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Highwoods Properties Acquires Colonial Place I and II in Tampa

$56.0 Million Investment, $151 per Square Foot

86.8% Leased

Raleigh, NC – February 27, 2013 - Highwoods Properties, Inc. (NYSE: HIW) today announced that it has acquired Colonial Place I and II, two 10-story Class A office properties encompassing 372,000 square feet with structured parking located in the heart of the Westshore submarket of Tampa. The Company's total investment of $56.0 million, which includes $3.5 million of planned building improvements, equates to $151 per square foot, estimated to be 30% below replacement cost. The properties, which are 86.8% leased, are expected to generate full year cash and GAAP net operating income of $4.6 million and $4.9 million, respectively. Approximately $350,000 of expensed acquisition costs will be recorded in the first quarter. The buildings are immediately adjacent to 4200 Cypress, a 220,000 square foot Class A office property the Company acquired in 2009 which is currently 94% leased.

Ed Fritsch, President and CEO, stated, *"This acquisition further enhances the strength of our position in the highly desirable Westshore submarket where the majority of our Tampa assets are concentrated. It also creates the opportunity for value-creation through growing occupancy. We are also excited about "Highwoodtizing" and repositioning these assets, as we did with 4200 Cypress where we spent $2.4 million in building improvements, and rebranding this entire block in Westshore with our approximately 1,300 linear feet of frontage on I-275. This transaction is immediately accretive to FFO and reflects the synergies that will be achieved among these three properties through the sharing of staffing, procurement and parking resources."*

The Company noted that it will rebrand the two Colonial Place assets, along with 4200 Cypress, as Meridian One, Two and Three.

The Company funded this transaction with proceeds from its ATM program, non-core dispositions and borrowings under its revolving credit facility. No debt was assumed in connection with the transaction. Following closing, the Company's leverage ratio remains 44%, well within its leverage comfort zone.

Including this acquisition, the Company owns 16 office buildings in the Westshore submarket encompassing 2.4 million square feet that are, on average, 88.4% occupied.

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 December 31, 2012, Highwoods owned or had an interest in 333 in-service office, industrial and retail properties encompassing approximately 34.6 million square feet and owned 649 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 2012 Annual Report on Form 10-K and subsequent SEC reports.

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