

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name HIGHWOODS PROPERTIES, INC.		2 Issuer's employer identification number (EIN) 56-1871668	
3 Name of contact for additional information PAUL MATTHEWS	4 Telephone No. of contact 919-431-1521	5 Email address of contact PAUL.MATTHEWS@HIGHWOODS.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 3100 SMOKETREE COURT, SUITE 600		7 City, town, or post office, state, and ZIP code of contact RALEIGH, NC 27604	
8 Date of action		9 Classification and description	
QUARTERLY DISTRIBUTIONS		COMMON STOCK	
10 CUSIP number 431284 10 8	11 Serial number(s)	12 Ticker symbol NYSE-HIW	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **THE COMPANY PAID COMMON DISTRIBUTIONS AS FOLLOWS:**

DECLARATION DATE	RECORD DATE	PAYMENT DATE	TYPE OF DISTRIBUTION
02/06/2018	02/20/2018	03/06/2018	QUARTERLY
04/19/2018	05/18/2018	06/05/2018	QUARTERLY
08/02/2018	08/13/2018	09/05/2018	QUARTERLY
10/18/2018	11/12/2018	12/04/2018	QUARTERLY

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **THE TOTAL COMMON DISTRIBUTION PAID BY THE COMPANY FOR 2018 IS \$1.85 PER SHARE OF WHICH 3.1545% IS NONTAXABLE CASH DISTRIBUTION (RETURN OF CAPITAL). THE AMOUNTS OF THE QUARTERLY DISTRIBUTION PER SHARE AS FOLLOWS:**

PAYMENT DATE	QUARTERLY DISTRIBUTION	NONTAXABLE DISTRIBUTION
03/06/2018	\$0.46250	\$0.014589
06/05/2018	\$0.46250	\$0.014589
09/05/2018	\$0.46250	\$0.014589
12/04/2018	\$0.46250	\$0.014589
TOTAL PER SHARE	\$1.85000	\$0.058356

THEREFORE, THE TAX BASIS OF EACH SHARE OF COMMON STOCK HELD THROUGHOUT 2017 WAS NOT REDUCED.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **THE COMPANY DETERMINES ITS ANNUAL EARNINGS AND PROFITS UNDER IRC SECTION 312 (AS MODIFIED BY IRC SECTION 857(D) FOR A REAL ESTATE INVESTMENT TRUST) AND THE REGULATIONS UNDER, WHICH SUPPORTS THE CALCULATION OF NONTAXABLE DISTRIBUTION OF COMMON STOCK PAID FOR 2018.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTION 301(C)(2) PROVIDES THAT THE PORTION OF THE COMMON STOCK DISTRIBUTION WHICH IS NOT A DIVIDEND SHALL BE APPLIED AGAINST AND REDUCE THE ADJUSTED BASIS OF THE STOCK.

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature ▶ *Paul Matthews* Date ▶ 1/19/19
 Print your name ▶ **PAUL MATTHEWS** Title ▶ **ASSISTANT TREASURER**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

Highwoods Properties, Inc. (EIN: 56-1871668)
Tax Treatment of 2018 Distributions

Security Description	CUSIP	Ticker Symbol	Record Date	Payment Date	Distribution per share	Form 1099-DIV				
						Box 1a	Box 2a	Box 2b	Box 3	Box 5
						Total Ordinary Dividends	Total Capital Gain Distributions	Unrecap. Sec. 1250 Gain	Total Nondividend Distributions	Section 199 Dividends
Common Stock	431284 10 8	NYSE - HIW	02/20/18	03/06/18	0.462500	0.369846	0.078065	0.054053	0.014589	0.369846
Common Stock	431284 10 8	NYSE - HIW	05/18/18	06/05/18	0.462500	0.369846	0.078065	0.054053	0.014589	0.369846
Common Stock	431284 10 8	NYSE - HIW	08/13/18	09/05/18	0.462500	0.369846	0.078065	0.054053	0.014589	0.369846
Common Stock	431284 10 8	NYSE - HIW	11/12/18	12/04/18	0.462500	0.369846	0.078065	0.054053	0.014589	0.369846
Total per share					\$ 1.850000	\$ 1.479384	\$ 0.312260	\$ 0.216212	\$ 0.058356	\$ 1.479384
Preferred Series A	431284 20 7	Pink - HIW.P	02/15/18	02/28/18	21.562500	17.804437	3.758063	2.602141		17.804437
Preferred Series A	431284 20 7	Pink - HIW.P	05/15/18	05/31/18	21.562500	17.804437	3.758063	2.602141		17.804437
Preferred Series A	431284 20 7	Pink - HIW.P	08/15/18	08/31/18	21.562500	17.804437	3.758063	2.602141		17.804437
Preferred Series A	431284 20 7	Pink - HIW.P	11/15/18	11/30/18	21.562500	17.804437	3.758063	2.602141		17.804437
Total per share					\$ 86.250000	\$ 71.217748	\$ 15.032252	\$ 10.408564		\$ 71.217748

The ordinary dividends are Section 199 dividends and not "qualified dividend income".

Shareholders should refer to their Form 1099, and contact EQ Shareholder Services at 800-468-9716 for further information.

To assist our investors, the return of capital on common stock dividends is also reported on Form 8937 at www.highwoods.com on the "Tax Information" sub-menu of the "Stock Information" page.