



FOR IMMEDIATE RELEASE

Ref: 09-17

Contact: Tabitha Zane
Vice President, Investor Relations
919-431-1529

Highwoods Properties Completes Common Stock Offering *Over-Allotment Option Fully Exercised by Underwriters*

Updates 2009 FFO Guidance

Raleigh, NC – June 1, 2009 – Highwoods Properties, Inc. (NYSE: HIW), the largest owner and operator of suburban office properties in the Southeast, today announced that it has completed a public offering of 7,015,000 shares of common stock at a price per share of \$21.50, including 915,000 shares issued and sold upon the full exercise of the underwriters' over-allotment option. Merrill Lynch & Co., Wachovia Securities and Morgan Stanley & Co. Incorporated acted as the joint book-running managers. BB&T Capital Markets and Morgan Keegan & Company, Inc. acted as senior co-managers and PNC Capital Markets LLC, Piper Jaffray, RBC Capital Markets, Wedbush Morgan Securities Inc., FTN Equity Capital Markets and Stifel Nicolaus acted as co-managers.

The net proceeds to the Company from the offering, after deducting underwriting commissions and discounts and offering expenses, were approximately \$143.9 million. The Company used the net proceeds from the offering to repay debt and for general corporate purposes.

As a result of the equity offering, recently completed dispositions and anticipated debt financing activities, the Company has updated its 2009 FFO guidance, to \$2.43 to \$2.58 per diluted share from \$2.53 to \$2.72 per diluted share.

This estimate reflects management's view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels, operating and general and administrative expenses, interest rates, gains from land and condominium sales and the timing and impact of development deliveries and acquisitions and includes dilution from completed and projected property dispositions during 2009. FFO guidance excludes any gains or impairments associated with depreciable properties or joint venture interests, as well as unusual charges or credits that may occur during the year. FFO guidance is based on 71.9 million diluted shares outstanding for full year 2009. Factors that could cause actual 2009 FFO results to differ materially from Highwoods' current expectations are discussed below and are also detailed in the Company's 2008 Annual Report on Form 10-K.

Management's outlook for 2009 is based on the following assumptions:

	<u>Low</u>	<u>High</u>
Year End Occupancy	87.0%	90.0%
Total Cash NOI Growth	-1.5%	+1.0%
G&A Expenses	\$ 32.0M	\$ 34.0M
Lease Termination Income	\$ 1.1M	\$ 3.0M
Gains from Land and Residential Condo Sales	\$ 1.0M	\$ 2.0M
Straight Line Rental Income	\$ 3.0M	\$ 5.0M
Dispositions	\$ 66M	\$ 100M
Acquisitions	\$ 0M	\$ 100M
Development Starts	\$ 0M	\$ 50M

About the Company

Highwoods Properties, Inc., a member of the S&P MidCap 400 Index, is a fully integrated, self-administered real estate investment trust ("REIT") that provides leasing, management, development, construction and other customer-related services for its properties and for third parties. At March 31, 2009, the Company owned or had an interest in 382 in-service office, industrial and retail properties encompassing approximately 35.4 million square feet. Highwoods also owned 580 acres of development land. Highwoods is based in Raleigh, North Carolina, and its properties and development land are located in Florida, Georgia, Iowa, Kansas, Missouri, Mississippi, North Carolina, South Carolina, Tennessee and Virginia.

Certain matters discussed in this press release, such as expected 2009 financial and operational results and the related assumptions underlying our expected results and anticipated financing 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; speculative development by others 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 space as quickly as anticipated or on as favorable terms as old leases; difficulties in obtaining additional capital to satisfy our future cash needs or increases in interest rates could adversely impact our ability to fund important business initiatives and increase our debt service costs; our Southeastern and Midwestern markets may suffer declines in economic growth; our banking and joint venture partners may suffer financial difficulties that adversely impact their ability to satisfy their contractual obligations to us; and others detailed in the Company's 2008 Annual Report on Form 10-K and subsequent SEC reports.

###