

# SUPPLEMENTAL INFORMATION

2nd  
Quarter  
2019



 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 second 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 second quarter earnings release.

**COVER**  
**MARS Petcare Ribbon Cutting**  
**Nashville Division**



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

	<i>Three Months Ended</i>	
	<u>6/30/19</u>	<u>6/30/18</u>
<b>Financial:</b>		
Revenues	\$ 184,070	\$ 178,792
Net operating income (NOI)	\$ 123,512	\$ 119,129
Same property cash NOI growth	3.1%	-1.1%
Funds from operations per share	\$ 0.87	\$ 0.87
Weighted average common shares outstanding, diluted	106,445	106,267
<b>Balance Sheet:</b>		
Leverage (includes preferred stock) based on gross book assets	35.9%	35.3%
Net debt-to-EBITDAre	4.74x	4.65x
Net debt plus Preferred Stock-to-EBITDAre	4.81x	4.72x
Unencumbered NOI %	96.4%	96.2%
Credit facility availability	\$ 464,000	\$ 458,000
<b>Operations:</b>		
Quarter end occupancy	90.9%	91.8%
Office square feet leased	1,076	1,117
Office GAAP rent growth 1/	16.8%	18.2%
Average office cash rental rate per square foot for in-place leases	\$ 26.47	\$ 25.40

	<i>Six Months Ended</i>	
	<u>6/30/19</u>	
<b>Investment Activity:</b>		
Building acquisitions	\$	-
Building dispositions	\$	32,500
Land acquisitions	\$	-
Land dispositions	\$	-
Development pipeline	\$	502,620
Pipeline pre-leased %		80.3%

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.

## Board of Directors

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**Ed Fritsch**  
**David Hartzell, Ph.D.**  
**Sherry Kellett**  
**Anne Lloyd**

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*Senior Vice President, Nashville*

**Andy Wisniewski**  
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## Corporate Information

### Research Coverage

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### Stock Exchange

NYSE: HIW

### Investor Relations

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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](http://www.highwoods.com).

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

	<i>Six Months Ended</i>		<i>Three Months Ended</i>				
	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/19</u>	<u>3/31/19</u>	<u>12/31/18</u>	<u>9/30/18</u>	<u>6/30/18</u>
<b>Rental and other revenues</b>	<b>\$ 356,433</b>	\$ 359,230	<b>\$ 184,070</b>	\$ 172,363	\$ 181,388	\$ 179,417	\$ 178,792
<b>Operating expenses:</b>							
Rental property and other expenses	121,109	119,095	60,558	60,551	62,167	61,153	59,663
Depreciation and amortization	128,664	114,262	59,460	69,204	58,032	57,661	56,694
Impairments of real estate assets	531	-	531	-	423	-	-
General and administrative	21,941	21,318	9,560	12,381	9,137	9,551	9,540
Total operating expenses	<b>272,245</b>	254,675	<b>130,109</b>	142,136	129,759	128,365	125,897
<b>Interest expense</b>	<b>39,095</b>	36,268	<b>20,356</b>	18,739	17,717	17,437	17,877
<b>Other income/(loss)</b>	<b>(3,445)</b>	917	<b>321</b>	(3,766)	205	818	462
<b>Gains on disposition of property</b>	<b>6,703</b>	16,972	<b>6,703</b>	-	20,663	3	16,972
<b>Equity in earnings of unconsolidated affiliates</b>	<b>1,429</b>	1,068	<b>765</b>	664	597	573	546
<b>Net income</b>	<b>49,780</b>	87,244	<b>41,394</b>	8,386	55,377	35,009	52,998
Net (income) attributable to noncontrolling interests in the Operating Partnership	(1,237)	(2,269)	(1,044)	(193)	(1,417)	(902)	(1,381)
Net (income) attributable to noncontrolling interests in consolidated affiliates	(622)	(594)	(306)	(316)	(289)	(324)	(308)
Dividends on Preferred Stock	(1,244)	(1,246)	(622)	(622)	(623)	(623)	(623)
<b>Net income available for common stockholders</b>	<b>\$ 46,677</b>	\$ 83,135	<b>\$ 39,422</b>	\$ 7,255	\$ 53,048	\$ 33,160	\$ 50,686
<b>Earnings per Common Share - basic:</b>							
Net income available for common stockholders	<b>\$ 0.45</b>	\$ 0.80	<b>\$ 0.38</b>	\$ 0.07	\$ 0.51	\$ 0.32	\$ 0.49
Weighted average Common Shares outstanding - basic	<b>103,647</b>	103,376	<b>103,693</b>	103,600	103,530	103,471	103,428
<b>Earnings per Common Share - diluted:</b>							
Net income available for common stockholders	<b>\$ 0.45</b>	\$ 0.80	<b>\$ 0.38</b>	\$ 0.07	\$ 0.51	\$ 0.32	\$ 0.49
Weighted average Common Shares outstanding - diluted	<b>106,402</b>	106,216	<b>106,445</b>	106,357	106,303	106,333	106,267



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

	<i>Six Months Ended</i>		<i>Three Months Ended</i>				
	<b>6/30/19</b>	<b>6/30/18</b>	<b>6/30/19</b>	<b>3/31/19</b>	<b>12/31/18</b>	<b>9/30/18</b>	<b>6/30/18</b>
<b>Funds from operations:</b>							
Net income	\$ 49,780	\$ 87,244	\$ 41,394	\$ 8,386	\$ 55,377	\$ 35,009	\$ 52,998
Net (income) attributable to noncontrolling interests in consolidated affiliates	(622)	(594)	(306)	(316)	(289)	(324)	(308)
Depreciation and amortization of real estate assets	127,202	112,789	58,720	68,482	57,352	56,904	55,954
(Gains) on disposition of depreciable properties	(6,703)	(16,433)	(6,703)	-	(20,663)	-	(16,433)
Unconsolidated affiliates:							
Depreciation and amortization of real estate assets	1,202	1,076	622	580	611	597	565
<b>Funds from operations</b>	<b>170,859</b>	<b>184,082</b>	<b>93,727</b>	<b>77,132</b>	<b>92,388</b>	<b>92,186</b>	<b>92,776</b>
Dividends on Preferred Stock	(1,244)	(1,246)	(622)	(622)	(623)	(623)	(623)
<b>Funds from operations available for common stockholders</b>	<b>\$ 169,615</b>	<b>\$ 182,836</b>	<b>\$ 93,105</b>	<b>\$ 76,510</b>	<b>\$ 91,765</b>	<b>\$ 91,563</b>	<b>\$ 92,153</b>
<b>Funds from operations available for common stockholders per share</b>	<b>\$ 1.59</b>	<b>\$ 1.72</b>	<b>\$ 0.87</b>	<b>\$ 0.72</b>	<b>\$ 0.86</b>	<b>\$ 0.86</b>	<b>\$ 0.87</b>
<b>Weighted average shares outstanding</b>	<b>106,402</b>	<b>106,216</b>	<b>106,445</b>	<b>106,357</b>	<b>106,303</b>	<b>106,333</b>	<b>106,267</b>
<b>Additional information: 1/</b>							
Losses on debt extinguishment	\$ 375	\$ -	\$ -	\$ 375	\$ -	\$ -	\$ -
Straight-line rental income	(8,188)	(12,903)	(6,750)	(1,438)	(5,225)	(5,184)	(6,394)
Straight-line rental write-offs related to termination fees	56	79	6	50	94	183	21
Amortization of lease incentives	3,308	905	460	2,848	551	452	476
Depreciation of non-real estate assets	1,182	1,212	597	585	606	616	609
Ground lease straight-line rent expense	161	182	80	81	83	87	90
Share-based compensation expense	5,512	5,468	940	4,572	857	1,141	1,173
Amortization of debt issuance costs	1,455	1,408	719	736	731	718	722
Amortization of accumulated other comprehensive (income)/loss	(629)	(685)	(261)	(368)	(368)	(368)	(346)
Amortization of above/(below) market leases and other adjustments	1,647	(1,865)	(1,281)	2,928	(1,006)	(980)	(927)
Non-incremental revenue generating capital expenditures incurred: 2/							
Building improvements	(15,184)	(19,492)	(8,424)	(6,760)	(9,149)	(9,259)	(8,121)
2nd generation tenant improvements	(46,701)	(36,169)	(25,389)	(21,312)	(20,739)	(18,388)	(17,331)
2nd generation lease commissions	(11,968)	(12,382)	(6,987)	(4,981)	(6,889)	(6,058)	(6,778)
Common dividends and unit distributions paid	(101,023)	(98,178)	(50,548)	(50,475)	(49,139)	(49,152)	(49,131)

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>6/30/19</u>	<u>12/31/18</u>
<b>Assets:</b>		
Real estate assets, at cost:		
Land	\$ 495,753	\$ 491,441
Buildings and tenant improvements	4,835,323	4,676,862
Development in-process	63,118	165,537
Land held for development	<u>137,340</u>	<u>128,248</u>
	5,531,534	5,462,088
Less-accumulated depreciation	<u>(1,360,108)</u>	<u>(1,296,562)</u>
Net real estate assets	4,171,426	4,165,526
Real estate and other assets, net, held for sale	8,839	-
Cash and cash equivalents	4,530	3,769
Restricted cash	8,977	6,374
Accounts receivable	37,703	25,952
Mortgages and notes receivable, net of allowance of \$28 and \$44, respectively	1,583	5,599
Accrued straight-line rents receivable	226,614	220,088
Investments in and advances to unconsolidated affiliates	23,584	23,585
Deferred leasing costs, net of accumulated amortization of \$152,334 and \$149,275, respectively	195,863	195,273
Prepaid expenses and other assets, net of accumulated depreciation of \$19,418 and \$18,074, respectively	<u>63,494</u>	<u>28,843</u>
Total Assets	<u>\$ 4,742,613</u>	<u>\$ 4,675,009</u>
<b>Liabilities, Noncontrolling Interests in the Operating Partnership and Equity:</b>		
Mortgages and notes payable, net	\$ 2,161,965	\$ 2,085,831
Accounts payable, accrued expenses and other liabilities	<u>257,338</u>	<u>218,922</u>
Total Liabilities	2,419,303	2,304,753
Commitments and contingencies		
Noncontrolling interests in the Operating Partnership	112,778	105,960
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), 28,859 and 28,877 shares issued and outstanding, respectively	28,859	28,877
Common Stock, \$.01 par value, 200,000,000 authorized shares; 103,704,603 and 103,557,065 shares issued and outstanding, respectively	1,037	1,036
Additional paid-in capital	2,972,798	2,976,197
Distributions in excess of net income available for common stockholders	(821,051)	(769,303)
Accumulated other comprehensive income	<u>6,488</u>	<u>9,913</u>
Total Stockholders' Equity	2,188,131	2,246,720
Noncontrolling interests in consolidated affiliates	<u>22,401</u>	<u>17,576</u>
Total Equity	2,210,532	2,264,296
Total Liabilities, Noncontrolling Interests in the Operating Partnership and Equity	<u>\$ 4,742,613</u>	<u>\$ 4,675,009</u>



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

	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
<b>Mortgages and Notes Payable (see pages 5 &amp; 6):</b>	<b>\$ 2,161,965</b>	<b>\$ 2,160,594</b>	<b>\$ 2,085,831</b>	<b>\$ 2,087,421</b>	<b>\$ 2,055,004</b>
<b>Preferred Stock (at liquidation value):</b>					
Series A 8 5/8% Cumulative Redeemable	\$ 28,859	\$ 28,859	\$ 28,877	\$ 28,887	\$ 28,887
<b>Common Shares and Units Outstanding:</b>					
Common stock outstanding	103,705	103,691	103,557	103,488	103,459
Noncontrolling interest partnership units	2,731	2,736	2,739	2,803	2,806
Total Common Shares and Units outstanding	106,436	106,427	106,296	106,291	106,265
Stock price at period end	\$ 41.30	\$ 46.78	\$ 38.69	\$ 47.26	\$ 50.73
Market value of common equity	\$ 4,395,807	\$ 4,978,655	\$ 4,112,592	\$ 5,023,313	\$ 5,390,823
<b>Total capitalization</b>	<b>\$ 6,586,631</b>	<b>\$ 7,168,108</b>	<b>\$ 6,227,300</b>	<b>\$ 7,139,621</b>	<b>\$ 7,474,714</b>
<b>Net debt-to-EBITDAre:</b>					
Net income	\$ 41,394	\$ 8,386	\$ 55,377	\$ 35,009	\$ 52,998
Interest expense	20,356	18,739	17,717	17,437	17,877
Depreciation and amortization	59,460	69,204	58,032	57,661	56,694
(Gains) on disposition of depreciable properties	(6,703)	-	(20,663)	-	(16,433)
Adjustments to reflect our share of EBITDAre from unconsolidated affiliates	996	957	994	969	956
<b>EBITDAre</b>	<b>\$ 115,503</b>	<b>\$ 97,286</b>	<b>\$ 111,457</b>	<b>\$ 111,076</b>	<b>\$ 112,092</b>
<b>EBITDAre (annualized) 1/</b>	<b>\$ 462,012</b>	<b>\$ 425,303</b>	<b>\$ 445,828</b>	<b>\$ 444,304</b>	<b>\$ 448,368</b>
Mortgages and notes payable 2/	\$ 2,200,058	\$ 2,198,842	\$ 2,124,795	\$ 2,126,536	\$ 2,094,269
Less - cash and cash equivalents 2/	(7,930)	(8,285)	(6,727)	(8,659)	(7,523)
<b>Net debt 3/</b>	<b>\$ 2,192,128</b>	<b>\$ 2,190,557</b>	<b>\$ 2,118,068</b>	<b>\$ 2,117,877</b>	<b>\$ 2,086,746</b>
Preferred Stock	28,859	28,859	28,877	28,887	28,887
<b>Net debt plus Preferred Stock</b>	<b>\$ 2,220,987</b>	<b>\$ 2,219,416</b>	<b>\$ 2,146,945</b>	<b>\$ 2,146,764</b>	<b>\$ 2,115,633</b>
<b>Net debt-to-EBITDAre 4/</b>	<b>4.74x</b>	<b>5.15x</b>	<b>4.75x</b>	<b>4.77x</b>	<b>4.65x</b>
<b>Net debt plus Preferred Stock-to-EBITDAre 5/</b>	<b>4.81x</b>	<b>5.22x</b>	<b>4.82x</b>	<b>4.83x</b>	<b>4.72x</b>
<b>Rental and other revenues:</b>					
Contractual rents, net	\$ 152,600	\$ 149,065	\$ 152,016	\$ 149,404	\$ 148,195
Straight-line rental income, net	6,750	1,438	5,225	5,184	6,394
Cost recoveries billed under lease arrangements, net	16,038	15,061	16,076	15,494	15,233
Lease termination fees, net 6/	44	402	75	1,418	8
Other miscellaneous operating revenues	8,638	6,397	7,996	7,917	8,962
	<b>\$ 184,070</b>	<b>\$ 172,363</b>	<b>\$ 181,388</b>	<b>\$ 179,417</b>	<b>\$ 178,792</b>

1/ EBITDAre (annualized) is EBITDAre multiplied by four. For the quarter ended 3/31/19, credit losses and write-offs of \$12.1M associated with the sudden closure of Laser Spine Institute are not annualized.

2/ Includes our share of unconsolidated affiliates.

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

4/ Net debt at quarter-end divided by EBITDAre (annualized). Excluding credit losses and write-offs associated with the sudden closure of Laser Spine Institute, net debt-to-EBITDAre at 3/31/19 would have been 5.01x.

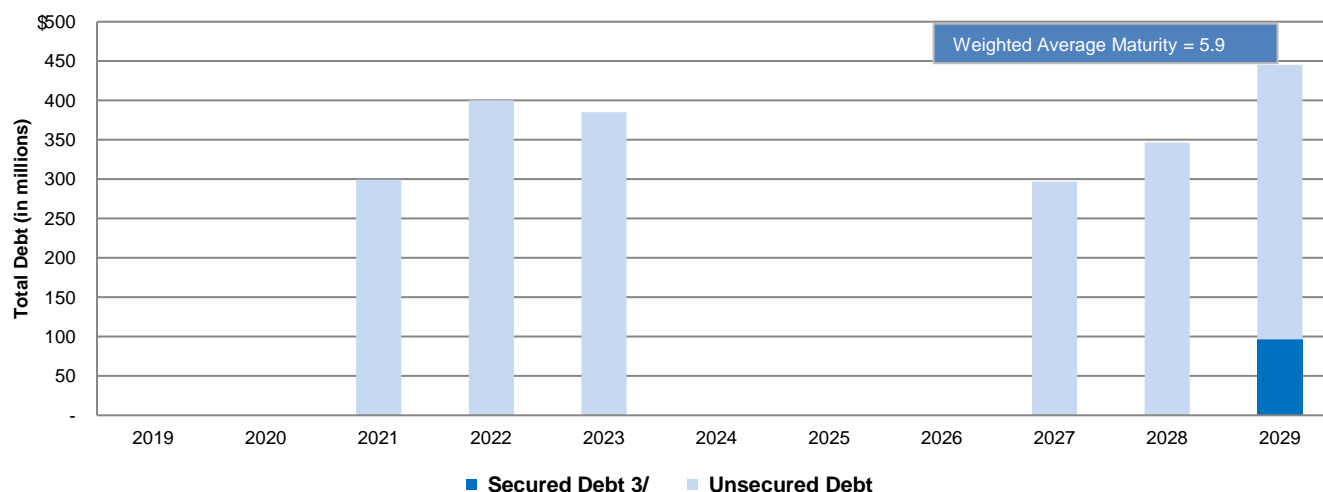
5/ Net debt plus Preferred Stock at quarter-end divided by EBITDAre (annualized). Excluding credit losses and write-offs associated with the sudden closure of Laser Spine Institute, net debt plus Preferred Stock-to-EBITDAre at 3/31/19 would have been 5.07x.

6/ 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:	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
<b>Secured:</b>					
Conventional fixed rate	\$ 96,250	\$ 96,717	\$ 97,179	\$ 97,636	\$ 98,089
<b>Unsecured - Fixed:</b>					
Fixed rate bonds and notes	1,540,613	1,540,211	1,190,816	1,190,439	1,190,062
Bank term loan	-	-	225,000	225,000	225,000
Bank term loan 1/	50,000	50,000	50,000	50,000	50,000
Unsecured - fixed total	1,590,613	1,590,211	1,465,816	1,465,439	1,465,062
<b>Unsecured - Floating:</b>					
Bank term loan	200,000	200,000	200,000	200,000	200,000
Bank term loan	150,000	150,000	150,000	150,000	150,000
Bank term loan	-	-	-	-	10,000
Credit facility 2/	136,000	135,000	182,000	184,000	142,000
Unsecured - floating total	486,000	485,000	532,000	534,000	502,000
Unsecured total	2,076,613	2,075,211	1,997,816	1,999,439	1,967,062
<b>Total</b>	<b>\$ 2,172,863</b>	<b>\$ 2,171,928</b>	<b>\$ 2,094,995</b>	<b>\$ 2,097,075</b>	<b>\$ 2,065,151</b>
<b>Total Net of Debt Issuance Costs</b>	<b>\$ 2,161,965</b>	<b>\$ 2,160,594</b>	<b>\$ 2,085,831</b>	<b>\$ 2,087,421</b>	<b>\$ 2,055,004</b>
<b>End of Period Weighted Average Interest Rates:</b>					
<b>Secured:</b>					
Conventional fixed rate	4.00%	4.00%	4.00%	4.00%	4.00%
<b>Unsecured - Fixed:</b>					
Fixed rate bonds	3.89%	3.89%	3.75%	3.75%	3.75%
Bank term loan	-	-	2.78%	2.78%	2.78%
Bank term loan 1/	2.79%	2.79%	2.79%	2.79%	2.79%
Unsecured - fixed total	3.86%	3.86%	3.57%	3.57%	3.57%
<b>Unsecured - Floating:</b>					
Bank term loan	3.50%	3.60%	3.61%	3.31%	3.18%
Bank term loan	3.54%	3.59%	3.45%	3.21%	3.09%
Bank term loan	-	-	-	-	3.08%
Credit facility 2/	3.41%	3.48%	3.46%	3.15%	3.07%
Unsecured - floating total	3.49%	3.56%	3.51%	3.23%	3.12%
Unsecured total	3.77%	3.79%	3.55%	3.48%	3.45%
<b>Weighted Average</b>	<b>3.78%</b>	<b>3.80%</b>	<b>3.57%</b>	<b>3.50%</b>	<b>3.48%</b>

### 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 2022.

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

3/ Excludes annual principal amortization.

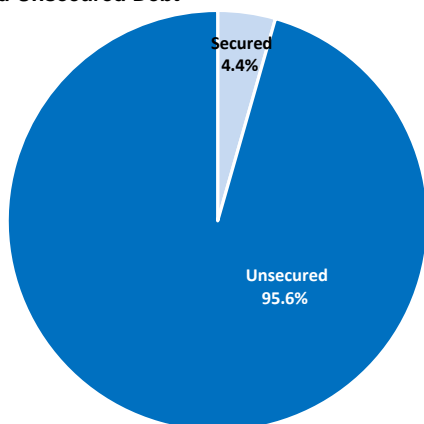
## Mortgages and Notes Payable Detail (dollars in thousands)

<u>Secured Loans</u>			<u>Loan</u>	<u>Undepreciated</u>
<u>Lender</u>	<u>Effective</u>	<u>Maturity</u>	<u>Balance</u>	<u>Book Value of</u>
	<u>Rate</u>	<u>Date</u>	<u>6/30/19</u>	<u>Real Estate &amp; Related</u>
				<u>Assets Secured</u>
Allianz Life Insurance Company	4.00%	May-29	\$ 96,250	\$ 146,237
<b>Unsecured Bonds</b>				
Bonds 1/	4.38%	Apr-29	349,042	
Bonds 2/	4.06%	Mar-28	346,415	
Bonds	3.36%	Jun-21	299,153	
Bonds 3/	3.78%	Mar-27	296,934	
Bonds	3.75%	Jan-23	249,069	
	<u>3.89%</u>		<u>1,540,613</u>	
<b>Unsecured Loans</b>				
Bank term loan 4/	3.50%	Nov-22	200,000	
Bank term loan 4/	3.54%	Jan-22	150,000	
Credit facility 4/ 5/	3.41%	Jan-23	136,000	
Bank term loan 6/	2.79%	Jan-22	50,000	
	<u>3.42%</u>		<u>536,000</u>	
<b>Total Debt</b>	<u>3.78%</u>		<u>\$ 2,172,863</u>	
<b>Total Net of Debt Issuance Costs</b>			<u>\$ 2,161,965</u>	

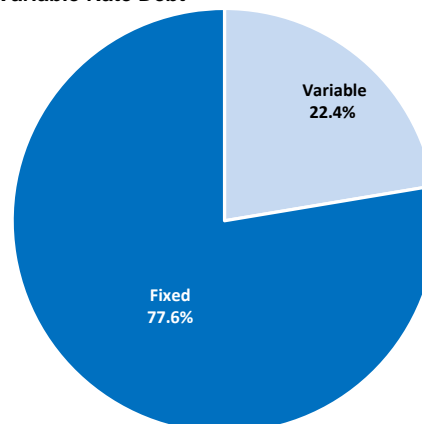
<b>Bond Covenants as of June 30, 2019</b>	
Overall indebtedness (<60%)	38.4%
Secured indebtedness (<40%)	1.7%
Income available for debt service (>1.5x)	5.82x
Total unencumbered assets to unsecured debt (>150%)	263.8%

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

**Secured and Unsecured Debt**



**Fixed and Variable Rate Debt**



1/ Rate includes the impact of the swaps that were settled for (\$5.1) million upon issuance of the bonds.

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

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

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

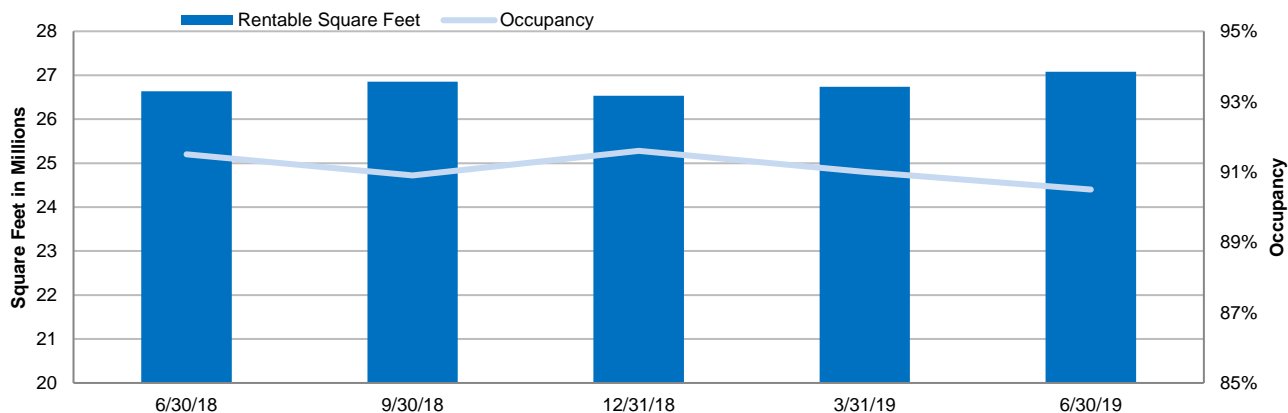
5/ Maturity date assumes exercise of two six-month extension options.

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>6/30/19</u>	<u>3/31/19</u>	<u>12/31/18</u>	<u>9/30/18</u>	<u>6/30/18</u>
<b>Total In-Service</b>					
<b>Rentable Square Feet</b>					
Office	27,080,000	26,736,000	26,531,000	26,855,000	26,633,000
Industrial	2,672,000	2,672,000	2,672,000	2,544,000	2,544,000
Retail	59,000	59,000	59,000	59,000	59,000
Total	<u>29,811,000</u>	<u>29,467,000</u>	<u>29,262,000</u>	<u>29,458,000</u>	<u>29,236,000</u>
<b>Occupancy</b>					
Office	90.5%	91.0%	91.6%	90.9%	91.5%
Industrial	93.8%	93.9%	95.0%	95.5%	95.4%
Retail	100.0%	100.0%	100.0%	100.0%	100.0%
Total	<u>90.9%</u>	<u>91.2%</u>	<u>91.9%</u>	<u>91.3%</u>	<u>91.8%</u>
<b>Same Property:</b>					
<b>Rentable Square Feet</b>					
Office	26,127,000	26,127,000	26,127,000	26,127,000	26,127,000
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>28,730,000</u>	<u>28,730,000</u>	<u>28,730,000</u>	<u>28,730,000</u>	<u>28,730,000</u>
<b>Occupancy</b>					
Office	90.4%	91.0%	91.7%	91.0%	91.5%
Industrial	93.5%	93.5%	94.8%	95.5%	95.4%
Retail	100.0%	100.0%	100.0%	100.0%	100.0%
Total	<u>90.7%</u>	<u>91.2%</u>	<u>92.0%</u>	<u>91.4%</u>	<u>91.9%</u>

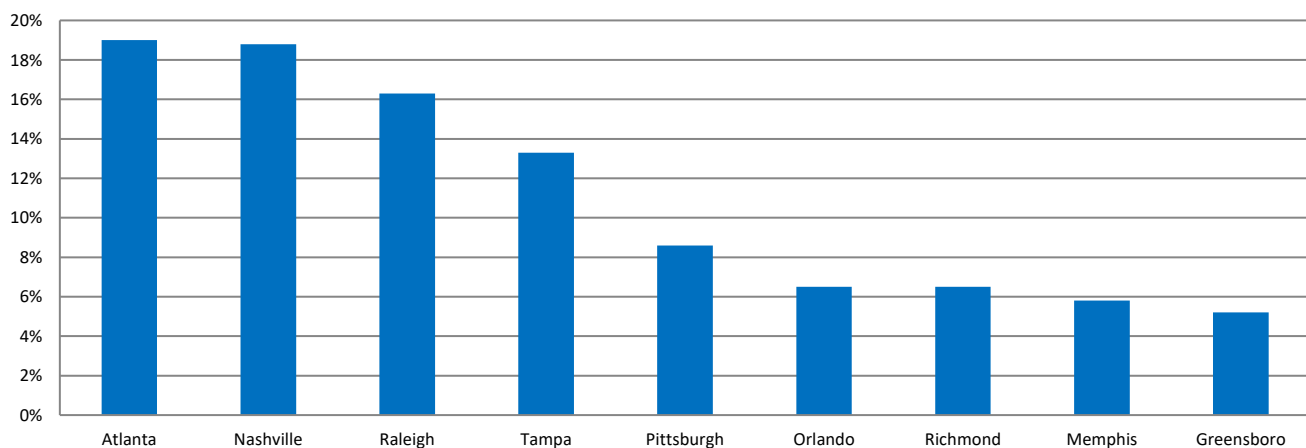
Rentable Square Feet and Occupancy Trend: *Total In-Service Office Only*



## Portfolio Summary

<u>Market</u>	<u>Rentable</u>		<u>Percentage of Annualized Cash Revenue 1/</u>			
	<u>Square Feet</u>	<u>Occupancy</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
Atlanta	5,414,000	88.4%	19.0%	-	-	19.0%
Nashville	4,569,000	93.8%	18.6%	-	0.2%	18.8%
Raleigh	4,747,000	86.1%	16.3%	-	-	16.3%
Tampa	3,620,000	89.5%	13.3%	-	-	13.3%
Pittsburgh	2,150,000	95.6%	8.6%	-	-	8.6%
Orlando	1,795,000	89.2%	6.5%	-	-	6.5%
Richmond	2,037,000	94.4%	6.5%	-	-	6.5%
Memphis	1,656,000	91.2%	5.7%	-	0.1%	5.8%
Greensboro	3,823,000	94.1%	3.3%	1.9%	-	5.2%
<b>Total</b>	<b>29,811,000</b>	<b>90.9%</b>	<b>97.8%</b>	<b>1.9%</b>	<b>0.3%</b>	<b>100.0%</b>

**Annualized Cash Revenue by Market 1/**

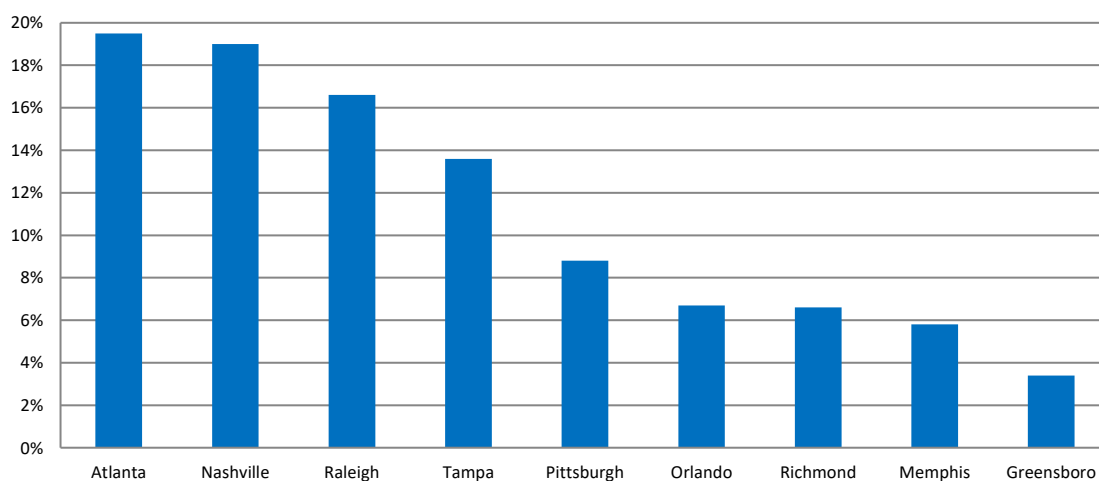


1/ Annualized Cash Revenue is June 2019 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

## 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>
<b>Office</b>				
Atlanta	5,414,000	88.4%	19.5%	19.0%
Nashville	4,528,000	93.7%	19.0%	18.6%
Raleigh	4,747,000	86.1%	16.6%	16.3%
Tampa	3,620,000	89.5%	13.6%	13.3%
Pittsburgh	2,150,000	95.6%	8.8%	8.6%
Orlando	1,795,000	89.2%	6.7%	6.5%
Richmond	2,037,000	94.4%	6.6%	6.5%
Memphis	1,638,000	91.1%	5.8%	5.7%
Greensboro	1,151,000	94.7%	3.4%	3.3%
	<u>27,080,000</u>	<u>90.5%</u>	<u>100.0%</u>	<u>97.8%</u>
<b>Industrial</b>				
Greensboro	2,672,000	93.8%	100.0%	1.9%
	<u>2,672,000</u>	<u>93.8%</u>	<u>100.0%</u>	<u>1.9%</u>
<b>Retail</b>				
Nashville	41,000	100.0%	68.1%	0.2%
Memphis	18,000	100.0%	31.9%	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 June 2019 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>6/30/19</u>	<u>3/31/19</u>	<u>12/31/18</u>	<u>9/30/18</u>	<u>6/30/18</u>
Atlanta	Rentable Square Feet	<b>5,414,000</b>	5,114,000	5,120,000	5,243,000	5,243,000
	Occupancy	<b>88.4%</b>	88.4%	87.4%	86.3%	85.1%
	Current Properties 1/	<b>88.1%</b>	88.4%	87.4%	86.6%	85.3%
Greensboro	Rentable Square Feet	<b>3,823,000</b>	3,823,000	3,823,000	3,695,000	3,695,000
	Occupancy	<b>94.1%</b>	94.1%	94.4%	94.7%	94.3%
	Current Properties 1/	<b>93.9%</b>	93.9%	94.2%	94.7%	94.3%
Memphis	Rentable Square Feet	<b>1,656,000</b>	1,656,000	1,656,000	1,655,000	1,655,000
	Occupancy	<b>91.2%</b>	92.5%	92.1%	92.3%	92.1%
	Current Properties 1/	<b>91.2%</b>	92.5%	92.1%	92.3%	92.1%
Nashville	Rentable Square Feet	<b>4,569,000</b>	4,344,000	4,231,000	4,231,000	4,095,000
	Occupancy	<b>93.8%</b>	92.9%	93.0%	92.7%	94.4%
	Current Properties 1/	<b>93.9%</b>	93.3%	93.9%	93.6%	94.4%
Orlando	Rentable Square Feet	<b>1,795,000</b>	1,977,000	1,976,000	1,975,000	1,976,000
	Occupancy	<b>89.2%</b>	89.4%	91.2%	91.0%	90.5%
	Current Properties 1/	<b>89.2%</b>	89.4%	91.4%	91.2%	90.6%
Pittsburgh	Rentable Square Feet	<b>2,150,000</b>	2,150,000	2,148,000	2,148,000	2,148,000
	Occupancy	<b>95.6%</b>	94.6%	95.0%	95.0%	95.2%
	Current Properties 1/	<b>95.6%</b>	94.6%	95.0%	95.0%	95.2%
Raleigh	Rentable Square Feet	<b>4,747,000</b>	4,747,000	4,655,000	4,656,000	4,656,000
	Occupancy	<b>86.1%</b>	89.2%	89.5%	89.3%	93.7%
	Current Properties 1/	<b>85.9%</b>	89.0%	89.5%	89.3%	93.7%
Richmond	Rentable Square Feet	<b>2,037,000</b>	2,036,000	2,033,000	2,033,000	1,946,000
	Occupancy	<b>94.4%</b>	93.7%	93.4%	92.3%	91.1%
	Current Properties 1/	<b>94.2%</b>	93.4%	93.1%	91.9%	91.1%
Tampa	Rentable Square Feet	<b>3,620,000</b>	3,620,000	3,620,000	3,822,000	3,822,000
	Occupancy	<b>89.5%</b>	90.0%	95.3%	92.9%	92.8%
	Current Properties 1/	<b>89.5%</b>	90.0%	95.3%	92.5%	92.4%
Total	Rentable Square Feet	<b>29,811,000</b>	29,467,000	29,262,000	29,458,000	29,236,000
	Occupancy	<b>90.9%</b>	91.2%	91.9%	91.3%	91.8%
	Current Properties 1/	<b>90.7%</b>	91.2%	92.0%	91.4%	91.9%

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



## Office Leasing Statistics

	Three Months Ended					Five Quarter
	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	Average
<b>Leasing Activity:</b>						
Square footage of Renewal Deals	746,761	566,319	534,509	605,530	928,472	676,318
Square footage of New Deals (Relets)	328,989	157,146	383,985	278,065	188,522	267,341
Rentable square footage leased	1,075,750	723,465	918,494	883,595	1,116,994	943,660
Renewed square footage (% of total)	69.4%	78.3%	58.2%	68.5%	83.1%	71.7%
New Leases square footage (% of total)	30.6%	21.7%	41.8%	31.5%	16.9%	28.3%
Number of lease transactions (signed leases)	120	93	103	104	119	108
<b>Weighted average per rentable square foot over the lease term:</b>						
Base rent	\$ 30.60	\$ 30.53	\$ 30.67	\$ 28.06	\$ 27.51	\$ 29.47
Rent concessions	(0.48)	(0.52)	(0.74)	(0.79)	(0.55)	(0.62)
GAAP rent	30.12	30.01	29.93	27.27	26.96	28.85
Tenant improvements	(3.05)	(2.81)	(3.70)	(3.02)	(2.51)	(3.02)
Leasing commissions 1/	(0.94)	(0.90)	(1.04)	(0.89)	(0.64)	(0.88)
<b>Effective rent after capex</b>	<b>26.13</b>	<b>26.30</b>	<b>25.19</b>	<b>23.36</b>	<b>23.81</b>	<b>24.95</b>
Expense stop	(9.44)	(9.66)	(9.19)	(8.41)	(8.57)	(9.05)
<b>Effective rent after capex and opex</b>	<b>\$ 16.69</b>	<b>\$ 16.64</b>	<b>\$ 16.00</b>	<b>\$ 14.95</b>	<b>\$ 15.24</b>	<b>\$ 15.90</b>
<b>Square feet weighted average term in years</b>	<b>5.5</b>	<b>5.1</b>	<b>5.6</b>	<b>5.7</b>	<b>6.7</b>	<b>5.7</b>
<b>Dollar weighted average term in years</b>	<b>5.5</b>	<b>5.5</b>	<b>5.8</b>	<b>6.0</b>	<b>6.8</b>	<b>5.9</b>
<b>Capital Expenditures Related to Above Leasing Activity:</b>						
<b>Tenant Improvements:</b>						
Total dollars committed under signed leases	\$ 21,160,852	\$ 11,778,612	\$ 22,650,431	\$ 16,145,452	\$ 21,063,395	\$ 18,559,748
Rentable square feet	1,075,750	723,465	918,494	883,595	1,116,994	943,660
Per rentable square foot	\$ 19.67	\$ 16.28	\$ 24.66	\$ 18.27	\$ 18.86	\$ 19.67
<b>Leasing Commissions:</b>						
Total dollars committed under signed leases 1/	\$ 5,960,210	\$ 3,857,104	\$ 5,848,648	\$ 5,098,971	\$ 4,657,270	\$ 5,084,441
Rentable square feet	1,075,750	723,465	918,494	883,595	1,116,994	943,660
Per rentable square foot	\$ 5.54	\$ 5.33	\$ 6.37	\$ 5.77	\$ 4.17	\$ 5.39
<b>Total:</b>						
Total dollars committed under signed leases	\$ 27,121,062	\$ 15,635,716	\$ 28,499,079	\$ 21,244,423	\$ 25,720,665	\$ 23,644,189
Rentable square feet	1,075,750	723,465	918,494	883,595	1,116,994	943,660
Per rentable square foot	\$ 25.21	\$ 21.61	\$ 31.03	\$ 24.04	\$ 23.03	\$ 25.06

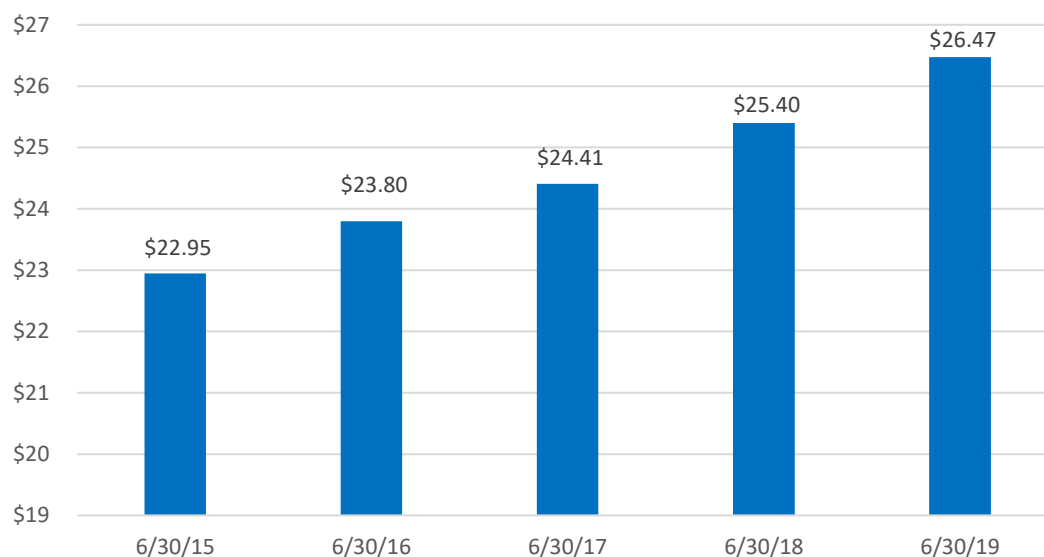
1/ Excludes capitalized internal leasing costs.

# Office Leasing Statistics and Rental Rate Comparisons by Market

For Three Months Ended June 30, 2019

Leasing Statistics		Rentable Square Feet Leased	Average Term	TI's Per SF	Lease Commissions Per SF	Rental Rate	Previous Rent	Percentage Change
Nashville		351,628	5.3	\$ 14.66	\$ 4.19	\$ 29.09	\$ 24.90	16.8%
Raleigh		201,059	6.1	22.63	5.65	27.06	22.22	21.8%
Atlanta		170,764	5.9	27.67	8.48	33.97	28.95	17.3%
Tampa		127,494	4.1	19.48	5.37	34.52	29.16	18.4%
Memphis		60,713	6.8	24.53	5.13	27.87	27.26	2.2%
Pittsburgh		53,814	7.3	31.43	10.06	33.95	28.68	18.4%
Greensboro		37,887	5.7	4.90	3.83	28.23	27.18	3.9%
Orlando		36,985	2.8	9.94	2.18	28.47	24.98	14.0%
Richmond		35,406	5.4	14.56	3.90	25.05	21.20	18.2%
GAAP Rent Growth	1/	<b>1,075,750</b>	<b>5.5</b>	<b>\$ 19.67</b>	<b>\$ 5.54</b>	<b>\$ 30.12</b>	<b>\$ 25.78</b>	<b>16.8%</b>
Cash Rent Growth	2/	<b>1,075,750</b>	<b>5.5</b>	<b>\$ 19.67</b>	<b>\$ 5.54</b>	<b>\$ 28.94</b>	<b>\$ 28.24</b>	<b>2.5%</b>

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



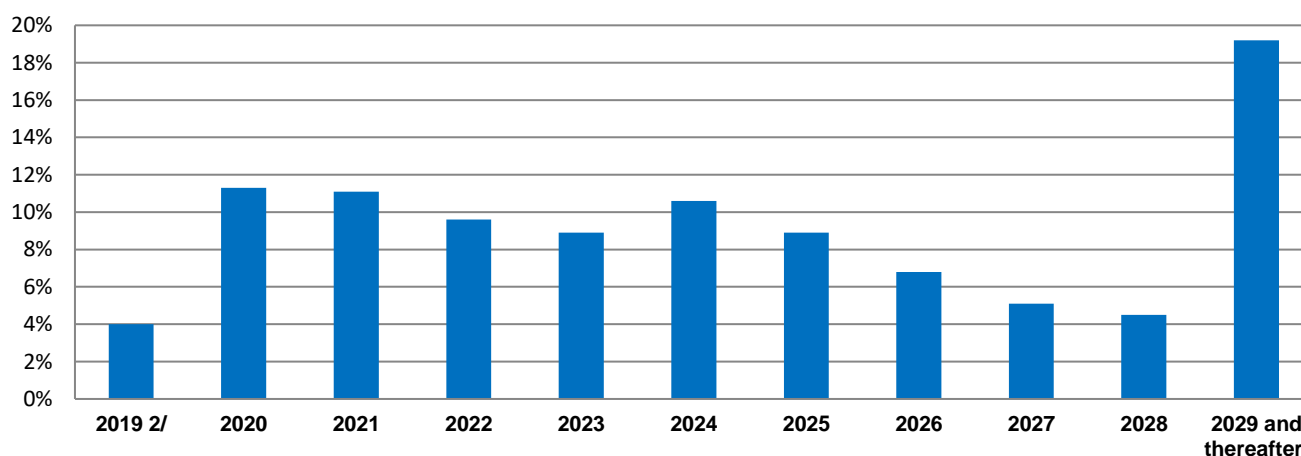
1/ GAAP rent growth is calculated by comparing average cash rent psf over the term (GAAP rent) of the new lease to the average cash rent psf over the term related to the previous lease in the same space. Adjustments are made if necessary to put both the current and prior deal on a consistent gross lease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

2/ 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>
2019 2/	1,019,740	4.2%	\$ 26,183	\$ 25.68	4.0%
2020	2,594,202	10.6%	73,429	28.31	11.3%
2021	2,739,892	11.2%	71,870	26.23	11.1%
2022	2,499,839	10.2%	62,154	24.86	9.6%
2023	2,206,553	9.0%	57,945	26.26	8.9%
2024	2,544,803	10.4%	68,505	26.92	10.6%
2025	2,034,745	8.3%	57,542	28.28	8.9%
2026	1,666,886	6.8%	43,878	26.32	6.8%
2027	1,253,878	5.1%	32,972	26.30	5.1%
2028	1,003,951	4.1%	29,507	29.39	4.5%
2029 and thereafter	4,953,789	20.1%	125,081	25.25	19.2%
	<b>24,518,278</b>	<b>100.0%</b>	<b>\$ 649,066</b>	<b>\$ 26.47</b>	<b>100.0%</b>

Percent of Total Annualized Cash Revenue Expiring by Year



1/ Annualized Cash Revenue is June 2019 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Includes 62,000 square feet of leases that are on a month to month basis, which constitute 0.3% of total annualized revenue.

Note: 2019 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>2019 1/</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Thereafter</u>
Atlanta	RSF	245,309	496,150	541,775	519,220	2,984,292
	% of Total RSF	1.1%	2.0%	2.1%	2.1%	12.3%
	Annualized Cash Revenue 2/	\$ 6,729	\$ 13,448	\$ 14,960	\$ 13,199	\$ 77,881
	% of Total Annl Cash Rev	0.9%	2.0%	2.3%	2.0%	12.1%
Greensboro	RSF	36,579	121,612	118,449	214,669	598,341
	% of Total RSF	0.1%	0.5%	0.5%	0.9%	2.4%
	Annualized Cash Revenue 2/	\$ 755	\$ 2,485	\$ 2,659	\$ 3,985	\$ 12,114
	% of Total Annl Cash Rev	0.1%	0.4%	0.5%	0.6%	1.8%
Memphis	RSF	67,698	209,763	323,568	174,744	715,844
	% of Total RSF	0.3%	0.9%	1.3%	0.7%	2.9%
	Annualized Cash Revenue 2/	\$ 1,648	\$ 5,397	\$ 8,746	\$ 4,225	\$ 17,898
	% of Total Annl Cash Rev	0.3%	0.8%	1.3%	0.7%	2.8%
Nashville	RSF	190,385	260,346	357,439	156,331	3,278,248
	% of Total RSF	0.9%	1.1%	1.5%	0.6%	13.4%
	Annualized Cash Revenue 2/	\$ 5,301	\$ 7,484	\$ 9,361	\$ 3,180	\$ 97,630
	% of Total Annl Cash Rev	0.8%	1.2%	1.4%	0.5%	15.0%
Orlando	RSF	48,856	246,413	204,438	191,416	909,273
	% of Total RSF	0.2%	1.0%	0.8%	0.8%	3.7%
	Annualized Cash Revenue 2/	\$ 1,224	\$ 6,564	\$ 5,705	\$ 5,854	\$ 24,135
	% of Total Annl Cash Rev	0.2%	1.0%	0.9%	0.8%	3.8%
Pittsburgh	RSF	30,854	54,987	138,554	138,936	1,691,702
	% of Total RSF	0.1%	0.2%	0.6%	0.6%	6.9%
	Annualized Cash Revenue 2/	\$ 859	\$ 3,879	\$ 3,672	\$ 3,789	\$ 45,214
	% of Total Annl Cash Rev	0.1%	0.6%	0.6%	0.6%	6.9%
Raleigh	RSF	206,179	335,086	338,528	437,542	2,771,820
	% of Total RSF	0.8%	1.4%	1.4%	1.8%	11.3%
	Annualized Cash Revenue 2/	\$ 4,988	\$ 9,586	\$ 8,814	\$ 10,852	\$ 73,722
	% of Total Annl Cash Rev	0.8%	1.5%	1.4%	1.7%	11.3%
Richmond	RSF	109,349	203,552	238,720	257,371	1,114,064
	% of Total RSF	0.4%	0.8%	1.0%	1.0%	4.5%
	Annualized Cash Revenue 2/	\$ 2,342	\$ 4,539	\$ 5,433	\$ 5,608	\$ 25,037
	% of Total Annl Cash Rev	0.4%	0.7%	0.8%	0.9%	3.9%
Tampa	RSF	84,531	666,293	478,421	409,610	1,601,021
	% of Total RSF	0.3%	2.7%	2.0%	1.7%	6.4%
	Annualized Cash Revenue 2/	\$ 2,337	\$ 20,047	\$ 12,520	\$ 11,462	\$ 41,799
	% of Total Annl Cash Rev	0.4%	3.1%	1.9%	1.8%	6.4%
<b>Total</b>	<b>RSF</b>	<b>1,019,740</b>	<b>2,594,202</b>	<b>2,739,892</b>	<b>2,499,839</b>	<b>15,664,605</b>
	<b>% of Total RSF</b>	<b>4.2%</b>	<b>10.6%</b>	<b>11.2%</b>	<b>10.2%</b>	<b>63.8%</b>
	<b>Annualized Cash Revenue 2/</b>	<b>\$ 26,183</b>	<b>\$ 73,429</b>	<b>\$ 71,870</b>	<b>\$ 62,154</b>	<b>\$ 415,430</b>
	<b>% of Total Annl Cash Rev</b>	<b>4.0%</b>	<b>11.3%</b>	<b>11.1%</b>	<b>9.6%</b>	<b>64.0%</b>

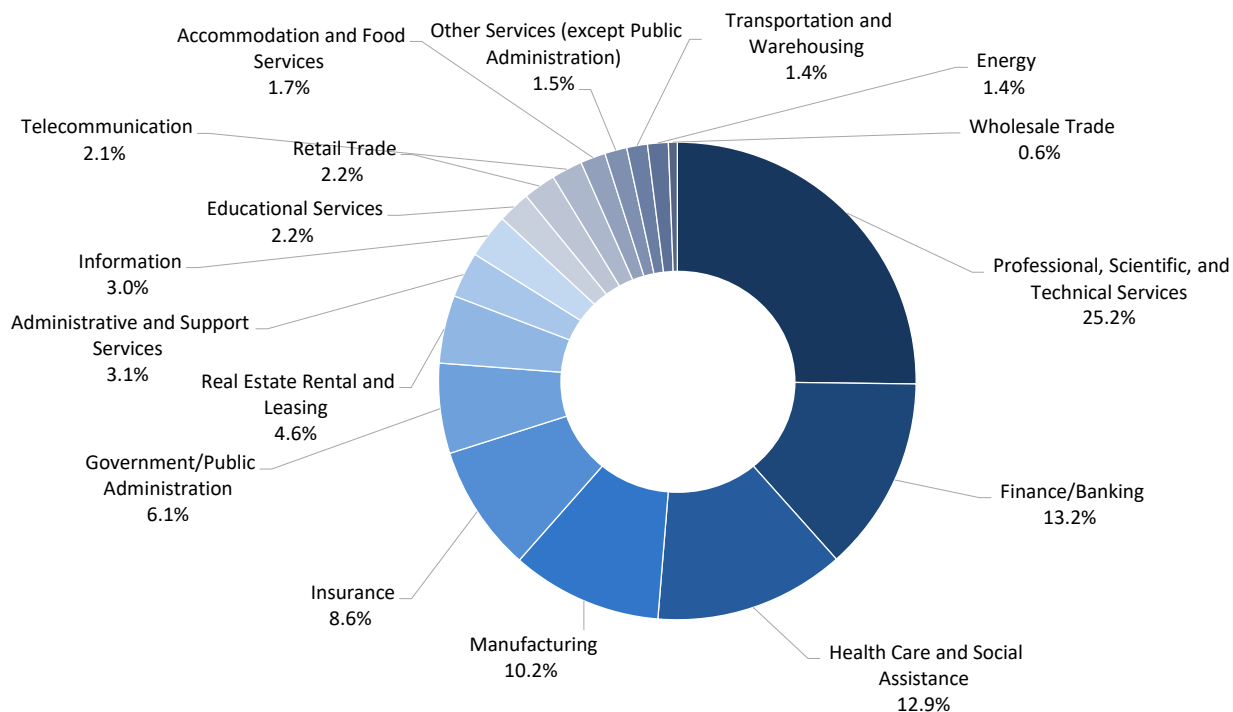
1/ Includes 62,000 square feet of leases that are on a month to month basis, which constitute 0.3% of total annualized revenue.

2/ Annualized Cash Revenue is June 2019 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

## Customer Diversification (dollars in thousands)

<u>Top 20 Customers</u>	<u>Rentable Square Feet</u>	<u>Annualized Cash Revenue 1/</u>	<u>Percent of Annualized Cash Revenue 1/</u>	<u>Average Remaining Lease Term in Years</u>
Federal Government	1,299,067	\$ 32,214	4.85%	3.7
Bridgestone Americas	506,128	17,084	2.57%	18.2
Metropolitan Life Insurance	621,190	16,459	2.48%	9.2
PPG Industries	361,215	9,733	1.47%	11.9
Mars Petcare	223,700	8,858	1.33%	11.9
Tivity	263,598	7,684	1.16%	3.7
EQT Corporation	319,269	7,650	1.15%	5.3
Bass, Berry & Sims	202,133	6,956	1.05%	5.6
International Paper	278,444	6,936	1.04%	9.6
Vanderbilt University	271,863	6,840	1.03%	6.6
State of Georgia	313,146	6,212	0.94%	3.0
American General Life	173,834	6,199	0.93%	7.6
Novelis	168,949	6,085	0.92%	5.2
Marsh USA	177,382	6,068	0.91%	3.0
Lifepoint Corporate Services	202,991	5,336	0.80%	9.8
AT&T	197,826	4,992	0.75%	4.2
PNC Bank	159,142	4,848	0.73%	8.6
Avanos Medical	193,199	4,545	0.68%	9.7
Global Payments	168,051	4,440	0.67%	13.7
Regus PLC	154,524	4,282	0.64%	5.5
	<u>6,255,651</u>	<u>\$ 173,421</u>	<u>26.10%</u>	<u>8.0</u>

### Percent of Annualized Revenue by Industry



1/ Annualized Cash Revenue is June 2019 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		Dollar Change B/(W)	Percentage Change B/(W)
	June 30,			
	2019	2018		
Rental revenues 1/	\$ 167,399	\$ 163,335	\$ 4,064	2.5%
Operating expenses	(57,810)	(57,061)	(749)	(1.3%)
<b>Cash NOI 1/</b>	<b>109,589</b>	<b>106,274</b>	<b>3,315</b>	<b>3.1%</b>
Lease termination fees 2/	44	8	36	450.0%
<b>Cash NOI with Term Fees 3/</b>	<b>109,633</b>	<b>106,282</b>	<b>3,351</b>	<b>3.2%</b>
Straight-line rent and other non-cash adjustments 4/	5,449	6,168	(719)	(11.7%)
<b>GAAP NOI</b>	<b>\$ 115,082</b>	<b>\$ 112,450</b>	<b>\$ 2,632</b>	<b>2.3%</b>
Average occupancy	91.0%	92.0%		(1.0%)
Rentable square feet	28,730,000	28,730,000		
	Six months ended			
	June 30,			
	2019	2018		
Rental revenues 1/	\$ 332,582	\$ 327,676	\$ 4,906	1.5%
Operating expenses	(115,412)	(113,928)	(1,484)	(1.3%)
<b>Cash NOI 1/</b>	<b>217,170</b>	<b>213,748</b>	<b>3,422</b>	<b>1.6%</b>
Lease termination fees 2/	446	674	(228)	(33.8%)
<b>Cash NOI with Term Fees 3/</b>	<b>217,616</b>	<b>214,422</b>	<b>3,194</b>	<b>1.5%</b>
Straight-line rent and other non-cash adjustments 4/	3,112	11,929	(8,817)	(73.9%)
<b>GAAP NOI</b>	<b>\$ 220,728</b>	<b>\$ 226,351</b>	<b>\$ (5,623)</b>	<b>(2.5%)</b>
Average occupancy	91.3%	92.1%		(0.8%)
Rentable square feet	28,730,000	28,730,000		
	Year to Date: 2019 vs 2018			
	GAAP NOI	Occupancy		
	Percentage	Percentage		
<b>Market</b>	<b>Change</b>	<b>Change</b>		
Atlanta	11.4%	1.4%		
Greensboro	(1.9%)	0.9%		
Memphis	(3.9%)	(1.3%)		
Nashville	(0.1%)	(1.2%)		
Orlando	7.2%	0.6%		
Pittsburgh	0.7%	0.0%		
Raleigh	(3.5%)	(5.8%)		
Richmond	5.9%	1.7%		
Tampa	(31.6%)	(1.6%)		
	(2.5%)	(0.8%)		

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/ Straight-line rent credit losses related to lease terminations are reflected here as a reduction of lease termination fees.

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

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

## Disposition Activity (dollars in thousands)

	<b>Six Months Ended 6/30/19</b>
Occupancy	89.1%
Square feet	183,000
Gross sales price	\$ 32,500

### **MetroCenter**

Market	Orlando
Property type	Office
Number of buildings	2
Date sold	April 12, 2019
Occupancy 1/	89.1%
Square feet	183,000
Gross sales price	\$ 32,500

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



## Development Activity (dollars in thousands)

		Rentable Square Foot	Anticipated Total Investment 1/	Investment As Of 6/30/19 1/	Pre Leased %	Estimated Completion Date	Estimated Stabilization Date
<b>Office In-Process</b>							
GlenLake Seven 2/	Raleigh	125,700	\$ 40,970	\$ 8,405	44.1%	3Q 20	4Q 21
Midtown One 3/	Tampa	150,000	71,300	18,110	0.0%	2Q 21	4Q 22
Asurion	Nashville	552,800	285,000	67,664	98.3%	4Q 21	1Q 22
		<b>828,500</b>	<b>\$ 397,270</b>	<b>\$ 94,179</b>	<b>72.3%</b>		
<b>Office Completed Not Stabilized 4/</b>							
5000 CentreGreen	Raleigh	170,000	\$ 40,850	\$ 39,600	100.0%	3Q 17	3Q 19
MetLife III 5/	Raleigh	219,000	64,500	59,369	100.0%	1Q 19	2Q 21
		<b>389,000</b>	<b>\$ 105,350</b>	<b>\$ 98,969</b>	<b>100.0%</b>		
					<b>Occupancy as of 6/30/19</b>		
					<b>87.6%</b>		
					<b>71.5%</b>		
					<b>78.6%</b>		
<b>Total Pipeline</b>		<b>1,217,500</b>	<b>\$ 502,620</b>	<b>\$ 193,148</b>	<b>81.1%</b>		
				<b>\$ Weighted %</b>	<b>80.3%</b>		
<b>Office Placed in Service</b>							
Mars Petcare - Ovation	Nashville	223,700	\$ 96,200	\$ 92,505	100.0%	100.0%	
Riverwood 200	Atlanta	300,000	107,000	104,652	97.1%	94.4%	
		<b>523,700</b>	<b>\$ 203,200</b>	<b>\$ 197,157</b>	<b>98.4%</b>	<b>96.8%</b>	



Ed presents "Fire Hydrant" filled with tennis ball dog toys to Mark Pincott, MARS Petcare

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

2/ Highwoods' corporate and Raleigh division personnel will occupy approximately 45,500 square feet.

3/ We own an 80% interest in this consolidated joint venture. The assets from the joint venture are recorded on our consolidated balance sheet in land held for development and prepaid expenses and other assets, 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.

5/ Pre-lease of 100% contains a required take down of one floor in Q1 '20 and one floor in Q2 '21.

## Land Held for Development (dollars in thousands)

<u>Market</u>	<u>Acres</u>	<u>Square Footage Buildout of Core Development Land 1/</u>	
		<u>Office</u>	<u>Industrial</u>
Nashville	65	1,963,000	-
Tampa 2/	37	813,000	-
Raleigh	31	918,000	-
Greensboro	30	240,000	220,500
Richmond 3/	13	200,000	-
Orlando	2	451,000	-
Atlanta	1	175,000	-
<b>Core total</b>	<b>179</b>	<b>4,760,000</b>	<b>220,500</b>
<b>Non-core total 4/</b>	<b>143</b>		
<b>Total</b>	<b>322</b>		
<b>Cost Basis 1/ 2/ 3/ 4/</b>	<b>\$ 121,063</b>		

The 322 acres of Development Land have an estimated market value of between \$138M to \$148M.

1/ Represents approximately \$1.9 billion in total development.

2/ Excludes 1 acre of development land owned by an 80% consolidated joint venture with a total cost basis of \$5.0 million.

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

4/ Includes 55 acres of land that is currently classified as property held for sale as of June 30, 2019.

## Joint Venture Financial and Summary Information (dollars in thousands)

### Unconsolidated Joint Venture Financial Information:

Joint Venture	Own %	Venture's Books			
		Three Months Ended June 30, 2019		Six Months Ended June 30, 2019	
		Revenue	NOI	Revenue	NOI
Plaza Colonnade, Tenant-in-Common	50.0%	\$ 3,317	\$ 2,179	\$ 6,536	\$ 4,159
Highwoods DLF Forum, LLC	25.0%	2,841	1,813	5,458	3,424
Kessinger/Hunter & Company, LC	26.5%	1,679	492	2,994	714
<b>Total</b>		<b>\$ 7,837</b>	<b>\$ 4,484</b>	<b>\$ 14,988</b>	<b>\$ 8,297</b>

Joint Venture	Own %	Venture's Books		
		As of June 30, 2019		
		Total Assets	Debt	Total Liabilities
Plaza Colonnade, Tenant-in-Common	50.0%	\$ 53,806	\$ 59,371	\$ 62,075
Highwoods DLF Forum, LLC	25.0%	99,121	33,631	39,468
Kessinger/Hunter & Company, LC	26.5%	2,343	-	264
Highwoods DLF 98/29, LLC	22.8%	34,418	-	12
<b>Total</b>		<b>\$ 189,688</b>	<b>\$ 93,002</b>	<b>\$ 101,819</b>

### Summary of Joint Ventures:

Market	Rentable Square Feet	Occupancy	Percentage of
			Joint Venture Annualized Cash Revenue 1/ 2/
Kansas City	292,000	98.8%	52.9%
Richmond 3/	345,000	100.0%	28.9%
Raleigh	636,000	67.5%	18.2%
<b>Total</b>	<b>1,273,000</b>	<b>83.5%</b>	<b>100.0%</b>

1/ Annualized Cash Revenue is June 2019 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.