

# SUPPLEMENTAL INFORMATION

4th  
Quarter  
2019



 **Highwoods**<sup>®</sup>  
PROPERTIES

# Table of Contents

	<u>Page</u>
Summary and Corporate Information.....	i, ii, iii
Consolidated Statements of Income.....	1
Funds from Operations and Additional Information.....	2
Consolidated Balance Sheets.....	3
Components of Net Asset Value.....	4
Capitalization, Net debt-to-Adjusted EBITDAre and Revenue Detail.....	5
Mortgages and Notes Payable Summary.....	6
Mortgages and Notes Payable Detail.....	7
Portfolio Summary.....	8, 9, 10
Occupancy Trends.....	11
Office Leasing Statistics.....	12
Office Leasing Statistics and Rental Rate Comparisons by Market.....	13
Office Lease Expirations.....	14
Office Lease Expirations by Market by Year.....	15
Customer Diversification.....	16
Same Property Performance.....	17
Acquisition Activity.....	18
Disposition Activity.....	19
Development Activity.....	20
Land Held for Development.....	21
Joint Venture Financial and Summary Information.....	22

The information within refers to all Highwoods Properties' wholly-owned entities unless noted otherwise. Wholly-owned entities exclude properties recorded on our Balance Sheet that relate to joint venture investments that are consolidated under GAAP.

All financial information contained in this document is unaudited. In addition, certain matters presented 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, among others, 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 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), earnings before interest, taxes, depreciation and amortization for real estate (EBITDAre), Adjusted EBITDAre and net operating income (NOI). Definitions of FFO, EBITDAre, Adjusted EBITDAre and NOI and an explanation of management's view of the usefulness and risks of FFO, EBITDAre, Adjusted EBITDAre and NOI can be found towards the end of our fourth quarter earnings release.

**COVER**  
**Bank of America Tower**  
**Charlotte, NC**



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

	<b>Three Months Ended</b>	
	<b><u>12/31/19</u></b>	<b><u>12/31/18</u></b>
<b>Financial:</b>		
Revenues	\$ 192,071	\$ 181,388
Net operating income (NOI)	\$ 128,804	\$ 119,221
Same property cash NOI growth	1.1%	1.5%
Funds from operations per share	\$ 0.91	\$ 0.86
Weighted average common shares outstanding, diluted	106,504	106,303
<b>Balance Sheet:</b>		
Leverage (including preferred stock) based on gross book assets	39.3%	35.4%
Net debt-to-Adjusted EBITDAre	5.18x	4.75x
Net debt plus Preferred Stock-to-Adjusted EBITDAre	5.24x	4.82x
Unencumbered NOI %	96.5%	96.3%
Credit facility availability	\$ 379,000	\$ 418,000
<b>Operations:</b>		
Quarter-end occupancy	92.2%	91.9%
Office square feet leased	1,203	918
Office GAAP rent growth 1/	19.8%	20.2%
Average office cash rental rate per square foot for in-place leases	\$ 26.97	\$ 26.01

### **Twelve Months Ended**

**12/31/19**

<b>Investment Activity:</b>	
Building acquisitions	\$ 436,000
Building dispositions	\$ 126,750
Land acquisitions	\$ 12,374
Land dispositions	\$ 9,682
Development pipeline	\$ 499,670
Pipeline pre-leased %	77.2%

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 and to the extent necessary to illustrate the current and prior deal on a consistent gross lease basis.

## Board of Directors

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### Research Coverage

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### Corporate Headquarters

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### Stock Exchange

NYSE: HIW

### Investor Relations

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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.

### The Company

Highwoods Properties, headquartered in Raleigh, 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, Charlotte, Nashville, Orlando, Pittsburgh, Raleigh, Richmond and Tampa. For more information about Highwoods Properties, please visit our website at: [www.highwoods.com](http://www.highwoods.com).

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

	<i>Year Ended</i>		<i>Three Months Ended</i>				
	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/19</u>	<u>9/30/19</u>	<u>6/30/19</u>	<u>3/31/19</u>	<u>12/31/18</u>
<b>Rental and other revenues</b>	<b>\$ 735,979</b>	\$ 720,035	<b>\$ 192,071</b>	\$ 187,475	\$ 184,070	\$ 172,363	\$ 181,388
<b>Operating expenses:</b>							
Rental property and other expenses	248,511	242,415	63,267	64,135	60,558	60,551	62,167
Depreciation and amortization	254,504	229,955	64,990	60,850	59,460	69,204	58,032
Impairments of real estate assets	5,849	423	-	5,318	531	-	423
General and administrative	44,067	40,006	10,409	11,717	9,560	12,381	9,137
Total operating expenses	<b>552,931</b>	512,799	<b>138,666</b>	142,020	130,109	142,136	129,759
<b>Interest expense</b>	<b>81,648</b>	71,422	<b>22,026</b>	20,527	20,356	18,739	17,717
<b>Other income/(loss)</b>	<b>(2,510)</b>	1,940	<b>761</b>	174	321	(3,766)	205
<b>Gains on disposition of property</b>	<b>39,517</b>	37,638	<b>29,299</b>	3,515	6,703	-	20,663
<b>Equity in earnings of unconsolidated affiliates</b>	<b>3,276</b>	2,238	<b>907</b>	940	765	664	597
<b>Net income</b>	<b>141,683</b>	177,630	<b>62,346</b>	29,557	41,394	8,386	55,377
Net (income) attributable to noncontrolling interests in the Operating Partnership	(3,551)	(4,588)	(1,577)	(737)	(1,044)	(193)	(1,417)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(1,214)	(1,207)	(295)	(297)	(306)	(316)	(289)
Dividends on Preferred Stock	(2,488)	(2,492)	(622)	(622)	(622)	(622)	(623)
<b>Net income available for common stockholders</b>	<b>\$ 134,430</b>	\$ 169,343	<b>\$ 59,852</b>	\$ 27,901	\$ 39,422	\$ 7,255	\$ 53,048
<b>Earnings per Common Share - basic:</b>							
Net income available for common stockholders	<b>\$ 1.30</b>	\$ 1.64	<b>\$ 0.58</b>	\$ 0.27	\$ 0.38	\$ 0.07	\$ 0.51
Weighted average Common Shares outstanding - basic	<b>103,692</b>	103,439	<b>103,746</b>	103,727	103,693	103,600	103,530
<b>Earnings per Common Share - diluted:</b>							
Net income available for common stockholders	<b>\$ 1.30</b>	\$ 1.64	<b>\$ 0.58</b>	\$ 0.27	\$ 0.38	\$ 0.07	\$ 0.51
Weighted average Common Shares outstanding - diluted	<b>106,445</b>	106,268	<b>106,504</b>	106,471	106,445	106,357	106,303

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

	<i>Year Ended</i>		<i>Three Months Ended</i>				
	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/19</u>	<u>9/30/19</u>	<u>6/30/19</u>	<u>3/31/19</u>	<u>12/31/18</u>
<b>Funds from operations:</b>							
Net income	\$ 141,683	\$ 177,630	\$ 62,346	\$ 29,557	\$ 41,394	\$ 8,386	\$ 55,377
Net (income) attributable to noncontrolling interests in consolidated affiliates	(1,214)	(1,207)	(295)	(297)	(306)	(316)	(289)
Depreciation and amortization of real estate assets	251,545	227,045	64,198	60,145	58,720	68,482	57,352
Impairments of depreciable properties	1,400	-	-	1,400	-	-	-
(Gains) on disposition of depreciable properties	(38,582)	(37,096)	(29,299)	(2,580)	(6,703)	-	(20,663)
Unconsolidated affiliates:							
Depreciation and amortization of real estate assets	2,425	2,284	591	632	622	580	611
<b>Funds from operations</b>	<b>357,257</b>	<b>368,656</b>	<b>97,541</b>	<b>88,857</b>	<b>93,727</b>	<b>77,132</b>	<b>92,388</b>
Dividends on Preferred Stock	(2,488)	(2,492)	(622)	(622)	(622)	(622)	(623)
<b>Funds from operations available for common stockholders</b>	<b>\$ 354,769</b>	<b>\$ 366,164</b>	<b>\$ 96,919</b>	<b>\$ 88,235</b>	<b>\$ 93,105</b>	<b>\$ 76,510</b>	<b>\$ 91,765</b>
<b>Funds from operations available for common stockholders per share</b>	<b>\$ 3.33</b>	<b>\$ 3.45</b>	<b>\$ 0.91</b>	<b>\$ 0.83</b>	<b>\$ 0.87</b>	<b>\$ 0.72</b>	<b>\$ 0.86</b>
<b>Weighted average shares outstanding</b>	<b>106,445</b>	<b>106,268</b>	<b>106,504</b>	<b>106,471</b>	<b>106,445</b>	<b>106,357</b>	<b>106,303</b>
<b>Additional information: 1/</b>							
Losses on debt extinguishment	\$ 640	\$ -	\$ -	\$ 265	\$ -	\$ 375	\$ -
Straight-line rental income	(22,966)	(23,312)	(8,280)	(6,498)	(6,750)	(1,438)	(5,225)
Straight-line rental write-offs related to termination fees	236	356	145	35	6	50	94
Amortization of lease incentives	4,281	1,908	433	540	460	2,848	551
Depreciation of non-real estate assets	2,382	2,434	645	555	597	585	606
Ground lease straight-line rent expense	309	352	72	76	80	81	83
Share-based compensation expense	7,180	7,466	1,000	668	940	4,572	857
Amortization of debt issuance costs	2,970	2,857	776	739	719	736	731
Amortization of accumulated other comprehensive (income)/loss	(915)	(1,421)	(74)	(212)	(261)	(368)	(368)
Amortization of above/(below) market leases and other adjustments	(699)	(3,851)	(1,135)	(1,211)	(1,281)	2,928	(1,006)
Non-incremental revenue generating capital expenditures incurred: 2/							
Building improvements	(36,119)	(37,900)	(12,369)	(8,566)	(8,424)	(6,760)	(9,149)
2nd generation tenant improvements	(85,136)	(75,296)	(19,090)	(19,345)	(25,389)	(21,312)	(20,739)
2nd generation lease commissions	(28,146)	(25,329)	(8,625)	(7,553)	(6,987)	(4,981)	(6,889)
Common dividends and unit distributions paid	(202,124)	(196,469)	(50,568)	(50,533)	(50,548)	(50,475)	(49,139)

1/ Increase or (decrease) to cash flows.

2/ 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, (d) building improvements that constitute part of the total investment cost disclosed in connection with an acquisition and (e) property re-developments.

## Consolidated Balance Sheets (dollars in thousands)

	<u>12/31/19</u>	<u>12/31/18</u>
<b>Assets:</b>		
Real estate assets, at cost:		
Land	\$ 515,095	\$ 491,441
Buildings and tenant improvements	5,128,150	4,676,862
Development in-process	172,706	165,537
Land held for development	<u>99,163</u>	<u>128,248</u>
	5,915,114	5,462,088
Less-accumulated depreciation	<u>(1,388,566)</u>	<u>(1,296,562)</u>
Net real estate assets	4,526,548	4,165,526
Real estate and other assets, net, held for sale	20,790	-
Cash and cash equivalents	9,505	3,769
Restricted cash	5,237	6,374
Accounts receivable	23,370	25,952
Mortgages and notes receivable, net of allowance of \$0 and \$44, respectively	1,501	5,599
Accrued straight-line rents receivable	234,652	220,088
Investments in and advances to unconsolidated affiliates	26,298	23,585
Deferred leasing costs, net of accumulated amortization of \$146,125 and \$149,275, respectively	231,347	195,273
Prepaid expenses and other assets, net of accumulated depreciation of \$20,017 and \$18,074, respectively	<u>58,996</u>	<u>28,843</u>
Total Assets	<u>\$ 5,138,244</u>	<u>\$ 4,675,009</u>
<b>Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:</b>		
Mortgages and notes payable, net	\$ 2,543,710	\$ 2,085,831
Accounts payable, accrued expenses and other liabilities	<u>286,911</u>	<u>218,922</u>
Total Liabilities	2,830,621	2,304,753
Commitments and contingencies		
Noncontrolling interests in the Operating Partnership	133,216	105,960
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), 28,859 and 28,877 shares issued and outstanding, respectively	28,859	28,877
Common Stock, \$.01 par value, 200,000,000 authorized shares; 103,756,046 and 103,557,065 shares issued and outstanding, respectively	1,038	1,036
Additional paid-in capital	2,954,779	2,976,197
Distributions in excess of net income available for common stockholders	(831,808)	(769,303)
Accumulated other comprehensive income/(loss)	<u>(471)</u>	<u>9,913</u>
Total Stockholders' Equity	2,152,397	2,246,720
Noncontrolling interests in consolidated affiliates	<u>22,010</u>	<u>17,576</u>
Total Equity	2,174,407	2,264,296
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	<u>\$ 5,138,244</u>	<u>\$ 4,675,009</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 4, 2020). This information is not intended to be an asset-by-asset or enterprise valuation.

<b>Wholly-owned properties projected cash net operating income (NOI) 1/</b>	
Office 2/	\$ 499,394
Total Net Operating Income	<u>\$ 499,394</u>
<b>Highwoods share of projected NOI at Joint Ventures 1/</b>	
Office	<u>\$ 9,014</u>
<b>Other income</b>	
Development, leasing and management fees	<u>\$ 2,666</u>
<hr/>	
<b>In Service Assets Not Fairly Valued by Capitalized NOI Method</b>	
Wholly-owned assets	\$ 184,171
Total	<u>\$ 184,171</u>
<b>Add other assets:</b>	
Development investment at cost incurred	\$ 222,334
Land held for development at market value	140,000
Cash and cash equivalents	9,505
Restricted cash	5,237
Accounts receivable	23,370
Notes receivable and prepaid expenses 3/	29,238
Assets announced for sale after quarter end	233,400
Highwoods' share of unconsolidated joint ventures other assets	7,442
Deduct partner's share of consolidated joint venture other assets	(6,162)
Total other assets	<u>\$ 664,364</u>
<b>Liabilities:</b>	
Mortgages and notes payable 4/	\$ 2,556,728
Accounts payable, accrued expenses and other liabilities 5/	217,710
Deduct partner's share of consolidated joint venture liabilities	(510)
Market value of debt adjustment	72,066
Preferred stock, at liquidation value	28,859
Free rent liabilities 2/	25,018
Highwoods' share of unconsolidated joint ventures liabilities	31,278
Market value of debt adjustment for joint ventures debt 6/	1,169
Total deductions	<u>\$ 2,932,318</u>

1/ Projected 2020 Cash NOI for the existing property portfolio excludes straight-line income, lease termination fee income, fee income, NOI related to developments listed on page 20, 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/ For certain assets (Two Alliance Center, 1800 Century Blvd, Monarch Tower, Riverwood 100, Bank of America Tower, Cool Springs II, Virginia Springs I, Landmark Center Two, Bank of America Plaza, and Spectrum) free rent was added back to NOI with a credit in the liabilities section for the aggregate amount of free rent.

3/ Excludes \$2.3M of deferred compensation plan investments and \$28.9M for operating ground leases classified as right of use assets.

4/ Includes \$13.0M of debt issuance costs expected to be amortized over the remaining term of the underlying debt instruments.

5/ Excludes \$34.9M of operating ground lease liabilities, \$32.0M acquisition-related below market lease liabilities and a \$2.3M deferred compensation plan liability.

6/ In accordance with prior practice, we included an adjustment to mark our debt including our pro rata share of unconsolidated joint venture debt to estimated fair value as of December 31, 2019.

## Capitalization, Net debt-to-Adjusted EBITDAre and Revenue Detail (dollars, shares and units in thousands)

	<u>12/31/19</u>	<u>9/30/19</u>	<u>6/30/19</u>	<u>3/31/19</u>	<u>12/31/18</u>
<b>Mortgages and notes payable, net, at recorded book value (see pages 6 &amp; 7)</b>	<b>\$ 2,543,710</b>	\$ 2,322,226	\$ 2,161,965	\$ 2,160,594	\$ 2,085,831
<b>Preferred Stock, at liquidation value</b>	<b>\$ 28,859</b>	\$ 28,859	\$ 28,859	\$ 28,859	\$ 28,877
Common Stock outstanding	103,756	103,748	103,705	103,691	103,557
Common Units outstanding (not owned by the Company)	2,724	2,726	2,731	2,736	2,739
Common Stock and Common Units outstanding	<b>106,480</b>	106,474	106,436	106,427	106,296
Per share stock price at period end	\$ 48.91	\$ 44.94	\$ 41.30	\$ 46.78	\$ 38.69
<b>Market value of Common Stock and Common Units</b>	<b>\$ 5,207,937</b>	\$ 4,784,942	\$ 4,395,807	\$ 4,978,655	\$ 4,112,592
<b>Total capitalization</b>	<b>\$ 7,780,506</b>	\$ 7,136,027	\$ 6,586,631	\$ 7,168,108	\$ 6,227,300
<b>Net debt-to-Adjusted EBITDAre:</b>					
Net income	\$ 62,346	\$ 29,557	\$ 41,394	\$ 8,386	\$ 55,377
Interest expense	22,026	20,527	20,356	18,739	17,717
Depreciation and amortization	64,990	60,850	59,460	69,204	58,032
(Gains) on disposition of depreciable properties	(29,299)	(2,580)	(6,703)	-	(20,663)
Impairments of depreciable properties	-	1,400	-	-	-
Adjustments to reflect our share of EBITDAre from unconsolidated affiliates	960	1,005	996	957	994
<b>EBITDAre</b>	<b>\$ 121,023</b>	\$ 110,759	\$ 115,503	\$ 97,286	\$ 111,457
Proforma NOI adjustments for property changes within period	1,776				
<b>Adjusted EBITDAre 1/</b>	<b>\$ 122,799</b>				
<b>Adjusted EBITDAre (annualized) 1/ 2/</b>	<b>\$ 494,481</b>	\$ 455,081	\$ 462,012	\$ 425,303	\$ 445,828
Mortgages and notes payable 3/	\$ 2,572,492	\$ 2,359,574	\$ 2,200,058	\$ 2,198,842	\$ 2,124,795
Less - cash and cash equivalents and 1031 restricted cash 3/	(12,305)	(120,658)	(7,930)	(8,285)	(6,727)
<b>Net debt 4/</b>	<b>\$ 2,560,187</b>	\$ 2,238,916	\$ 2,192,128	\$ 2,190,557	\$ 2,118,068
Preferred Stock	28,859	28,859	28,859	28,859	28,877
<b>Net debt plus Preferred Stock</b>	<b>\$ 2,589,046</b>	\$ 2,267,775	\$ 2,220,987	\$ 2,219,416	\$ 2,146,945
<b>Net debt-to-Adjusted EBITDAre 5/</b>	<b>5.18x</b>	4.92x	4.74x	5.15x	4.75x
<b>Net debt plus Preferred Stock-to-Adjusted EBITDAre 6/</b>	<b>5.24x</b>	4.98x	4.81x	5.22x	4.82x
<b>Rental and other revenues:</b>					
Contractual rents, net	\$ 159,332	\$ 154,902	\$ 152,600	\$ 149,065	\$ 152,016
Straight-line rental income, net	8,280	6,498	6,750	1,438	5,225
Cost recoveries billed under lease arrangements, net	15,508	17,127	16,038	15,061	16,076
Lease termination fees, net	107	111	44	402	75
Other miscellaneous operating revenues	8,844	8,837	8,638	6,397	7,996
	<b>\$ 192,071</b>	\$ 187,475	\$ 184,070	\$ 172,363	\$ 181,388

1/ Adjusted EBITDAre is calculated prospectively for all periods starting 10/1/19 as EBITDAre adjusted for gains or losses on debt extinguishment and land sales, land impairments, proforma NOI adjustments for property changes within period and our share of the same adjustments for unconsolidated affiliates. "Proforma NOI adjustments for property changes within period" means proforma NOI adjustments assuming any acquisitions, dispositions and developments placed in service within the current period had occurred as of the first day of such period. Prior to the quarter ended 12/31/19, Adjusted EBITDAre equals EBITDAre.

2/ Adjusted EBITDAre (annualized) is Adjusted EBITDAre multiplied by four. Certain period specific items are not annualized. In the quarter ended 9/30/19, these included land impairments and gains and other items. In the quarter ended 3/31/19, credit losses and write-offs of \$12.1M associated with the sudden closure of Laser Spine Institute are not annualized.

3/ Includes our share of unconsolidated affiliates.

4/ Net debt is calculated as mortgages and notes payable at quarter-end less cash and cash equivalents and 1031 restricted cash at quarter-end.

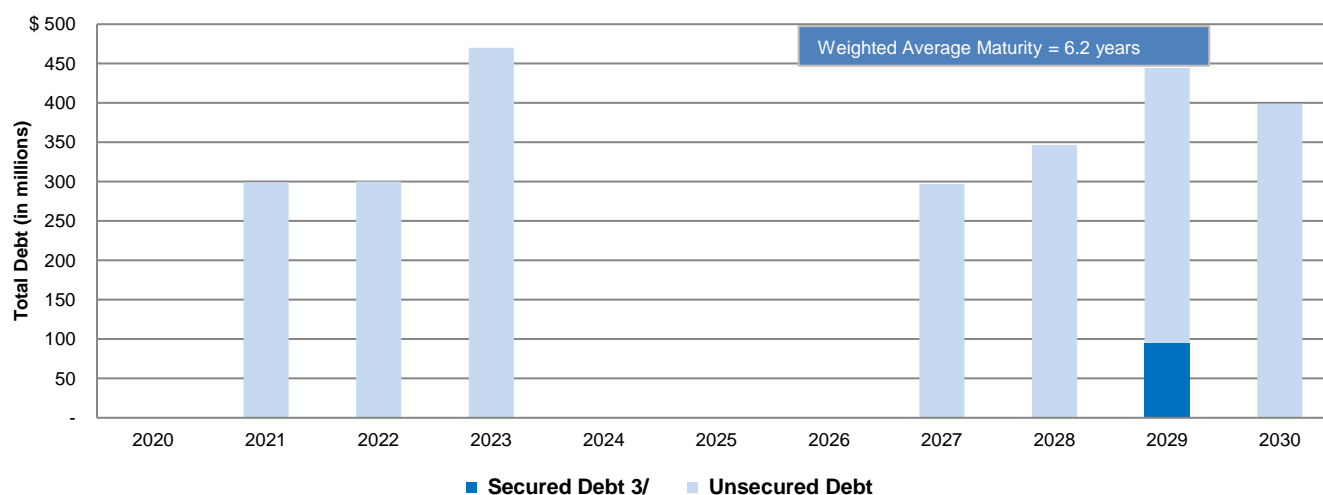
5/ Net debt at quarter-end divided by Adjusted EBITDAre (annualized). Excluding credit losses and write-offs associated with the sudden closure of Laser Spine Institute, net debt-to-Adjusted EBITDAre at 3/31/19 would have been 5.01x.

6/ Net debt plus Preferred Stock at quarter-end divided by Adjusted EBITDAre (annualized). Excluding credit losses and write-offs associated with the sudden closure of Laser Spine Institute, net debt plus Preferred Stock-to-Adjusted EBITDAre at 3/31/19 would have been 5.07x.

## Mortgages and Notes Payable Summary (dollars in thousands)

Balances Outstanding:	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18
<b>Secured:</b>					
Conventional fixed rate	\$ 95,303	\$ 95,779	\$ 96,250	\$ 96,717	\$ 97,179
<b>Unsecured - Fixed:</b>					
Fixed rate bonds and notes	1,940,425	1,939,999	1,540,613	1,540,211	1,190,816
Bank term loan	-	-	-	-	225,000
Bank term loan 1/	50,000	50,000	50,000	50,000	50,000
Unsecured - fixed total	1,990,425	1,989,999	1,590,613	1,590,211	1,465,816
<b>Unsecured - Floating:</b>					
Bank term loan	200,000	200,000	200,000	200,000	200,000
Bank term loan	50,000	50,000	150,000	150,000	150,000
Credit facility 2/	221,000	-	136,000	135,000	182,000
Unsecured - floating total	471,000	250,000	486,000	485,000	532,000
Unsecured total	2,461,425	2,239,999	2,076,613	2,075,211	1,997,816
<b>Total</b>	<b>\$ 2,556,728</b>	<b>\$ 2,335,778</b>	<b>\$ 2,172,863</b>	<b>\$ 2,171,928</b>	<b>\$ 2,094,995</b>
<b>Total Net of Debt Issuance Costs</b>	<b>\$ 2,543,710</b>	<b>\$ 2,322,226</b>	<b>\$ 2,161,965</b>	<b>\$ 2,160,594</b>	<b>\$ 2,085,831</b>
<b>End of Period Weighted Average Interest Rates:</b>					
<b>Secured:</b>					
Conventional fixed rate	4.00%	4.00%	4.00%	4.00%	4.00%
<b>Unsecured - Fixed:</b>					
Fixed rate bonds	3.76%	3.76%	3.89%	3.89%	3.75%
Bank term loan	-	-	-	-	2.78%
Bank term loan 1/	2.79%	2.79%	2.79%	2.79%	2.79%
Unsecured - fixed total	3.74%	3.73%	3.86%	3.86%	3.57%
<b>Unsecured - Floating:</b>					
Bank term loan	2.90%	3.14%	3.50%	3.60%	3.61%
Bank term loan	2.81%	3.21%	3.54%	3.59%	3.45%
Credit facility 2/	2.73%	-	3.41%	3.48%	3.46%
Unsecured - floating total	2.81%	3.16%	3.49%	3.56%	3.51%
Unsecured total	3.56%	3.67%	3.77%	3.79%	3.55%
<b>Weighted Average</b>	<b>3.58%</b>	<b>3.68%</b>	<b>3.78%</b>	<b>3.80%</b>	<b>3.57%</b>

### Maturity Schedule



1/ The interest rate on this loan is based on one-month LIBOR plus a spread based on the company's credit rating. Swap agreements effectively fix one-month LIBOR until January 2022.

2/ Maturity date assumes exercise of two six-month extension options.

3/ Excludes annual principal amortization.

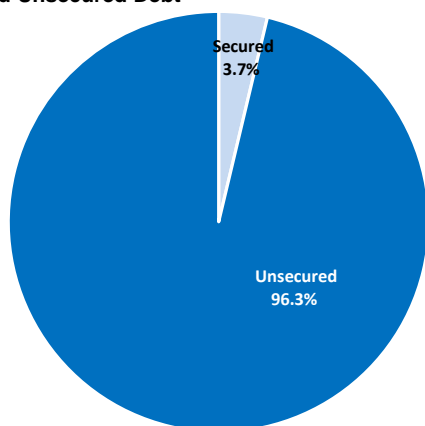
## Mortgages and Notes Payable Detail (dollars in thousands)

<u>Secured Loans</u>			<u>Loan</u>	<u>Undepreciated</u>
<u>Lender</u>	<u>Effective</u>	<u>Maturity</u>	<u>Balance</u>	<u>Book Value of</u>
	<u>Rate</u>	<u>Date</u>	<u>12/31/19</u>	<u>Real Estate &amp; Related</u>
				<u>Assets Secured</u>
Allianz Life Insurance Company	4.00%	May-29	\$ 95,303	\$ 147,082
<b>Unsecured Bonds</b>				
Bonds 1/	3.24%	Feb-30	399,009	
Bonds 2/	4.38%	Apr-29	349,091	
Bonds 3/	4.06%	Mar-28	346,621	
Bonds	3.36%	Jun-21	299,369	
Bonds 4/	3.78%	Mar-27	297,134	
Bonds	3.75%	Jan-23	249,201	
	<u>3.76%</u>		<u>1,940,425</u>	
<b>Unsecured Loans</b>				
Credit facility 5/ 6/	2.73%	Jan-23	221,000	
Bank term loan 5/	2.90%	Nov-22	200,000	
Bank term loan 5/	2.81%	Jan-22	50,000	
Bank term loan 7/	2.79%	Jan-22	50,000	
	<u>2.81%</u>		<u>521,000</u>	
<b>Total Debt</b>	<u>3.58%</u>		<u>\$ 2,556,728</u>	
<b>Total Net of Debt Issuance Costs</b>			<u>\$ 2,543,710</u>	

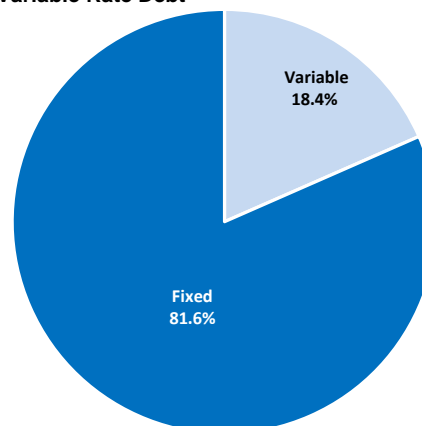
<b>Bond Covenants as of December 31, 2019</b>	
Overall indebtedness (<60%)	42.2%
Secured indebtedness (<40%)	1.6%
Income available for debt service (>1.5x)	5.45x
Total unencumbered assets to unsecured debt (>150%)	239.1%

<b>Agency</b>	<b>Rating</b>	<b>Outlook</b>	<b>Affirmed</b>
S&P	BBB	Stable	8/8/19
Moody's	Baa2	Stable	11/20/19

**Secured and Unsecured Debt**



**Fixed and Variable Rate Debt**



1/ Rate includes the impact of the swaps that were settled for (\$6.6) million upon issuance of the bonds.

2/ Rate includes the impact of the swaps that were settled for (\$5.1) million upon issuance of the bonds.

3/ Rate includes the impact of the swaps that were settled for \$7.2 million upon issuance of the bonds.

4/ Rate includes the impact of the swaps that were settled for \$7.3 million upon issuance of the bonds.

5/ Floating rate loans based on one-month LIBOR.

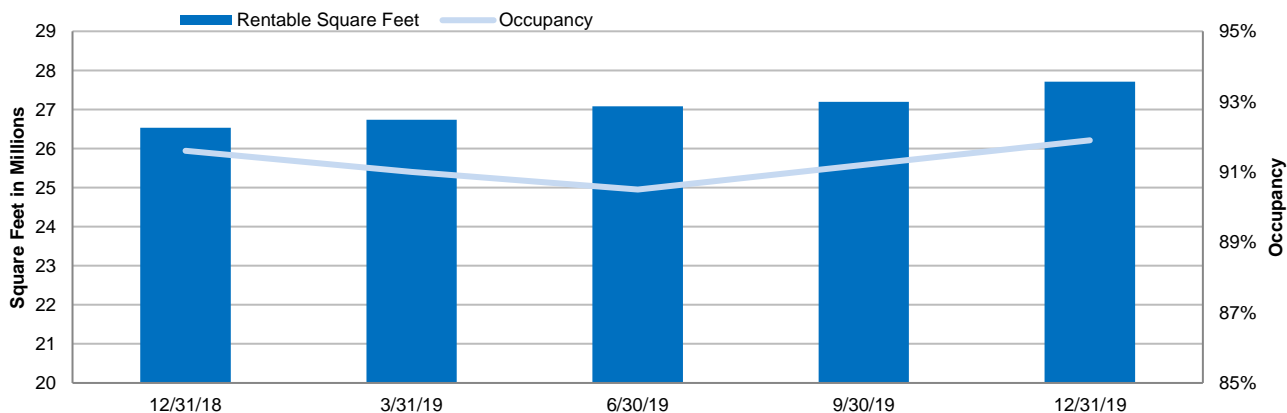
6/ Maturity date assumes exercise of two six-month extension options.

7/ This loan maturing January 2022 is swapped to an effective fixed rate of 2.79%, including the current spread based on the company's credit rating.

# Portfolio Summary

	<u>12/31/19</u>	<u>9/30/19</u>	<u>6/30/19</u>	<u>3/31/19</u>	<u>12/31/18</u>
<b>Total In-Service</b>					
<b>Rentable Square Feet</b>					
Office	27,707,000	27,195,000	27,080,000	26,736,000	26,531,000
Industrial	2,672,000	2,672,000	2,672,000	2,672,000	2,672,000
Retail	59,000	59,000	59,000	59,000	59,000
Total	<u>30,438,000</u>	<u>29,926,000</u>	<u>29,811,000</u>	<u>29,467,000</u>	<u>29,262,000</u>
<b>Occupancy</b>					
Office	91.9%	91.2%	90.5%	91.0%	91.6%
Industrial	94.2%	92.9%	93.8%	93.9%	95.0%
Retail	100.0%	100.0%	100.0%	100.0%	100.0%
Total	<u>92.2%</u>	<u>91.4%</u>	<u>90.9%</u>	<u>91.2%</u>	<u>91.9%</u>
<b>Same Property:</b>					
<b>Rentable Square Feet</b>					
Office	25,746,000	25,746,000	25,746,000	25,746,000	25,746,000
Industrial	2,544,000	2,544,000	2,544,000	2,544,000	2,544,000
Retail	59,000	59,000	59,000	59,000	59,000
Total	<u>28,349,000</u>	<u>28,349,000</u>	<u>28,349,000</u>	<u>28,349,000</u>	<u>28,349,000</u>
<b>Occupancy</b>					
Office	91.8%	91.0%	90.5%	90.9%	91.6%
Industrial	93.9%	92.5%	93.5%	93.5%	94.8%
Retail	100.0%	100.0%	100.0%	100.0%	100.0%
Total	<u>92.0%</u>	<u>91.2%</u>	<u>90.8%</u>	<u>91.1%</u>	<u>91.9%</u>

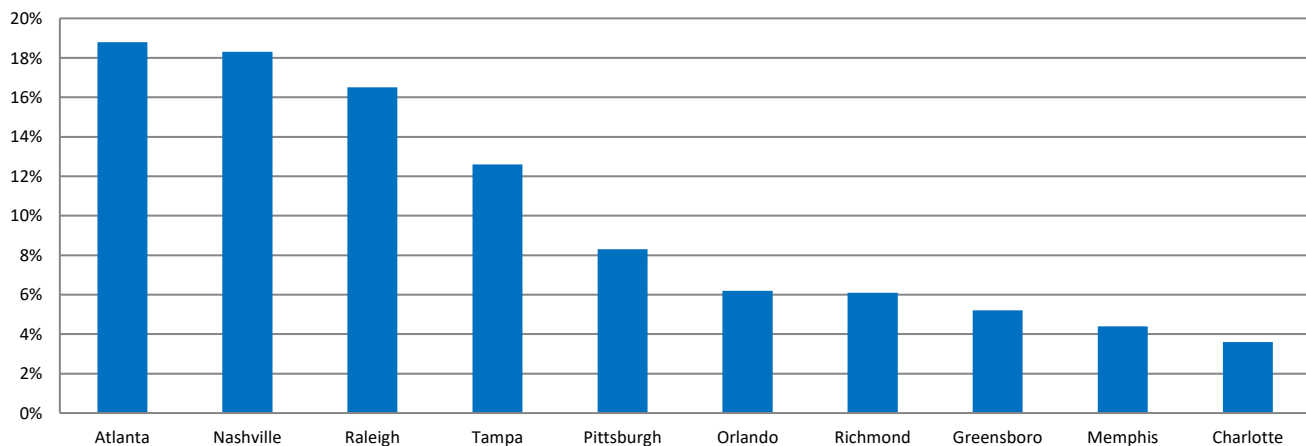
Rentable Square Feet and Occupancy Trend: *Total In-Service Office Only*



## Portfolio Summary

<u>Market</u>	<u>Rentable</u>		<u>Percentage of Annualized Cash Revenue 1/</u>			
	<u>Square Feet</u>	<u>Occupancy</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
Atlanta	5,415,000	89.8%	18.8%	-	-	18.8%
Nashville	4,569,000	94.4%	18.1%	-	0.2%	18.3%
Raleigh	4,874,000	90.1%	16.5%	-	-	16.5%
Tampa	3,620,000	93.2%	12.6%	-	-	12.6%
Pittsburgh	2,148,000	95.3%	8.3%	-	-	8.3%
Orlando	1,791,000	89.4%	6.2%	-	-	6.2%
Richmond	2,036,000	93.3%	6.1%	-	-	6.1%
Greensboro	3,823,000	94.3%	3.3%	1.9%	-	5.2%
Memphis	1,321,000	91.0%	4.3%	-	0.1%	4.4%
Charlotte	841,000	89.5%	3.6%	-	-	3.6%
<b>Total</b>	<b>30,438,000</b>	<b>92.2%</b>	<b>97.8%</b>	<b>1.9%</b>	<b>0.3%</b>	<b>100.0%</b>

**Annualized Cash Revenue by Market 1/**

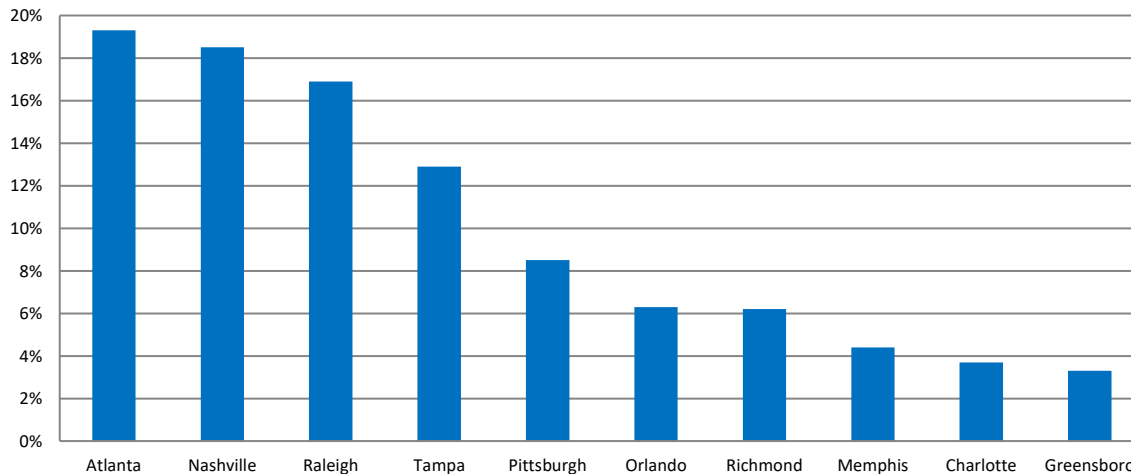


1/ Annualized Cash Revenue is December 2019 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

## Portfolio Summary

<u>Market</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Segment Annualized Cash Revenue 1/</u>	<u>Percentage of Total Annualized Cash Revenue 1/</u>
<b>Office</b>				
Atlanta	5,415,000	89.8%	19.3%	18.8%
Nashville	4,528,000	94.4%	18.5%	18.1%
Raleigh	4,874,000	90.1%	16.9%	16.5%
Tampa	3,620,000	93.2%	12.9%	12.6%
Pittsburgh	2,148,000	95.3%	8.5%	8.3%
Orlando	1,791,000	89.4%	6.3%	6.2%
Richmond	2,036,000	93.3%	6.2%	6.1%
Memphis	1,303,000	90.9%	4.4%	4.3%
Charlotte	841,000	89.5%	3.7%	3.6%
Greensboro	1,151,000	94.6%	3.3%	3.3%
	<u>27,707,000</u>	<u>91.9%</u>	<u>100.0%</u>	<u>97.8%</u>
<b>Industrial</b>				
Greensboro	2,672,000	94.2%	100.0%	1.9%
	<u>2,672,000</u>	<u>94.2%</u>	<u>100.0%</u>	<u>1.9%</u>
<b>Retail</b>				
Nashville	41,000	100.0%	68.5%	0.2%
Memphis	18,000	100.0%	31.5%	0.1%
	<u>59,000</u>	<u>100.0%</u>	<u>100.0%</u>	<u>0.3%</u>

### Office Segment: Annualized Cash Revenue by Market 1/



1/ Annualized Cash Revenue is December 2019 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

## Occupancy Trends

<u>Market</u>	<u>Measurement</u>	<u>12/31/19</u>	<u>9/30/19</u>	<u>6/30/19</u>	<u>3/31/19</u>	<u>12/31/18</u>
Atlanta	Rentable Square Feet	<b>5,415,000</b>	5,414,000	5,414,000	5,114,000	5,120,000
	Occupancy	<b>89.8%</b>	89.7%	88.4%	88.4%	87.4%
	Current Properties 1/	<b>89.4%</b>	89.4%	88.1%	88.4%	87.4%
Charlotte	Rentable Square Feet	<b>841,000</b>				
	Occupancy	<b>89.5%</b>				
	Current Properties 1/	-				
Greensboro	Rentable Square Feet	<b>3,823,000</b>	3,823,000	3,823,000	3,823,000	3,823,000
	Occupancy	<b>94.3%</b>	93.2%	94.1%	94.1%	94.4%
	Current Properties 1/	<b>94.3%</b>	93.2%	94.1%	94.1%	94.4%
Memphis	Rentable Square Feet	<b>1,321,000</b>	1,653,000	1,656,000	1,656,000	1,656,000
	Occupancy	<b>91.0%</b>	91.2%	91.2%	92.5%	92.1%
	Current Properties 1/	<b>91.0%</b>	90.4%	90.2%	91.5%	90.3%
Nashville	Rentable Square Feet	<b>4,569,000</b>	4,569,000	4,569,000	4,344,000	4,231,000
	Occupancy	<b>94.4%</b>	93.8%	93.8%	92.9%	93.0%
	Current Properties 1/	<b>94.0%</b>	93.3%	93.3%	92.7%	93.0%
Orlando	Rentable Square Feet	<b>1,791,000</b>	1,789,000	1,795,000	1,977,000	1,976,000
	Occupancy	<b>89.4%</b>	89.8%	89.2%	89.4%	91.2%
	Current Properties 1/	<b>89.4%</b>	89.8%	89.2%	89.4%	91.4%
Pittsburgh	Rentable Square Feet	<b>2,148,000</b>	2,148,000	2,150,000	2,150,000	2,148,000
	Occupancy	<b>95.3%</b>	96.2%	95.6%	94.6%	95.0%
	Current Properties 1/	<b>95.3%</b>	96.2%	95.6%	94.6%	95.0%
Raleigh	Rentable Square Feet	<b>4,874,000</b>	4,874,000	4,747,000	4,747,000	4,655,000
	Occupancy	<b>90.1%</b>	88.6%	86.1%	89.2%	89.5%
	Current Properties 1/	<b>89.5%</b>	88.4%	86.7%	88.9%	89.4%
Richmond	Rentable Square Feet	<b>2,036,000</b>	2,036,000	2,037,000	2,036,000	2,033,000
	Occupancy	<b>93.3%</b>	93.0%	94.4%	93.7%	93.4%
	Current Properties 1/	<b>93.3%</b>	93.0%	94.4%	93.7%	93.4%
Tampa	Rentable Square Feet	<b>3,620,000</b>	3,620,000	3,620,000	3,620,000	3,620,000
	Occupancy	<b>93.2%</b>	89.7%	89.5%	90.0%	95.3%
	Current Properties 1/	<b>93.2%</b>	89.7%	89.5%	90.0%	95.3%
Total	Rentable Square Feet	<b>30,438,000</b>	29,926,000	29,811,000	29,467,000	29,262,000
	Occupancy	<b>92.2%</b>	91.4%	90.9%	91.2%	91.9%
	Current Properties 1/	<b>92.0%</b>	91.2%	90.7%	91.1%	91.8%

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



## Office Leasing Statistics

	Three Months Ended					Five Quarter
	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	Average
<b>Leasing Activity:</b>						
Square footage of Renewal Deals	805,197	571,779	746,761	566,319	534,509	644,913
Square footage of New Deals (Relets)	397,703	366,923	328,989	157,146	383,985	326,949
Rentable square footage leased	1,202,900	938,702	1,075,750	723,465	918,494	971,862
Renewed square footage (% of total)	66.9%	60.9%	69.4%	78.3%	58.2%	66.4%
New Leases square footage (% of total)	33.1%	39.1%	30.6%	21.7%	41.8%	33.6%
Number of lease transactions (signed leases)	107	97	120	93	103	104
<b>Weighted average per rentable square foot over the lease term:</b>						
Base rent	\$ 32.68	\$ 29.46	\$ 30.60	\$ 30.53	\$ 30.67	\$ 30.79
Rent concessions	(0.54)	(0.61)	(0.48)	(0.52)	(0.74)	(0.58)
GAAP rent	32.14	28.85	30.12	30.01	29.93	30.21
Tenant improvements	(3.20)	(3.61)	(3.05)	(2.81)	(3.70)	(3.27)
Leasing commissions 1/	(1.06)	(0.86)	(0.94)	(0.90)	(1.04)	(0.96)
<b>Effective rent after capex</b>	<b>27.88</b>	<b>24.38</b>	<b>26.13</b>	<b>26.30</b>	<b>25.19</b>	<b>25.98</b>
Expense stop	(9.71)	(9.08)	(9.44)	(9.66)	(9.19)	(9.42)
<b>Effective rent after capex and opex</b>	<b>\$ 18.17</b>	<b>\$ 15.30</b>	<b>\$ 16.69</b>	<b>\$ 16.64</b>	<b>\$ 16.00</b>	<b>\$ 16.56</b>
<b>Square feet weighted average term in years</b>	<b>6.0</b>	<b>6.5</b>	<b>5.5</b>	<b>5.1</b>	<b>5.6</b>	<b>5.8</b>
<b>Dollar weighted average term in years</b>	<b>6.1</b>	<b>6.7</b>	<b>5.5</b>	<b>5.5</b>	<b>5.8</b>	<b>5.9</b>
<b>Capital Expenditures Related to Above Leasing Activity:</b>						
<b>Tenant Improvements:</b>						
Total dollars committed under signed leases	\$ 27,061,715	\$ 24,182,708	\$ 21,160,852	\$ 11,778,612	\$ 22,650,431	\$ 21,366,864
Rentable square feet	1,202,900	938,702	1,075,750	723,465	918,494	971,862
Per rentable square foot	\$ 22.50	\$ 25.76	\$ 19.67	\$ 16.28	\$ 24.66	\$ 21.99
<b>Leasing Commissions:</b>						
Total dollars committed under signed leases 1/	\$ 8,258,867	\$ 5,526,859	\$ 5,960,210	\$ 3,857,104	\$ 5,848,648	\$ 5,890,338
Rentable square feet	1,202,900	938,702	1,075,750	723,465	918,494	971,862
Per rentable square foot	\$ 6.87	\$ 5.89	\$ 5.54	\$ 5.33	\$ 6.37	\$ 6.06
<b>Total:</b>						
Total dollars committed under signed leases	\$ 35,320,582	\$ 29,709,567	\$ 27,121,062	\$ 15,635,716	\$ 28,499,079	\$ 27,257,201
Rentable square feet	1,202,900	938,702	1,075,750	723,465	918,494	971,862
Per rentable square foot	\$ 29.36	\$ 31.65	\$ 25.21	\$ 21.61	\$ 31.03	\$ 28.05

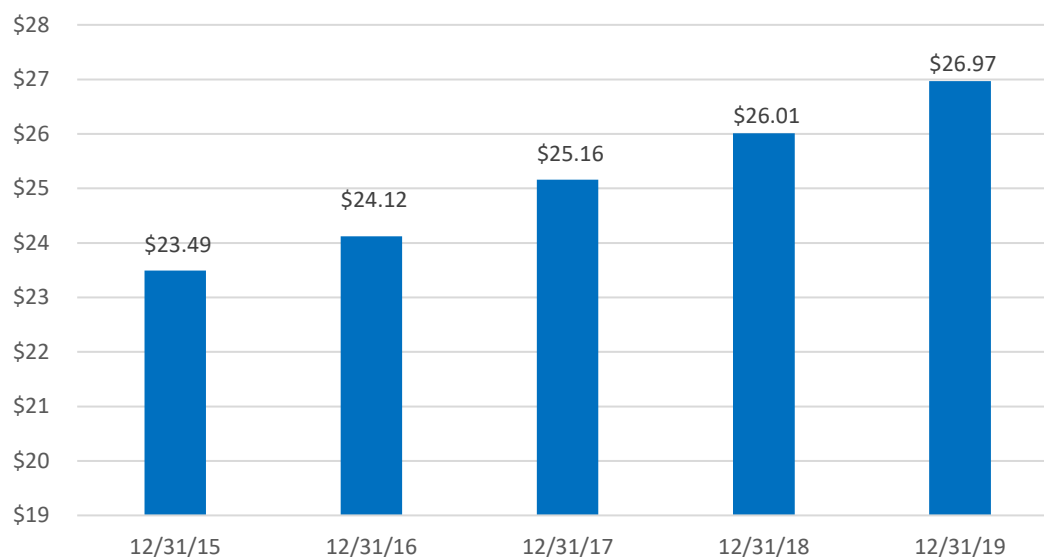
1/ Excludes capitalized internal leasing costs.

# Office Leasing Statistics and Rental Rate Comparisons by Market

For Three Months Ended December 31, 2019

Leasing Statistics		Rentable Square Feet Leased	Average Term	TI's Per SF	Lease Commissions Per SF	Rental Rate	Previous Rent	Percentage Change
Tampa		346,947	5.2	\$ 13.75	\$ 6.83	\$ 35.50	\$ 29.10	22.0%
Nashville		220,952	6.2	25.29	6.69	29.92	25.04	19.5%
Raleigh		183,933	7.2	29.40	7.46	28.96	22.15	30.7%
Atlanta		176,130	5.5	29.48	8.73	37.22	32.88	13.2%
Memphis		120,665	6.5	28.47	5.11	29.48	25.60	15.2%
Orlando		59,489	5.7	20.98	4.78	31.59	27.62	14.4%
Pittsburgh		37,731	9.8	19.55	11.16	31.53	25.80	22.2%
Richmond		29,726	4.8	18.42	3.71	24.44	21.85	11.9%
Greensboro		27,327	4.6	4.97	2.55	18.02	16.35	10.2%
GAAP Rent Growth	1/	<b>1,202,900</b>	<b>6.0</b>	<b>\$ 22.50</b>	<b>\$ 6.87</b>	<b>\$ 32.14</b>	<b>\$ 26.83</b>	<b>19.8%</b>
Cash Rent Growth	2/	<b>1,202,900</b>	<b>6.0</b>	<b>\$ 22.50</b>	<b>\$ 6.87</b>	<b>\$ 31.10</b>	<b>\$ 29.32</b>	<b>6.1%</b>

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



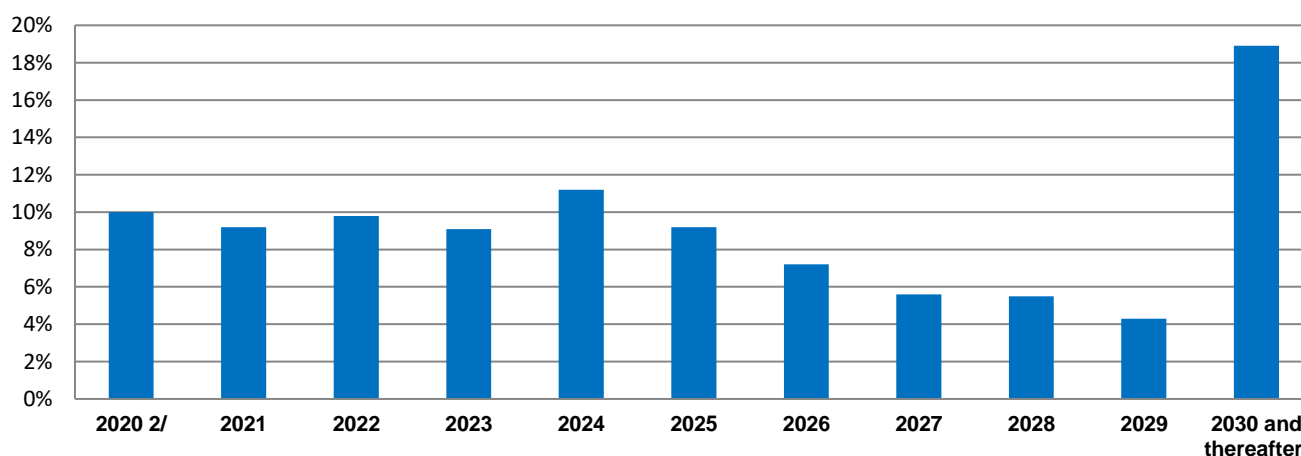
1/ GAAP rent growth is calculated by comparing average cash rent psf over the term (GAAP rent) of the new lease to the average cash rent psf over the term related to the previous lease in the same space. Adjustments are made if necessary to put both the current and prior deal on a consistent gross lease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

## Office 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>
2020 2/	2,512,492	9.9%	\$ 68,891	\$ 27.42	10.0%
2021	2,246,284	8.8%	63,401	28.22	9.2%
2022	2,579,762	10.1%	67,447	26.14	9.8%
2023	2,381,540	9.3%	62,774	26.36	9.1%
2024	2,699,855	10.6%	77,015	28.53	11.2%
2025	2,314,359	9.1%	63,402	27.40	9.2%
2026	1,806,211	7.1%	49,550	27.43	7.2%
2027	1,453,678	5.7%	38,656	26.59	5.6%
2028	1,428,363	5.6%	37,908	26.54	5.5%
2029	1,071,318	4.2%	28,710	26.80	4.3%
2030 and thereafter	4,980,934	19.6%	129,174	25.93	18.9%
	<b><u>25,474,796</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 686,928</u></b>	<b><u>\$ 26.97</u></b>	<b><u>100.0%</u></b>

Percent of Total Annualized Cash Revenue Expiring by Year



1/ Annualized Cash Revenue is December 2019 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Includes 222,000 square feet of leases that are on a month to month basis, which constitute 0.8% of total annualized revenue.

Note: 2020 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 Year (dollars in thousands)

		<u>2020 1/</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Thereafter</u>
Atlanta	RSF	536,078	451,249	531,599	248,765	3,096,266
	% of Total RSF	2.1%	1.7%	2.0%	1.0%	12.1%
	Annualized Cash Revenue 2/	\$ 15,514	\$ 13,138	\$ 13,870	\$ 7,281	\$ 82,694
	% of Total Annl Cash Rev	2.3%	1.8%	1.9%	1.0%	12.1%
Charlotte	RSF	0	0	0	0	752,921
	% of Total RSF	0.0%	0.0%	0.0%	0.0%	3.0%
	Annualized Cash Revenue 2/	\$ -	\$ -	\$ 361	\$ -	\$ 24,914
	% of Total Annl Cash Rev	0.0%	0.0%	0.1%	0.0%	3.6%
Greensboro	RSF	113,013	118,482	212,819	307,590	336,541
	% of Total RSF	0.4%	0.5%	0.8%	1.2%	1.3%
	Annualized Cash Revenue 2/	\$ 2,371	\$ 2,689	\$ 4,051	\$ 5,758	\$ 8,044
	% of Total Annl Cash Rev	0.3%	0.4%	0.6%	0.8%	1.1%
Memphis	RSF	236,477	272,531	187,888	86,361	401,221
	% of Total RSF	0.9%	1.0%	0.7%	0.3%	1.6%
	Annualized Cash Revenue 2/	\$ 5,941	\$ 7,534	\$ 5,078	\$ 1,951	\$ 9,700
	% of Total Annl Cash Rev	0.9%	1.0%	0.7%	0.3%	1.4%
Nashville	RSF	243,348	224,124	165,702	401,008	3,238,943
	% of Total RSF	1.0%	0.9%	0.7%	1.6%	12.8%
	Annualized Cash Revenue 2/	\$ 7,058	\$ 5,959	\$ 4,701	\$ 11,800	\$ 97,393
	% of Total Annl Cash Rev	1.0%	0.9%	0.7%	1.7%	14.2%
Orlando	RSF	176,878	203,071	217,885	137,208	866,254
	% of Total RSF	0.7%	0.8%	0.9%	0.5%	3.4%
	Annualized Cash Revenue 2/	\$ 4,672	\$ 5,907	\$ 6,544	\$ 3,937	\$ 22,183
	% of Total Annl Cash Rev	0.7%	0.9%	1.0%	0.6%	3.3%
Pittsburgh	RSF	58,059	99,638	138,936	182,543	1,568,875
	% of Total RSF	0.2%	0.4%	0.5%	0.7%	6.1%
	Annualized Cash Revenue 2/	\$ 1,826	\$ 5,216	\$ 3,907	\$ 5,420	\$ 41,877
	% of Total Annl Cash Rev	0.3%	0.8%	0.6%	0.8%	6.0%
Raleigh	RSF	475,169	327,619	383,122	278,796	2,925,893
	% of Total RSF	1.9%	1.3%	1.5%	1.1%	11.5%
	Annualized Cash Revenue 2/	\$ 11,861	\$ 8,594	\$ 9,803	\$ 7,474	\$ 78,555
	% of Total Annl Cash Rev	1.7%	1.3%	1.4%	1.1%	11.5%
Richmond	RSF	194,825	248,309	269,574	317,318	869,045
	% of Total RSF	0.8%	1.0%	1.1%	1.2%	3.4%
	Annualized Cash Revenue 2/	\$ 4,359	\$ 5,762	\$ 5,903	\$ 7,009	\$ 19,787
	% of Total Annl Cash Rev	0.6%	0.8%	0.9%	1.0%	3.0%
Tampa	RSF	478,645	301,261	472,237	421,951	1,698,759
	% of Total RSF	1.9%	1.2%	1.9%	1.7%	6.7%
	Annualized Cash Revenue 2/	\$ 15,289	\$ 8,602	\$ 13,229	\$ 12,144	\$ 39,268
	% of Total Annl Cash Rev	2.2%	1.3%	1.9%	1.8%	5.7%
<b>Total</b>	<b>RSF</b>	<b>2,512,492</b>	<b>2,246,284</b>	<b>2,579,762</b>	<b>2,381,540</b>	<b>15,754,718</b>
	<b>% of Total RSF</b>	<b>9.9%</b>	<b>8.8%</b>	<b>10.1%</b>	<b>9.3%</b>	<b>61.9%</b>
	<b>Annualized Cash Revenue 2/</b>	<b>\$ 68,891</b>	<b>\$ 63,401</b>	<b>\$ 67,447</b>	<b>\$ 62,774</b>	<b>\$ 424,415</b>
	<b>% of Total Annl Cash Rev</b>	<b>10.0%</b>	<b>9.2%</b>	<b>9.8%</b>	<b>9.1%</b>	<b>61.9%</b>

1/ Includes 222,000 square feet of leases that are on a month to month basis, which constitute 0.8% of total annualized revenue.

2/ Annualized Cash Revenue is December 2019 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

## Customer Diversification (dollars in thousands)

	Rentable Square Feet	Annualized Cash Revenue 1/	Percent of Annualized Cash Revenue 1/	Average Remaining Lease Term in Years
<b>Top 20 Customers</b>				
Federal Government	1,250,231	\$ 32,251	4.59%	3.8
Bank of America	710,212	25,990	3.70%	14.0
Bridgestone Americas	506,128	17,408	2.48%	17.7
Metropolitan Life Insurance	621,190	16,466	2.34%	11.2
PPG Industries	361,215	9,836	1.40%	11.3
Mars Petcare	223,700	9,026	1.28%	11.4
EQT Corporation	319,269	8,166	1.16%	4.8
Vanderbilt University	285,083	7,690	1.09%	6.3
Tivity	263,598	7,684	1.09%	3.2
Bass, Berry & Sims	213,951	6,960	0.99%	5.1
American General Life	173,834	6,199	0.88%	7.1
Novelis	168,949	6,172	0.88%	4.7
Marsh USA	177,382	6,092	0.87%	6.2
State of Georgia	296,542	5,954	0.85%	2.8
Lifepoint Corporate Services	202,991	5,336	0.76%	9.3
Regus PLC	189,186	4,952	0.70%	6.3
PNC Bank	159,142	4,933	0.70%	8.1
Avanos Medical	193,199	4,653	0.66%	9.2
Willis Towers Watson	162,849	4,471	0.64%	4.3
Global Payments	168,051	4,440	0.63%	13.2
	<u>6,646,702</u>	<u>\$ 194,679</u>	<u>27.69%</u>	<u>8.8</u>

### Percent of Annualized Revenue by Industry

Category	Percent of Annualized Cash Revenue 1/
Professional, Scientific, and Technical Services	24.8%
Finance/Banking	16.0%
Health Care and Social Assistance	13.4%
Manufacturing	9.1%
Insurance	8.7%
Government/Public Administration	5.7%
Real Estate Rental and Leasing	4.9%
Information	3.1%
Administrative and Support Services	2.7%
Retail Trade	2.1%
Telecommunication	1.9%
Accommodation and Food Services	1.7%
Transportation and Warehousing	1.5%
Other Services (except Public Administration)	1.5%
Energy	1.4%
Educational Services	1.0%
Wholesale Trade	0.5%
	<u>100.0%</u>

1/ Annualized Cash Revenue is December 2019 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

## Same Property Performance (dollars in thousands)

	Three months ended		Dollar Change B/(W)	Percentage Change B/(W)
	December 31,			
	2019	2018		
Rental revenues 1/	\$ 167,509	\$ 165,947	\$ 1,562	0.9%
Operating expenses	(59,177)	(58,845)	(332)	(0.6%)
<b>Cash NOI 1/</b>	<b>108,332</b>	<b>107,102</b>	<b>1,230</b>	<b>1.1%</b>
Lease termination fees 2/	107	75	32	42.7%
<b>Cash NOI with Term Fees 3/</b>	<b>108,439</b>	<b>107,177</b>	<b>1,262</b>	<b>1.2%</b>
Straight-line rent and other non-cash adjustments 4/	6,157	4,262	1,895	44.5%
<b>GAAP NOI</b>	<b>\$ 114,596</b>	<b>\$ 111,439</b>	<b>\$ 3,157</b>	<b>2.8%</b>
Average occupancy	91.5%	91.5%		0.0%
Rentable square feet	28,349,000	28,349,000		
	Twelve months ended		Dollar Change B/(W)	Percentage Change B/(W)
	December 31,			
	2019	2018		
Rental revenues 1/	\$ 663,406	\$ 653,721	\$ 9,685	1.5%
Operating expenses	(233,757)	(229,446)	(4,311)	(1.9%)
<b>Cash NOI 1/</b>	<b>429,649</b>	<b>424,275</b>	<b>5,374</b>	<b>1.3%</b>
Lease termination fees 2/	664	824	(160)	(19.4%)
<b>Cash NOI with Term Fees 3/</b>	<b>430,313</b>	<b>425,099</b>	<b>5,214</b>	<b>1.2%</b>
Straight-line rent and other non-cash adjustments 4/	14,953	20,469	(5,516)	(26.9%)
<b>GAAP NOI</b>	<b>\$ 445,266</b>	<b>\$ 445,568</b>	<b>\$ (302)</b>	<b>(0.1%)</b>
Average occupancy	91.2%	91.7%		(0.5%)
Rentable square feet	28,349,000	28,349,000		
Market	Year to Date: 2019 vs 2018		GAAP NOI Percentage Change	Occupancy Percentage Change
Atlanta	12.3%	2.0%		
Greensboro	(0.2%)	0.5%		
Memphis	(2.2%)	(0.5%)		
Nashville	1.4%	(0.6%)		
Orlando	4.1%	(0.3%)		
Pittsburgh	0.8%	0.4%		
Raleigh	(1.6%)	(3.3%)		
Richmond	4.0%	1.5%		
Tampa	(19.2%)	(2.4%)		
	(0.1%)	(0.5%)		

1/ Excludes straight-line rents, lease termination fees, adjustments related to amortization of acquired above and below market leases and amortization of lease incentives.

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

3/ Excludes straight-line rents, adjustments related to amortization of acquired above and below market leases and amortization of lease incentives.

4/ Includes adjustments related to amortization of acquired above and below market leases and amortization of lease incentives.

## Acquisition Activity (dollars in thousands)

	<b>Twelve Months Ended <u>12/31/19</u></b>
Occupancy at Acquisition	89.5%
Square feet	841,000
Gross total investment	\$436,000

### **Bank of America Tower**

Market	Charlotte
Submarket	Uptown
Property type	Office
Date acquired	November 14, 2019
Occupancy at Acquisition	89.5%
Square feet (1 building)	841,000
Gross total investment	\$436,000

## Disposition Activity (dollars in thousands)

	<b>Twelve Months Ended <u>12/31/19</u></b>
Occupancy	86.2%
Square feet	557,000
Gross sales price	\$ 126,750
 <b>MetroCenter</b>	
Market	Orlando
Property type	Office
Number of buildings	2
Date sold	April 12, 2019
Occupancy 1/	89.1%
Square feet	183,000
Gross sales price	\$ 32,500
 <b>Dogwood</b>	
Market	Raleigh
Property type	Office
Number of buildings	1
Date sold	July 8, 2019
Occupancy 1/	0.0%
Square feet	42,000
Gross sales price	\$ 4,650
 <b>International Place IV</b>	
Market	Memphis
Property type	Office
Number of buildings	1
Date sold	December 19, 2019
Occupancy 1/	100.0%
Square feet	248,000
Gross sales price	\$ 76,400
 <b>Atrium I &amp; II</b>	
Market	Memphis
Property type	Office
Number of buildings	2
Date sold	December 20, 2019
Occupancy 1/	82.5%
Square feet	84,000
Gross sales price	\$ 13,200

1/ As of last reported quarter-end occupancy prior to date of disposition.



## Development Activity (dollars in thousands)

		Rentable Square Feet	Anticipated Total Investment 1/	Investment As Of 12/31/19 1/	Pre Leased %	Estimated Completion Date	Estimated Stabilization Date
<b><u>Office In-Process</u></b>							
GlenLake Seven	Raleigh	125,700	\$ 40,970	\$ 21,970	100.0%	1Q 21	1Q 21
Virginia Springs II	Nashville	111,000	37,900	11,262	0.0%	4Q 20	3Q 22
Midtown One 2/	Tampa	150,000	71,300	22,380	0.0%	2Q 21	4Q 22
Asurion	Nashville	552,800	285,000	103,887	98.3%	4Q 21	1Q 22
		<b>939,500</b>	<b>\$ 435,170</b>	<b>\$ 159,499</b>	<b>71.2%</b>		
<b><u>Office Completed Not Stabilized 3/</u></b>							
MetLife III 4/	Raleigh	219,000	\$ 64,500	\$ 62,835	100.0%	1Q 19	2Q 21
		<b>219,000</b>	<b>\$ 64,500</b>	<b>\$ 62,835</b>	<b>100.0%</b>		
<b>Total Pipeline</b>		<b>1,158,500</b>	<b>\$ 499,670</b>	<b>\$ 222,334</b>	<b>76.7%</b>		
				<b>\$ Weighted %</b>	<b>77.2%</b>		

Occupancy  
as of 12/31/19



**Asurion, Nashville**

1/ Includes deferred lease commissions, which are not classified as development in-process on our consolidated balance sheet.

2/ We own an 80% interest in this consolidated joint venture.

3/ "Completed not stabilized" properties are recorded on our consolidated balance sheet in the land and building and tenant improvement accounts, not development in-process.

4/ Pre-lease of 100% contains a required take down of one floor in Q1 '20 and one floor in Q2 '21.

## Land Held for Development (dollars in thousands)

<b>Market</b>	<b>Acres</b>	<b>Square Footage</b>
		<b>Buildout 1/</b>
Nashville 2/	58	1,854,000
Tampa	37	813,000
Raleigh	32	1,093,000
Richmond 3/	23	350,000
Orlando	2	451,000
Atlanta	1	175,000
Pittsburgh 4/	-	58,000
<b>Core total</b>	<b>153</b>	<b>4,794,000</b>
<b>Non-core total</b>	<b>108</b>	
<b>Total</b>	<b>261</b>	
<b>Cost Basis 1/ 2/ 3/ 4/</b>	<b>\$ 121,948</b>	

The 261 acres of Development Land have an estimated market value of between \$135M to \$145M.

1/ Represents approximately \$1.9 billion in total development.

2/ Includes 3 acres and approximately 700k square feet currently classified as development in-process on our consolidated balance sheet.

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

4/ Total acreage is less than an acre.

## Joint Venture Financial and Summary Information (dollars in thousands)

### Unconsolidated Joint Venture Financial Information:

Joint Venture	Own %	Venture's Books			
		Three Months Ended December 31, 2019		Year Ended December 31, 2019	
		Revenue	NOI	Revenue	NOI
Plaza Colonnade, Tenant-in-Common	50.0%	\$ 3,432	\$ 2,137	\$ 13,269	\$ 8,332
Highwoods DLF Forum, LLC	25.0%	3,552	2,443	12,454	8,172
Kessinger/Hunter & Company, LC	26.5%	1,919	282	7,406	2,359
<b>Total</b>		<b>\$ 8,903</b>	<b>\$ 4,862</b>	<b>\$ 33,129</b>	<b>\$ 18,863</b>

Joint Venture	Own %	Venture's Books		
		As of December 31, 2019		
		Total Assets	Debt	Total Liabilities
Plaza Colonnade, Tenant-in-Common	50.0%	\$ 52,114	\$ 57,565	\$ 58,763
Highwoods DLF Forum, LLC	25.0%	108,100	-	6,623
Kessinger/Hunter & Company, LC	26.5%	3,624	-	909
<b>Total</b>		<b>\$ 163,838</b>	<b>\$ 57,565</b>	<b>\$ 66,295</b>

### Summary of Joint Ventures:

Market	Rentable Square Feet	Occupancy	Percentage of Joint Venture Annualized Cash Revenue 1/ 2/
Kansas City	292,000	98.8%	49.1%
Richmond 3/	345,000	99.2%	26.2%
Raleigh	636,000	88.8%	24.7%
<b>Total</b>	<b>1,273,000</b>	<b>93.9%</b>	<b>100.0%</b>

1/ Annualized Cash Revenue is December 2019 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

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

3/ This joint venture is consolidated.