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HIGHWOODS ACQUIRES JOINT VENTURE PARTNER'S 60% INTEREST IN FIVE CBD ORLANDO OFFICE BUILDINGS

$195.9 Million Total Asset Value
$117.5 Million Total Incremental Investment
1.3 Million Square Feet, 82% Occupied

Raleigh, NC – July 23, 2013 – Highwoods Properties, Inc. (NYSE:HIW) has acquired its joint venture partner's 60% interest in HIW-KC Orlando, LLC, which owns five office buildings encompassing 1.3 million square feet in CBD Orlando, for a purchase price of $113.3 million. The properties are valued at $195.9 million, including $7.0 million of planned near-term building improvements. This equates to a total asset value of $153 per square foot, a 40% discount to estimated replacement cost. The Company's total incremental investment is expected to be $117.5 million.

The following table sets forth details concerning the transaction ($ in millions):

Real Estate Value:	**100%**	**60%**
Purchase Price	$ 188.9	$ 113.3
Near-Term Building Improvements	7.0	4.2
Total Investment	**$ 195.9**	**$ 117.5**

Equity Value:	**100%**	**60%**
Purchase Price	$ 188.9	$ 113.3
Less Debt	(127.9)	(76.7)
Equity	**$ 61.0**	**$ 36.6**

The properties are 82% leased and are expected to generate full year cash and GAAP net operating income of $14.0 million and $15.4 million, respectively. In addition, the Company noted that it will record $1.1 million of deferred leasing commission income in the third quarter in connection with this transaction. Approximately $0.1 million of acquisition costs will be expensed in the third quarter.

"The Orlando office market is in the early stage of recovery and, therefore, we are very enthused about the timing of this transaction given the blend of pricing and incoming leasing tailwinds. We are pleased to expand our ownership in CBD Orlando, this market's BBD (best business district), and our wholly-owned Orlando portfolio now encompasses 1.6 million square feet. Direct ownership by our Company of these newly acquired properties will materially

streamline our leasing process and strengthen the Highwoods brand in Orlando. Plus, this acquisition further simplifies our business by reducing the percentage of our annualized FFO from joint venture holdings by nearly 40%," said Mr. Fritsch.

The properties acquired in this transaction are listed below:

Property	Square Footage
Capital Plaza One	243,000
Capital Plaza Two	301,000
Landmark Center One	227,000
Landmark Center Two	226,000
Seaside Plaza	280,000
	1,277,000

The Company noted that it previously accounted for its 40% interest in this joint venture using the equity method of accounting. Prospectively, the Company will record all of the assets and liabilities of HIW-KC Orlando, LLC in its consolidated financial statements, including secured debt expected to be recorded at fair value of $127.9 million, with an effective interest rate of 3.11%.

The Company funded the equity portion ($36.6 million) of its purchase price with proceeds from its ATM program, non-core dispositions and borrowings under its revolving credit facility. Following closing, the Company's leverage ratio, including preferred stock, is under 45%.

ATM Program Update

Year-to-date, the Company has issued 3.57 million shares of common stock, raising net proceeds of $130.2 million. This includes 1.76 million shares for net proceeds of $66.3 million in the second quarter and 0.52 million shares for net proceeds of $17.9 million subsequent to the end of the second quarter.

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, 2013, Highwoods owned or had an interest in 321 in-service office, industrial and retail properties encompassing approximately 34.3 million square feet and owned 634 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 anticipated total investment, projected leasing activity, estimated replacement cost 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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