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Highwoods Properties Acquires Two Alliance Center in Atlanta
\$146.7 Million All-In Investment, \$298 per Square Foot
90.0% Occupied

Post-Closing Leverage Ratio Remains Under 44%
\$77.5 Million of Equity Raised Since Second Quarter Earnings Call

Raleigh, NC – September 21, 2012 - Highwoods Properties, Inc. (NYSE: HIW) today announced that it has acquired Two Alliance Center, a 29-story, 492,000 square foot, Class A office building with structured parking located in the heart of the Buckhead submarket of Atlanta.

The Company's all-in investment is expected to be \$146.7 million, or \$298 per square foot, which includes \$0.8 million of planned near-term building improvements.

Ed Fritsch, president and chief executive officer of Highwoods, stated, *"This investment garners us one of the best Class A office buildings in the southeast, a new building with a well-diversified rent roll that we acquired at a 10% discount to replacement cost. The building has an average remaining lease term of ten years and no lease expirations until 2017, when less than 24,000 square feet is scheduled to expire."*

The Company's all-in investment is determined by deducting \$6.4 million (\$13 psf) of closing credits received from the seller, consisting of \$5.3 million (\$11 psf) for free rent and \$1.1 million (\$2 psf) for committed future tenant improvements under certain existing leases, from the \$152.3 million (\$310 psf) gross price stated in the contract. 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. Two Alliance Center is 90% occupied and is expected to generate full year 2013 GAAP net operating income of \$11.1 million. The Company also noted that approximately \$0.6 million of expensed acquisition costs will be recorded in the third quarter.

The Company noted that Two Alliance Center's excellent location within Buckhead is a significant competitive advantage given its easy access to Georgia 400 and Peachtree Road. It is also less than a half-mile walk from a MARTA Rail Station, and a publicly-funded pedestrian bridge will cut this distance in half upon its projected completion in late 2013. The building offers a number of amenities including conference facilities, a fitness center and a full-service bistro. In addition, Two Alliance Center is within walking distance to both Phipps Plaza and Lenox Square Mall, two upscale malls, as well as a number of luxury hotels, including the Ritz-Carlton and the Mandarin Oriental.

The Company funded the acquisition of Two Alliance Center with proceeds from its ATM programs, borrowings under its revolving credit facility and available cash. The Company noted that, subsequent to its second quarter earnings release on July 26, 2012, it has sold 2,371,031 shares of common stock, raising net proceeds of \$77.5 million, under its ATM programs.

"We remain committed to maintaining a strong balance sheet and growing our company on a leverage-neutral basis. We are pleased with the equity raised in advance of the Two Alliance closing and expect to end the third quarter with our leverage ratio under 44%," added Mr. Fritsch.

Two Alliance Center Presentation

A brief presentation outlining this transaction and additional highlights of the asset and Buckhead submarket can be accessed through the link below or on the Investor Relations section of the Company's web site at www.highwoods.com.

<http://www.highwoods.com/investor/Two-Alliance-Center-Overview.pdf>

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 and referenced presentation, such as anticipated total investment amounts 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 2011 Annual Report on Form 10-K and subsequent SEC reports.