

FOR IMMEDIATE RELEASE

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Highwoods to Develop Virginia Springs II in Nashville *\$37.8 Million Anticipated Total Investment, 111,000 Square Feet*

Raleigh, NC – August 19, 2019 – Highwoods Properties, Inc. (NYSE:HIW) announces it will develop Virginia Springs II in Brentwood, one of Nashville’s BBDs. The building will encompass 111,000 square feet and target a LEED-certification designation. The Company’s projected investment is \$37.8 million, including the value of existing Company-owned land. Construction is scheduled to begin in the third quarter of 2019, with targeted completion in the third quarter of 2020 and projected stabilization in the third quarter of 2022.

Virginia Springs II is the second of two planned office buildings at the Company’s Virginia Springs site in Brentwood’s Maryland Farms PUD. The combination of modern architecture and nearby amenities, including outdoor common areas, access to Powell Park and the Maryland Farms Greenway, has attracted strong interest from users.

The Company placed in service the 113,000 square foot, 100% occupied, multi-customer Virginia Springs I building in the first quarter of 2019, six quarters ahead of the original projected stabilization date.

Ed Fritsch, CEO, stated *“Maryland Farms in Nashville’s Brentwood submarket is a well-established and highly-desirable infill location with significant demand for high-quality office space, as demonstrated by the faster than expected lease-up of Virginia Springs I. We acquired the Virginia Springs land in 2016, the last greenfield development site in Maryland Farms, and are pleased to put the entirety of this land into production within three years since acquisition. Our success at Virginia Springs I, the fundamentals of the Brentwood sub-market at 93% Class A occupancy and only one 50% pre-leased project under construction in Maryland Farms, and early interest from prospects, gives us confidence about starting this spec project.”*

About Highwoods

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 best business districts (BBDs) of Atlanta, Greensboro, Memphis, Nashville, Orlando, Pittsburgh, Raleigh, Richmond and Tampa.

Certain matters discussed in this press release are forward-looking statements within the meaning of the federal securities laws, such as the expected cost, timing and impact of our development activity. These statements are distinguished by use of the words “will,” “plan,” “anticipate,” “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: 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 2018 Annual Report on Form 10-K and subsequent SEC reports.

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