Highwoods PROPERTIES

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Highwoods Properties Sells Three Non-Core Federal Government Leased Properties for $86.5 Million

Raleigh, NC – July 25, 2012 – Highwoods Properties, Inc. (NYSE: HIW) today announced that it has sold three non-core properties encompassing 553,000 square feet for $86.5 million, recording a non-FFO gain of $14.0 million. The properties, which are 100% leased to the federal government, were projected to generate approximately $6.1 million of annual cash net operating income in 2012. The Company used the proceeds to pay down debt and for other working capital purposes. The properties sold were all build-to-suits developed by Highwoods and have an average remaining lease term of 11.5 years.

Property	**National Archives and Record Administration (NARA)**	**Department of Homeland Security (DHS)**	**GSA Field Office**
Location	Atlanta	Atlanta	Mississippi
Type	Industrial	Office	Office
Square Feet	352,064	90,688	109,819
Year Delivered	2005	2007	2009

Ed Fritsch, president and chief executive officer of Highwoods, stated, *"Since January 2005, we have delivered $177 million of development for the federal government, our largest customer and our only customer contributing greater than 3% of our annualized revenue. While our remaining federal government build-to-suits are core holdings, these three properties were relative outliers for us. NARA was by far our largest industrial asset in Atlanta; DHS is located in downtown Atlanta, a non-core submarket for us; and the GSA field office was our only asset in the State of Mississippi."*

HIW Federal Government Lease Summary:

Impact	**Before Sale**	**After Sale**
Square Feet	2,036,562	1,483,991
Leases	52	49
Agencies	27	25
Markets	7	6
% of Annualized Revenue	9.0%	7.0%

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, 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 projected net operating income of sold 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 2011 Annual Report on Form 10-K and subsequent SEC reports.

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