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Highwoods Properties Sells Non-Core Asset in Kansas City for $6.5M

Announces New Retail Customers at Country Club Plaza

Raleigh, NC – August 7, 2012 - Highwoods Properties, Inc. (NYSE: HIW) today announced that it has sold One Ward Parkway, a 32-year old, 3-story, 62,000 square foot building in Kansas City, Missouri for $6.45 million, recording a non-FFO gain of $1.8 million. The Company has been purposely de-leasing the property to accommodate the sale and move-in to owner and single user Country Club Bank. As the Company has zero drawn on its $475 million credit facility, the proceeds will be used for general corporate purposes.

Ed Fritsch, president and chief executive officer of Highwoods, stated, *"We continue to improve the overall quality of our portfolio through the disposition of non-core assets. We were pleased to work with Country Club Bank over an extended period to position this building to become their new headquarters."*

The Company also announced that a number of new retail establishments are scheduled to open on the Country Club Plaza over the next few months. They include:

Lululemon Athletica, apparel for yoga, running, dancing and other pursuits
Cooper's Hawk Winery & Restaurant, upscale dining
Parlor, a beauty salon
Moosejaw, outdoor apparel and equipment

"The Plaza continues to attract upscale and innovative retail and dining establishments and sales per square foot in the first half of 2012, net of anchors, has increased 5% from the same period last year. At year-end, we expect retail occupancy to be 98.7%, a 100 basis point increase from the second quarter," Mr. Fritsch noted.

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 and anticipated leasing 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 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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