

News Release

PS Business Parks, Inc.
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PS Business Parks, Inc. Acquires 1.1 Million Square Foot Multi-Tenant Industrial Portfolio in Northern Virginia

GLENDALE, California—PS Business Parks, Inc. (NYSE:PSB) announced that effective today it has acquired Northern Virginia Industrial Park and Fullerton Industrial Park both located in Springfield, Virginia, for a total purchase price of \$143.3 million. The portfolio consists of 19 buildings aggregating 1.1 million square feet situated on 65 acres of land. The portfolio is 76% occupied with an average customer size of 6,800 square feet.

The 19 buildings are located in the Springfield/Newington industrial submarket where the Company already owns three industrial parks totaling 606,000 square feet with an historical average occupancy of 95% since 2000. Combining the new parks with the Company's existing parks creates an industrial portfolio totaling 1.7 million square feet, a healthy 11% submarket concentration. The Company plans to reposition the new properties with various near-term capital upgrades and integrate the Company's proven marketing and operating strategies in order to improve occupancy.

"This acquisition enhances PSB's industrial presence in Northern Virginia," said Maria R. Hawthorne, President and CEO of the Company. "The location is superb as it is adjacent to Fort Belvoir and just south of the Pentagon in a densely populated area with excellent access to transportation. We have a strong team in place ready to execute on our strategy of building and leasing small-bay industrial suites. We are confident that these properties will achieve the same occupancy and rent growth we have accomplished in our other locations in this market."

The acquisition was funded with 1031 exchange proceeds generated from three previously announced dispositions and cash on hand.

Company Information

PS Business Parks, Inc., a member of the S&P SmallCap 600, is a real estate investment trust ("REIT") that acquires, develops, owns and operates commercial properties, primarily multi-tenant industrial, flex and office space. As of June 8, 2018, the Company wholly owned 28.3 million rentable square feet with approximately 4,900 commercial customers concentrated in six states and a 95.0% interest in a 395-unit apartment complex.

Additional information about PS Business Parks, Inc. is available on the Internet. The Company's website is psbusinessparks.com.

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