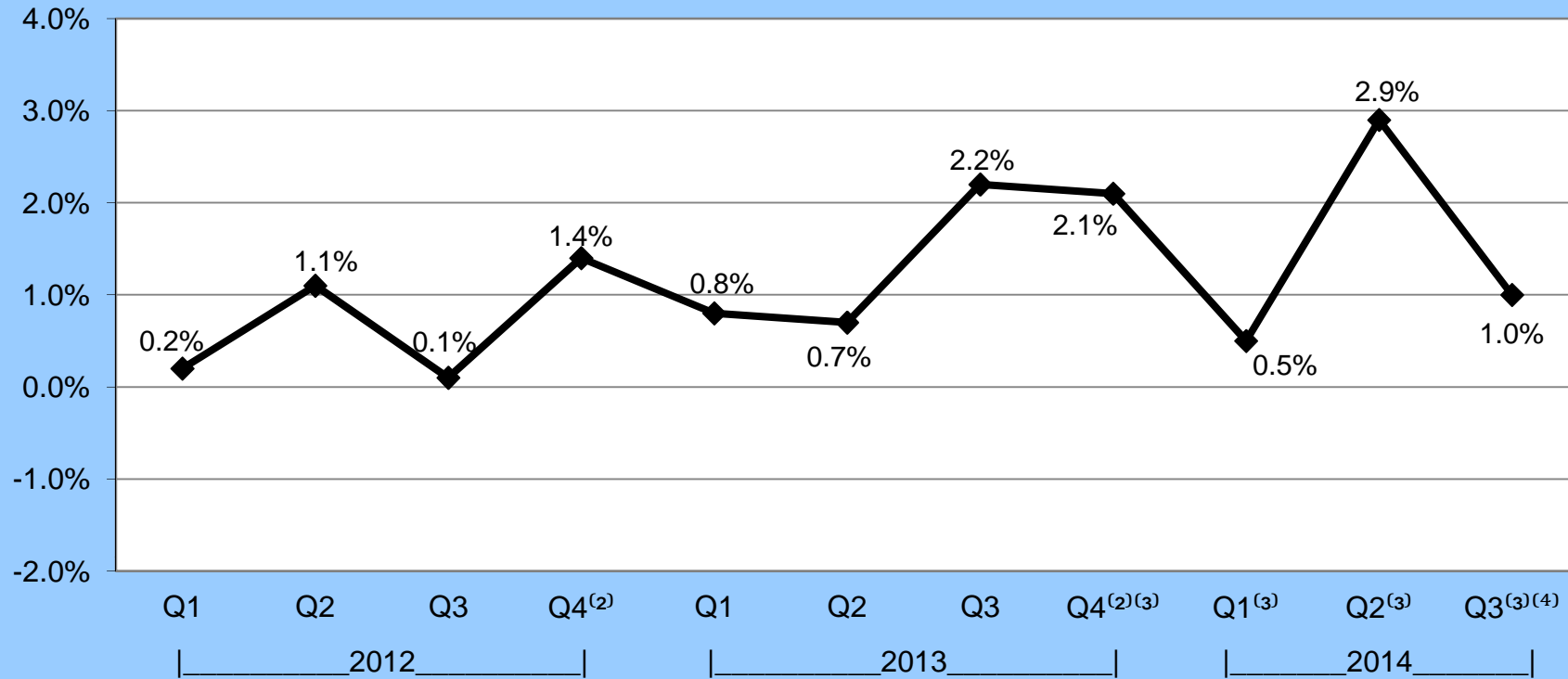


⁽¹⁾ Percentage represents the change over the comparabl period in the previous year based on Same Park operating assets as reported in each period.

⁽²⁾ Amounts exclude lease buyout payments of \$1.8 million in Q4'12 and \$2.3 million in Q4'13.

⁽³⁾ Amount excludes assets sold on October 1, 2014.

Change in Same Park NOI⁽¹⁾



⁽¹⁾ Percentage represents the change over the comparable period in the previous year based on Same Park operating assets as reported in each period.

⁽²⁾ Amounts exclude lease buyout payments of \$1.8 million in Q4'12 and \$2.3 million in Q4'13.

⁽³⁾ Amounts exclude LTEIP amortization.

⁽⁴⁾ Amount excludes assets sold on October 1, 2014.

PS BUSINESS PARKS, INC.
PORTFOLIO CONCENTRATION SUMMARY
(in thousands, excludes assets sold on October 1, 2014)

Industry Concentration as of September 30, 2014

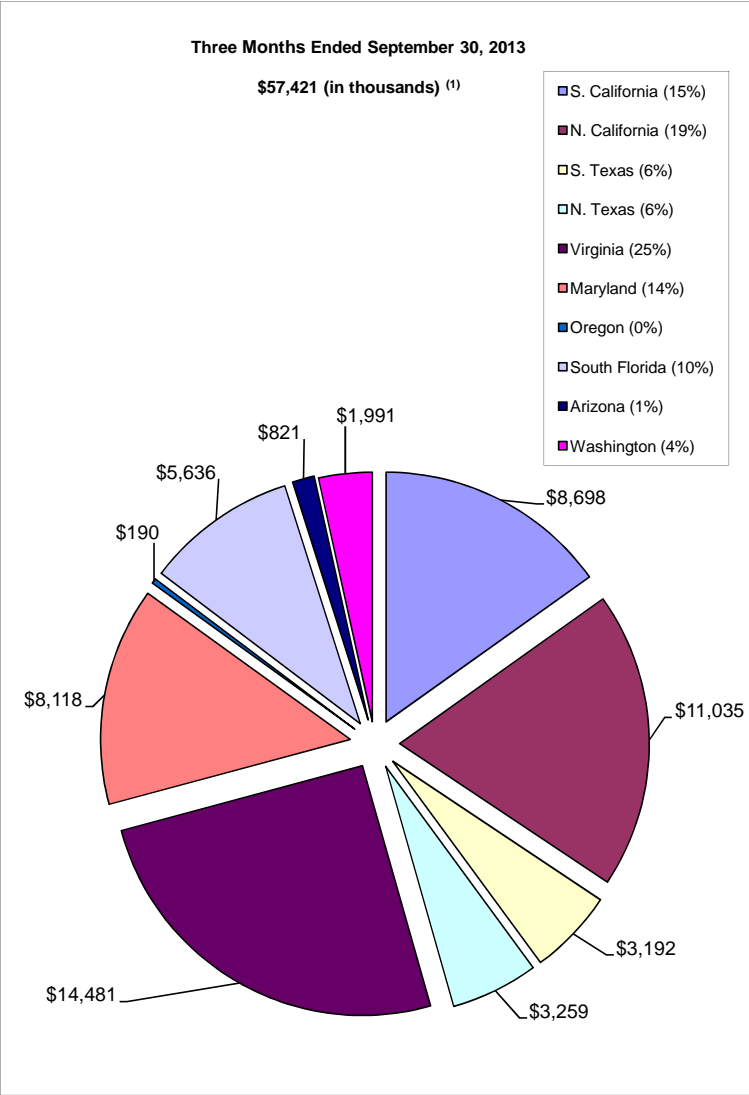
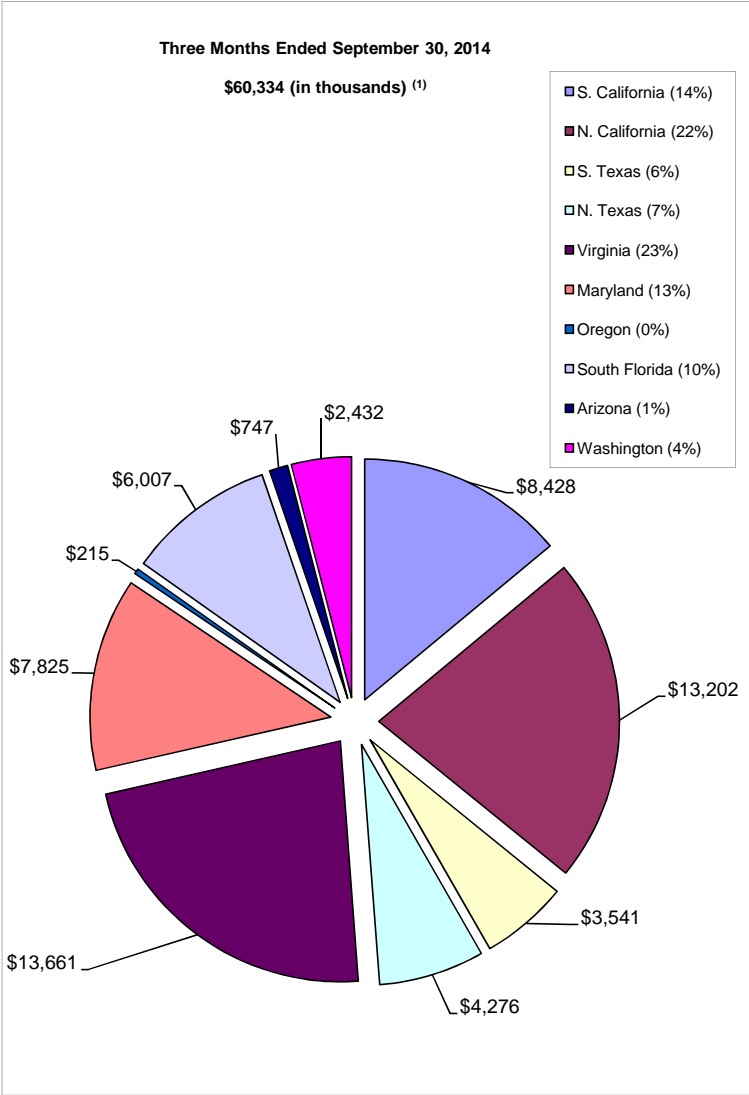
	% of Total Rental Income
Business services	17.6%
Government	10.3%
Health services	10.0%
Computer hardware, software and related services	9.8%
Warehouse, distribution, transportation and logistics	9.6%
Retail, food, and automotive	6.4%
Engineering and construction	6.3%
Insurance and financial services	4.8%
Communications	3.6%
Home furnishings	2.9%
Aerospace/defense products and services	2.8%
Electronics	2.8%
Educational services	1.7%
Other	11.4%
Total	<u>100.0%</u>

Top 10 Customers by Total Annual Rental Income as of September 30, 2014

Tenant	Square Footage	Annualized Rental Income ⁽¹⁾	% of Total Annualized Rental Income
US Government	854	\$ 22,472	6.2%
Lockheed Martin Corporation	171	4,458	1.2%
Kaiser Permanente	199	4,380	1.2%
Keeco LLC	460	3,266	0.9%
Luminex Corporation	185	2,979	0.8%
Wells Fargo	118	2,354	0.6%
Salient Federal Solutions, Inc.	58	1,911	0.5%
Raytheon	80	1,800	0.5%
Investorplace Media, LLC	46	1,711	0.5%
Inova Health Care Services	63	1,657	0.5%
Total	<u>2,234</u>	<u>\$ 46,988</u>	<u>12.9%</u>

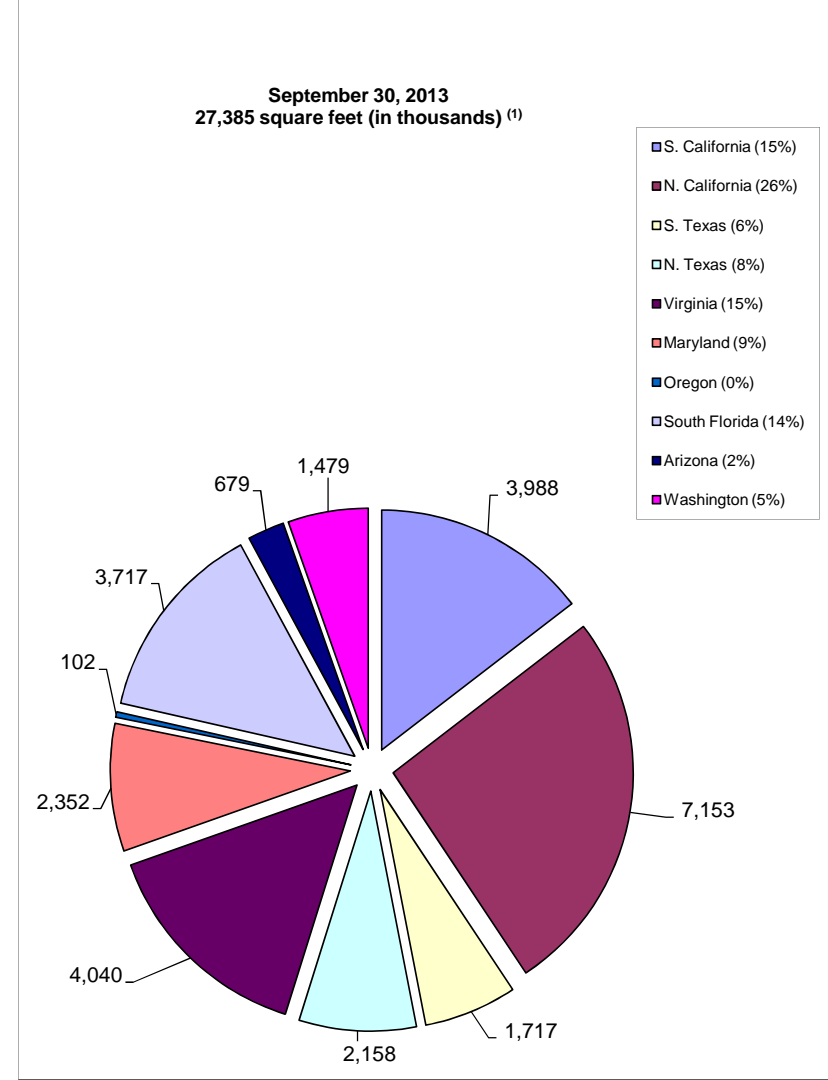
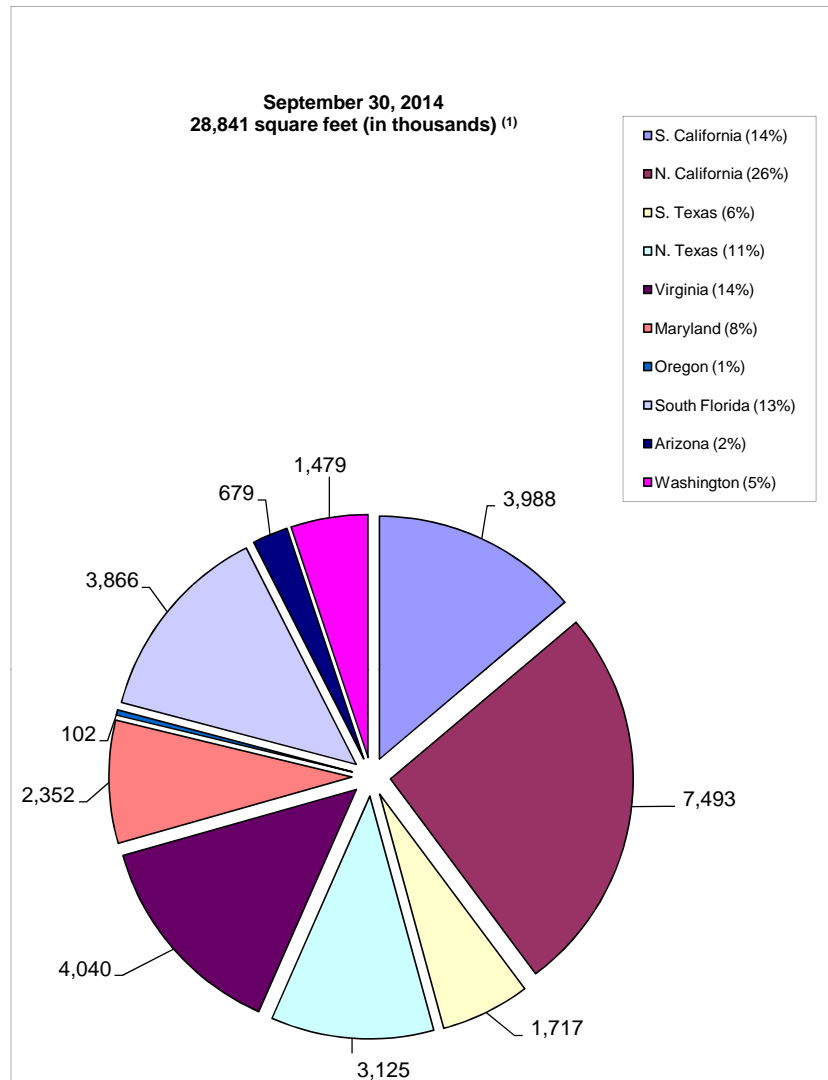
(1) - For leases expiring within one year, annualized rental income represents income to be received under existing leases from October 1, 2014 through the date of expiration.

Total Property Net Operating Income by Region



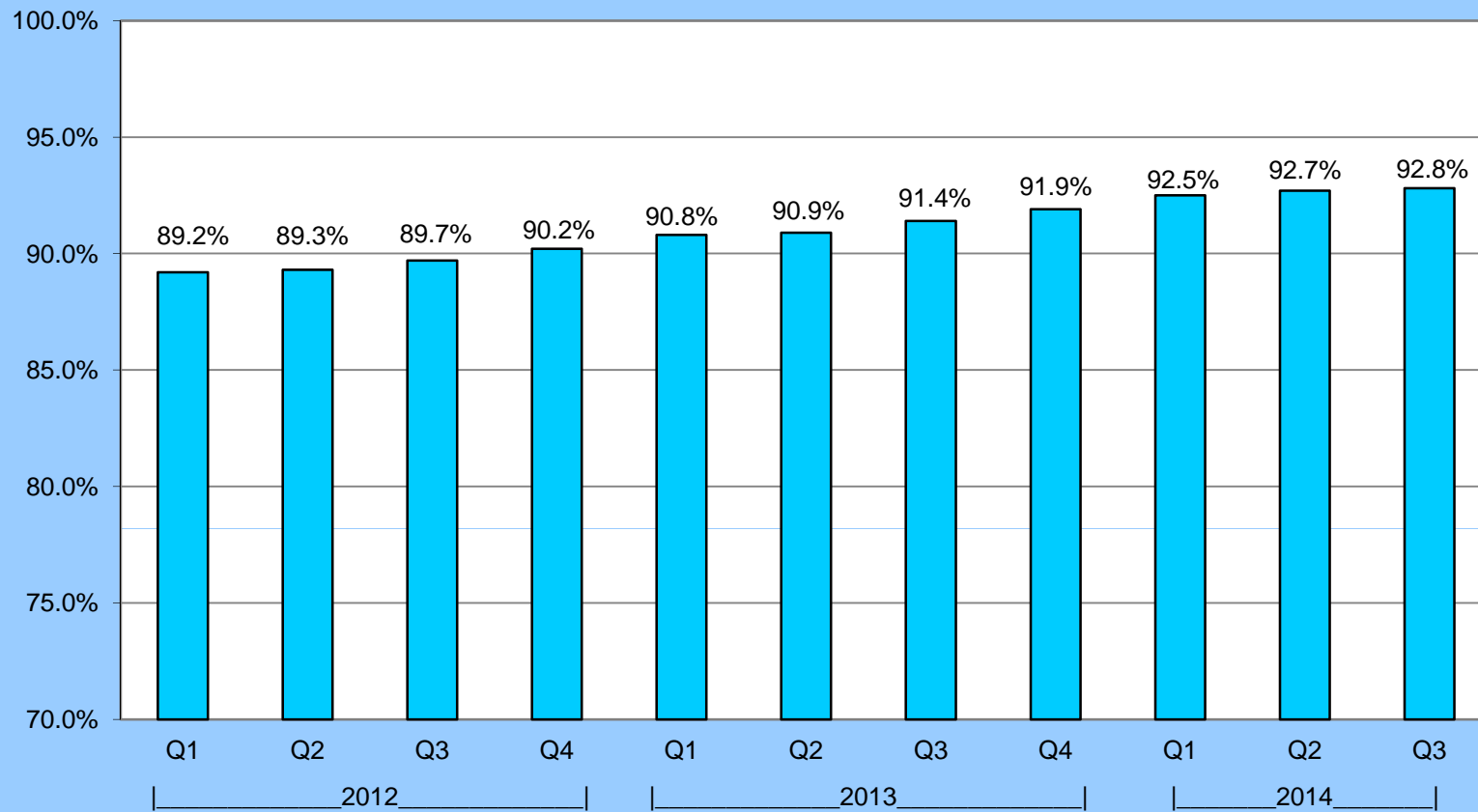
(1) - Excludes assets sold on October 1, 2014

Total Owned Rentable Square Footage by Region



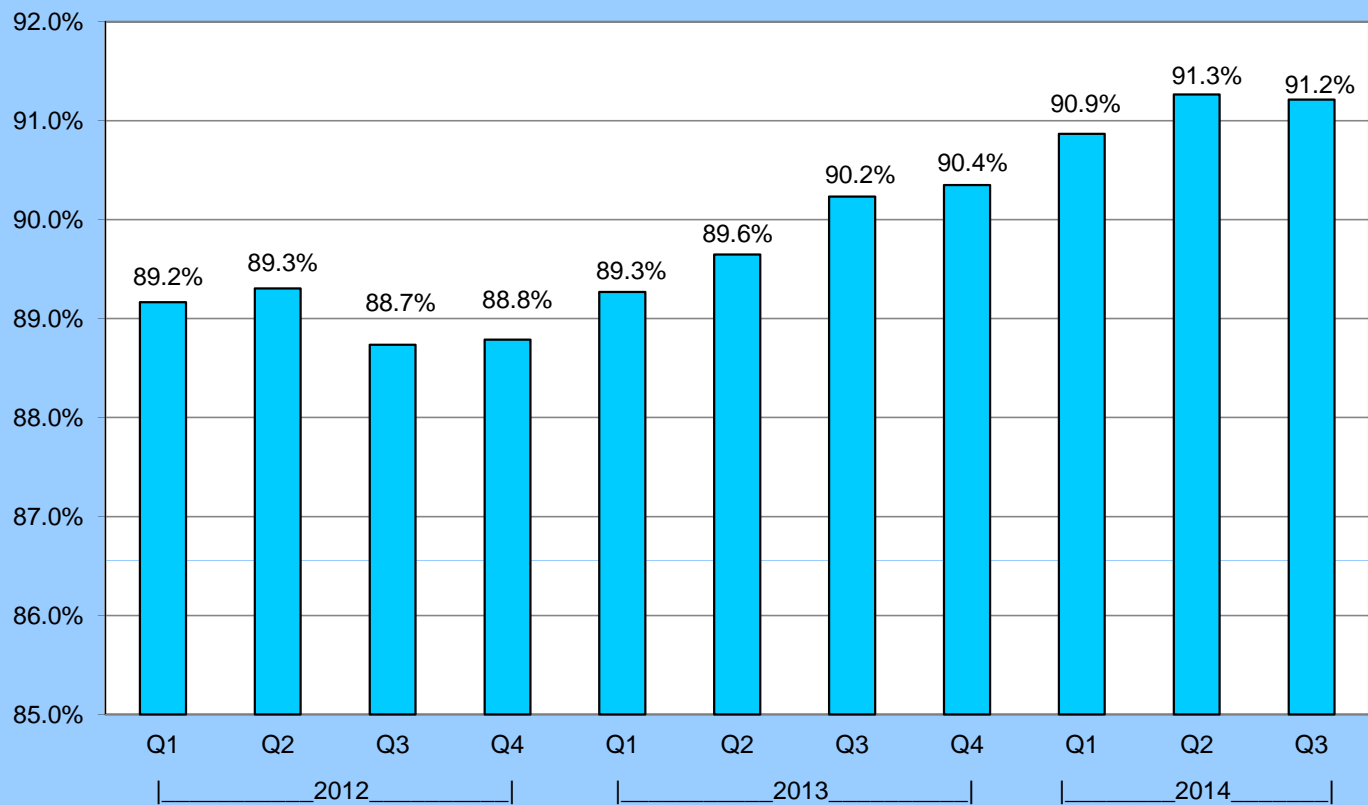
(1) - Excludes assets sold on October 1, 2014

Same Park Weighted Average Occupancy (1)



(1) Represents the weighted average occupancy for the current Same Park portfolio, excluding assets sold on October 1, 2014.

Total Owned Portfolio Weighted Average Occupancy ⁽¹⁾



⁽¹⁾ Represents the weighted average occupancy for total owned portfolio as reported in each period, excluding assets sold on October 1, 2014.

PS BUSINESS PARKS, INC.
TOTAL PORTFOLIO OVERVIEW
(in thousands, excludes assets sold on October 1, 2014)

Rentable Square Footage of Properties as of September 30, 2014 (Excludes Assets Sold on 10/1/14)					
Primary Markets	Industrial	Office	Flex	Total	% of Total
Northern California	3,906	340	3,247	7,493	26.0%
Northern Virginia	-	2,093	1,947	4,040	14.0%
South Florida	2,780	12	1,074	3,866	13.4%
Maryland	-	1,382	970	2,352	8.2%
Dallas	231	-	2,894	3,125	10.8%
Austin	-	-	1,717	1,717	5.9%
Orange County	-	705	911	1,616	5.6%
Los Angeles County	712	31	861	1,604	5.5%
Seattle	958	28	493	1,479	5.1%
Portland	-	-	102	102	0.4%
San Diego County	-	-	768	768	2.7%
Phoenix	-	-	679	679	2.4%
Total	8,587	4,591	15,663	28,841	100.0%
Percentage by Product Type	<u>29.8%</u>	<u>15.9%</u>	<u>54.3%</u>	<u>100.0%</u>	

Weighted Average Occupancy Rates by Product Type for the Three Months Ended September 30, 2014				
Primary Markets	Industrial	Office	Flex	Total
Northern California	98.4%	79.4%	92.0%	94.7%
Northern Virginia	-	91.6%	91.2%	91.4%
South Florida	95.2%	100.0%	94.1%	92.1%
Maryland	-	91.7%	81.5%	87.5%
Dallas	89.0%	-	82.8%	83.2%
Austin	-	-	95.0%	95.0%
Orange County	-	87.9%	91.2%	89.7%
Los Angeles County	87.4%	94.0%	96.3%	92.3%
Seattle	83.0%	100.0%	98.0%	88.3%
Portland	-	-	98.0%	98.0%
San Diego County	-	-	93.0%	93.0%
Phoenix	-	-	89.3%	89.3%
Total	93.2%	90.3%	90.4%	91.2%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended September 30, 2014			
Primary Markets	Large Tenant	Small Tenant	Total
Northern California	95.4%	92.2%	94.7%
Northern Virginia	91.2%	91.8%	91.4%
South Florida	92.2%	91.6%	92.1%
Maryland	87.4%	87.9%	87.5%
Dallas	85.9%	78.4%	83.2%
Austin	95.5%	91.9%	95.0%
Orange County	90.5%	89.0%	89.7%
Los Angeles County	87.4%	96.3%	92.3%
Seattle	83.0%	98.1%	88.3%
Portland	-	98.0%	98.0%
San Diego County	-	93.0%	93.0%
Phoenix	-	89.3%	89.3%
Total	91.5%	90.6%	91.2%

Note:

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

PS BUSINESS PARKS, INC.
SAME PARK PORTFOLIO OVERVIEW
(in thousands, excludes assets sold on October 1, 2014)

Rentable Square Footage of Properties as of September 30, 2014					
Primary Markets	Industrial	Office	Flex	Total	% of Total
Northern California	3,906	-	3,247	7,153	27.7%
Northern Virginia	-	2,093	1,947	4,040	15.7%
South Florida	2,631	12	1,074	3,717	14.4%
Maryland	-	1,382	970	2,352	9.1%
Dallas	231	-	1,537	1,768	6.8%
Orange County	-	705	911	1,616	6.3%
Los Angeles County	712	31	861	1,604	6.2%
Austin	-	-	1,491	1,491	5.8%
Portland	-	-	102	102	0.4%
San Diego County	-	-	768	768	3.0%
Phoenix	-	-	679	679	2.6%
Seattle	-	28	493	521	2.0%
Total	7,480	4,251	14,080	25,811	100.0%
Percentage by Product Type	29.0%	16.5%	54.5%	100.0%	

Weighted Average Occupancy Rates by Product Type for the Three Months Ended September 30, 2014				
Primary Markets	Industrial	Office	Flex	Total
Northern California	98.4%	-	92.0%	95.5%
Northern Virginia	-	91.6%	91.2%	91.4%
South Florida	95.2%	100.0%	94.1%	94.9%
Maryland	-	91.7%	81.5%	87.5%
Dallas	89.0%	-	88.7%	88.7%
Orange County	-	87.9%	91.2%	89.7%
Los Angeles County	87.4%	94.0%	96.3%	92.3%
Austin	-	-	94.2%	94.2%
Portland	-	-	98.0%	98.0%
San Diego County	-	-	93.0%	93.0%
Phoenix	-	-	89.3%	89.3%
Seattle	-	100.0%	98.0%	98.1%
Total	95.9%	91.1%	91.6%	92.8%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended September 30, 2014			
Primary Markets	Large Tenant	Small Tenant	Total
Northern California	95.4%	96.0%	95.5%
Northern Virginia	91.2%	91.8%	91.4%
South Florida	95.7%	91.6%	94.9%
Maryland	87.4%	87.9%	87.5%
Dallas	88.6%	89.3%	88.7%
Orange County	90.5%	89.0%	89.7%
Los Angeles County	87.4%	96.3%	92.3%
Austin	94.6%	91.9%	94.2%
Portland	-	98.0%	98.0%
San Diego County	-	93.0%	93.0%
Phoenix	-	89.3%	89.3%
Seattle	-	98.1%	98.1%
Total	92.8%	92.6%	92.8%

Note:

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

PS BUSINESS PARKS, INC.
TOTAL PORTFOLIO LEASE EXPIRATIONS AS OF SEPTEMBER 30, 2014
(in thousands, excludes assets sold on October 1, 2014)

Lease Expirations - Flex					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2014	1,097	\$ 12,920	6.7%	3.4%	
2015	4,316	57,015	29.4%	15.0%	
2016	3,021	41,878	21.6%	11.0%	
2017	2,013	28,207	14.5%	7.4%	
2018	994	14,498	7.5%	3.8%	
Thereafter	2,371	39,449	20.3%	10.4%	
Total	<u>13,812</u>	<u>\$ 193,967</u>	<u>100.0%</u>	<u>51.0%</u>	

Lease Expirations - Office					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2014	307	\$ 6,487	5.6%	1.7%	
2015	1,179	27,081	23.5%	7.1%	
2016	1,097	27,983	24.2%	7.4%	
2017	660	16,592	14.4%	4.4%	
2018	605	16,283	14.1%	4.3%	
Thereafter	715	20,997	18.2%	5.6%	
Total	<u>4,563</u>	<u>\$ 115,423</u>	<u>100.0%</u>	<u>30.5%</u>	

Lease Expirations - Industrial					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2014	346	\$ 2,432	3.5%	0.7%	
2015	1,569	13,076	18.6%	3.5%	
2016	1,629	12,299	17.5%	3.2%	
2017	1,494	12,231	17.4%	3.2%	
2018	640	5,799	8.2%	1.5%	
Thereafter	2,462	24,513	34.8%	6.4%	
Total	<u>8,140</u>	<u>\$ 70,350</u>	<u>100.0%</u>	<u>18.5%</u>	

Lease Expirations - Total Portfolio					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2014	1,750	\$ 21,839	5.8%	5.8%	
2015	7,064	97,172	25.6%	25.6%	
2016	5,747	82,160	21.6%	21.6%	
2017	4,167	57,030	15.0%	15.0%	
2018	2,239	36,580	9.6%	9.6%	
Thereafter	5,548	84,959	22.4%	22.4%	
Total	<u>26,515</u>	<u>\$ 379,740</u>	<u>100.0%</u>	<u>100.0%</u>	

PS BUSINESS PARKS, INC.
TOTAL PORTFOLIO LEASE EXPIRATIONS AS OF SEPTEMBER 30, 2014
(in thousands, excludes assets sold on October 1, 2014)

Southern California				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	417	\$ 6,397	11.0%	1.7%
2015	1,380	20,634	35.5%	5.4%
2016	787	12,019	20.7%	3.2%
2017	550	8,234	14.2%	2.1%
2018	253	4,826	8.3%	1.3%
Thereafter	316	6,020	10.3%	1.6%
Total	<u>3,703</u>	<u>\$ 58,130</u>	<u>100.0%</u>	<u>15.3%</u>

Northern California				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	275	\$ 3,750	4.7%	1.0%
2015	1,486	17,071	21.3%	4.5%
2016	1,590	15,993	20.0%	4.2%
2017	844	9,662	12.0%	2.6%
2018	603	6,968	8.7%	1.8%
Thereafter	2,343	26,648	33.3%	7.0%
Total	<u>7,141</u>	<u>\$ 80,092</u>	<u>100.0%</u>	<u>21.1%</u>

Southern Texas				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	95	\$ 1,189	5.5%	0.3%
2015	408	4,940	22.9%	1.3%
2016	241	3,204	14.8%	0.8%
2017	335	4,434	20.5%	1.2%
2018	211	2,602	12.0%	0.7%
Thereafter	359	5,245	24.3%	1.4%
Total	<u>1,649</u>	<u>\$ 21,614</u>	<u>100.0%</u>	<u>5.7%</u>

Northern Texas				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	193	\$ 1,481	5.2%	0.4%
2015	802	9,651	33.6%	2.6%
2016	471	4,484	15.6%	1.2%
2017	444	4,897	17.0%	1.3%
2018	157	1,333	4.6%	0.4%
Thereafter	570	6,894	24.0%	1.8%
Total	<u>2,637</u>	<u>\$ 28,740</u>	<u>100.0%</u>	<u>7.7%</u>

PS BUSINESS PARKS, INC.
TOTAL PORTFOLIO LEASE EXPIRATIONS AS OF SEPTEMBER 30, 2014
(in thousands, excludes assets sold on October 1, 2014)

South Florida				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	341	\$ 2,182	6.7%	0.6%
2015	1,031	9,607	29.3%	2.5%
2016	832	7,628	23.3%	2.0%
2017	781	7,314	22.3%	1.9%
2018	347	3,887	11.8%	1.0%
Thereafter	186	2,158	6.6%	0.6%
Total	<u>3,518</u>	<u>\$ 32,776</u>	<u>100.0%</u>	<u>8.6%</u>

Northern Virginia				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	235	\$ 4,390	5.2%	1.2%
2015	881	17,378	20.3%	4.6%
2016	970	22,170	25.9%	5.8%
2017	522	12,410	14.5%	3.3%
2018	251	7,533	8.8%	2.0%
Thereafter	853	21,664	25.3%	5.7%
Total	<u>3,712</u>	<u>\$ 85,545</u>	<u>100.0%</u>	<u>22.6%</u>

Maryland				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	57	\$ 843	1.7%	0.2%
2015	458	10,726	21.3%	2.8%
2016	531	12,513	24.8%	3.3%
2017	267	6,385	12.7%	1.7%
2018	306	7,991	15.8%	2.1%
Thereafter	447	11,960	23.7%	3.2%
Total	<u>2,066</u>	<u>\$ 50,418</u>	<u>100.0%</u>	<u>13.3%</u>

Oregon				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	19	\$ 207	16.6%	0.1%
2015	43	523	42.0%	0.1%
2016	16	199	16.0%	0.1%
2017	11	156	12.5%	0.0%
2018	-	-	0.0%	0.0%
Thereafter	11	161	12.9%	0.0%
Total	<u>100</u>	<u>\$ 1,246</u>	<u>100.0%</u>	<u>0.3%</u>

PS BUSINESS PARKS, INC.
TOTAL PORTFOLIO LEASE EXPIRATIONS AS OF SEPTEMBER 30, 2014
(in thousands, excludes assets sold on October 1, 2014)

Washington				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	52	\$ 879	5.7%	0.2%
2015	354	4,580	29.9%	1.2%
2016	152	2,319	15.2%	0.6%
2017	312	2,423	15.8%	0.6%
2018	99	1,300	8.5%	0.3%
Thereafter	424	3,821	24.9%	1.0%
Total	<u>1,393</u>	<u>\$ 15,322</u>	<u>100.0%</u>	<u>3.9%</u>

Arizona				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	66	\$ 521	8.9%	0.1%
2015	221	2,062	35.2%	0.6%
2016	157	1,631	27.9%	0.4%
2017	101	1,115	19.0%	0.3%
2018	12	140	2.4%	0.0%
Thereafter	39	388	6.6%	0.1%
Total	<u>596</u>	<u>\$ 5,857</u>	<u>100.0%</u>	<u>1.5%</u>

Total Portfolio				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	1,750	\$ 21,839	5.8%	5.8%
2015	7,064	97,172	25.6%	25.6%
2016	5,747	82,160	21.6%	21.6%
2017	4,167	57,030	15.0%	15.0%
2018	2,239	36,580	9.6%	9.6%
Thereafter	5,548	84,959	22.4%	22.4%
Total	<u>26,515</u>	<u>\$ 379,740</u>	<u>100.0%</u>	<u>100.0%</u>

PS BUSINESS PARKS, INC.
TOTAL PORTFOLIO LEASE EXPIRATIONS AS OF JUNE 30, 2014
(in thousands, excludes assets sold on October 1, 2014)

Lease Expirations - Large Tenant Portfolio

Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	714	\$ 7,873	3.3%	2.1%
2015	3,881	48,228	20.1%	12.7%
2016	3,698	48,747	20.4%	12.8%
2017	3,040	37,504	15.7%	9.9%
2018	1,732	27,287	11.4%	7.2%
Thereafter	4,847	69,560	29.1%	18.3%
Total	17,912	\$ 239,199	100.0%	63.0%

Lease Expirations - Small Tenant Portfolio

Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	1,036	\$ 13,966	9.9%	3.7%
2015	3,183	48,944	34.8%	12.9%
2016	2,049	33,413	23.8%	8.8%
2017	1,127	19,526	13.9%	5.1%
2018	507	9,293	6.6%	2.4%
Thereafter	701	15,399	11.0%	4.1%
Total	8,603	\$ 140,541	100.0%	37.0%

Lease Expirations - Total Portfolio

Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2014	1,750	\$ 21,839	5.8%	5.8%
2015	7,064	97,172	25.6%	25.6%
2016	5,747	82,160	21.6%	21.6%
2017	4,167	57,030	15.0%	15.0%
2018	2,239	36,580	9.6%	9.6%
Thereafter	5,548	84,959	22.4%	22.4%
Total	26,515	\$ 379,740	100.0%	100.0%

PS BUSINESS PARKS, INC.
QUARTER TO DATE PRODUCTION STATISTICS - TOTAL PORTFOLIO ⁽¹⁾
September 30, 2014

	Leasing Volume 3rd Quarter	Leasing Volume YTD	Tenant Retention 3rd Quarter	Tenant Retention YTD	Rental Rate Change ⁽²⁾ 3rd Quarter	Rental Rate Change ⁽²⁾ YTD
Maryland	126,000	383,000	78.8%	71.8%	-11.7%	-6.2%
Northern Virginia	363,000	967,000	68.9%	76.1%	-10.4%	-9.3%
San Diego County	86,000	240,000	64.7%	59.0%	0.8%	0.6%
Orange County	175,000	486,000	70.8%	64.7%	-3.4%	-2.7%
Los Angeles County	182,000	560,000	45.2%	60.1%	0.7%	3.9%
South Florida	266,000	867,000	63.1%	67.2%	4.3%	3.4%
Austin	200,000	447,000	89.7%	79.1%	3.8%	6.0%
Dallas	207,000	540,000	66.3%	61.8%	2.4%	3.7%
Phoenix	62,000	192,000	62.6%	51.9%	4.4%	5.0%
Portland	10,000	46,000	89.0%	86.6%	11.9%	10.0%
Seattle	148,000	362,000	60.1%	73.9%	7.4%	1.8%
Northern California	589,000	1,704,000	61.7%	63.8%	10.7%	6.8%
Company Totals	2,414,000	6,794,000	66.3%	66.9%	-0.3%	-0.2%

⁽¹⁾ Excludes assets sold on October 1, 2014.

⁽²⁾ Rental rate change is computed by taking the percentage difference between outgoing rents and incoming rents for leases executed during the period. Leases executed on spaces vacant for more than the preceding twelve months have been excluded.