

SUPPLEMENTAL INFORMATION

Fourth Quarter 2014



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The information within refers to all Highwoods Properties' wholly-owned entities, except pages 31 to 37, unless noted otherwise. Wholly-owned entities include properties classified as both continuing operations and discontinued operations and exclude properties recorded on our Balance Sheet that relate to joint ventures that are consolidated under GAAP. In the second quarter of 2014, we adopted the revised definition of discontinued operations under GAAP. Real estate assets sold or held-for-sale are now only reflected as discontinued operations if such sales represent a strategic shift in our operations (e.g., a disposal of a major geographic area or a major line of business). Retail square footage presented throughout this document excludes 186,000 square feet of basement space at the Country Club Plaza in Kansas City.

All financial information contained in this document is unaudited. In addition, certain matters discussed in this supplemental, including estimates of net operating income, pre-leasing commitments and the cost, timing and stabilization of announced development projects, are forward-looking statements within the meaning of the federal securities laws. Although Highwoods believes that 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 Highwoods' current expectations include general economic conditions, local real estate conditions, the timely development and lease-up of properties, and other risks listed at the end of our fourth quarter earnings press release and detailed from time to time in the Company's SEC reports. Highwoods assumes no obligation to update or supplement forward-looking statements that become untrue due to subsequent events.

This supplemental also includes non-GAAP financial measures, such as Funds From Operations (FFO) and net operating income (NOI). Definitions of FFO and NOI and an explanation of management's view of the usefulness and risks of FFO and NOI can be found toward the end of the fourth quarter earnings press release.

COVER

**Rendering of Bridgestone Americas Headquarters
in Nashville expected to be completed in third
quarter of 2017**



Summary (amounts in thousands, except percentages, ratios, and per share amounts)

Three Months Ended

12/31/14 12/31/13

Financial:

Revenues 1/	\$ 154,664	\$ 148,988
Net operating income (NOI) 1/	\$ 98,208	\$ 93,657
Same store cash NOI growth (excluding term fees)	4.5%	-1.5%
Funds from operations per share, excluding certain items	\$ 0.74	\$ 0.74
Weighted average common shares outstanding, diluted	95,114	92,971

Balance Sheet:

Leverage (includes preferred stock) based on gross book assets	41.7%	41.4%
Unencumbered NOI %	82.7%	76.7%
Credit facility availability	\$ 266,000	\$ 259,300

Operations:

Quarter end occupancy	91.9%	89.9%
Office square feet leased	967	791
Office GAAP rent growth 2/	15.0%	8.5%
Average office cash rental rate per square foot for in-place leases	\$ 22.27	\$ 21.48

Year Ended

12/31/14 12/31/13

Capital Activity:

Acquisition	\$ 165,000	\$ 548,500
Occupancy	82.5%	81.3%
Disposition	\$ 175,950	\$ 260,835
Occupancy	84.3%	88.7%
Development pipeline	\$ 492,700	\$ 227,300
Pipeline pre-leased percent	88.6%	86.0%

1/ Includes continuing operations only.

2/ GAAP rent growth is calculated by comparing average cash rent psf over the term (GAAP rent) of the new lease to the average cash rent psf over the term related to the previous lease in the same space. Adjustments are made if necessary to put both the current and prior deal on a consistent gross lease basis.

Corporate Information

Board of Directors

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Gene Anderson
Carlos Evans
Ed Fritsch
David Hartzell, Ph.D.
Sherry Kellett
Glenn Orr Jr.
Temple Sloan Jr., Chairman

Corporate Officers

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Vice President, Chief Accounting Officer

Hugh Esleack
Treasurer

Ed Fritsch
President, Chief Executive Officer

Mike Harris
Executive Vice President, Chief Operating Officer

Ted Klinck
Senior Vice President, Chief Investment Officer

Carman Liuzzo
Vice President, Investments

Art McCann
Chief Information Officer

Jeff Miller
Senior Vice President, General Counsel and Secretary

Mark Mulhern
Senior Vice President, Chief Financial Officer

Kevin Penn
Senior Vice President, Strategy and Administration

Randy Roberson
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Tabitha Zane
Vice President, Investor Relations and Corporate Communications

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Vice President, Memphis

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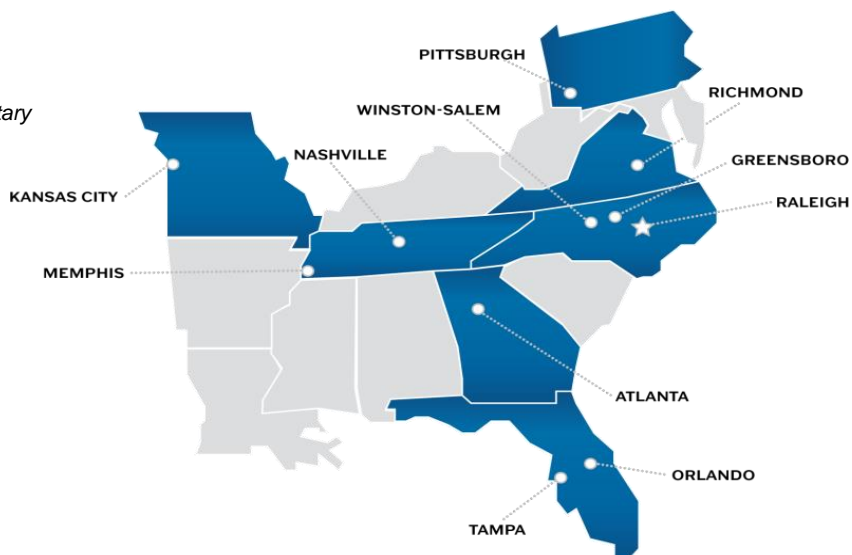
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Vice President, Richmond

Brian Reames
Senior Vice President, Nashville

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Vice President, Kansas City

Andy Wisniewski
Vice President, Pittsburgh

Dan Woodward
Vice President, Tampa



Corporate Information

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Stock Exchange

NYSE: HIW

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Information Request

To request a Supplemental Package or Annual Report or to be added to our e-mail distribution list, please contact Investor Relations at the contact information listed above.

The Company

Highwoods Properties, headquartered in Raleigh, North Carolina, is a publicly traded (NYSE:HIW) real estate investment trust ("REIT") and a member of the S&P MidCap 400 Index. The Company is a fully-integrated office REIT that owns, develops, acquires, leases and manages properties primarily in the best business districts (BBDs) of Atlanta, Greensboro, Kansas City, Memphis, Nashville, Orlando, Pittsburgh, Raleigh, Richmond and Tampa. For more information about Highwoods Properties, please visit our website at: www.highwoods.com

Consolidated Statements of Income (amounts in thousands, except per share amounts)

	Year Ended		Three Months Ended				
	12/31/14	12/31/13	12/31/14	9/30/14	6/30/14	3/31/14	12/31/13
Rental and other revenues	\$ 608,468	\$ 556,810	\$ 154,664	\$ 152,629	\$ 152,722	\$ 148,453	\$ 148,988
Operating expenses:							
Rental property and other expenses	225,504	203,344	56,456	57,383	55,275	56,390	55,331
Depreciation and amortization	196,023	176,957	49,128	48,287	50,443	48,165	48,907
Impairments of real estate assets	588	-	-	-	588	-	-
General and administrative	36,223	37,193	9,250	7,526	8,733	10,714	9,245
Total operating expenses	458,338	417,494	114,834	113,196	115,039	115,269	113,483
Interest expense:							
Contractual	82,287	88,838	19,935	20,962	20,640	20,750	20,959
Amortization of deferred financing costs	3,082	3,802	812	819	799	652	942
Financing obligations	483	63	182	567	(226)	(40)	(24)
	85,852	92,703	20,929	22,348	21,213	21,362	21,877
Other income:							
Interest and other income	5,439	6,597	1,576	1,054	1,410	1,399	1,615
Gains/(losses) on debt extinguishment	(308)	(199)	-	(326)	18	-	(3)
	5,131	6,398	1,576	728	1,428	1,399	1,612
Income from continuing operations before disposition of investment properties and activity in unconsolidated affiliates	69,409	53,011	20,477	17,813	17,898	13,221	15,240
Gains/(losses) on disposition of property	44,352	(3)	2,167	36,238	5,947	-	-
Gain on acquisition of controlling interest in unconsolidated affiliate	-	7,451	-	-	-	-	-
Equity in earnings/(losses) of unconsolidated affiliates	1,827	2,264	941	248	667	(29)	4,088
Income from continuing operations	115,588	62,723	23,585	54,299	24,512	13,192	19,328
Discontinued operations:							
Income from discontinued operations	-	6,776	-	-	-	-	923
Impairments of real estate assets	-	(2,194)	-	-	-	-	-
Net gains on disposition of discontinued operations	384	63,792	-	-	-	384	11,439
	384	68,374	-	-	-	384	12,362
Net income	115,972	131,097	23,585	54,299	24,512	13,576	31,690
Net (income) attributable to noncontrolling interests in the Operating Partnership	(3,542)	(4,691)	(729)	(1,673)	(742)	(398)	(978)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(1,466)	(949)	(314)	(291)	(438)	(423)	(356)
Dividends on Preferred Stock	(2,507)	(2,508)	(626)	(627)	(627)	(627)	(627)
Net income available for common stockholders	\$ 108,457	\$ 122,949	\$ 21,916	\$ 51,708	\$ 22,705	\$ 12,128	\$ 29,729
Earnings per Common Share – basic:							
Income from continuing operations available for common stockholders	\$ 1.20	\$ 0.67	\$ 0.24	\$ 0.57	\$ 0.25	\$ 0.13	\$ 0.20
Income from discontinued operations available for common stockholders	-	0.77	-	-	-	-	0.13
Net income available for common stockholders	\$ 1.20	\$ 1.44	\$ 0.24	\$ 0.57	\$ 0.25	\$ 0.13	\$ 0.33
Weighted average Common Shares outstanding - basic	90,743	85,335	92,063	90,668	90,254	89,966	89,913
Earnings per Common Share - diluted:							
Income from continuing operations available for common stockholders	\$ 1.19	\$ 0.67	\$ 0.24	\$ 0.57	\$ 0.25	\$ 0.13	\$ 0.20
Income from discontinued operations available for common stockholders	-	0.77	-	-	-	-	0.13
Net income available for common stockholders	\$ 1.19	\$ 1.44	\$ 0.24	\$ 0.57	\$ 0.25	\$ 0.13	\$ 0.33
Weighted average Common Shares outstanding - diluted	93,800	88,836	95,114	93,723	93,312	93,030	92,971
Dividends declared per Common Share	\$ 1.70	\$ 1.70	\$ 0.425	\$ 0.425	\$ 0.425	\$ 0.425	\$ 0.425
Net income available for common stockholders:							
Income from continuing operations available for common stockholders	\$ 108,085	\$ 57,081	\$ 21,916	\$ 51,708	\$ 22,705	\$ 11,756	\$ 17,760
Income from discontinued operations available for common stockholders	372	65,868	-	-	-	372	11,969
Net income available for common stockholders	\$ 108,457	\$ 122,949	\$ 21,916	\$ 51,708	\$ 22,705	\$ 12,128	\$ 29,729

Funds from Operations and Additional Information (amounts in thousands, except per share amounts)

	<i>Year Ended</i>		<i>Three Months Ended</i>				
	<u>12/31/14</u>	<u>12/31/13</u>	<u>12/31/14</u>	<u>9/30/14</u>	<u>6/30/14</u>	<u>3/31/14</u>	<u>12/31/13</u>
Funds from operations:							
Net income	\$ 115,972	\$ 131,097	\$23,585	\$54,299	\$24,512	\$13,576	\$31,690
Net (income) attributable to noncontrolling interests in consolidated affiliates	(1,466)	(949)	(314)	(291)	(438)	(423)	(356)
Depreciation and amortization of real estate assets	193,265	174,683	48,460	47,612	49,600	47,593	48,346
Impairments of depreciable properties	588	-	-	-	588	-	-
(Gains) on disposition of depreciable properties	(37,802)	-	(1,523)	(36,279)	-	-	-
(Gain) on acquisition of controlling interest in unconsolidated affiliate	-	(7,451)	-	-	-	-	-
Unconsolidated affiliates:							
Depreciation and amortization of real estate assets	3,914	6,796	875	1,085	923	1,031	1,061
Impairments of depreciable properties	-	4,507	-	-	-	-	-
Impairment of investment in unconsolidated affiliate	1,353	-	-	-	-	1,353	-
(Gains) on disposition of depreciable properties	(1,194)	(431)	(239)	-	-	(955)	-
Discontinued operations:							
Depreciation and amortization of real estate assets	-	5,753	-	-	-	-	247
Impairments of depreciable properties	-	2,194	-	-	-	-	-
(Gains) on disposition of depreciable properties	(384)	(63,792)	-	-	-	(384)	(11,439)
Funds from operations	274,246	252,407	70,844	66,426	75,185	61,791	69,549
Dividends on Preferred Stock	(2,507)	(2,508)	(626)	(627)	(627)	(627)	(627)
Funds from operations available for common stockholders	\$ 271,739	\$ 249,899	\$70,218	\$65,799	\$74,558	\$61,164	\$68,922
Funds from operations available for common stockholders per share	\$ 2.90	\$ 2.81	\$ 0.74	\$ 0.70	\$ 0.80	\$ 0.66	\$ 0.74
Weighted average shares outstanding	93,800	88,836	95,114	93,723	93,312	93,030	92,971
Additional information:							
Funds from operations available for common stockholders 1/ 2/	\$ 272,612	\$ 252,010	\$70,537	\$66,276	\$74,635	\$61,164	\$69,041
Funds from operations available for common stockholders per share, excluding certain items 1/	\$ 2.91	\$ 2.84	\$ 0.74	\$ 0.71	\$ 0.80	\$ 0.66	\$ 0.74
Straight-line rental income	\$ (21,281)	\$ (18,322)	\$ (5,416)	\$ (5,717)	\$ (4,078)	\$ (6,070)	\$ (5,924)
Straight-line rental write-offs related to termination fees	437	613	157	42	192	46	14
Amortization of lease incentives	1,465	1,428	388	327	399	351	348
Depreciation of non-real estate assets	2,175	1,700	530	521	695	429	416
Ground lease straight-line rent expense	438	172	105	109	111	113	156
Share-based compensation expense	6,939	6,899	760	798	1,119	4,262	1,003
Amortization of deferred financing costs	3,082	3,802	812	819	799	652	942
Amortization of accumulated other comprehensive income/(loss)	317	(12)	80	80	79	78	80
Amortization of Harborview financing obligation	(1,805)	(1,889)	(394)	(18)	(794)	(599)	(500)
Amortization of above/(below) market leases and other adjustments	(1,024)	(1,083)	(196)	(311)	(248)	(269)	(262)
Non-incremental revenue generating capital expenditures incurred: 3/							
Building improvements	(22,460)	(14,672)	(8,054)	(4,548)	(5,106)	(4,752)	(4,209)
2nd generation tenant improvements	(55,945)	(49,608)	(15,663)	(13,496)	(16,363)	(10,423)	(7,290)
2nd generation lease commissions	(23,782)	(18,957)	(4,052)	(2,680)	(9,812)	(7,238)	(3,905)
Common dividends and unit distributions paid	(159,159)	(151,631)	(40,377)	(39,680)	(39,628)	(39,474)	(39,465)

1/ Excludes gains/(losses) on debt extinguishment and property acquisition costs.

2/ Increase or (decrease) to cash flows.

3/ Excludes capital expenditures (a) incurred within 12 months prior to the disposition date for buildings sold, (b) related to first generation leases and leases with respect to vacant space in acquired buildings, (c) building improvements that are recoverable from future operating cost savings and (d) property re-developments.

Consolidated Balance Sheets (dollars in thousands)

Assets:	<u>12/31/14</u>	<u>12/31/13</u>
Real estate assets, at cost:		
Land	\$ 388,807	\$ 393,602
Buildings and tenant improvements	3,840,379	3,748,869
Development in process	205,971	44,621
Land held for development	<u>79,355</u>	<u>110,374</u>
	4,514,512	4,297,466
Less-accumulated depreciation	<u>(1,033,106)</u>	<u>(985,244)</u>
Net real estate assets	3,481,406	3,312,222
Real estate and other assets, net, held for sale	1,038	-
Cash and cash equivalents	8,832	10,184
Restricted cash	14,595	14,169
Accounts receivable, net of allowance of \$1,314 and \$1,648, respectively	48,557	26,430
Mortgages and notes receivable, net of allowance of \$275 and \$302, respectively	13,116	26,409
Accrued straight-line rents receivable, net of allowance of \$600 and \$1,063, respectively	142,037	126,014
Investments in and advances to unconsolidated affiliates	27,071	29,901
Deferred financing and leasing costs, net of accumulated amortization of \$112,804 and \$92,220, respectively	228,768	222,211
Prepaid expenses and other assets, net of accumulated amortization of \$14,259 and \$12,905, respectively	<u>39,489</u>	<u>39,561</u>
Total Assets	<u><u>\$ 4,004,909</u></u>	<u><u>\$ 3,807,101</u></u>
Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:		
Mortgages and notes payable	\$ 2,071,389	\$ 1,956,299
Accounts payable, accrued expenses and other liabilities	237,633	218,962
Financing obligations	<u>23,519</u>	<u>26,664</u>
Total Liabilities	2,332,541	2,201,925
Commitments and contingencies		
Noncontrolling interests in the Operating Partnership	130,048	106,480
Equity:		
Preferred Stock, \$.01 par value, 50,000,000 authorized shares; 8.625% Series A Cumulative Redeemable Preferred Shares (liquidation preference \$1,000 per share), 29,060 and 29,077 shares issued and outstanding, respectively	29,060	29,077
Common Stock, \$.01 par value, 200,000,000 authorized shares; 92,907,310 and 89,920,915 shares issued and outstanding, respectively	929	899
Additional paid-in capital	2,464,275	2,370,368
Distributions in excess of net income available for common stockholders	(966,141)	(920,433)
Accumulated other comprehensive loss	<u>(3,912)</u>	<u>(2,611)</u>
Total Stockholders' Equity	1,524,211	1,477,300
Noncontrolling interests in consolidated affiliates	<u>18,109</u>	<u>21,396</u>
Total Equity	1,542,320	1,498,696
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	<u><u>\$ 4,004,909</u></u>	<u><u>\$ 3,807,101</u></u>

Components of Net Asset Value (dollars in thousands)

Note: The purpose of providing the following information at the beginning of each year is to enable readers to derive their own estimate of net asset value. The Company updates this information once annually based on management's assumptions regarding projected current year net operating income for the existing property portfolio as of the date of initial publication (February 10, 2015). This information is not intended to be an asset-by-asset or enterprise valuation.

Wholly-owned properties projected cash net operating income (NOI) 1/

Office	\$ 337,401
Retail	22,279
Industrial	8,197
Total Net Operating Income	<u>\$ 367,877</u>

Highwoods Share of Joint Ventures projected NOI 1/

Office	<u>\$ 11,115</u>
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Other income

Development, leasing and management fees	<u>\$ 4,038</u>
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In Service Assets Not Fairly Valued by Capitalized NOI Method

Wholly-owned assets	\$ 248,475
Highwoods' share of joint venture's assets	10,649
Total	<u>\$ 259,124</u>

Add other assets:

Development investment at cost incurred 2/	\$ 234,262
Land held for development at market value 3/	110,000
Cash and cash equivalents	8,832
Restricted cash	14,595
Accounts receivable, net	48,557
Notes receivable and prepaid expenses 4/	69,245
Highwoods' share of unconsolidated joint venture's other assets	7,875
Deduct partner's share of consolidated joint venture's other assets	(4,512)
Total other assets	<u>\$ 488,854</u>

Liabilities:

Mortgages and notes payable	\$ 2,071,389
Accounts payable, accrued expenses and other liabilities	237,633
Deduct partner's share of Consolidated joint venture's liabilities and mortgages	(1,088)
Market value of debt adjustment 5/	69,945
Preferred stock, at liquidation value	29,060
Highwoods' share of unconsolidated joint ventures liabilities	60,009
Market value of debt adjustment for joint venture debt 5/	(1,207)
Total deductions	<u>\$ 2,465,741</u>

1/ Projected 2015 Cash NOI for the existing property portfolio excludes straight-line income, lease termination fee income, fee income, NOI related to developments listed on page 29, and NOI related to assets undervalued by a capitalized NOI method. Assets undervalued by a capitalized NOI method are identified generally by occupancies under 70% or free rent that lowers the cash NOI to effectively less than 70% of a stabilized cash NOI. For the assets in this category an NOI capitalization approach is not appropriate and accordingly an alternative valuation methodology has been applied.

2/ Includes a development property, International Paper, placed in-service in fourth quarter of 2014 whose NOI was not included above.

3/ Includes Highwoods' share of joint venture land held for development totaling \$4.8 million.

4/ Includes \$16.6 million of notes receivable from partner's share of consolidated Harborview joint venture.

5/ In accordance with prior practice, we included an adjustment to mark our debt including our pro rata share of unconsolidated joint venture to estimated fair value as of December 31, 2014.

Note: Information presented herein does not include the effect of any acquisitions and dispositions subsequent to December 31, 2014.

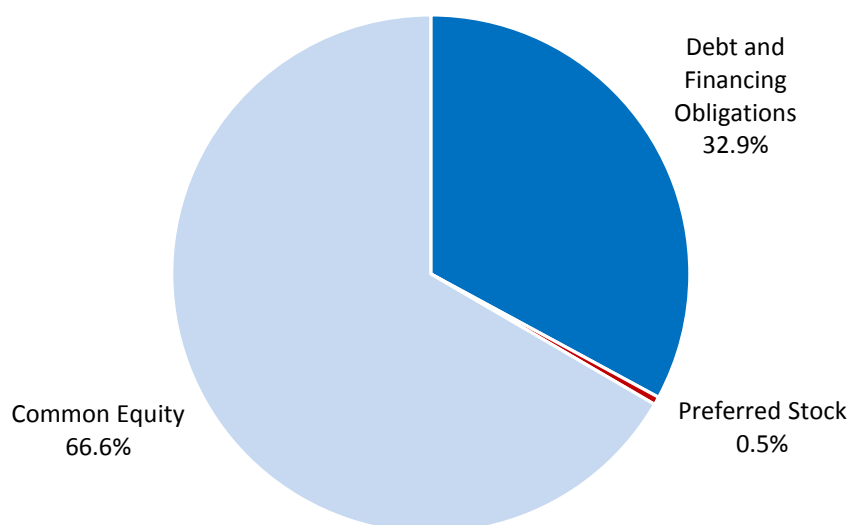
Revenue Detail; Dispositions Detail (dollars in thousands)

	<i>Year Ended</i>		<i>Three Months Ended</i>				
	<u>12/31/14</u>	<u>12/31/13</u>	<u>12/31/14</u>	<u>9/30/14</u>	<u>6/30/14</u>	<u>3/31/14</u>	<u>12/31/13</u>
Continuing Operations Revenue Detail							
Rental and other revenues							
Contractual rents, net	\$ 512,766	\$ 474,163	\$ 129,823	\$ 127,772	\$ 129,694	\$ 125,477	\$ 126,719
Straight-line rental income, net	21,281	17,226	5,416	5,717	4,078	6,070	5,789
Amortization of lease incentives	(1,465)	(1,409)	(388)	(327)	(399)	(351)	(347)
Cost recovery income, net	51,273	43,586	12,568	13,768	12,468	12,469	11,511
Lease termination fees	2,203	2,030	746	953	385	119	402
Fee income	3,560	5,557	978	871	853	858	870
Other miscellaneous operating revenues	18,850	15,657	5,521	3,875	5,643	3,811	4,044
	\$ 608,468	\$ 556,810	\$ 154,664	\$ 152,629	\$ 152,722	\$ 148,453	\$ 148,988
Dispositions in Continuing Operations							
Rental and other revenues							
	\$ 13,817	\$ 20,430	\$ 228	\$ 3,148	\$ 5,446	\$ 4,995	\$ 5,207
Operating expenses:							
Rental property and other expenses	5,352	7,847	109	1,302	1,933	2,008	1,972
Depreciation and amortization	3,872	6,372	70	203	1,904	1,695	1,491
Impairments of real estate assets	588	-	-	-	588	-	-
Total operating expenses	9,812	14,219	179	1,505	4,425	3,703	3,463
Gains/(losses) on disposition of property	44,352	(3)	2,167	36,238	5,947	-	-
Total dispositions in continuing operations	\$ 48,357	\$ 6,208	\$ 2,216	\$ 37,881	\$ 6,968	\$ 1,292	\$ 1,744
Dispositions in Discontinued Operations							
Rental and other revenues							
	\$ -	\$ 20,812	\$ -	\$ -	\$ -	\$ -	\$ 2,275
Operating expenses:							
Rental property and other expenses	-	8,283	-	-	-	-	1,105
Depreciation and amortization	-	5,753	-	-	-	-	247
Total operating expenses	-	14,036	-	-	-	-	1,352
Income from discontinued operations	-	6,776	-	-	-	-	923
Impairments of real estate assets	-	(2,194)	-	-	-	-	-
Net gains on disposition of discontinued operations	384	63,792	-	-	-	384	11,439
Total discontinued operations	\$ 384	\$ 68,374	\$ -	\$ -	\$ -	\$ 384	\$ 12,362

Capitalization (dollars, shares and units in thousands)

	<u>12/31/14</u>	<u>9/30/14</u>	<u>6/30/14</u>	<u>3/31/14</u>	<u>12/31/13</u>
Mortgages and Notes Payable (see pages 7 & 8):	<u>\$ 2,071,389</u>	<u>\$ 2,013,824</u>	<u>\$ 2,058,972</u>	<u>\$ 2,012,554</u>	<u>\$ 1,956,299</u>
Financing Obligations:	<u>\$ 23,519</u>	<u>\$ 23,519</u>	<u>\$ 24,672</u>	<u>\$ 26,443</u>	<u>\$ 26,664</u>
Preferred Stock (at liquidation value):					
Series A 8 5/8% Cumulative Redeemable	<u>\$ 29,060</u>	<u>\$ 29,077</u>	<u>\$ 29,077</u>	<u>\$ 29,077</u>	<u>\$ 29,077</u>
Common Shares and Units Outstanding:					
Common stock outstanding	<u>92,907</u>	91,270	90,362	90,062	89,921
Noncontrolling interest partnership units	<u>2,937</u>	2,937	2,937	2,937	2,944
Total Common Shares and Units outstanding	<u>95,844</u>	94,207	93,299	92,999	92,865
Stock price at period end	<u>\$ 44.28</u>	\$ 38.90	\$ 41.95	\$ 38.41	\$ 36.17
Market value of common equity	<u>\$ 4,243,972</u>	<u>\$ 3,664,652</u>	<u>\$ 3,913,893</u>	<u>\$ 3,572,092</u>	<u>\$ 3,358,927</u>
Total capitalization with debt and obligations	<u>\$ 6,367,940</u>	<u>\$ 5,731,072</u>	<u>\$ 6,026,614</u>	<u>\$ 5,640,166</u>	<u>\$ 5,370,967</u>

Capitalization



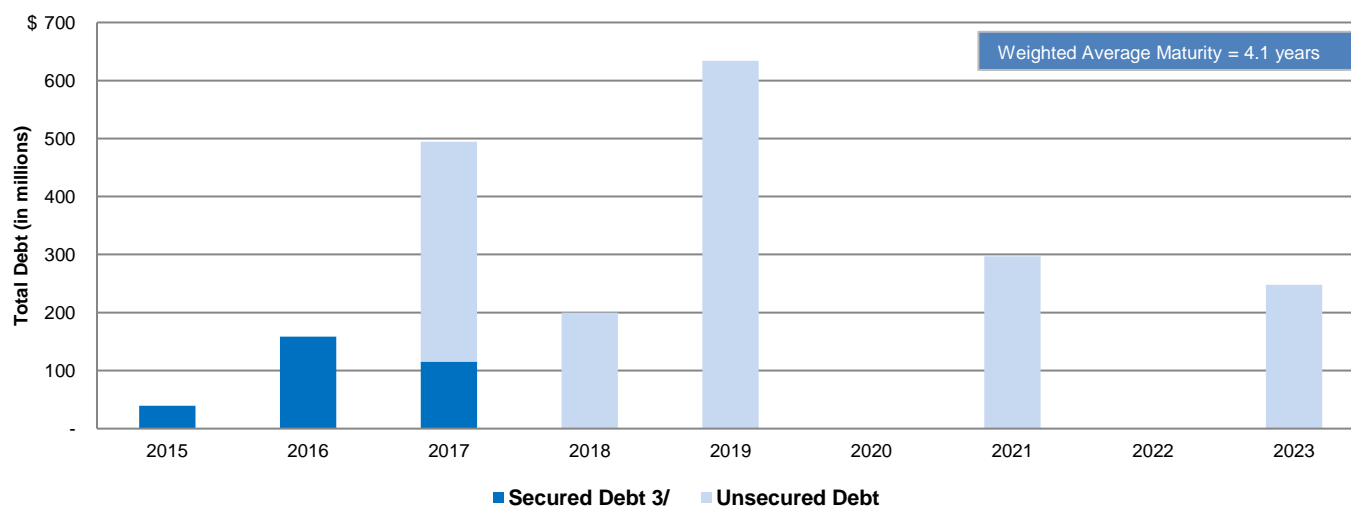
Mortgages and Notes Payable Summary (dollars in thousands)

Balances Outstanding:	<u>12/31/14</u>	<u>9/30/14</u>	<u>6/30/14</u>	<u>3/31/14</u>	<u>12/31/13</u>
Secured:					
Conventional fixed rate	\$ 312,868	\$ 314,506	\$ 352,857	\$ 485,525	\$ 488,664
Unsecured - Fixed:					
Fixed rate bonds and notes	1,124,521	1,124,318	1,124,115	827,029	826,935
Bank term loan 1/	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>
Unsecured - fixed total	<u>1,349,521</u>	<u>1,349,318</u>	<u>1,349,115</u>	<u>1,052,029</u>	<u>1,051,935</u>
Unsecured - Floating:					
Bank term loan	200,000	200,000	200,000	200,000	200,000
Credit facility 2/	<u>209,000</u>	<u>150,000</u>	<u>157,000</u>	<u>275,000</u>	<u>215,700</u>
Unsecured - floating total	<u>409,000</u>	<u>350,000</u>	<u>357,000</u>	<u>475,000</u>	<u>415,700</u>
Unsecured total	<u>1,758,521</u>	<u>1,699,318</u>	<u>1,706,115</u>	<u>1,527,029</u>	<u>1,467,635</u>
Total	<u><u>\$ 2,071,389</u></u>	<u><u>\$ 2,013,824</u></u>	<u><u>\$ 2,058,972</u></u>	<u><u>\$ 2,012,554</u></u>	<u><u>\$ 1,956,299</u></u>

End of Period Weighted Average Interest Rates:

Secured:					
Conventional fixed rate	5.95%	5.94%	5.67%	4.98%	4.98%
Unsecured - Fixed:					
Fixed rate bonds	5.03%	5.03%	5.03%	5.62%	5.63%
Bank term loan 1/	<u>3.43%</u>	<u>3.43%</u>	<u>3.43%</u>	<u>3.43%</u>	<u>3.43%</u>
Unsecured - fixed total	<u>4.77%</u>	<u>4.77%</u>	<u>4.77%</u>	<u>5.15%</u>	<u>5.16%</u>
Unsecured - Floating:					
Bank term loan	1.36%	1.35%	1.35%	1.35%	1.37%
Credit facility 2/	<u>1.26%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.26%</u>	<u>1.27%</u>
Unsecured - floating total	<u>1.31%</u>	<u>1.31%</u>	<u>1.31%</u>	<u>1.30%</u>	<u>1.32%</u>
Unsecured total	<u>3.96%</u>	<u>4.05%</u>	<u>4.04%</u>	<u>3.95%</u>	<u>4.07%</u>
Weighted Average	<u><u>4.26%</u></u>	<u><u>4.35%</u></u>	<u><u>4.32%</u></u>	<u><u>4.20%</u></u>	<u><u>4.30%</u></u>

Maturity Schedule



1/ The interest rate on this loan is based on LIBOR plus a spread based on the company's credit rating. Swap agreements effectively fix LIBOR for the full term of the loan.

2/ Maturity reflects two six-month extension options related to \$209.0 million of unsecured debt (Credit Facility).

3/ All periods exclude annual principal amortization.

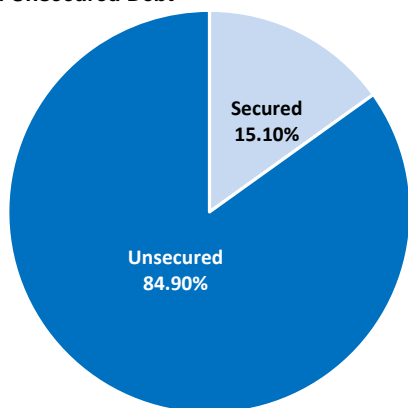
Mortgages and Notes Payable Detail (dollars in thousands)

<u>Lender</u>	<u>Effective Rate</u>	<u>Maturity Date</u>	sort ↓ <u>Loan Balance</u>	<u>Undepreciated Book Value of Real Estate & Related Assets Secured</u>
			<u>12/31/14</u>	
Wells Fargo Bank, N.A.	4.22%	Nov-17	\$ 115,229	\$ 219,054
New York Life Insurance Company	6.88%	Jan-16	107,556	216,124
Western-Southern Life Assurance Company	7.50%	Aug-16	44,501	73,418
Bank of America	6.43%	Nov-15	39,324	55,309
State Farm Life Insurance	7.65%	Feb-16	6,258	16,708
	<u>5.95%</u>		<u>312,868</u>	<u>\$ 580,613</u>
Unsecured Bonds				
Bonds	5.88%	Mar-17	379,427	
Bonds	3.36%	Jun-21	297,207	
Bonds	3.75%	Jan-23	247,887	
Bonds	7.50%	Apr-18	200,000	
	<u>5.03%</u>		<u>1,124,521</u>	
Unsecured Loans				
Bank term loan 1/	3.43%	Jan-19	225,000	
Credit facility 2/ 3/	1.26%	Jan-19	209,000	
Bank term loan 2/	1.36%	Jan-19	200,000	
	<u>2.06%</u>		<u>634,000</u>	
Total Debt	<u>4.26%</u>		<u>\$ 2,071,389</u>	

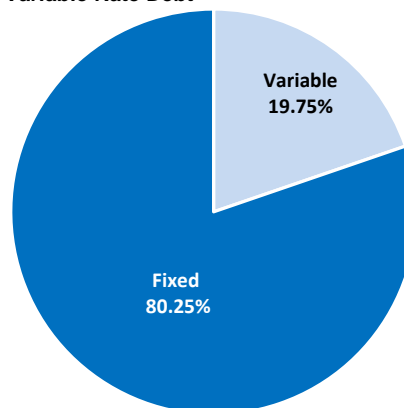
<u>Bond Covenants as of December 31, 2014</u>	
Overall indebtedness (<60%)	44.9%
Secured indebtedness (<40%)	6.8%
Income available for debt service (>1.5x)	4.13
Total unencumbered assets to unsecured debt (>200%)	229.6%

<u>Agency</u>	<u>Rating</u>	<u>Outlook</u>	<u>Affirmed</u>
S&P	BBB	Stable	5/22/14
Moody's	Baa2	Stable	9/17/14
Fitch	BBB	Stable	9/19/14

Secured and Unsecured Debt



Fixed and Variable Rate Debt



1/ This loan maturing January 2019 is swapped to an effective fixed rate of 3.43% for the full term of the loan.

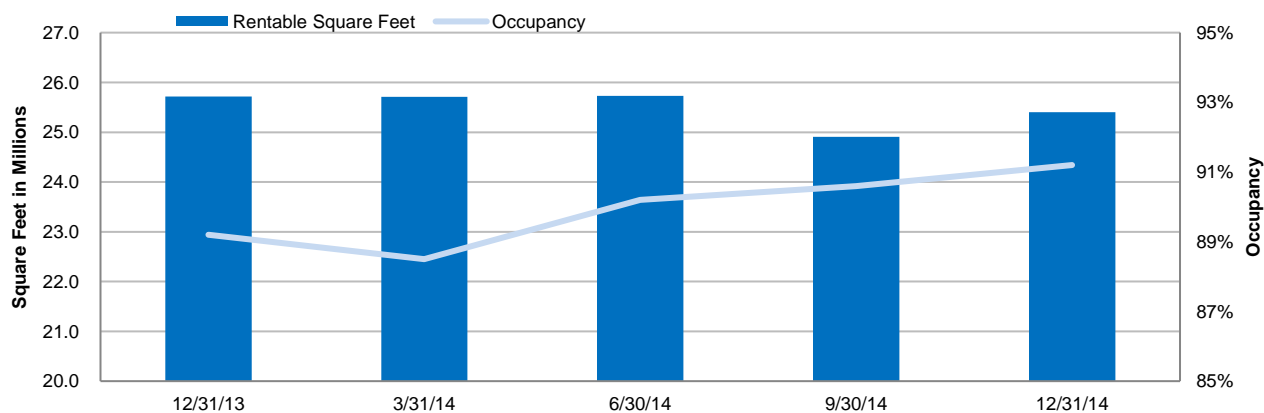
2/ Floating rate loans based on one month LIBOR.

3/ Maturity date reflects two six-month extension options.

Portfolio Summary - Wholly-Owned Properties Only

	<u>12/31/14</u>	<u>9/30/14</u>	<u>6/30/14</u>	<u>3/31/14</u>	<u>12/31/13</u>
Total In-Service					
Rentable Square Footage					
Office	25,404,000	24,910,000	25,730,000	25,713,000	25,715,000
Industrial	2,413,000	2,613,000	2,743,000	2,743,000	2,743,000
Retail	779,000	779,000	834,000	834,000	834,000
Total	<u>28,596,000</u>	<u>28,302,000</u>	<u>29,307,000</u>	<u>29,290,000</u>	<u>29,292,000</u>
Occupancy					
Office	91.2%	90.6%	90.2%	88.5%	89.2%
Industrial	97.9%	93.0%	94.6%	94.1%	94.1%
Retail	96.1%	95.0%	94.0%	92.9%	97.3%
Total	<u>91.9%</u>	<u>91.0%</u>	<u>90.8%</u>	<u>89.2%</u>	<u>89.9%</u>
Same Property:					
Rentable Square Feet					
Office	20,974,000	20,974,000	20,974,000	20,974,000	20,974,000
Industrial	2,413,000	2,413,000	2,413,000	2,413,000	2,413,000
Retail	779,000	779,000	779,000	779,000	779,000
Total	<u>24,166,000</u>	<u>24,166,000</u>	<u>24,166,000</u>	<u>24,166,000</u>	<u>24,166,000</u>
Occupancy					
Office	91.5%	90.9%	90.9%	88.9%	90.1%
Industrial	97.9%	95.1%	97.6%	96.9%	96.9%
Retail	96.1%	95.0%	93.5%	92.4%	97.1%
Total	<u>92.3%</u>	<u>91.5%</u>	<u>91.7%</u>	<u>89.8%</u>	<u>91.0%</u>

Rentable Square Feet and Occupancy Trend: *Total In-Service Office Only*



Portfolio Summary (as of 12/31/14)

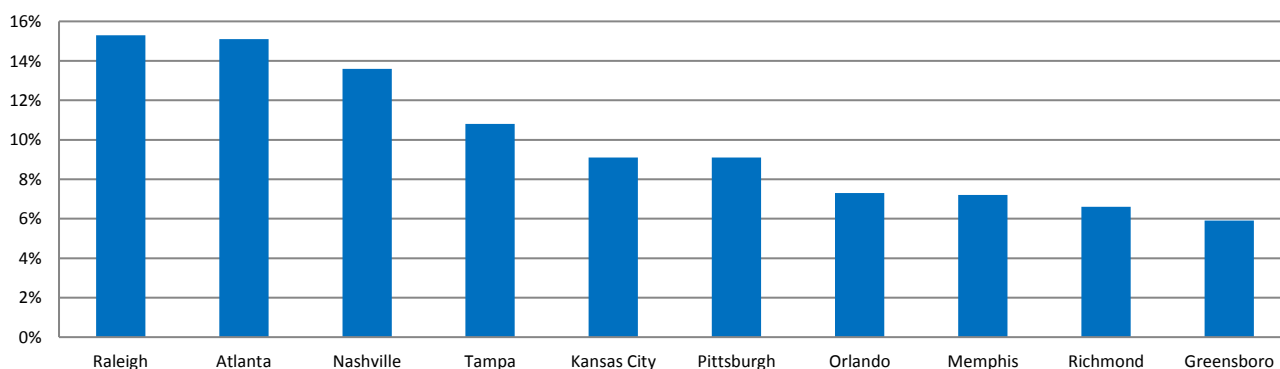
Summary by Location, Wholly-Owned Properties Only:

Market	Rentable Square Feet	Occupancy	Percentage of Annualized Cash Revenue 1/				sort
			Office	Industrial	Retail	Total	↓
Atlanta	4,511,000	88.3%	15.3%	-	-	15.3%	
Raleigh	4,370,000	90.1%	14.9%	-	-	14.9%	
Nashville	3,377,000	96.4%	14.0%	-	-	14.0%	
Tampa	3,122,000	85.2%	10.9%	-	-	10.9%	
Pittsburgh	2,157,000	94.6%	9.4%	-	-	9.4%	
Kansas City	1,393,000	97.2%	2.7%	-	5.8%	8.5%	
Memphis	2,226,000	92.3%	7.4%	-	-	7.4%	
Orlando	1,810,000	88.1%	7.2%	-	-	7.2%	
Richmond	1,939,000	94.6%	6.4%	-	-	6.4%	
Greensboro	3,691,000	96.2%	4.0%	2.0%	-	6.0%	
Total	28,596,000	91.9%	92.2%	2.0%	5.8%	100.0%	

Summary by Location, Including Joint Ventures:

Market	Rentable Square Feet	Occupancy	Percentage of Annualized Cash Revenue 1/ 2/			
			Office	Industrial	Retail	Total
Raleigh	5,005,000	90.8%	15.3%	-	-	15.3%
Atlanta	4,697,000	87.3%	15.1%	-	-	15.1%
Nashville	3,377,000	96.4%	13.6%	-	-	13.6%
Tampa	3,327,000	85.9%	10.8%	-	-	10.8%
Kansas City	1,946,000	94.4%	3.5%	-	5.6%	9.1%
Pittsburgh	2,157,000	94.6%	9.1%	-	-	9.1%
Orlando	2,327,000	84.4%	7.3%	-	-	7.3%
Memphis	2,226,000	92.3%	7.2%	-	-	7.2%
Richmond	2,285,000	95.4%	6.6%	-	-	6.6%
Greensboro	3,808,000	94.6%	3.9%	2.0%	-	5.9%
Total	31,155,000	91.3%	92.4%	2.0%	5.6%	100.0%

Annualized Cash Revenue by Market, Including Joint Ventures 1/ 2/



1/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

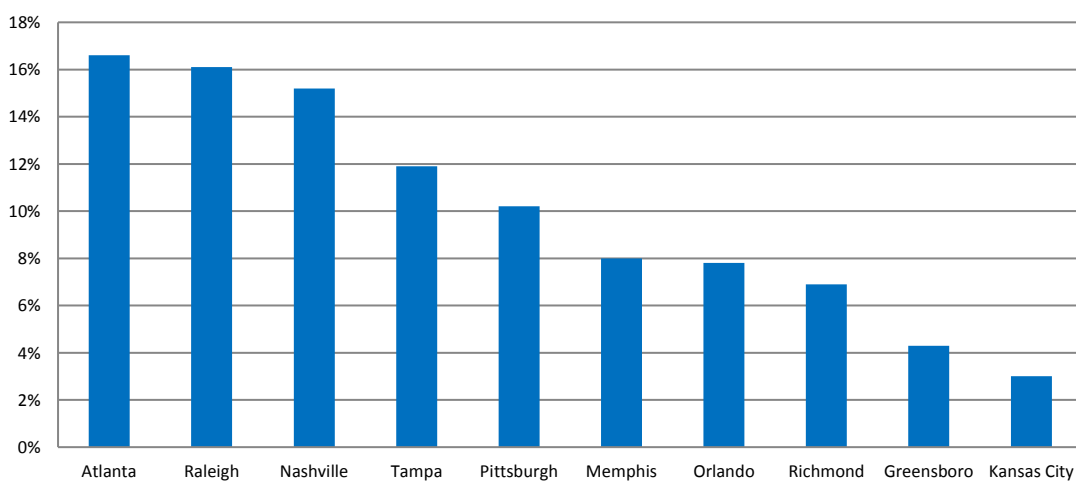
2/ Includes Highwoods' share of Joint Venture Annualized Cash Revenue, see page 35.

Portfolio Summary (as of 12/31/14)

Summary by Location, Wholly-Owned Properties Only:

Market	Rentable Square Feet	Occupancy	sort ↓	Percentage of Segment Annualized Cash Revenue 1/	Percentage of Total Annualized Cash Revenue 1/
Office					
Atlanta	4,511,000	88.3%		16.6%	15.3%
Raleigh	4,370,000	90.1%		16.1%	14.9%
Nashville	3,377,000	96.4%		15.2%	14.0%
Tampa	3,122,000	85.2%		11.9%	10.9%
Pittsburgh	2,157,000	94.6%		10.2%	9.4%
Memphis	2,226,000	92.3%		8.0%	7.4%
Orlando	1,810,000	88.1%		7.8%	7.2%
Richmond	1,939,000	94.6%		6.9%	6.4%
Greensboro	1,278,000	93.2%		4.3%	4.0%
Kansas City	614,000	98.6%		3.0%	2.7%
	<u>25,404,000</u>	<u>91.2%</u>		<u>100.0%</u>	<u>92.2%</u>
Industrial					
Greensboro	2,413,000	97.9%		100.0%	2.0%
	<u>2,413,000</u>	<u>97.9%</u>		<u>100.0%</u>	<u>2.0%</u>
Retail					
Kansas City	779,000	96.1%		100.0%	5.8%
	<u>779,000</u>	<u>96.1%</u>		<u>100.0%</u>	<u>5.8%</u>

Office Segment: Annualized Cash Revenue by Market 1/



1/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Occupancy Trends - Wholly-Owned Properties Only

sort ↓ Market	Measurement	12/31/14	9/30/14	6/30/14	3/31/14	12/31/13
Atlanta	Rentable Square Feet	4,511,000	4,708,000	4,711,000	4,707,000	4,707,000
	Occupancy	88.3%	87.2%	86.8%	82.2%	82.2%
	Current Properties 1/	88.3%	88.0%	87.6%	82.8%	82.8%
Greensboro	Rentable Square Feet	3,691,000	3,768,000	4,146,000	4,146,000	4,147,000
	Occupancy	96.2%	94.0%	94.1%	94.8%	94.7%
	Current Properties 1/	96.2%	94.2%	95.7%	95.3%	95.1%
Greenville	Rentable Square Feet	-	-	210,000	210,000	210,000
	Occupancy	-	-	100.0%	100.0%	100.0%
	Current Properties 1/	-	-	100.0%	100.0%	100.0%
Kansas City	Rentable Square Feet	1,393,000	1,393,000	1,446,000	1,446,000	1,446,000
	Occupancy	97.2%	96.3%	95.2%	94.6%	96.0%
	Current Properties 1/	97.2%	96.3%	95.0%	94.4%	95.9%
Memphis	Rentable Square Feet	2,226,000	1,978,000	1,978,000	1,978,000	1,978,000
	Occupancy	92.3%	90.3%	87.1%	87.1%	88.0%
	Current Properties 1/	91.4%	90.3%	87.1%	87.1%	88.0%
Nashville	Rentable Square Feet	3,377,000	3,377,000	3,337,000	3,335,000	3,336,000
	Occupancy	96.4%	96.4%	94.2%	90.5%	95.2%
	Current Properties 1/	96.4%	96.4%	94.2%	90.5%	94.8%
Orlando	Rentable Square Feet	1,810,000	1,564,000	1,564,000	1,563,000	1,563,000
	Occupancy	88.1%	90.3%	87.5%	87.2%	86.6%
	Current Properties 1/	88.3%	90.3%	87.6%	87.2%	86.6%
Pittsburgh	Rentable Square Feet	2,157,000	2,157,000	2,157,000	2,157,000	2,157,000
	Occupancy	94.6%	94.4%	94.4%	93.3%	93.0%
	Current Properties 1/	94.6%	94.4%	94.4%	93.3%	93.0%
Raleigh	Rentable Square Feet	4,370,000	4,362,000	4,412,000	4,411,000	4,411,000
	Occupancy	90.1%	90.1%	92.0%	90.7%	90.1%
	Current Properties 1/	90.8%	91.0%	93.0%	93.0%	93.1%
Richmond	Rentable Square Feet	1,939,000	1,873,000	2,231,000	2,229,000	2,229,000
	Occupancy	94.6%	93.2%	93.4%	93.4%	93.8%
	Current Properties 1/	94.9%	93.2%	94.1%	93.1%	93.7%
Tampa	Rentable Square Feet	3,122,000	3,122,000	3,115,000	3,108,000	3,108,000
	Occupancy	85.2%	83.3%	83.8%	81.8%	83.8%
	Current Properties 1/	85.2%	83.3%	84.0%	81.8%	83.8%
Total	Rentable Square Feet	28,596,000	28,302,000	29,307,000	29,290,000	29,292,000
	Occupancy	91.9%	91.0%	90.8%	89.2%	89.9%
	Current Properties 1/	92.0%	91.3%	91.2%	89.4%	90.3%

1/ Only includes properties that were owned and in-service for all periods shown.

Leasing Statistics: Office Portfolio

	Three Months Ended					Five Quarter
	<u>12/31/14 1/</u>	<u>9/30/14 2/</u>	<u>6/30/14 3/</u>	<u>3/31/14 4/</u>	<u>12/31/13 5/</u>	<u>Average</u>
Leasing Activity:						
Square footage of Renewal Deals	733,446	583,261	678,436	781,243	383,286	631,934
Square footage of New Deals (Relets)	233,518	357,159	776,038	376,904	407,513	430,226
Rentable square footage leased	<u>966,964</u>	<u>940,420</u>	<u>1,454,474</u>	<u>1,158,147</u>	<u>790,799</u>	<u>1,062,161</u>
Renewed square footage (% of total)	75.9%	62.0%	46.6%	67.5%	48.5%	59.5%
New Leases square footage (% of total)	24.1%	38.0%	53.4%	32.5%	51.5%	40.5%
Number of lease transactions (signed leases)	111	127	139	132	129	128
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 23.00	\$ 24.10	\$ 23.42	\$ 23.20	\$ 23.25	\$ 23.39
Rent concessions	(0.35)	(0.65)	(0.71)	(0.66)	(0.74)	(0.62)
GAAP rent	<u>22.65</u>	<u>23.45</u>	<u>22.71</u>	<u>22.54</u>	<u>22.51</u>	<u>22.77</u>
Tenant improvements	(1.95)	(2.26)	(2.53)	(2.17)	(2.48)	(2.28)
Leasing commissions 6/	(0.46)	(0.59)	(0.77)	(0.85)	(0.74)	(0.68)
Effective rent after capex	20.24	20.60	19.41	19.52	19.29	19.81
Expense stop	(6.54)	(6.46)	(6.58)	(7.78)	(7.20)	(6.91)
Effective rent after capex and opex	\$ 13.70	\$ 14.14	\$ 12.83	\$ 11.74	\$ 12.09	\$ 12.90
Square feet weighted average term in years	5.5	5.3	7.7	5.5	6.1	6.0
Dollar weighted average term in years	5.5	5.4	8.0	5.3	6.1	6.1
Capital Expenditures Related to Above Leasing Activity:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 12,374,985	\$ 14,150,026	\$ 33,534,721	\$ 16,707,096	\$ 11,874,705	\$ 17,728,307
Rentable square feet	966,964	940,420	1,454,474	1,158,147	790,799	1,062,161
Per rentable square foot	<u>\$ 12.80</u>	<u>\$ 15.05</u>	<u>\$ 23.06</u>	<u>\$ 14.43</u>	<u>\$ 15.02</u>	<u>\$ 16.69</u>
Leasing Commissions:						
Total dollars committed under signed leases 6/	\$ 2,800,877	\$ 3,642,058	\$ 9,937,542	\$ 6,105,628	\$ 3,904,362	\$ 5,278,093
Rentable square feet	966,964	940,420	1,454,474	1,158,147	790,799	1,062,161
Per rentable square foot	<u>\$ 2.90</u>	<u>\$ 3.87</u>	<u>\$ 6.83</u>	<u>\$ 5.27</u>	<u>\$ 4.94</u>	<u>\$ 4.97</u>
Total:						
Total dollars committed under signed leases	\$ 15,175,862	\$ 17,792,084	\$ 43,472,263	\$ 22,812,724	\$ 15,779,067	\$ 23,006,400
Rentable square feet	966,964	940,420	1,454,474	1,158,147	790,799	1,062,161
Per rentable square foot	<u>\$ 15.69</u>	<u>\$ 18.92</u>	<u>\$ 29.89</u>	<u>\$ 19.70</u>	<u>\$ 19.95</u>	<u>\$ 21.66</u>

1/ Includes 96,000 square feet of leases that start in 2017 or later.

2/ Includes 98,000 square feet of leases that start in 2016 or later.

3/ Includes 134,000 square feet of leases that start in 2016 or later.

4/ Includes 344,000 square feet of leases that start in 2016 or later.

5/ Includes 15,000 square feet of leases that start in 2016 or later.

6/ Excludes internal leasing costs.

Leasing Statistics: Industrial Portfolio

	Three Months Ended					Five Quarter
	12/31/14	9/30/14	6/30/14	3/31/14 1/	12/31/13	Average
Leasing Activity:						
Square footage of Renewal Deals	73,984	64,679	47,112	156,982	172,022	102,956
Square footage of New Deals (Relets)	13,125	73,562	22,130	26,020	18,000	30,567
Rentable square footage leased	87,109	138,241	69,242	183,002	190,022	133,523
Renewed square footage (% of total)	84.9%	46.8%	68.0%	85.8%	90.5%	77.1%
New Leases square footage (% of total)	15.1%	53.2%	32.0%	14.2%	9.5%	22.9%
Number of lease transactions (signed leases)	6	7	13	11	6	9
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 9.46	\$ 4.38	\$ 7.15	\$ 5.05	\$ 3.37	\$ 5.88
Rent concessions	(0.45)	(0.08)	(0.09)	(0.16)	(0.23)	(0.20)
GAAP rent	9.01	4.30	7.06	4.89	3.14	5.68
Tenant improvements	(1.12)	(0.31)	(0.39)	(0.25)	(0.08)	(0.43)
Leasing commissions 2/	(0.18)	(0.11)	(0.08)	(0.03)	(0.06)	(0.09)
Effective rent after capex	7.71	3.88	6.59	4.61	3.00	5.16
Expense stop	(3.95)	(0.12)	(1.76)	(0.45)	(0.38)	(1.33)
Effective rent after capex and opex	\$ 3.76	\$ 3.76	\$ 4.83	\$ 4.16	\$ 2.62	\$ 3.83
Square feet weighted average term in years	4.2	6.5	3.4	8.3	2.8	5.0
Dollar weighted average term in years	4.0	6.0	2.8	8.1	3.0	4.8
Capital Expenditures Related to Above Leasing Activity:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 375,093	\$ 276,678	\$ 93,276	\$ 293,314	\$ 46,704	\$ 217,013
Rentable square feet	87,109	138,241	69,242	183,002	190,022	133,523
Per rentable square foot	\$ 4.31	\$ 2.00	\$ 1.35	\$ 1.60	\$ 0.25	\$ 1.63
Leasing Commissions:						
Total dollars committed under signed leases 2/	\$ 61,819	\$ 107,708	\$ 22,324	\$ 24,562	\$ 38,565	\$ 50,996
Rentable square feet	87,109	138,241	69,242	183,002	190,022	133,523
Per rentable square foot	\$ 0.71	\$ 0.78	\$ 0.32	\$ 0.13	\$ 0.20	\$ 0.38
Total:						
Total dollars committed under signed leases	\$ 436,912	\$ 384,386	\$ 115,600	\$ 317,876	\$ 85,269	\$ 268,009
Rentable square feet	87,109	138,241	69,242	183,002	190,022	133,523
Per rentable square foot	\$ 5.02	\$ 2.78	\$ 1.67	\$ 1.74	\$ 0.45	\$ 2.01

1/ Includes 14,000 square feet of leases that start in 2016 or later.

2/ Excludes internal leasing costs.

Leasing Statistics: Retail Portfolio

	Three Months Ended					Five Quarter
	12/31/14	9/30/14 1/	6/30/14	3/31/14	12/31/13	Average
Leasing Activity:						
Square footage of Renewal Deals	27,331	12,906	64,644	8,372	5,304	23,711
Square footage of New Deals (Relets)	2,778	5,747	-	19,029	-	5,511
Rentable square footage leased	<u>30,109</u>	<u>18,653</u>	<u>64,644</u>	<u>27,401</u>	<u>5,304</u>	<u>29,222</u>
Renewed square footage (% of total)	90.8%	69.2%	100.0%	30.6%	100.0%	81.1%
New Leases square footage (% of total)	9.2%	30.8%	0.0%	69.4%	0.0%	18.9%
Number of lease transactions (signed leases)	6	6	4	6	2	5
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 37.10	\$ 31.65	\$ 18.84	\$ 25.61	\$ 37.77	\$ 30.19
Rent concessions	0.00	0.00	0.00	(0.03)	0.00	(0.01)
GAAP rent	37.10	31.65	18.84	25.58	37.77	30.18
Tenant improvements	(4.07)	(4.52)	(0.68)	(4.32)	(3.61)	(3.44)
Leasing commissions 2/	(0.61)	(0.10)	(0.08)	(0.51)	(1.21)	(0.50)
Effective rent after capex	32.42	27.03	18.08	20.75	32.95	26.24
Expense stop	0.00	(2.69)	(9.10)	0.00	0.00	(2.36)
Effective rent after capex and opex	\$ 32.42	\$ 24.34	\$ 8.98	\$ 20.75	\$ 32.95	\$ 23.88
Square feet weighted average term in years	7.3	4.8	3.0	7.6	3.4	5.2
Dollar weighted average term in years	7.1	5.3	4.1	5.7	3.0	5.1
Capital Expenditures Related to Above Leasing Activity:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 1,339,517	\$ 436,763	\$ 420,020	\$ 1,207,350	\$ 75,025	\$ 695,735
Rentable square feet	30,109	18,653	64,644	27,401	5,304	29,222
Per rentable square foot	<u>\$ 44.49</u>	<u>\$ 23.42</u>	<u>\$ 6.50</u>	<u>\$ 44.06</u>	<u>\$ 14.14</u>	<u>\$ 23.81</u>
Leasing Commissions:						
Total dollars committed under signed leases 2/	\$ 122,008	\$ 9,077	\$ 50,000	\$ 108,700	\$ 25,111	\$ 62,979
Rentable square feet	30,109	18,653	64,644	27,401	5,304	29,222
Per rentable square foot	<u>\$ 4.05</u>	<u>\$ 0.49</u>	<u>\$ 0.77</u>	<u>\$ 3.97</u>	<u>\$ 4.73</u>	<u>\$ 2.16</u>
Total:						
Total dollars committed under signed leases	\$ 1,461,525	\$ 445,840	\$ 470,020	\$ 1,316,050	\$ 100,136	\$ 758,714
Rentable square feet	30,109	18,653	64,644	27,401	5,304	29,222
Per rentable square foot	<u>\$ 48.54</u>	<u>\$ 23.90</u>	<u>\$ 7.27</u>	<u>\$ 48.03</u>	<u>\$ 18.88</u>	<u>\$ 25.96</u>

1/ Includes 10,000 square feet of leases that start in 2016 or later.

2/ Excludes internal leasing costs.

Leasing Statistics by Market

sort
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For Three Months Ended December 31, 2014

Office Portfolio	Rentable Square Feet	Average	GAAP	TI's	Lease
<u>Market</u>	<u>Leased</u>	<u>Term</u>	<u>Rental</u>	<u>Per SF</u>	<u>Commissions</u>
			<u>Rate</u>		<u>Per SF 1/ 2/</u>
Nashville	351,232	5.6	\$ 24.89	\$ 3.91	\$ 2.52
Atlanta	151,859	6.6	22.66	37.64	2.75
Raleigh	150,435	5.8	22.91	19.26	5.22
Greensboro	127,898	5.5	14.24	2.06	1.67
Memphis	55,845	3.8	22.55	14.68	2.21
Richmond	49,721	4.3	20.52	10.18	1.62
Orlando	45,559	3.9	23.80	9.79	3.22
Tampa	18,160	4.8	25.75	19.28	3.88
Pittsburgh	9,681	5.0	45.00	0.00	4.50
Kansas City	6,574	4.3	28.10	0.57	5.15
	966,964	5.5	\$ 22.65	\$ 12.80	\$ 2.90
Industrial Portfolio					
Greensboro	87,109	4.2	\$ 9.01	\$ 4.31	\$ 0.71
	87,109	4.2	\$ 9.01	\$ 4.31	\$ 0.71
Retail Portfolio					
Kansas City	30,109	7.3	\$ 37.10	\$ 44.49	\$ 4.05
	30,109	7.3	\$ 37.10	\$ 44.49	\$ 4.05

1/ Lease commissions by market per square foot excludes capitalized internal leasing costs.

2/ The amount of capitalized internal leasing cost not allocated to individual deals or product types totaled \$668,000.

Rental Rate Comparisons by Market

sort
↓
For Three Months Ended December 31, 2014

Office Portfolio		Rentable	Current	Previous	Percentage
Market		Square Feet	Rent	Rent	Change
		Leased			
Nashville		351,232	\$ 24.89	\$ 20.07	24.0%
Atlanta		151,859	22.66	20.90	8.4%
Raleigh		150,435	22.91	19.85	15.4%
Greensboro		127,898	14.24	13.42	6.1%
Memphis		55,845	22.55	21.90	3.0%
Richmond		49,721	20.52	18.30	12.1%
Orlando		45,559	23.80	22.27	6.9%
Tampa		18,160	25.75	25.88	-0.5%
Pittsburgh		9,681	45.00	45.00	0.0%
Kansas City		6,574	28.10	26.78	4.9%
GAAP Rent Growth	1/	966,964	\$ 22.65	\$ 19.70	15.0%
Cash Rent Growth	2/	966,964	\$ 22.08	\$ 21.91	0.8%
Industrial Portfolio					
Market		Rentable	Current	Previous	Percentage
		Square Feet	Rent	Rent	Change
		Leased			
Greensboro		87,109	\$ 9.01	\$ 8.04	12.1%
GAAP Rent Growth	1/	87,109	\$ 9.01	\$ 8.04	12.1%
Cash Rent Growth	2/	87,109	\$ 10.12	\$ 9.82	3.1%
Retail Portfolio					
Market		Rentable	Current	Previous	Percentage
		Square Feet	Rent	Rent 3/	Change
		Leased			
Kansas City		30,109	\$ 37.10	\$ 27.83	33.3%
GAAP Rent Growth	1/	30,109	\$ 37.10	\$ 27.83	33.3%
Cash Rent Growth	2/	30,109	\$ 36.23	\$ 30.93	17.1%

Average Cash Rental Rates for All In-Place Leases as of:

Type	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10
Office	\$ 22.27	\$ 21.48	\$ 20.86	\$ 20.39	\$ 20.13
Industrial	4.80	5.13	4.92	5.30	5.26
Retail 3/	43.06	41.17	39.36	36.36	33.78
Weighted average rate	\$ 21.29	\$ 20.48	\$ 18.42	\$ 17.84	\$ 17.40
Percent Change	4.0%	11.2%	3.3%	2.5%	

1/ GAAP rent growth is calculated by comparing average cash rent psf over the term (GAAP rent) of the new lease to the average cash rent psf over the term related to the previous lease in the same space. Adjustments are made if necessary to put both the current and prior deal on a consistent gross lease basis.

2/ Cash rent growth is calculated by comparing beginning annualized cash rent psf (after rent concessions burn off) under the new lease to ending annualized cash rent psf (including recovery income and rent escalations) related to the previous lease in the same space. Adjustments are made if necessary to put both the current and prior deal on a consistent gross lease basis.

3/ Excludes percentage rent.

Lease Expirations (dollars in thousands)

<u>Year</u>	<u>Occupied Rentable Square Feet Expiring</u>	<u>Percent of Occupied Rentable Square Feet</u>	<u>Annualized Cash Revenue 1/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 1/</u>
Office					
2015 2/	1,994,741	8.6%	\$ 45,480	\$ 22.80	8.8%
2016	2,369,721	10.2%	52,076	21.98	10.1%
2017	2,939,801	12.7%	69,612	23.68	13.5%
2018	2,368,823	10.2%	52,816	22.30	10.2%
2019	2,928,197	12.6%	66,354	22.66	12.9%
2020	2,215,443	9.6%	50,850	22.95	9.9%
2021	2,174,059	9.4%	49,042	22.56	9.5%
2022	960,458	4.1%	20,269	21.10	3.9%
2023	918,124	4.0%	20,532	22.36	4.0%
2024	1,416,730	6.1%	32,823	23.17	6.4%
2025 and thereafter	2,870,458	12.5%	55,853	19.46	10.8%
	23,156,555	100.0%	\$ 515,707	\$ 22.27	100.0%
Industrial					
2015 3/	384,331	16.3%	\$ 1,869	\$ 4.86	16.5%
2016	574,032	24.3%	2,861	4.98	25.3%
2017	270,156	11.4%	1,763	6.53	15.6%
2018	349,854	14.8%	1,532	4.38	13.5%
2019	182,960	7.7%	969	5.30	8.6%
2020	132,284	5.6%	751	5.68	6.6%
2021	117,805	5.0%	448	3.80	4.0%
2022	120,000	5.1%	547	4.56	4.8%
2023	-	-	-	-	-
2024	158,066	6.7%	548	3.47	4.8%
2025 and thereafter	72,206	3.1%	37	0.51	0.3%
	2,361,694	100.0%	\$ 11,325	\$ 4.80	100.0%
Retail					
2015 4/	67,771	9.1%	\$ 2,291	\$ 33.81	7.1%
2016	83,618	11.2%	2,621	31.34	8.1%
2017	42,413	5.7%	1,948	45.93	6.0%
2018	100,583	13.4%	5,235	52.05	16.3%
2019	100,380	13.5%	3,764	37.50	11.7%
2020	55,719	7.4%	2,454	44.04	7.6%
2021	90,846	12.1%	3,983	43.84	12.4%
2022	91,693	12.2%	4,685	51.09	14.5%
2023	30,906	4.1%	1,774	57.40	5.5%
2024	16,583	2.2%	723	43.60	2.2%
2025 and thereafter	68,198	9.1%	2,761	40.49	8.6%
	748,710	100.0%	\$ 32,239	\$ 43.06	100.0%

1/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Includes 59,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

3/ Includes 15,000 square feet of leases that are on a month to month basis or less than 0.1% of total annualized revenue.

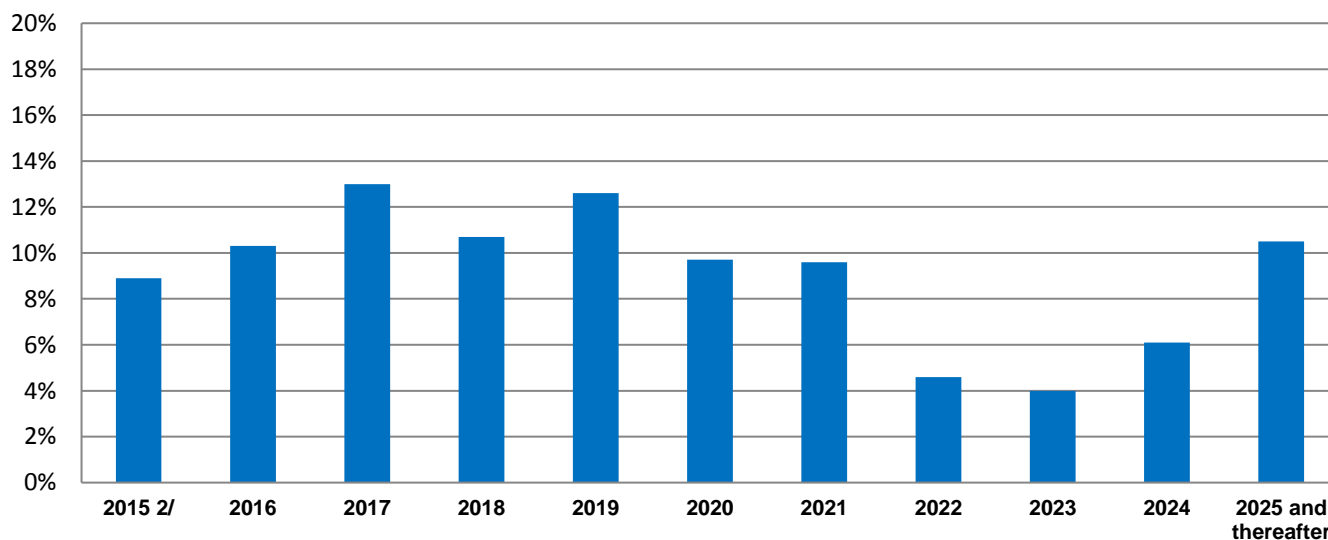
4/ Includes 6,000 square feet of leases that are on a month to month basis or less than 0.1% of total annualized revenue.

Note: 2015 and beyond expirations that have been renewed are reflected above based on the renewal expiration date. Expirations include leases related to completed not stabilized development properties and exclude leases related to developments in-process.

Lease Expirations (dollars in thousands)

<u>Year</u>	<u>Occupied Rentable Square Feet Expiring</u>	<u>Percent of Occupied Rentable Square Feet</u>	<u>Annualized Cash Revenue 1/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 1/</u>
Total					
2015 2/	2,446,843	9.3%	\$ 49,640	\$ 20.29	8.9%
2016	3,027,371	11.5%	57,558	19.01	10.3%
2017	3,252,370	12.3%	73,323	22.54	13.0%
2018	2,819,260	10.7%	59,583	21.13	10.7%
2019	3,211,537	12.2%	71,087	22.13	12.6%
2020	2,403,446	9.2%	54,055	22.49	9.7%
2021	2,382,710	9.1%	53,473	22.44	9.6%
2022	1,172,151	4.5%	25,501	21.76	4.6%
2023	949,030	3.6%	22,306	23.50	4.0%
2024	1,591,379	6.1%	34,094	21.42	6.1%
2025 and thereafter	3,010,862	11.5%	58,651	19.48	10.5%
	<u>26,266,959</u>	<u>100.0%</u>	<u>\$ 559,271</u>	<u>\$ 21.29</u>	<u>100.0%</u>

Percent of Total Annualized Cash Revenue Expiring by Year



1/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Includes 80,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

Note: 2015 and beyond expirations that have been renewed are reflected above based on the renewal expiration date. Expirations include leases related to completed not stabilized development properties and exclude leases related to developments in-process.

Office Lease Expirations by Market by Quarter (dollars in thousands)

		Three Months Ended				Total
		3/31/15 1/	6/30/15	9/30/15	12/31/15	
Atlanta	RSF	161,284	18,918	64,619	31,035	275,856
	% of Total Office RSF	0.7%	0.1%	0.3%	0.1%	1.2%
	Annualized Cash Revenue	2/ \$ 2,416	\$ 406	\$ 1,333	\$ 719	\$ 4,874
	% of Total Office Annl Cash Rev	0.5%	0.1%	0.3%	0.1%	0.9%
Greensboro	RSF	28,579	8,719	20,974	12,847	71,119
	% of Total Office RSF	0.1%	0.0%	0.1%	0.1%	0.3%
	Annualized Cash Revenue	2/ \$ 587	\$ 180	\$ 334	\$ 283	\$ 1,384
	% of Total Office Annl Cash Rev	0.1%	0.0%	0.1%	0.1%	0.3%
Kansas City	RSF	3,688	4,836	33,954	31,211	73,689
	% of Total Office RSF	0.0%	0.0%	0.1%	0.1%	0.3%
	Annualized Cash Revenue	2/ \$ 104	\$ 153	\$ 818	\$ 1,052	\$ 2,127
	% of Total Office Annl Cash Rev	0.0%	0.0%	0.2%	0.2%	0.4%
Memphis	RSF	67,116	30,239	77,408	49,070	223,833
	% of Total Office RSF	0.3%	0.1%	0.3%	0.2%	1.0%
	Annualized Cash Revenue	2/ \$ 1,319	\$ 664	\$ 1,679	\$ 1,093	\$ 4,755
	% of Total Office Annl Cash Rev	0.3%	0.1%	0.3%	0.2%	0.9%
Nashville	RSF	81,081	30,781	12,774	52,045	176,681
	% of Total Office RSF	0.4%	0.1%	0.1%	0.2%	0.8%
	Annualized Cash Revenue	2/ \$ 1,781	\$ 693	\$ 266	\$ 1,270	\$ 4,010
	% of Total Office Annl Cash Rev	0.3%	0.1%	0.1%	0.2%	0.8%
Orlando	RSF	41,544	44,511	21,746	25,308	133,109
	% of Total Office RSF	0.2%	0.2%	0.1%	0.1%	0.6%
	Annualized Cash Revenue	2/ \$ 1,128	\$ 1,167	\$ 478	\$ 611	\$ 3,384
	% of Total Office Annl Cash Rev	0.2%	0.2%	0.1%	0.1%	0.7%
Pittsburgh	RSF	37,480	22,372	113,088	77,085	250,025
	% of Total Office RSF	0.2%	0.1%	0.5%	0.3%	1.1%
	Annualized Cash Revenue	2/ \$ 1,024	\$ 583	\$ 2,454	\$ 2,075	\$ 6,136
	% of Total Office Annl Cash Rev	0.2%	0.1%	0.5%	0.4%	1.2%
Raleigh	RSF	100,022	48,496	97,770	45,934	292,222
	% of Total Office RSF	0.4%	0.2%	0.4%	0.2%	1.3%
	Annualized Cash Revenue	2/ \$ 2,742	\$ 1,060	\$ 2,082	\$ 1,116	\$ 7,000
	% of Total Office Annl Cash Rev	0.5%	0.2%	0.4%	0.2%	1.4%
Richmond	RSF	83,248	7,912	17,921	53,426	162,507
	% of Total Office RSF	0.4%	0.0%	0.1%	0.2%	0.7%
	Annualized Cash Revenue	2/ \$ 1,813	\$ 153	\$ 360	\$ 1,065	\$ 3,391
	% of Total Office Annl Cash Rev	0.4%	0.0%	0.1%	0.2%	0.7%
Tampa	RSF	23,680	15,385	204,656	91,979	335,700
	% of Total Office RSF	0.1%	0.1%	0.9%	0.4%	1.4%
	Annualized Cash Revenue	2/ \$ 650	\$ 312	\$ 4,984	\$ 2,472	\$ 8,418
	% of Total Office Annl Cash Rev	0.1%	0.1%	1.0%	0.5%	1.6%
Total	RSF	627,722	232,169	664,910	469,940	1,994,741
	% of Total Office RSF	2.7%	1.0%	2.9%	2.0%	8.6%
	Annualized Cash Revenue	2/ \$ 13,564	\$ 5,371	\$ 14,788	\$ 11,756	\$ 45,479
	% of Total Office Annl Cash Rev	2.6%	1.0%	2.9%	2.3%	8.8%

1/ Includes 59,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

2/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Industrial Lease Expirations by Market by Quarter (dollars in thousands)

		<i>Three Months Ended</i>				
		<u>3/31/15</u> ^{1/}	<u>6/30/15</u>	<u>9/30/15</u>	<u>12/31/15</u>	<u>Total</u>
Greensboro	RSF	184,050	132,149	63,074	5,058	384,331
	% of Total Industrial RSF	7.8%	5.6%	2.7%	0.2%	16.3%
	Annualized Cash Revenue	2/ \$ 777	\$ 635	\$ 376	\$ 80	\$ 1,868
	% of Total Industrial Annl Cash Rev	6.9%	5.6%	3.3%	0.7%	16.5%
Total	RSF	184,050	132,149	63,074	5,058	384,331
	% of Total Industrial RSF	7.8%	5.6%	2.7%	0.2%	16.3%
	Annualized Cash Revenue	2/ \$ 777	\$ 635	\$ 376	\$ 80	\$ 1,868
	% of Total Industrial Annl Cash Rev	6.9%	5.6%	3.3%	0.7%	16.5%

1/ Includes 15,000 square feet of leases that are on a month to month basis or less than 0.1% of total annualized revenue.

2/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Office Lease Expirations by Market by Year (dollars in thousands)

		<u>2015 1/</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Thereafter</u>
Atlanta	RSF	275,856	229,901	704,335	129,438	2,641,404
	% of Total Office RSF	1.2%	1.0%	3.0%	0.6%	11.4%
	Annualized Cash Revenue 2/	\$ 4,874	\$ 5,492	\$ 17,000	\$ 3,077	\$ 55,594
	% of Total Office Annl Cash Rev	0.9%	1.1%	3.3%	0.6%	10.8%
Greensboro	RSF	71,119	210,231	234,912	154,769	519,505
	% of Total Office RSF	0.3%	0.9%	1.0%	0.7%	2.2%
	Annualized Cash Revenue 2/	\$ 1,384	\$ 3,880	\$ 4,402	\$ 3,109	\$ 9,443
	% of Total Office Annl Cash Rev	0.3%	0.8%	0.9%	0.6%	1.8%
Kansas City	RSF	73,689	40,230	104,035	22,568	364,794
	% of Total Office RSF	0.3%	0.2%	0.4%	0.1%	1.6%
	Annualized Cash Revenue 2/	\$ 2,127	\$ 1,100	\$ 2,488	\$ 601	\$ 8,926
	% of Total Office Annl Cash Rev	0.4%	0.2%	0.5%	0.1%	1.7%
Memphis	RSF	223,833	186,076	257,786	248,974	1,138,950
	% of Total Office RSF	1.0%	0.8%	1.1%	1.1%	4.9%
	Annualized Cash Revenue 2/	\$ 4,755	\$ 4,150	\$ 5,041	\$ 5,557	\$ 21,617
	% of Total Office Annl Cash Rev	0.9%	0.8%	1.0%	1.1%	4.2%
Nashville	RSF	176,681	211,877	379,108	284,253	2,205,193
	% of Total Office RSF	0.8%	0.9%	1.6%	1.2%	9.5%
	Annualized Cash Revenue 2/	\$ 4,011	\$ 4,938	\$ 9,479	\$ 6,058	\$ 53,834
	% of Total Office Annl Cash Rev	0.8%	1.0%	1.8%	1.2%	10.4%
Orlando	RSF	133,109	140,144	294,933	191,741	834,750
	% of Total Office RSF	0.6%	0.6%	1.3%	0.8%	3.6%
	Annualized Cash Revenue 2/	\$ 3,384	\$ 3,436	\$ 8,811	\$ 4,549	\$ 19,967
	% of Total Office Annl Cash Rev	0.7%	0.7%	1.7%	0.9%	3.9%
Pittsburgh	RSF	250,025	52,040	144,695	109,532	1,484,796
	% of Total Office RSF	1.1%	0.2%	0.6%	0.5%	6.4%
	Annualized Cash Revenue 2/	\$ 6,136	\$ 1,338	\$ 3,883	\$ 2,905	\$ 38,202
	% of Total Office Annl Cash Rev	1.2%	0.3%	0.8%	0.6%	7.4%
Raleigh	RSF	292,222	473,792	231,605	740,310	2,198,571
	% of Total Office RSF	1.3%	2.0%	1.0%	3.2%	9.5%
	Annualized Cash Revenue 2/	\$ 7,000	\$ 9,929	\$ 5,007	\$ 14,935	\$ 46,467
	% of Total Office Annl Cash Rev	1.4%	1.9%	1.0%	2.9%	9.0%
Richmond	RSF	162,507	410,572	349,922	180,697	730,611
	% of Total Office RSF	0.7%	1.8%	1.5%	0.8%	3.2%
	Annualized Cash Revenue 2/	\$ 3,391	\$ 8,099	\$ 7,778	\$ 3,280	\$ 13,081
	% of Total Office Annl Cash Rev	0.7%	1.6%	1.5%	0.6%	2.5%
Tampa	RSF	335,700	414,858	238,470	306,541	1,364,895
	% of Total Office RSF	1.4%	1.8%	1.0%	1.3%	5.9%
	Annualized Cash Revenue 2/	\$ 8,418	\$ 9,714	\$ 5,723	\$ 8,746	\$ 28,587
	% of Total Office Annl Cash Rev	1.6%	1.9%	1.1%	1.7%	5.5%
Total	RSF	1,994,741	2,369,721	2,939,801	2,368,823	13,483,469
	% of Total Office RSF	8.6%	10.2%	12.7%	10.2%	58.2%
	Annualized Cash Revenue 2/	\$ 45,480	\$ 52,076	\$ 69,612	\$ 52,817	\$ 295,718
	% of Total Office Annl Cash Rev	8.8%	10.1%	13.5%	10.2%	57.3%

1/ Includes 59,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

2/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Industrial Lease Expirations by Market by Year (dollars in thousands)

		<u>2015 1/</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Thereafter</u>
Greensboro	RSF	384,331	574,032	270,156	349,854	783,321
	% of Total Industrial RSF	16.3%	24.3%	11.4%	14.8%	33.2%
	Annualized Cash Revenue 2/ \$	1,869 \$	2,861 \$	1,763 \$	1,532 \$	3,300
	% of Total Industrial Annl Cash Rev	16.5%	25.3%	15.6%	13.5%	29.1%
Total	RSF	384,331	574,032	270,156	349,854	783,321
	% of Total Industrial RSF	16.3%	24.3%	11.4%	14.8%	33.2%
	Annualized Cash Revenue 2/ \$	1,869 \$	2,861 \$	1,763 \$	1,532 \$	3,300
	% of Total Industrial Annl Cash Rev	16.5%	25.3%	15.6%	13.5%	29.1%

1/ Includes 15,000 square feet of leases that are on a month to month basis or less than 0.1% of total annualized revenue.

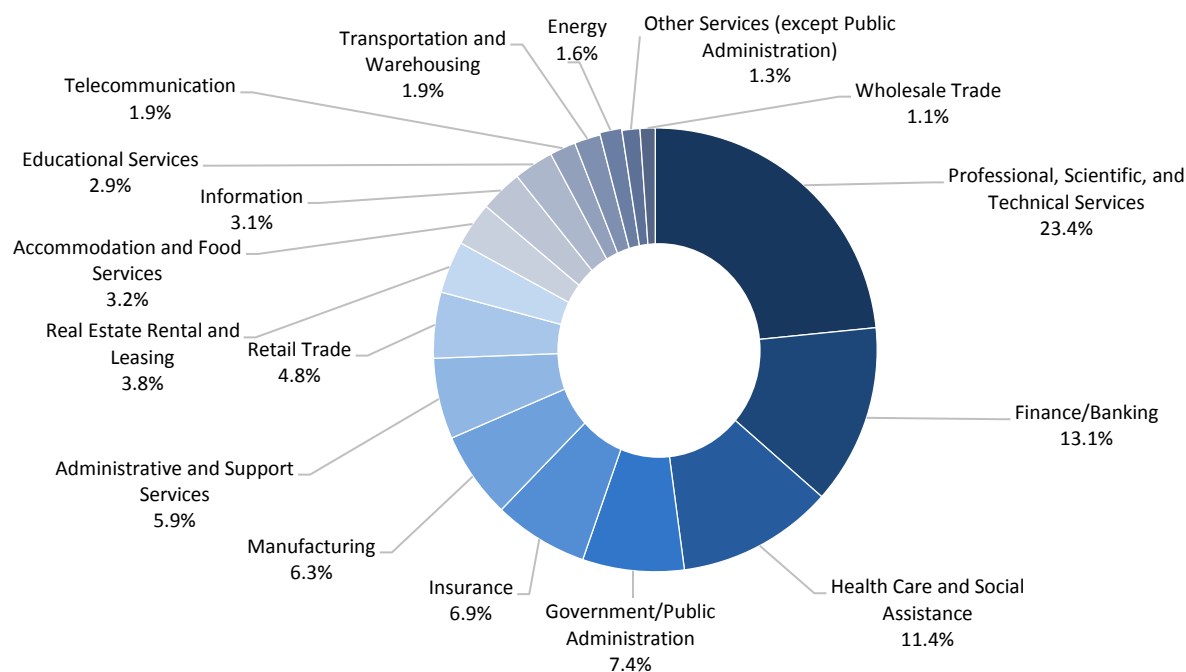
2/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Customer Diversification (dollar in thousands)

Top 20 Customers

Customer	Rentable Square Feet	sort	Percent of Annualized Cash Revenue 1/	Average Remaining Lease Term in Years
		↓ Annualized Cash Revenue 1/		
Federal Government	1,445,786	\$ 33,436	5.98%	4.1
PPG Industries	350,796	8,971	1.60%	6.4
HCA Corporation	297,909	7,290	1.30%	1.9
Healthways	263,598	6,674	1.19%	8.2
EQT Corporation	283,525	6,451	1.15%	9.8
Bass, Berry & Sims	195,846	5,998	1.07%	10.1
State of Georgia	318,506	5,974	1.07%	5.7
Marsh USA	188,719	5,328	0.95%	4.7
Lockton Companies	194,534	5,255	0.94%	15.2
PNC Bank	187,288	5,079	0.91%	10.9
Aon	190,683	5,005	0.89%	4.9
AT&T	217,400	4,788	0.86%	4.4
Vanderbilt University	198,783	4,728	0.85%	5.8
Syniverse Technologies	198,750	4,401	0.79%	1.8
Lifepoint Corporate Services	202,991	4,392	0.79%	14.3
BB&T	245,543	4,347	0.78%	5.1
Novelis	168,949	4,341	0.78%	9.7
Metropolitan Life Insurance	201,782	4,238	0.76%	5.4
SCI Services 2/	162,784	4,048	0.72%	2.6
Towers Watson	156,630	3,951	0.71%	6.9
	<u>5,670,802</u>	<u>\$ 134,695</u>	<u>24.09%</u>	<u>6.3</u>

Percent of Annualized Revenue by Industry



1/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ SCI Services is a wholly-owned subsidiary of Morgan Stanley.

Same Property Performance (dollars in thousands)

	Three months ended		Dollar Change B/(W)	Percentage Change B/(W)
	December 31,			
	2014	2013		
Rental revenues 1/	\$ 122,983	\$ 117,825	\$ 5,158	4.4%
Operating expenses	(45,861)	(44,042)	(1,819)	(4.1%)
Cash NOI without Term Fees	77,122	73,783	3,339	4.5%
Lease termination fees 2/	746	353	393	111.3%
Cash NOI with Term Fees	77,868	74,136	3,732	5.0%
Straight-line rent 2/	2,365	2,540	(175)	(6.9%)
GAAP NOI	\$ 80,233	\$ 76,676	\$ 3,557	4.6%
Average occupancy	92.0%	90.9%		1.2%
Rentable square feet	24,166,000	24,166,000		

	Twelve months ended		Dollar Change B/(W)	Percentage Change B/(W)
	December 31,			
	2014	2013		
Rental revenues 1/	\$ 479,405	\$ 472,154	\$ 7,251	1.5%
Operating expenses	(179,710)	(173,854)	(5,856)	(3.4%)
Cash NOI without Term Fees	299,695	298,300	1,395	0.5%
Lease termination fees 2/	1,138	2,023	(885)	(43.7%)
Cash NOI with Term Fees	300,833	300,323	510	0.2%
Straight-line rent 2/	10,010	11,138	(1,128)	(10.1%)
GAAP NOI	\$ 310,843	\$ 311,461	\$ (618)	(0.2%)
Average occupancy	91.0%	91.3%		(0.3%)
Rentable square feet	24,166,000	24,166,000		

	Fourth Quarter: 2014 vs 2013		Twelve Months: 2014 vs 2013	
	GAAP NOI Percentage Change	Occupancy Percentage Change	GAAP NOI Percentage Change	Occupancy Percentage Change
Market				
Atlanta	8.2%	5.9%	1.6%	(0.9%)
Kansas City	8.9%	1.0%	0.9%	0.2%
Memphis	6.5%	4.4%	4.3%	3.4%
Nashville	8.0%	0.1%	0.1%	(1.8%)
Orlando	1.6%	(1.4%)	3.0%	1.6%
Greensboro	0.5%	0.8%	(1.9%)	0.4%
Pittsburgh	4.7%	1.6%	0.5%	0.9%
Raleigh	(1.3%)	(3.5%)	(0.3%)	(0.6%)
Richmond	0.6%	0.4%	(1.1%)	(1.0%)
Tampa	7.2%	2.3%	(6.0%)	(3.5%)
	4.6%	1.2%	(0.2%)	(0.3%)

1/ Excludes straight-line rents and lease termination fees.

2/ Straight-line rent write-offs related to lease terminations are reflected here as a reduction of lease termination fees.

Acquisition Activity (dollars in thousands)

2014 Totals

	Year Ended	Three Months Ended			
	<u>12/31/14</u>	<u>12/31/14</u>	<u>9/30/14</u>	<u>6/30/14</u>	<u>3/31/14</u>
Occupancy	82.5%	83.1%	82.1%	-	-
Square footage	686,000	312,000	374,000	-	-
Gross sales price	\$165,000	\$72,700	\$92,300	-	-

One Bank of America Plaza

Market	Raleigh
Submarket	CBD
Property type	Office
Date acquired	September 8, 2014
Square footage (1 building)	374,000
Total cost	\$92,300 ^{1/}
Occupancy	82.1%



Innsbrook Center

Market	Richmond
Submarket	Innsbrook
Property type	Office
Date acquired	November 25, 2014
Square footage (1 building)	66,000
Total cost	\$4,400 ^{2/}
Occupancy	87.0%



Lincoln Plaza

Market	Orlando
Submarket	CBD
Property type	Office
Date acquired	December 2, 2014
Square footage (1 building)	246,000
Total cost	\$68,300 ^{3/}
Occupancy	82.0%



^{1/} Purchase cost includes \$8.3 million of planned near-term capital improvements.

^{2/} Purchase cost includes \$0.2 million of planned near-term capital improvements.

^{3/} Purchase cost includes \$0.4 million of planned near-term capital improvements.

Disposition Activity (dollars in thousands)

2014 Totals

	Year Ended	Three Months Ended			
	<u>12/31/14</u>	<u>12/31/14</u>	<u>9/30/14</u>	<u>6/30/14</u>	<u>3/31/14</u>
Occupancy 1/	84.3%	72.1%	86.8%	-	-
Square footage	1,645,000	275,000	1,370,000	-	-
Gross sales price	\$175,950	\$21,200	\$154,750	-	-

Research Commons

Market	Raleigh
Property type	Office
Date sold	July 29, 2014
Occupancy	82.7%
Square footage (5 buildings)	422,000
Gross sales price 2/	\$58,700



Vantage Place/Technology Park

Market	Richmond
Property type	Office
Date sold	August 14, 2014
Occupancy	89.6%
Square footage (7 buildings)	196,000
Gross sales price	\$19,850



West Shore/Grove Park

Market	Richmond
Property type	Office
Date sold	August 25, 2014
Occupancy	91.8%
Square footage (4 buildings)	163,000
Gross sales price	\$20,800



Jacobs

Market	Greenville
Property type	Office
Date sold	August 29, 2014
Occupancy	100.0%
Square footage (1 building)	210,000
Gross sales price	\$27,200



West Friendly/Air Park West/Deep River

Market	Greensboro
Property type	Office/Industrial
Date sold	September 5, 2014
Occupancy	80.4%
Square footage (14 buildings)	379,000
Gross sales price	\$28,200



1/ Occupancy represents last reported quarter end occupancy related to disposed assets.

2/ Includes \$3.75 million for 13 acres of developable land.

Disposition Activity (dollars in thousands)

River Point IV

Market	Atlanta
Property type	Industrial
Date sold	October 17, 2014
Occupancy	68.8%
Square footage (1 building)	200,000
Gross sales price 1/	\$11,350



101 Stratford

Market	Winston-Salem
Property type	Office
Date sold	November 24, 2014
Occupancy	81.0%
Square footage (1 building)	75,000
Gross sales price	\$9,850



1/ Includes \$850 thousand for 6 acres of developable land.

Development Activity (dollars in thousands)

In - Process		Rentable	Anticipated	Investment	Pre	Estimated	Estimated
Properties	Market	Square	Total	As Of	Leased %	Completion	Stabilization
		Feet	Investment	12/31/14 1/		Date	Date
GlenLake V 2/	Raleigh	166,000	\$ 35,800	\$ 30,090	42.0%	1Q15	2Q 17
MetLife I	Raleigh	213,500	53,000	49,788	100.0%	1Q 15	1Q 15
MetLife II 3/	Raleigh	213,500	57,000	48,988	100.0%	2Q 15	2Q 17
Biologics	Raleigh	75,000	14,900	6,374	100.0%	3Q 15	3Q 15
Plaza 211 4/	Kansas City	28,000	17,000	4,562	0.0%	3Q 15	3Q 16
Laser Spine Institute	Tampa	176,000	56,000	10,555	100.0%	1Q 16	1Q 16
Seven Springs West 5/	Nashville	203,000	59,000	8,385	76.0%	3Q 16	3Q 18
Bridgestone Americas 6/	Nashville	514,000	200,000	25,352	98.5%	3Q 17	3Q 17
In - Process Total		1,589,000	\$ 492,700	\$ 184,094	88.6%		
				\$ Weighted %	88.9%		
Placed in Service							
International Paper 7/	Memphis	241,000	\$ 56,100	\$ 50,168	100.0%		
		241,000	\$ 56,100	\$ 50,168	100.0%		



MetLife development project in Cary, NC (Raleigh)

1/ Includes deferred lease commissions which are not classified as development in process on our Consolidated Balance Sheet.

2/ Recorded in the Consolidated Balance Sheet in the land and building accounts, not development in process.

3/ Pre-lease of 100% contains a required take down of one floor in 2Q 17.

4/ Redevelopment property, the investment amounts shown include original land and building basis, net of accumulated depreciation, in addition to the incremental redevelopment costs.

5/ Life insurance division of AIG has the option to lease 100% of the building which will extend stabilization to 3Q 18.

6/ Includes ancillary retail space on the ground level of approximately 8,000 square feet currently 0% pre-leased; Office space is 100% pre-leased.

7/ Property is classified as development in process on our Consolidated Balance Sheet.

Land Held for Development (dollars in thousands)

<u>Market</u>	sort ↓ <u>Usable</u>	<u>Square Footage Buildout of Core Development Land 1/</u>	
	<u>Acres</u>	<u>Office</u>	<u>Industrial</u>
Atlanta	153	-	1,934,000
Nashville 2/	74	1,380,000	-
Raleigh	61	1,154,000	-
Greensboro	47	240,000	492,000
Tampa	36	688,000	-
Richmond 3/	28	379,000	-
Orlando	15	640,000	-
Memphis	10	145,000	-
Kansas City	1	175,000	-
Core total	425	4,801,000	2,426,000
Non-core total 4/	97		
Total	522		
Cost Basis 1/ 2/ 3/		\$ 94,443	

The 522 acres of Development Land has an estimated market value of between \$105M to \$115M.

1/ This represents approximately \$1 billion in total development.

2/ Includes 68 acres currently classified as Development in Process on our consolidated balance sheet.

3/ Excludes 13 acres of development land owned by a 50% owned consolidated joint venture with a total cost basis of \$3.3 million.

4/ Includes 13 acres (\$2.8 million based on expected gross proceeds) included in property held for sale December 31, 2014.

Unconsolidated Joint Ventures Assets, Debt and Liabilities (dollars in thousands)

<u>Joint Venture</u>	<u>Own %</u>	<u>Venture's Books</u>		
		<u>Total Assets</u>	<u>Debt</u>	<u>Total Liabilities</u>
Highwoods DLF Forum, LLC	25.0%	\$ 97,047	\$ 71,700	\$ 74,603
Plaza Colonnade, LLC	50.0%	61,311	55,694	56,664
Highwoods DLF 98/29, LLC	22.8%	44,204	27,650	31,964
Highwoods KC Glenridge Office, LLC	40.0%	21,664	-	1,206
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	13,673	-	363
Concourse Center Associates, LLC	50.0%	11,072	7,375	7,429
4600 Madison Associates, LP	12.5%	10,238	8,368	8,840
Kessinger/Hunter & Company, LC	26.5%	5,456	-	764
Highwoods KC Glenridge Land, LLC	39.9%	762	-	194
Total		\$ 265,427	\$ 170,787	\$ 182,027

<u>Joint Venture</u>	<u>Own %</u>	<u>Highwoods' Share of Joint Venture</u>		
		<u>Total Assets</u>	<u>Debt</u>	<u>Total Liabilities</u>
Highwoods DLF Forum, LLC	25.0%	\$ 24,259	\$ 17,924	\$ 18,649
Plaza Colonnade, LLC	50.0%	30,655	27,847	28,332
Highwoods DLF 98/29, LLC	22.8%	10,083	6,307	7,291
Highwoods KC Glenridge Office, LLC	40.0%	8,664	-	482
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	5,870	-	156
Concourse Center Associates, LLC	50.0%	5,536	3,688	3,715
4600 Madison Associates, LP	12.5%	1,280	1,046	1,105
Kessinger/Hunter & Company, LC	26.5%	1,446	-	202
Highwoods KC Glenridge Land, LLC	39.9%	304	-	77
Total 1/		\$ 88,097	\$ 56,812	\$ 60,009

1/ Our share of equity from these tables will not equal investments in and advances to unconsolidated affiliates on the Consolidated Balance Sheet due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

Unconsolidated Joint Ventures Income Quarter Ended 12/31/14 (dollars in thousands)

<u>Joint Venture</u>	<u>Own %</u>	<u>Venture's Books</u>					<u>Net Income/ (Loss)</u>
		<u>Revenue</u>	<u>Operating Expense</u>	<u>Interest</u>	<u>Depr/ Amort</u>	<u>Gain on Sale</u>	
Highwoods DLF Forum, LLC	25.0%	\$ 3,616	\$ 1,185	\$ 432	\$ 1,103	\$ -	\$ 896
Plaza Colonnade, LLC	50.0%	3,007	982	694	647	-	684
Highwoods DLF 98/29, LLC	22.8%	2,108	1,471	809	506	1,049	371
Kessinger/Hunter & Company, LC	26.5%	2,052	1,179	-	146	-	727
4600 Madison Associates, LP	12.5%	984	624	147	312	-	(99)
Highwoods KC Glenridge Office, LLC	40.0%	568	398	-	233	-	(63)
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	270	309	-	171	-	(210)
Concourse Center Associates, LLC	50.0%	206	125	52	95	-	(66)
Highwoods KC Glenridge Land, LLC	39.9%	-	6	-	-	-	(6)
Total		\$ 12,811	\$ 6,279	\$ 2,134	\$ 3,213	\$ 1,049	\$ 2,234

<u>Joint Venture</u>	<u>Own %</u>	<u>Highwoods' Share of Joint Venture</u>					<u>Net Income/ (Loss)</u>
		<u>Revenue</u>	<u>Operating Expense</u>	<u>Interest</u>	<u>Depr/ Amort</u>	<u>Gain on Sale</u>	
Highwoods DLF Forum, LLC	25.0%	\$ 904	\$ 296	\$ 108	\$ 275	\$ -	\$ 225
Plaza Colonnade, LLC	50.0%	1,503	491	347	324	-	341
Highwoods DLF 98/29, LLC	22.8%	481	335	185	115	239	85
Kessinger/Hunter & Company, LC	26.5%	544	312	-	39	-	193
4600 Madison Associates, LP	12.5%	123	78	18	39	-	(12)
Highwoods KC Glenridge Office, LLC	40.0%	227	159	-	93	-	(25)
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	116	133	-	74	-	(91)
Concourse Center Associates, LLC	50.0%	103	62	26	47	-	(32)
Highwoods KC Glenridge Land, LLC	39.9%	-	3	-	-	-	(3)
Total 1/ 2/		\$ 4,001	\$ 1,869	\$ 684	\$ 1,006	\$ 239	\$ 681

1/ Our share of depreciation and amortization from these tables will not equal depreciation and amortization of real estate assets for unconsolidated affiliates on the Statement of Funds from Operations due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

2/ Our share of net income/(loss) from these tables will not equal equity in earnings of unconsolidated affiliates on the Consolidated Statements of Income due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

Unconsolidated Joint Ventures Income Year Ended 12/31/14 (dollars in thousands)

Venture's Books

<u>Joint Venture</u>	<u>Own %</u>	<u>Revenue</u>	<u>Operating Expense</u>	<u>Interest</u>	<u>Depr/ Amort</u>	<u>Impairment</u>	<u>Gain on Sale</u>	<u>Net Income/ (Loss)</u>
Highwoods DLF Forum, LLC	25.0%	\$ 14,608	\$ 4,916	\$ 1,710	\$ 4,458	\$ -	\$ -	\$ 3,524
Plaza Colonnade, LLC	50.0%	11,988	4,312	3,099	2,557	-	-	2,020
Highwoods DLF 98/29, LLC	22.8%	8,664	5,460	2,936	2,350	-	1,049	(1,033)
Kessinger/Hunter & Company, LC	26.5%	6,300	4,609	-	584	-	-	1,107
4600 Madison Associates, LP	12.5%	4,010	2,460	603	1,246	-	-	(299)
Highwoods KC Glenridge Office, LLC	40.0%	2,043	1,599	273	1,036	-	-	(865)
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	1,959	1,094	-	724	-	-	141
Concourse Center Associates, LLC	50.0%	826	538	226	392	-	-	(330)
Board of Trade Investment Company 1/	49.0%	116	144	-	-	-	1,949	1,921
Highwoods KC Glenridge Land, LLC	39.9%	-	27	-	-	-	-	(27)
Total		\$ 50,514	\$ 25,159	\$ 8,847	\$ 13,347	\$ -	\$ 2,998	\$ 6,159

Highwoods' Share of Joint Venture

<u>Joint Venture</u>	<u>Own %</u>	<u>Revenue</u>	<u>Operating Expense</u>	<u>Interest</u>	<u>Depr/ Amort</u>	<u>Impairment</u>	<u>Gain on Sale</u>	<u>Net Income/ (Loss)</u>
Highwoods DLF Forum, LLC	25.0%	\$ 3,652	\$ 1,229	\$ 427	\$ 1,114	\$ -	\$ -	\$ 882
Plaza Colonnade, LLC	50.0%	5,994	2,156	1,550	1,279	-	-	1,009
Highwoods DLF 98/29, LLC	22.8%	1,976	1,245	670	536	-	239	(236)
Kessinger/Hunter & Company, LC	26.5%	1,670	1,221	-	155	-	-	294
4600 Madison Associates, LP	12.5%	501	308	75	156	-	-	(38)
Highwoods KC Glenridge Office, LLC	40.0%	817	639	109	414	-	-	(345)
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	841	470	-	311	-	-	60
Concourse Center Associates, LLC	50.0%	413	269	113	196	-	-	(165)
Board of Trade Investment Company 1/	49.0%	57	71	-	-	1,353	955	(412)
Highwoods KC Glenridge Land, LLC	39.9%	-	11	-	-	-	-	(11)
Total 2/ 3/		\$ 15,921	\$ 7,619	\$ 2,944	\$ 4,161	\$ 1,353	\$ 1,194	\$ 1,038

1/ During the quarter ended March 31, 2014, this entity sold its sole office property. As the cost basis of our investment was different from the entity's financial statements, we recorded an impairment of \$1.4 million. During the quarter ended June 30, 2014, our interest in this entity was redeemed in exchange for \$4.7 million.

2/ Our share of depreciation and amortization from these tables will not equal depreciation and amortization of real estate assets for unconsolidated affiliates on the Statement of Funds from Operations due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

3/ Our share of net income/(loss) from these tables will not equal equity in earnings of unconsolidated affiliates on the Consolidated Statements of Income due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

Unconsolidated Joint Ventures Mortgage Debt Detail 1/ (dollars in thousands)

<u>Joint Venture</u>	<u>Own %</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Loan Balance 12/31/14</u>
Plaza Colonnade, LLC	50.0%	Met Life	5.72%	Jan-17	\$ 42,694
Plaza Colonnade, LLC	50.0%	Tax Incremental Financing	3.94%	Mar-24	13,000
			5.30%		55,694
Highwoods DLF Forum, LLC	25.0%	Fifth Third Bank	2.05%	Nov-18	71,700
Highwoods DLF 98/29, LLC	22.8%	Goldman Sachs	6.11%	Jul-17	27,650
4600 Madison Associates, LP	12.5%	State Farm	6.85%	Apr-18	7,854
4600 Madison Associates, LP	12.5%	Partner Loan 2/	6.85%	Apr-18	514
Concourse Center Associates, LLC	50.0%	Wells Fargo	2.40%	Jul-15	7,375
			3.38%		115,093
			<u>4.01%</u>		<u>\$ 170,787</u>
Highwoods' share of the above					<u>\$ 56,812</u>

1/ Excludes a loan related to a consolidated joint venture.

2/ This debt represents a loan that is the responsibility of the joint venture.

Joint Ventures Portfolio Summary 1/ (dollars in thousands)

Summary by Location:

<u>Market</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	sort ↓ <u>Percentage of Annualized Cash Revenue 2/ 3/</u>
Kansas City	553,000	87.3%	30.4%
Raleigh	635,000	95.6%	24.2%
Richmond	345,000	100.0%	16.6%
Orlando	517,000	71.3%	13.4%
Tampa	205,000	96.4%	7.0%
Atlanta	186,000	63.9%	5.5%
Greensboro	118,000	45.0%	2.9%
Total 4/	<u>2,559,000</u>	<u>84.9%</u>	<u>100.0%</u>

1/ Highwoods' in-service joint venture portfolio consists of office properties exclusively.

2/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

3/ Annualized Cash Revenue is based on Highwoods' share only.

4/ Includes 550,000 square feet of properties in Richmond and Tampa owned by joint ventures that are consolidated.

Joint Ventures Lease Expirations (dollars in thousands)

<u>Year</u>	<u>Rentable Square Feet Expiring 1/</u>	<u>Percent of Rentable Square Feet 1/</u>	<u>Annualized Cash Revenue 2/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 2/</u>
Total					
2015	160,132	7.4%	\$ 3,006	\$ 18.77	6.1%
2016	119,794	5.5%	2,845	23.75	5.8%
2017	646,405	29.7%	16,539	25.59	33.5%
2018	229,091	10.5%	5,862	25.59	11.9%
2019	160,148	7.4%	3,414	21.32	6.9%
2020	109,378	5.0%	1,629	14.89	3.3%
2021	134,183	6.2%	2,353	17.54	4.8%
2022	30,397	1.4%	790	25.99	1.6%
2023	53,416	2.5%	1,435	26.86	2.9%
2024	315,317	14.5%	4,624	14.66	9.4%
2025 and thereafter	214,902	9.9%	6,799	31.64	13.8%
	<u>2,173,163</u>	<u>100.0%</u>	<u>\$ 49,296</u>	<u>\$ 22.68</u>	<u>100.0%</u>

1/ Includes square feet expiring in properties in joint ventures that are consolidated.

2/ Annualized Cash Revenue is December, 2014 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Joint Venture Disposition Activity (dollars in thousands)

Dispositions

<u>Name</u>	<u>Own %</u>	<u>Market</u>	<u>Date Sold</u>	<u>Square Footage</u>	<u>Occupancy</u>	<u>Gross Sales Price 1/</u>
<u>First quarter 2014:</u>						
Board of Trade	49.0%	Kansas City	01/27/14	166,000	62.5%	\$ 4,043
<u>Second quarter 2014:</u>						
None						
<u>Third quarter 2014:</u>						
None						
<u>Fourth quarter 2014:</u>						
One Point Royal	22.8%	Atlanta	11/14/14	150,000	70.7%	\$ 3,125
2014 Totals				<u>316,000</u>	<u>66.4%</u>	<u>\$ 7,168</u>

1/ Gross sales price only includes our pro rata share.