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Highwoods Properties Acquires Lincoln Plaza in CBD Orlando

$68.3 Million Total Investment
Now Wholly Owns 1.5 Million Square Feet in City's BBD

Leverage Ratio Remains Under 42%

$64.7 Million of Equity Raised Since October 28th Update

Raleigh, NC – December 2, 2014 - Highwoods Properties, Inc. (NYSE:HIW) has acquired Lincoln Plaza, a 16-story, 246,000 square foot, Class A, multi-customer office building with embedded structured parking, in CBD Orlando.

The Company now wholly owns 1.5 million square feet of office in CBD Orlando, the city's BBD (best business district). This includes the Company's July 2013 acquisition of its joint venture partner's 60% interest in five office buildings encompassing 1.3 million square feet. On a combined basis, the Company's total investment in its downtown Orlando buildings is $264 million, which equates to $173 per square foot, a 40% discount to estimated replacement cost.

The Company's total investment in Lincoln Plaza, which delivered in 2000, is expected to be $68.3 million. With known near-term move-outs, occupancy at Lincoln Plaza is 82%. Cash and GAAP net operating income are expected to be $4.1 million and $4.2 million, respectively, in 2015. The Company noted that $0.3 million of acquisition costs will be expensed in the fourth quarter.

Ed Fritsch, president and chief executive officer of Highwoods, stated, *"In the heart of downtown and very close to the city's brand new $500 million performing arts center, Lincoln Plaza is an excellent addition to our portfolio and further strengthens our franchise in CBD Orlando. With meaningful occupancy upside, we expect this Class A asset to be a solid performer.*

"We are very pleased with our material progress in raising occupancy in the 1.3 million square feet we acquired from our joint venture partner in July 2013. Our 'Highwoodtizing' program is enhancing the properties and our streamlined leasing process, a direct benefit of wholly-owning these five buildings, has led to an increase in occupancy from 82% at acquisition to 89% at quarter-end."

The Company funded the acquisition of Lincoln Plaza with proceeds from non-core dispositions, its ATM program and borrowings under its revolving credit facility. No debt was assumed in connection with this transaction.

Lincoln Plaza Presentation
A brief presentation outlining this transaction can be accessed through the link below or on the Investor Relations section of the Company's web site at www.highwoods.com.

http://www.highwoods.com/investor/Lincoln-Plaza-Overview.pdf

ATM Program Update
Subsequent to its October 28th third quarter earnings release, the Company has sold 1.55 million shares of its common stock at an average gross sales price of $42.38 per share, raising net proceeds of $64.7 million. At December 31, 2014, diluted shares outstanding will be approximately 95.8 million and the Company's leverage ratio, including preferred stock, is projected to be under 42%. The Company expects to continue to fund its external investment activity, including its $549 million, 1.8 million square feet, 89% pre-leased development pipeline, on a leverage-neutral basis.

Investment Activity Update
Subsequent to its October 28th third quarter earnings release, the Company has sold $13 million of non-core buildings, including a 75,000 square foot office building in Winston-Salem that was 95% occupied and its 23% share of a 150,000 square foot, joint venture office property in Atlanta that was 71% occupied. Combined, these properties were expected to generate cash and GAAP net operating income in 2015 of $0.8 million and $0.9 million, respectively. Year-to-date, the Company has sold $183 million of non-core buildings.

In addition, the Company has acquired its joint venture partner's 50% interest in Innsbrook Center, a 66,400 square foot office building in Innsbrook, one of Richmond's BBDs, for a total investment of $4.4 million, 30% below estimated replacement cost. The building was 83% occupied at September 30, 2014 and is expected to generate incremental cash and GAAP net operating income in 2015 of $0.4 million. Year-to-date, the Company has invested $165 million in the acquisition of BBD-located office buildings.

About Highwoods Properties
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, Kansas City, Memphis, Nashville, Orlando, Pittsburgh, Raleigh, Richmond, Tampa and the Triad. For more information about Highwoods Properties, please visit our website at www.highwoods.com.

Certain matters discussed in this press release, such as anticipated total investment, projected leasing activity, estimated replacement cost and expected net operating income of acquired properties and the expected cost, timing and impact of our development activity, are forward-looking statements within the meaning of the federal securities laws. These statements are distinguished by use of the words "will", "expect", "intend" and words of similar meaning. 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, the following: the financial condition of our customers could deteriorate; development activity by our competitors in our existing markets could result in excessive supply of properties relative to customer demand; development, acquisition, reinvestment, disposition or joint venture projects may not be completed as quickly or on as favorable terms as anticipated; we may not be able to lease or re-lease second generation space quickly or on as favorable terms as old leases; our markets may suffer declines in economic growth; we may not be able to lease our newly constructed buildings as quickly or on as favorable terms as originally anticipated; unanticipated increases in interest rates could increase our debt service costs; unanticipated increases in operating expenses could negatively impact our NOI; we may not be able to meet our liquidity requirements or obtain capital on favorable terms to fund our working capital needs and growth initiatives or to repay or refinance outstanding debt upon maturity; the Company could lose key executive officers; and others detailed in the Company's 2013 Annual Report on Form 10-K and subsequent SEC reports.