



Supplemental Information
September 30, 2012

Supplemental Information
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The information within refers to all Highwoods Properties' wholly-owned entities, except pages 30 to 37, unless noted otherwise. Wholly-owned entities include properties classified as both continuing operations and discontinued operations.

All financial information contained in this document is unaudited. In addition, certain matters discussed in this supplemental, including estimates of net operating income, pre-leasing commitments and the cost, timing and stabilization of announced development projects, are forward-looking statements within the meaning of the federal securities laws. 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 general economic conditions, local real estate conditions, the timely development and lease-up of properties, and other risks listed at the end of our third quarter earnings press release and detailed from time to time in the Company's SEC reports. Highwoods assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

This supplemental also includes non-GAAP financial measures, such as Funds From Operations (FFO) and net operating income (NOI). Definitions of FFO and NOI and an explanation of management's view of the usefulness and risks of FFO and NOI can be found toward the end of the third quarter earnings press release.

Summary

Amounts in thousands, except %'s and per share amounts

	<i>Three Months Ended</i>				
	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>
Shares and units:					
Common Shares outstanding at end of period	78,530	75,619	73,609	72,648	72,579
Common Units outstanding at end of period	3,775	3,711	3,728	3,730	3,751
Weighted average Common Shares outstanding - basic	76,590	74,662	72,836	72,592	72,492
Weighted average Common Shares outstanding - diluted	80,495	78,521	76,696	76,427	76,402
Share price:					
At end of period	\$ 32.62	\$ 33.65	\$ 33.32	\$ 29.67	\$ 28.26
High during period	34.92	35.78	33.90	32.27	35.15
Low during period	32.30	31.14	29.34	25.64	26.43
Financial information:					
Lease termination income 1/	\$ 317	\$ 628	\$ 879	\$ 817	\$ 690
Straight-line rental income 1/	4,029	4,794	5,922	4,313	2,816
Capitalized interest	339	226	101	76	169
Property acquisition costs	(662)	(125)	-	(113)	(4,260)
Losses on debt extinguishment	-	(973)	-	-	-
Land sale gains	-	-	-	302	262
Gains/(losses) on for-sale residential condominiums	80	110	65	6	(476)
Gains on disposition of depreciable properties	22,936	1,385	5,134	-	2,573
Gains on disposition of investments in unconsolidated affiliates	-	-	-	-	2,282
Impairments of depreciable properties 2/	-	-	(1,002)	-	(2,429)
Funds from operations per share - diluted 3/	\$ 0.65	\$ 0.69	\$ 0.70	\$ 0.70	\$ 0.59
Funds from operations per share - diluted, excluding certain items 4/	\$ 0.66	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.65
Wholly - owned property information:					
In-Service rentable square feet:					
Office	22,926	22,841	22,617	22,612	22,554
Industrial	5,474	5,826	5,827	5,827	5,827
Retail	853	853	853	853	853
Total	<u>29,253</u>	<u>29,520</u>	<u>29,297</u>	<u>29,292</u>	<u>29,234</u>
In-Service occupancy:					
Office	89.2%	90.0%	89.6%	89.2%	88.7%
Industrial	93.3%	92.6%	91.8%	91.6%	90.0%
Retail	98.7%	97.7%	97.6%	98.7%	98.5%
Total	<u>90.2%</u>	<u>90.7%</u>	<u>90.2%</u>	<u>90.0%</u>	<u>89.3%</u>

1/ Straight-line rental write-offs related to lease terminations are reflected as a reduction of lease termination income.

2/ March 31, 2012 amount is the Company's share of impairments of depreciable properties recorded by an unconsolidated joint venture.

3/ Funds from operations per diluted share as defined excludes gains on disposition of depreciable properties and impairments of depreciable properties.

4/ Represents funds from operations per diluted share excluding gains/(losses) on debt extinguishment and acquisition costs.

Corporate Information

Board of Directors

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Gene H. Anderson
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David J. Hartzell, Ph.D.
Sherry A. Kellett
Mark F. Mulhern
L. Glenn Orr Jr.

Corporate Officers

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President, Chief Executive Officer and Director

Michael E. Harris

Executive Vice President, Chief Operating Officer

Terry L. Stevens

Senior Vice President, Chief Financial Officer

Daniel L. Clemmens

Vice President, Chief Accounting Officer

S. Hugh Esleeck

Treasurer

Theodore J. Klinck

Vice President, Chief Investment Officer

Carman J. Liuzzo

Vice President, Investments

Art H. McCann

Chief Information Officer

Jeffrey D. Miller

Vice President, General Counsel and
Secretary

Kevin E. Penn

Vice President, Chief Strategy and
Administration Officer

L. Randy Roberson

Vice President, Development

Michael D. Starchville

Vice President, Asset Management

Tabitha N. Zane

Vice President, Investor Relations and
Corporate Communications

Division Officers

Atlanta, GA

James V. Bacchetta, Vice President

Kansas City, MO

Glenn E. Stephenson, Vice President

Memphis, TN

Steven L. Guinn, Vice President

Nashville, TN; Greenville, SC

W. Brian Reames, Senior Vice President

Orlando, FL

Steven J. Garrity, Vice President

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E. F. "Rick" Dehnert, Vice President

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Andrew J. Wisniewski, Vice President

Raleigh, NC

Thomas "Skip" Hill, Vice President

Richmond, VA

Paul W. Kreckman, Vice President

Tampa, FL

Daniel E. Woodward, Vice President

Corporate Information

Research Coverage

Bank of America/Merrill Lynch

Jamie Feldman - 212-449-6339

Citigroup Global Markets

Michael Bilerman - 212-816-1383

Cowen and Company

James Sullivan - 646-562-1380

Michael Gorman - 646-562-1381

Deutsche Bank

John Perry - 212-250-4912

Green Street Advisors

Michael Knott - 949-640-8780

Jefferies & Company, Inc.

Tayo Okusanya - 212-336-7076

Macquarie Research

Robert Stevenson - 212-231-8068

Morgan Stanley

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Wells Fargo Securities, LLC

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Information Request

To request a Supplemental Package or Annual Report or to be added to our e-mail distribution list, please contact Tabitha Zane at the contact information listed above.

The Company

Highwoods Properties, Inc., a member of the S&P MidCap 400 Index, is a fully integrated, self-administered and self-managed equity real estate investment trust ("REIT") that provides leasing, management, development, construction and other customer-related services for its properties and for third parties. As of September 30, 2012, the Company owned or had an interest in 333 in-service office, industrial and retail properties encompassing approximately 34.1 million square feet. Highwoods also wholly-owned 581 acres of development land. Highwoods is based in Raleigh, North Carolina, and its properties and development land are located in Florida, Georgia, Maryland, Missouri, North Carolina, Pennsylvania, South Carolina, Tennessee, and Virginia. For more information about Highwoods Properties, please visit our website at www.highwoods.com.



Consolidated Statements of Income 1/

Amounts in thousands, except per share amounts

	<i>Nine Months Ended</i>		<i>Three Months Ended</i>				
	<u>9/30/12</u>	<u>9/30/11</u>	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>
Rental and other revenues	\$ 382,120	\$ 339,497	\$ 128,214	\$ 128,323	\$ 125,583	\$ 123,947	\$ 117,265
Operating expenses:							
Rental property and other expenses	138,132	122,358	47,233	46,305	44,594	45,495	44,031
Depreciation and amortization	115,755	99,659	38,651	39,751	37,353	38,231	35,051
Impairments of real estate assets	-	2,429	-	-	-	-	2,429
General and administrative	28,298	27,983	9,725	8,900	9,673	7,744	12,212
Total operating expenses	<u>282,185</u>	<u>252,429</u>	<u>95,609</u>	<u>94,956</u>	<u>91,620</u>	<u>91,470</u>	<u>93,723</u>
Interest expense:							
Contractual	70,309	68,444	22,910	23,548	23,851	23,014	23,264
Amortization of deferred financing costs	2,709	2,448	907	900	902	864	806
Financing obligations	(357)	584	(205)	(76)	(76)	156	201
	<u>72,661</u>	<u>71,476</u>	<u>23,612</u>	<u>24,372</u>	<u>24,677</u>	<u>24,034</u>	<u>24,271</u>
Other income:							
Interest and other income	5,883	5,277	1,916	1,737	2,230	2,110	1,505
Losses on debt extinguishment	(973)	(24)	-	(973)	-	-	-
	<u>4,910</u>	<u>5,253</u>	<u>1,916</u>	<u>764</u>	<u>2,230</u>	<u>2,110</u>	<u>1,505</u>
Income from continuing operations before disposition of property, condominiums and investments in unconsolidated affiliates and equity in earnings/(losses) of unconsolidated affiliates	32,184	20,845	10,909	9,759	11,516	10,553	776
Gains on disposition of property	-	462	-	-	-	302	262
Gains/(losses) on for-sale residential condominiums	255	(322)	80	110	65	6	(476)
Gains on disposition of investments in unconsolidated affiliates	-	2,282	-	-	-	-	2,282
Equity in earnings/(losses) of unconsolidated affiliates	2,670	3,933	1,324	1,508	(162)	945	1,113
Income from continuing operations	35,109	27,200	12,313	11,377	11,419	11,806	3,957
Discontinued operations:							
Income from discontinued operations	4,062	5,348	547	1,736	1,779	1,044	1,714
Net gains on disposition of discontinued operations	29,455	2,573	22,936	1,385	5,134	-	2,573
	<u>33,517</u>	<u>7,921</u>	<u>23,483</u>	<u>3,121</u>	<u>6,913</u>	<u>1,044</u>	<u>4,287</u>
Net income	68,626	35,121	35,796	14,498	18,332	12,850	8,244
Net (income) attributable to noncontrolling interests in the Operating Partnership	(3,166)	(1,496)	(1,653)	(686)	(827)	(595)	(366)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(566)	(554)	(159)	(223)	(184)	(201)	(249)
Dividends on Preferred Stock	(1,881)	(3,926)	(627)	(627)	(627)	(627)	(627)
Excess of Preferred Stock redemption/repurchase cost over carrying value	-	(1,895)	-	-	-	-	-
Net income available for common stockholders	\$ 63,013	\$ 27,250	\$ 33,357	\$ 12,962	\$ 16,694	\$ 11,427	\$ 7,002
Earnings per Common Share – basic:							
Income from continuing operations available for common stockholders	\$ 0.42	\$ 0.28	\$ 0.15	\$ 0.13	\$ 0.14	\$ 0.14	\$ 0.04
Income from discontinued operations available for common stockholders	0.42	0.10	0.29	0.04	0.09	0.02	0.06
Net income available for common stockholders	<u>\$ 0.84</u>	<u>\$ 0.38</u>	<u>\$ 0.44</u>	<u>\$ 0.17</u>	<u>\$ 0.23</u>	<u>\$ 0.16</u>	<u>\$ 0.10</u>
Weighted average Common Shares outstanding - basic	<u>74,703</u>	<u>72,176</u>	<u>76,590</u>	<u>74,662</u>	<u>72,836</u>	<u>72,592</u>	<u>72,492</u>
Earnings per Common Share - diluted:							
Income from continuing operations available for common stockholders	\$ 0.42	\$ 0.28	\$ 0.14	\$ 0.13	\$ 0.14	\$ 0.14	\$ 0.04
Income from discontinued operations available for common stockholders	0.42	0.10	0.29	0.04	0.09	0.02	0.06
Net income available for common stockholders	<u>\$ 0.84</u>	<u>\$ 0.38</u>	<u>\$ 0.43</u>	<u>\$ 0.17</u>	<u>\$ 0.23</u>	<u>\$ 0.16</u>	<u>\$ 0.10</u>
Weighted average Common Shares outstanding - diluted	<u>78,568</u>	<u>76,127</u>	<u>80,495</u>	<u>78,521</u>	<u>76,696</u>	<u>76,427</u>	<u>76,402</u>
Dividends declared per Common Share	\$ 1.275	\$ 1.275	\$ 0.425	\$ 0.425	\$ 0.425	\$ 0.425	\$ 0.425
Net income available for common stockholders:							
Income from continuing operations available for common stockholders	\$ 31,090	\$ 19,724	\$ 10,980	\$ 9,990	\$ 10,120	\$ 10,434	\$ 2,928
Income from discontinued operations available for common stockholders	31,923	7,526	22,377	2,972	6,574	993	4,074
Net income available for common stockholders	<u>\$ 63,013</u>	<u>\$ 27,250</u>	<u>\$ 33,357</u>	<u>\$ 12,962</u>	<u>\$ 16,694</u>	<u>\$ 11,427</u>	<u>\$ 7,002</u>

1/ Our Consolidated Statements of Income were revised from previously reported amounts to reflect in discontinued operations the operations for those properties that qualified for discontinued operations.

Funds from Operations and Additional Information

Amounts in thousands, except per share amounts

	<i>Nine Months Ended</i>		<i>Three Months Ended</i>				
	<u>9/30/12</u>	<u>9/30/11</u>	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>
Funds from operations:							
Net income	\$ 68,626	\$ 35,121	\$ 35,796	\$ 14,498	\$ 18,332	\$ 12,850	\$ 8,244
Net (income) attributable to noncontrolling interests in consolidated affiliates	(566)	(554)	(159)	(223)	(184)	(201)	(249)
Depreciation and amortization of real estate assets	114,233	98,249	38,093	39,329	36,811	37,676	34,534
Impairments of depreciable properties	-	2,429	-	-	-	-	2,429
Unconsolidated affiliates:							
Depreciation and amortization of real estate assets	5,801	6,192	2,028	1,675	2,098	2,196	2,066
Impairments of depreciable properties	1,002	-	-	-	1,002	-	-
Discontinued operations:							
Depreciation and amortization of real estate assets	2,009	3,935	-	847	1,162	1,321	1,269
(Gains) on disposition of depreciable properties	(29,455)	(2,573)	(22,936)	(1,385)	(5,134)	-	(2,573)
Funds from operations	161,650	142,799	52,822	54,741	54,087	53,842	45,720
Dividends on Preferred Stock	(1,881)	(3,926)	(627)	(627)	(627)	(627)	(627)
Excess of Preferred Stock redemption/repurchase cost over carrying value	-	(1,895)	-	-	-	-	-
Funds from operations available for common stockholders	\$ 159,769	\$ 136,978	\$ 52,195	\$ 54,114	\$ 53,460	\$ 53,215	\$ 45,093
Funds from operations available for common stockholders per share	\$ 2.03	\$ 1.80	\$ 0.65	\$ 0.69	\$ 0.70	\$ 0.70	\$ 0.59
Weighted average shares outstanding	78,568	76,127	80,495	78,521	76,696	76,427	76,402
Additional information: 1/							
Funds from operations per share, excluding certain items 2/	\$ 2.06	\$ 1.88	\$ 0.66	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.65
Funds from operations available for common stockholders, excluding certain items 2/	\$ 161,529	\$ 143,231	\$ 52,857	\$ 55,212	\$ 53,460	\$ 53,328	\$ 49,353
Straight-line rental income	\$ (14,745)	\$ (9,096)	\$ (4,029)	\$ (4,794)	\$ (5,922)	\$ (4,313)	\$ (2,816)
Straight-line rental write-offs related to termination fees	1,261	-	92	610	559	646	-
Amortization of lease incentives	1,076	1,009	393	340	343	362	368
Depreciation of non-real estate assets	1,209	955	414	404	391	398	363
Ground lease straight-line rent expense	68	84	22	23	23	22	28
Share-based compensation expense	6,464	4,771	2,005	2,037	2,422	1,323	1,318
Amortization of deferred financing costs	2,709	2,448	907	900	902	864	806
Amortization of accumulated other comprehensive loss	2,250	(87)	791	782	677	(30)	(30)
Amortization of Harborview financing obligation	(1,249)	(1,041)	(430)	(413)	(406)	(389)	(368)
Amortization of above/(below) market leases	(717)	338	(214)	(229)	(274)	(263)	11
Non-incremental revenue generating capital expenditures incurred: 3/							
Building improvements	(7,417)	(4,561)	(2,156)	(3,502)	(1,759)	(7,838)	(1,997)
2nd generation tenant improvements	(33,163)	(25,440)	(10,908)	(10,294)	(11,961)	(16,054)	(9,517)
2nd generation lease commissions	(13,663)	(11,919)	(4,773)	(5,853)	(3,037)	(5,101)	(4,983)
Common dividends and unit distributions paid	(99,855)	(96,718)	(33,910)	(33,400)	(32,545)	(32,440)	(32,434)

1/ Increase or (decrease) to cash flows.

2/ Excludes gains/(losses) on debt extinguishment, acquisition costs and excess of Preferred Stock redemption/repurchase cost over carrying value.

3/ Excludes capital expenditures paid for buildings sold and capital expenditures incurred within 12 months of planned dispositions when such expenditures are expected to be fully recovered from the sales proceeds.

Consolidated Balance Sheets

Dollars in thousands

Assets:	9/30/12	12/31/11
Real estate assets, at cost:		
Land	\$ 371,478	\$ 355,694
Buildings and tenant improvements	3,200,350	3,009,155
Development in process	11,566	-
Land held for development	102,482	105,206
	<u>3,685,876</u>	<u>3,470,055</u>
Less-accumulated depreciation	(926,668)	(869,046)
Net real estate assets	2,759,208	2,601,009
For-sale residential condominiums	1,238	4,751
Real estate and other assets, net, held for sale	-	124,273
Cash and cash equivalents	9,086	11,188
Restricted cash	21,578	26,666
Accounts receivable, net of allowance of \$3,437 and \$3,548, respectively	21,144	30,093
Mortgages and notes receivable, net of allowance of \$211 and \$61, respectively	16,943	18,600
Accrued straight-line rents receivable, net of allowance of \$1,076 and \$1,294, respectively	112,660	99,490
Investments in and advances to unconsolidated affiliates	78,406	100,367
Deferred financing and leasing costs, net of accumulated amortization of \$73,579 and \$62,319, respectively	149,170	127,774
Prepaid expenses and other assets, net of accumulated amortization of \$12,585 and \$15,089, respectively	40,452	36,781
Total Assets	<u>\$ 3,209,885</u>	<u>\$ 3,180,992</u>
Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:		
Mortgages and notes payable	\$ 1,778,555	\$ 1,868,906
Accounts payable, accrued expenses and other liabilities	152,053	148,607
Financing obligations	27,791	30,150
Liabilities, net, held for sale	-	35,815
Total Liabilities	<u>1,958,399</u>	<u>2,083,478</u>
Commitments and contingencies		
Noncontrolling interests in the Operating Partnership	123,141	110,655
Equity:		
Preferred Stock, \$.01 par value, 50,000,000 authorized shares; 8.625% Series A Cumulative Redeemable Preferred Shares (liquidation preference \$1,000 per share), 29,077 shares issued and outstanding	29,077	29,077
Common Stock, \$.01 par value, 200,000,000 authorized shares; 78,529,922 and 72,647,697 shares issued and outstanding, respectively	785	726
Additional paid-in capital	1,985,322	1,803,997
Distributions in excess of net income available for common stockholders	(877,962)	(845,853)
Accumulated other comprehensive loss	(13,426)	(5,734)
Total Stockholders' Equity	<u>1,123,796</u>	<u>982,213</u>
Noncontrolling interests in consolidated affiliates	4,549	4,646
Total Equity	<u>1,128,345</u>	<u>986,859</u>
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	<u>\$ 3,209,885</u>	<u>\$ 3,180,992</u>

Components of Net Asset Value

Dollars in thousands

Note: The purpose of providing the following information at the beginning of each year is to enable readers to derive their own estimate of net asset value. The Company updates this information annually based on management's assumptions regarding projected current year net operating income for the existing property portfolio as of the date of initial publication (current year being February 7, 2012), and it will not be updated to reflect any facts, circumstances or changes in financial or operating assumptions that may occur during the year. This information is not intended to be an asset-by-asset or enterprise valuation.

Consolidated properties projected net operating income (NOI) 1/	
Office	\$ 265,510
Retail	21,540
Industrial/Other	19,424
Deduct partner's share of consolidated JV's (Office)	(3,326)
Total Net Operating Income	\$ 303,148
 Highwoods' share of unconsolidated joint ventures, projected NOI	
Office	\$ 15,868
 Other income	
Development, leasing and management fees	\$ 4,173
 Add other assets:	
Completed, not stabilized development and condos at cost 1/	\$ 13,086
In-service assets not fairly valued by capitalized NOI valuation method 1/	
Consolidated assets	155,010
Highwoods' share of unconsolidated JV's assets	30,295
Land held for development at market value 2/	141,169
Cash and cash equivalents	11,188
Restricted cash	26,666
Accounts receivable, net	30,093
Notes receivable and prepaid expenses	55,487
Highwoods' share of unconsolidated JV's other assets 3/	51,272
Deduct partner's share of consolidated JV's other assets	(3,513)
Total other assets	\$ 510,753
 Liabilities:	
Accounts payable, accrued expenses and other liabilities	\$ 148,821
Mortgages and notes payable	1,903,213
Deduct partner's share of Consolidated JV's liabilities and mortgages	(33,986)
Market value of debt adjustment 4/	87,891
Preferred stock, at liquidation value	29,077
Highwoods' share of unconsolidated joint ventures liabilities	154,039
Market value of debt adjustment for JV debt 4/	3,116
Total deductions	\$ 2,292,171

1/ Projected 2012 NOI for the existing property portfolio (at December 31, 2011) excludes straight line income, lease termination fee income, fee income, NOI related to completed not stabilized developments, and NOI related to assets undervalued by capitalized NOI method. For the assets in the last two categories, a NOI capitalization approach is not appropriate and accordingly an alternative valuation methodology has been applied.

2/ Includes Highwoods' share of JV land held for development totaling \$4.9 million.

3/ Includes \$38.3 million secured loan made in 2011 to an unconsolidated JV.

4/ In accordance with prior practice, we included an adjustment to mark our debt including our pro rata share of unconsolidated joint ventures to estimated fair value as of December 31, 2011.

Components of Discontinued Operations

Dollars in thousands

	<i>Nine Months Ended</i>		<i>Three Months Ended</i>				
	<u>9/30/12</u>	<u>9/30/11</u>	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>
Rental and other revenues	\$ 10,120	\$ 16,219	\$ 875	\$ 4,456	\$ 4,789	\$ 4,783	\$ 5,301
Operating expenses:							
Rental property and other expenses	3,766	6,572	293	1,750	1,723	2,293	2,199
Depreciation and amortization	2,009	3,935	-	847	1,162	1,321	1,269
Total operating expenses	5,775	10,507	293	2,597	2,885	3,614	3,468
Interest expense:	283	364	35	123	125	125	119
Income from discontinued operations	4,062	5,348	547	1,736	1,779	1,044	1,714
Net gains on disposition of discontinued operations	29,455	2,573	22,936	1,385	5,134	-	2,573
Total discontinued operations	\$ 33,517	\$ 7,921	\$ 23,483	\$ 3,121	\$ 6,913	\$ 1,044	\$ 4,287

Capitalization

Dollars, shares, and units in thousands

	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>
Mortgages and Notes Payable (see pages 7 & 8) 1/:	\$ 1,778,555	\$ 1,823,128	\$ 1,903,978	\$ 1,903,213	\$ 1,893,981
Financing Obligations:	\$ 27,791	\$ 30,822	\$ 31,110	\$ 31,444	\$ 32,775
Preferred Stock (at liquidation value):					
Series A 8 5/8% Cumulative Redeemable	\$ 29,077	\$ 29,077	\$ 29,077	\$ 29,077	\$ 29,077
Common Shares and Units Outstanding:					
Common stock outstanding	78,530	75,619	73,609	72,648	72,579
Noncontrolling interest partnership units	3,775	3,711	3,728	3,730	3,751
Total Common Shares and Units outstanding	82,305	79,330	77,337	76,378	76,330
Stock price at period end	\$ 32.62	\$ 33.65	\$ 33.32	\$ 29.67	\$ 28.26
Market value of common equity	\$ 2,684,789	\$ 2,669,455	\$ 2,576,869	\$ 2,266,135	\$ 2,157,086
Total market capitalization with debt and obligations	\$ 4,520,212	\$ 4,552,482	\$ 4,541,034	\$ 4,229,869	\$ 4,112,919

1/ Mortgages and Notes Payable do not reflect any reclassification of debt to liabilities, net, held for sale.

See pages 30 to 37 for information regarding Highwoods' Joint Ventures.

Mortgages and Notes Payable Summary

Dollars in thousands

	<u>9/30/12</u>		<u>6/30/12</u>		<u>3/31/12</u>		<u>12/31/11</u>		<u>9/30/11</u>	
Balances Outstanding:										
Secured:										
Conventional fixed rate	\$ 667,588	1/	\$ 691,383	1/	\$ 694,675	1/	\$ 697,940	1/	\$ 885,737	1/
Variable rate debt	17,802		52,109		52,109		52,109		52,109	
Secured total	<u>685,390</u>		<u>743,492</u>		<u>746,784</u>		<u>750,049</u>		<u>937,846</u>	
Unsecured:										
Fixed rate bonds and notes	579,165		579,136		591,194		591,164		591,135	
Bank term loan - 2016	200,000	2/	200,000		200,000		200,000		200,000	
Bank term loan - 2019	225,000	3/	225,000	3/	225,000	3/	-		-	
Credit facility	89,000		75,500		141,000		362,000		165,000	
Unsecured total	<u>1,093,165</u>		<u>1,079,636</u>		<u>1,157,194</u>		<u>1,153,164</u>		<u>956,135</u>	
Total	<u>\$ 1,778,555</u>		<u>\$ 1,823,128</u>		<u>\$ 1,903,978</u>		<u>\$ 1,903,213</u>		<u>\$ 1,893,981</u>	

End of Period Weighted Average Interest Rates:

Secured:										
Conventional fixed rate	5.83%		5.84%		5.84%		5.84%		6.09%	
Variable rate debt	1.07%		1.10%		1.10%		1.14%		1.09%	
Secured total	<u>5.71%</u>		<u>5.50%</u>		<u>5.51%</u>		<u>5.51%</u>		<u>5.81%</u>	
Unsecured:										
Fixed rate bonds	6.42%		6.42%		6.41%		6.41%		6.41%	
Bank term loan - 2016	2.42%	2/	2.45%		2.45%		2.49%		2.44%	
Bank term loan - 2019	3.58%	3/	3.58%	3/	3.58%	3/	-		-	
Credit facility	1.72%		1.78%		1.74%		1.78%		1.73%	
Unsecured total	<u>4.72%</u>		<u>4.77%</u>		<u>4.61%</u>		<u>4.28%</u>		<u>4.77%</u>	
Weighted Average	<u>5.10%</u>		<u>5.07%</u>		<u>4.96%</u>		<u>4.76%</u>		<u>5.29%</u>	

Maturity Schedule:

Year	Secured Debt 3/	Unsecured Debt	Total Debt 4/	Average Interest Rate
2012	\$ 17,802	\$ -	\$ 17,802	1.07%
2013	240,991	-	240,991	5.89%
2014	100,987	-	100,987	5.34%
2015	39,916	89,000 5/	128,916	3.18%
2016	163,943	200,000 2/	363,943	4.52%
2017	121,751	379,165	500,916	5.45%
2018	-	200,000	200,000	7.50%
2019	-	225,000	225,000	3.58%
2020	-	-	-	-
2021	-	-	-	-
Total maturities	<u>\$ 685,390</u>	<u>\$ 1,093,165</u>	<u>\$ 1,778,555</u>	<u>5.10%</u>

Weighted average maturity = 3.8 years

1/ Includes a loan related to a consolidated 20% owned joint venture (Harborview) that was paid off on September 28th and \$33.3 million in loans at September 30, 2012 related to a consolidated 50% joint venture (Markel).

2/ Loan maturity was extended to January 12, 2018 and spread reduced to 1.65% from 2.20% on October 11, 2012.

3/ This loan maturing January 2019 is swapped to an effective fixed rate of 3.58% for the full term of the loan.

4/ All periods exclude annual principal amortization.

5/ Maturity does not reflect one-year extension option related to \$89.0 million of unsecured debt (Credit Facility).

Mortgages and Notes Payable Detail

Dollars in thousands

<u>Secured Loans</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Loan Balance</u> <u>9/30/12</u>	<u>Undepreciated Book Value of Real Estate Assets Secured</u>
Northwestern Mutual	6.03%	Mar-13	\$ 123,046	\$ 175,219
Wells Fargo Bank, N.A. 1/ 2/	4.22%	Nov-17	121,751	213,700
New York Life Insurance Company	6.88%	Jan-16	111,031	218,216
Massachusetts Mutual Life Ins. Co. 3/	5.68%	Dec-13	108,069	215,071
Metropolitan Life Ins. Co. 4/ 2/	5.12%	Jan-14	67,656	109,314
Western-Southern Life Assurance Company	7.50%	Aug-16	45,795	72,758
Bank of America 5/ 2/	6.43%	Nov-15	39,916	52,600
PNC/Regions/Union Bank/U.S. Bank 6/	1.07%	Dec-12	17,802	17,755
Principal Life Insurance Company 7/	5.79%	Jan-14	10,218	13,134
Principal Life Insurance Company 7/	5.79%	Jan-14	10,218	18,872
Massachusetts Mutual Life Ins. Co. 3/	6.48%	Dec-13	9,746	
Principal Life Insurance Company 7/	5.74%	Jan-14	8,051	14,670
State Farm Life Insurance	7.65%	Feb-16	7,117	15,295
Principal Life Insurance Company 7/	5.89%	Jan-14	4,845	7,514
American United Life	9.00%	Jun-13	129	4,051
	<u>5.71%</u>		<u>685,390</u>	<u>\$ 1,148,169</u>
<u>Unsecured Bonds</u>				
Bonds	5.85%	Mar-17	379,165	
Bonds	7.50%	Apr-18	200,000	
	<u>6.42%</u>		<u>579,165</u>	
<u>Unsecured Loans</u>				
Credit facility 6/ 8/	1.72%	Jul-15	89,000	
Bank term loan 6/ 9/	2.42%	Feb-16	200,000	
Bank term loan 10/	3.58%	Jan-19	225,000	
	<u>2.81%</u>		<u>514,000</u>	
<u>Total Debt</u>	<u>5.10%</u>		<u>\$ 1,778,555</u>	

Revolving Credit Facility

<u>Name of Lender</u>	<u>Total Commitment</u>	<u>Amount Outstanding 9/30/12</u>	<u>Unfunded Commitment 9/30/12</u>
Bank of America, N.A.	\$ 75,000	\$ 14,053	\$ 60,947
PNC Bank, N.A.	75,000	14,053	60,947
Wells Fargo Bank, N.A.	55,000	10,304	44,696
Branch Banking and Trust Co.	50,000	9,368	40,632
US Bank	36,000	6,745	29,255
Regions Bank	32,000	5,996	26,004
Union Bank, N.A.	32,000	5,996	26,004
Capital One	25,000	4,684	20,316
Comerica Bank	25,000	4,684	20,316
Morgan Stanley	25,000	4,684	20,316
Fifth Third Bank	15,000	2,811	12,189
First Tennessee Bank	15,000	2,811	12,189
Royal Bank of Canada	15,000	2,811	12,189
	<u>\$ 475,000</u>	<u>\$ 89,000</u>	<u>\$ 386,000</u>

1/ This loan's stated interest rate is 5.19% related to outstanding principal of \$116.9 million.

2/ The undepreciated book value of assets securing this loan includes planned near-term building and leasing improvements.

3/ These two loans are secured by the same assets.

4/ This loan's stated interest rate is 5.45% related to outstanding principal of \$67.4 million.

5/ This loan's stated interest rate is 5.17% related to outstanding principal of \$41.3 million.

6/ Floating rate loans based on one month LIBOR.

7/ Loans relate to a consolidated 50% owned joint venture (Markel).

8/ Maturity date does not reflect one-year extension option.

9/ This loan's maturity was extended to January 12, 2018 and spread reduced to 1.65% from 2.20% on October 11, 2012.

10/ This loan maturing January 2019 is swapped to an effective fixed rate of 3.58% for the full term of the loan.

Portfolio Summary - Wholly-Owned Properties Only 1/

(Rentable Square Feet)

	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>
Office Industrial & Retail In-Service:					
Office	22,680,000	22,841,000	22,617,000	22,612,000	22,554,000
Industrial	5,474,000	5,826,000	5,827,000	5,827,000	5,827,000
Retail 2/	853,000	853,000	853,000	853,000	853,000
Total	<u>29,007,000</u>	<u>29,520,000</u>	<u>29,297,000</u>	<u>29,292,000</u>	<u>29,234,000</u> 3/
Development Completed - Not Stabilized:					
Office	-	-	117,000	117,000	117,000
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>117,000</u>	<u>117,000</u>	<u>117,000</u>
Development - In Process:					
Office	246,000	246,000	228,000	228,000	60,000
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>246,000</u>	<u>246,000</u>	<u>228,000</u>	<u>228,000</u>	<u>60,000</u>
Total:					
Office	22,926,000	23,087,000	22,962,000	22,957,000	22,731,000
Industrial	5,474,000	5,826,000	5,827,000	5,827,000	5,827,000
Retail 2/	853,000	853,000	853,000	853,000	853,000
Total 3/	<u>29,253,000</u>	<u>29,766,000</u>	<u>29,642,000</u>	<u>29,637,000</u>	<u>29,411,000</u>
Same Property					
Office	19,515,000	19,515,000	19,515,000	19,515,000	19,515,000
Industrial	5,474,000	5,474,000	5,474,000	5,474,000	5,474,000
Retail	853,000	853,000	853,000	853,000	853,000
Total	<u>25,842,000</u>	<u>25,842,000</u>	<u>25,842,000</u>	<u>25,842,000</u>	<u>25,842,000</u>
Percent Occupied:					
In-Service:					
Office	89.2%	90.0%	89.6%	89.2%	88.7%
Industrial	93.3%	92.6%	91.8%	91.6%	90.0%
Retail	98.7%	97.7%	97.6%	98.7%	98.5%
Total	<u>90.2%</u>	<u>90.7%</u>	<u>90.2%</u>	<u>90.0%</u>	<u>89.3%</u>
Same Property					
Office	89.2%	90.7%	90.3%	90.1%	89.7%
Industrial	93.3%	92.1%	91.2%	91.0%	89.3%
Retail	98.7%	97.7%	97.6%	98.7%	98.6%
Total	<u>90.3%</u>	<u>91.3%</u>	<u>90.7%</u>	<u>90.6%</u>	<u>89.9%</u>
Percent Leased/Pre-Leased:					
Development Completed - Not Stabilized:					
Office	-	-	100.0%	100.0%	100.0%
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Development - In Process:					
Office 4/	89.9%	89.9%	89.0%	88.9%	100.0%
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>89.9%</u>	<u>89.9%</u>	<u>89.0%</u>	<u>88.9%</u>	<u>100.0%</u>

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Excludes 211,000 square feet of basement space in the Country Club Plaza.

3/ Excludes minor "for rent" apartment building.

4/ Represents 100% for the Office building and 0% for the amenity retail space.

Portfolio Summary

(Continued)

As of September 30, 2012

Summary by Location, Wholly-Owned Properties Only 1/:

<u>Market</u>	<u>Rentable</u>		<u>Percentage of Annualized Cash Revenue 2/</u>			
	<u>Square Feet</u>	<u>Occupancy</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
Raleigh 3/	4,426,000	88.2%	16.3%	-	-	16.3%
Atlanta	6,439,000	88.7%	12.6%	2.6%	-	15.2%
Tampa	2,912,000	89.7%	12.8%	-	-	12.8%
Nashville	2,610,000	95.9%	11.9%	-	-	11.9%
Kansas City	1,465,000 4/	94.6%	2.7%	-	6.7%	9.4%
Richmond	2,230,000	94.1%	8.4%	-	-	8.4%
Piedmont Triad 5/	4,113,000	92.5%	4.8%	2.7%	-	7.5%
Memphis	1,960,000	86.2%	7.5%	-	-	7.5%
Pittsburgh	1,540,000	87.6%	6.7%	-	-	6.7%
Greenville	896,000	82.5%	2.4%	-	-	2.4%
Orlando	416,000	91.4%	1.9%	-	-	1.9%
Total	29,007,000	90.2%	88.0%	5.3%	6.7%	100.0%

Summary by Location, Including Joint Venture Properties:

<u>Market</u>	<u>Rentable</u>		<u>Percentage of Annualized Cash Revenue 2/ 6/</u>			
	<u>Square Feet</u>	<u>Occupancy</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
Raleigh	5,061,000	89.0%	16.1%	-	-	16.1%
Atlanta	7,279,000	87.7%	12.7%	2.4%	-	15.1%
Tampa	3,117,000	88.6%	12.0%	-	-	12.0%
Nashville	2,610,000	95.9%	11.1%	-	-	11.1%
Kansas City	2,183,000 4/	90.8%	3.7%	-	6.3%	10.0%
Richmond	2,641,000	94.6%	8.5%	-	-	8.5%
Piedmont Triad	4,370,000	91.6%	4.6%	2.5%	-	7.1%
Memphis	1,960,000	86.2%	7.0%	-	-	7.0%
Pittsburgh	1,540,000	87.6%	6.3%	-	-	6.3%
Orlando	2,272,000	84.7%	4.4%	-	-	4.4%
Greenville	896,000	82.5%	2.3%	-	-	2.3%
Charlotte	148,000	100.0%	0.1%	-	-	0.1%
Total	34,077,000	89.5%	88.8%	4.9%	6.3%	100.0%

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

3/ Raleigh Market encompasses Raleigh, Durham, Cary, and Research Triangle metropolitan area.

4/ Excludes 211,000 square feet of basement space in the Country Club Plaza.

5/ Piedmont Triad Market encompasses Greensboro, Winston-Salem metropolitan area.

6/ Includes Highwoods' share of Joint Venture Annualized Cash Revenue, see page 34.

Portfolio Summary - Wholly-Owned Properties Only

(Continued)

As of September 30, 2012

<u>Market</u>	<u>Office Properties 1/</u>			<u>Industrial</u>		
	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Office Annualized Cash Revenue 2/</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Industrial Annualized Cash Revenue 2/</u>
Raleigh	4,426,000	88.2%	18.7%	-	-	-
Tampa	2,912,000	89.7%	14.5%	-	-	-
Atlanta	3,509,000	86.4%	14.3%	2,930,000	91.4%	49.2%
Nashville	2,610,000	95.9%	13.5%	-	-	-
Richmond	2,230,000	94.1%	9.5%	-	-	-
Memphis	1,960,000	86.2%	8.5%	-	-	-
Pittsburgh	1,540,000	87.6%	7.6%	-	-	-
Piedmont Triad	1,569,000	87.7%	5.4%	2,544,000	95.5%	50.8%
Kansas City	612,000	88.9%	3.1%	-	-	-
Greenville	896,000	82.5%	2.8%	-	-	-
Orlando	416,000	91.4%	2.1%	-	-	-
	<u>22,680,000</u>	<u>89.2%</u>	<u>100.0%</u>	<u>5,474,000</u>	<u>93.3%</u>	<u>100.0%</u>

<u>Market</u>	<u>Retail</u>		
	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Retail Annualized Cash Revenue 2/</u>
Kansas City 3/	853,000	98.7%	100.0%
	<u>853,000</u>	<u>98.7%</u>	<u>100.0%</u>

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

3/ Excludes 211,000 square feet of basement space in the Country Club Plaza.

Occupancy Trends - Office, Industrial and Retail Properties 1/

<u>Market</u>	<u>Measurement</u>	<u>9/30/12</u>	<u>6/30/12</u>	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>
Atlanta	Rentable Square Feet	6,439,000	6,378,000	6,382,000	6,378,000	6,318,000
	Occupancy	88.7%	91.8%	91.2%	90.1%	89.9%
	Current Properties 2/	88.5%	90.9%	90.3%	89.1%	89.0%
Greenville	Rentable Square Feet	896,000	897,000	897,000	897,000	897,000
	Occupancy	82.5%	87.1%	88.5%	89.6%	90.2%
	Current Properties 2/	82.5%	87.2%	88.5%	89.7%	90.3%
Kansas City 3/	Rentable Square Feet	1,465,000	1,527,000	1,504,000	1,504,000	1,504,000
	Occupancy	94.6%	89.6%	89.5%	90.5%	90.2%
	Current Properties 2/	94.6%	91.7%	90.1%	91.1%	90.9%
Memphis	Rentable Square Feet	1,960,000	2,070,000	2,072,000	2,072,000	2,072,000
	Occupancy	86.2%	85.5%	85.3%	85.6%	84.5%
	Current Properties 2/	86.2%	84.7%	84.6%	84.9%	83.7%
Nashville	Rentable Square Feet	2,610,000	3,094,000	3,094,000	3,094,000	3,094,000
	Occupancy	95.9%	94.6%	94.6%	94.1%	92.4%
	Current Properties 2/	95.9%	96.1%	96.1%	95.8%	93.9%
Orlando	Rentable Square Feet	416,000	416,000	416,000	416,000	416,000
	Occupancy	91.4%	92.4%	91.7%	90.6%	91.4%
	Current Properties 2/	91.4%	92.4%	91.7%	90.6%	91.4%
Piedmont Triad	Rentable Square Feet	4,113,000	4,033,000	4,038,000	4,038,000	4,038,000
	Occupancy	92.5%	91.0%	90.1%	91.1%	89.2%
	Current Properties 2/	92.5%	91.0%	90.3%	91.2%	89.3%
Pittsburgh	Rentable Square Feet	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000
	Occupancy	87.6%	83.6%	83.3%	82.7%	81.6%
	Current Properties 2/	87.6%	83.6%	83.3%	82.7%	81.6%
Raleigh	Rentable Square Feet	4,426,000	4,424,000	4,246,000	4,245,000	4,245,000
	Occupancy	88.2%	90.4%	88.9%	90.1%	89.3%
	Current Properties 2/	87.7%	89.9%	88.9%	90.1%	89.2%
Richmond	Rentable Square Feet	2,230,000	2,229,000	2,229,000	2,229,000	2,231,000
	Occupancy	94.1%	93.5%	93.2%	90.0%	91.4%
	Current Properties 2/	94.1%	93.5%	93.2%	90.0%	91.4%
Tampa	Rentable Square Feet	2,912,000	2,912,000	2,879,000	2,879,000	2,879,000
	Occupancy	89.7%	91.0%	91.2%	90.2%	89.3%
	Current Properties 2/	89.3%	90.8%	91.0%	90.3%	89.4%
Total	Rentable Square Feet	29,007,000	29,520,000	29,297,000	29,292,000	29,234,000
	Occupancy	90.2%	90.7%	90.2%	90.0%	89.3%
	Current Properties 2/	90.1%	90.6%	90.1%	89.9%	89.2%

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Only includes properties that were owned and in-service for all periods shown.

3/ Excludes 211,000 square feet of basement space in the Country Club Plaza.

Leasing Statistics

Office Portfolio 1/

	Three Months Ended					Five Quarter
	9/30/12 2/	6/30/12 3/	3/31/12 4/	12/31/11 5/	9/30/11 6/	Average
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	130	132	126	120	120	126
Rentable square footage leased	923,161	648,111	990,549	1,134,998	1,111,209	961,606
Square footage of Renewal Deals	569,717	482,439	646,532	772,462	740,079	642,246
Renewed square footage (% of total)	61.7%	74.4%	65.3%	68.1%	66.6%	66.8%
New Leases square footage (% of total)	38.3%	25.6%	34.7%	31.9%	33.4%	33.2%
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 21.37	\$ 22.19	\$ 21.90	\$ 22.57	\$ 18.88	\$ 21.38
Tenant improvements	(2.16)	(1.90)	(1.63)	(1.70)	(1.83)	(1.84)
Leasing commissions 7/	(0.77)	(0.51)	(0.61)	(0.63)	(0.62)	(0.63)
Rent concessions	(0.46)	(0.48)	(0.58)	(0.61)	(0.60)	(0.55)
Effective rent	17.98	19.30	19.08	19.63	15.83	18.36
Expense stop	(7.63)	(7.17)	(7.41)	(8.06)	(5.76)	(7.21)
Equivalent effective net rent	\$ 10.35	\$ 12.13	\$ 11.67	\$ 11.57	\$ 10.07	\$ 11.15
Weighted average term in years	5.8	4.4	5.3	6.8	5.4	5.5
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 13,529,639	\$ 6,670,910	\$ 9,009,300	\$ 12,999,631	\$ 14,788,764	\$ 11,399,649
Rentable square feet	923,161	648,111	990,549	1,134,998	1,111,209	961,606
Per rentable square foot	\$ 14.66	\$ 10.29	\$ 9.10	\$ 11.45	\$ 13.31	\$ 11.85
Leasing Commissions:						
Total dollars committed under signed leases 7/	\$ 4,433,147	\$ 1,717,258	\$ 3,165,115	\$ 5,200,750	\$ 3,807,939	\$ 3,664,842
Rentable square feet	923,161	648,111	990,549	1,134,998	1,111,209	961,606
Per rentable square foot	\$ 4.80	\$ 2.65	\$ 3.20	\$ 4.58	\$ 3.43	\$ 3.81
Total:						
Total dollars committed under signed leases	\$ 17,962,786	\$ 8,388,168	\$ 12,174,415	\$ 18,200,381	\$ 18,596,703	\$ 15,064,491
Rentable square feet	923,161	648,111	990,549	1,134,998	1,111,209	961,606
Per rentable square foot	\$ 19.46	\$ 12.94	\$ 12.29	\$ 16.04	\$ 16.74	\$ 15.67

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Includes 124K square feet of leases that start in 2014 or later.

3/ Includes 132K square feet of leases that start in 2014 or later.

4/ Includes 165K square feet of leases that start in 2014 or later.

5/ Includes 310K square feet of leases that start in 2014 or later.

6/ Includes 97K square feet of leases that start in 2013 or later.

7/ Excludes internal leasing costs.

Leasing Statistics

Industrial Portfolio

	Three Months Ended					Five Quarter
	9/30/12 1/	6/30/12 2/	3/31/12	12/31/11	9/30/11 3/	Average
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	8	13	21	7	18	13
Rentable square footage leased	71,010	333,548	480,671	53,352	376,616	263,039
Square footage of Renewal Deals	69,780	248,248	276,917	34,287	232,708	172,388
Renewed square footage (% of total)	98.3%	74.4%	57.6%	64.3%	61.8%	65.5%
New Leases square footage (% of total)	1.7%	25.6%	42.4%	35.7%	38.2%	34.5%
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 3.60	\$ 4.55	\$ 5.16	\$ 4.88	\$ 4.37	\$ 4.51
Tenant improvements	(0.65)	(0.21)	(0.78)	(0.21)	(0.39)	(0.45)
Leasing commissions 4/	(0.06)	(0.12)	(0.20)	(0.12)	(0.17)	(0.13)
Rent concessions	(0.08)	(0.15)	(0.45)	(0.13)	(0.18)	(0.20)
Effective rent	2.81	4.07	3.73	4.42	3.63	3.73
Expense stop	(0.07)	(0.13)	(0.50)	(0.53)	(0.12)	(0.27)
Equivalent effective net rent	\$ 2.74	\$ 3.94	\$ 3.23	\$ 3.89	\$ 3.51	\$ 3.46
Weighted average term in years	2.2	4.6	7.1	3.3	3.3	4.1
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 137,630	\$ 411,586	\$ 2,782,209	\$ 51,642	\$ 622,789	\$ 801,171
Rentable square feet	71,010	333,548	480,671	53,352	376,616	263,039
Per rentable square foot	\$ 1.94	\$ 1.23	\$ 5.79	\$ 0.97	\$ 1.65	\$ 3.05
Leasing Commissions:						
Total dollars committed under signed leases 4/	\$ 13,527	\$ 202,403	\$ 730,594	\$ 31,624	\$ 241,706	\$ 243,971
Rentable square feet	71,010	333,548	480,671	53,352	376,616	263,039
Per rentable square foot	\$ 0.19	\$ 0.61	\$ 1.52	\$ 0.59	\$ 0.64	\$ 0.93
Total:						
Total dollars committed under signed leases	\$ 151,157	\$ 613,989	\$ 3,512,803	\$ 83,266	\$ 864,495	\$ 1,045,142
Rentable square feet	71,010	333,548	480,671	53,352	376,616	263,039
Per rentable square foot	\$ 2.13	\$ 1.84	\$ 7.31	\$ 1.56	\$ 2.30	\$ 3.97

1/ Includes 22K square feet of leases that start in 2014 or later.

2/ Includes 49K square feet of leases that start in 2014 or later.

3/ Includes 58K square feet of leases that start in 2013 or later.

4/ Excludes internal leasing costs.

Leasing Statistics

Retail Portfolio

	Three Months Ended					Five Quarter
	9/30/12	6/30/12	3/31/12	12/31/11 1/	9/30/11	Average
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	9	3	6	7	8	7
Rentable square footage leased	74,045	14,412	10,336	26,573	19,321	28,937
Square footage of Renewal Deals	70,086	138	3,054	22,818	10,943	21,408
Renewed square footage (% of total)	94.7%	1.0%	29.5%	85.9%	56.6%	74.0%
New Leases square footage (% of total)	5.3%	99.0%	70.5%	14.1%	43.4%	26.0%
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 16.65	\$ 34.94	\$ 47.27	\$ 37.47	\$ 48.95	\$ 37.06
Tenant improvements	(1.38)	(6.85)	(2.15)	(2.47)	(2.87)	(3.14)
Leasing commissions 2/	(0.23)	(0.40)	(2.02)	(0.43)	(1.53)	(0.92)
Rent concessions	0.00	0.00	(0.11)	(0.57)	(0.04)	(0.14)
Effective rent	15.04	27.69	42.99	34.00	44.51	32.86
Expense stop	(7.69)	0.00	0.00	0.00	0.00	(1.54)
Equivalent effective net rent	\$ 7.35	\$ 27.69	\$ 42.99	\$ 34.00	\$ 44.51	\$ 31.32
Weighted average term in years	2.5	14.3	7.2	5.2	8.1	7.5
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 523,788	\$ 1,453,701	\$ 215,977	\$ 377,171	\$ 560,779	\$ 626,283
Rentable square feet	74,045	14,412	10,336	26,573	19,321	28,937
Per rentable square foot	\$ 7.07	\$ 100.87	\$ 20.90	\$ 14.19	\$ 29.02	\$ 21.64
Leasing Commissions:						
Total dollars committed under signed leases 2/	\$ 86,051	\$ 79,420	\$ 215,066	\$ 114,223	\$ 294,810	\$ 157,914
Rentable square feet	74,045	14,412	10,336	26,573	19,321	28,937
Per rentable square foot	\$ 1.16	\$ 5.51	\$ 20.81	\$ 4.30	\$ 15.26	\$ 5.46
Total:						
Total dollars committed under signed leases	\$ 609,839	\$ 1,533,121	\$ 431,043	\$ 491,394	\$ 855,589	\$ 784,197
Rentable square feet	74,045	14,412	10,336	26,573	19,321	28,937
Per rentable square foot	\$ 8.24	\$ 106.38	\$ 41.70	\$ 18.49	\$ 44.28	\$ 27.10

1/ Includes 10K square feet of leases that start in 2014 or later.

2/ Excludes internal leasing costs.

Leasing Statistics by Market

For the Three Months Ended September 30, 2012

Office Portfolio 1/ <u>Market</u>	Rentable Square Feet <u>Leased</u>	Average <u>Term</u>	GAAP Rental <u>Rate</u>	TI's <u>Per SF</u>	Lease Commissions <u>Per SF 2/ 3/</u>
Raleigh	135,045	5.9	\$ 20.83	\$ 15.23	\$ 3.21
Greenville	127,304	5.6	16.87	8.03	5.35
Tampa	127,245	7.1	21.88	26.60	5.76
Pittsburgh	124,439	6.6	25.03	21.85	9.48
Nashville	120,409	3.9	22.78	6.72	3.14
Memphis	73,171	4.3	20.95	15.79	1.48
Atlanta	62,604	8.8	18.13	20.96	7.21
Richmond	62,436	3.6	18.49	6.73	1.65
Kansas City	42,745	7.7	24.87	10.22	6.29
Piedmont Triad	38,683	4.6	16.39	3.05	1.79
Orlando	9,080	4.1	19.94	10.46	2.92
	923,161	5.8	\$ 20.91	\$ 14.66	\$ 4.80

Industrial Portfolio <u>Market</u>	Rentable Square Feet <u>Leased</u>	Average <u>Term</u>	GAAP Rental <u>Rate</u>	TI's <u>Per SF</u>	Lease Commissions <u>Per SF 2/ 3/</u>
Piedmont Triad	28,290	3.0	\$ 5.31	\$ 4.23	\$ 0.14
Atlanta	42,720	1.7	2.32	0.42	0.22
	71,010	2.2	\$ 3.52	\$ 1.94	\$ 0.19

Retail Portfolio <u>Market</u>	Rentable Square Feet <u>Leased</u>	Average <u>Term</u>	GAAP Rental <u>Rate</u>	TI's <u>Per SF</u>	Lease Commissions <u>Per SF 2/ 3/</u>
Kansas City	74,045	2.5	\$ 16.65	\$ 7.07	\$ 1.16
	74,045	2.5	\$ 16.65	\$ 7.07	\$ 1.16

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Lease commissions by market per square foot excludes capitalized internal leasing costs.

3/ The amount of capitalized internal leasing cost not allocated to individual deals or product types was \$916K.

Rental Rate Comparisons by Market

For the Three Months Ended September 30, 2012

Office Portfolio 1/ <u>Market</u>	Rentable Square Feet <u>Leased</u>	Current Rent	Previous Rent	Percentage Change Rent
Raleigh	135,045	\$ 20.83	\$ 19.45	7.1%
Greenville	127,304	16.87	16.60	1.6%
Tampa	127,245	21.88	25.35	-13.7%
Pittsburgh	124,439	25.03	21.55	16.1%
Nashville	120,409	22.78	20.95	8.7%
Memphis	73,171	20.95	20.87	0.4%
Atlanta	62,604	18.13	17.42	4.1%
Richmond	62,436	18.49	17.71	4.4%
Kansas City	42,745	24.87	25.37	-2.0%
Piedmont Triad	38,683	16.39	15.80	3.7%
Orlando	9,080	19.94	18.99	5.0%
GAAP Rent Growth	923,161	\$ 20.91	\$ 20.42	2.4%
Cash Rent Growth	923,161	\$ 17.79	\$ 19.70	-9.7%

Industrial Portfolio <u>Market</u>	Rentable Square Feet <u>Leased</u>	Current Rent	Previous Rent	Percentage Change Rent
Piedmont Triad	28,290	\$ 5.31	\$ 4.87	9.0%
Atlanta	42,720	2.32	2.38	-2.5%
GAAP Rent Growth	71,010	\$ 3.52	\$ 3.39	4.0%
Cash Rent Growth	71,010	\$ 3.90	\$ 4.00	-2.5%

Retail Portfolio <u>Market</u>	Rentable Square Feet <u>Leased</u>	Current Rent	Previous Rent 2/	Percentage Change Rent
Kansas City	74,045	\$ 16.65	\$ 15.50	7.4%
GAAP Rent Growth	74,045	\$ 16.65	\$ 15.50	7.4%
Cash Rent Growth	74,045	\$ 13.95	\$ 13.89	0.4%

Average Cash Rental Rates for All In Place Leases as of: 1/ 3/

<u>Type</u>	<u>9/30/12</u>	<u>9/30/11</u>	<u>9/30/10</u>	<u>9/30/09</u>	<u>9/30/08</u>
Office	\$ 20.72	\$ 20.85	\$ 20.33	\$ 20.64	\$ 20.05
Industrial	4.87	5.29	5.45	5.25	5.27
Retail 2/	37.85	34.79	33.12	36.66	31.22
Weighted average rate	\$ 18.18	\$ 18.18	\$ 17.51	\$ 17.69	\$ 17.06
Annual % growth rate	0.0%	3.9%	-1.0%	3.7%	

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Excludes percentage rent.

3/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Lease Expirations

September 30, 2012

Dollars in thousands

<u>Year</u>	<u>Rentable Square Feet Expiring</u>	<u>Percent of Rentable Square Feet</u>	<u>Annualized Cash Revenue 1/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 1/</u>
Office: 2/					
2012 3/	392,022	1.9%	\$ 7,840	\$ 20.00	1.9%
2013	2,333,303	11.5%	51,030	21.87	12.2%
2014	2,621,617	13.0%	58,708	22.39	14.0%
2015	2,609,880	12.9%	55,754	21.36	13.3%
2016	2,236,030	11.1%	44,869	20.07	10.7%
2017	2,508,272	12.4%	51,771	20.64	12.4%
2018	1,659,266	8.2%	34,540	20.82	8.2%
2019	1,219,865	6.0%	23,099	18.94	5.5%
2020	788,337	3.9%	18,954	24.04	4.5%
2021	1,378,046	6.8%	29,512	21.42	7.0%
2022 and thereafter	2,482,283	12.3%	43,084	17.36	10.3%
	<u>20,228,921</u>	<u>100.0%</u>	<u>\$ 419,161</u>	<u>\$ 20.72</u>	<u>100.0%</u>
Industrial:					
2012 4/	273,360	5.4%	\$ 1,299	\$ 4.75	5.2%
2013	526,153	10.3%	3,093	5.88	12.4%
2014	1,054,734	20.7%	5,846	5.54	23.6%
2015	471,987	9.2%	2,538	5.38	10.2%
2016	781,414	15.3%	3,957	5.06	15.9%
2017	550,245	10.8%	2,664	4.84	10.7%
2018	120,467	2.4%	547	4.54	2.2%
2019	194,435	3.8%	864	4.44	3.5%
2020	205,678	4.0%	490	2.38	2.0%
2021	117,805	2.3%	299	2.54	1.2%
2022 and thereafter	808,544	15.8%	3,247	4.02	13.1%
	<u>5,104,822</u>	<u>100.0%</u>	<u>\$ 24,844</u>	<u>\$ 4.87</u>	<u>100.0%</u>

1/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

3/ Includes 53,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

4/ Includes 111,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.

Note: 2012 and beyond expirations that have been renewed are reflected above based on the renewal expiration date.

Lease Expirations

September 30, 2012

(Continued)

Dollars in thousands

<u>Year</u>	<u>Rentable Square Feet Expiring</u>	<u>Percent of Rentable Square Feet</u>	<u>Annualized Cash Revenue 1/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 1/</u>
Retail:					
2012 2/	12,499	1.5%	\$ 324	\$ 25.92	1.0%
2013	74,916	8.9%	2,153	28.74	6.8%
2014	36,819	4.4%	1,861	50.54	5.8%
2015	99,023	11.8%	3,391	34.24	10.6%
2016	60,706	7.2%	3,066	50.51	9.6%
2017	94,937	11.3%	2,558	26.94	8.0%
2018	85,792	10.2%	4,073	47.48	12.9%
2019	86,740	10.3%	2,646	30.50	8.3%
2020	67,675	8.0%	2,181	32.23	6.8%
2021	83,786	10.0%	3,584	42.78	11.2%
2022 and thereafter	138,947	16.4%	6,023	43.35	19.0%
	<u>841,840</u>	<u>100.0%</u>	<u>\$ 31,860</u>	<u>\$ 37.85</u>	<u>100.0%</u>
Total:					
2012 3/ 4/	677,881	2.6%	\$ 9,463	\$ 13.96	2.0%
2013	2,934,372	11.2%	56,276	19.18	11.8%
2014	3,713,170	14.2%	66,415	17.89	14.0%
2015	3,180,890	12.2%	61,683	19.39	13.0%
2016	3,078,150	11.8%	51,892	16.86	10.9%
2017	3,153,454	12.0%	56,993	18.07	12.0%
2018	1,865,525	7.1%	39,160	20.99	8.2%
2019	1,501,040	5.7%	26,609	17.73	5.6%
2020	1,061,690	4.1%	21,625	20.37	4.5%
2021	1,579,637	6.0%	33,395	21.14	7.0%
2022 and thereafter	3,429,774	13.1%	52,354	15.26	11.0%
	<u>26,175,583</u>	<u>100.0%</u>	<u>\$ 475,865</u>	<u>\$ 18.18</u>	<u>100.0%</u>

1/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Includes 9,000 square feet of leases that are on a month to month basis or 0.0% of total annualized revenue.

3/ Includes 173,000 square feet of leases that are on a month to month basis or 0.3% of total annualized revenue.

4/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

Note: 2012 and beyond expirations that have been renewed are reflected above based on the renewal expiration date.

Office Lease Expirations by Market by Quarter 1/

Dollars in thousands

		Three Months Ended					
		12/31/12 2/	3/31/13	6/30/13	9/30/13	Total	
Atlanta	RSF	62,927	47,058	39,363	70,551	219,899	
	% of Total Office RSF	0.3%	0.2%	0.2%	0.3%	1.1%	
	Annualized Cash Revenue 3/	\$ 1,115	\$ 749	\$ 882	\$ 1,338	\$ 4,084	
	% of Total Office Annl Cash Rev	0.3%	0.2%	0.2%	0.3%	1.0%	
Greenville	RSF	69,940	26,305	39,497	26,048	161,790	
	% of Total Office RSF	0.3%	0.1%	0.2%	0.1%	0.8%	
	Annualized Cash Revenue 3/	\$ 1,245	\$ 507	\$ 573	\$ 480	\$ 2,805	
	% of Total Office Annl Cash Rev	0.3%	0.1%	0.1%	0.1%	0.7%	
Kansas City	RSF	3,527	2,278	4,417	6,342	16,564	
	% of Total Office RSF	0.0%	0.0%	0.0%	0.0%	0.1%	
	Annualized Cash Revenue 3/	\$ 126	\$ 55	\$ 137	\$ 165	\$ 483	
	% of Total Office Annl Cash Rev	0.0%	0.0%	0.0%	0.0%	0.1%	
Memphis	RSF	44,808	86,505	57,131	33,515	221,959	
	% of Total Office RSF	0.2%	0.4%	0.3%	0.2%	1.1%	
	Annualized Cash Revenue 3/	\$ 940	\$ 2,038	\$ 1,381	\$ 734	\$ 5,093	
	% of Total Office Annl Cash Rev	0.2%	0.5%	0.3%	0.2%	1.2%	
Nashville	RSF	37,392	78,547	54,758	47,630	218,327	
	% of Total Office RSF	0.2%	0.4%	0.3%	0.2%	1.1%	
	Annualized Cash Revenue 3/	\$ 896	\$ 1,851	\$ 1,210	\$ 1,068	\$ 5,025	
	% of Total Office Annl Cash Rev	0.2%	0.4%	0.3%	0.3%	1.2%	
Orlando	RSF	4,060	2,389	25,533	4,101	36,083	
	% of Total Office RSF	0.0%	0.0%	0.1%	0.0%	0.2%	
	Annualized Cash Revenue 3/	\$ 111	\$ 44	\$ 697	\$ 109	\$ 961	
	% of Total Office Annl Cash Rev	0.0%	0.0%	0.2%	0.0%	0.2%	
Piedmont Triad	RSF	93,772	71,326	48,927	37,878	251,903	
	% of Total Office RSF	0.5%	0.4%	0.2%	0.2%	1.2%	
	Annualized Cash Revenue 3/	\$ 1,740	\$ 1,075	\$ 730	\$ 773	\$ 4,318	
	% of Total Office Annl Cash Rev	0.4%	0.3%	0.2%	0.2%	1.0%	
Pittsburgh	RSF	1,630	6,008	0	1,163	8,801	
	% of Total Office RSF	0.0%	0.0%	0.0%	0.0%	0.0%	
	Annualized Cash Revenue 3/	\$ 61	\$ 129	\$ -	\$ 39	\$ 229	
	% of Total Office Annl Cash Rev	0.0%	0.0%	0.0%	0.0%	0.1%	
Raleigh	RSF	46,063	98,653	7,866	100,783	253,365	
	% of Total Office RSF	0.2%	0.5%	0.0%	0.5%	1.3%	
	Annualized Cash Revenue 3/	\$ 953	\$ 2,087	\$ 174	\$ 1,861	\$ 5,075	
	% of Total Office Annl Cash Rev	0.2%	0.5%	0.0%	0.4%	1.2%	
Richmond	RSF	20,247	55,410	40,660	125,283	241,600	
	% of Total Office RSF	0.1%	0.3%	0.2%	0.6%	1.2%	
	Annualized Cash Revenue 3/	\$ 381	\$ 1,082	\$ 811	\$ 2,500	\$ 4,774	
	% of Total Office Annl Cash Rev	0.1%	0.3%	0.2%	0.6%	1.1%	
Tampa	RSF	7,656	192,975	305,751	13,579	519,961	
	% of Total Office RSF	0.0%	1.0%	1.5%	0.1%	2.6%	
	Annualized Cash Revenue 3/	\$ 272	\$ 4,950	\$ 8,858	\$ 460	\$ 14,540	
	% of Total Office Annl Cash Rev	0.1%	1.2%	2.1%	0.1%	3.5%	
Total	RSF	392,022	667,454	623,903	466,873	2,150,252	
	% of Total Office RSF	1.9%	3.3%	3.1%	2.3%	10.6%	
	Annualized Cash Revenue 3/	\$ 7,840	\$ 14,567	\$ 15,453	\$ 9,527	\$ 47,387	
	% of Total Office Annl Cash Rev	1.9%	3.5%	3.7%	2.3%	11.3%	

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Includes 53,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

3/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Industrial Lease Expirations by Market by Quarter

Dollars in thousands

		Three Months Ended				
		<u>12/31/12</u> ^{1/}	<u>3/31/13</u>	<u>6/30/13</u>	<u>9/30/13</u>	<u>Total</u>
Atlanta	RSF	91,743	38,434	16,000	130,327	276,504
	% of Total Industrial RSF	1.8%	0.8%	0.3%	2.6%	5.4%
	Annualized Cash Revenue ^{2/}	\$ 449	\$ 322	\$ 122	\$ 513	\$ 1,406
	% of Total Industrial Annl Cash Rev	1.8%	1.3%	0.5%	2.1%	5.7%
Piedmont Triad	RSF	181,617	114,397	44,762	134,899	475,675
	% of Total Industrial RSF	3.6%	2.2%	0.9%	2.6%	9.3%
	Annualized Cash Revenue ^{2/}	\$ 851	\$ 614	\$ 548	\$ 690	\$ 2,703
	% of Total Industrial Annl Cash Rev	3.4%	2.5%	2.2%	2.8%	10.9%
Total	RSF	273,360	152,831	60,762	265,226	752,179
	% of Total Industrial RSF	5.4%	3.0%	1.2%	5.2%	14.7%
	Annualized Cash Revenue ^{2/}	\$ 1,300	\$ 936	\$ 670	\$ 1,203	\$ 4,109
	% of Total Industrial Annl Cash Rev	5.2%	3.8%	2.7%	4.8%	16.5%

^{1/} Includes 111,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.

^{2/} Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Office Lease Expirations by Market by Year 1/

Dollars in thousands

		<u>2012 2/</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Thereafter</u>
Atlanta	RSF	62,927	427,843	234,372	197,709	2,110,125
	% of Total Office RSF	0.3%	2.1%	1.2%	1.0%	10.4%
	Annualized Cash Revenue 3/	\$ 1,115	\$ 8,130	\$ 4,828	\$ 3,686	\$ 42,299
	% of Total Office Annl Cash Rev	0.3%	1.9%	1.2%	0.9%	10.1%
Greenville	RSF	69,940	102,107	188,980	26,614	352,353
	% of Total Office RSF	0.3%	0.5%	0.9%	0.1%	1.7%
	Annualized Cash Revenue 3/	\$ 1,245	\$ 1,729	\$ 3,726	\$ 455	\$ 4,484
	% of Total Office Annl Cash Rev	0.3%	0.4%	0.9%	0.1%	1.1%
Kansas City	RSF	3,527	17,563	28,100	86,305	408,213
	% of Total Office RSF	0.0%	0.1%	0.1%	0.4%	2.0%
	Annualized Cash Revenue 3/	\$ 126	\$ 462	\$ 720	\$ 2,445	\$ 9,101
	% of Total Office Annl Cash Rev	0.0%	0.1%	0.2%	0.6%	2.2%
Memphis	RSF	44,808	196,424	189,344	225,824	1,032,701
	% of Total Office RSF	0.2%	1.0%	0.9%	1.1%	5.1%
	Annualized Cash Revenue 3/	\$ 940	\$ 4,642	\$ 4,318	\$ 5,035	\$ 20,843
	% of Total Office Annl Cash Rev	0.2%	1.1%	1.0%	1.2%	5.0%
Nashville	RSF	37,392	205,644	412,110	590,681	1,258,038
	% of Total Office RSF	0.2%	1.0%	2.0%	2.9%	6.2%
	Annualized Cash Revenue 3/	\$ 896	\$ 4,686	\$ 9,602	\$ 13,591	\$ 27,873
	% of Total Office Annl Cash Rev	0.2%	1.1%	2.3%	3.2%	6.6%
Orlando	RSF	4,060	33,118	11,608	93,609	238,419
	% of Total Office RSF	0.0%	0.2%	0.1%	0.5%	1.2%
	Annualized Cash Revenue 3/	\$ 111	\$ 862	\$ 317	\$ 2,506	\$ 5,128
	% of Total Office Annl Cash Rev	0.0%	0.2%	0.1%	0.6%	1.2%
Piedmont Triad	RSF	93,772	174,034	115,238	332,467	660,150
	% of Total Office RSF	0.5%	0.9%	0.6%	1.6%	3.3%
	Annualized Cash Revenue 3/	\$ 1,740	\$ 2,817	\$ 2,077	\$ 5,218	\$ 10,838
	% of Total Office Annl Cash Rev	0.4%	0.7%	0.5%	1.2%	2.6%
Pittsburgh	RSF	1,630	11,456	132,727	205,374	997,763
	% of Total Office RSF	0.0%	0.1%	0.7%	1.0%	4.9%
	Annualized Cash Revenue 3/	\$ 61	\$ 284	\$ 3,646	\$ 4,847	\$ 23,070
	% of Total Office Annl Cash Rev	0.0%	0.1%	0.9%	1.2%	5.5%
Raleigh	RSF	46,063	290,714	474,780	462,228	2,630,578
	% of Total Office RSF	0.2%	1.4%	2.3%	2.3%	13.0%
	Annualized Cash Revenue 3/	\$ 953	\$ 5,813	\$ 10,249	\$ 9,866	\$ 51,231
	% of Total Office Annl Cash Rev	0.2%	1.4%	2.4%	2.4%	12.2%
Richmond	RSF	20,247	357,290	279,460	143,928	1,296,190
	% of Total Office RSF	0.1%	1.8%	1.4%	0.7%	6.4%
	Annualized Cash Revenue 3/	\$ 381	\$ 7,225	\$ 5,628	\$ 2,510	\$ 24,125
	% of Total Office Annl Cash Rev	0.1%	1.7%	1.3%	0.6%	5.8%
Tampa	RSF	7,656	517,110	554,898	245,141	1,287,569
	% of Total Office RSF	0.0%	2.6%	2.7%	1.2%	6.4%
	Annualized Cash Revenue 3/	\$ 272	\$ 14,380	\$ 13,598	\$ 5,595	\$ 26,837
	% of Total Office Annl Cash Rev	0.1%	3.4%	3.2%	1.3%	6.4%
Total	RSF	392,022	2,333,303	2,621,617	2,609,880	12,272,099
	% of Total Office RSF	1.9%	11.5%	13.0%	12.9%	60.7%
	Annualized Cash Revenue 3/	\$ 7,840	\$ 51,030	\$ 58,709	\$ 55,754	\$ 245,829
	% of Total Office Annl Cash Rev	1.9%	12.2%	14.0%	13.3%	58.6%

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Includes 53,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

3/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Industrial Lease Expirations by Market by Year

Dollars in thousands

		<u>2012</u> ^{1/}	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Thereafter</u>
Atlanta	RSF	91,743	194,513	631,941	134,535	1,623,885
	% of Total Industrial RSF	1.8%	3.8%	12.4%	2.6%	31.8%
	Annualized Cash Revenue ^{2/}	\$ 449	\$ 1,009	\$ 3,667	\$ 683	\$ 6,408
	% of Total Industrial Annl Cash Rev	1.8%	4.1%	14.8%	2.7%	25.8%
Piedmont Triad	RSF	181,617	331,640	422,793	337,452	1,154,703
	% of Total Industrial RSF	3.6%	6.5%	8.3%	6.6%	22.6%
	Annualized Cash Revenue ^{2/}	\$ 851	\$ 2,083	\$ 2,179	\$ 1,856	\$ 5,660
	% of Total Industrial Annl Cash Rev	3.4%	8.4%	8.8%	7.5%	22.8%
Total	RSF	273,360	526,153	1,054,734	471,987	2,778,588
	% of Total Industrial RSF	5.4%	10.3%	20.7%	9.2%	54.4%
	Annualized Cash Revenue ^{2/}	\$ 1,300	\$ 3,092	\$ 5,846	\$ 2,539	\$ 12,068
	% of Total Industrial Annl Cash Rev	5.2%	12.4%	23.5%	10.2%	48.6%

^{1/} Includes 111,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.

^{2/} Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Customer Diversification 1/

September 30, 2012

Dollars in thousands

Top 20 Customers

<u>Customer</u>	<u>RSF</u>	<u>Annualized Cash Revenue 2/</u>	<u>Percent of Annualized Cash Revenue 2/</u>	<u>Average Remaining Lease Term in Years</u>
Federal Government	1,457,142	\$ 34,007	7.15%	5.4
AT&T	579,906	11,405	2.40%	1.4
PricewaterhouseCoopers	318,647	9,137	1.92%	2.5
PPG Industries	340,483	8,782	1.85%	8.7
Healthways	290,689	6,739	1.42%	9.6
HCA Corporation	278,207	6,483	1.36%	3.2
State of Georgia	373,003	6,441	1.35%	7.0
Metropolitan Life Insurance	297,189	6,104	1.28%	5.6
T-Mobile USA	210,971	5,458	1.15%	1.8
Marsh USA	188,719	5,154	1.08%	6.8
Lockton Companies	190,800	4,611	0.97%	17.4
BB&T	273,578	4,328	0.91%	2.9
Vanderbilt University	198,783	4,279	0.90%	3.0
PNC Bank	169,840	4,269	0.90%	13.7
Syniverse Technologies	198,750	4,196	0.88%	4.1
Aon	174,045	3,957	0.83%	7.3
Volvo	311,273	3,900	0.82%	2.1
SCI Services 3/	162,784	3,897	0.82%	4.8
Jacobs Engineering Group	210,126	3,838	0.81%	2.6
Lifepoint Corporate Services	147,489	3,314	0.70%	2.4
	<u>6,372,424</u>	<u>\$ 140,299</u>	<u>29.50%</u>	<u>5.4</u>

By Industry

<u>Category</u>	<u>Percent of Annualized Cash Revenue 2/</u>
Professional, Scientific, and Technical Services	22.4%
Finance/Banking	12.8%
Government/Public Administration	8.7%
Health Care and Social Assistance	8.2%
Manufacturing	7.2%
Insurance	6.2%
Retail Trade	6.1%
Administrative and Support Services	4.9%
Information	4.4%
Telecommunication	3.8%
Real Estate Rental and Leasing	3.8%
Accommodation and Food Services	3.0%
Wholesale Trade	2.8%
Educational Services	2.2%
Transportation and Warehousing	1.9%
Other Services (except Public Administration)	1.6%
	<u>100.0%</u>

1/ Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.

2/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

4/ SCI Services is a wholly owned subsidiary of Morgan Stanley.

Same Property Performance

Dollars and Square Feet in thousands

	Three months ended		Dollar Change (B/W)	Percentage Change (B/W)
	September 30,			
	2012	2011		
Rental revenues 1/	\$ 107,417	\$ 106,078	\$ 1,339	1.3%
Operating expenses	(38,578)	(39,042)	464	1.2%
Cash NOI without Term Fees	68,839	67,036	1,803	2.7%
Lease termination fees 2/	315	312	3	1.0%
Cash NOI	69,154	67,348	1,806	2.7%
Straight line rent 2/	1,687	2,385	(698)	-29.3%
GAAP NOI	\$ 70,841	\$ 69,733	\$ 1,108	1.6%
Average occupancy	90.4%	90.0%		0.4%
Rentable square feet	25,842	25,842		

	Nine months ended		Dollar Change (B/W)	Percentage Change (B/W)
	September 30,			
	2012	2011		
Rental revenues 1/	\$ 320,250	\$ 313,425	\$ 6,825	2.2%
Operating expenses	(112,680)	(112,311)	(369)	-0.3%
Cash NOI without Term Fees	207,570	201,114	6,456	3.2%
Lease termination fees 2/	1,822	604	1,218	201.7%
Cash NOI	209,392	201,718	7,674	3.8%
Straight line rent 2/	7,454	8,272	(818)	-9.9%
GAAP NOI	\$ 216,846	\$ 209,990	\$ 6,856	3.3%
Average occupancy	90.7%	89.9%		0.9%
Rentable square feet	25,842	25,842		

Market	Third Quarter: 2012 vs 2011		Nine Months: 2012 vs 2011	
	GAAP NOI	Occupancy	GAAP NOI	Occupancy
	Percentage Change	Percentage Change	Percentage Change	Percentage Change
Atlanta	-5.2%	-0.6%	2.1%	0.5%
Greenville	-13.7%	-6.6%	-3.4%	-1.5%
Kansas City	17.1%	3.4%	10.8%	1.7%
Memphis	-0.2%	0.4%	1.5%	-1.4%
Nashville	5.4%	2.5%	8.0%	5.0%
Orlando	3.4%	3.9%	8.9%	6.6%
Piedmont Triad	4.1%	3.2%	0.1%	2.6%
Raleigh	-4.8%	-3.0%	-0.8%	-2.0%
Richmond	5.1%	1.4%	1.5%	0.2%
Tampa	3.9%	1.3%	4.5%	1.6%
	<u>1.6%</u>	<u>0.4%</u>	<u>3.3%</u>	<u>0.9%</u>

1/ Excludes straight line rents and lease termination fees.

2/ Straight-line rent write-offs related to lease terminations are reflected here as a reduction of lease termination fees.

Acquisition Activity

Dollars in thousands

Name	Market	Type	Date Acquired	Square Footage	Total Cost
First quarter 2012:					
None					
Second quarter 2012:					
11000 Weston	Raleigh	O	04/27/12	178,000	\$ 20,300 1/
Third quarter 2012:					
Church Street I, II, and III	Triad	O	07/13/12	149,000	\$ 29,800 2/
Two Alliance Center	Atlanta	O	09/21/12	492,000	146,700 3/
				641,000	\$ 176,500
2012 totals				819,000	\$ 196,800

1/ We purchased our partners' 77.19% interest in this property.

2/ We closed the acquisition of Church Street I on October 18, 2012 after final lender approval. Purchase cost includes \$220K of planned near-term capital improvements.

3/ Purchase cost includes \$1.8M of planned near-term capital improvements.

Disposition Activity

Dollars in thousands

Name	Market	Type 1/	Date Sold	Square Footage	Occupancy	Gross Sales Price
First quarter 2012:						
Neptune Apartments	Kansas City	M	3/12/12	96 Units	0.0%	\$ 11,000
Second quarter 2012:						
Feather Sound	Tampa	O	4/25/12	80,000	98.8%	\$ 9,525
Third quarter 2012:						
Nashville Airport Assets	Nashville	O	7/13/12	484,000	86.1%	\$ 41,000
GSA Assets	Atlanta, Jackson (MS)	O/I	7/25/12	553,000	100.0%	86,500
One Ward Parkway	Kansas City	O	8/6/12	62,000	39.8%	6,450
				1,099,000	90.5%	\$ 133,950
2012 totals				1,179,000	91.0%	\$ 154,475

1/ The letters "M," "O," and "I" represent Multi-Family, Office, and Industrial respectively.

Development Activity

Dollars in thousands

<u>Property</u>	<u>Market</u>	<u>Type</u>	<u>Rentable Square Feet</u>	<u>Anticipated Total Investment</u>	<u>Investment As Of 9/30/2012 1/</u>	<u>Pre Leased %</u>	<u>Estimated Completion Date</u>	<u>Estimated Stabilization Date</u>
<u>In - Process</u>								
Office:								
LifePoint	Nashville	O	203,000	\$ 42,113	\$ 12,684	100%	4Q 13	4Q 13
LifePoint 2/	Nashville	O	25,000	6,287	1,017	0%	4Q 13	1Q 15
Darden Restaurants 2/	Memphis	O	18,177	7,720	203	100%	4Q 13	4Q 13
In - Process Total			<u>246,177</u>	<u>\$ 56,120</u>	<u>\$ 13,904</u>	<u>90%</u>		

For Sale Residential Condominiums

		<u>Units For Sale</u>	<u>Units Sold</u>	<u>Gross Sale Proceeds</u>	<u>Net Gain 5/</u>
PNC Condominiums 3/ 4/	Raleigh	3	136	\$ 54,656	\$ 6,318

1/ Includes tenant improvement costs and deferred lease commissions which are not classified as development in process on our Balance Sheet.

2/ Office amenity retail space.

3/ Units Sold, Gross Sale Proceeds and Net Gain are as of 10/22/12.

4/ As of 9/30/12, 134 units were sold, Gross Sale Proceeds were \$54.1 million and Net Gain was \$6.3 Million. 3Q12 Net Gain to the Company was \$81K.

5/ Gains include any forfeited deposits.

Development Land
9/30/12

Dollars in thousands

<u>Market</u>	<u>Usable Acres</u>	<u>Total Estimated Market Value</u>
Atlanta	234	\$ 32,654
Raleigh	171	37,093
Tampa	53	19,317
Greensboro	47	9,087
Richmond	31	8,233
Orlando	16	12,576
Nashville	11	6,780
Memphis	10	2,320
Baltimore	7	1,800
Kansas City	1	2,100
Total 1/	581	\$ 131,960

1/ Developable square footage on core land holdings, which constitute 518 of the total 581 acres, is approximately 5.6 million of office space and 2.7 million of industrial space.

Unconsolidated Joint Ventures Assets, Debt and Liabilities

September 30, 2012

Dollars in thousands

<u>Joint Venture</u>	<u>Type 1/</u>	<u>Own %</u>	<u>Venture's Books</u>		
			<u>Total Assets</u>	<u>Debt</u>	<u>Total Liabilities</u>
Board of Trade Investment Co.	O	49.0%	\$ 7,619	\$ -	\$ 332
Kessinger/Hunter, LLC	-	26.5%	6,520	-	1,830
4600 Madison Associates, LP	O	12.5%	12,851	9,507	10,343
Highwoods DLF 98/29, LP 3/	O	22.8%	98,134	40,676	44,430
Highwoods DLF 97/26 DLF 99/32, LP	O	42.9%	93,689	50,000	52,738
Concourse Center Associates, LLC	O	50.0%	12,234	8,175	8,239
Plaza Colonnade, LLC	O/R	50.0%	66,226	60,406	62,018
Highwoods KC Glenridge Office, LP	O	40.0%	22,793	15,378	16,459
Highwoods KC Glenridge Land, LP	O	40.0%	766	-	155
Highwoods KC Orlando, LLC	O	40.0%	191,948	128,647	136,620
Highwoods DLF Forum, LLC	O	25.0%	102,081	67,500	71,412
Lofts at Weston SPE, LLC	M	50.0%	10,457	-	1,606
Total			\$ 625,318	\$ 380,289	\$ 406,182

<u>Joint Venture</u>	<u>Type 1/</u>	<u>Own %</u>	<u>Highwoods' Share of Joint Venture</u>		
			<u>Total Assets</u>	<u>Debt</u>	<u>Total Liabilities</u>
Board of Trade Investment Co.	O	49.0%	\$ 3,733	\$ -	\$ 163
Kessinger/Hunter, LLC	-	26.5%	1,728	-	485
4600 Madison Associates, LP	O	12.5%	1,606	1,188	1,293
Highwoods DLF 98/29, LP 4/	O	22.8%	22,384	6,307	10,134
Highwoods DLF 97/26 DLF 99/32, LP	O	42.9%	40,223	21,466	22,642
Concourse Center Associates, LLC	O	50.0%	6,117	4,088	4,120
Plaza Colonnade, LLC	O/R	50.0%	33,113	30,203	31,009
Highwoods KC Glenridge Office, LP	O	40.0%	9,116	6,150	6,582
Highwoods KC Glenridge Land, LP	O	40.0%	306	-	62
Highwoods KC Orlando, LLC	O	40.0%	76,778	51,458	54,647
Highwoods DLF Forum, LLC	O	25.0%	25,518	16,874	17,852
Lofts at Weston SPE, LLC	M	50.0%	5,229	-	803
Total 2/			\$ 225,851	\$ 137,734	\$ 149,792

1/ The letters "O", "R", and "M" represent office, retail and multi-family, respectively.

2/ Highwoods' share of equity from these tables will not equal investments in unconsolidated affiliates on the Consolidated Balance Sheets due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

3/ Debt includes a \$13.0 million mortgage loan provided to the venture by Highwoods.

4/ Debt excludes our portion of a \$13.0 million mortgage loan provided to the venture by Highwoods.

Unconsolidated Joint Ventures Income

For the Three Months Ended September 30, 2012

Dollars in thousands

<u>Joint Venture</u>	<u>Venture's Books</u>					<u>Net Income/ (Loss)</u>
	<u>Own %</u>	<u>Revenue</u>	<u>Operating Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>	
Board of Trade Investment Co.	49.0%	\$ 586	\$ 420	\$ -	\$ 143	\$ 23
Kessinger/Hunter, LLC	26.5%	2,572	2,161	-	143	268
4600 Madison Associates, LP	12.5%	989	600	163	311	(85)
Highwoods DLF 98/29, LP	22.8%	3,473	1,314	628	831	700
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	3,409	1,229	476	1,001	703
Concourse Center Associates, LLC	50.0%	239	128	65	98	(52)
Plaza Colonnade, LLC	50.0%	2,899	1,079	884	611	325
Highwoods KC Glenridge Office, LP	40.0%	720	309	198	213	-
Highwoods KC Glenridge Land, LP	40.0%	-	3	-	-	(3)
Highwoods KC Orlando, LLC	40.0%	6,560	3,134	1,688	1,764	(26)
Highwoods DLF Forum, LLC	25.0%	3,607	1,247	878	1,308	174
Lofts at Weston SPE, LLC 3/	50.0%	-	-	-	-	-
Total		\$ 25,054	\$ 11,624	\$ 4,980	\$ 6,423	\$ 2,027

<u>Joint Venture</u>	<u>Highwoods' Share of Joint Venture</u>					<u>Net Income/ (Loss)</u>
	<u>Own %</u>	<u>Revenue</u>	<u>Operating Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>	
Board of Trade Investment Co.	49.0%	\$ 287	\$ 206	\$ -	\$ 70	\$ 11
Kessinger/Hunter, LLC	26.5%	682	573	-	38	71
4600 Madison Associates, LP	12.5%	124	75	21	39	(11)
Highwoods DLF 98/29, LP	22.8%	792	300	102	190	200
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	1,464	528	204	429	303
Concourse Center Associates, LLC	50.0%	119	64	33	49	(27)
Plaza Colonnade, LLC	50.0%	1,450	539	442	305	164
Highwoods KC Glenridge Office, LP	40.0%	288	124	79	86	(1)
Highwoods KC Glenridge Land, LP	40.0%	-	1	-	-	(1)
Highwoods KC Orlando, LLC	40.0%	2,624	1,254	675	706	(11)
Highwoods DLF Forum, LLC	25.0%	902	312	219	327	44
Lofts at Weston SPE, LLC 3/	50.0%	-	-	-	-	-
Total 1/ 2/		\$ 8,732	\$ 3,976	\$ 1,775	\$ 2,239	\$ 742

1/ Highwoods' share of depreciation and amortization from these tables will not equal depreciation and amortization of real estate assets for unconsolidated affiliates on the Statement of Funds from Operations due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

2/ Highwoods' share of net income/(loss) from these tables will not equal equity in earnings of unconsolidated affiliates on the Consolidated Statements of Income due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

3/ The project related to this joint venture is currently under development.

Unconsolidated Joint Ventures Income

For the Nine Months Ended September 30, 2012

Dollars in thousands

Venture's Books								
Joint Venture	Own %	Revenue	Operating Exp	Interest	Depr/Amort	Impairment	Gain on Sale	Net Income/ (Loss)
Board of Trade Investment Co.	49.0%	\$ 1,779	\$ 1,124	\$ -	\$ 429	\$ -	\$ -	\$ 226
Kessinger/Hunter, LLC	26.5%	8,498	7,482	-	429	-	-	587
4600 Madison Associates, LP	12.5%	3,004	1,805	494	934	-	-	(229)
Highwoods DLF 98/29, LP 4/	22.8%	11,097	4,336	2,375	2,774	7,180	6,275	707
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	9,139	3,654	2,013	2,903	-	-	569
Concourse Center Associates, LLC	50.0%	688	376	195	296	-	-	(179)
Plaza Colonnade, LLC	50.0%	8,637	2,912	2,660	1,834	-	-	1,231
Highwoods KC Glenridge Office, LP	40.0%	2,195	1,110	591	629	-	-	(135)
Highwoods KC Glenridge Land, LP	40.0%	-	23	-	-	-	-	(23)
Highwoods KC Orlando, LLC	40.0%	20,184	9,320	5,115	5,294	-	-	455
Highwoods DLF Forum, LLC	25.0%	10,757	3,564	2,634	3,857	-	-	702
Lofts at Weston SPE, LLC 3/	50.0%	-	-	-	-	-	-	-
Total		\$ 75,978	\$ 35,706	\$ 16,077	\$ 19,379	\$ 7,180	\$ 6,275	\$ 3,911

Highwoods' Share of Joint Venture								
Joint Venture	Own %	Revenue	Operating Exp	Interest	Depr/Amort	Impairment	Gain on Sale	Net Income/ (Loss)
Board of Trade Investment Co.	49.0%	\$ 872	\$ 551	\$ -	\$ 210	\$ -	\$ -	\$ 111
Kessinger/Hunter, LLC	26.5%	2,252	1,983	-	114	-	-	155
4600 Madison Associates, LP	12.5%	376	226	62	117	-	-	(29)
Highwoods DLF 98/29, LP	22.8%	2,531	989	304	633	1,002	-	(397)
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	3,924	1,569	864	1,246	-	-	245
Concourse Center Associates, LLC	50.0%	344	188	98	148	-	-	(90)
Plaza Colonnade, LLC	50.0%	4,319	1,456	1,330	917	-	-	616
Highwoods KC Glenridge Office, LP	40.0%	878	444	236	252	-	-	(54)
Highwoods KC Glenridge Land, LP	40.0%	-	9	-	-	-	-	(9)
Highwoods KC Orlando, LLC	40.0%	8,073	3,728	2,046	2,118	-	-	181
Highwoods DLF Forum, LLC	25.0%	2,689	891	658	964	-	-	176
Lofts at Weston SPE, LLC 3/	50.0%	-	-	-	-	-	-	-
Total 1/ 2/		\$ 26,258	\$ 12,034	\$ 5,598	\$ 6,719	\$ 1,002	\$ -	\$ 905

1/ Highwoods' share of depreciation and amortization from these tables will not equal depreciation and amortization of real estate assets for unconsolidated affiliates on the Statement of Funds from Operations due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

2/ Highwoods' share of net income/(loss) from these tables will not equal equity in earnings of unconsolidated affiliates on the Consolidated Statements of Income due to various purchase accounting and related adjustments, which are not reflected in the joint ventures' stand-alone financial statements.

3/ The project related to this joint venture is currently under development.

4/ The gain on sale relates to an office property purchased by Highwoods and therefore the Company's share of the gain is deferred.

Unconsolidated Joint Ventures Mortgage Debt Detail 1/

Dollars in thousands

<u>Joint Venture</u>	<u>Own %</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Loan Balance 9/30/12</u>
Plaza Colonnade, LLC	50.0%	Met Life	5.72%	Jan-17	\$ 44,901
Plaza Colonnade, LLC	50.0%	Tax Incremental Financing	5.90%	Mar-24	12,345
Plaza Colonnade, LLC	50.0%	Tax Incremental Financing	6.00%	Mar-16	3,160
			5.77%		60,406
Highwoods KC Orlando, LLC	40.0%	Met Life	5.21%	Jul-14	128,647
Highwoods DLF Forum, LLC	25.0%	Jackson National Life Insurance Company	5.13%	Nov-13	67,500
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	Jackson National Life Insurance Company	3.45%	Apr-15	50,000
Highwoods DLF 98/29, LP	22.8%	Highwoods Properties, Inc.	5.24%	Dec-12	13,026
Highwoods DLF 98/29, LP	22.8%	Goldman Sachs	6.11%	Jul-17	27,650
Highwoods KC Glenridge Office	40.0%	Wells Fargo	4.84%	May-14	15,378
4600 Madison Associates, LLC	12.5%	State Farm	6.85%	Apr-18	9,507
Concourse Center Associates, LLC	50.0%	Wells Fargo	2.75%	Jul-13	8,175
			4.96%		319,883
			<u>5.09%</u>		<u>\$ 380,289</u>
Highwoods' share of the above					<u>\$ 137,734</u>

1/ Excludes loans related to two "consolidated" joint ventures.

Joint Ventures Portfolio Summary 1/

As of September 30, 2012

Summary by Location:

<u>Market</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Annualized Cash Revenue 2/ 3/</u>
Orlando	1,854,000	83.2%	40.6%
Kansas City	719,000	83.0%	18.7%
Atlanta	840,000	80.2%	14.5%
Raleigh	635,000	94.4%	10.9%
Richmond	411,000	97.8%	10.3%
Piedmont Triad	258,000	77.8%	1.9%
Tampa	205,000	73.1%	1.8%
Charlotte	148,000	100.0%	1.3%
Total 4/	<u>5,070,000</u>	<u>85.1%</u>	<u>100.0%</u>

1/ Highwoods' in-service joint venture portfolio consists of office properties exclusively.

2/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

3/ Annualized Cash Revenue is based on Highwoods' share only.

4/ Includes 618,000 square feet of properties in joint ventures that are consolidated.

Joint Ventures Lease Expirations

September 30, 2012

Dollars in thousands

<u>Year</u>	<u>Rentable Square Feet Expiring 1/</u>	<u>Percent of Rentable Square Feet 1/</u>	<u>Annualized Cash Revenue 2/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 2/</u>
Total					
2012	79,380	1.8%	\$ 1,274	\$ 16.05	1.4%
2013	520,467	12.1%	8,904	17.11	9.7%
2014	588,550	13.6%	14,137	24.02	15.3%
2015	761,765	17.7%	16,132	21.18	17.5%
2016	365,947	8.5%	7,578	20.71	8.2%
2017	807,010	18.7%	19,982	24.76	21.7%
2018	293,909	6.8%	4,919	16.74	5.3%
2019	292,838	6.8%	5,615	19.17	6.1%
2020	87,538	2.0%	2,022	23.10	2.2%
2021	185,339	4.3%	4,171	22.50	4.5%
2022 and thereafter	331,478	7.7%	7,424	22.40	8.1%
	<u>4,314,221</u>	<u>100.0%</u>	<u>\$ 92,158</u>	<u>\$ 21.36</u>	<u>100.0%</u>

1/ Includes square feet expiring in properties in joint ventures that are consolidated.

2/ Annualized Cash Revenue is September, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Joint Venture Acquisition and Disposition Activity

Dollars in thousands

Acquisitions

<u>Name</u>	<u>Own %</u>	<u>Market</u>	<u>Type</u>	<u>Date Acquired</u>	<u>Square Footage</u>	<u>Total Cost</u>
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First quarter 2012:

None

Second quarter 2012:

None

Third quarter 2012:

None

Dispositions

<u>Name</u>	<u>Own %</u>	<u>Market</u>	<u>Type</u>	<u>Date Sold</u>	<u>Square Footage</u>	<u>Occupancy</u>	<u>Gross Sales Price</u>
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First quarter 2012:

None

Second quarter 2012:

None

Third quarter 2012:

None

Joint Venture Development Activity

Dollars in thousands

<u>In Progress</u>								
<u>Property</u>	<u>% Ownership</u>	<u>Market</u>	<u>Rentable Square Feet</u>	<u>Anticipated Total Investment</u>	<u>Investment As Of 09/30/12</u>	<u>Pre- Leasing</u>	<u>Estimated Completion Date</u>	<u>Estimated Stabilization Date</u>
Weston Lofts 1/	50%	Raleigh	215 units	\$ 25,852	\$ 10,457	0%	4Q 13	1Q 14
In Progress Total				<u>\$ 25,852</u>	<u>\$ 10,457</u>			
Highwoods' Share of above				<u>\$ 12,926</u>	<u>\$ 5,229</u>			

1/ Estimated completion date is the date the last unit is expected to be delivered. Estimated Stabilization date is when lease-up is expected to exceed 95%