

**FOR IMMEDIATE RELEASE**

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## Highwoods – \$65.3M of Raleigh Asset Sales

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**Raleigh, NC – October 31, 2017 – Highwoods Properties, Inc. (NYSE:HIW)** has sold Highwoods Tower One, which encompasses 187,000 square feet, in the Northeast submarket of Raleigh for \$34.3 million, including \$1.0 million for an adjacent two-acre land parcel. The building is 26 years old and was 85.5% occupied at September 30, 2017.

The Company has also agreed to sell the adjacent Highwoods Tower Two, which encompasses 168,000 square feet, for \$31.0 million, including \$1.0 million for another adjacent two-acre land parcel. The building is 15 years old and was 90.8% occupied at September 30, 2017. The sale of Highwoods Tower Two, which is subject to customary closing conditions, is scheduled to close in the second quarter of 2018. The buyer's contractual due diligence period has ended and the buyer has posted earnest money deposits that are non-refundable except in limited circumstances.

On a combined basis, Highwoods Tower One and Highwoods Tower Two were projected to generate full year 2017 cash net operating income (NOI) of \$4.6 million and GAAP NOI of \$4.2 million.

Ed Fritsch, President and CEO, said "We are pleased with the execution of these sale transactions. Continuing to cull our portfolio and redeploying those proceeds to build and acquire in BBD-centric locations is an essential tenet of our long-term strategic plan. In the past three years, we've invested more than \$500 million in development and acquisitions in our hometown of Raleigh."

Upon the sale of Highwoods Tower Two, the Company will own 4.7 million square feet of office buildings in Raleigh. These properties are, on average, 94.4% occupied. Additionally, the Company has \$127 million of properties under development in Raleigh, including \$86 million started in 2017, that comprise 475,000 square feet, and are, on average, 72% pre-leased.

Highwoods intends to hold the sale proceeds from both transactions in escrow pending reinvestment in 1031 exchanges qualifying for tax-deferred treatment or for other general working capital purposes, including the repayment of debt.

### 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. For more information about Highwoods, please visit our website at [www.highwoods.com](http://www.highwoods.com).

### **Disclosure Regarding Forward-Looking Statements**

Certain matters discussed in this press release are forward-looking statements within the meaning of the federal securities laws, such as the expected impact of our disposition and financing 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 Highwoods current expectations include, among others, the following: development activity by competitors in 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; Highwoods may not be able to lease or re-lease second generation space quickly or on as favorable terms as old leases; Highwoods markets may suffer declines in economic growth; Highwoods may not be able to lease newly constructed buildings as quickly or on as favorable terms as originally anticipated; unanticipated increases in interest rates could increase debt service costs; unanticipated increases in operating expenses could negatively impact Highwoods net operating income; Highwoods may not be able to meet its liquidity requirements or obtain capital on favorable terms to fund its working capital needs and growth initiatives or to repay or refinance outstanding debt upon maturity; Highwoods could lose key executive officers; and others detailed in Highwoods 2016 Annual Report on Form 10-K and subsequent SEC reports.