**FOR IMMEDIATE RELEASE** **Ref: 13-36**

**Contact:** Tabitha Zane
Vice President, Investor Relations
919-431-1529

# Highwoods Announces $89 Million of Non-Core Dispositions

*Eight Buildings in Greenville*
*Remaining Property in Pinellas County, FL*
*Multi-Family JV Development in Raleigh*

# Re-Lets 100% of 4301 Research Commons

*Laboratory/Office Building in Raleigh*

# Updates 2013 FFO Outlook to $2.82 to $2.84 per Share

*Previously $2.79 to $2.81 per Share*

**RALEIGH, NC – December 20, 2013 – Highwoods Properties, Inc. (NYSE: HIW)** has sold $88.8 million of non-core assets, including:

- Eight multi-tenant office buildings in Greenville encompassing 687,000 square feet for $58.2 million. These properties are 78% occupied and were expected to generate $3.9 million in cash and $4.5 million in GAAP net operating income for full year 2013.

- An 82,000 square foot office building in Pinellas County, FL for $11.5 million that is 98% occupied and was expected to generate $0.9 million in cash and GAAP net operating income for full year 2013.

- Lofts at Weston, a 215-unit multi-family development project in Raleigh. This property was developed in a 50/50 joint venture with Ravin Partners, a leading Southeast multi-family developer. The joint venture sold this property, which has projected stabilized annual cash net operating income of approximately $2.2 million, to a third party for gross proceeds of $38.3 million,. After paying off its construction loan, the joint venture distributed $9.4 million to the Company, generating a merchant build gain, net of related income taxes, of $3.2 million, or $0.03 per share, which will be reflected in fourth quarter 2013 Funds from Operations (“FFO”).

Mr. Fritsch stated*, "We are pleased to have sold eight of our nine buildings in Greenville. Exiting this non-core market has been a strategic objective for us and we intend to market our remaining building, a single tenant asset, in early 2014.*

*We are also pleased with the very well-timed sale of the Lofts at Weston. This multi-family development was an excellent opportunity for us to put non-core land, better suited for residential development, into service. In 2011, we contributed 15 acres of our inventoried land to the joint venture in exchange for a 50% share of the project. This is the second time we have contributed non-core land to a joint venture for a multi-family development in Weston, both of which resulted in a meaningful gain for our Company well in excess of a land sale.*

*Year-to-date, we have now sold $286 million of non-core assets, acquired $549 million of Class A office buildings, announced $206 million of development and raised $295 million of equity. Our leverage, including preferred stock, is now under 42%."*

**Re-Lets 100% of 4301 Research Commons**
The Company has signed a lease with a core agency of the State of North Carolina at Research Commons for 96,000 square feet, including 100% of the 4301 Research Commons laboratory/office building.

Mr. Fritsch noted, "*We continue to demonstrate solid progress backfilling space and leasing vacancy in recently acquired buildings. While expectations for backfilling LakePointe in Tampa have moved to 2014, we are thrilled to have backfilled 100% of 4301 Research Commons*."

**FFO Outlook**
In light of today's announcements, the Company has updated its 2013 FFO outlook from $2.79 to $2.81 per share to $2.82 to $2.84 per share, which represents a $0.03 per share increase in the mid-point. This outlook reflects management's view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels, operating and general and administrative expenses and interest rates. This outlook does not include any effects related to the timing and amount of potential acquisitions, dispositions and equity issuances that may occur after the date of this release as well as unusual charges or credits such as debt extinguishment and property acquisition costs. The Company's FFO outlook is based on 88.8 million diluted shares expected to be outstanding on average throughout 2013. Factors that could cause actual 2013 FFO results to differ materially from current expectations are discussed below and are also detailed in the Company's 2012 Annual Report on Form 10-K and subsequent SEC reports.

**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 REIT that provides leasing, management, development, construction and other customer-related services for its properties and for third parties. At September 30, 2013, Highwoods owned or had an interest in 305 in-service office, industrial and retail properties encompassing approximately 33.1 million square feet and owned 589 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 expected 2013 financial and operational results and the related assumptions underlying our expected results, 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.