



Supplemental Information
March 31, 2012

Supplemental Information
Table of Contents
March 31, 2012

Schedule	Page
Summary and Corporate Information	i, ii and iii
Consolidated Statements of Income	1
Funds from Operations and Additional Information	2
Consolidated Balance Sheets	3
Components of Net Asset Value	4
Components of Discontinued Operations	5
Capitalization	6
Mortgages and Notes Payable Summary	7
Mortgages and Notes Payable Detail	8
Portfolio Summary	9, 10 and 11
Occupancy Trends	12
Leasing Statistics	13, 14 and 15
Leasing Statistics by Market	16
Rental Rate Comparisons by Market	17
Lease Expirations	18 and 19
Office Lease Expirations by Market by Quarter	20
Industrial Lease Expirations by Market by Quarter	21
Office Lease Expirations by Market by Year	22
Industrial Lease Expirations by Market by Year	23
Customer Diversification	24
Same Property Performance	25
Acquisition Activity	26
Disposition Activity	27
Development Activity	28
Development Land	29
Unconsolidated Joint Ventures Assets, Debt and Liabilities	30
Unconsolidated Joint Ventures Income	31
Unconsolidated Joint Ventures Long-Term Debt Detail	32
Joint Ventures Portfolio Summary	33
Joint Ventures Lease Expirations	34
Joint Venture Acquisition and Disposition Activity	35
Joint Venture Development Activity	36

The information within refers to all Highwoods Properties' wholly-owned entities, except pages 30 to 36, 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 first 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 first quarter earnings press release.

Summary

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

	Three Months Ended				
	03/31/12	12/31/11	09/30/11	06/30/11	03/31/11
Shares and units:					
Common Shares outstanding at end of period	73,609	72,648	72,579	72,399	72,130
Common Units outstanding at end of period	3,728	3,730	3,751	3,775	3,788
Weighted average Common Shares outstanding - basic	72,836	72,592	72,492	72,211	71,817
Weighted average Common Shares outstanding - diluted	76,696	76,427	76,402	76,197	75,792
Share price:					
At end of period	\$ 33.32	\$ 29.67	\$ 28.26	\$ 33.13	\$ 35.01
High during period	33.90	32.27	35.15	37.51	35.15
Low during period	29.34	25.64	26.43	31.71	31.25
Financial information:					
Lease termination income 1/	\$ 879	\$ 817	\$ 690	\$ 26	\$ 266
Straight line rental income 1/	5,922	4,313	2,816	2,788	3,492
Capitalized interest	101	76	169	137	207
Property acquisition costs	-	(113)	(4,260)	(37)	(37)
Loss on debt extinguishment	-	-	-	(24)	-
Land sale gains	-	302	262	200	-
Gains/(losses) on for-sale residential condominiums	65	6	(476)	116	38
Gains on disposition of depreciable properties	5,134	-	2,573	-	-
Gains on disposition of investment in unconsolidated affiliates	-	-	2,282	-	-
Impairment of real estate assets 2/	(1,002)	-	(2,429)	-	-
Excess of Preferred Stock redemption/repurchase cost over carrying value	-	-	-	(1,895)	-
Funds from operations per share - diluted	\$ 0.70	\$ 0.70	\$ 0.59	\$ 0.60	\$ 0.61
Funds from operations per share - diluted, excluding certain items 3/	\$ 0.70	\$ 0.70	\$ 0.65	\$ 0.63	\$ 0.61
Wholly - owned property information:					
In-Service rentable square feet:					
Office	22,617	22,612	22,554	20,642	20,446
Industrial	5,827	5,827	5,827	5,827	5,827
Retail	853	853	853	853	854
Total	<u>29,297</u>	<u>29,292</u>	<u>29,234</u>	<u>27,322</u>	<u>27,127</u>
In-Service occupancy:					
Office	89.6%	89.2%	88.7%	89.6%	89.9%
Industrial	91.8%	91.6%	90.0%	90.4%	89.8%
Retail	97.6%	98.7%	98.5%	93.3%	94.9%
Total	<u>90.2%</u>	<u>90.0%</u>	<u>89.3%</u>	<u>89.9%</u>	<u>90.1%</u>

1/ Straight line rent 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 impairment of real estate assets recorded by an unconsolidated joint venture.

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

Corporate Information

Board of Directors

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Gene H. Anderson
Edward J. Fritsch
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 Esleack

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, Strategy

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

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Steven L. Guinn, Vice President

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Steven J. Garrity, Vice President

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E. F. "Rick" Dehnert, Vice President

Pittsburgh, PA

*Michael E. Harris, Executive Vice President and
Chief Operating Officer*

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

RBC Capital Markets

Dave Rodgers - 440-715-2647

RW Baird

David AuBuchon - 314-445-6520

Stifel Nicolaus

John Guinee - 443-224-1307

Erin Aslakson - 443-224-1350

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Brendan Maiorana - 443-263-6516

Corporate Headquarters

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Stock Exchange

NYSE Trading Symbol: HIW

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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 March 31, 2012, the Company owned or had an interest in 338 in-service office, industrial and retail properties encompassing approximately 34.5 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, Mississippi, 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

Amounts in thousands, except per share amounts

	Three Months Ended				
	03/31/12	12/31/11	09/30/11	06/30/11	03/31/11
Rental and other revenues	\$ 129,943	\$ 128,340	\$ 121,681	\$ 116,585	\$ 114,351
Operating expenses:					
Rental property and other expenses	46,124	47,633	45,794	40,906	40,934
Depreciation and amortization	38,362	39,378	36,155	33,256	33,556
Impairment of real estate assets	-	-	2,429	-	-
General and administrative	9,673	7,744	12,212	7,978	7,793
Total operating expenses	<u>94,159</u>	<u>94,755</u>	<u>96,590</u>	<u>82,140</u>	<u>82,283</u>
Interest expense:					
Contractual	23,948	23,111	23,356	22,940	22,431
Amortization of deferred financing costs	902	864	806	821	821
Financing obligations	(48)	184	228	146	291
	<u>24,802</u>	<u>24,159</u>	<u>24,390</u>	<u>23,907</u>	<u>23,543</u>
Other income:					
Interest and other income	2,230	2,110	1,505	1,899	1,873
Loss on debt extinguishment	-	-	-	(24)	-
	<u>2,230</u>	<u>2,110</u>	<u>1,505</u>	<u>1,875</u>	<u>1,873</u>
Income from continuing operations before disposition of property, condominiums and investment in unconsolidated affiliates and equity in earnings/(losses) of unconsolidated affiliates	13,212	11,536	2,206	12,413	10,398
Gains on disposition of property	-	302	262	200	-
Gains/(losses) on for-sale residential condominiums	65	6	(476)	116	38
Gains on disposition of investment in unconsolidated affiliates	-	-	2,282	-	-
Equity in earnings/(losses) of unconsolidated affiliates	(162)	945	1,113	1,353	1,467
Income from continuing operations	13,115	12,789	5,387	14,082	11,903
Discontinued operations:					
Income from discontinued operations	83	61	284	352	540
Net gains on disposition of discontinued operations	5,134	-	2,573	-	-
	<u>5,217</u>	<u>61</u>	<u>2,857</u>	<u>352</u>	<u>540</u>
Net income	18,332	12,850	8,244	14,434	12,443
Net (income) attributable to noncontrolling interests in the Operating Partnership	(827)	(595)	(366)	(623)	(507)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(184)	(201)	(249)	(182)	(123)
Dividends on Preferred Stock	(627)	(627)	(627)	(1,622)	(1,677)
Excess of Preferred Stock redemption/repurchase cost over carrying value	-	-	-	(1,895)	-
Net income available for common stockholders	\$ 16,694	\$ 11,427	\$ 7,002	\$ 10,112	\$ 10,136
Earnings per Common Share – basic:					
Income from continuing operations available for common stockholders	\$ 0.16	\$ 0.16	\$ 0.06	\$ 0.14	\$ 0.13
Income from discontinued operations available for common stockholders	0.07	-	0.04	-	0.01
Net income available for common stockholders	<u>\$ 0.23</u>	<u>\$ 0.16</u>	<u>\$ 0.10</u>	<u>\$ 0.14</u>	<u>\$ 0.14</u>
Weighted average Common Shares outstanding - basic	<u>72,836</u>	<u>72,592</u>	<u>72,492</u>	<u>72,211</u>	<u>71,817</u>
Earnings per Common Share - diluted:					
Income from continuing operations available for common stockholders	\$ 0.16	\$ 0.16	\$ 0.06	\$ 0.14	\$ 0.13
Income from discontinued operations available for common stockholders	0.07	-	0.04	-	0.01
Net income available for common stockholders	<u>\$ 0.23</u>	<u>\$ 0.16</u>	<u>\$ 0.10</u>	<u>\$ 0.14</u>	<u>\$ 0.14</u>
Weighted average Common Shares outstanding - diluted	<u>76,696</u>	<u>76,427</u>	<u>76,402</u>	<u>76,197</u>	<u>75,792</u>
Dividends declared per Common Share	\$ 0.425	\$ 0.425	\$ 0.425	\$ 0.425	\$ 0.425
Net income available for common stockholders:					
Income from continuing operations available for common stockholders	\$ 11,733	\$ 11,369	\$ 4,287	\$ 9,778	\$ 9,623
Income from discontinued operations available for common stockholders	4,961	58	2,715	334	513
Net income available for common stockholders	<u>\$ 16,694</u>	<u>\$ 11,427</u>	<u>\$ 7,002</u>	<u>\$ 10,112</u>	<u>\$ 10,136</u>

Funds from Operations and Additional Information

Amounts in thousands, except per share amounts

	Three Months Ended				
	03/31/12	12/31/11	09/30/11	06/30/11	03/31/11
Funds from operations:					
Net income	\$ 18,332	\$ 12,850	\$ 8,244	\$ 14,434	\$ 12,443
Net (income) attributable to noncontrolling interests in consolidated affiliates	(184)	(201)	(249)	(182)	(123)
Depreciation and amortization of real estate assets	37,820	38,823	35,638	32,797	33,122
Impairment of real estate assets	-	-	2,429	-	-
Unconsolidated affiliates:					
Depreciation and amortization of real estate assets	2,098	2,196	2,066	2,033	2,093
Impairment of real estate assets	1,002	-	-	-	-
Discontinued operations:					
Depreciation and amortization of real estate assets	153	174	165	206	256
(Gains) on disposition of depreciable properties	(5,134)	-	(2,573)	-	-
Funds from operations	54,087	53,842	45,720	49,288	47,791
Dividends on Preferred Stock	(627)	(627)	(627)	(1,622)	(1,677)
Excess of Preferred Stock redemption/repurchase cost over carrying value	-	-	-	(1,895)	-
Funds from operations available for common stockholders	\$ 53,460	\$ 53,215	\$ 45,093	\$ 45,771	\$ 46,114
Funds from operations available for common stockholders per share	\$ 0.70	\$ 0.70	\$ 0.59	\$ 0.60	\$ 0.61
Weighted average shares outstanding	76,696	76,427	76,402	76,197	75,792
Additional information: 1/					
Funds from operations per share, excluding certain items 2/	\$ 0.70	\$ 0.70	\$ 0.65	\$ 0.63	\$ 0.61
Funds from operations available for common stockholders, excluding certain items 2/	\$ 53,460	\$ 53,328	\$ 49,353	\$ 47,727	\$ 46,151
Straight line rental income	\$ (5,922)	\$ (4,313)	\$ (2,816)	\$ (2,788)	\$ (3,492)
Amortization of lease incentives	343	362	368	303	338
Depreciation of non-real estate assets	391	398	363	306	286
Ground lease straight line rent expense	23	22	28	26	30
Share-based compensation expense	2,422	1,323	1,318	1,427	2,026
Amortization of deferred financing costs	902	864	806	821	821
Amortization of accumulated other comprehensive loss	(33)	(30)	(30)	(29)	(29)
Amortization of Harborview financing obligation	(406)	(389)	(368)	(345)	(328)
Amortization of above/below market leases	(274)	(263)	11	166	161
Non-incremental revenue generating capital expenditures incurred: 3/					
Building improvements	(1,759)	(7,838)	(1,997)	(1,137)	(1,427)
2nd generation tenant improvements	(11,961)	(16,054)	(9,517)	(7,408)	(8,515)
2nd generation lease commissions	(3,037)	(5,101)	(4,983)	(3,066)	(3,870)
Common dividends and unit distributions paid	(32,545)	(32,440)	(32,434)	(32,263)	(32,021)

1/ Increase or (decrease) to cash flows.

2/ Excludes 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

	<u>03/31/12</u>	<u>12/31/11</u>
Assets:		
Real estate assets, at cost:		
Land	\$ 368,122	\$ 367,870
Buildings and tenant improvements	3,137,658	3,127,984
Land held for development	<u>105,206</u>	<u>105,206</u>
	3,610,986	3,601,060
Less-accumulated depreciation	<u>(911,512)</u>	<u>(895,777)</u>
Net real estate assets	2,699,474	2,705,283
For-sale residential condominiums	3,808	4,751
Real estate and other assets, net, held for sale	7,556	13,260
Cash and cash equivalents	12,215	11,188
Restricted cash	20,753	26,666
Accounts receivable, net of allowance of \$3,413 and \$3,548, respectively	27,230	30,093
Mortgages and notes receivable, net of allowance of \$122 and \$61, respectively	17,119	18,600
Accrued straight-line rents receivable, net of allowance of \$1,420 and \$1,294, respectively	110,977	105,611
Investment in and advances to unconsolidated affiliates	99,062	100,367
Deferred financing and leasing costs, net of accumulated amortization of \$67,662 and \$63,059, respectively	129,204	128,390
Prepaid expenses and other assets	<u>43,042</u>	<u>36,783</u>
Total Assets	<u>\$ 3,170,440</u>	<u>\$ 3,180,992</u>
Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:		
Mortgages and notes payable	\$ 1,903,978	\$ 1,903,213
Accounts payable, accrued expenses and other liabilities	122,545	148,821
Financing obligations	<u>31,110</u>	<u>31,444</u>
Total Liabilities	2,057,633	2,083,478
Commitments and Contingencies		
Noncontrolling interests in the Operating Partnership	124,201	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;		
73,608,571 and 72,647,697 shares issued and outstanding, respectively	736	726
Additional paid-in capital	1,818,750	1,803,997
Distributions in excess of net income available for common stockholders	(860,120)	(845,853)
Accumulated other comprehensive loss	<u>(4,376)</u>	<u>(5,734)</u>
Total Stockholders' Equity	984,067	982,213
Noncontrolling interests in consolidated affiliates	<u>4,539</u>	<u>4,646</u>
Total Equity	988,606	986,859
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	<u>\$ 3,170,440</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
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Other income

Development, leasing and management fees	\$	4,173
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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>Three Months Ended</i>				
	<u>03/31/12</u>	<u>12/31/11</u>	<u>09/30/11</u>	<u>06/30/11</u>	<u>03/31/11</u>
Rental and other revenues	\$ 429	\$ 390	\$ 885	\$ 973	\$ 1,241
Operating expenses:					
Rental property and other expenses	193	155	436	415	445
Depreciation and amortization	153	174	165	206	256
Total operating expenses	<u>346</u>	<u>329</u>	<u>601</u>	<u>621</u>	<u>701</u>
Income from discontinued operations	83	61	284	352	540
Net gains on disposition of discontinued operations	5,134	-	2,573	-	-
Total discontinued operations	<u>\$ 5,217</u>	<u>\$ 61</u>	<u>\$ 2,857</u>	<u>\$ 352</u>	<u>\$ 540</u>

Capitalization

Dollars, shares, and units in thousands

	<u>03/31/12</u>	<u>12/31/11</u>	<u>09/30/11</u>	<u>06/30/11</u>	<u>03/31/11</u>
Mortgages and Notes Payable (see pages 7 & 8):	\$ 1,903,978	\$ 1,903,213	\$ 1,893,981	\$ 1,615,068	\$ 1,552,577
Financing Obligations:	\$ 31,110	\$ 31,444	\$ 32,775	\$ 32,869	\$ 33,040
Preferred Stock (at liquidation value):					
Series A 8 5/8% Cumulative Redeemable	\$ 29,077	\$ 29,077	\$ 29,077	\$ 29,087	\$ 29,092
Series B 8% Cumulative Redeemable	-	-	-	-	52,500
Total Preferred Stock	\$ 29,077	\$ 29,077	\$ 29,077	\$ 29,087	\$ 81,592
Common Shares and Units Outstanding:					
Common stock outstanding	73,609	72,648	72,579	72,399	72,130
Noncontrolling interest partnership units	3,728	3,730	3,751	3,775	3,788
Total Common Shares and Units outstanding	77,337	76,378	76,330	76,174	75,918
Stock price at period end	\$ 33.32	\$ 29.67	\$ 28.26	\$ 33.13	\$ 35.01
Market value of common equity	\$ 2,576,869	\$ 2,266,135	\$ 2,157,086	\$ 2,523,645	\$ 2,657,889
Total market capitalization with debt and obligations	\$ 4,541,034	\$ 4,229,869	\$ 4,112,919	\$ 4,200,669	\$ 4,325,098

See pages 30 to 36 for information regarding Highwoods' Joint Ventures.

Mortgages and Notes Payable Summary

Dollars in thousands

	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>	<u>6/30/11</u>	<u>3/31/11</u>
Balances Outstanding:					
Secured:					
Conventional fixed rate 1/	\$ 694,675	\$ 697,940	\$ 885,737	\$ 696,454	\$ 699,392
Variable rate debt	<u>52,109</u>	<u>52,109</u>	<u>52,109</u>	<u>52,109</u>	<u>52,109</u>
Secured total	<u>746,784</u>	<u>750,049</u>	<u>937,846</u>	<u>748,563</u>	<u>751,501</u>
Unsecured:					
Fixed rate bonds and notes	591,194	591,164	591,135	591,105	591,076
Bank term loan - 2016	200,000	200,000	200,000	200,000	210,000
Bank term loan - 2019	225,000 2/	-	-	-	-
Credit facility	<u>141,000</u>	<u>362,000</u>	<u>165,000</u>	<u>75,400</u>	<u>-</u>
Unsecured total	<u>1,157,194</u>	<u>1,153,164</u>	<u>956,135</u>	<u>866,505</u>	<u>801,076</u>
Total	<u>\$ 1,903,978</u>	<u>\$ 1,903,213</u>	<u>\$ 1,893,981</u>	<u>\$ 1,615,068</u>	<u>\$ 1,552,577</u>

End of Period Weighted Average Interest Rates:

Secured:					
Conventional fixed rate	5.84%	5.84%	6.09%	6.52%	6.52%
Variable rate debt	<u>1.10%</u>	<u>1.14%</u>	<u>1.09%</u>	<u>1.04%</u>	<u>1.11%</u>
Secured total	<u>5.51%</u>	<u>5.51%</u>	<u>5.81%</u>	<u>6.14%</u>	<u>6.14%</u>
Unsecured:					
Fixed rate bonds	6.41%	6.41%	6.41%	6.41%	6.41%
Bank term loan - 2016	2.45%	2.49%	2.44%	2.40%	2.52%
Bank term loan - 2019	3.58% 2/	-	-	-	-
Credit facility	<u>1.74%</u>	<u>1.78%</u>	<u>1.73%</u>	<u>3.21%</u>	<u>3.14%</u> 3/
Unsecured total	<u>4.61%</u>	<u>4.28%</u>	<u>4.77%</u>	<u>5.20%</u>	<u>5.39%</u>
Weighted Average	<u>4.96%</u>	<u>4.76%</u>	<u>5.29%</u>	<u>5.64%</u>	<u>5.75%</u>

Maturity Schedule:

Year	<u>Secured Debt 4/</u>	<u>Unsecured Debt</u>	<u>Total Debt 4/</u>	<u>Average Interest Rate</u>
2012	\$ 73,040	\$ -	\$ 73,040	2.52%
2013	244,191	-	244,191	5.89%
2014	101,571	-	101,571	5.34%
2015	39,963	141,000 5/	180,963	2.78%
2016	165,078	200,000	365,078	4.55%
2017	122,941	391,194	514,135	5.46%
2018	-	200,000	200,000	7.50%
2019	-	225,000	225,000	3.58%
2020	-	-	-	-
2021	-	-	-	-
Total maturities	<u>\$ 746,784</u>	<u>\$ 1,157,194</u>	<u>\$ 1,903,978</u>	<u>4.96%</u>

Weighted average maturity = 4.2 years

1/ Includes a \$20.9 million loan related to a consolidated 20% owned joint venture (Harborview) and \$33.8 million in loans at March 31, 2012 related to a consolidated 50% joint venture (Markel).

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

3/ No balances were outstanding at March 31, 2011.

4/ All periods exclude annual principal amortization.

5/ Maturity does not reflect one-year extension option related to \$141.0 million of unsecured debt (Credit Facility).

Mortgages and Notes Payable Detail

Dollars in thousands

Secured Loans			Loan Balance	Undepreciated Book Value of Real Estate
Lender	Rate	Maturity Date	3/31/12	Assets Secured
Northwestern Mutual	6.03%	Mar-13	\$ 124,523	\$ 189,204
Wells Fargo Bank, N.A. 1/ 2/	4.22%	Nov-17	122,941	213,700
New York Life Insurance Company	6.88%	Jan-16	111,733	218,296
Massachusetts Mutual Life Ins. Co. 3/	5.68%	Dec-13	109,596	214,160
Metropolitan Life Ins. Co. 4/ 2/	5.12%	Jan-14	67,758	109,314
PNC/Regions/Union Bank/U.S. Bank 5/	1.10%	Dec-12	52,109	54,367
Western-Southern Life Assurance Company	7.50%	Aug-16	46,055	72,849
Bank of America 6/ 2/	6.43%	Nov-15	39,963	52,600
Metropolitan Life Ins. Co. 7/	6.06%	Oct-12	20,932	39,572
Principal Life Insurance Company 8/	5.79%	Jan-14	10,365	13,134
Principal Life Insurance Company 8/	5.79%	Jan-14	10,365	18,872
Massachusetts Mutual Life Ins. Co. 3/	6.48%	Dec-13	9,860	
Principal Life Insurance Company 8/	5.74%	Jan-14	8,169	14,614
State Farm Life Insurance	7.65%	Feb-16	7,291	15,243
Principal Life Insurance Company 8/	5.89%	Jan-14	4,914	7,514
American United Life	9.00%	Jun-13	210	3,908
	5.51%		746,784	\$ 1,237,347
Unsecured Bonds				
Bonds	5.85%	Mar-17	391,194	
Bonds	7.50%	Apr-18	200,000	
	6.41%		591,194	
Unsecured Loans				
Credit facility 5/ 9/	1.74%	Jul-15	141,000	
Bank term loan 10/	3.58%	Jan-19	225,000	
Bank term loan 5/	2.45%	Feb-16	200,000	
	2.72%		566,000	
Total Debt	4.96%		\$ 1,903,978	

Revolving Credit Facility

Name of Lender	Amount		Unfunded
	Total Commitment	Outstanding 3/31/12	Commitment 3/31/12
Bank of America, N.A.	\$ 75,000	\$ 22,263	\$ 52,737
PNC Bank, N.A.	75,000	22,263	52,737
Wells Fargo Bank, N.A.	55,000	16,326	38,674
Branch Banking and Trust Co.	50,000	14,842	35,158
US Bank	36,000	10,686	25,314
Regions Bank	32,000	9,499	22,501
Union Bank, N.A.	32,000	9,499	22,501
Capital One	25,000	7,421	17,579
Comerica Bank	25,000	7,421	17,579
Morgan Stanley	25,000	7,421	17,579
Fifth Third Bank	15,000	4,453	10,547
First Tennessee Bank	15,000	4,453	10,547
Royal Bank of Canada	15,000	4,453	10,547
	\$ 475,000	\$ 141,000	\$ 334,000

1/ This loan's stated interest rate is 5.19% related to outstanding principal of \$118.1 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/ Floating rate loans based on one month LIBOR.

6/ This loan's stated interest rate is 5.17% related to outstanding principal of \$41.7 million.

7/ Loan relates to a consolidated 20% owned joint venture (Harborview).

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

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

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)

Office Industrial & Retail	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>	<u>6/30/11</u>	<u>3/31/11</u>
In-Service:					
Office	22,617,000	22,612,000	22,554,000	20,642,000	20,446,000
Industrial	5,827,000	5,827,000	5,827,000	5,827,000	5,827,000
Retail 2/	853,000	853,000	853,000	853,000	854,000
Total 3/	<u>29,297,000</u>	<u>29,292,000</u>	<u>29,234,000</u>	<u>27,322,000</u>	<u>27,127,000</u>
Development Completed - Not Stabilized:					
Office	117,000	117,000	117,000	117,000	265,000
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>117,000</u>	<u>117,000</u>	<u>117,000</u>	<u>117,000</u>	<u>265,000</u>
Development - In Process:					
Office	228,000	228,000	60,000	60,000	60,000
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>228,000</u>	<u>228,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
Total:					
Office	22,962,000	22,957,000	22,731,000	20,819,000	20,771,000
Industrial	5,827,000	5,827,000	5,827,000	5,827,000	5,827,000
Retail 2/	853,000	853,000	853,000	853,000	854,000
Total 3/	<u>29,642,000</u>	<u>29,637,000</u>	<u>29,411,000</u>	<u>27,499,000</u>	<u>27,452,000</u>
Same Property					
Office	20,237,000	20,237,000	20,237,000	20,237,000	20,237,000
Industrial	5,827,000	5,827,000	5,827,000	5,827,000	5,827,000
Retail	853,000	853,000	853,000	853,000	853,000
Total	<u>26,917,000</u>	<u>26,917,000</u>	<u>26,917,000</u>	<u>26,917,000</u>	<u>26,917,000</u>
Percent Occupied:					
In-Service:					
Office	89.6%	89.2%	88.7%	89.6%	89.9%
Industrial	91.8%	91.6%	90.0%	90.4%	89.8%
Retail	97.6%	98.7%	98.5%	93.3%	94.9%
Total	<u>90.2%</u>	<u>90.0%</u>	<u>89.3%</u>	<u>89.9%</u>	<u>90.1%</u>
Same Property					
Office	90.3%	90.0%	89.6%	89.9%	89.8%
Industrial	91.8%	91.6%	90.0%	90.4%	89.8%
Retail	97.6%	98.7%	98.6%	93.2%	95.0%
Total	<u>90.8%</u>	<u>90.6%</u>	<u>90.0%</u>	<u>90.1%</u>	<u>90.0%</u>
Percent Leased/Pre-Leased:					
Development Completed - Not Stabilized:					
Office	100.0%	100.0%	100.0%	100.0%	23.5%
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>23.5%</u>
Development - In Process:					
Office	89.0%	88.9%	100.0%	100.0%	100.0%
Industrial	-	-	-	-	-
Retail	-	-	-	-	-
Total	<u>89.0%</u>	<u>88.9%</u>	<u>100.0%</u>	<u>100.0%</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.

Portfolio Summary

(Continued)

As of March 31, 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/	4,246,000	88.9%	15.4%	-	-	15.4%
Atlanta	6,382,000	91.2%	11.1%	3.4%	-	14.5%
Tampa	2,879,000	91.2%	13.3%	-	-	13.3%
Nashville	3,094,000	94.6%	13.2%	-	-	13.2%
Kansas City	1,504,000 4/	89.5%	2.8%	-	6.6%	9.4%
Richmond	2,229,000	93.2%	8.1%	-	-	8.1%
Memphis	2,072,000	85.3%	7.9%	-	-	7.9%
Pittsburgh	1,540,000	83.3%	6.8%	-	-	6.8%
Piedmont Triad 5/	4,038,000	90.1%	4.1%	2.6%	-	6.7%
Greenville	897,000	88.5%	2.9%	-	-	2.9%
Orlando	416,000	91.7%	1.8%	-	-	1.8%
Total	29,297,000	90.2%	87.4%	6.0%	6.6%	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	5,059,000	89.9%	15.3%	-	-	15.3%
Atlanta	7,222,000	89.2%	11.0%	3.1%	-	14.1%
Tampa	3,084,000	88.6%	12.7%	-	-	12.7%
Nashville	3,094,000	94.6%	12.4%	-	-	12.4%
Kansas City	2,223,000 4/	87.7%	3.8%	-	6.2%	10.0%
Richmond	2,641,000	94.0%	8.2%	-	-	8.2%
Memphis	2,072,000	85.3%	7.4%	-	-	7.4%
Pittsburgh	1,540,000	83.3%	6.4%	-	-	6.4%
Piedmont Triad	4,295,000	87.3%	3.9%	2.5%	-	6.4%
Orlando	2,272,000	83.6%	4.3%	-	-	4.3%
Greenville	897,000	88.5%	2.7%	-	-	2.7%
Charlotte	148,000	100.0%	0.1%	-	-	0.1%
Total	34,547,000	88.9%	88.2%	5.6%	6.2%	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 March, 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 33.

Portfolio Summary - Wholly-Owned Properties Only

(Continued)

As of March 31, 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	4,246,000	88.9%	17.7%	-	-	-
Tampa	2,879,000	91.2%	15.2%	-	-	-
Nashville	3,094,000	94.6%	15.1%	-	-	-
Atlanta	3,100,000	91.8%	12.7%	3,282,000	90.7%	56.1%
Richmond	2,229,000	93.2%	9.2%	-	-	-
Memphis	2,072,000	85.3%	9.0%	-	-	-
Pittsburgh	1,540,000	83.3%	7.8%	-	-	-
Piedmont Triad	1,493,000	85.0%	4.6%	2,545,000	93.2%	43.9%
Greenville	897,000	88.5%	3.4%	-	-	-
Kansas City	651,000	78.9%	3.2%	-	-	-
Orlando	416,000	91.7%	2.1%	-	-	-
	<u>22,617,000</u>	<u>89.6%</u>	<u>100.0%</u>	<u>5,827,000</u>	<u>91.8%</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	97.6%	100.0%
	<u>853,000</u>	<u>97.6%</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 March, 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>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11</u>	<u>6/30/11</u>	<u>3/31/11</u>
Atlanta	Rentable Square Feet	6,382,000	6,378,000	6,318,000	5,815,000	5,815,000
	Occupancy	91.2%	90.1%	89.9%	90.2%	90.3%
	Current Properties 2/	91.3%	90.2%	90.1%	90.1%	90.2%
Greenville	Rentable Square Feet	897,000	897,000	897,000	898,000	898,000
	Occupancy	88.5%	89.6%	90.2%	88.1%	86.6%
	Current Properties 2/	88.5%	89.6%	90.2%	88.2%	86.6%
Kansas City 3/	Rentable Square Feet	1,504,000	1,504,000	1,504,000	1,504,000	1,505,000
	Occupancy	89.5%	90.5%	90.2%	86.9%	89.4%
	Current Properties 2/	89.5%	90.5%	90.2%	86.9%	89.4%
Memphis	Rentable Square Feet	2,072,000	2,072,000	2,072,000	2,068,000	1,920,000
	Occupancy	85.3%	85.6%	84.5%	85.5%	89.9%
	Current Properties 2/	88.0%	88.4%	87.8%	89.8%	89.7%
Nashville	Rentable Square Feet	3,094,000	3,094,000	3,094,000	3,094,000	3,094,000
	Occupancy	94.6%	94.1%	92.4%	90.3%	89.5%
	Current Properties 2/	94.6%	94.1%	92.4%	90.3%	89.5%
Orlando	Rentable Square Feet	416,000	416,000	416,000	416,000	416,000
	Occupancy	91.7%	90.6%	91.4%	84.4%	84.8%
	Current Properties 2/	91.7%	90.6%	91.4%	84.4%	84.8%
Piedmont Triad	Rentable Square Feet	4,038,000	4,038,000	4,038,000	4,173,000	4,173,000
	Occupancy	90.1%	91.1%	89.2%	90.2%	90.0%
	Current Properties 2/	90.1%	91.1%	89.2%	89.9%	89.7%
Pittsburgh	Rentable Square Feet	1,540,000	1,540,000	1,540,000		
	Occupancy	83.3%	82.7%	81.6%		
	Current Properties 2/	-	-	-		
Raleigh	Rentable Square Feet	4,246,000	4,245,000	4,245,000	4,244,000	4,196,000
	Occupancy	88.9%	90.1%	89.3%	91.6%	90.5%
	Current Properties 2/	88.9%	90.1%	89.2%	91.5%	90.4%
Richmond	Rentable Square Feet	2,229,000	2,229,000	2,231,000	2,231,000	2,231,000
	Occupancy	93.2%	90.0%	91.4%	93.6%	93.6%
	Current Properties 2/	93.2%	90.0%	91.4%	93.7%	93.7%
Tampa	Rentable Square Feet	2,879,000	2,879,000	2,879,000	2,879,000	2,879,000
	Occupancy	91.2%	90.2%	89.3%	89.0%	89.4%
	Current Properties 2/	91.2%	90.2%	89.3%	89.0%	89.4%
Total	Rentable Square Feet	29,297,000	29,292,000	29,234,000	27,322,000	27,127,000
	Occupancy	90.2%	90.0%	89.3%	89.9%	90.1%
	Current Properties 2/	90.9%	90.6%	90.0%	90.1%	90.0%

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

2/ 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
	<u>3/31/12 2/</u>	<u>12/31/11 3/</u>	<u>9/30/11 4/</u>	<u>6/30/11 5/</u>	<u>3/31/11 6/</u>	<u>Average</u>
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	126	120	120	135	118	124
Rentable square footage leased	990,549	1,134,998	1,111,209	807,380	866,360	982,099
Square footage of Renewal Deals	646,532	772,462	740,079	666,420	612,388	687,576
Renewed square footage (% of total)	65.3%	68.1%	66.6%	82.5%	70.7%	70.0%
New Leases square footage (% of total)	34.7%	31.9%	33.4%	17.5%	29.3%	30.0%
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 21.90	\$ 22.57	\$ 18.88	\$ 20.44	\$ 20.42	\$ 20.84
Tenant improvements	(1.63)	(1.70)	(1.83)	(1.14)	(1.63)	(1.59)
Leasing commissions 7/	(0.61)	(0.63)	(0.62)	(0.45)	(0.53)	(0.57)
Rent concessions	(0.58)	(0.61)	(0.60)	(0.54)	(0.55)	(0.58)
Effective rent	19.08	19.63	15.83	18.31	17.71	18.10
Expense stop	(7.41)	(8.06)	(5.76)	(5.80)	(5.51)	(6.51)
Equivalent effective net rent	\$ 11.67	\$ 11.57	\$ 10.07	\$ 12.51	\$ 12.20	\$ 11.59
Weighted average term in years	5.3	6.8	5.4	4.6	5.1	5.4
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 9,009,300	\$ 12,999,631	\$ 14,788,764	\$ 5,056,895	\$ 8,663,114	\$ 10,103,541
Rentable square feet	990,549	1,134,998	1,111,209	807,380	866,360	982,099
Per rentable square foot	\$ 9.10	\$ 11.45	\$ 13.31	\$ 6.26	\$ 10.00	\$ 10.29
Leasing Commissions:						
Total dollars committed under signed leases 7/	\$ 3,165,115	\$ 5,200,750	\$ 3,807,939	\$ 1,670,904	\$ 2,212,959	\$ 3,211,533
Rentable square feet	990,549	1,134,998	1,111,209	807,380	866,360	982,099
Per rentable square foot	\$ 3.20	\$ 4.58	\$ 3.43	\$ 2.07	\$ 2.55	\$ 3.27
Total:						
Total dollars committed under signed leases	\$ 12,174,415	\$ 18,200,381	\$ 18,596,703	\$ 6,727,799	\$ 10,876,073	\$ 13,315,074
Rentable square feet	990,549	1,134,998	1,111,209	807,380	866,360	982,099
Per rentable square foot	\$ 12.29	\$ 16.04	\$ 16.74	\$ 8.33	\$ 12.55	\$ 13.56

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

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

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

5/ Includes 75K square feet of leases that start in 2013 or later.

6/ Includes 37K square feet of leases that start in 2013 or later.

7/ Excludes internal leasing costs.

Leasing Statistics

Industrial Portfolio

	Three Months Ended					Five Quarter
	<u>3/31/12</u>	<u>12/31/11</u>	<u>9/30/11 1/</u>	<u>6/30/11</u>	<u>3/31/11 2/</u>	<u>Average</u>
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	21	7	18	14	13	15
Rentable square footage leased	480,671	53,352	376,616	216,769	265,875	278,657
Square footage of Renewal Deals	276,917	34,287	232,708	60,017	156,305	152,047
Renewed square footage (% of total)	57.6%	64.3%	61.8%	27.7%	58.8%	54.6%
New Leases square footage (% of total)	42.4%	35.7%	38.2%	72.3%	41.2%	45.4%
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 5.16	\$ 4.88	\$ 4.37	\$ 4.46	\$ 4.07	\$ 4.59
Tenant improvements	(0.78)	(0.21)	(0.39)	(0.36)	(0.63)	(0.47)
Leasing commissions 3/	(0.20)	(0.12)	(0.17)	(0.08)	(0.12)	(0.14)
Rent concessions	(0.45)	(0.13)	(0.18)	(0.27)	(0.14)	(0.23)
Effective rent	3.73	4.42	3.63	3.75	3.18	3.75
Expense stop	(0.50)	(0.53)	(0.12)	(0.31)	(0.10)	(0.31)
Equivalent effective net rent	\$ 3.23	\$ 3.89	\$ 3.51	\$ 3.44	\$ 3.08	\$ 3.44
Weighted average term in years	7.1	3.3	3.3	5.1	4.6	4.7
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 2,782,209	\$ 51,642	\$ 622,789	\$ 373,651	\$ 1,058,037	\$ 977,666
Rentable square feet	480,671	53,352	376,616	216,769	265,875	278,657
Per rentable square foot	\$ 5.79	\$ 0.97	\$ 1.65	\$ 1.72	\$ 3.98	\$ 3.51
Leasing Commissions:						
Total dollars committed under signed leases 3/	\$ 730,594	\$ 31,624	\$ 241,706	\$ 82,342	\$ 206,138	\$ 258,481
Rentable square feet	480,671	53,352	376,616	216,769	265,875	278,657
Per rentable square foot	\$ 1.52	\$ 0.59	\$ 0.64	\$ 0.38	\$ 0.78	\$ 0.93
Total:						
Total dollars committed under signed leases	\$ 3,512,803	\$ 83,266	\$ 864,495	\$ 455,993	\$ 1,264,175	\$ 1,236,146
Rentable square feet	480,671	53,352	376,616	216,769	265,875	278,657
Per rentable square foot	\$ 7.31	\$ 1.56	\$ 2.30	\$ 2.10	\$ 4.75	\$ 4.44

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

2/ Includes 5K square feet of leases that start in 2013 or later.

3/ Excludes internal leasing costs.

Leasing Statistics

Retail Portfolio

	Three Months Ended					Five Quarter
	3/31/12	12/31/11 1/	9/30/11	6/30/11	3/31/11	Average
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	6	7	8	4	10	7
Rentable square footage leased	10,336	26,573	19,321	35,878	73,804	33,182
Square footage of Renewal Deals	3,054	22,818	10,943	1,564	68,123	21,300
Renewed square footage (% of total)	29.5%	85.9%	56.6%	4.4%	92.3%	64.2%
New Leases square footage (% of total)	70.5%	14.1%	43.4%	95.6%	7.7%	35.8%
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 47.27	\$ 37.47	\$ 48.95	\$ 32.35	\$ 19.83	\$ 37.17
Tenant improvements	(2.15)	(2.47)	(2.87)	(6.88)	(1.12)	(3.10)
Leasing commissions 2/	(2.02)	(0.43)	(1.53)	(0.77)	(0.37)	(1.02)
Rent concessions	(0.11)	(0.57)	(0.04)	0.00	(0.01)	(0.15)
Effective rent	42.99	34.00	44.51	24.70	18.33	32.90
Expense stop	0.00	0.00	0.00	0.00	0.00	0.00
Equivalent effective net rent	\$ 42.99	\$ 34.00	\$ 44.51	\$ 24.70	\$ 18.33	\$ 32.90
Weighted average term in years	7.2	5.2	8.1	9.6	4.1	6.8
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 215,977	\$ 377,171	\$ 560,779	\$ 2,468,181	\$ 813,393	\$ 887,100
Rentable square feet	10,336	26,573	19,321	35,878	73,804	33,182
Per rentable square foot	\$ 20.90	\$ 14.19	\$ 29.02	\$ 68.79	\$ 11.02	\$ 26.73
Leasing Commissions:						
Total dollars committed under signed leases 2/	\$ 215,066	\$ 114,223	\$ 294,810	\$ 278,544	\$ 262,962	\$ 233,121
Rentable square feet	10,336	26,573	19,321	35,878	73,804	33,182
Per rentable square foot	\$ 20.81	\$ 4.30	\$ 15.26	\$ 7.76	\$ 3.56	\$ 7.03
Total:						
Total dollars committed under signed leases	\$ 431,043	\$ 491,394	\$ 855,589	\$ 2,746,725	\$ 1,076,355	\$ 1,120,221
Rentable square feet	10,336	26,573	19,321	35,878	73,804	33,182
Per rentable square foot	\$ 41.70	\$ 18.49	\$ 44.28	\$ 76.56	\$ 14.58	\$ 33.76

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 March 31, 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	221,924	5.6	\$ 20.91	\$ 3.93	\$ 0.77
Nashville	160,767	3.9	21.29	5.70	1.94
Piedmont Triad	122,341	5.7	18.30	6.32	3.12
Atlanta	113,217	7.9	19.79	16.63	7.04
Memphis	94,546	4.5	24.96	10.95	2.86
Tampa	75,796	5.4	22.75	13.73	3.65
Pittsburgh	61,030	6.3	28.25	13.60	7.22
Kansas City	54,888	5.9	21.97	24.02	6.78
Richmond	51,430	4.2	18.22	6.13	1.83
Greenville	28,153	1.9	18.16	0.89	1.70
Orlando	6,457	1.0	18.89	0.00	0.27
	990,549	5.3	\$ 21.32	\$ 9.10	\$ 3.20

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>
Atlanta	396,687	7.8	\$ 4.21	\$ 6.72	\$ 1.75
Piedmont Triad	83,984	3.8	7.06	1.40	0.45
	480,671	7.1	\$ 4.71	\$ 5.79	\$ 1.52

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	10,336	7.2	\$ 47.16	\$ 20.90	\$ 20.81
	10,336	7.2	\$ 47.16	\$ 20.90	\$ 20.81

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 \$770K.

Rental Rate Comparisons by Market

For the Three Months Ended March 31, 2012

Office Portfolio 1/		Rentable Square Feet	Current Rent	Previous Rent	Percentage Change	
<u>Market</u>	<u>Leased</u>		<u>Rent</u>	<u>Rent</u>	<u>Rent</u>	
Raleigh	221,924	\$	20.91	\$	19.58	6.8%
Nashville	160,767		21.29		19.99	6.5%
Piedmont Triad	122,341		18.30		18.26	0.2%
Atlanta	113,217		19.79		22.28	-11.2%
Memphis	94,546		24.96		24.26	2.9%
Tampa	75,796		22.75		23.62	-3.7%
Pittsburgh	61,030		28.25		23.54	20.0%
Kansas City	54,888		21.97		24.03	-8.6%
Richmond	51,430		18.22		18.88	-3.5%
Greenville	28,153		18.16		17.62	3.1%
Orlando	6,457		18.89		18.27	3.4%
GAAP Rent Growth	990,549	\$	21.32	\$	20.96	1.7%
Cash Rent Growth	990,549	\$	17.91	\$	19.05	-6.0%

Industrial Portfolio		Rentable Square Feet	Current Rent	Previous Rent	Percentage Change	
<u>Market</u>	<u>Leased</u>		<u>Rent</u>	<u>Rent</u>	<u>Rent</u>	
Atlanta	396,687	\$	4.21	\$	4.63	-9.1%
Piedmont Triad	83,984		7.06		8.15	-13.4%
GAAP Rent Growth	480,671	\$	4.71	\$	5.24	-10.1%
Cash Rent Growth	480,671	\$	4.78	\$	5.44	-12.1%

Retail Portfolio		Rentable Square Feet	Current Rent	Previous Rent 2/	Percentage Change	
<u>Market</u>	<u>Leased</u>		<u>Rent</u>	<u>Rent</u>	<u>Rent</u>	
Kansas City	10,336	\$	47.16	\$	37.70	25.1%
GAAP Rent Growth	10,336	\$	47.16	\$	37.70	25.1%
Cash Rent Growth	10,336	\$	35.26	\$	31.60	11.6%

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

<u>Type</u>	<u>3/31/12</u>	<u>3/31/11</u>	<u>3/31/10</u>	<u>3/31/09</u>	<u>3/31/08</u>
Office	\$ 20.38	\$ 20.30	\$ 20.57	\$ 20.18	\$ 19.80
Industrial	5.29	5.45	5.26	5.20	5.27
Retail 2/	37.41	34.55	34.60	33.16	32.64
Weighted average rate	\$ 17.87	\$ 17.60	\$ 17.48	\$ 17.35	\$ 16.93
Annual % growth rate	1.5%	0.7%	0.7%	2.5%	

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 March, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Lease Expirations

March 31, 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/	1,496,957	7.4%	\$ 30,119	\$ 20.12	7.3%
2013	2,684,166	13.3%	59,620	22.21	14.4%
2014	2,793,718	13.8%	61,939	22.17	15.1%
2015	2,607,582	12.9%	53,933	20.68	13.1%
2016	2,339,631	11.5%	45,434	19.42	11.0%
2017	2,084,855	10.3%	39,424	18.91	9.5%
2018	1,238,695	6.1%	26,127	21.09	6.3%
2019	1,014,160	5.0%	19,457	19.19	4.7%
2020	669,306	3.3%	12,194	18.22	3.0%
2021	1,299,261	6.4%	25,697	19.78	6.2%
2022 and thereafter	2,028,981	10.0%	38,989	19.22	9.4%
	<u>20,257,312</u>	<u>100.0%</u>	<u>\$ 412,933</u>	<u>\$ 20.38</u>	<u>100.0%</u>
Industrial:					
2012 4/	447,126	8.4%	\$ 2,453	\$ 5.49	8.7%
2013	526,018	9.8%	3,166	6.02	11.2%
2014	1,085,537	20.2%	6,002	5.53	21.1%
2015	555,543	10.4%	2,983	5.37	10.5%
2016	655,237	12.3%	3,131	4.78	11.1%
2017	559,743	10.5%	2,664	4.76	9.4%
2018	88,467	1.7%	423	4.78	1.5%
2019	146,324	2.7%	717	4.90	2.5%
2020	90,078	1.7%	385	4.27	1.4%
2021	182,805	3.4%	698	3.82	2.5%
2022 and thereafter	1,009,287	18.9%	5,680	5.63	20.1%
	<u>5,346,165</u>	<u>100.0%</u>	<u>\$ 28,302</u>	<u>\$ 5.29</u>	<u>100.0%</u>

1/ Annualized Cash Revenue is March, 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 47,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

4/ Includes 107,000 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

March 31, 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/	45,272	5.4%	\$ 1,599	\$ 35.32	5.1%
2013	85,130	10.2%	1,992	23.40	6.4%
2014	41,703	5.0%	1,961	47.02	6.3%
2015	55,037	6.6%	2,763	50.20	8.9%
2016	61,665	7.4%	3,127	50.71	10.0%
2017	93,570	11.3%	2,553	27.28	8.2%
2018	83,588	10.0%	4,176	49.96	13.4%
2019	98,356	11.8%	3,068	31.19	9.9%
2020	67,675	8.1%	2,126	31.41	6.8%
2021	83,786	10.1%	3,551	42.38	11.4%
2022 and thereafter	116,640	14.1%	4,221	36.19	13.6%
	832,422	100.0%	\$ 31,137	\$ 37.41	100.0%
Total:					
2012 3/ 4/	1,989,355	7.5%	\$ 34,171	\$ 17.18	7.2%
2013	3,295,314	12.5%	64,778	19.66	13.8%
2014	3,920,958	14.8%	69,902	17.83	14.9%
2015	3,218,162	12.2%	59,679	18.54	12.6%
2016	3,056,533	11.6%	51,692	16.91	10.9%
2017	2,738,168	10.4%	44,641	16.30	9.5%
2018	1,410,750	5.3%	30,726	21.78	6.5%
2019	1,258,840	4.8%	23,242	18.46	4.9%
2020	827,059	3.1%	14,705	17.78	3.1%
2021	1,565,852	5.9%	29,946	19.12	6.3%
2022 and thereafter	3,154,908	11.9%	48,890	15.50	10.3%
	26,435,899	100.0%	\$ 472,372	\$ 17.87	100.0%

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

2/ Includes 11,000 square feet of leases that are on a month to month basis or 0.0% of total annualized revenue.

3/ Includes 165,000 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

		<i>Three Months Ended</i>				Total
		<u>6/30/12 2/</u>	<u>9/30/12</u>	<u>12/31/12</u>	<u>3/31/13</u>	
Atlanta	RSF	43,681	292,374	29,944	34,745	400,744
	% of Total Office RSF	0.2%	1.4%	0.1%	0.2%	2.0%
	Annualized Cash Revenue 3/	\$ 811	\$ 5,547	\$ 684	\$ 739	\$ 7,781
	% of Total Office Annl Cash Rev	0.2%	1.3%	0.2%	0.2%	1.9%
Greenville	RSF	18,480	95,146	63,755	4,438	181,819
	% of Total Office RSF	0.1%	0.5%	0.3%	0.0%	0.9%
	Annualized Cash Revenue 3/	\$ 309	\$ 1,742	\$ 1,128	\$ 96	\$ 3,275
	% of Total Office Annl Cash Rev	0.1%	0.4%	0.3%	0.0%	0.8%
Kansas City	RSF	4,515	38,432	2,016	4,130	49,093
	% of Total Office RSF	0.0%	0.2%	0.0%	0.0%	0.2%
	Annualized Cash Revenue 3/	\$ 108	\$ 964	\$ 46	\$ 92	\$ 1,210
	% of Total Office Annl Cash Rev	0.0%	0.2%	0.0%	0.0%	0.3%
Memphis	RSF	31,504	36,750	25,536	71,497	165,287
	% of Total Office RSF	0.2%	0.2%	0.1%	0.4%	0.8%
	Annualized Cash Revenue 3/	\$ 587	\$ 773	\$ 615	\$ 1,704	\$ 3,679
	% of Total Office Annl Cash Rev	0.1%	0.2%	0.1%	0.4%	0.9%
Nashville	RSF	32,404	28,543	71,524	158,433	290,904
	% of Total Office RSF	0.2%	0.1%	0.4%	0.8%	1.4%
	Annualized Cash Revenue 3/	\$ 767	\$ 605	\$ 1,663	\$ 3,647	\$ 6,682
	% of Total Office Annl Cash Rev	0.2%	0.1%	0.4%	0.9%	1.6%
Orlando	RSF	3,812	12,141	3,441	2,389	21,783
	% of Total Office RSF	0.0%	0.1%	0.0%	0.0%	0.1%
	Annualized Cash Revenue 3/	\$ 94	\$ 246	\$ 100	\$ 44	\$ 484
	% of Total Office Annl Cash Rev	0.0%	0.1%	0.0%	0.0%	0.1%
Piedmont Triad	RSF	29,665	8,436	79,253	88,348	205,702
	% of Total Office RSF	0.1%	0.0%	0.4%	0.4%	1.0%
	Annualized Cash Revenue 3/	\$ 253	\$ 156	\$ 1,713	\$ 1,454	\$ 3,576
	% of Total Office Annl Cash Rev	0.1%	0.0%	0.4%	0.4%	0.9%
Pittsburgh	RSF	9,549	12,945	0	20,334	42,828
	% of Total Office RSF	0.0%	0.1%	0.0%	0.1%	0.2%
	Annualized Cash Revenue 3/	\$ 274	\$ 65	\$ -	\$ 570	\$ 909
	% of Total Office Annl Cash Rev	0.1%	0.0%	0.0%	0.1%	0.2%
Raleigh	RSF	51,117	141,705	97,525	119,351	409,698
	% of Total Office RSF	0.3%	0.7%	0.5%	0.6%	2.0%
	Annualized Cash Revenue 3/	\$ 881	\$ 2,656	\$ 2,148	\$ 2,335	\$ 8,020
	% of Total Office Annl Cash Rev	0.2%	0.6%	0.5%	0.6%	1.9%
Richmond	RSF	44,440	35,873	26,231	103,074	209,618
	% of Total Office RSF	0.2%	0.2%	0.1%	0.5%	1.0%
	Annualized Cash Revenue 3/	\$ 772	\$ 623	\$ 506	\$ 1,888	\$ 3,789
	% of Total Office Annl Cash Rev	0.2%	0.2%	0.1%	0.5%	0.9%
Tampa	RSF	40,886	59,689	25,645	216,174	342,394
	% of Total Office RSF	0.2%	0.3%	0.1%	1.1%	1.7%
	Annualized Cash Revenue 3/	\$ 1,153	\$ 1,403	\$ 723	\$ 5,951	\$ 9,230
	% of Total Office Annl Cash Rev	0.3%	0.3%	0.2%	1.4%	2.2%
Total	RSF	310,053	762,034	424,870	822,913	2,319,870
	% of Total Office RSF	1.5%	3.8%	2.1%	4.1%	11.5%
	Annualized Cash Revenue 3/	\$ 6,009	\$ 14,780	\$ 9,326	\$ 18,520	\$ 48,635
	% of Total Office Annl Cash Rev	1.5%	3.6%	2.3%	4.5%	11.8%

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 47,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

3/ Annualized Cash Revenue is March, 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

		<i>Three Months Ended</i>				
		<u>6/30/12</u> ^{1/}	<u>9/30/12</u>	<u>12/31/12</u>	<u>3/31/13</u>	<u>Total</u>
Atlanta	RSF	107,119	164,594	8,400	49,064	329,177
	% of Total Industrial RSF	2.0%	3.1%	0.2%	0.9%	6.2%
	Annualized Cash Revenue ^{2/}	\$ 522	\$ 965	\$ 92	\$ 216	\$ 1,795
	% of Total Industrial Annl Cash Rev	1.8%	3.4%	0.3%	0.8%	6.3%
Piedmont Triad	RSF	101,207	4,360	61,446	236,884	403,897
	% of Total Industrial RSF	1.9%	0.1%	1.1%	4.4%	7.6%
	Annualized Cash Revenue ^{2/}	\$ 451	\$ 51	\$ 372	\$ 1,308	\$ 2,182
	% of Total Industrial Annl Cash Rev	1.6%	0.2%	1.3%	4.6%	7.7%
Total	RSF	208,326	168,954	69,846	285,948	733,074
	% of Total Industrial RSF	3.9%	3.2%	1.3%	5.3%	13.7%
	Annualized Cash Revenue ^{2/}	\$ 973	\$ 1,016	\$ 464	\$ 1,524	\$ 3,977
	% of Total Industrial Annl Cash Rev	3.4%	3.6%	1.6%	5.4%	14.1%

^{1/} Includes 107,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.

^{2/} Annualized Cash Revenue is March, 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

		2012 2/	2013	2014	2015	Thereafter
Atlanta	RSF	365,999	385,410	233,670	290,685	1,568,332
	% of Total Office RSF	1.8%	1.9%	1.2%	1.4%	7.7%
	Annualized Cash Revenue 3/	\$ 7,042	\$ 7,628	\$ 4,804	\$ 6,235	\$ 26,617
	% of Total Office Annl Cash Rev	1.7%	1.8%	1.2%	1.5%	6.4%
Greenville	RSF	177,381	110,139	204,955	26,614	274,642
	% of Total Office RSF	0.9%	0.5%	1.0%	0.1%	1.4%
	Annualized Cash Revenue 3/	\$ 3,180	\$ 2,014	\$ 4,030	\$ 455	\$ 4,158
	% of Total Office Annl Cash Rev	0.8%	0.5%	1.0%	0.1%	1.0%
Kansas City	RSF	44,963	37,359	30,595	86,675	313,864
	% of Total Office RSF	0.2%	0.2%	0.2%	0.4%	1.5%
	Annualized Cash Revenue 3/	\$ 1,119	\$ 868	\$ 767	\$ 2,157	\$ 8,110
	% of Total Office Annl Cash Rev	0.3%	0.2%	0.2%	0.5%	2.0%
Memphis	RSF	93,790	198,496	208,800	224,876	1,041,389
	% of Total Office RSF	0.5%	1.0%	1.0%	1.1%	5.1%
	Annualized Cash Revenue 3/	\$ 1,975	\$ 4,759	\$ 4,695	\$ 4,747	\$ 21,172
	% of Total Office Annl Cash Rev	0.5%	1.2%	1.1%	1.1%	5.1%
Nashville	RSF	132,471	385,247	495,588	546,000	1,368,248
	% of Total Office RSF	0.7%	1.9%	2.4%	2.7%	6.8%
	Annualized Cash Revenue 3/	\$ 3,035	\$ 8,544	\$ 11,404	\$ 11,797	\$ 27,720
	% of Total Office Annl Cash Rev	0.7%	2.1%	2.8%	2.9%	6.7%
Orlando	RSF	19,394	26,300	11,608	91,086	233,546
	% of Total Office RSF	0.1%	0.1%	0.1%	0.4%	1.2%
	Annualized Cash Revenue 3/	\$ 439	\$ 703	\$ 310	\$ 2,438	\$ 4,711
	% of Total Office Annl Cash Rev	0.1%	0.2%	0.1%	0.6%	1.1%
Piedmont Triad	RSF	117,354	188,148	128,450	331,243	503,062
	% of Total Office RSF	0.6%	0.9%	0.6%	1.6%	2.5%
	Annualized Cash Revenue 3/	\$ 2,123	\$ 3,113	\$ 2,241	\$ 4,651	\$ 7,049
	% of Total Office Annl Cash Rev	0.5%	0.8%	0.5%	1.1%	1.7%
Pittsburgh	RSF	22,494	25,782	154,975	204,439	874,984
	% of Total Office RSF	0.1%	0.1%	0.8%	1.0%	4.3%
	Annualized Cash Revenue 3/	\$ 339	\$ 723	\$ 4,167	\$ 4,839	\$ 22,180
	% of Total Office Annl Cash Rev	0.1%	0.2%	1.0%	1.2%	5.4%
Raleigh	RSF	290,347	330,848	494,732	450,493	2,209,340
	% of Total Office RSF	1.4%	1.6%	2.4%	2.2%	10.9%
	Annualized Cash Revenue 3/	\$ 5,686	\$ 6,582	\$ 10,576	\$ 9,365	\$ 40,641
	% of Total Office Annl Cash Rev	1.4%	1.6%	2.6%	2.3%	9.8%
Richmond	RSF	106,544	367,886	264,528	129,999	1,208,828
	% of Total Office RSF	0.5%	1.8%	1.3%	0.6%	6.0%
	Annualized Cash Revenue 3/	\$ 1,901	\$ 7,294	\$ 5,291	\$ 2,222	\$ 21,442
	% of Total Office Annl Cash Rev	0.5%	1.8%	1.3%	0.5%	5.2%
Tampa	RSF	126,220	628,551	565,817	225,472	1,078,654
	% of Total Office RSF	0.6%	3.1%	2.8%	1.1%	5.3%
	Annualized Cash Revenue 3/	\$ 3,280	\$ 17,392	\$ 13,654	\$ 5,027	\$ 23,523
	% of Total Office Annl Cash Rev	0.8%	4.2%	3.3%	1.2%	5.7%
Total	RSF	1,496,957	2,684,166	2,793,718	2,607,582	10,674,889
	% of Total Office RSF	7.4%	13.3%	13.8%	12.9%	52.7%
	Annualized Cash Revenue 3/	\$ 30,119	\$ 59,620	\$ 61,939	\$ 53,933	\$ 207,323
	% of Total Office Annl Cash Rev	7.3%	14.4%	15.0%	13.1%	50.2%

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

2/ Includes 47,000 square feet of leases that are on a month to month basis or 0.2% of total annualized revenue.

3/ Annualized Cash Revenue is March, 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 1/</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Thereafter</u>
Atlanta	RSF	280,113	122,291	664,406	145,535	1,763,236
	% of Total Industrial RSF	5.2%	2.3%	12.4%	2.7%	33.0%
	Annualized Cash Revenue 2/	\$ 1,579	\$ 605	\$ 3,852	\$ 756	\$ 9,081
	% of Total Industrial Annl Cash Rev	5.6%	2.1%	13.6%	2.7%	32.1%
Piedmont Triad	RSF	167,013	403,727	421,131	410,008	968,705
	% of Total Industrial RSF	3.1%	7.6%	7.9%	7.7%	18.1%
	Annualized Cash Revenue 2/	\$ 875	\$ 2,561	\$ 2,150	\$ 2,227	\$ 4,616
	% of Total Industrial Annl Cash Rev	3.1%	9.0%	7.6%	7.9%	16.3%
Total	RSF	447,126	526,018	1,085,537	555,543	2,731,941
	% of Total Industrial RSF	8.4%	9.8%	20.3%	10.4%	51.1%
	Annualized Cash Revenue 2/	\$ 2,454	\$ 3,166	\$ 6,002	\$ 2,983	\$ 13,697
	% of Total Industrial Annl Cash Rev	8.7%	11.2%	21.2%	10.5%	48.4%

1/ Includes 107,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.

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

Customer Diversification 1/

March 31, 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	2,036,562	\$ 43,065	9.04%	6.9
AT&T	731,380	14,232	2.99%	1.6
PricewaterhouseCoopers	318,647	8,786	1.84%	1.1
PPG Industries	340,428	8,752	1.84%	9.2
State of Georgia	427,249	7,775	1.63%	6.1
Healthways	290,689	6,728	1.41%	10.1
Metropolitan Life Insurance	296,595	6,012	1.26%	6.0
T-Mobile USA	210,971	5,511	1.16%	2.3
HCA Corporation	231,176	5,377	1.13%	3.9
Lockton Companies	170,743	4,611	0.97%	17.9
PNC Bank	169,840	4,267	0.90%	14.2
Aon 3/	174,045	4,264	0.90%	7.8
Vanderbilt University	197,000	4,242	0.89%	3.5
Syniverse Technologies	198,750	4,204	0.88%	4.6
BB&T	256,379	4,094	0.86%	3.4
SCI Services 4/	162,784	3,897	0.82%	5.3
Volvo	302,509	3,728	0.78%	2.5
Jacobs Engineering Group	210,126	3,697	0.78%	3.1
Deloitte & Touche	120,934	3,307	0.69%	2.1
Lifepoint Corporate Services	147,489	3,114	0.65%	2.8
	<u>6,994,296</u>	<u>\$ 149,663</u>	<u>31.42%</u>	<u>5.9</u>

By Industry

<u>Category</u>	<u>Percent of Annualized Cash Revenue 2/</u>
Professional, Scientific, and Technical Services	22.3%
Finance/Banking	11.7%
Government/Public Administration	11.2%
Health Care and Social Assistance	7.8%
Manufacturing	7.4%
Insurance	6.8%
Retail Trade	5.3%
Administrative and Support Services	4.3%
Information	4.1%
Telecommunication	4.1%
Real Estate Rental and Leasing	3.3%
Wholesale Trade	2.9%
Accommodation and Food Services	2.9%
Educational Services	2.3%
Transportation and Warehousing	2.0%
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 March, 2012 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

3/ Annualized Cash Revenue reflects addback of rent credit related to this customer's decision to convert unused Tenant Improvements to free rent.

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

Same Property Performance

Dollars and Square Feet in thousands

	Three months ended March 31,		Dollar Change	Percentage Change
	<u>2012</u>	<u>2011</u>		
Rental revenues 1/	\$ 109,503	\$ 106,813	\$ 2,690	2.5%
Operating expenses	(37,612)	(38,575)	963	2.5%
Cash NOI without Term Fees	71,891	68,238	3,653	5.4%
Lease termination fees 2/	879	266	613	230.5%
Cash NOI	72,770	68,504	4,266	6.2%
Straight line rent 2/	3,127	3,339	(212)	-6.3%
GAAP NOI	\$ 75,897	\$ 71,843	\$ 4,054	5.6%
Average occupancy	90.6%	90.0%		0.7%
Rentable square feet	26,917	26,917		

<u>Market</u>	First Quarter: 2012 vs 2011	
	GAAP NOI	Occupancy
	Percentage Change	Percentage Change
Atlanta	10.2%	-0.2%
Greenville	3.1%	2.3%
Kansas City	6.8%	0.2%
Memphis	2.1%	-2.1%
Nashville	10.3%	5.7%
Orlando	12.0%	8.5%
Piedmont Triad	-4.1%	0.9%
Raleigh	4.0%	-1.6%
Richmond	-1.4%	-0.6%
Tampa	8.1%	1.4%
	<u>5.6%</u>	<u>0.7%</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

<u>Name</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

Disposition Activity

Dollars in thousands

<u>Name</u>	<u>Market</u>	<u>Type 1/</u>	<u>Date Sold</u>	<u>Square Footage</u>	<u>Occupancy</u>	<u>Gross Sales Price</u>
First quarter 2012:						
Neptune Apartments	Kansas City	M	3/12/12	96 Units	0.0%	\$ 11,000

1/ The letter "M" represents Multi-Family.

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 03/31/12</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	\$ 3,677	100%	4Q 13	4Q 13
LifePoint 1/	Nashville	O	25,000	\$ 6,287	\$ 517	0%	4Q 13	1Q 15
In - Process Total			228,000	\$ 48,400	\$ 4,194	89%		
<u>Completed Not Stabilized 2/</u>								
Independence Park 3/	Tampa	O	117,000	\$ 12,700	\$ 10,588	100%	n/a	2Q 12
Completed Not Stabilized Total			117,000	\$ 12,700	\$ 10,588	100%		
Totals			345,000	\$ 61,100	\$ 14,782	93%		
						\$ Weighted %	90%	

For Sale Residential Condominiums

		<u>Units For Sale</u>	<u>Units Sold</u>	<u>Gross Sale Proceeds</u>	<u>Net Gain 6/</u>
PNC Condominiums 4/ 5/	Raleigh	12	127	\$ 51,791	\$ 6,159

1/ Office amenity space.

2/ "Completed Not Stabilized" properties are recorded in the Consolidated Balance Sheet in the Land and Building accounts, not Development-in-Process.

3/ Property acquired 12/29/10. Building classified as development during stabilization period.

4/ Units Sold, Gross Sale Proceeds and Net Gain are as of 4/30/12.

5/ As of 3/31/12, 125 units were sold, Gross Sale Proceeds were \$51.1 million and Net Gain was \$6.1 million. 1Q12 Net Gain to the Company was \$62 K.

6/ Gains include any forfeited deposits.

Development Land
3/31/12

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

March 31, 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%	\$ 7,410	\$ -	\$ 223
Kessinger/Hunter, LLC	-	26.5%	5,897	-	1,409
4600 Madison Associates, LP	O	12.5%	12,899	9,620	10,093
Highwoods DLF 98/29, LP 3/	O	22.8%	117,409	65,973	69,966
Highwoods DLF 97/26 DLF 99/32, LP	O	42.9%	89,563	46,758	49,499
Concourse Center Associates, LLC	O	50.0%	12,434	8,175	8,308
Plaza Colonnade, LLC	O/R	50.0%	66,165	60,860	61,835
Highwoods KC Glenridge Office, LP	O	40.0%	22,842	15,518	16,450
Highwoods KC Glenridge Land, LP	O	40.0%	767	-	151
Highwoods KC Orlando, LLC	O	40.0%	191,995	130,212	136,964
Highwoods DLF Forum, LLC	O	25.0%	101,508	67,500	70,453
Lofts at Weston SPE, LLC	M	50.0%	4,736	-	487
Total			\$ 633,625	\$ 404,616	\$ 425,838

<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%	\$ 3,631	\$ -	\$ 109
Kessinger/Hunter, LLC	-	26.5%	1,563	-	373
4600 Madison Associates, LP	O	12.5%	1,612	1,203	1,262
Highwoods DLF 98/29, LP 4/	O	22.8%	26,781	15,048	15,959
Highwoods DLF 97/26 DLF 99/32, LP	O	42.9%	38,449	20,073	21,250
Concourse Center Associates, LLC	O	50.0%	6,217	4,088	4,154
Plaza Colonnade, LLC	O/R	50.0%	33,083	30,430	30,918
Highwoods KC Glenridge Office, LP	O	40.0%	9,137	6,207	6,580
Highwoods KC Glenridge Land, LP	O	40.0%	307	-	60
Highwoods KC Orlando, LLC	O	40.0%	76,798	52,085	54,786
Highwoods DLF Forum, LLC	O	25.0%	25,377	16,875	17,613
Lofts at Weston SPE, LLC	M	50.0%	2,368	-	244
Total 2/			\$ 225,323	\$ 146,009	\$ 153,308

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 Sheet due to various purchase accounting and related adjustments.

3/ Debt includes a \$38.3 million mortgage loan provided to the venture by Highwoods.

4/ Debt includes our portion of a \$38.3 million mortgage loan provided to the venture by Highwoods.

Unconsolidated Joint Ventures Income

For the Three Months Ended March 31, 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>	<u>Impairment</u>	
Board of Trade Investment Co.	49.0%	\$ 594	\$ 372	\$ -	\$ 143	\$ -	\$ 79
Kessinger/Hunter, LLC	26.5%	2,189	2,162	-	143	-	(116)
4600 Madison Associates, LP	12.5%	1,023	615	167	311	-	(70)
Highwoods DLF 98/29, LP	22.8%	4,029	1,454	1,003	1,066	7,180	(6,674)
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	2,720	1,167	906	965	-	(318)
Concourse Center Associates, LLC	50.0%	238	121	66	98	-	(47)
Plaza Colonnade, LLC	50.0%	2,936	904	894	612	-	526
Highwoods KC Glenridge Office, LP	40.0%	740	399	197	207	-	(63)
Highwoods KC Glenridge Land, LP	40.0%	-	18	-	-	-	(18)
Highwoods KC Orlando, LLC	40.0%	6,761	3,064	1,719	1,807	-	171
Highwoods DLF Forum, LLC	25.0%	3,537	1,140	878	1,281	-	238
Lofts at Weston SPE, LLC	50.0%	-	-	-	-	-	-
Total		\$ 24,767	\$ 11,416	\$ 5,830	\$ 6,633	\$ 7,180	\$ (6,292)

<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>	<u>Impairment</u>	
Board of Trade Investment Co.	49.0%	\$ 291	\$ 182	\$ -	\$ 70	\$ -	\$ 39
Kessinger/Hunter, LLC	26.5%	580	573	-	38	-	(31)
4600 Madison Associates, LP	12.5%	128	77	21	39	-	(9)
Highwoods DLF 98/29, LP	22.8%	919	332	103	243	1,002	(761)
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	1,168	501	389	414	-	(136)
Concourse Center Associates, LLC	50.0%	119	61	33	49	-	(24)
Plaza Colonnade, LLC	50.0%	1,468	452	447	306	-	263
Highwoods KC Glenridge Office, LP	40.0%	296	160	79	83	-	(26)
Highwoods KC Glenridge Land, LP	40.0%	-	7	-	-	-	(7)
Highwoods KC Orlando, LLC	40.0%	2,704	1,226	688	723	-	67
Highwoods DLF Forum, LLC	25.0%	884	285	220	320	-	59
Lofts at Weston SPE, LLC	50.0%	-	-	-	-	-	-
Total 1/ 2/		\$ 8,557	\$ 3,856	\$ 1,980	\$ 2,285	\$ 1,002	\$ (566)

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 Income Statement due to various purchase accounting and related adjustments, which are not reflected in the Joint Ventures' stand-alone financial statements.

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 3/31/12</u>
Plaza Colonnade, LLC	50.0%	Met Life	5.72%	Jan-17	\$ 45,355
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%		60,860
Highwoods KC Orlando, LLC	40.0%	Met Life	5.21%	Jul-14	130,212
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%	Massachusetts Mutual Life Ins. Co.	7.66%	May-12	46,758
Highwoods DLF 98/29, LP	22.8%	Highwoods Properties, Inc.	5.24%	Jun-12	38,323
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	15,518
4600 Madison Associates, LLC	12.5%	State Farm	6.85%	Apr-18	9,620
Concourse Center Associates, LLC	50.0%	Wells Fargo	2.75%	Jul-13	8,175
			5.57%		343,756
			<u>5.60%</u>		<u>\$ 404,616</u>
Highwoods' share of the above					<u>\$ 146,009</u>

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

Joint Ventures Portfolio Summary 1/

As of March 31, 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	1,855,000	81.7%	42.0%
Kansas City	719,000	83.8%	19.7%
Raleigh	814,000	95.0%	12.3%
Richmond	411,000	98.5%	10.7%
Atlanta	840,000	73.6%	10.6%
Piedmont Triad	258,000	42.8%	2.0%
Tampa	205,000	52.5%	1.4%
Charlotte	148,000	100.0%	1.3%
Total 4/	<u>5,250,000</u>	<u>81.5%</u>	<u>100.0%</u>

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

2/ Annualized Cash Revenue is March, 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

March 31, 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	157,136	3.7%	\$ 3,079	\$ 19.59	3.4%
2013	554,238	13.0%	12,674	22.87	14.2%
2014	633,316	14.8%	16,207	25.59	18.2%
2015	741,375	17.2%	15,879	21.42	17.8%
2016	379,729	8.9%	8,191	21.57	9.2%
2017	671,908	15.7%	16,499	24.56	18.4%
2018	384,145	9.0%	3,201	8.33	3.6%
2019	262,040	6.1%	3,842	14.66	4.3%
2020	213,127	5.0%	6,743	31.64	7.6%
2021	185,339	4.3%	363	1.96	0.4%
2022 and thereafter	97,350	2.3%	2,600	26.71	2.9%
	<u>4,279,703</u>	<u>100.0%</u>	<u>\$ 89,278</u>	<u>\$ 20.86</u>	<u>100.0%</u>

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

2/ Annualized Cash Revenue is March, 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

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

Joint Venture Development Activity

Dollars in thousands

<u>In Progress</u>								
<u>Property</u>	<u>%</u>	<u>Market</u>	<u>Rentable Square Feet</u>	<u>Anticipated Total Investment</u>	<u>Investment As Of 03/31/12</u>	<u>Pre- Leasing</u>	<u>Estimated Completion Date</u>	<u>Estimated Stabilization Date</u>
Weston Lofts 1/	50%	Raleigh	215 units	\$ 25,852	4,736	0%	4Q 13	1Q 14
In Progress Total				<u>\$ 25,852</u>	<u>\$ 4,736</u>			
Highwoods' Share of above				<u>\$ 12,926</u>	<u>\$ 2,368</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%.