

HIGHWOODS PROPERTIES INC

FORM 424B3

(Prospectus filed pursuant to Rule 424(b)(3))

Filed 12/22/1998

Address	3100 SMOKETREE CT STE 600 RALEIGH, North Carolina 27604
Telephone	919-872-4924
CIK	0000921082
Industry	Real Estate Operations
Sector	Services
Fiscal Year	12/31

STICKER SUPPLEMENT DATED DECEMBER 22, 1998
TO PROSPECTUS DATED OCTOBER 30, 1998, OF

HIGHWOODS PROPERTIES, INC.

THE SOLE PURPOSE OF THIS PROSPECTUS SUPPLEMENT IS TO REPLACE THE INFORMATION SET FORTH UNDER THE CAPTION "SELLING SECURITYHOLDERS" IN THE ACCOMPANYING PROSPECTUS. CAPITALIZED TERMS USED IN THIS PROSPECTUS SUPPLEMENT HAVE THE MEANINGS SET FORTH IN THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS.

SELLING SECURITYHOLDERS

This Prospectus relates, in part, to the resale of 10,481,097 shares of Common Stock and warrants to purchase 1,479,290 shares of Common Stock (collectively, the "Resale Securities") by the Selling Securityholders named herein (the "Selling Securityholders"). The Resale Securities comprise:

- o 973,738 shares of Common Stock,
- o 8,224,206 shares underlying Common Units,
- o 1,256,125 shares underlying outstanding warrants,
- o 27,028 shares of Common Stock that may be issued pursuant to certain earn-out provisions, and
- o the Resale Warrants, which are exercisable for a total of 1,479,290 shares of Common Stock.

The Resale Securities may be offered from time to time by the Selling Securityholders. The following table provides the name of each Selling Securityholder and the number of shares of Common Stock beneficially owned and offered hereby and the number of shares of Common Stock underlying the Resale Warrants offered hereby by each Selling Securityholder. The number of shares of beneficially owned Common Stock provided in the following table includes the number of shares that may be acquired by each Selling Securityholder upon (i) redemption of Common Units, (ii) exercise of warrants (including the Resale Warrants), whether or not currently exercisable, and (iii) exercise of outstanding stock options that are currently exercisable. Because the Selling Securityholders may offer all or some of the Resale Securities, no estimate can be given as to the amount of shares that will be held by the Selling Securityholders after completion of the offering.

NAME OF SELLING SECURITYHOLDER (1)	NUMBER OF SHARES BENEFICIALLY OWNED (2)	NUMBER OF SHARES OFFERED HEREBY (2)	NUMBER OF SHARES UNDERLYING RESALE WARRANTS
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8-H Partnership	20,833	20,833	0
1985 Trust F/B/O Clate Joseph Korsant L.B.M. Family Limited Partnership	2,936	2,936	0
1985 Trust F/B/O Justin Frederick Korsant	2,936	2,936	0
4501 Alexander Associates (3)	144,392	8,155	0
Alfus Family Limited Partnership	47,661	47,661	0
Gene Anderson (4)	618,579 (5)	250,000	0
Ariel Associates, L.L.C.	32,424	7,583	0
Arthur S. DeMoss Foundation	92,046	92,046	0
ASP Partners (3)	5,941	5,941	0
The Audri May Tendler Trust	2,929	2,929	0
Bennie Auerbach	32,486	32,486	0
Hyman Auerbach	46,759	46,759	0
Leon Auerbach	32,828	32,828	0
James W. Ayers	280,04	280,044	0
James Babb III	1,289	1,289	0
Gary T. Baker	172,682	172,682	0
Linda Barry	31,971	31,971	0
Bennett Family Revocable Trust	2,092	2,092	0
Geoffrey Beer	817	817	0
Karen Blakely	10,000 (6)	0	10,000
Geoffrey Boisi	2,623	2,623	0
Brainard Holdings, Inc.	16,378	16,378	0
William A.M. Burden & Co., L.P.	36,634	36,634	0
CMS Oakbrook Summit, L.P.	104	104	0
CMS Operating Real Estate Properties II, L.P.	20,728	20,728	0

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P. Michael Caruso	11,507	11,507	0
Max C. Chapman	14,634	14,634	0
Charpat Properties	82,936	82,936	0
Charter Properties, Inc.	24,556	24,556	0
The Condon Family Trust	763,750	763,750	0
Cypress Westshore, Inc.	83,947	83,947	0
Mary L. Demetree	25,309	25,309	0
Allen C. de Olazarra	835,249 (7)	347,084(8)	488,165
Jeff Dishner	815	815	0
John W. Eakin (4) (9)	300,504(10)	297,391(10)	0
J. Roger Edwards, Jr.	11,704	11,704	0
Jonathan Eilian	13,664	13,664	0
Steuart A. Evans	14,902	14,902	0
William G. Evans	32,308 (11)	1,539 (11)	0
Mike Fann	29,851	29,851	0
Terry Jay Feldman	2,308	2,308	0
James K. Flannery, Jr.	30,000 (12)	30,000(12)	0
Edward J. Fritsch (9) (13)	72,329 (14)	33.529(14)	0
James R. Gates	835	835	0
Gene Anderson Family Partnership, L.P. (15)	359,779	359,779	0
Jeffery L. Gibbs	3,505	3,505	0
GT Investment Corporation	11,438	11,438	0
Ronald P. Gibson (4) (9)	191,248 (16)	139,124 (16)	0
Norman Goldbach	8,777	8,777	0
Jay and Patricia Goldberg	1,255	1,255	0
Robert Goldman	202,112	202,112	0

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Steve Goldman	2,104	2,104	0
Eugene Gorab	8,446	8,446	0
David L. Gordon	1,046	1,046	0
Madison Grose	16,541	16,541	0
Sidney J. Gunst	13,054	13,054	0
Hayes Barton United Methodist Church	1,000	1,000	0
Edward W. and Kathleen Hayes	1,535	1,535	0
James R. Heistand (4) (9)	1,512,946(17)	1,491,710 (17)	852,575
Henry K. Solomon RKS Trust	4,850	4,850	0
Thomas A. Hunter III	4,965	4,965	0
Ted B. Jacobson	7,703	7,703	0
The James R. Gates Charitable Remainder Trust I	10,381	10,381	0
Jerome Janger	198,062	198,062	0
Linda Janger	4,394	4,394	0
JAW Holdings I, L.L.C.	9,621	9,621	0
Jewish Communal Fund	11,391	11,391	0
Dale Johannes (9)	203,222(18)	203,222(18)	103,550
Neal S. Johnston	5,385	5,385	0
Crawley F. Joyner	13,053	13,053	0
Parke D. Joyner	13,053	13,053	0
Susan Kellett	30,220	1,485	0
Kennington Ltd., Inc.	503,948	503,948	0
James A. Kleeman	163	163	0
Merrick Kleeman	8,863	8,863	0
Kollman Properties Corp.	119,716	119,716	0
Lowell D. Kraff	238	238	0

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John Kukral	24,016	24,016	0
L.B.M. Family Limited Partnership	40,683	40,683	0
LPK Investments, L.L.C.	32,424	7,583	0
Lambster Partners	2,317	2,317	0
Alice Victoria M. Langley	27,122	27,122	0
Eugene Martin Langley, Jr.	16,196	16,196	0
Arthur Laub	9,035	9,035	0
Deborah Laub	1,046	1,046	0
Marmour Living Trust	26,820	26,820	0
Mary Sue McCarthy	10,000 (12)	10,000 (12)	0
Michael J. McCarthy	40,000 (12)	40,000 (12)	0
Stephen D. McCarthy	10,000 (12)	10,000 (12)	0
William J. McCarthy	10,000 (12)	10,000 (12)	0
Meyer Capital, L.P.	47,661	47,661	0
Montrose Corp.	146,649	146,649	0
Charles E. Mueller	311	311	0
Michael Mueller	1,142	1,142	0
Nashville Community Foundation, Inc.	4,000	4,000	0
Jack Nash	12,019	12,019	0
Newman Enterprises	12,366	12,366	0
The Nussbaum Family Trust	856	856	0
Dennis L. Olive	4,122	4,122	0
L. Glenn Orr (19)	10,000 (20)	250 (21)	0
Patewood Associates Limited Partnership	18,982	18,982	0
Paul S. Bennett Family Trust	1,712	1,712	0
Peter Family Revocable Trust	5,897	5,897	0

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Alan Petroff	5,358	5,358	0
Graydon O. Pleasants	36,400	36,400	0
W. Brian Reames (9)	177,838(22)	183,244(22)	0
John E. Reece (9)	83,501(23)	71,251(23)	0
Michael Rubel	10,265	10,265	0
SECC Partners	75,881	5,941	0
SJ Company (24)	23,466	23,466	0
William E. Salter	10,724	10,724	0
Chris B. Schoen	31,971	31,971	0
Alan Schwartz	4,254	4,254	0
Gerry E. Shannon	2,061	2,061	0
Jerome Silvey	1,538	1,538	0
E. Samuel Simpson	2,635	2,635	0
Judy Sirody	856	856	0
O. Temple Sloan, Jr. (9) (24)	513,599(25)	342,893(25)	0
David Smith	52,720	1,485	0
Margaret Smith	52,720	1,485	0
Mark C. Smith	39,522	39,522	0
Robert E. Smith	143,445	1,485	0
Thomas S. Smith (26)	266,580(27)	16,216(27)	0
Stanley and Audri Tendler Family Trust	7,811	7,811	0
Star Investors, GP	62,307	62,307	0
Starwood Capital Group I, L.P.	2,900	2,900	0
Starwood Capital Group, L.L.C.	69,231	69,231	0
Starwood Office Investors I, Inc.	4,015	4,015	0
Starwood Opportunity Fund IV, L.P.	1,055,711	1,055,711	0

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Henry F. Stern	16,316	16,316	0
Barry Sternlicht	132,256	132,256	0
Stony Point Limited Partnership II	104,228	104,228	0
Jay Sugarman	3,548	3,548	0
Theresa Goldbach Testamentary Trust	258	258	0
Stephen F. Thornton	10,677	10,677	0
Stephen Timko (3) (9) (19)	208,368(28)	160,697	0
Triad Properties Holdings - Georgia, L.L.C.	145,258	145,258	0
Trust FBO Grant L. Wilson Dated Aug. 2, 1976	32,894	1,456	0
Trust FBO Grant L. Wilson Dated Dec. 17, 1984	61,850	1,213	0
Trust FBO Kirsten Wilson Dated Aug. 2, 1976	32,893	1,456	0
Trust FBO Kirsten Wilson Dated Dec. 17, 1984	61,851	1,213	0
Trust FBO Sara Wilson Dated Oct. 13, 1976	32,893	1,456	0
Trust FBO Sara Wilson Dated Dec. 17, 1984	61,850	1,213	0
John L. Turner (4) (9)	470,341(29)	434,541(29)	0
Robert Turner	10,000 (6)	0	10,000
Harrison A. Underwood III	2,635	2,635	0
Mark Walsh	15,000 (6)	0	15,000
Glenn Weathers	5,344	5,344	0
Kenneth M. Weiss	223	223	0
Wendy's of North Alabama, Inc.	21,161	21,161	0
The Westminster Presbyterian Church	1,000	1,000	0

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Roderick T. White	124,540	124,540	0
William A. White, Jr.	9,805	9,805	0
Robert A. Wilkins	10,000 (12)	10,000(12)	0
William T. Wilson III (5) (9)	424,754(30)	293,204(30)	0
Ziff Investors Partnership, L.P. II	230,954	230,954 -----	0 -
TOTAL		10,481,097 =====	1,479,290 =====

(1) A "Selling Securityholder" shall also include any person or entity that receives Resale Securities (or Common Units or warrants redeemable or exercisable for Resale Securities) as a result of (i) their pro rata distribution by an entity to its equity holders, (ii) a gift, or (iii) a pledge. Any Selling Securityholder who is not specifically named in the foregoing table will be named in a supplement to the Prospectus if such a supplement is required by the rules and regulations of the Securities and Exchange Commission at the time such Selling Securityholder offers any Resale Securities.

(2) Unless otherwise noted, number shown represents shares issuable upon redemption of Common Units.

(3) Stephen Timko, a general partner of ASP Partners and 4501 Alexander Associates, is a director of the Company.

(4) Director and executive officer.

(5) Includes the 359,779 shares issuable upon redemption of the Common Units held by Gene Anderson Family Partnership, L.P., a Selling Securityholder listed below, 2,500 shares of Common Stock and 6,300 shares issuable upon exercise of currently exercisable options.

(6) Represents shares issuable upon exercise of Resale Warrants.

(7) Includes 28,769 shares of outstanding Common Stock and 488,165 shares issuable upon exercise of Resale Warrants.

(8) Includes 28,769 shares of outstanding Common Stock.

(9) The resale of the Selling Securityholder's Issuance Shares are being registered hereby should such Selling Stockholder be deemed to be an affiliate of the Company or otherwise an underwriter of such shares.

(10) Includes 201,579 shares of outstanding Common Stock, 60,000 shares issuable upon exercise of warrants and 16,925 shares issuable upon exercise of currently exercisable

options. The number of shares offered also includes 10,812 shares issuable pursuant to earn-out arrangements.

(11) Includes 1,539 shares of outstanding Common Stock.

(12) Number of shares shown represents shares that may be issued upon exercise of outstanding warrants.

(13) Executive officer.

(14) Includes 23,385 shares of outstanding Common Stock. The number of shares beneficially owned also includes 38,800 shares issuable upon exercise of currently exercisable stock options.

(15) Gene Anderson is the general partner of Gene Anderson Family Partnership, L.P.

(16) Includes 69,076 shares of outstanding Common Stock. The number of shares beneficially owned also includes 51,300 shares issuable upon exercise of currently exercisable options. Number of shares offered hereby includes only 68,252 shares of outstanding Common Stock.

(17) Includes 74,005 shares of outstanding Common Stock and 852,575 shares issuable upon exercise of Resale Warrants. Number of shares offered hereby includes only 52,769 shares of outstanding Common Stock.

(18) Includes 9,231 shares of outstanding Common Stock and 103,550 shares issuable upon the exercise of Resale Warrants.

(19) Director.

(20) Includes 9,000 shares issuable upon exercise of currently exercisable options and 250 shares of Common Stock.

(21) Represents shares of outstanding Common Stock.

(22) Includes 107,838 shares of Common Stock and 30,000 shares issuable upon exercise of outstanding warrants. The number of shares offered also includes 5,406 shares issuable pursuant to earn-out arrangements.

(23) Includes 1,000 shares of outstanding Common Stock and 30,000 shares issuable upon exercise of outstanding warrants. The number of shares beneficially owned also includes 11,250 shares issuable upon exercise of currently exercisable options.

(24) O. Temple Sloan, Jr., a general partner of SJ Company, is a director of the Company.

(25) Includes 104,924 shares of outstanding Common Stock. Number of shares beneficially owned includes 23,466 shares issuable upon redemption of Common Units held by SJ Company, a Selling Securityholder, and 147,040 shares issuable upon exercise of currently exercisable options. Number of shares offered hereby includes only 104,724 shares of outstanding Common Stock.

(26) Thomas S. Smith is a former director and officer of the Company.

(27) The number of shares beneficially owned includes 60,000 shares issuable upon exercise of outstanding warrants and 206,580 shares of outstanding Common Stock. The number of shares offered represents shares issued or issuable pursuant to earn-out arrangements.

(28) Includes 33,210 shares issuable upon redemption of Common Units held by 4501 Alexander Associates, of which Mr. Timko is a general partner, 3,089 shares issuable upon redemption of Common Units held by ASP Partners, of which Mr. Timko is a general partner, and 11,372 shares issuable upon exercise of currently exercisable options.

(29) Includes 7,000 shares of outstanding Common Stock and 35,000 issuable upon exercise of warrants. The number of shares beneficially owned also includes 28,800 shares issuable upon exercise of currently exercisable options. None of the shares offered hereby include outstanding shares of Common Stock.

(30) Includes 7,800 shares of outstanding Common Stock and 35,000 shares issuable upon exercise of warrants. The number of shares beneficially owned also includes 123,750 shares issuable upon exercise of currently exercisable options. None of the shares offered hereby include outstanding shares of Common Stock.

End of Filing

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