Highwoods PROPERTIES

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Highwoods Properties Buys Three Medical Office Buildings in Greensboro

$29.8 Million Investment

Raleigh, NC – July 16, 2012 - Highwoods Properties, Inc. (NYSE: HIW) today announced that it has acquired three medical office properties in Greensboro through an off-market transaction. The Company has completed the acquisition of Church Street Medical Two and Three in Greensboro and expects to close on Church Street Medical One later in the third quarter after obtaining lender consent to a related loan assumption. The Company's total investment is expected to be $29.8 million, which includes $220,000 of planned near-term building improvements. These properties, which encompass 149,000 square feet plus structured and surface parking, are located across the street from Moses Cone Hospital, a 518-bed facility that is the largest hospital in the four-county area.

Ed Fritsch, President and CEO, stated, *"These medical office buildings are extremely well-located for medical practices to have immediate access to Moses Cone Hospital. We applaud our Greensboro and investments team for sourcing and completing this meaningful off-market transaction."*

The Church Street Medical portfolio is currently 86.4% occupied, which will increase to 88.3% in September. The portfolio is expected to generate stabilized annual cash and GAAP net operating income of approximately $2.4 million and $2.5 million, respectively, excluding approximately $200,000 of expensed acquisition costs.

The transaction includes the issuance of approximately 77,000 operating partnership units and the assumption of secured debt expected to be recorded at fair value of $7.9 million, with an effective interest rate of 3.5%. This debt matures in August 2014. The total investment assumes the seller will earn $1.0 million of contingent consideration upon stabilization.

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. At June 30, 2012, Highwoods owned or had an interest in 338 in-service office, industrial and retail properties encompassing approximately 34.6 million square feet and owned 581 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 website at www.highwoods.com.

Certain matters discussed in this press release, such as expected net operating income of acquired properties and the timing and impact of required lender approvals, 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 2011 Annual Report on Form 10-K and subsequent SEC reports.

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