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## PS Business Parks, Inc. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from the line of Jordan Sadler - KeyBanc Capital.

#### Jordan Sadler - KeyBanc Capital

Regarding your forward-looking investment strategy, obviously, you did a bunch of repurchasing in the quarter and post-quarter end. But it sounds like now you may be switching gears to focus on possible opportunities in Orange County, in Northern Virginia. Is that sort of what I'm hearing; is that the right way to look at it? And can you maybe talk about what kind of opportunities you're seeing?

#### Joseph D. Russell

I wouldn't characterize it in any way as switching gears. As I mentioned, the avenues ahead of us are a combination of the same choices we've had in the past. There is definitely a different environment tied to the investment arena. And what we're also doing based on those changing conditions is keeping a very close eye on what transactions have so far taken place which frankly isn't a lot.

But then also keeping tabs on what may be at hand with other owners that may have more onerous conditions, whether its debt or a need for extracting whatever equity they may have in a particular asset. And we're going to continue to monitor those things very aggressively in all of our markets, not just in Orange County or another market that we're currently in.

And again like I mentioned, we saw good value most recently in stepping back and acquiring our own equity. And I'd say it's still going to be the same mix going forward. We have an arena or a set of different alternatives and we'll continue to both monitor those, and if we see some good opportunities out there on the property side, we're going to look at them very seriously.

But, as I mentioned, there is not yet a lot of obvious, I would say, events going on, and there is a lot of theories out there that things could toughen for certain owners. And we'll just see how that plays out.

#### Jordan Sadler - KeyBanc Capital

I guess I misunderstood. I thought you were maybe more focused on Orange County and Northern Virginia for investment?

#### Joseph D. Russell

No, I wouldn't say more focused. We have a good presence in both of those markets and we understand them quite well. And we feel that our strategy in those markets continues to serve us well, meaning we are able to sustain good occupancies in those markets, especially if you compare the market stats to a Class A office owner in either one of those markets to our own occupancies.

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