

SUPPLEMENTAL INFORMATION

Third Quarter 2018



 **Highwoods**[®]
PROPERTIES

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The information within refers to all Highwoods Properties' wholly-owned entities unless noted otherwise. Wholly-owned entities exclude properties recorded on our Balance Sheet that relate to joint venture investments that are consolidated under GAAP.

All financial information contained in this document is unaudited. In addition, certain matters presented 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, among others, 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 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 due to subsequent events.

This supplemental also includes non-GAAP financial measures, such as funds from operations (FFO), earnings before interest, taxes, depreciation and amortization for real estate (EBITDAre) and net operating income (NOI). Definitions of FFO, EBITDAre and NOI and an explanation of management's view of the usefulness and risks of FFO, EBITDAre and NOI can be found towards the end of our third quarter earnings release.

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Summary (amounts in thousands, except percentages, ratios, and per share amounts)

	<i>Three Months Ended</i>	
	<u>9/30/18</u>	<u>9/30/17</u>
Financial:		
Revenues	\$ 179,417	\$ 180,185
Net operating income (NOI)	\$ 118,264	\$ 118,951
Same property cash NOI growth	1.4%	3.4%
Funds from operations per share	\$ 0.86	\$ 0.86
Weighted average common shares outstanding, diluted	106,333	106,145
Balance Sheet:		
Leverage (includes preferred stock) based on gross book assets	35.5%	34.7%
Net debt-to-EBITDAre	4.77x	4.52x
Net debt plus Preferred Stock-to-EBITDAre	4.83x	4.59x
Unencumbered NOI %	96.4%	96.2%
Credit facility availability	\$ 416,000	\$ 403,000
Operations:		
Quarter end occupancy	91.3%	92.1%
Office square feet leased	884	1,104
Office GAAP rent growth 1/	18.5%	11.3%
Average office cash rental rate per square foot for in-place leases	\$ 25.74	\$ 24.53

	<i>Nine Months Ended</i>	
	<u>9/30/18</u>	
Investment Activity:		
Building acquisitions	\$	-
Building dispositions	\$	31,035
Land acquisitions	\$	50,300
Land dispositions	\$	5,113
Development pipeline	\$	657,740
Pipeline pre-leased %		95.9%

1/ GAAP rent growth is calculated by comparing average cash rent psf over the term (GAAP rent) of the new lease to the average cash rent psf over the term related to the previous lease in the same space. Adjustments are made if and to the extent necessary to illustrate the current and prior deal on a consistent gross lease basis.

Corporate Information

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Ed Fritsch
David Hartzell, Ph.D.
Sherry Kellett
Anne Lloyd
Temple Sloan, Jr., Chair

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Vice President, Treasurer

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Carman Liuzzo
Senior Vice President, Investments

Brendan Maiorana
Senior Vice President, Finance and Investor Relations

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Corporate Information

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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 Investor Relations.

The Company

Highwoods Properties, headquartered in Raleigh, is a publicly traded (NYSE:HIW) real estate investment trust ("REIT") and a member of the S&P MidCap 400 Index. The Company is a fully-integrated office REIT that owns, develops, acquires, leases and manages properties primarily in the best business districts (BBDs) of Atlanta, Greensboro, Memphis, Nashville, Orlando, Pittsburgh, Raleigh, Richmond and Tampa. For more information about Highwoods Properties, please visit our website at: www.highwoods.com.

Consolidated Statements of Income (amounts in thousands, except per share amounts)

	<i>Nine Months Ended</i>		<i>Three Months Ended</i>				
	<u>9/30/18</u>	<u>9/30/17</u>	<u>9/30/18</u>	<u>6/30/18</u>	<u>3/31/18</u>	<u>12/31/17</u>	<u>9/30/17</u>
Rental and other revenues	\$ 538,647	\$ 526,876	\$ 179,417	\$ 178,792	\$ 180,438	\$ 175,861	\$ 180,185
Operating expenses:							
Rental property and other expenses	180,248	177,484	61,153	59,663	59,432	59,404	61,234
Depreciation and amortization	171,923	168,934	57,661	56,694	57,568	58,898	56,973
Impairments of real estate assets	-	1,445	-	-	-	-	1,445
General and administrative	30,869	29,787	9,551	9,540	11,778	9,861	9,247
Total operating expenses	383,040	377,650	128,365	125,897	128,778	128,163	128,899
Interest expense:							
Contractual	51,579	48,763	16,719	17,155	17,705	17,176	16,395
Amortization of debt issuance costs	2,126	2,445	718	722	686	721	796
	53,705	51,208	17,437	17,877	18,391	17,897	17,191
Other income/(loss):							
Interest and other income	1,735	1,806	818	462	455	503	558
Gains/(losses) on debt extinguishment	-	826	-	-	-	(852)	-
	1,735	2,632	818	462	455	(349)	558
Income before disposition of investment properties and activity in unconsolidated affiliates	103,637	100,650	34,433	35,480	33,724	29,452	34,653
Gains on disposition of property	16,975	25,181	3	16,972	-	28,976	19,849
Equity in earnings of unconsolidated affiliates	1,641	6,757	573	546	522	647	5,047
Net income	122,253	132,588	35,009	52,998	34,246	59,075	59,549
Net (income) attributable to noncontrolling interests in the Operating Partnership	(3,171)	(3,502)	(902)	(1,381)	(888)	(1,557)	(1,571)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(918)	(914)	(324)	(308)	(286)	(325)	(315)
Dividends on Preferred Stock	(1,869)	(1,869)	(623)	(623)	(623)	(623)	(623)
Net income available for common stockholders	\$ 116,295	\$ 126,303	\$ 33,160	\$ 50,686	\$ 32,449	\$ 56,570	\$ 57,040
Earnings per Common Share – basic:							
Net income available for common stockholders	\$ 1.12	\$ 1.23	\$ 0.32	\$ 0.49	\$ 0.31	\$ 0.55	\$ 0.55
Weighted average Common Shares outstanding - basic	103,408	102,489	103,471	103,428	103,324	103,254	103,237
Earnings per Common Share - diluted:							
Net income available for common stockholders	\$ 1.12	\$ 1.23	\$ 0.32	\$ 0.49	\$ 0.31	\$ 0.55	\$ 0.55
Weighted average Common Shares outstanding - diluted	106,256	105,402	106,333	106,267	106,165	106,163	106,145
Dividends declared per Common Share	\$ 1.3875	\$ 1.3200	\$ 0.4625	\$ 0.4625	\$ 0.4625	\$ 0.4400	\$ 0.4400

Funds from Operations and Additional Information (amounts in thousands, except per share amounts)

	<i>Nine Months Ended</i>		<i>Three Months Ended</i>				
	<u>9/30/18</u>	<u>9/30/17</u>	<u>9/30/18</u>	<u>6/30/18</u>	<u>3/31/18</u>	<u>12/31/17</u>	<u>9/30/17</u>
Funds from operations:							
Net income	\$ 122,253	\$ 132,588	\$ 35,009	\$ 52,998	\$ 34,246	\$ 59,075	\$ 59,549
Net (income) attributable to noncontrolling interests in consolidated affiliates	(918)	(914)	(324)	(308)	(286)	(325)	(315)
Depreciation and amortization of real estate assets	169,693	166,862	56,904	55,954	56,835	58,190	56,271
(Gains) on disposition of depreciable properties	(16,433)	(25,181)	-	(16,433)	-	(27,989)	(19,849)
Unconsolidated affiliates:							
Depreciation and amortization of real estate assets	1,673	1,923	597	565	511	375	529
(Gains) on disposition of depreciable properties	-	(4,617)	-	-	-	-	(4,617)
Funds from operations	276,268	270,661	92,186	92,776	91,306	89,326	91,568
Dividends on Preferred Stock	(1,869)	(1,869)	(623)	(623)	(623)	(623)	(623)
Funds from operations available for common stockholders	\$ 274,399	\$ 268,792	\$ 91,563	\$ 92,153	\$ 90,683	\$ 88,703	\$ 90,945
Funds from operations available for common stockholders per share	\$ 2.58	\$ 2.55	\$ 0.86	\$ 0.87	\$ 0.85	\$ 0.84	\$ 0.86
Weighted average shares outstanding	106,256	105,402	106,333	106,267	106,165	106,163	106,145
 Additional information: 1/							
(Gains)/losses on debt extinguishment	\$ -	\$ (826)	\$ -	\$ -	\$ -	\$ 852	\$ -
Straight-line rental income	(18,087)	(24,643)	(5,184)	(6,394)	(6,509)	(7,078)	(9,440)
Straight-line rental write-offs related to termination fees	262	407	183	21	58	88	365
Amortization of lease incentives	1,357	1,284	452	476	429	481	444
Depreciation of non-real estate assets	1,828	1,684	616	609	603	576	570
Ground lease straight-line rent expense	269	296	87	90	92	92	96
Share-based compensation expense	6,609	5,764	1,141	1,173	4,295	928	927
Amortization of debt issuance costs	2,126	2,445	718	722	686	721	796
Amortization of accumulated other comprehensive (income)/loss	(1,053)	(240)	(368)	(346)	(339)	(111)	(111)
Amortization of above/(below) market leases and other adjustments	(2,845)	(1,950)	(980)	(927)	(938)	(987)	(765)
 Non-incremental revenue generating capital expenditures incurred: 2/							
Building improvements	(28,751)	(22,459)	(9,259)	(8,121)	(11,371)	(16,217)	(9,146)
2nd generation tenant improvements	(54,557)	(38,709)	(18,388)	(17,331)	(18,838)	(21,853)	(15,216)
2nd generation lease commissions	(18,440)	(11,773)	(6,058)	(6,778)	(5,604)	(8,076)	(4,417)
Common dividends and unit distributions paid	(147,330)	(139,117)	(49,152)	(49,131)	(49,047)	(46,675)	(46,670)

1/ Increase or (decrease) to cash flows.

2/ Excludes capital expenditures (a) incurred within 12 months prior to the disposition date for buildings sold, (b) related to first generation leases and leases with respect to vacant space in acquired buildings, (c) building improvements that are recoverable from future operating cost savings, (d) building improvements that constitute part of the total investment cost disclosed in connection with an acquisition and (e) property re-developments.

Consolidated Balance Sheets (dollars in thousands)

	<u>9/30/18</u>	<u>12/31/17</u>
Assets:		
Real estate assets, at cost:		
Land	\$ 493,426	\$ 485,956
Buildings and tenant improvements	4,671,689	4,590,490
Development in-process	166,849	88,452
Land held for development	<u>125,488</u>	<u>74,765</u>
	5,457,452	5,239,663
Less-accumulated depreciation	<u>(1,280,910)</u>	<u>(1,202,424)</u>
Net real estate assets	4,176,542	4,037,239
Real estate and other assets, net, held for sale	-	14,118
Cash and cash equivalents	5,324	3,272
Restricted cash	6,955	85,061
Accounts receivable, net of allowance of \$1,269 and \$753, respectively	24,187	24,397
Mortgages and notes receivable, net of allowance of \$52 and \$72, respectively	5,659	6,425
Accrued straight-line rents receivable, net of allowance of \$726 and \$819, respectively	218,111	200,131
Investments in and advances to unconsolidated affiliates	23,371	23,897
Deferred leasing costs, net of accumulated amortization of \$147,588 and \$143,512, respectively	193,796	200,679
Prepaid expenses and other assets, net of accumulated depreciation of \$20,033 and \$19,092, respectively	<u>34,466</u>	<u>28,572</u>
Total Assets	<u>\$ 4,688,411</u>	<u>\$ 4,623,791</u>
Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:		
Mortgages and notes payable, net	\$ 2,087,421	\$ 2,014,333
Accounts payable, accrued expenses and other liabilities	<u>229,912</u>	<u>228,215</u>
Total Liabilities	2,317,333	2,242,548
Commitments and contingencies		
Noncontrolling interests in the Operating Partnership	132,447	144,009
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), 28,887 and 28,892 shares issued and outstanding, respectively	28,887	28,892
Common Stock, \$.01 par value, 200,000,000 authorized shares; 103,488,326 and 103,266,875 shares issued and outstanding, respectively	1,035	1,033
Additional paid-in capital	2,948,320	2,929,399
Distributions in excess of net income available for common stockholders	(774,484)	(747,344)
Accumulated other comprehensive income	<u>17,489</u>	<u>7,838</u>
Total Stockholders' Equity	2,221,247	2,219,818
Noncontrolling interests in consolidated affiliates	<u>17,384</u>	<u>17,416</u>
Total Equity	2,238,631	2,237,234
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	<u>\$ 4,688,411</u>	<u>\$ 4,623,791</u>

Capitalization, Net debt-to-EBITDAre and Revenue Detail (dollars, shares and units in thousands)

	<u>9/30/18</u>	<u>6/30/18</u>	<u>3/31/18</u>	<u>12/31/17</u>	<u>9/30/17</u>
Mortgages and Notes Payable (see pages 5 & 6):	\$ 2,087,421	\$ 2,055,004	\$ 2,112,584	\$ 2,014,333	\$ 1,966,398
Preferred Stock (at liquidation value):					
Series A 8 5/8% Cumulative Redeemable	\$ 28,887	\$ 28,887	\$ 28,887	\$ 28,892	\$ 28,892
Common Shares and Units Outstanding:					
Common stock outstanding	103,488	103,459	103,422	103,267	103,249
Noncontrolling interest partnership units	2,803	2,806	2,810	2,829	2,831
Total Common Shares and Units outstanding	106,291	106,265	106,232	106,096	106,080
Stock price at period end	\$ 47.26	\$ 50.73	\$ 43.82	\$ 50.91	\$ 52.09
Market value of common equity	\$ 5,023,313	\$ 5,390,823	\$ 4,655,086	\$ 5,401,347	\$ 5,525,707
Total capitalization	\$ 7,139,621	\$ 7,474,714	\$ 6,796,557	\$ 7,444,572	\$ 7,520,997
Net debt-to-EBITDAre:					
Net income	\$ 35,009	\$ 52,998	\$ 34,246	\$ 59,075	\$ 59,549
Interest expense	17,437	17,877	18,391	17,897	17,191
Depreciation and amortization	57,661	56,694	57,568	58,898	56,973
(Gains) on disposition of depreciable properties	-	(16,433)	-	(27,989)	(19,849)
Adjustments to reflect our share of EBITDAre from unconsolidated affiliates	969	956	896	981	(3,534)
EBITDAre 1/	\$ 111,076	\$ 112,092	\$ 111,101	\$ 108,862	\$ 110,330
EBITDAre (annualized) 2/	\$ 444,304	\$ 448,368	\$ 444,404	\$ 435,448	\$ 441,320
Mortgages and notes payable 3/	\$ 2,126,536	\$ 2,094,269	\$ 2,151,656	\$ 2,054,102	\$ 2,006,311
Less - cash and cash equivalents 3/	(8,659)	(7,523)	(33,945)	(6,783)	(9,375)
Net debt 4/	\$ 2,117,877	\$ 2,086,746	\$ 2,117,711	\$ 2,047,319	\$ 1,996,936
Preferred Stock	28,887	28,887	28,887	28,892	28,892
Net debt plus Preferred Stock	\$ 2,146,764	\$ 2,115,633	\$ 2,146,598	\$ 2,076,211	\$ 2,025,828
Net debt-to-EBITDAre 5/	4.77x	4.65x	4.77x	4.70x	4.52x
Net debt plus Preferred Stock-to-EBITDAre 6/	4.83x	4.72x	4.83x	4.77x	4.59x
Rental and other revenues:					
Contractual rents, net	\$ 149,404	\$ 148,195	\$ 148,679	\$ 146,453	\$ 146,853
Straight-line rental income, net	5,184	6,394	6,509	7,078	9,440
Cost recovery income, net	15,494	15,233	14,714	14,082	13,755
Lease termination fees, net 7/	1,418	8	666	49	1,233
Other miscellaneous operating revenues	7,917	8,962	9,870	8,199	8,904
	\$ 179,417	\$ 178,792	\$ 180,438	\$ 175,861	\$ 180,185

1/ Effective January 1, 2018, we calculate EBITDAre in accordance with the NAREIT definition. Prior period results have been retrospectively revised to conform to the NAREIT definition.

2/ EBITDAre (annualized) is EBITDAre multiplied by four.

3/ Includes our share of unconsolidated affiliates.

4/ Net debt is calculated as mortgages and notes payable at quarter-end less cash and cash equivalents at quarter-end.

5/ Net debt at quarter-end divided by EBITDAre (annualized).

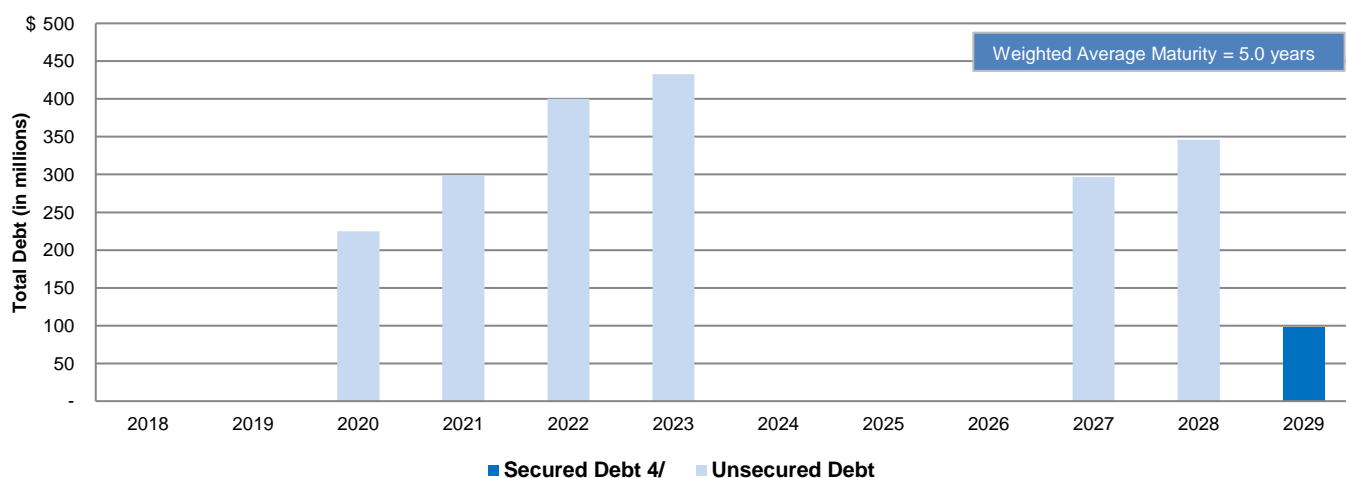
6/ Net debt plus Preferred Stock at quarter-end divided by EBITDAre (annualized).

7/ Includes \$1.3 million accelerated rent payments in the third quarter of 2018 from a vacating customer at 11000 Weston in Raleigh.

Mortgages and Notes Payable Summary (dollars in thousands)

Balances Outstanding:	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17
Secured:					
Conventional fixed rate	\$ 97,636	\$ 98,089	\$ 98,537	\$ 98,981	\$ 99,421
Unsecured - Fixed:					
Fixed rate bonds and notes	1,190,439	1,190,062	1,389,685	1,043,513	1,043,239
Bank term loan 1/	225,000	225,000	225,000	225,000	225,000
Bank term loan 2/	50,000	50,000	50,000	50,000	50,000
Unsecured - fixed total	1,465,439	1,465,062	1,664,685	1,318,513	1,318,239
Unsecured - Floating:					
Bank term loan	200,000	200,000	200,000	200,000	200,000
Bank term loan	-	-	-	-	125,000
Bank term loan	150,000	150,000	150,000	150,000	150,000
Bank term loan	-	10,000	10,000	10,000	10,000
Credit facility 3/	184,000	142,000	-	245,000	72,000
Unsecured - floating total	534,000	502,000	360,000	605,000	557,000
Unsecured total	1,999,439	1,967,062	2,024,685	1,923,513	1,875,239
Total	\$ 2,097,075	\$ 2,065,151	\$ 2,123,222	\$ 2,022,494	\$ 1,974,660
Total Net of Debt Issuance Costs	\$ 2,087,421	\$ 2,055,004	\$ 2,112,584	\$ 2,014,333	\$ 1,966,398
End of Period Weighted Average Interest Rates:					
Secured:					
Conventional fixed rate	4.00%	4.00%	4.00%	4.00%	4.00%
Unsecured - Fixed:					
Fixed rate bonds	3.75%	3.75%	4.29%	4.37%	4.37%
Bank term loan 1/	2.78%	2.78%	2.78%	2.78%	2.78%
Bank term loan 2/	2.79%	2.79%	2.79%	2.79%	2.79%
Unsecured - fixed total	3.57%	3.57%	4.04%	4.04%	4.04%
Unsecured - Floating:					
Bank term loan	3.31%	3.18%	2.95%	2.60%	2.44%
Bank term loan	-	-	-	-	2.34%
Bank term loan	3.21%	3.09%	2.77%	2.47%	2.34%
Bank term loan	-	3.08%	2.76%	2.46%	2.34%
Credit facility 3/	3.15%	3.07%	-	2.48%	2.33%
Unsecured - floating total	3.23%	3.12%	2.87%	2.52%	2.37%
Unsecured total	3.48%	3.45%	3.83%	3.56%	3.54%
Weighted Average	3.50%	3.48%	3.84%	3.58%	3.57%

Maturity Schedule



1/ The interest rate on this loan is based on one-month LIBOR plus a spread based on the company's credit rating. Swap agreements effectively fix one-month LIBOR until January 2019.

2/ The interest rate on this loan is based on one-month LIBOR plus a spread based on the company's credit rating. Swap agreements effectively fix one-month LIBOR until January 2022.

3/ Maturity date assumes exercise of two six-month extension options.

4/ All periods exclude annual principal amortization.

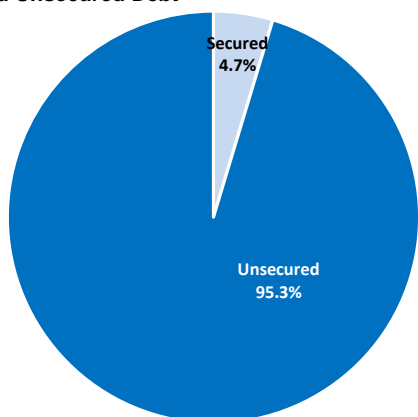
Mortgages and Notes Payable Detail (dollars in thousands)

<u>Secured Loans</u>			Loan	Undepreciated
<u>Lender</u>	<u>Effective</u>	<u>Maturity</u>	<u>Balance</u>	<u>Book Value of</u>
	<u>Rate</u>	<u>Date</u>	<u>9/30/18</u>	<u>Real Estate & Related</u>
				<u>Assets Secured</u>
Allianz Life Insurance Company	4.00%	May-29	\$ 97,636	\$ 147,571
Unsecured Bonds				
Bonds 1/	4.06%	Mar-28	346,105	
Bonds	3.36%	Jun-21	298,828	
Bonds 2/	3.78%	Mar-27	296,634	
Bonds	3.75%	Jan-23	248,872	
	<u>3.75%</u>		<u>1,190,439</u>	
Unsecured Loans				
Bank term loan 3/	2.78%	Jun-20	225,000	
Bank term loan 4/	3.31%	Nov-22	200,000	
Bank term loan 4/	3.21%	Jan-22	150,000	
Credit facility 4/ 5/	3.15%	Jan-23	184,000	
Bank term loan 6/	2.79%	Jan-22	50,000	
	<u>3.08%</u>		<u>809,000</u>	
	<u>3.50%</u>		<u>\$ 2,097,075</u>	
Total Debt			\$ 2,097,075	
Total Net of Debt Issuance Costs			\$ 2,087,421	

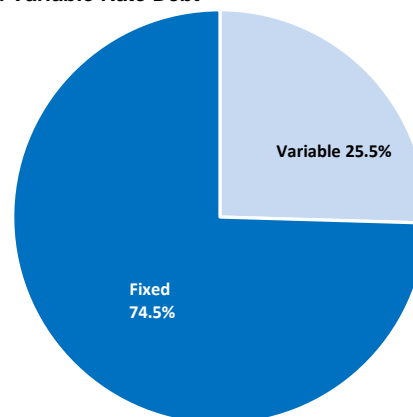
<u>Bond Covenants as of September 30, 2018</u>	
Overall indebtedness (<60%)	37.9%
Secured indebtedness (<40%)	1.8%
Income available for debt service (>1.5x)	6.13x
Total unencumbered assets to unsecured debt (>150%)	268.3%

<u>Agency</u>	<u>Rating</u>	<u>Outlook</u>	<u>Affirmed</u>
S&P	BBB	Stable	7/5/18
Moody's	Baa2	Stable	12/5/17

Secured and Unsecured Debt



Fixed and Variable Rate Debt



1/ Rate includes the impact of the swaps that were settled for \$7.2 million upon issuance of the bonds.

2/ Rate includes the impact of the swaps that were settled for \$7.3 million upon issuance of the bonds.

3/ This loan maturing June 2020 is swapped to an effective fixed rate of 2.78% until January 2019, including the current spread based on the company's credit rating.

4/ Floating rate loans based on one-month LIBOR.

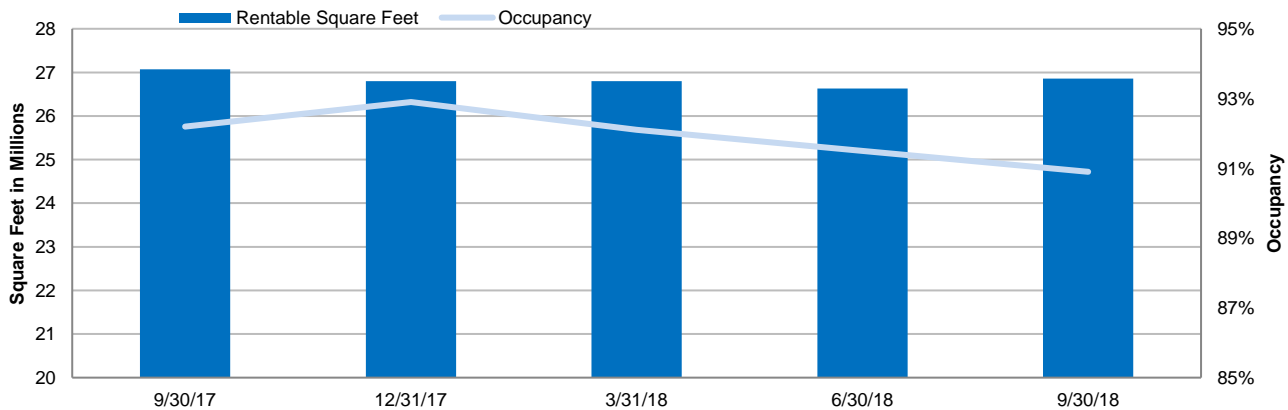
5/ Maturity date assumes exercise of two six-month extension options.

6/ This loan maturing January 2022 is swapped to an effective fixed rate of 2.79%, including the current spread based on the company's credit rating.

Portfolio Summary

	<u>9/30/18</u>	<u>6/30/18</u>	<u>3/31/18</u>	<u>12/31/17</u>	<u>9/30/17</u>
Total In-Service					
Rentable Square Feet					
Office	26,855,000	26,633,000	26,799,000	26,801,000	27,068,000
Industrial	2,544,000	2,544,000	2,544,000	2,544,000	2,544,000
Retail	59,000	59,000	59,000	59,000	59,000
Total	<u>29,458,000</u>	<u>29,236,000</u>	<u>29,402,000</u>	<u>29,404,000</u>	<u>29,671,000</u>
Occupancy					
Office	90.9%	91.5%	92.1%	92.9%	92.2%
Industrial	95.5%	95.4%	92.8%	92.8%	91.6%
Retail	100.0%	100.0%	100.0%	100.0%	100.0%
Total	<u>91.3%</u>	<u>91.8%</u>	<u>92.2%</u>	<u>92.9%</u>	<u>92.1%</u>
Same Property:					
Rentable Square Feet					
Office	25,917,000	25,917,000	25,917,000	25,917,000	25,917,000
Industrial	2,413,000	2,413,000	2,413,000	2,413,000	2,413,000
Retail	59,000	59,000	59,000	59,000	59,000
Total	<u>28,389,000</u>	<u>28,389,000</u>	<u>28,389,000</u>	<u>28,389,000</u>	<u>28,389,000</u>
Occupancy					
Office	90.8%	91.3%	91.9%	92.7%	92.2%
Industrial	95.3%	97.7%	97.9%	97.9%	96.5%
Retail	100.0%	100.0%	100.0%	100.0%	100.0%
Total	<u>91.2%</u>	<u>91.9%</u>	<u>92.4%</u>	<u>93.2%</u>	<u>92.6%</u>

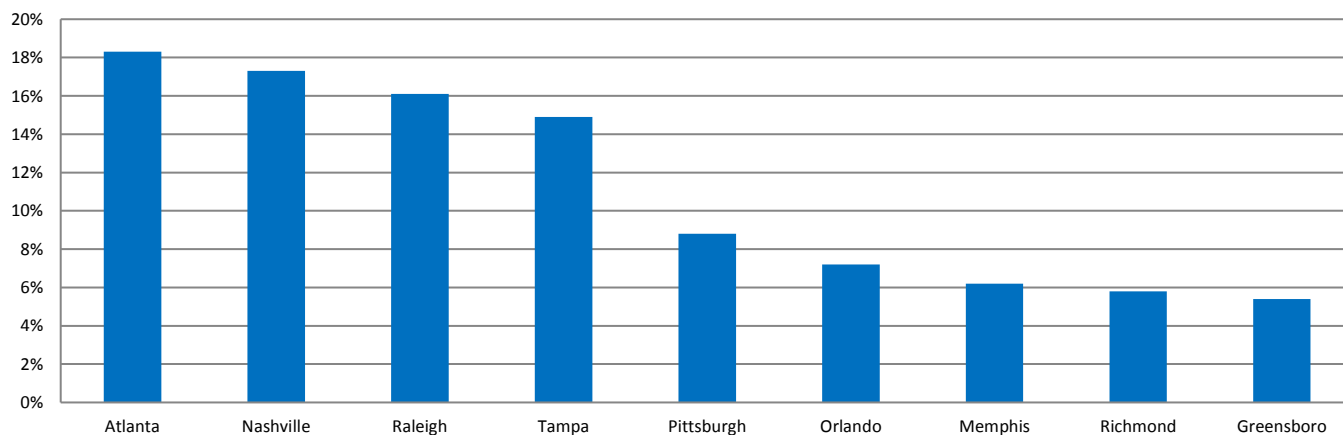
Rentable Square Feet and Occupancy Trend: *Total In-Service Office Only*



Portfolio Summary

<u>Market</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Annualized Cash Revenue 1/</u>			
			<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
Atlanta	5,243,000	86.3%	18.3%	-	-	18.3%
Nashville	4,231,000	92.7%	17.1%	-	0.2%	17.3%
Raleigh	4,656,000	89.3%	16.1%	-	-	16.1%
Tampa	3,822,000	92.9%	14.9%	-	-	14.9%
Pittsburgh	2,148,000	95.0%	8.8%	-	-	8.8%
Orlando	1,975,000	91.0%	7.2%	-	-	7.2%
Memphis	1,655,000	92.3%	6.1%	-	0.1%	6.2%
Richmond	2,033,000	92.3%	5.8%	-	-	5.8%
Greensboro	3,695,000	94.7%	3.4%	2.0%	-	5.4%
Total	29,458,000	91.3%	97.7%	2.0%	0.3%	100.0%

Annualized Cash Revenue by Market 1/

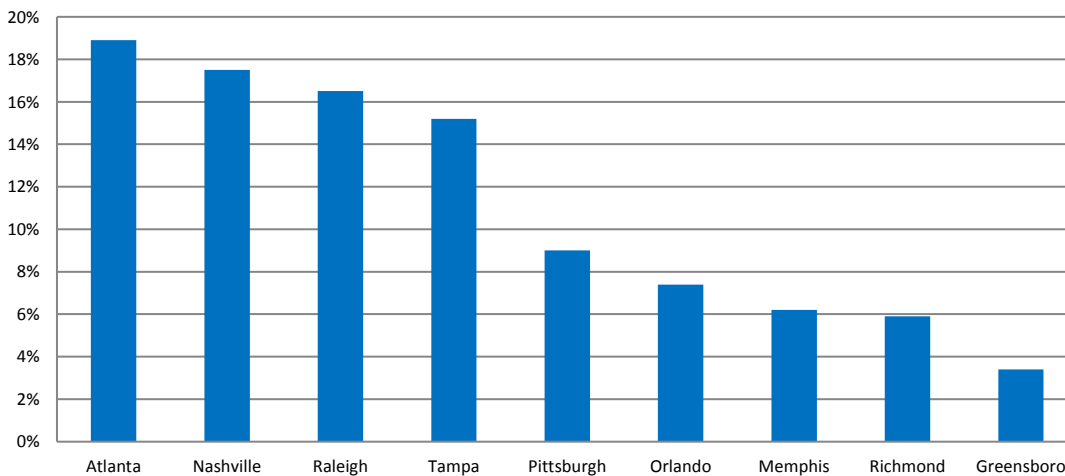


1/ Annualized Cash Revenue is September 2018 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Portfolio Summary

<u>Market</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Segment Annualized Cash Revenue 1/</u>	<u>Percentage of Total Annualized Cash Revenue 1/</u>
Office				
Atlanta	5,243,000	86.3%	18.9%	18.3%
Nashville	4,190,000	92.6%	17.5%	17.1%
Raleigh	4,656,000	89.3%	16.5%	16.1%
Tampa	3,822,000	92.9%	15.2%	14.9%
Pittsburgh	2,148,000	95.0%	9.0%	8.8%
Orlando	1,975,000	91.0%	7.4%	7.2%
Memphis	1,637,000	92.2%	6.2%	6.1%
Richmond	2,033,000	92.3%	5.9%	5.8%
Greensboro	1,151,000	93.0%	3.4%	3.4%
	<u>26,855,000</u>	<u>90.9%</u>	<u>100.0%</u>	<u>97.7%</u>
Industrial				
Greensboro	2,544,000	95.5%	100.0%	2.0%
	<u>2,544,000</u>	<u>95.5%</u>	<u>100.0%</u>	<u>2.0%</u>
Retail				
Nashville	41,000	100.0%	69.4%	0.2%
Memphis	18,000	100.0%	30.6%	0.1%
	<u>59,000</u>	<u>100.0%</u>	<u>100.0%</u>	<u>0.3%</u>

Office Segment: Annualized Cash Revenue by Market 1/



1/ Annualized Cash Revenue is September 2018 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Occupancy Trends

<u>Market</u>	<u>Measurement</u>	<u>9/30/18</u>	<u>6/30/18</u>	<u>3/31/18</u>	<u>12/31/17</u>	<u>9/30/17</u>
Atlanta	Rentable Square Feet	5,243,000	5,243,000	5,243,000	5,244,000	5,244,000
	Occupancy	86.3%	85.1%	86.2%	88.7%	88.4%
	Current Properties 1/	86.3%	85.1%	86.2%	88.7%	88.4%
Greensboro	Rentable Square Feet	3,695,000	3,695,000	3,695,000	3,695,000	3,695,000
	Occupancy	94.7%	94.3%	92.2%	92.6%	92.2%
	Current Properties 1/	94.7%	94.3%	92.2%	92.6%	92.2%
Kansas City	Rentable Square Feet	-	-	-	-	67,000
	Occupancy	-	-	-	-	28.8%
	Current Properties 1/	-	-	-	-	28.8%
Memphis	Rentable Square Feet	1,655,000	1,655,000	1,655,000	1,655,000	1,655,000
	Occupancy	92.3%	92.1%	93.8%	94.1%	93.9%
	Current Properties 1/	92.3%	92.1%	93.8%	94.1%	93.9%
Nashville	Rentable Square Feet	4,231,000	4,095,000	4,094,000	4,094,000	4,094,000
	Occupancy	92.7%	94.4%	95.0%	95.7%	95.8%
	Current Properties 1/	93.6%	94.4%	95.0%	95.7%	95.8%
Orlando	Rentable Square Feet	1,975,000	1,976,000	1,976,000	1,976,000	1,976,000
	Occupancy	91.0%	90.5%	89.2%	90.1%	88.2%
	Current Properties 1/	91.0%	90.5%	89.2%	90.1%	88.2%
Pittsburgh	Rentable Square Feet	2,148,000	2,148,000	2,148,000	2,148,000	2,162,000
	Occupancy	95.0%	95.2%	94.2%	94.1%	92.4%
	Current Properties 1/	95.0%	95.2%	94.2%	94.1%	92.4%
Raleigh	Rentable Square Feet	4,656,000	4,656,000	4,824,000	4,824,000	5,011,000
	Occupancy	89.3%	93.7%	94.3%	94.7%	93.9%
	Current Properties 1/	89.3%	93.7%	94.3%	94.9%	94.4%
Richmond	Rentable Square Feet	2,033,000	1,946,000	1,945,000	1,946,000	1,945,000
	Occupancy	92.3%	91.1%	92.3%	92.9%	90.0%
	Current Properties 1/	91.9%	91.1%	92.3%	92.9%	90.0%
Tampa	Rentable Square Feet	3,822,000	3,822,000	3,822,000	3,822,000	3,822,000
	Occupancy	92.9%	92.8%	94.2%	93.6%	94.1%
	Current Properties 1/	92.9%	92.8%	94.2%	93.6%	94.1%
Total	Rentable Square Feet	29,458,000	29,236,000	29,402,000	29,404,000	29,671,000
	Occupancy	91.3%	91.8%	92.2%	92.9%	92.1%
	Current Properties 1/	91.4%	91.8%	92.1%	92.9%	92.3%

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

Office Leasing Statistics

	Three Months Ended					Five Quarter
	<u>9/30/18</u>	<u>6/30/18</u>	<u>3/31/18</u>	<u>12/31/17</u>	<u>9/30/17</u>	<u>Average</u>
Leasing Activity:						
Square footage of Renewal Deals	605,530	928,472	636,772	737,704	910,118	763,719
Square footage of New Deals (Relets)	278,065	188,522	220,370	279,401	193,911	232,054
Rentable square footage leased	883,595	1,116,994	857,142	1,017,105	1,104,029	995,773
Renewed square footage (% of total)	68.5%	83.1%	74.3%	72.5%	82.4%	76.7%
New Leases square footage (% of total)	31.5%	16.9%	25.7%	27.5%	17.6%	23.3%
Number of lease transactions (signed leases)	104	119	106	106	98	107
Weighted average per rentable square foot over the lease term:						
Base rent	\$ 28.06	\$ 27.51	\$ 28.88	\$ 28.85	\$ 26.15	\$ 27.89
Rent concessions	(0.79)	(0.55)	(0.53)	(0.44)	(0.34)	(0.53)
GAAP rent	27.27	26.96	28.35	28.41	25.81	27.36
Tenant improvements	(3.02)	(2.51)	(2.69)	(3.18)	(2.61)	(2.80)
Leasing commissions 1/	(0.89)	(0.64)	(0.90)	(0.84)	(0.83)	(0.82)
Effective rent after capex	23.36	23.81	24.76	24.39	22.37	23.74
Expense stop	(8.41)	(8.57)	(8.92)	(9.27)	(8.29)	(8.69)
Effective rent after capex and opex	\$ 14.95	\$ 15.24	\$ 15.84	\$ 15.12	\$ 14.08	\$ 15.05
Square feet weighted average term in years	5.7	6.7	5.7	7.1	4.8	6.0
Dollar weighted average term in years	6.0	6.8	6.0	7.2	5.2	6.3
Capital Expenditures Related to Above Leasing Activity:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 16,145,452	\$ 21,063,395	\$ 16,634,198	\$ 25,190,890	\$ 15,747,390	\$ 18,956,265
Rentable square feet	883,595	1,116,994	857,142	1,017,105	1,104,029	995,773
Per rentable square foot	\$ 18.27	\$ 18.86	\$ 19.41	\$ 24.77	\$ 14.26	\$ 19.04
Leasing Commissions:						
Total dollars committed under signed leases 1/	\$ 5,098,971	\$ 4,657,270	\$ 5,158,589	\$ 6,290,306	\$ 4,717,077	\$ 5,184,443
Rentable square feet	883,595	1,116,994	857,142	1,017,105	1,104,029	995,773
Per rentable square foot	\$ 5.77	\$ 4.17	\$ 6.02	\$ 6.18	\$ 4.27	\$ 5.21
Total:						
Total dollars committed under signed leases	\$ 21,244,423	\$ 25,720,665	\$ 21,792,787	\$ 31,481,196	\$ 20,464,467	\$ 24,140,708
Rentable square feet	883,595	1,116,994	857,142	1,017,105	1,104,029	995,773
Per rentable square foot	\$ 24.04	\$ 23.03	\$ 25.42	\$ 30.95	\$ 18.54	\$ 24.24

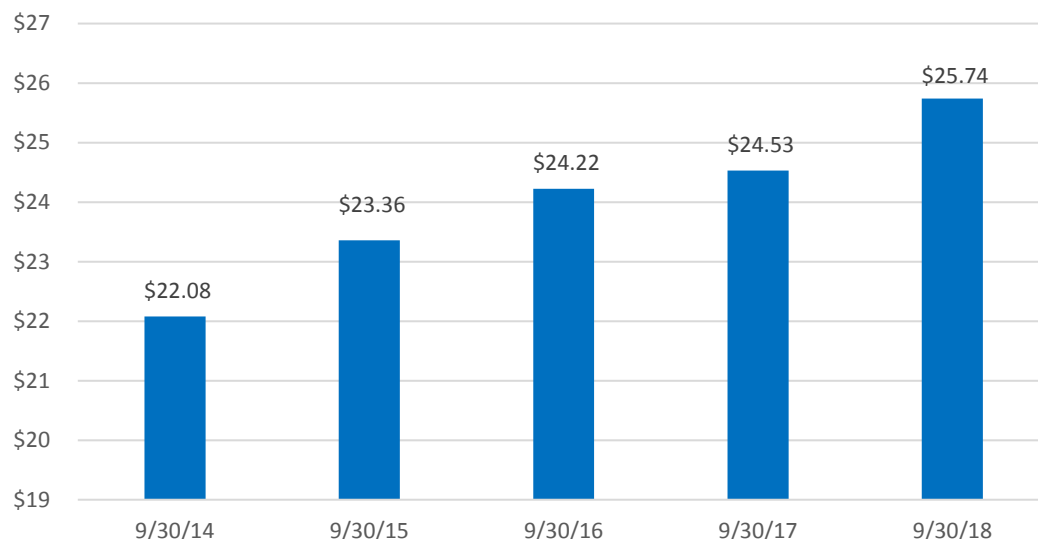
1/ Excludes capitalized internal leasing costs.

Office Leasing Statistics and Rental Rate Comparisons by Market

For Three Months Ended September 30, 2018

Leasing Statistics	Rentable		Lease			Previous Rent	Percentage Change
	Square Feet Leased	Average Term	TI's Per SF	Commissions Per SF 1/	Rental Rate		
Raleigh	232,099	7.5	\$ 9.70	\$ 7.35	\$ 26.50	\$ 22.57	17.4%
Richmond	154,599	3.5	9.13	2.21	23.06	20.70	11.4%
Orlando	120,292	5.3	29.33	5.49	27.02	22.85	18.2%
Atlanta	109,204	7.6	37.26	12.78	34.86	26.92	29.5%
Memphis	91,558	4.9	16.89	2.88	27.08	24.52	10.4%
Nashville	78,419	5.0	15.85	3.98	28.59	23.45	21.9%
Greensboro	44,495	3.9	12.45	1.98	19.30	18.36	5.1%
Tampa	36,244	6.3	22.64	5.72	31.21	25.03	24.7%
Pittsburgh	16,685	5.5	43.23	7.40	36.63	-	-
GAAP Rent Growth 2/	883,595	5.7	\$ 18.27	\$ 5.77	\$ 27.27	\$ 23.02	18.5%
Cash Rent Growth 3/	883,595	5.7	\$ 18.27	\$ 5.77	\$ 26.68	\$ 25.85	3.2%

Average Office Cash Rental Rates for All In-Place Leases as of:



1/ Excludes capitalized internal leasing costs, which totaled \$767,000.

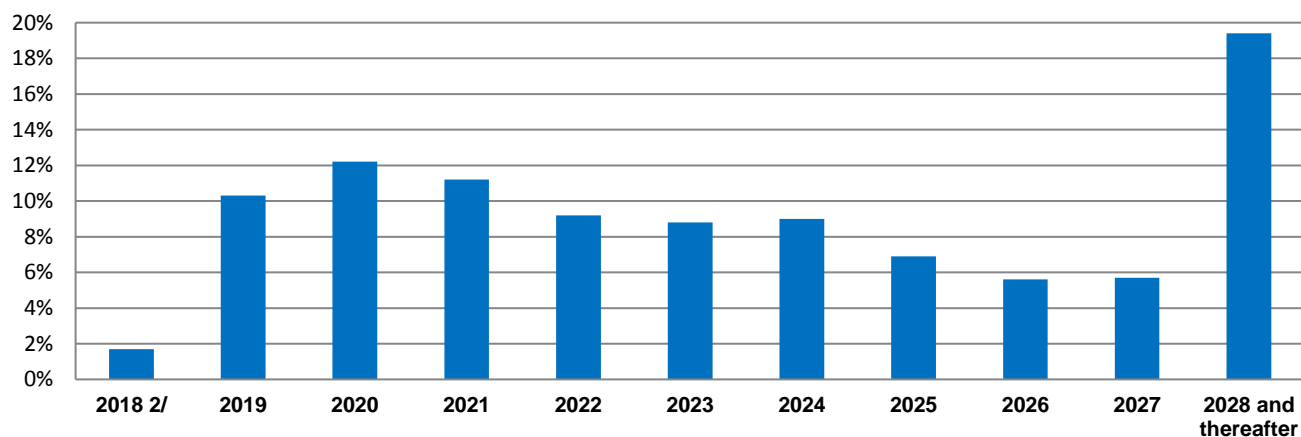
2/ GAAP rent growth is calculated by comparing average cash rent psf over the term (GAAP rent) of the new lease to the average cash rent psf over the term related to the previous lease in the same space. Adjustments are made if necessary to put both the current and prior deal on a consistent gross lease basis.

3/ Cash rent growth is calculated by comparing beginning annualized cash rent psf (after rent concessions burn off) under the new lease to ending annualized cash rent psf (including recovery income and rent escalations) related to the previous lease in the same space. Adjustments are made if necessary to put both the current and prior deal on a consistent gross lease basis.

Office Lease Expirations (dollars in thousands)

<u>Year</u>	<u>Occupied Rentable Square Feet Expiring</u>	<u>Percent of Occupied Rentable Square Feet</u>	<u>Annualized Cash Revenue 1/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Cash Revenue 1/</u>
2018 2/	491,400	2.0%	\$ 10,577	\$ 21.52	1.7%
2019	2,588,402	10.6%	64,828	25.05	10.3%
2020	2,768,359	11.3%	76,785	27.74	12.2%
2021	2,709,032	11.1%	70,529	26.03	11.2%
2022	2,332,613	9.6%	58,041	24.88	9.2%
2023	2,202,271	9.0%	55,311	25.12	8.8%
2024	2,094,060	8.6%	56,849	27.15	9.0%
2025	1,635,206	6.7%	43,664	26.70	6.9%
2026	1,387,694	5.7%	35,065	25.27	5.6%
2027	1,298,336	5.3%	35,139	27.06	5.7%
2028 and thereafter	4,904,495	20.1%	121,635	24.80	19.4%
	24,411,868	100.0%	\$ 628,423	\$ 25.74	100.0%

Percent of Total Annualized Cash Revenue Expiring by Year



1/ Annualized Cash Revenue is September 2018 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Includes 140,000 square feet of leases that are on a month to month basis, which constitute 0.4% of total annualized revenue.

Note: 2018 and beyond expirations that have been renewed are reflected above based on the renewal expiration date. Expirations include leases related to completed not stabilized development properties and exclude leases related to developments in-process.

Office Lease Expirations by Market by Year (dollars in thousands)

		<u>2018 1/</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Thereafter</u>
Atlanta	RSF	83,370	573,424	498,919	531,377	2,839,876
	% of Total RSF	0.3%	2.4%	2.0%	2.1%	11.7%
	Annualized Cash Revenue 2/	\$ 2,192	\$ 14,171	\$ 13,334	\$ 15,108	\$ 73,189
	% of Total Annl Cash Rev	0.2%	2.3%	2.2%	2.3%	11.7%
Greensboro	RSF	20,834	107,431	147,574	109,893	684,526
	% of Total RSF	0.1%	0.4%	0.6%	0.5%	3.0%
	Annualized Cash Revenue 2/	\$ 393	\$ 2,726	\$ 2,832	\$ 2,370	\$ 13,290
	% of Total Annl Cash Rev	0.1%	0.4%	0.5%	0.4%	2.1%
Memphis	RSF	39,556	185,088	199,492	321,520	763,615
	% of Total RSF	0.2%	0.8%	0.8%	1.3%	3.0%
	Annualized Cash Revenue 2/	\$ 988	\$ 4,757	\$ 5,328	\$ 8,699	\$ 19,326
	% of Total Annl Cash Rev	0.2%	0.8%	0.8%	1.4%	3.1%
Nashville	RSF	37,006	347,914	481,679	356,607	2,658,611
	% of Total RSF	0.2%	1.4%	2.0%	1.5%	10.8%
	Annualized Cash Revenue 2/	\$ 1,072	\$ 9,232	\$ 12,698	\$ 9,171	\$ 78,005
	% of Total Annl Cash Rev	0.2%	1.5%	2.0%	1.5%	12.2%
Orlando	RSF	41,504	221,097	240,252	204,474	1,089,739
	% of Total RSF	0.2%	0.9%	1.0%	0.8%	4.4%
	Annualized Cash Revenue 2/	\$ 1,028	\$ 5,663	\$ 6,290	\$ 5,575	\$ 28,067
	% of Total Annl Cash Rev	0.2%	0.9%	1.0%	0.9%	4.5%
Pittsburgh	RSF	30,840	33,180	99,974	129,326	1,746,866
	% of Total RSF	0.1%	0.1%	0.4%	0.5%	7.2%
	Annualized Cash Revenue 2/	\$ 838	\$ 891	\$ 5,210	\$ 3,632	\$ 45,920
	% of Total Annl Cash Rev	0.1%	0.1%	0.8%	0.6%	7.4%
Raleigh	RSF	143,608	563,733	319,034	338,582	2,793,246
	% of Total RSF	0.5%	2.3%	1.3%	1.4%	11.4%
	Annualized Cash Revenue 2/	\$ 2,351	\$ 13,462	\$ 9,079	\$ 8,484	\$ 70,320
	% of Total Annl Cash Rev	0.4%	2.1%	1.4%	1.4%	11.3%
Richmond	RSF	39,494	162,553	216,763	235,399	1,222,223
	% of Total RSF	0.2%	0.7%	0.9%	1.0%	5.0%
	Annualized Cash Revenue 2/	\$ 665	\$ 3,633	\$ 4,774	\$ 5,249	\$ 22,818
	% of Total Annl Cash Rev	0.1%	0.6%	0.8%	0.8%	3.5%
Tampa	RSF	55,188	393,982	564,672	481,854	2,055,973
	% of Total RSF	0.2%	1.6%	2.3%	2.0%	8.5%
	Annualized Cash Revenue 2/	\$ 1,050	\$ 10,293	\$ 17,240	\$ 12,241	\$ 54,769
	% of Total Annl Cash Rev	0.2%	1.6%	2.7%	1.9%	8.8%
Total	RSF	491,400	2,588,402	2,768,359	2,709,032	15,854,675
	% of Total RSF	2.0%	10.6%	11.3%	11.1%	65.0%
	Annualized Cash Revenue 2/	\$ 10,577	\$ 64,828	\$ 76,785	\$ 70,529	\$ 405,704
	% of Total Annl Cash Rev	1.7%	10.3%	12.2%	11.2%	64.6%

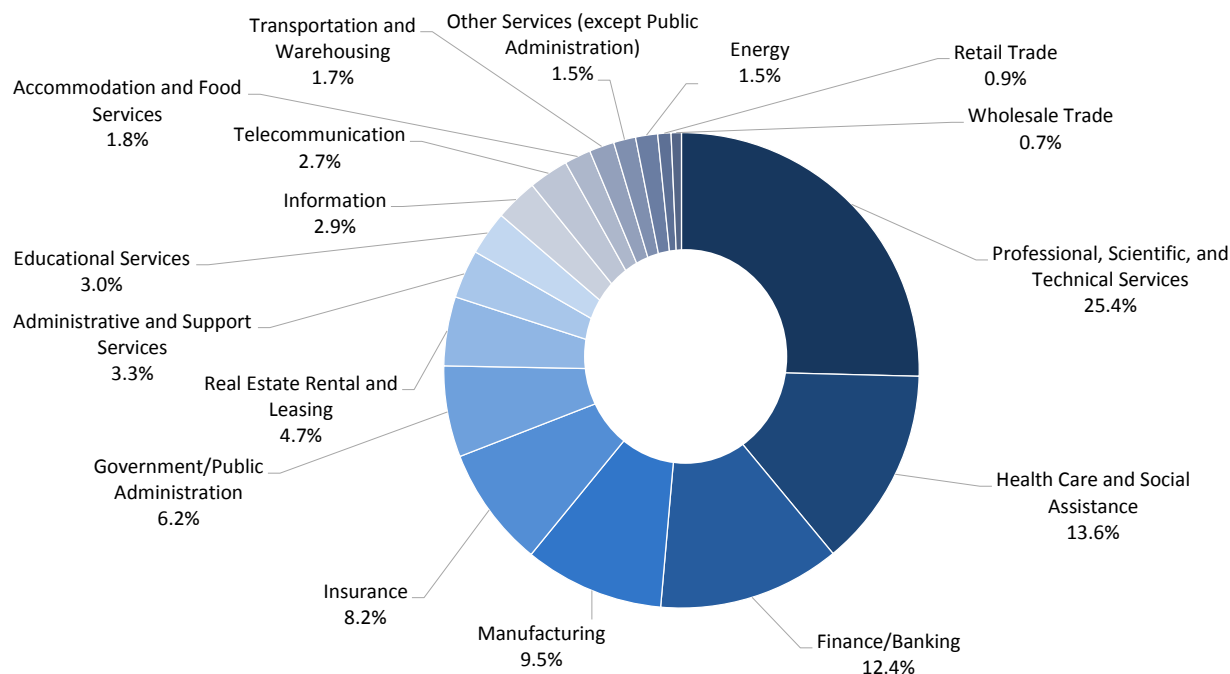
1/ Includes 140,000 square feet of leases that are on a month to month basis, which constitute 0.4% of total annualized revenue.

2/ Annualized Cash Revenue is September 2018 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Customer Diversification (dollars in thousands)

Top 20 Customers	Rentable Square Feet	Annualized Cash Revenue 1/	Percent of Annualized Cash Revenue 1/	Average Remaining Lease Term in Years
Federal Government	1,283,220	\$ 31,503	4.88%	4.5
Metropolitan Life Insurance	624,245	16,269	2.52%	10.0
Bridgestone Americas	506,128	14,993	2.32%	18.9
PPG Industries	356,215	9,728	1.51%	12.6
Tivity	263,598	7,672	1.19%	4.4
EQT Corporation	319,269	7,578	1.17%	6.0
Bass, Berry & Sims	209,701	6,798	1.05%	6.3
International Paper	278,444	6,749	1.05%	10.2
Vanderbilt University	251,415	6,625	1.03%	3.3
State of Georgia	313,146	6,242	0.97%	3.3
Laser Spine Institute	176,089	6,156	0.95%	14.0
American General Life	173,834	5,992	0.93%	8.3
Marsh USA	177,382	5,958	0.92%	3.7
Novelis	168,949	5,943	0.92%	5.9
Lifepoint Corporate Services	202,991	5,247	0.81%	10.5
Syniverse Technologies	218,678	5,097	0.79%	8.1
AT&T	197,826	4,857	0.75%	3.4
PNC Bank	159,142	4,723	0.73%	9.3
Global Payments	168,051	4,454	0.69%	14.4
Halyard Health	193,199	4,453	0.69%	10.5
	6,241,522	\$ 167,037	25.87%	8.4

Percent of Annualized Revenue by Industry



1/ Annualized Cash Revenue is September 2018 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Same Property Performance (dollars in thousands)

	Three months ended September 30,		Dollar Change B/(W)	Percentage Change B/(W)
	2018	2017		
Rental revenues 1/ 2/	\$ 163,356	\$ 160,960	\$ 2,396	1.5%
Operating expenses	(58,217)	(57,271)	(946)	(1.7%)
Cash NOI 1/ 2/	105,139	103,689	1,450	1.4%
Lease termination fees 3/	75	1,233	(1,158)	(93.9%)
Cash NOI with Term Fees 4/	105,214	104,922	292	0.3%
Straight-line rent and other non-cash adjustments 5/	3,571	3,022	549	18.2%
GAAP NOI	\$ 108,785	\$ 107,944	\$ 841	0.8%
Average occupancy	91.0%	93.0%		(2.2%)
Rentable square feet	28,389,000	28,389,000		

	Nine months ended September 30,		Dollar Change B/(W)	Percentage Change B/(W)
	2018	2017		
Rental revenues 1/ 2/	\$ 484,942	\$ 477,995	\$ 6,947	1.5%
Operating expenses	(171,172)	(167,357)	(3,815)	(2.3%)
Cash NOI 1/ 2/	313,770	310,638	3,132	1.0%
Lease termination fees 3/	749	1,448	(699)	(48.3%)
Cash NOI with Term Fees 4/	314,519	312,086	2,433	0.8%
Straight-line rent and other non-cash adjustments 5/	13,042	11,645	1,397	12.0%
GAAP NOI	\$ 327,561	\$ 323,731	\$ 3,830	1.2%
Average occupancy	91.8%	93.1%		(1.4%)
Rentable square feet	28,389,000	28,389,000		

Market	Year to Date: 2018 vs 2017	
	GAAP NOI Percentage Change	Occupancy Percentage Change
Atlanta	(8.7%)	(5.8%)
Greensboro	3.9%	(0.5%)
Memphis	2.0%	(0.5%)
Nashville	2.6%	(1.2%)
Orlando	11.1%	2.7%
Pittsburgh	1.9%	1.1%
Raleigh	3.6%	(1.3%)
Richmond	(1.1%)	(2.6%)
Tampa	5.8%	0.8%
	<u>1.2%</u>	<u>(1.4%)</u>

1/ Excludes straight-line rents, lease termination fees, adjustments related to amortization of acquired above and below market leases and amortization of lease incentives.

2/ Includes \$1.3 million accelerated rent payments in the third quarter of 2018 from a vacating customer at 11000 Weston in Raleigh.

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

4/ Excludes straight-line rents, adjustments related to amortization of acquired above and below market leases and amortization of lease incentives.

5/ Includes adjustments related to amortization of acquired above and below market leases and amortization of lease incentives.

Disposition Activity (dollars in thousands)

	Nine Months Ended <u>9/30/18</u>
Occupancy 1/	94.7%
Square feet	168,000
Gross sales price	\$ 31,035

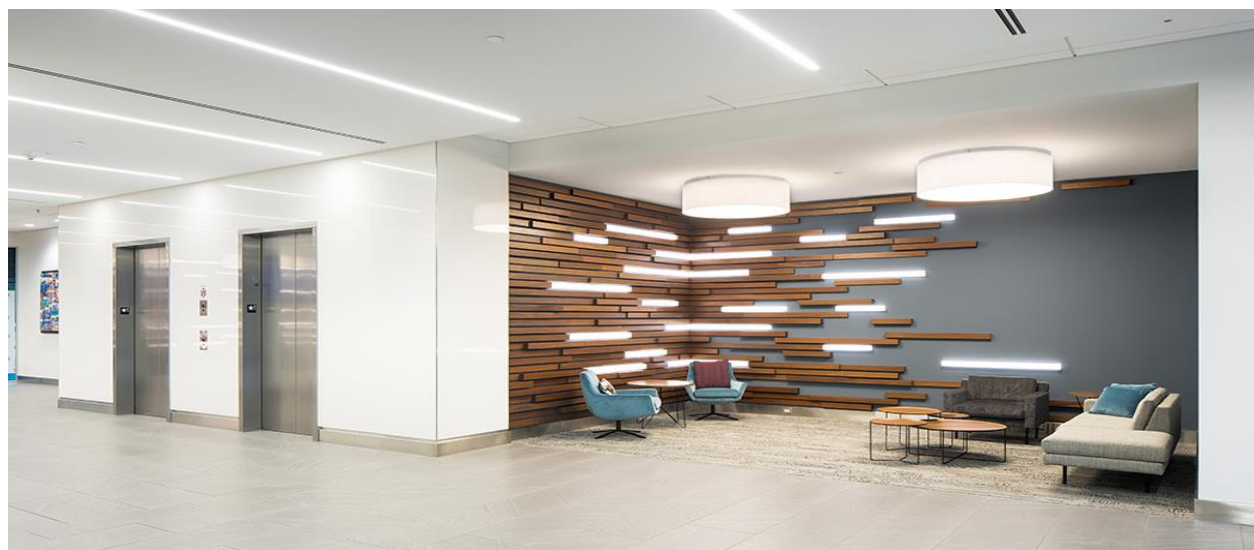
Highwoods Tower Two

Market	Raleigh
Property type	Office
Number of buildings	1
Date sold	May 1, 2018
Occupancy 1/	94.7%
Square feet	168,000
Gross sales price	\$ 31,035

1/ As of last reported quarter-end occupancy prior to date of disposition.

Development Activity (dollars in thousands)

		Rentable Square Feet	Anticipated Total Investment 1/	Investment As Of 9/30/18 1/	Pre Leased %	Estimated Completion Date	Estimated Stabilization Date	
Office In-Process								
MetLife III 2/	Raleigh	219,000	\$ 64,500	\$ 50,167	100.0%	2Q 19	2Q 21	
Virginia Springs I	Nashville	113,000	34,300	20,335	100.0%	1Q 19	1Q 19	
Mars Petcare - Ovation	Nashville	223,700	96,200	71,037	100.0%	3Q 19	3Q 19	
Asurion 3/	Nashville	550,600	285,000	27,696	98.3%	4Q 21	1Q 22	
		1,106,300	\$ 480,000	\$ 169,235	99.2%			
Office Completed Not Stabilized 4/								
					Occupancy as of 9/30/18			
Riverwood 200	Atlanta	300,000	\$ 107,000	\$ 102,099	90.2%	77.0%	2Q 17	2Q 19
5000 CentreGreen	Raleigh	170,000	40,850	35,169	86.5%	86.5%	3Q 17	3Q 19
751 Corporate Center	Raleigh	91,300	21,850	18,064	87.6%	79.4%	3Q 18	4Q 20
		561,300	\$ 169,700	\$ 155,332	88.7%	80.3%		
Industrial Completed Not Stabilized 4/								
Enterprise IV	Greensboro	128,000	\$ 8,040	\$ 7,695	100.0%	75.0%	3Q 17	4Q 18
Total Pipeline		1,795,600	\$ 657,740	\$ 332,262	95.9%			
Office Placed in Service								
Virginia Urology	Richmond	87,000	\$ 29,140	\$ 28,072	100.0%	100.0%		
Seven Springs II	Nashville	136,000	38,100	34,175	73.8%	65.9%		
		223,000	\$ 67,240	\$ 62,247	84.0%	79.2%		



751 Corporate Center, Raleigh

1/ Includes deferred lease commissions, which are not classified as development in-process on our consolidated balance sheet.

2/ Pre-lease of 100% contains a required take down of one floor in Q1 '20 and one floor in Q1 '21.

3/ Recorded on our consolidated balance sheet in land held for development, not development in-process.

4/ "Completed not stabilized" properties are recorded on our consolidated balance sheet in the land and building and tenant improvement accounts, not development in-process.

Land Held for Development (dollars in thousands)

Market	Acres	Square Footage Buildout of Core Development Land 1/	
		Office	Industrial
Nashville 2/ 3/	67	1,973,000	-
Tampa	37	813,000	-
Raleigh	34	944,000	-
Greensboro	30	240,000	220,500
Richmond 4/	13	200,000	-
Orlando	2	410,000	-
Atlanta	1	175,000	-
Core total	184	4,755,000	220,500
Non-core total	156		
Total	340		
Cost Basis 1/ 2/ 3/ 4/	\$122,615		

The 340 acres of Development Land have an estimated market value of between \$135M to \$145M.

1/ Represents approximately \$1.7 billion in total development.

2/ Includes 54 acres and approximately 1.2 million square feet currently classified as development in-process on our consolidated balance sheet.

3/ Excludes 3 acres to be used to develop a 0.6M square foot, 98.3% pre-leased build-to-suit, office building that is currently classified as land held for development on our consolidated balance sheet.

4/ Excludes 13 acres of development land owned by a 50% consolidated joint venture with a total cost basis of \$3.3 million.

Joint Venture Financial and Summary Information (dollars in thousands)

Unconsolidated Joint Venture Financial Information:

Joint Venture	Own %	Venture's Books			
		Three Months Ended September 30, 2018		Nine Months Ended September 30, 2018	
		Revenue	NOI	Revenue	NOI
Plaza Colonnade, Tenant-in-Common	50.0%	\$ 3,205	\$ 2,027	\$ 9,700	\$ 6,247
Highwoods DLF Forum, LLC	25.0%	2,127	1,164	5,846	2,985
Kessinger/Hunter & Company, LC	26.5%	1,502	418	4,820	1,569
Total		\$ 6,834	\$ 3,609	\$ 20,366	\$ 10,801

Joint Venture	Own %	Venture's Books		
		As of September 30, 2018		
		Total Assets	Debt	Total Liabilities
Plaza Colonnade, Tenant-in-Common	50.0%	\$ 54,403	\$ 61,417	\$ 64,541
Highwoods DLF Forum, LLC	25.0%	95,595	33,631	37,164
Kessinger/Hunter & Company, LC	26.5%	3,168	-	241
Highwoods DLF 98/29, LLC	22.8%	34,105	-	12
Total		\$ 187,271	\$ 95,048	\$ 101,958

Summary of Joint Ventures:

Market	Rentable Square Feet	Occupancy	Percentage of Joint Venture Annualized Cash Revenue 1/ 2/
Kansas City	292,000	97.4%	54.1%
Richmond 3/	345,000	100.0%	30.5%
Raleigh	635,000	54.7%	15.4%
Total	1,272,000	76.8%	100.0%

1/ Annualized Cash Revenue is September 2018 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

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

3/ This joint venture is consolidated.