Safe Harbor

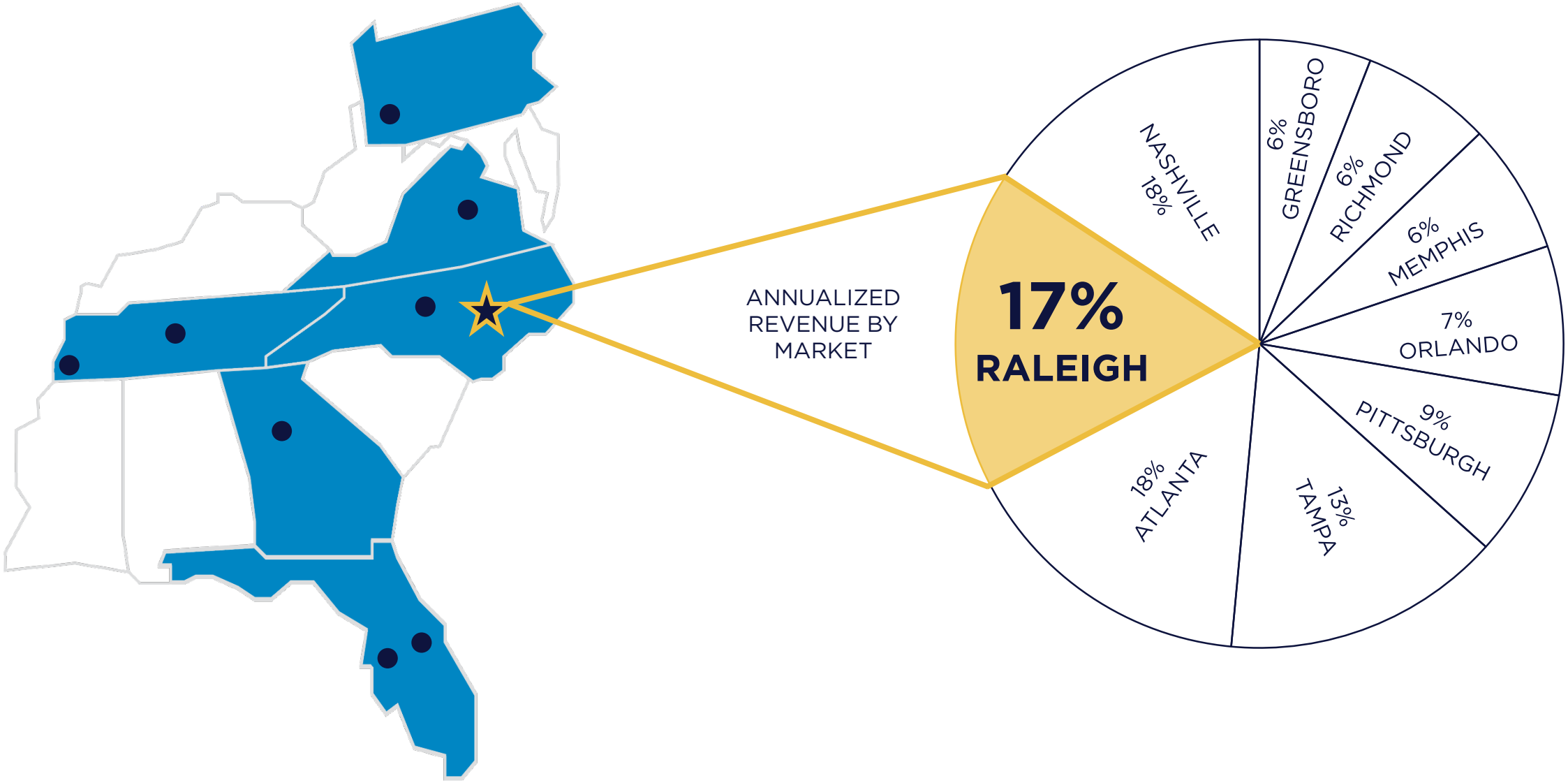
Certain matters discussed in this presentation are forward-looking statements within the meaning of the federal securities laws, such as the expected cost, timing and impact of our development activity. These statements are distinguished by use of the words “will”, “expect”, “intend” and words of similar meaning. Although Highwoods believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved.

Factors that could cause actual results to differ materially from the Company’s current expectations include, among others, the following: development activity by our competitors in our existing markets could result in excessive supply of properties relative to customer demand; development, acquisition, reinvestment, disposition or joint venture projects may not be completed as quickly or on as favorable terms as anticipated; we may not be able to lease or re-lease second generation space as quickly or on as favorable terms as old leases; our markets may suffer declines in economic growth; we may not be able to lease our newly constructed buildings as quickly or on as favorable terms as originally anticipated; unanticipated increases in interest rates could increase our debt serve costs; unanticipated increase in operating expenses could negatively impact our NOI; we may not be able to meet our liquidity requirements or obtain capital on favorable terms to fun our working capital needs and growth initiatives or to repay or refinance outstanding debt upon maturity; the company could lose key executive officers; and other detailed in the Company’s most recent Annual Report on Form 10-K and subsequent SEC reports.

A PIECE OF THE

HIGHWOODS PIE

2019



* Based on 1Q19 Annualized Revenue, and Includes Office, Industrial, Retail

RALEIGH

POPULATION GROWTH

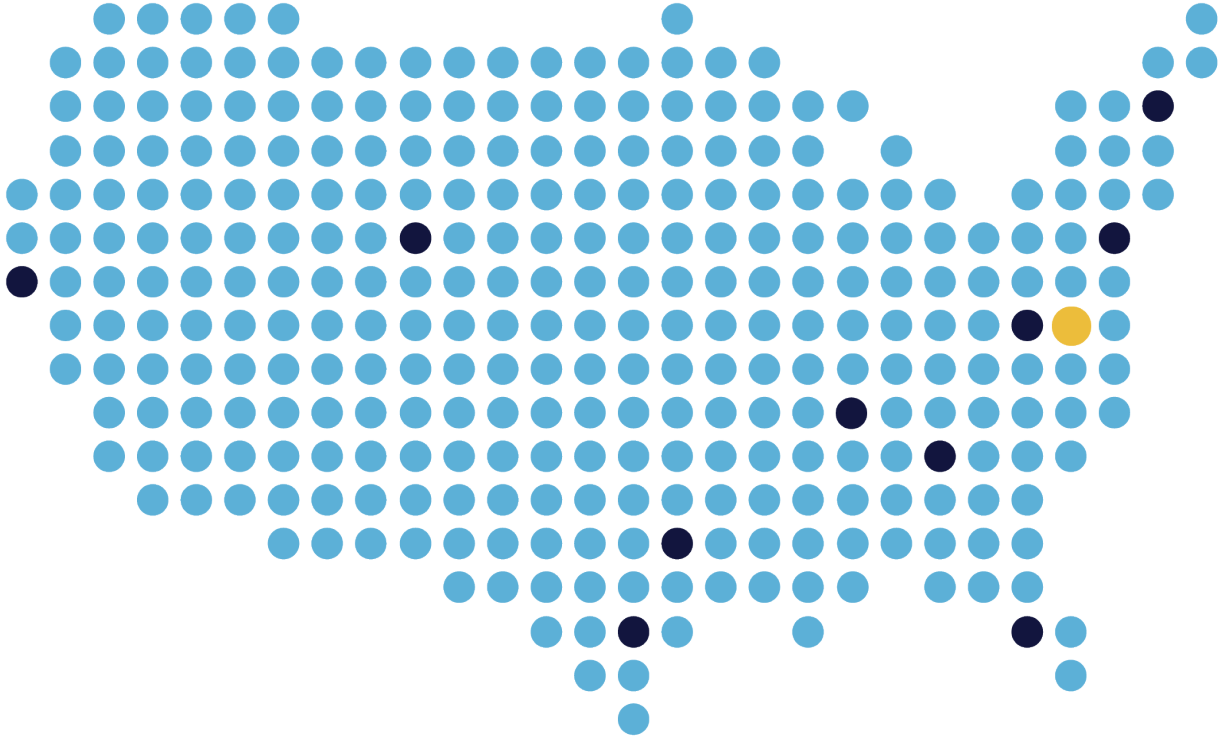
2010 - 2017

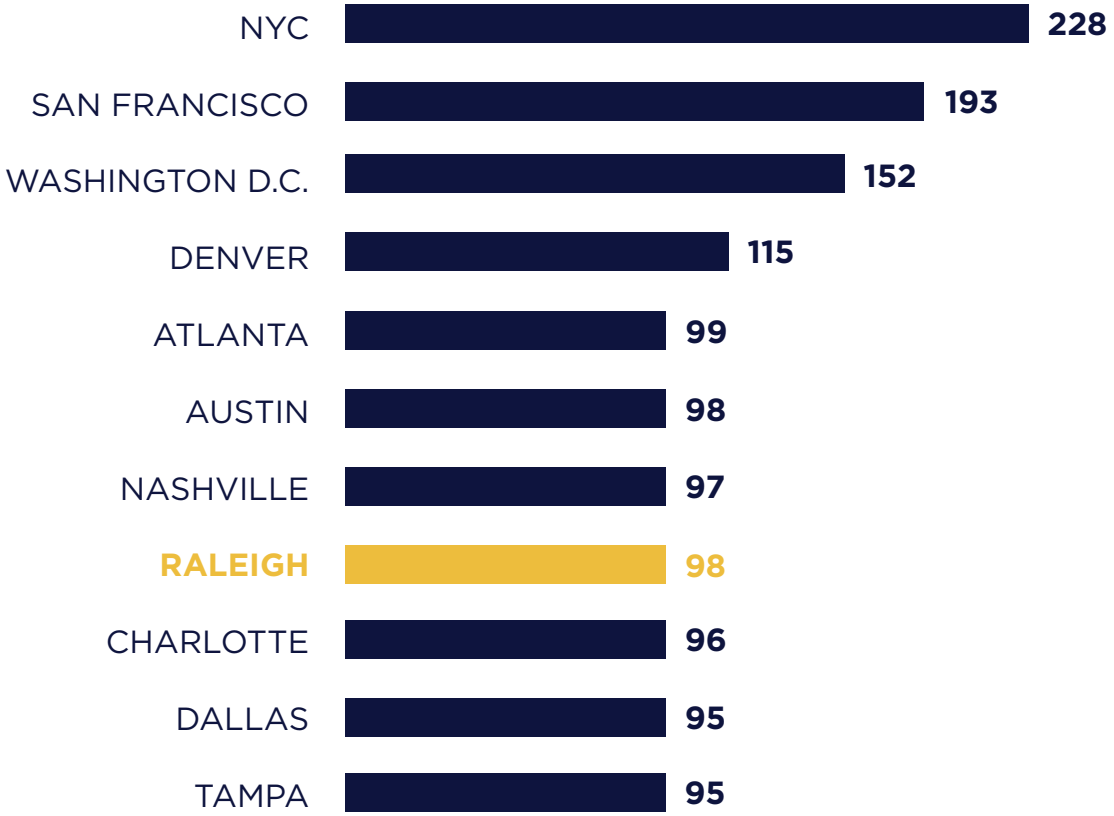


Source: Nashville Chamber of Commerce; U.S. Census Bureau, Population Division

RALEIGH

COST OF LIVING





Source: Nashville Chamber of Commerce

RALEIGH

EDUCATION

3 TOP TIER
internationally recognized research universities

12
local colleges and universities

R&D
partnerships with regional industry

163,000+
students enrolled in 4-year institutions across the region

42,000+
graduates entering the workforce

12,000+
international students enrolled in area colleges and universities

Graduates Located Annually in the Triangle Region

Location of 2016 Graduates in 2018 LinkedIn Alumni Career Insights

53%
are living in the Triangle Area

65%
are living in North Carolina

Source: Wake County Economic Development, Graduate and enrollment numbers represent 4-year Universities/Colleges within a 60 mile radius of RTP (27709), NCES, IPEDS, Completions/Awards/degrees conferred by program (CIP), award level, race/ethnicity, and gender: July 1, 2017 to July 30, 2018

RALEIGH

MAJOR EMPLOYERS



38K



10K



9K



7K



5K



5K



5K



2K

Highwoods Customer



2K

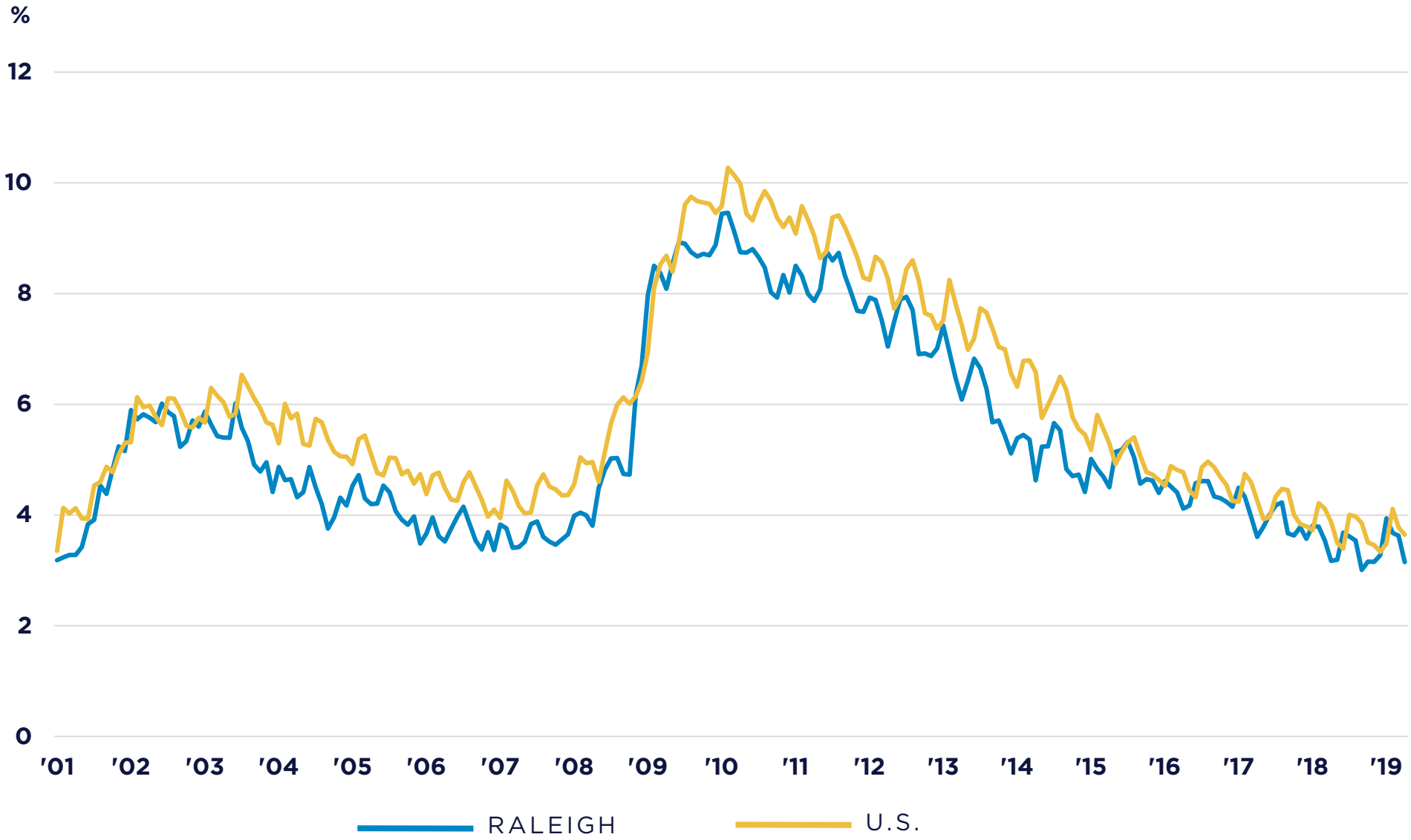


1K

Source: Wake County Economic Development

RALEIGH

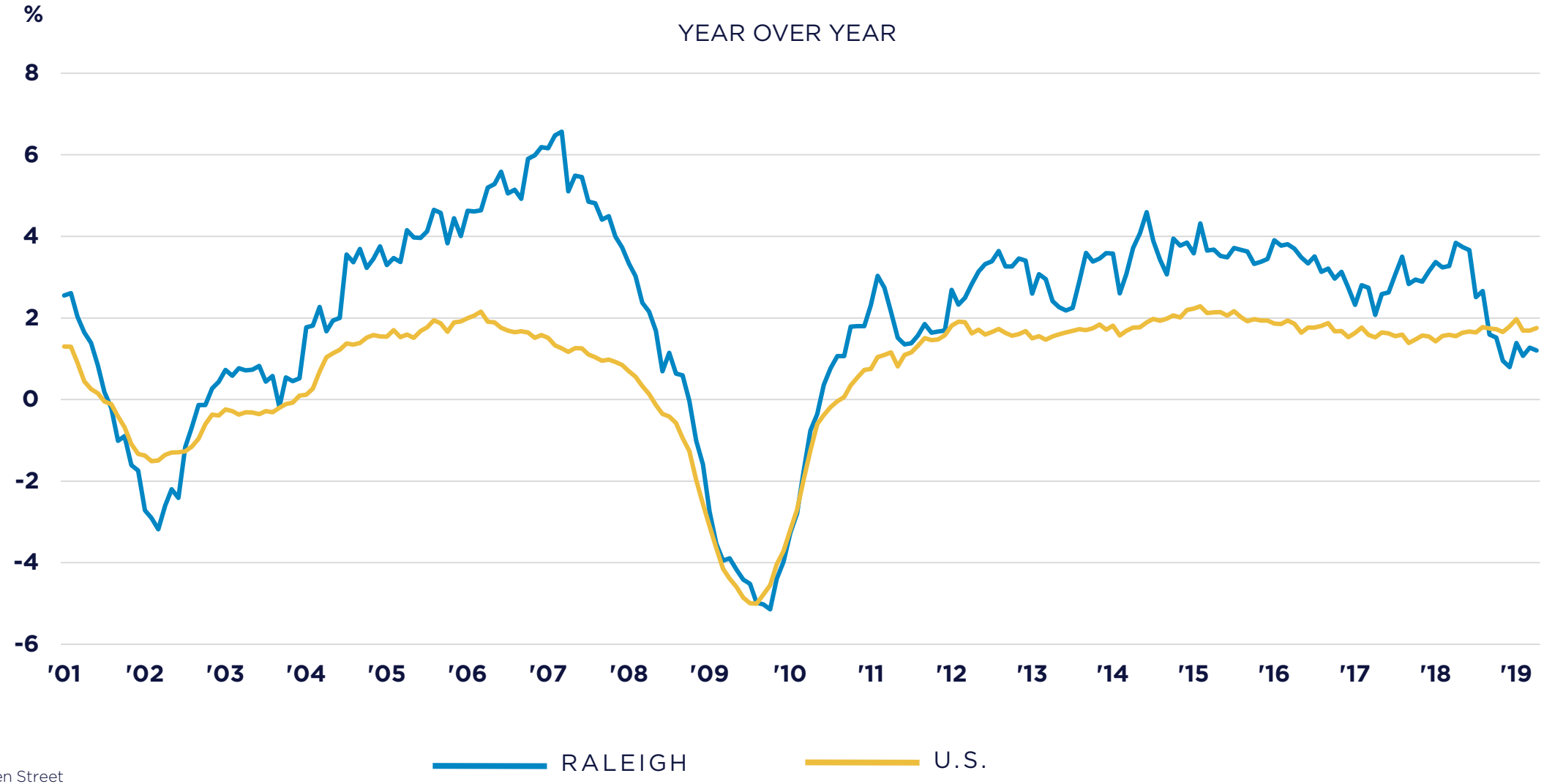
UNEMPLOYMENT RATE



Source: Green Street

RALEIGH

OFFICE EMPLOYMENT GROWTH



Source: Green Street

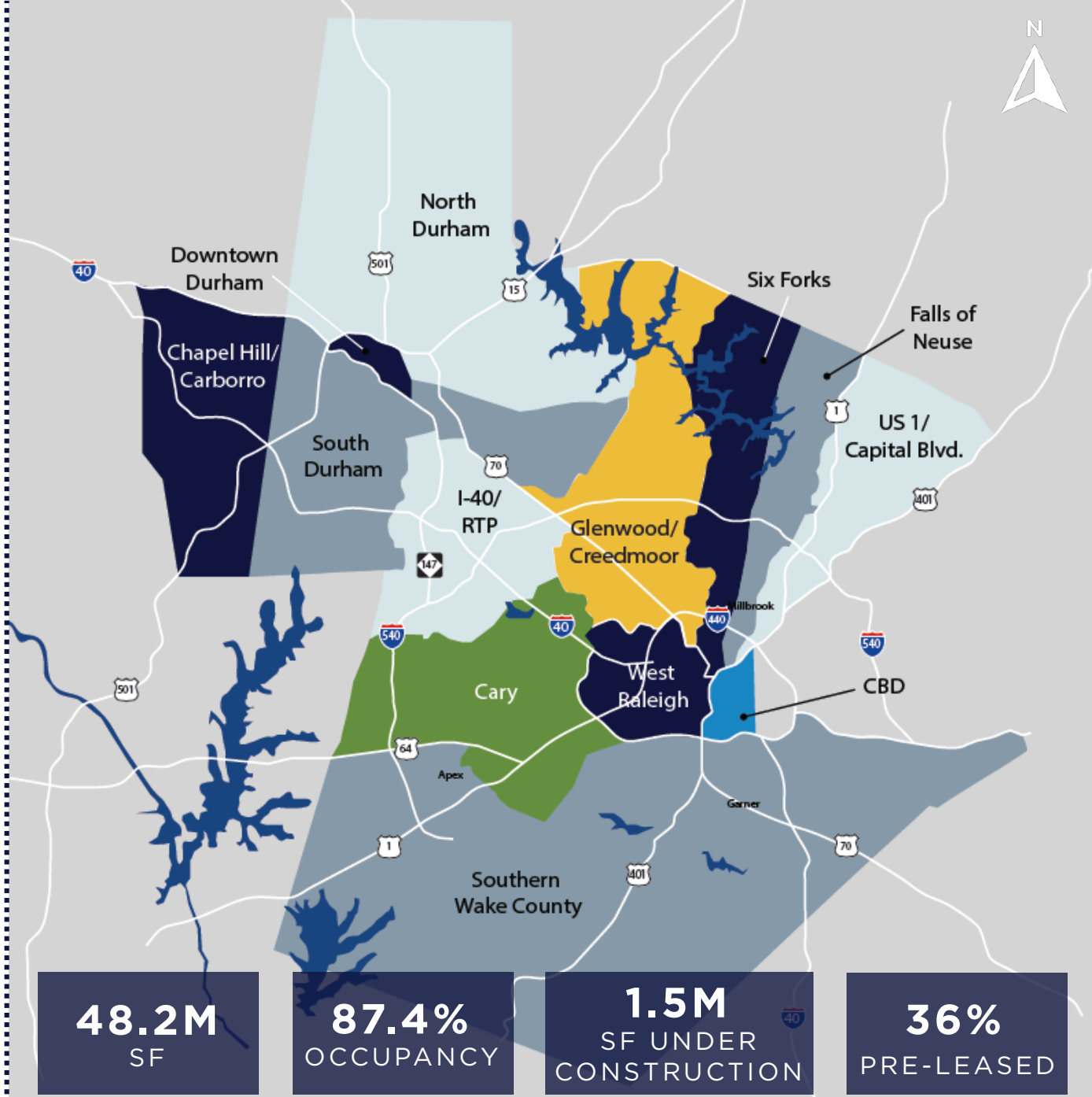
RALEIGH

SUBMARKETS

	TOTAL SUBMARKET		HIGHWOODS	
SUBMARKET	SF (MIL)	OCCUPANCY (%)	SF (MIL)	OCCUPANCY (%)
WEST RALEIGH	6.1	92.0	0.7	90.0
GLENWOOD/ CREEDMOOR	4.1	89.1	0.8	96.2
SIX FORKS	4.0	90.5	0.2	84.5
FALLS OF NEUSE	3.0	89.8	0.2	91.9
US 1/CAPITAL BLVD	2.3	92.3	0.2	97.9
CBD	5.6	94.6	0.9	94.0
CARY	7.0	87.3	1.3	81.0
RTP/I-40	15.0	79.9	0.5	87.8
RALEIGH OTHER	1.1	94.6		
TOTAL	48.3	87.4	4.2	89.2

Numbers exclude Durham & Chapel Hill

Source: CBRE



48.2M SF

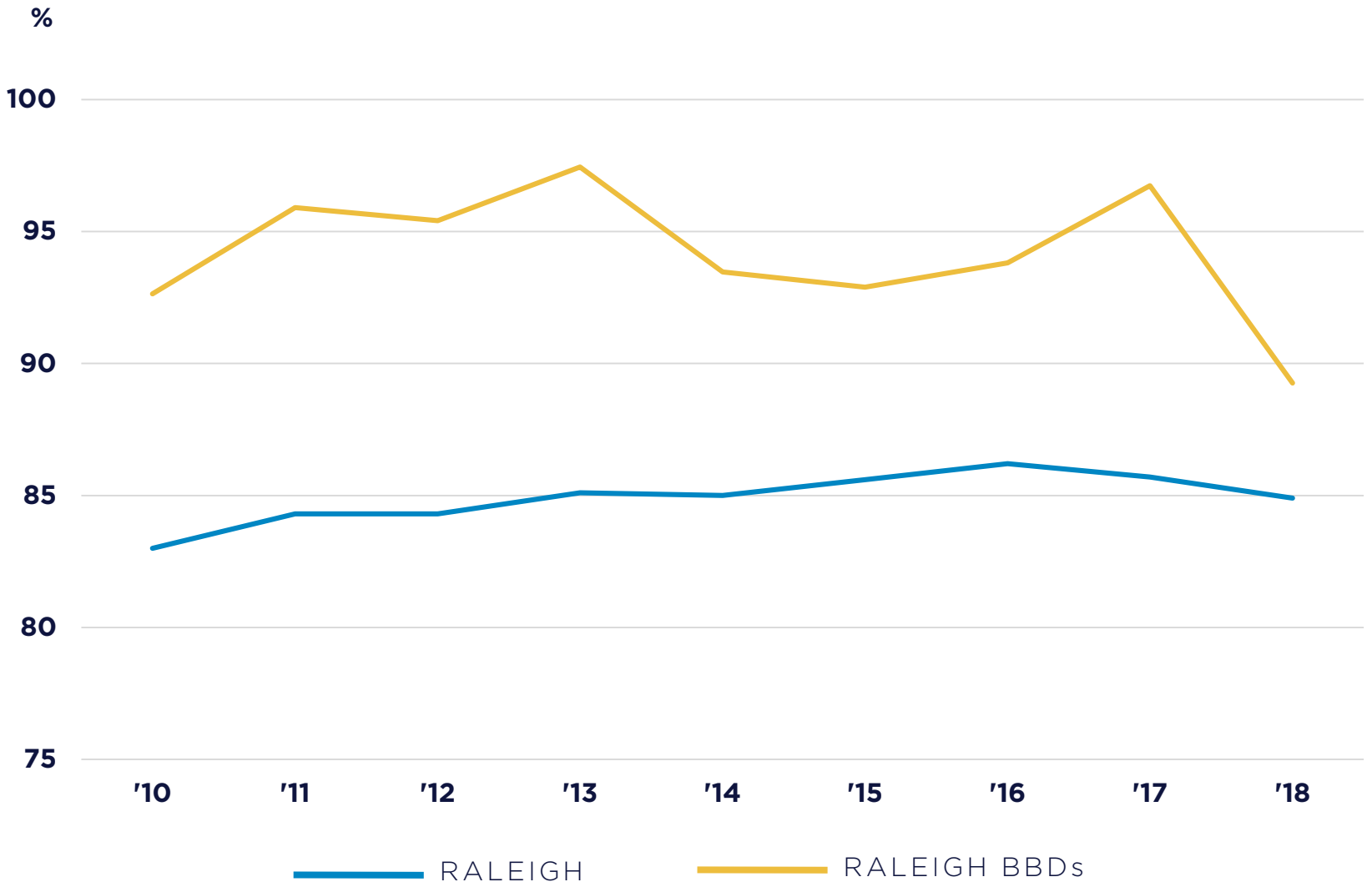
87.4% OCCUPANCY

1.5M SF UNDER CONSTRUCTION

36% PRE-LEASED

RALEIGH

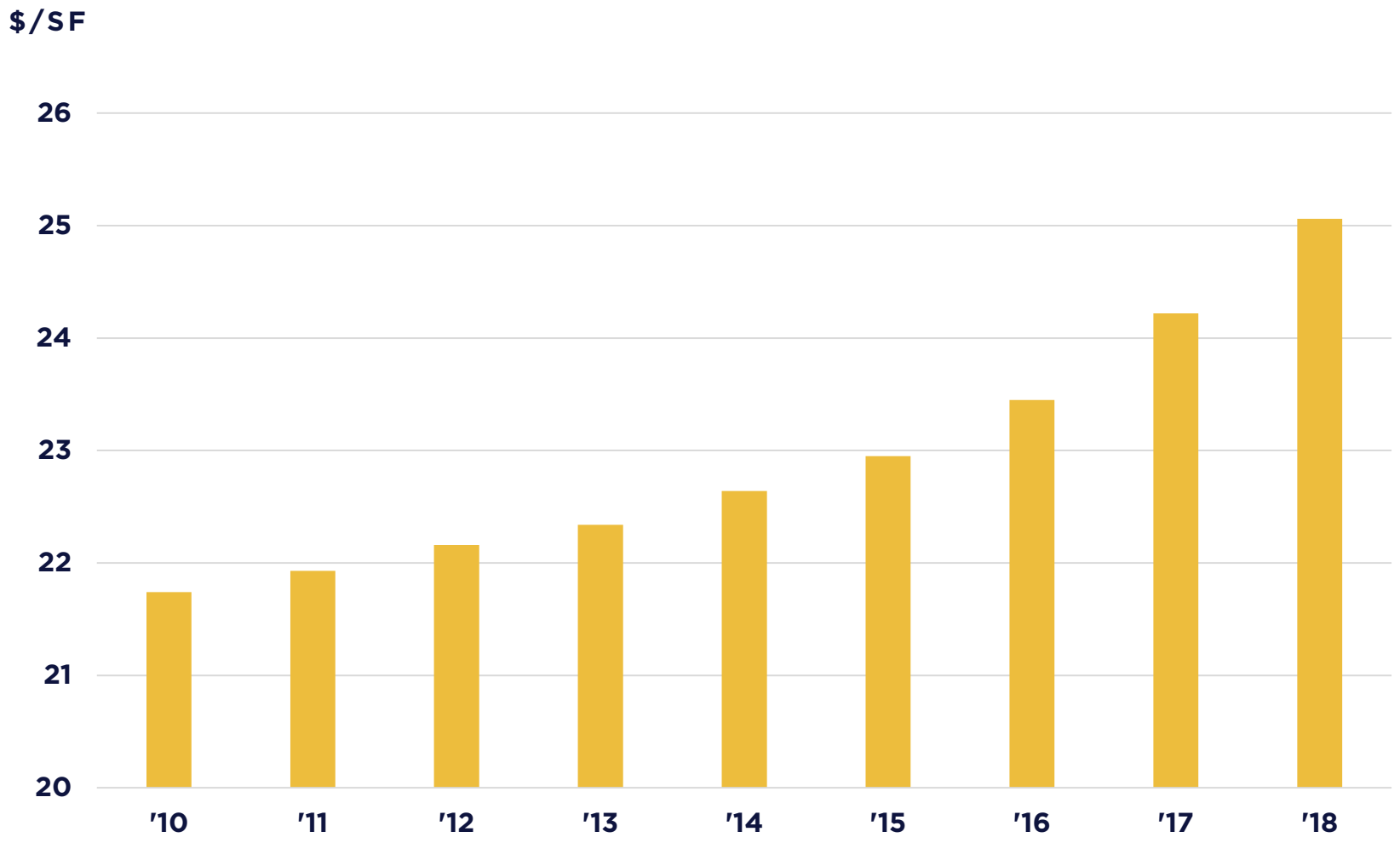
OCCUPANCY OVERVIEW



Source: Highwoods

OFFICE MARKET

CLASS A RENT TRENDS



*Includes all of Raleigh, not just focused submarkets
Source: REIS

SELECT OFFICE SUBMARKETS

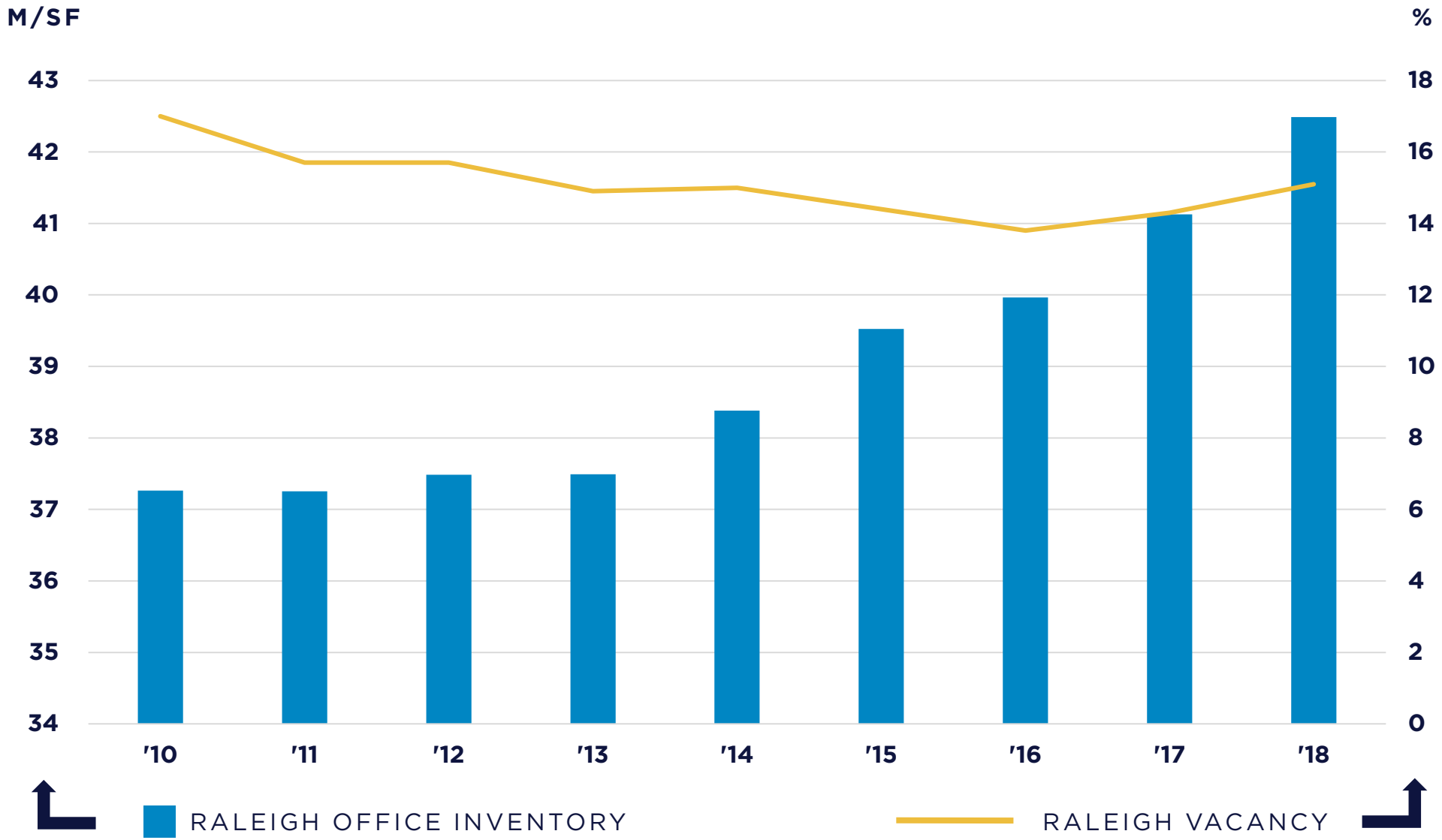
RENT PER SF



Source: REIS

OFFICE MARKET

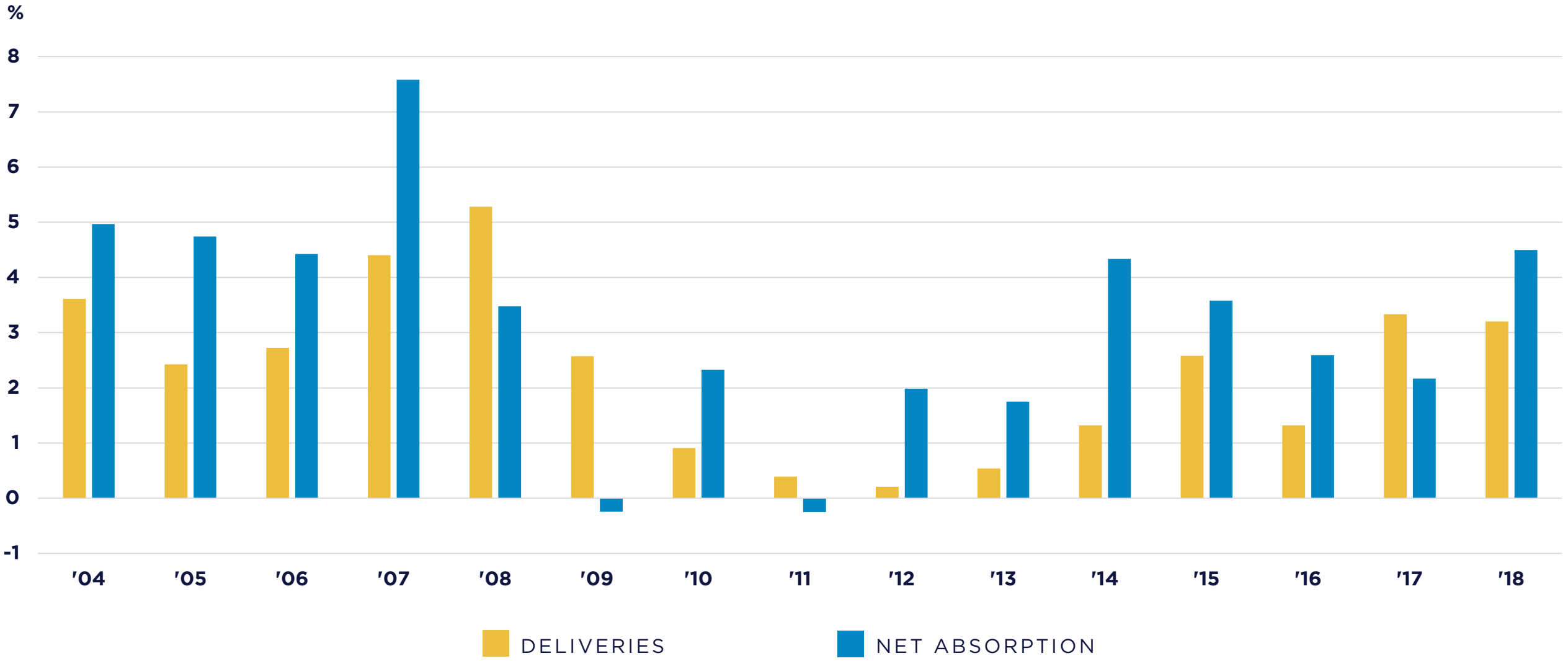
INVENTORY VS VACANCY



Source: REIS

OFFICE MARKET

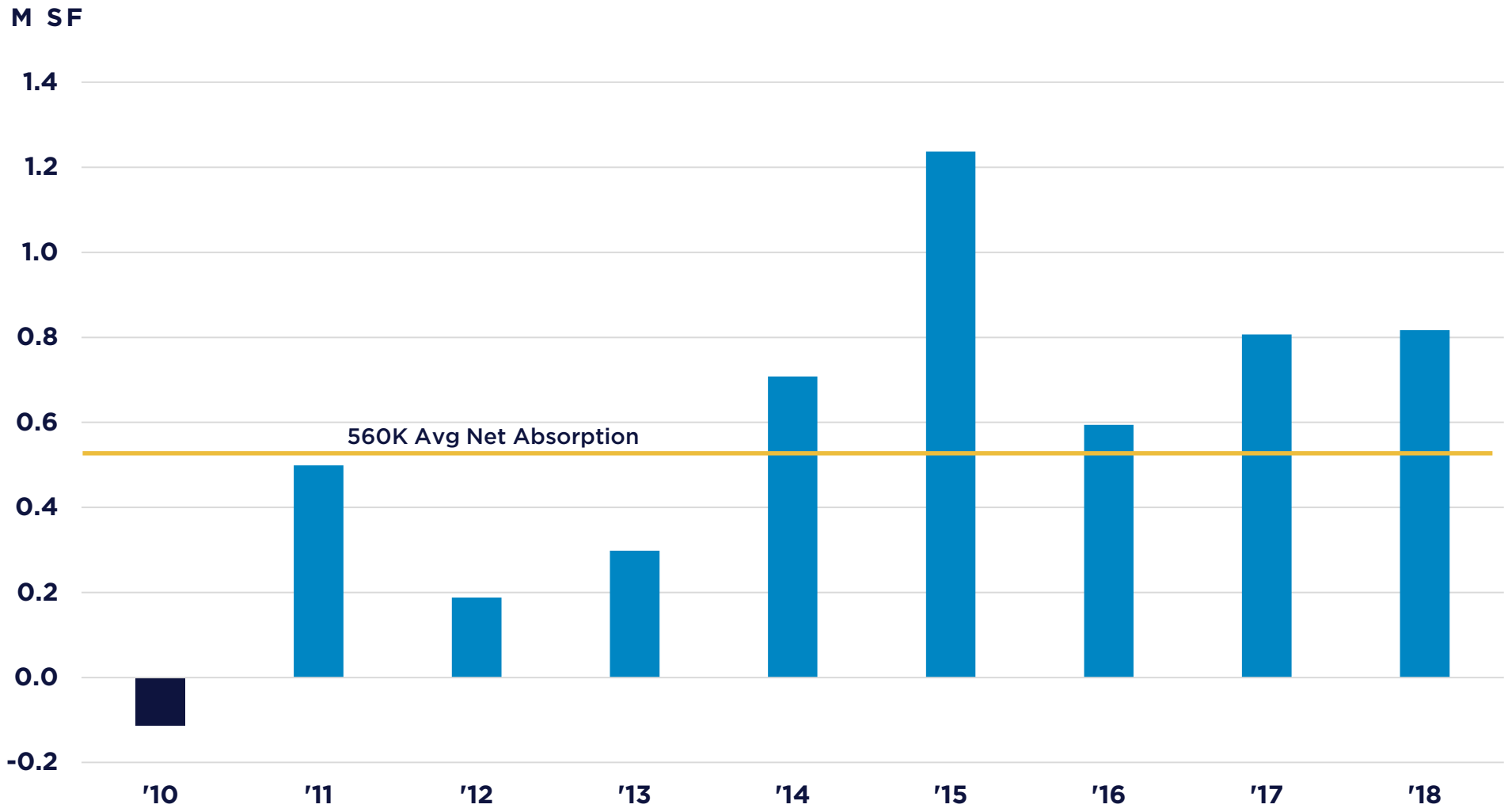
SUPPLY & DEMAND



Source: Green Street

OFFICE MARKET

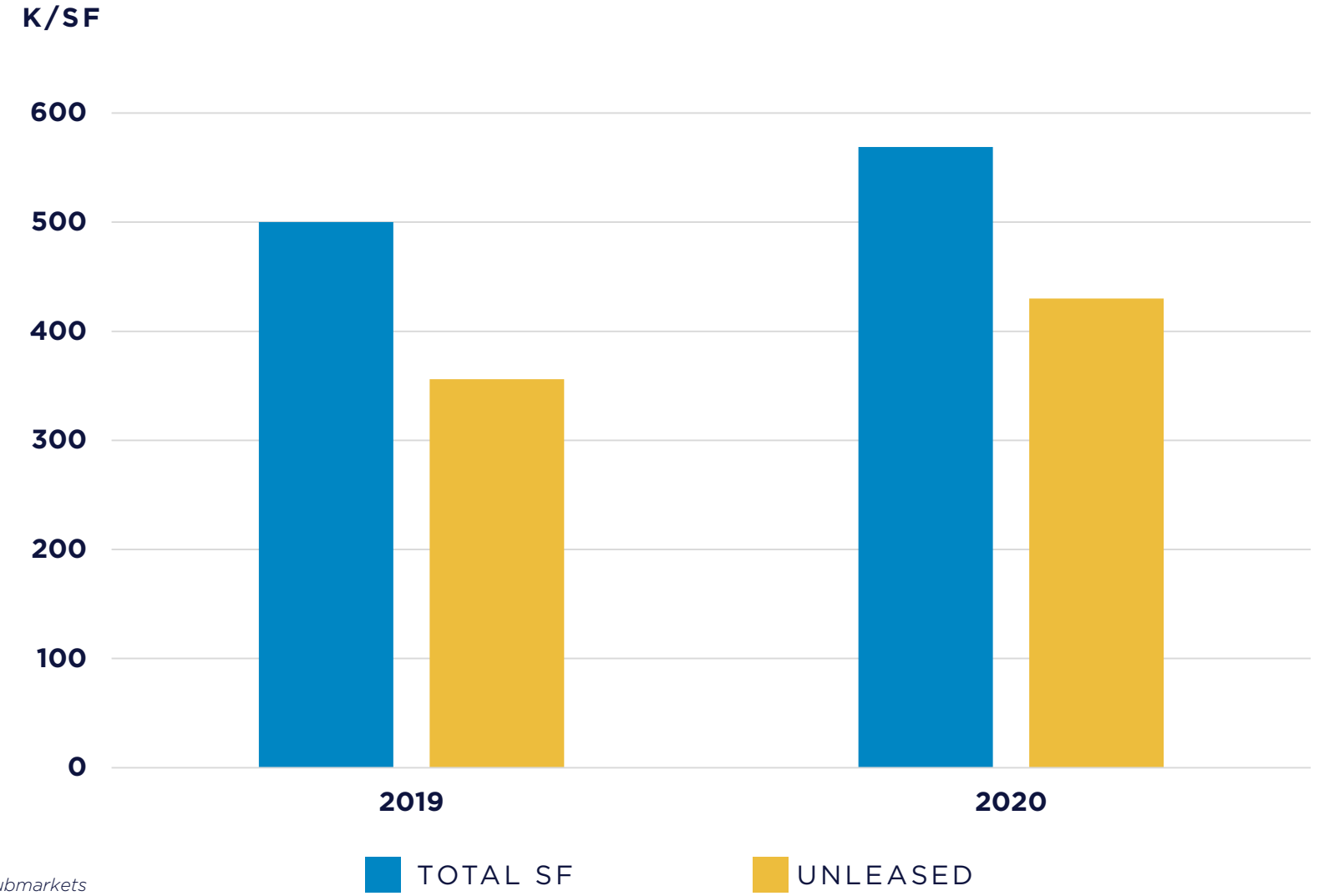
NET ABSORPTION



*Includes all Raleigh-Durham submarkets
Source: REIS

OFFICE MARKET

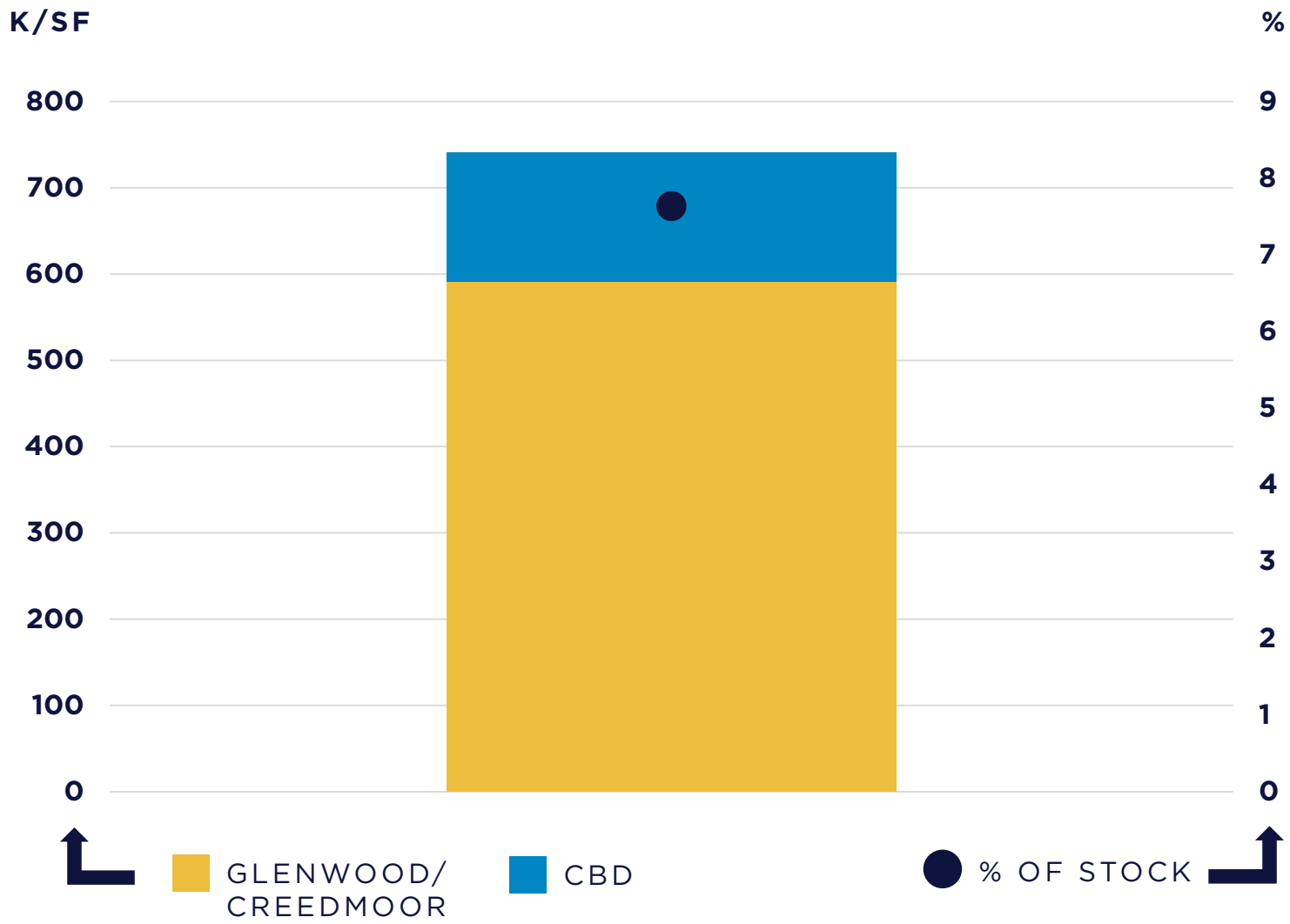
UNDER CONSTRUCTION



**Excludes Durham & Orange County submarkets*
Source: Highwoods

SELECT OFFICE SUBMARKETS

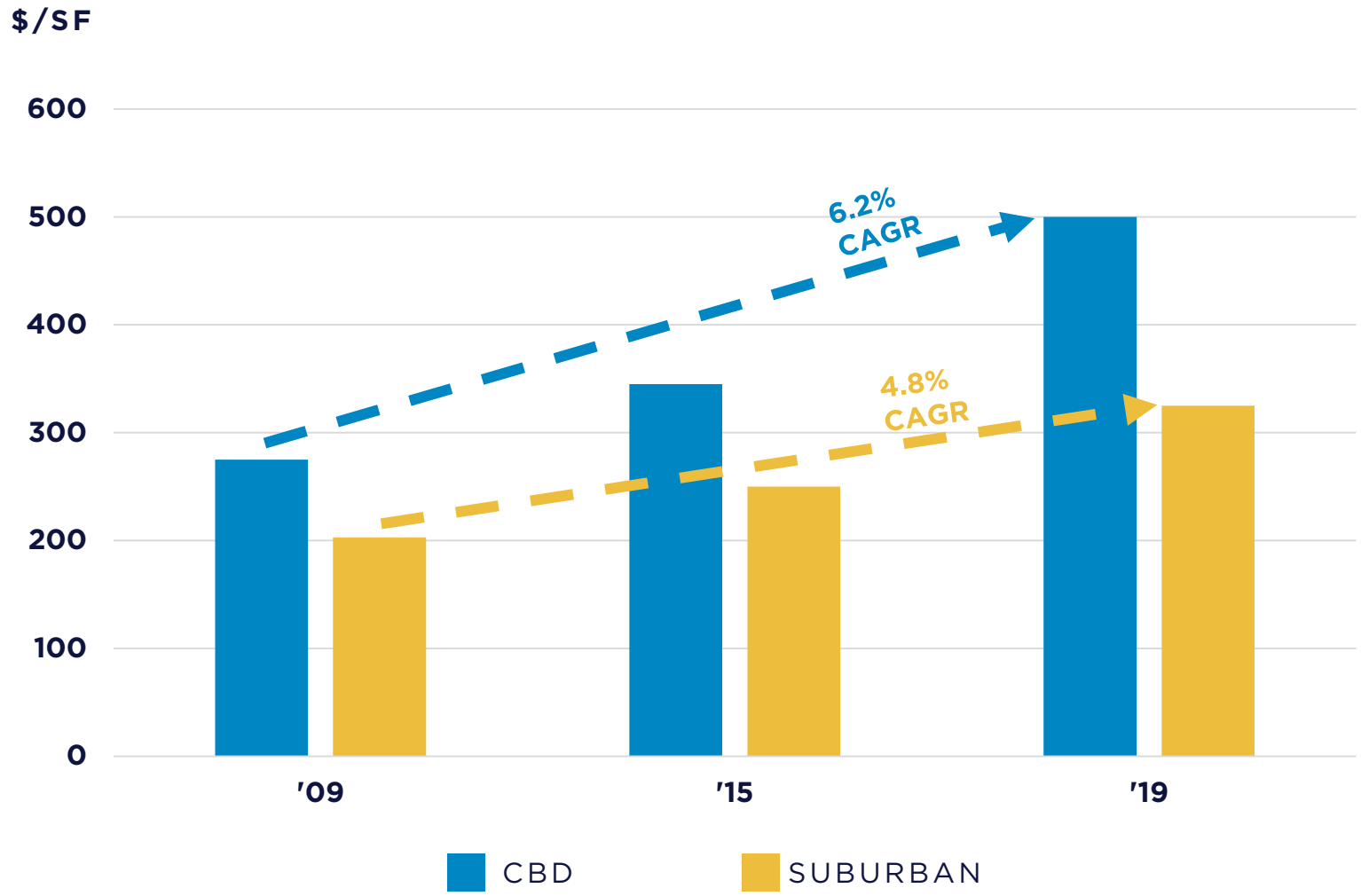
SUPPLY PIPELINE



Source: Highwoods

OFFICE SUBMARKET

REPLACEMENT COSTS



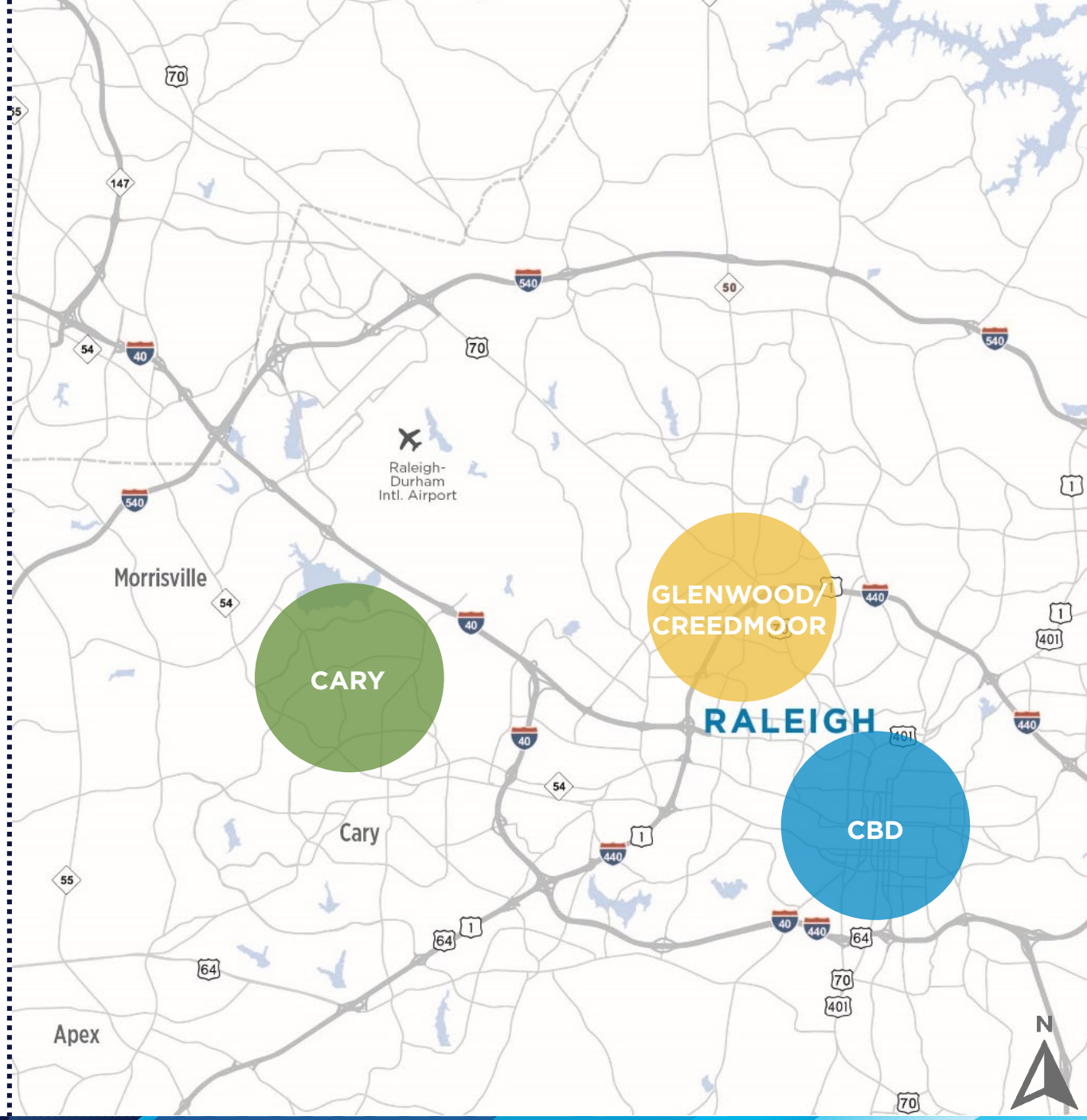
Source: Highwoods

SELECT OFFICE SUBMARKETS

OVERVIEW

BBD	SIZE SF	AVERAGE CLASS A RENT $	VACANCY %
CBD	5.6M	32	5.4
GLENWOOD/ CREEDMOOR	4.1M	28	10.9
CARY	7.0M	27	12.7

Source: CBRE

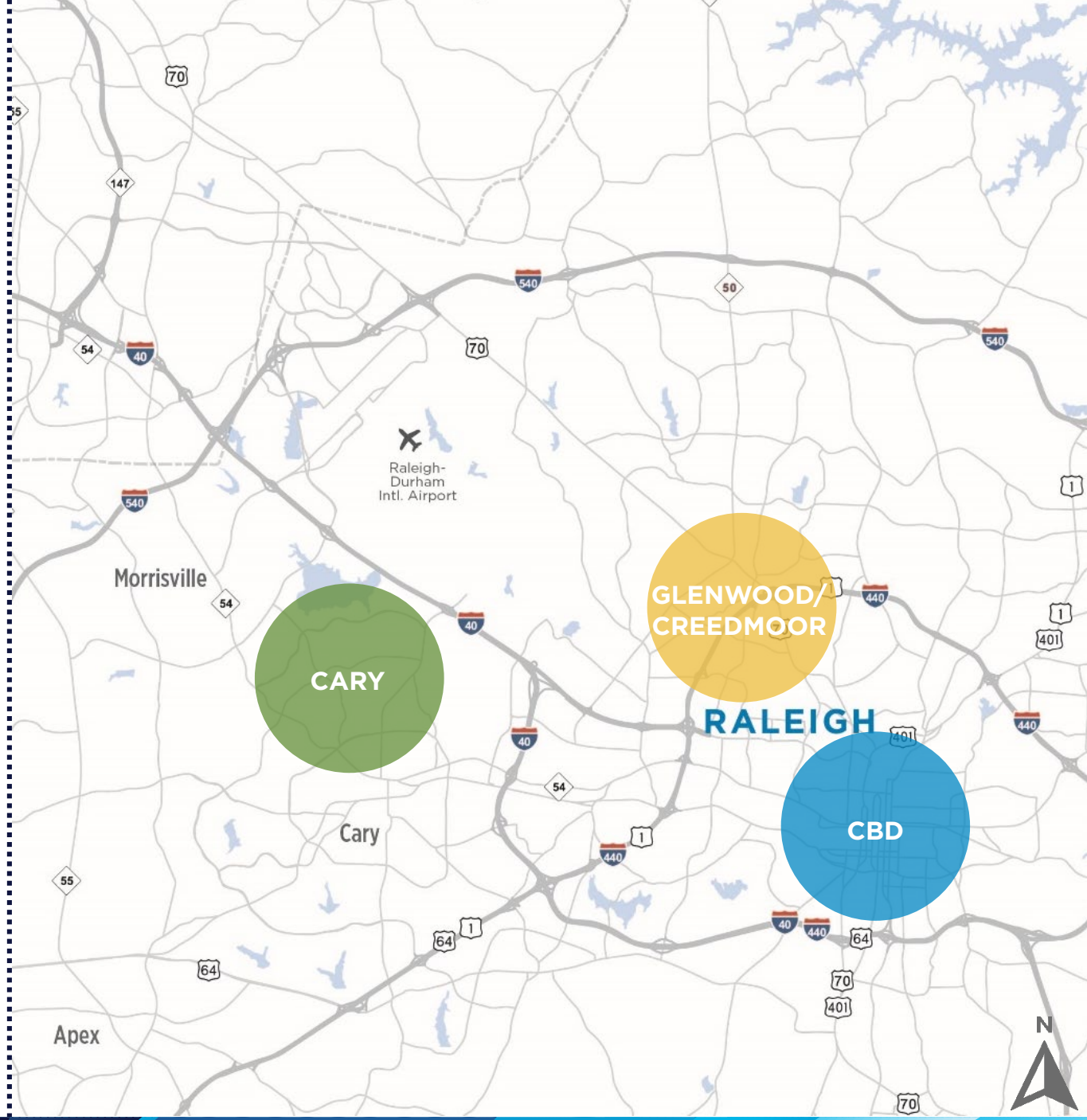


SELECT OFFICE SUBMARKETS

CONSTRUCTION

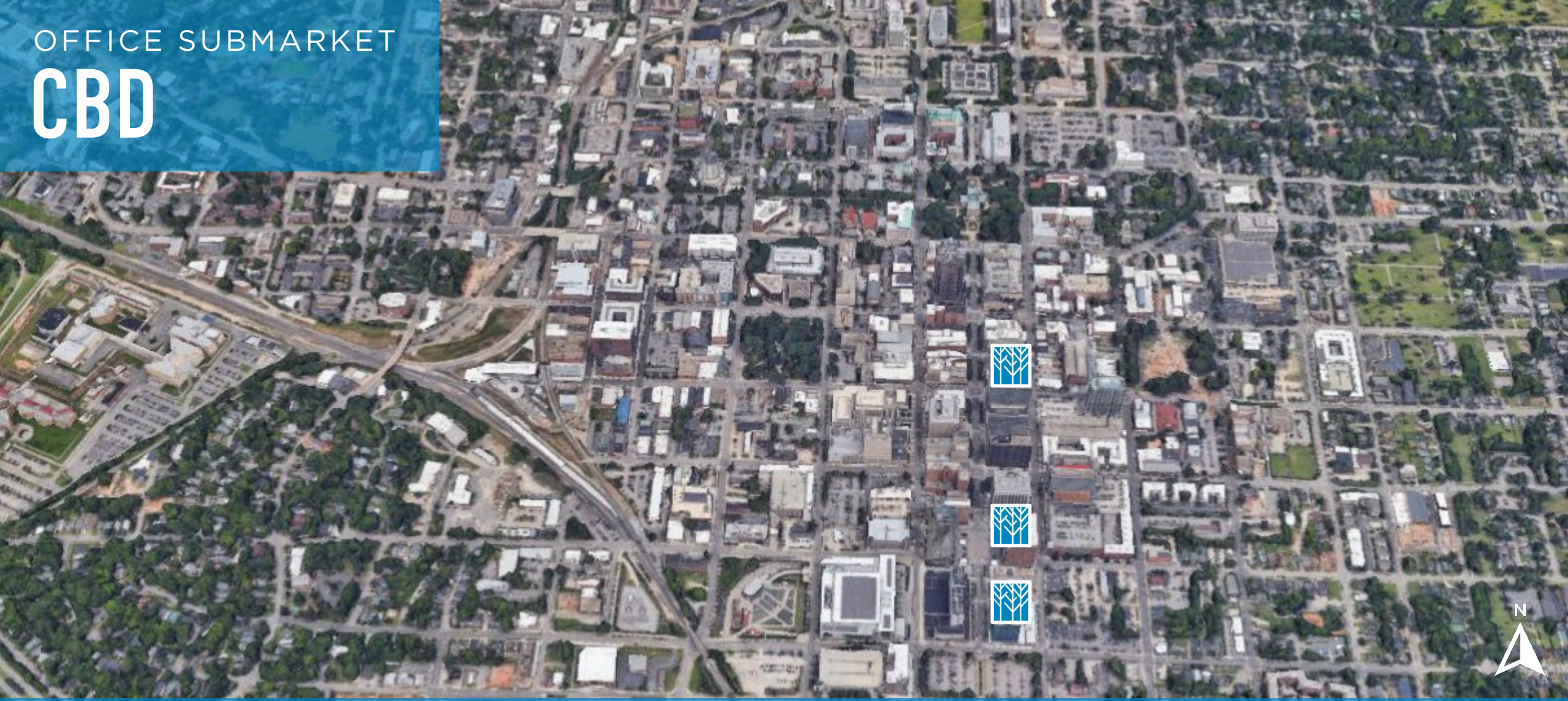
BBD	UNDER CONSTRUCTION	PRE-LEASED %
CBD	150K	65.0
GLENWOOD/ CREEDMOOR	591K	20.8
CARY	0	N/A

Source: Highwoods



OFFICE SUBMARKET

CBD



5.6M
SUBMARKET OFFICE SF

94.6%
SUBMARKET OCCUPANCY

16%
OF SUBMARKET HIGHWOODS OWNED

897K
HIGHWOODS SF (3 BUILDINGS)

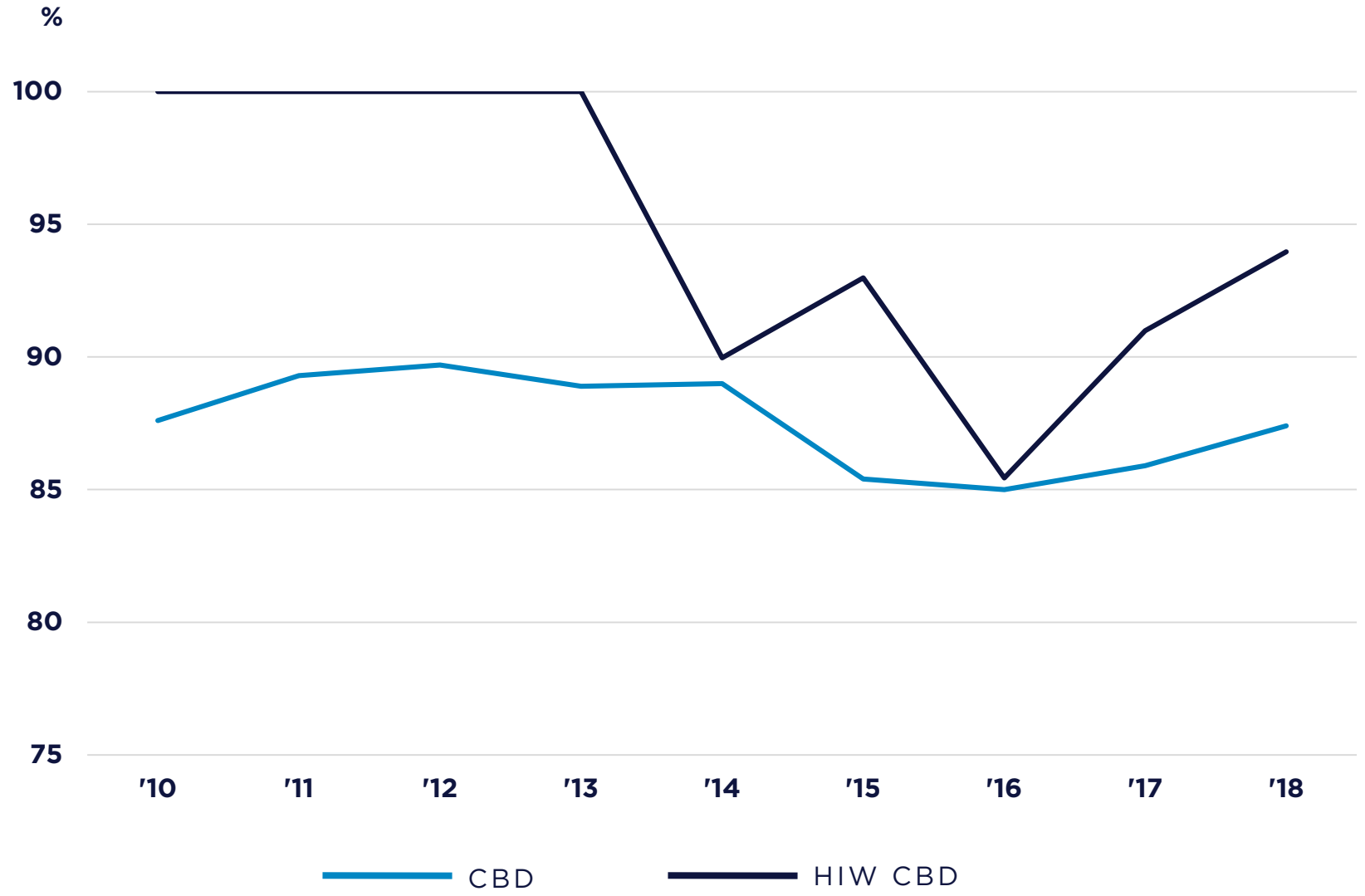
94%
HIGHWOODS OCCUPANCY

450K SF
DEVELOPMENT POTENTIAL
Includes land site under contract

Source: Highwoods, CBRE

CBD

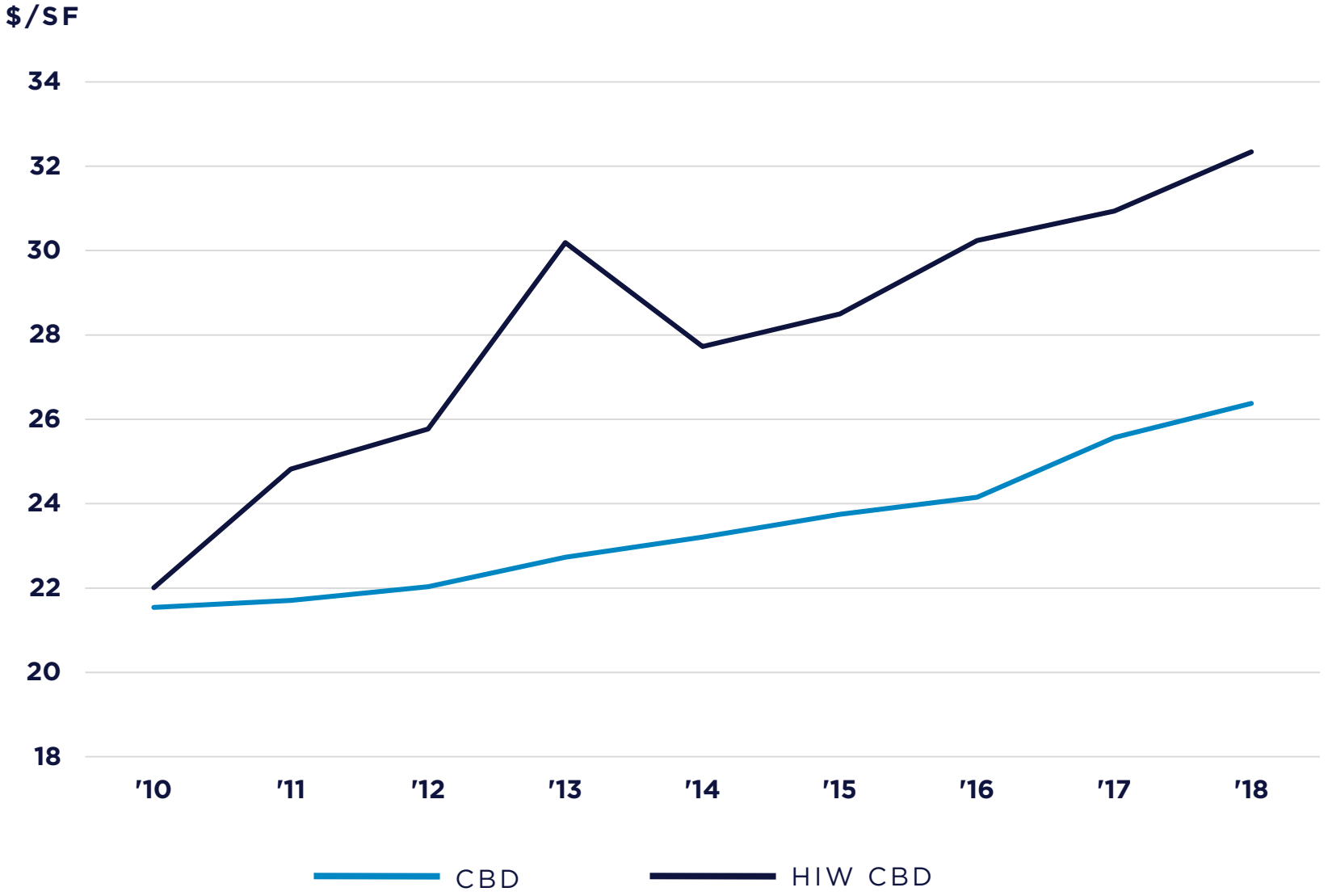
HISTORICAL OCCUPANCY



Source: Highwoods, REIS

CBD

HISTORICAL RENT/SF



Source: Highwoods, REIS

OFFICE SUBMARKETS

CARY

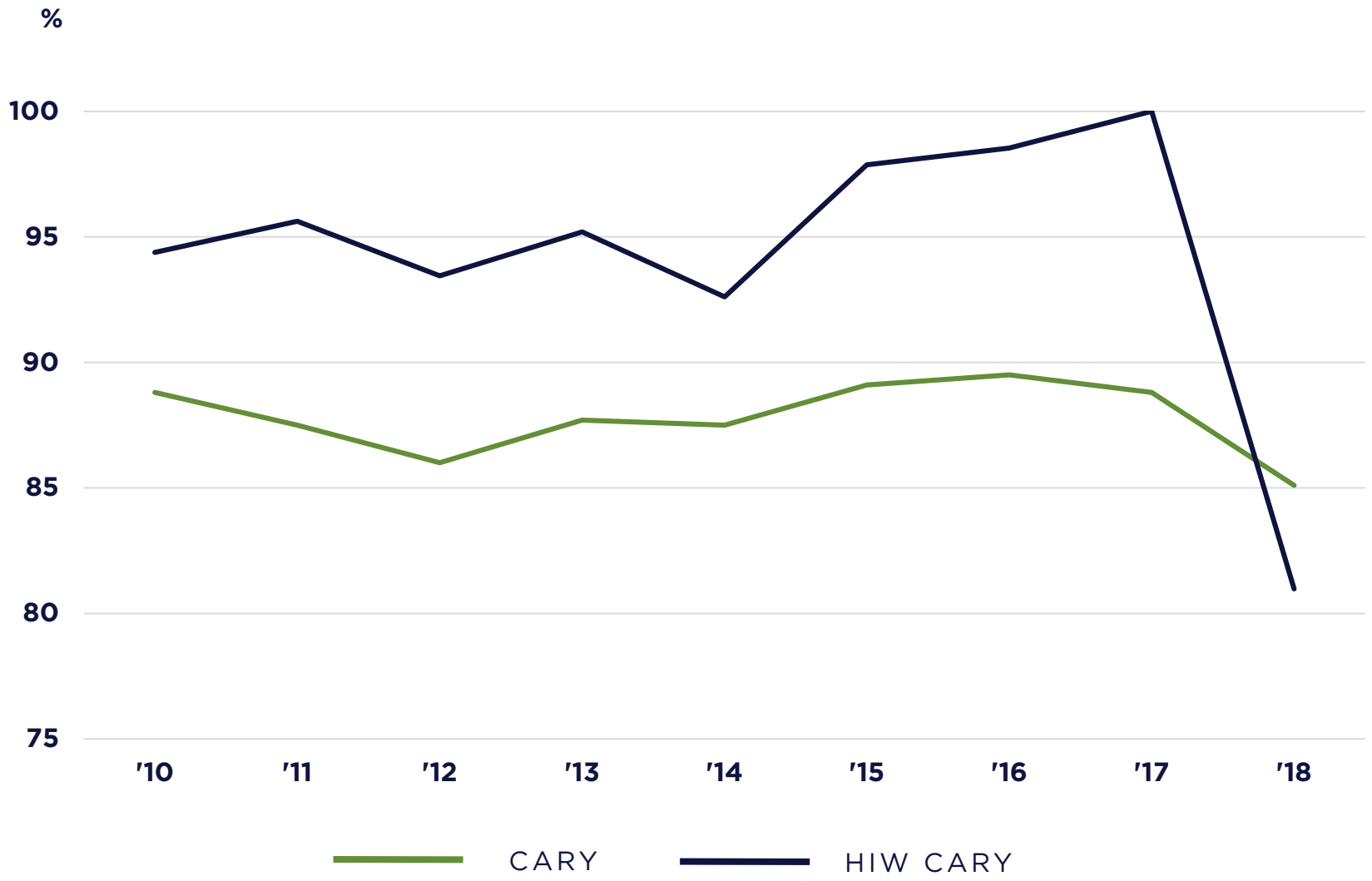


7.0M	87.3%	22.9%	1.6M	12	81%	370K SF
SUBMARKET OFFICE SF	SUBMARKET OCCUPANCY	OF SUBMARKET HIGHWOODS OWNED	HIGHWOODS SF	HIGHWOODS BUILDINGS	HIGHWOODS OCCUPANCY	DEVELOPMENT POTENTIAL

Source: Highwoods, CBRE

CARY

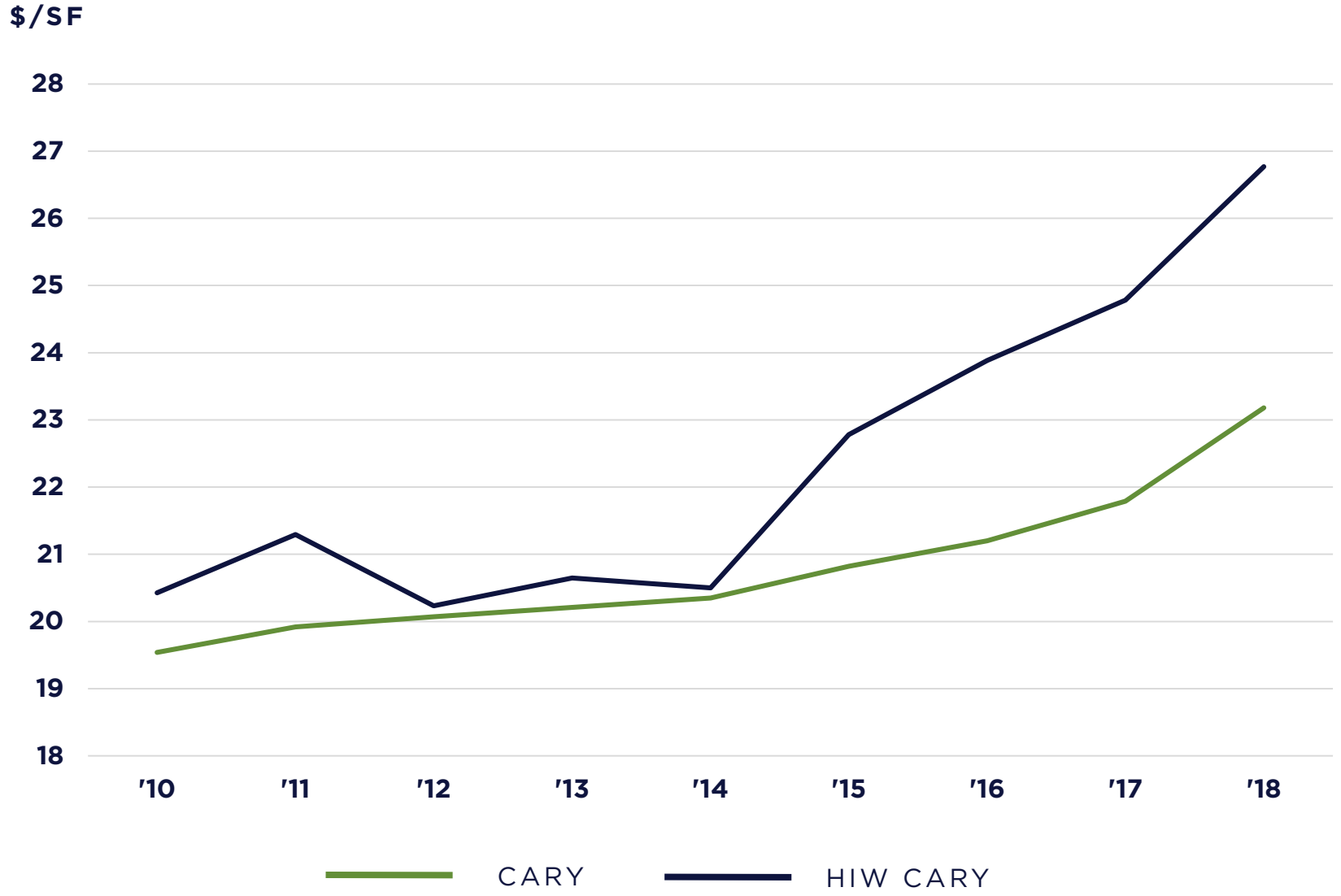
HISTORICAL OCCUPANCY



Source: Highwoods, REIS

CARY

HISTORICAL RENT/SF



Source: Highwoods, REIS

OFFICE SUBMARKETS

GLENWOOD/CREEDMOOR



4.1M	89.1%	19%	780K	6	96.2%	250K SF
SUBMARKET OFFICE SF	SUBMARKET OCCUPANCY	OF SUBMARKET HIGHWOODS OWNED	HIGHWOODS SF	HIGHWOODS BUILDINGS	HIGHWOODS OCCUPANCY	DEVELOPMENT POTENTIAL

Source: Highwoods, CBRE

GLENWOOD/CREEDMOOR

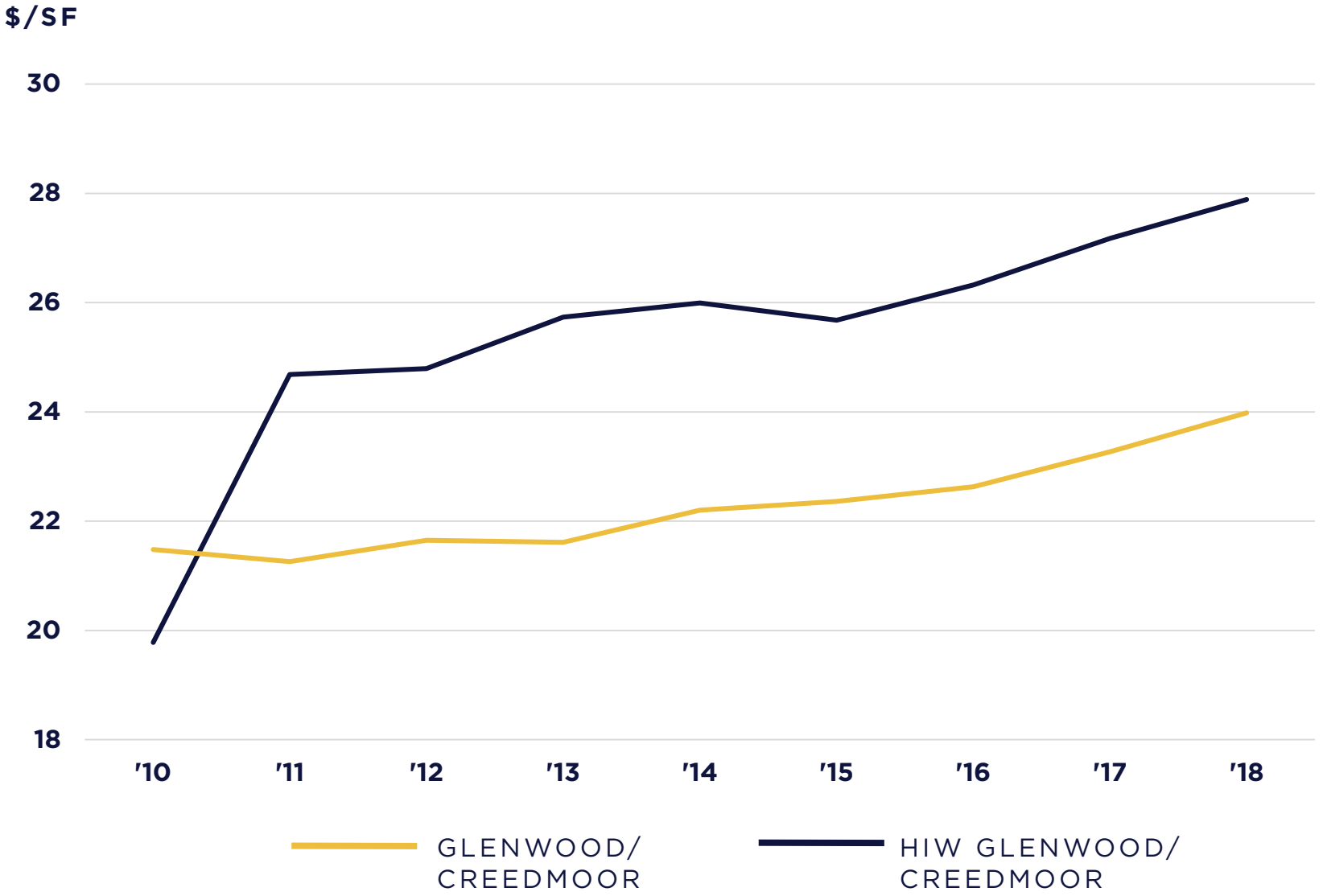
HISTORICAL OCCUPANCY



Source: Highwoods, REIS

GLENWOOD/CREEDMOOR

HISTORICAL RENT/SF



Source: Highwoods, REIS

DIVISION

OVERVIEW



5.1M
SQUARE FEET

47
BUILDINGS

89.2%
OCCUPANCY

330+
CUSTOMERS

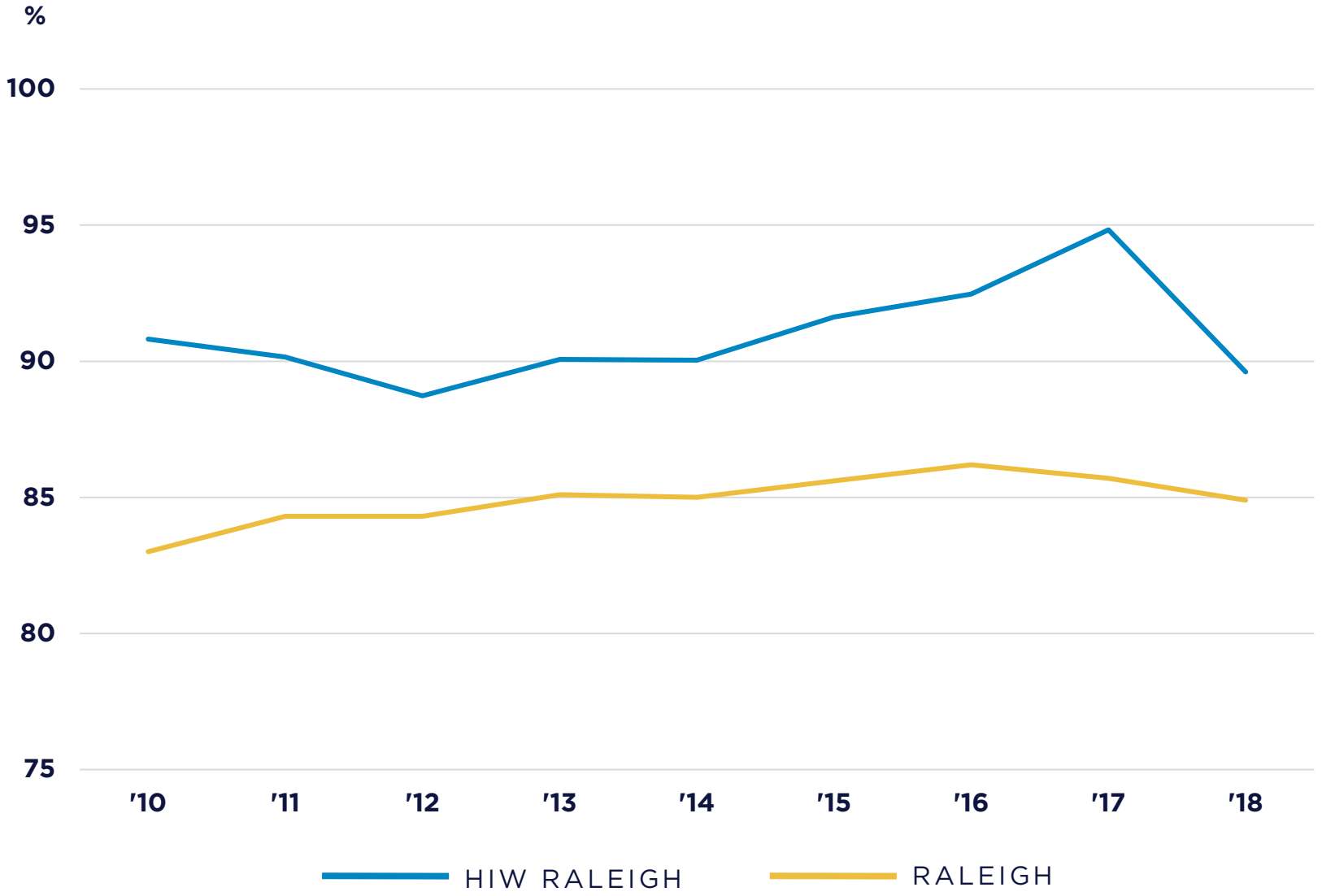
$169M
UNDER DEVELOPMENT

1.1M SF
DEVELOPMENT POTENTIAL
Includes land site under contract

Source: Highwoods

DIVISION OVERVIEW

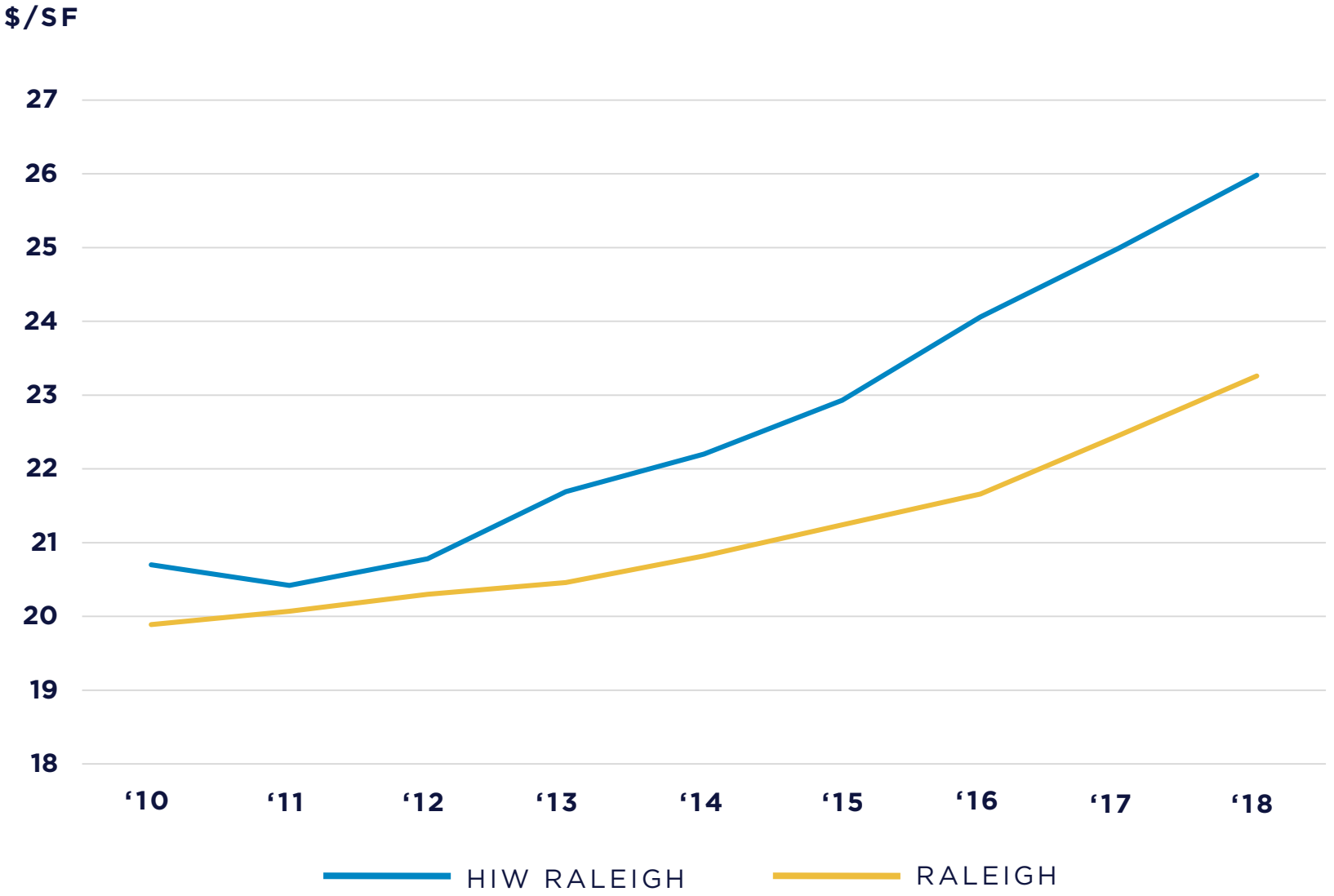
HISTORICAL OCCUPANCY



Source: Highwoods, REIS

DIVISION OVERVIEW

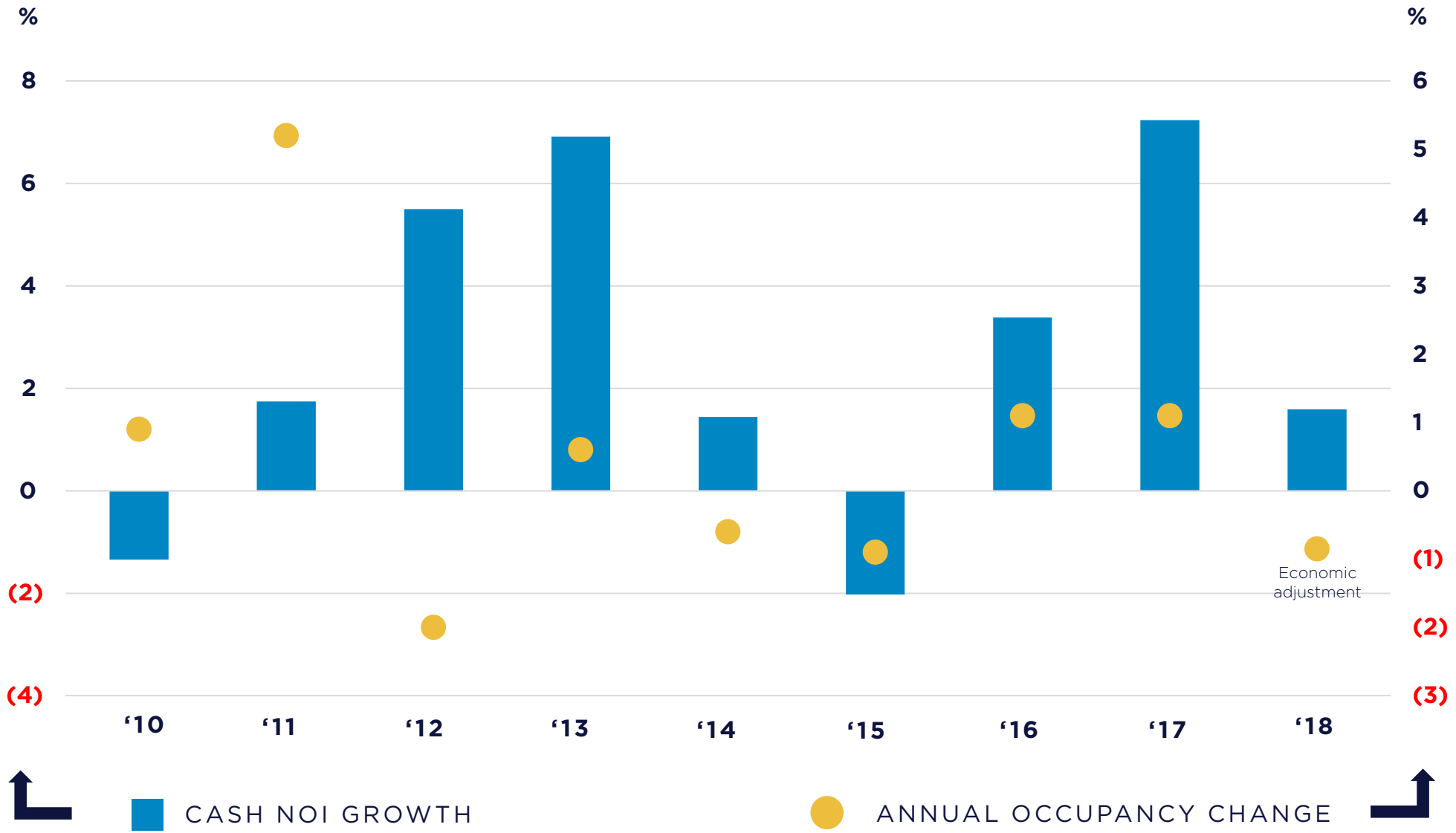
HISTORICAL RENT/SF



Source: Highwoods, REIS

DIVISION OVERVIEW

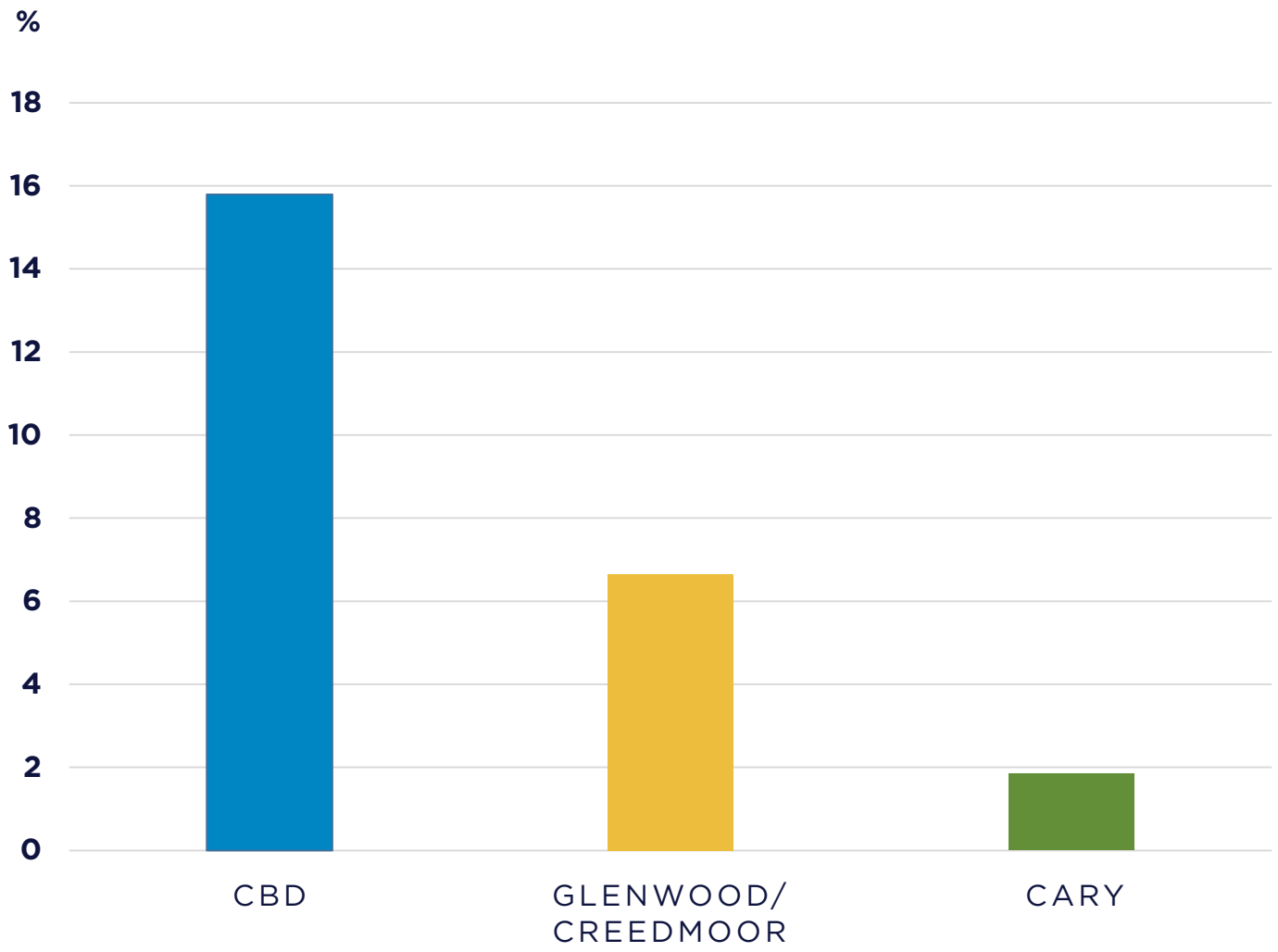
SAME STORE NOI GROWTH



Source: Highwoods

DIVISION OVERVIEW

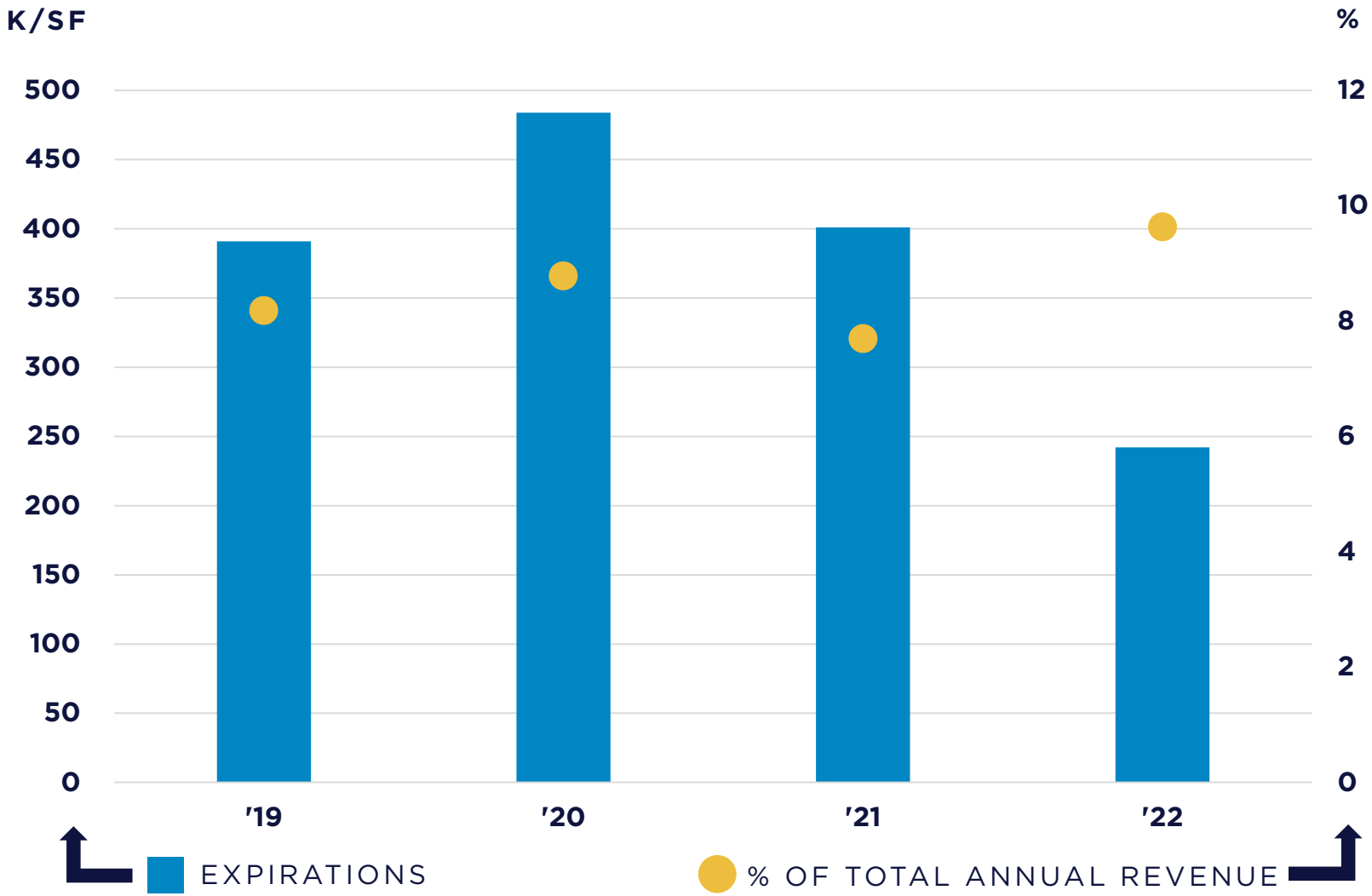
MARK TO MARKET



Source: Highwoods

DIVISION OVERVIEW

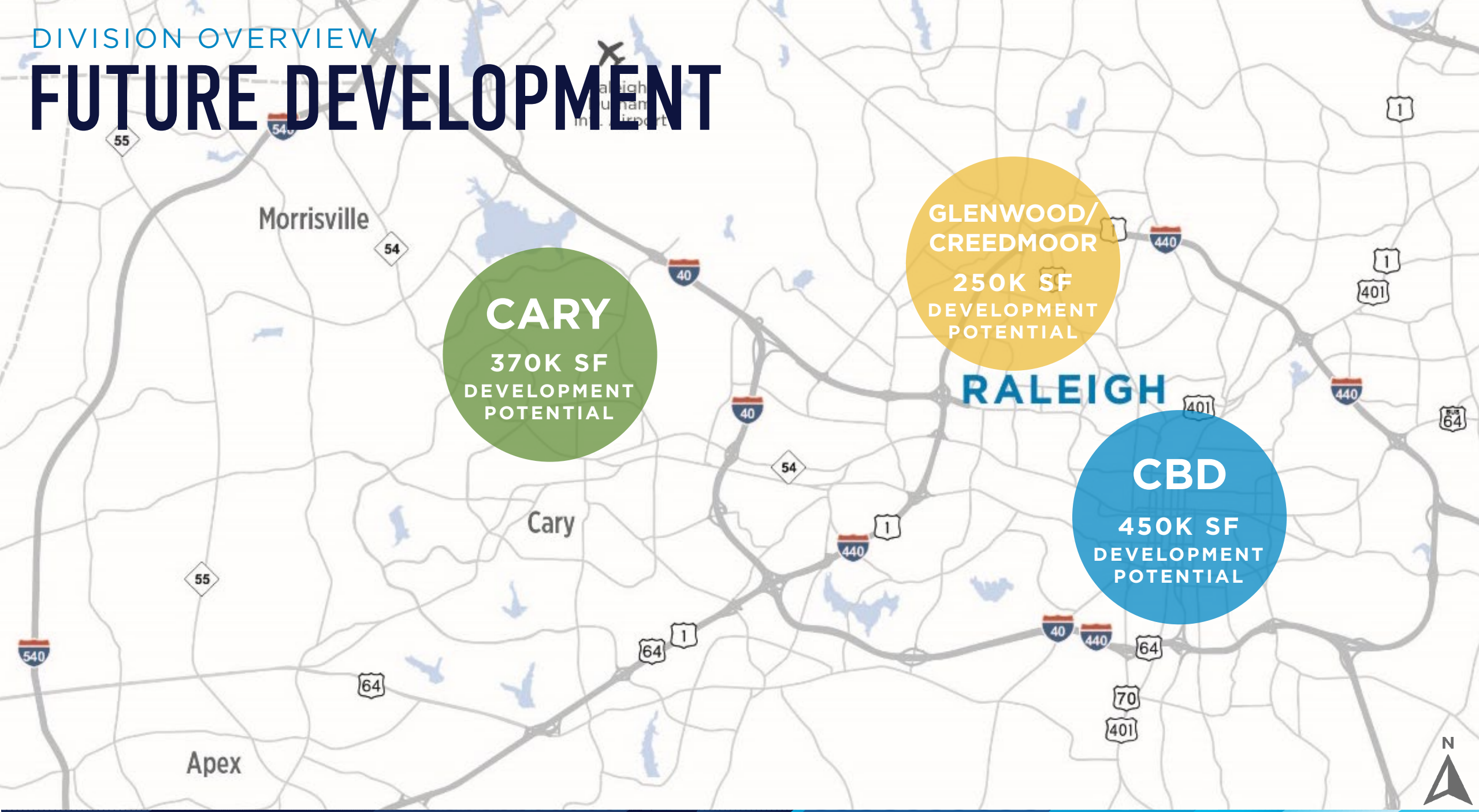
EXPIRATIONS BY YEAR



Source: Highwoods, REIS

DIVISION OVERVIEW

FUTURE DEVELOPMENT



DIVISION OVERVIEW

FUTURE DEVELOPMENT







YOU'VE COME TO THE RIGHT PLACE.

Highwoods®
PROPERTIES