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

Highwoods Properties Inks Long-Term Lease with U.S. General Services Administration at Highwoods Center II at Tradeport in Atlanta

Property to be Redeveloped for U.S. Customs and Border Protection

Raleigh, NC – October 18, 2010 – Highwoods Properties, Inc. (NYSE: HIW), the largest owner and operator of suburban office properties in the Southeast, today announced that it has signed a long-term lease with the U.S. General Services Administration (GSA) for 60,005 square feet at Highwoods Center II at Tradeport in Atlanta. The newly leased space will operate as a local office for the U.S. Customs and Border Protection agency to service the Hartsfield-Jackson Atlanta International Airport. The Company will undertake a substantial renovation and upgrade of the property, including a wide range of security and operational features required by the federal government. The building will also be renovated to LEED certified CI silver rating. The Company's total investment is projected to be $11.5 million, including current net book value, and the project, which will be completed in the fourth quarter of 2011, is expected to generate an 8.5% stabilized cash yield over the term of the lease.

Ed Fritsch, president and chief executive officer, commented, *"We are pleased the GSA selected one of our properties for a local office of the U.S. Customs and Border Protection and we thank them for their continued confidence in Highwoods Properties. I also congratulate our Atlanta team for their hard work and continued success in leveraging our extensive knowledge and experience in working with the GSA to secure this long-term lease. Including anticipated revenue from this latest lease with the GSA, the percentage of annual revenue the Company earns from federal and state governments will be approximately 11.6%, a 92% increase since January 2005."*

The Company noted that, given the scale of this redevelopment to meet the government's many building security and operational requirements, Highwoods Center II will be removed from the Company's in-service portfolio and reclassified as a redevelopment project. U.S. Customs will be vacating 25,000 square feet of space it currently occupies in a Highwoods-owned warehouse building when the redevelopment of Highwoods Center II is completed.

(more)

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 the largest owner and operator of suburban office properties in the Southeast and provides leasing, management, development, construction and other customer-related services for its properties and for third parties. At September 30, 2010, Highwoods owned or had an interest in 329 in-service office, industrial and retail properties encompassing approximately 32.3 million square feet and owned 581 acres of development land. The Company's properties and development land are located in Florida, Georgia, Missouri, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. For more information about Highwoods Properties, please visit our Web site at www.highwoods.com.

Certain matters discussed in this press release, such as the projected cost, impact and timing of our redevelopment 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 Southeastern and Midwestern 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; 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 2009 Annual Report on Form 10-K and subsequent SEC reports.

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