

FOR IMMEDIATE RELEASE

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Highwoods Announces \$40.2M of Non-Core Asset Sales

RALEIGH, NC – May 31, 2023 – Highwoods Properties, Inc. (NYSE:HIW) has sold One Independence Park, a 116,000 square foot office building in Tampa’s Westshore BBD, for \$19.5 million. One Independence Park is 100% occupied by a single user under a lease the Company signed with the new user last year. The Company has also sold Riverbirch, a 60,000 square foot office building in the Research Triangle Park submarket of Raleigh, for \$20.7 million. Riverbirch is 100% occupied by a single customer that recently renewed under a long-term lease. In 2023, these office buildings were projected to generate \$2.6 million of GAAP net operating income and \$1.9 million of cash net operating income, which includes \$0.9 million of free rent.

Ted Klinck, President and CEO of Highwoods, stated *“We are pleased with the execution of these non-core asset dispositions. These transactions highlight that high-quality buildings with healthy occupancy continue to generate solid interest from qualified buyers. Proceeds from these sales will further fortify our already healthy balance sheet, enhance our liquidity and position Highwoods to take advantage of future growth opportunities.”*

As part of the sale of One Independence Park, the Company provided \$9.8 million in non-recourse first mortgage seller financing. The note bears interest at an annual rate of 5.50% and is scheduled to mature in November 2023, but can be prepaid without penalty at any time prior to maturity. The cash proceeds received from both dispositions have been used to reduce amounts outstanding on the Company’s revolving credit facility and for general corporate purposes.

About Highwoods

Highwoods Properties, Inc., 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, Dallas, Nashville, Orlando, Raleigh, Richmond and Tampa. For more information about Highwoods, please visit our website at www.highwoods.com.

Forward-Looking Statements

Some of the information in this press release may contain forward-looking statements. Such statements include, in particular, statements about the Company’s liquidity and future growth opportunities. You can identify forward-looking statements by our use of forward-looking terminology such as “may,” “will,” “expect,” “anticipate,” “estimate,” “continue” or other similar words. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that our plans, intentions or expectations will be achieved.



Factors that could cause our actual results to differ materially from Highwoods' current expectations include, among others, the following: the financial condition of our customers could deteriorate; our assumptions regarding potential losses related to customer financial difficulties could prove incorrect; counterparties under our debt instruments, particularly our revolving credit facility, may attempt to avoid their obligations thereunder, which, if successful, would reduce our available liquidity; we may not be able to lease or re-lease second generation space, defined as previously occupied space that becomes available for lease, quickly or on as favorable terms as old leases; we may not be able to lease newly constructed buildings as quickly or on as favorable terms as originally anticipated; we may not be able to complete development, acquisition, reinvestment, disposition or joint venture projects as quickly or on as favorable terms as anticipated; development activity in our existing markets could result in an excessive supply relative to customer demand; our markets may suffer declines in economic and/or office employment growth; unanticipated increases in interest rates could increase our debt service costs; unanticipated increases in operating expenses could negatively impact our operating results; natural disasters and climate change could have an adverse impact on our cash flow and operating results; 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 repay or refinance outstanding debt upon maturity; and the Company could lose key executive officers.

This list of risks and uncertainties, however, is not intended to be exhaustive. You should also review the other cautionary statements we make in "Risk Factors" set forth in our 2022 Annual Report on Form 10-K. Given these uncertainties, you should not place undue reliance on forward-looking statements. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements to reflect any future events or circumstances or to reflect the occurrence of unanticipated events.

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