

FOR IMMEDIATE RELEASE

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Highwoods Properties Acquires Charter Square in CBD Raleigh
\$83.5 Million Total Investment
CBD Raleigh Portfolio Now 913,000 Square Feet

\$80.5 Million of Equity Raised Since August 3rd Update
\$52.79 per Share Average Gross Sales Price

Raleigh, NC – September 27, 2016 - Highwoods Properties, Inc. (NYSE:HIW) has acquired Charter Square, an 11-story, Class A, LEED platinum certified, office tower in CBD Raleigh encompassing 243,000 square feet.

The Company's total investment in Charter Square, which delivered in 2015, is expected to be \$83.5 million, including \$5.1 million of planned near-term building improvements and anticipated leasing capital expenditures to bring the property to stabilization. The building is currently 70% leased. The Company estimates annual cash and GAAP net operating income to be approximately \$6.0 million upon stabilization, which is projected to occur during 2018. The Company noted that \$0.3 million of acquisition costs will be expensed in the third quarter. No debt was assumed in connection with this transaction.

The Company now wholly owns 913,000 square feet of office in CBD Raleigh, one of the city's BBDs (best business districts), and a development site that can support up to 300,000 square feet of Class A office. The Company's CBD Raleigh portfolio is concentrated within three city blocks and includes a combined parking ratio of 2.5 per 1,000 square feet, well above the competitive set at approximately 1.5 per 1,000 square feet. On a combined basis, the Company's total investment in its CBD Raleigh buildings is \$251 million, which equates to \$275 per square foot, an approximate 30% discount to estimated replacement cost.

Ed Fritsch, president and chief executive officer of Highwoods, stated, *"In the heart of downtown and very close to our existing buildings, Charter Square is an excellent addition to our portfolio that further strengthens our franchise in CBD Raleigh. Our three building, downtown portfolio is 100% wholly owned and 100% unencumbered.*

In addition, we are very pleased with the leasing velocity next door to Charter Square at our One City Plaza property (formerly One Bank of America Plaza), and we expect to capitalize on that strong leasing momentum at Charter Square. Lastly, we are 100% occupied at PNC Plaza."

Charter Square Presentation

A brief presentation outlining this transaction can be accessed through the link below or on the Investor Relations section of the Company's website at Highwoods.com.

http://assets.highwoods.com/content/investors/1475012992.charter-square-acq_9.27_.16_.pdf

ATM Program Update

Subsequent to its August 3rd second quarter earnings release, the Company has sold 1.55 million shares of its common stock at an average gross sales price of \$52.79 per share, raising net proceeds of \$80.5 million.

About Highwoods Properties

Highwoods Properties, Inc., headquartered in Raleigh, 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 office REIT that owns, develops, acquires, leases and manages properties primarily in the BBDs (Best Business Districts) of Atlanta, Greensboro, Memphis, Nashville, Orlando, Pittsburgh, Raleigh, Richmond and Tampa. For more information about Highwoods, please visit our website at www.highwoods.com.

Certain matters discussed in this press release are forward-looking statements within the meaning of the federal securities laws, such as anticipated total investment, projected leasing activity, estimated replacement cost and expected net operating income of acquired properties and the expected cost, timing and impact of our development activity. These statements are distinguished by use of the words "will", "expect", "intend" and words of similar meaning. Although Highwoods believes 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 the Company's current expectations include, among others, the following: 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 2015 Annual Report on Form 10-K and subsequent SEC reports.