



FOR IMMEDIATE RELEASE

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Highwoods Properties Accretively Deploys \$300 Million

Acquires PPG Place – Enters Pittsburgh Market

\$214.1 Million Investment

1.54 Million Square Foot, Six-Building Class A Office Complex

Acquires Riverwood 100 in Atlanta

\$86.3 Million Investment

503,000 Square Foot, Multi-Tenant Class A Office Tower

Updates 2011 FFO Guidance to \$2.52 to \$2.60 per Share

Previously \$2.48 to \$2.56 per Share

Webcast: Monday, September 19th at 10:00 A.M. ET

Webcast Links: <http://video.webcasts.com/events/high001/39718/>

OR

www.highwoods.com

RALEIGH, NC – September 18, 2011 – Highwoods Properties, Inc. (NYSE:HIW) today announced that it has accretively deployed \$300 million through the acquisitions of PPG Place in Pittsburgh and Riverwood 100 in Atlanta.

Ed Fritsch, President and CEO, stated, “When we first implemented our long-term Strategic Plan, our goals were to strengthen our team, communications, balance sheet and portfolio to position us for growth and long-term profitability. We have dramatically improved the quality of our portfolio, primarily through the sale of non-core assets and the development of Class A office buildings. Today, we announce the acquisition of trophy office assets in infill locations at prices in line with our risk and return hurdles. Both PPG Place and Riverwood 100 are terrific additions to our portfolio.”

PPG Place

PPG Place, located in the heart of downtown Pittsburgh, is a six-building Class A office complex encompassing 1.54 million square feet with structured parking. The Company's total investment is expected to be \$214.1 million, which includes \$17.1 million of planned near-term building improvements and \$8.1 million of future tenant improvements committed under existing leases. This investment equates to a cost of \$139 per square foot, well under half of estimated replacement cost. The transaction included the assumption of secured debt to be recorded at fair value of \$124.9 million, with an effective interest rate of 4.27%. This debt matures in November 2017.

PPG Place is 81.2% leased and is expected to generate full year 2012 cash and GAAP net operating income of \$16.2 million and \$19.8 million, respectively.

Mr. Fritsch stated, "We are thrilled to enter the vibrant Pittsburgh market through the acquisition of the iconic PPG Place. Pittsburgh has a strong and diverse economy, is home to eight Fortune 500 companies, two of which are headquartered in PPG Place, and boasts a highly skilled, highly dedicated workforce. Pittsburgh's 7.4% unemployment rate is well below the national average of 9.1% and below virtually every U.S. gateway city. There has been \$4.5 billion of completed and in-process public and private investment in and around downtown Pittsburgh over the past five years."

The CBD office market, which encompasses 22.6 million square feet, has proved resilient throughout the recent downturn. The Class A office buildings that represent the competitive set for PPG Place consist of 9.3 million square feet with an average occupancy of 96.3%. This statistic is indicative of the significant upside potential for PPG Place.

PPG Place is a solid bull's eye with regard to our long-stated acquisition criteria: prime infill location in a top tier submarket with significant barriers to entry, priced below replacement cost, limited near-term rollover exposure and a diversified and financially sound customer base. In addition, PPG Place immediately gives us a critical mass in the market to ensure we are in the deal flow and provides a platform from which to grow our Pittsburgh operations."

Riverwood 100

Riverwood 100, located in the Cumberland Galleria/I-75 submarket of Atlanta, is a 24-story, 503,000 square foot Class A office building with structured parking. The Company's total investment is expected to be \$86.3 million, which includes \$5.6 million of planned near-term building improvements and \$2.4 million of future tenant improvements committed under existing leases. This investment equates to a cost of \$172 per square foot, more than \$100 per square foot below estimated replacement cost. The transaction included the assumption of secured debt to be recorded at fair value of \$67.9 million, with an effective interest rate of 5.45%. This debt matures in January 2014.

Riverwood 100 is 87.0% leased and is expected to generate full year 2012 GAAP net operating income of \$7.0 million. The total \$86.3 million investment is net of a \$3.0 million closing credit received from the Seller for free rent mostly related to a long-term lease signed in 2009. The Company noted that under GAAP, free rent credits from a seller are recorded as a reduction in the investment cost rather than as rental income.

Including this acquisition, the Company now wholly owns 21 office buildings in Atlanta encompassing 3,036,000 square feet that are 90.9% leased.

Mr. Fritsch noted, *“Our \$300 million investment includes projected near-term building improvements, a significant portion of which will be used to ‘Highwoodtize’ these assets and further differentiate them from the competitive set.*

The implementation and continued execution of our Company’s Strategic Plan is what enabled us to make these acquisitions. Our Plan, the framework for our Company’s long-term growth, provided us with the balance sheet and team to execute. These transactions are immediately accretive, enhance the overall quality of our portfolio and provide for meaningful upside,” Mr. Fritsch concluded.

Funds from Operations Outlook

In light of today’s announcement of the acquisition of PPG Place and Riverwood 100, the Company has updated its 2011 FFO outlook from \$2.48 to \$2.56 per share to \$2.52 to \$2.60 per share, which represents a \$0.04 per share increase in the mid-point. The Company’s FFO guidance excludes the impact of property acquisition costs (including approximately \$4.7 million of costs related to these acquisitions, mostly local transfer taxes), losses on debt extinguishment and preferred stock redemption charges.

The Company also noted that it now expects year-end occupancy to range from 88.5% to 90.0% as a result of the addition of PPG Place and Riverwood 100 to its in-service portfolio.

The Company’s FFO 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 and development deliveries. It does not include any effects related to the timing and amount of potential acquisitions and dispositions. FFO guidance also 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 76.5 million weighted average diluted shares expected to be outstanding in 2011. Factors that could cause actual 2011 FFO results to differ materially from Highwoods’ current expectations are discussed below and are also detailed in the Company’s 2010 Annual Report on Form 10-K and subsequent SEC reports.

Webcast and Conference Call

On Monday, September 19th, at 10:00 A.M. ET, Highwoods will host a Webcast and conference call to discuss the matters outlined in this press release. The Webcast may be accessed through following link <http://video.webcasts.com/events/high001/39718/> or through the Company’s Web site at www.highwoods.com. The Company strongly recommends accessing the call through the Internet as management will be speaking in conjunction with a visual presentation.

For those unable to access the Internet during this time, the audio portion may be accessed by calling 800-677-8143.

At-A-Glances

The “PPG Place At-a-Glance” can be accessed through this link: <http://www.highwoods.com/investor/PPG-Place-At-A-Glance.pdf> or on the Investor Relations section of the Company’s web site at www.highwoods.com.

The “Riverwood 100 At-a-Glance” can be accessed through this link: <http://www.highwoods.com/investor/Riverwood-100-At-A-Glance.pdf> or on the Investor Relations section of the Company’s web site at www.highwoods.com.

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, self-administered REIT that provides leasing, management, development, construction and other customer-related services for its properties and for third parties. Highwoods now owns or has an interest in 339 in-service office, industrial and retail properties encompassing approximately 34.8 million square feet and owned 603 acres of development land. The Company's properties and development land are located in Florida, Georgia, Mississippi, Missouri, North Carolina, Pennsylvania, 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 and the accompanying At-a-Glances, such as expected 2011 financial and operational results, the related assumptions underlying our expected results and expected net operating income of acquired properties, 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 2010 Annual Report on Form 10-K and subsequent SEC reports.

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