SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 29, 2008

HIGHWOODS PROPERTIES, INC.
(Exact name of registrant specified in its charter)

Maryland	1-13100	56-1871668
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

HIGHWOODS REALTY LIMITED PARTNERSHIP
(Exact name of registrant specified in its charter)

North Carolina	000-21731	56-1869557
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3100 Smoketree Court, Suite 600
Raleigh, North Carolina 27604
(Address of principal executive offices, zip code)

Registrants’ telephone number, including area code: (919) 872-4924

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 29, 2008, we issued a press release announcing financial information for the quarter ended September 30, 2008. This press release is attached as Exhibit 99.1. In addition, we posted on our web site supplemental information regarding our operations for the quarter ended September 30, 2008, a copy of which is attached as Exhibit 99.2.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

No.	Description
99.1	Press Release dated October 29, 2008
99.2	Supplemental information for the quarter ended September 30, 2008

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HIGHWOODS PROPERTIES, INC.

By: /s/ Jeffrey D. Miller
Jeffrey D. Miller
Vice President, General Counsel and Secretary

HIGHWOODS REALTY LIMITED PARTNERSHIP

By: Highwoods Properties, Inc., its general partner

By: /s/ Jeffrey D. Miller
Jeffrey D. Miller
Vice President, General Counsel and Secretary

Dated: October 30, 2008

Exhibit 99.1

FOR IMMEDIATE RELEASE **Ref: 08-28**

Contact: Tabitha Zane
Vice President, Investor Relations
919-431-1529

Highwoods Properties Reports Third Quarter Results

$0.71 Reported FFO per Share

FFO From Core Operations Up 11% Year-over-Year

91.6% Occupancy – Up 120 bps Year-over-Year

$336 Million Development Pipeline 71% Pre-leased

Reaffirms and Narrows 2008 FFO Guidance to $2.73 to $2.76 per Share
Previously $2.70 to $2.78 per Share

Raleigh, NC – October 29, 2008 – Highwoods Properties, Inc. (NYSE: HIW) , the largest owner and operator of suburban office properties in the Southeast, today reported financial and operational results for the three and nine months ended September 30, 2008.

Ed Fritsch, President and CEO, stated, *"We reported solid financial results this quarter, with revenue, net income and Funds from Operations (FFO) all increasing from the third quarter of 2007. FFO from core operations was $0.68 per share, an 11% increase from the third quarter of 2007, and we now expect FFO from core operations to be 10% higher for full year 2008 compared to 2007."*

FFO from core operations is reported FFO excluding (1) recurring, non-core operating items such as land sale gains and lease termination fees and (2) one-time, non-recurring items such as building impairments and preferred stock repurchase charges.

"Occupancy also increased this quarter," said Mr. Fritsch, *" up 120 basis points from the third quarter of 2007 and up 50 basis points from the second quarter of this year. Pre-leasing in our $336 million development pipeline is currently 71%, a 500 basis point increase over the past three months."*

"We are also pleased to have issued 5.5 million shares of common stock for net proceeds of $195 million in early September. We deployed $52.5 million to repurchase high-coupon preferred stock at a discount and the balance was used to pay down our $450 million revolving credit facility, which currently has $320 million of availability. W *e have no debt maturing this quarter and the $174 million of fixed rate debt we have maturing next year bears a weighted average interest rate of 7.9%. Our credit facility, which carries an initial maturity date of May 2009, has a one year extension, at our sole option, which we currently plan to exercise,"* added Mr. Fritsch.

The Company also reaffirmed and narrowed its 2008 FFO guidance range from $2.70 to $2.78 per diluted share to $2.73 to $2.76 per diluted share. Approximately $0.02 per share of dilution is incorporated in this guidance as a result of the Company's 5.5 million common share equity offering.

Third Quarter and Nine Month Financial Results

For the third quarter of 2008, the Company reported net income available for common stockholders of $12.2 million, or $0.21 per diluted share. Net income available for common stockholders for the third quarter of 2007 was $9.9 million, or $0.17 per diluted share.

For the nine months ended September 30, 2008, net income available for common stockholders was $37.1 million, or $0.64 per diluted share. Net income per diluted share in the first nine months of 2008 included $0.19 from gains on sales of depreciable assets, $0.03 of land sale gains and a nominal charge for the repurchase of preferred stock. For the nine months ended September 30, 2007, net income available for common stockholders was $62.4 million, or $1.09 per diluted share. Net income per diluted share in the first nine months of 2007 included $0.28 of land sale gains, $0.61 from gains on sales of depreciable assets, $0.07 related to finalization of an insurance claim and a preferred stock repurchase charge of $0.04.

Excluding the gains and charges listed above, net income available for common stockholders in the first nine months of 2008 would have been $0.42 per diluted share and $0.17 per diluted share in the first nine months of 2007.

FFO for the third quarter of 2008 was $44.6 million, or $0.71 per diluted share, compared to $36.1 million, or $0.59 per diluted share, for the third quarter of 2007. For the nine months ended September 30, 2008, FFO was $130.3 million, or $2.11 per diluted share, compared to FFO of $128.3 million, or $2.08 per diluted share, for the nine months ended September 30, 2007.

The following items were included in the determination of net income available for common shareholders for the three and nine months ended September 30, 2008 and 2007:

	3 Months Ended 9/30/08		3 Months Ended 9/30/07	
	(000)	Per Share	(000)	Per Share
Impairments on depreciable assets	$ —	$ —	$ (384)	$ (0.01)
Preferred stock redemption/repurchase charges	(108)	(0.00)	(842)	(0.01)
Land sale gains	1,727	0.03	225	0.00
Land impairment	—	—	(789)	(0.01)
Lease termination income	436	0.01	259	0.00
Straight line rental income	967	0.02	908	0.01
Capitalized interest	2,106	0.03	2,742	0.04
Gains on sales of depreciable assets (1)	3,155	0.05	8,064	0.13
Release of FASB FIN 48 tax liability (2)	—	—	1,473	0.02

(1) Gains on sales of depreciable assets are excluded in the calculation of FFO as defined by the National Association of Real Estate Investment Trusts.

(2) In connection with the adoption of FIN 48, on January 1, 2007 the Company recorded a $1.4 million liability for an uncertain tax position, with the related expense reflected as a reduction to the beginning balance of distributions in excess of net earnings. During the third quarter of 2007, the liability for the uncertain tax position was released, and income recognized, upon the expiration of the applicable statute of limitations. This item is not included in the calculation of FFO.

	9 Months Ended 9/30/08		9 Months Ended 9/30/07	
	(000)	Per Share	(000)	Per Share
Impairments on depreciable assets	$ —	$ —	$ (384)	$ (0.01)
Preferred stock redemption/repurchase charges	(108)	(0.00)	(2,285)	(0.04)
Land sale gains	1,816	0.03	17,029	0.28
Land impairment	—	—	(789)	(0.01)
Lease termination income	2,362	0.04	2,393	0.04
Straight line rental income	5,263	0.09	3,370	0.05
Capitalized interest	6,912	0.11	7,254	0.12
Gains on sales of depreciable assets (1)	11,926	0.19	37,348	0.61
Gain on property insurance claim	—	—	4,128	0.07
Release of FASB FIN 48 tax liability (2)	—	—	1,473	0.02

See preceding page for Notes (1) and (2).

Third Quarter 2008 Highlights

- Average in-place cash rental rates across the Company's total portfolio grew 3.0% compared to the third quarter of 2007. Average in-place cash rental rates across the Company's office portfolio increased 3.8% from the same period a year ago. Since the third quarter of 2004, average in-place cash rental rates across the Company's total portfolio and office portfolio have increased 15.3% and 13.7%, respectively.
- Same property net operating income from continuing operations, excluding straight line rent and termination fee income, for the three and nine months ended September 30, 2008 increased 1.0% and 2.8%, respectively, from the corresponding periods of 2007.
- On September 8, the Company priced a public offering of 5.5 million shares of its common stock for net proceeds of $195 million. The offering closed on September 12.
- On September 16, the Company acquired 53,845 shares of its 8.625% Series A Preferred Stock at 97.5% of liquidation value in a privately negotiated transaction. The yield to the Company relating to this repurchase was 8.9%.

The Company also noted that on October 15, it acquired the PennMarc Centre building in Memphis in exchange for 183,587 operating partnership units and the assumption of $7.8 million of 8.15% secured debt that matures in February 2016. The Company will incur approximately $1.7 million of near-term building improvements and other costs related to this acquisition.

Funds from Operations Outlook

For 2008, the Company now expects FFO per diluted share to be in the range of $2.73 to $2.76. The Company's FFO estimate reflects management's view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels, operating and general and administrative expenses, interest rates, gains and impairments from land sales, gains from residential condominium sales, and the impact of development deliveries, acquisitions and dispositions. This estimate assumes approximately 63.3 million diluted shares outstanding and excludes any gains or impairments associated with potential depreciable property dispositions, as well as any one-time, non-recurring charges or credits that may occur during the remainder of the year. Factors that could cause actual 2008 FFO results to differ materially from the Company's current expectations are discussed below and are also detailed in the Company's 2007 Annual Report on Form 10-K.

Management’s revised outlook for 2008 is based on the following operating assumptions:

	Low	High
Year End Occupancy	90.5%	91.5%
Same Property Cash NOI Growth	1.5%	2.5%
G&A Expenses (1)	$37.0M	$39.0M
Lease Termination Income	$ 2.4M	$ 2.8M
Gains from Land and Residential Condominium Sales	$ 4.4M	$ 5.0M
Straight Line Rental Income	$ 5.8M	$ 6.4M
Dispositions	$ 36M	$ 50M
Acquisitions	$ 45M	$ 45M
Development Starts	$ 48M	$ 65M

(1) Includes an estimated reduction of $2.0 million related to a projected decrease in the value of unrelated mutual funds held by the Company in its nonqualified deferred compensation plan during the year. Any such change in G&A expenses is fully offset by a reduction in “Other Income” and has no net impact on FFO.

The Company expects to provide FFO guidance for 2009 in January, as it has in previous years.

Supplemental Information

A copy of the Company’s third quarter 2008 Supplemental Information that includes financial, leasing and operational statistics is available in the “Investor Relations/Financial Supplementals” section of the Company’s Web site at www.highwoods.com. You may also obtain a copy of all Supplemental Information published by the Company by contacting Highwoods Investor Relations at 919-431-1529/ 800-256-2963 or by e-mail to HIW-IR@highwoods.com. If you would like to receive future Supplemental Information packages by e-mail, please contact the Investor Relations department as noted above or by written request to: Investor Relations Department, Highwoods Properties, Inc., 3100 Smoketree Court, Suite 600, Raleigh, NC 27604.

Conference Call

Tomorrow, Thursday, October 30, at 10:00 a.m. Eastern time, Highwoods will host a teleconference call to discuss the matters outlined in this press release. For US/Canada callers, dial (888) 202-5268 and international callers dial (706) 643-7509. A live listen-only Webcast can be accessed through the Company’s Web site at www.highwoods.com under the “Investor Relations” section. A Webcast replay will be available after the completion of the call.

Non-GAAP Information

Funds from Operations ("FFO"): We believe that FFO and FFO per share are beneficial to management and investors and are important indicators of the performance of any equity REIT. Because FFO and FFO per share calculations exclude such factors as depreciation and amortization of real estate assets and gains or losses from sales of operating real estate assets (which can vary among owners of identical assets in similar conditions based on historical cost accounting and useful life estimates), they facilitate comparisons of operating performance between periods and between other REITs. Our management believes that historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. As a result, management believes that the use of FFO and FFO per share, together with the required GAAP presentations, provide a more complete understanding of our performance relative to our competitors and a more informed and appropriate basis on which to make decisions involving operating, financing and investing activities.

FFO and FFO per share as disclosed by other REITs may not be comparable to our calculation of FFO and FFO per share as described below. FFO and FFO per share are non-GAAP financial measures and therefore do not represent net income or net income per share as defined by GAAP. Net income and net income per share as defined by GAAP are the most relevant measures in determining our operating performance because FFO and FFO per share include adjustments that investors may deem subjective, such as adding back expenses such as depreciation and amortization. Furthermore, FFO per share does not depict the amount that accrues directly to the stockholders' benefit. Accordingly, FFO and FFO per share should never be considered as alternatives to net income or net income per share as indicators of our operating performance.

The calculation of FFO as defined by the National Association of Real Estate Investment Trusts is as follows:

- Net income (loss) computed in accordance with GAAP;
- Less dividends to holders of preferred stock and less excess of preferred stock redemption cost over carrying value;
- Plus depreciation and amortization of assets uniquely significant to the real estate industry;
- Less gains, or plus losses, from sales of depreciable operating properties (but excluding impairment losses) and excluding items that are classified as extraordinary items under GAAP;
- Plus or minus adjustments for unconsolidated partnerships and joint ventures (to reflect Funds from Operations on the same basis); and
- Plus or minus adjustments for depreciation and amortization and gains/(losses) on sales and minority interest related to discontinued operations.

In calculating FFO, the Company also adds back minority interest in the income from its operating partnership, which we believe is consistent with standard industry practice for REITs that operate through an UPREIT structure. The Company believes that it is important to present FFO on an as-converted basis since all of the operating partnership units not owned by the Company are redeemable on a one-for-one basis for shares of the Company's common stock. The Company's FFO calculations are reconciled to net income in a table included with this release.

Net operating income from continuing operations ("NOI"): The Company defines NOI as "Rental and other revenues" from continuing operations less "Rental property and other expenses" from continuing operations. Management believes that NOI is a useful supplemental measure of the Company's property operating performance because it provides a performance measure of the revenues and expenses directly involved in owning real estate assets, and provides a perspective not immediately apparent from net income or FFO. Other REITs may use different methodologies to calculate NOI and accordingly the Company's NOI may not be comparable to other REITs. The Company's NOI calculations are reconciled to "Income before disposition of property, insurance gain, minority interest and equity in earnings of unconsolidated affiliates" and to "Rental and other revenues" and "Rental property and other expenses" in a table included with this release.

Same property NOI from continuing operations: The Company defines same property NOI as NOI for the Company's in-service properties included in continuing operations that were wholly-owned during the entirety of the periods presented (from January 1, 2007 to September 30, 2008). The Company's same property NOI calculations are reconciled to NOI in a table included with this release.

About the Company

Highwoods Properties, Inc., a member of the S&P MidCap 400 Index, is a fully integrated, self-administered real estate investment trust ("REIT") that provides leasing, management, development, construction and other customer-related services for its properties and for third parties. At September 30, 2008, the Company owned or had an interest in 383 in-service office, industrial and retail properties encompassing approximately 34.8 million square feet. Highwoods also owned 619 acres of development land. Highwoods is based in Raleigh, North Carolina, and its properties and development land are located in Florida, Georgia, Iowa, Kansas, Missouri, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. For more information about Highwoods Properties, please visit our Web site at www.highwoods.com .

Certain matters discussed in this press release, such as expected 2008 financial and operational results and the related assumptions underlying our expected results, are forward-looking statements within the meaning of the federal securities laws. These statements are distinguished by use of the words "will", "expect", "intend" and words of similar meaning. 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, the following: the financial condition of our customers could deteriorate; speculative development by others could result in excessive supply of properties relative to customer demand; development, acquisition, reinvestment, disposition or joint venture projects may not be completed as quickly or on as favorable terms as anticipated; we may not be able to lease or re-lease space quickly or on as favorable terms as old leases; difficulties in obtaining additional capital to satisfy our future cash needs or increases in interest rates could adversely impact our ability to fund important business initiatives and increase our debt service costs; our Southeastern and Midwestern markets may suffer declines in economic growth; and others detailed in the Company's 2007 Annual Report on Form 10-K and subsequent SEC reports.

Tables Follow

Highwoods Properties, Inc.
Consolidated Statements of Income
(Unaudited and in thousands, except per share amounts)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
Rental and other revenues	$116,207	$107,580	$346,154	$318,188
Operating expenses:				
Rental property and other expenses	42,165	38,682	122,591	113,909
Depreciation and amortization	32,109	31,891	94,359	90,476
Impairment of assets held for use	—	789	—	789
General and administrative	8,885	9,649	29,362	31,428
Total operating expenses	83,159	81,011	246,312	236,602
Interest expenses:				
Contractual	22,995	23,728	69,803	69,514
Amortization of deferred financing costs	714	616	2,038	1,791
Financing obligations	783	981	2,287	2,968
	24,492	25,325	74,128	74,273
Other income:				
Interest and other income	1,019	1,469	3,425	5,094
	1,019	1,469	3,425	5,094
Income before disposition of property, insurance gain, minority interest and equity in earnings of unconsolidated affiliates	9,575	2,713	29,139	12,407
Gains on disposition of property, net	1,745	1,288	1,852	20,372
Gain from property insurance settlement	—	—	—	4,128
Minority interest	(813)	(262)	(2,313)	(3,202)
Equity in earnings of unconsolidated affiliates	1,214	1,207	4,723	12,930
Income from continuing operations	11,721	4,946	33,401	46,635
Discontinued operations:				
Income from discontinued operations, net of minority interest	50	846	811	2,646
Net gains on sales of discontinued operations, net of minority interest	2,940	6,175	11,125	24,533
Release of FASB FIN 48 tax liability	—	1,473	—	1,473
	2,990	8,494	11,936	28,652
Net income	14,711	13,440	45,337	75,287
Dividends on preferred stock	(2,451)	(2,680)	(8,127)	(10,639)
Excess of preferred stock redemption/repurchase cost over carrying value	(108)	(842)	(108)	(2,285)
Net income available for common stockholders	$ 12,152	$ 9,918	$ 37,102	$ 62,363
Net income per common share - basic:				
Income from continuing operations	$ 0.16	$ 0.03	$ 0.44	$ 0.60
Income from discontinued operations	0.05	0.15	0.21	0.51
Net income	$ 0.21	$ 0.18	$ 0.65	$ 1.11
Weighted average common shares outstanding - basic	58,497	56,628	57,387	56,376
Net Income per common share - diluted:				
Income from continuing operations	$ 0.16	$ 0.02	$ 0.43	$ 0.59
Income from discontinued operations	0.05	0.15	0.21	0.50
Net income	$ 0.21	$ 0.17	$ 0.64	$ 1.09
Weighted average common shares outstanding - diluted	62,938	61,396	61,865	61,611

Highwoods Properties, Inc.
Consolidated Balance Sheets
(Unaudited and in thousands)

	September 30, 2008	December 31, 2007
Assets:		
Real estate assets, at cost:		
Land	$ 360,496	$ 357,841
Buildings and tenant improvements	2,824,695	2,708,989
Development in process	79,354	101,661
Land held for development	100,271	103,365
	3,364,816	3,271,856
Less-accumulated depreciation	(700,517)	(649,765)
Net real estate assets	2,664,299	2,622,091
Real estate and other assets, net, held for sale	8,607	10,466
Cash and cash equivalents	13,667	3,140
Restricted cash	8,940	15,896
Accounts receivable, net	23,755	23,521
Notes receivable, net	3,660	5,226
Accrued straight-line rents receivable, net	79,505	74,427
Investment in unconsolidated affiliates	68,470	58,046
Deferred financing and leasing costs, net	73,224	72,188
Prepaid expenses and other assets	40,345	41,954
Total Assets	$2,984,472	$2,926,955
Liabilities, Minority Interest and Stockholders' Equity:		
Mortgages and notes payable	$1,588,954	$1,641,987
Accounts payable, accrued expenses and other liabilities	150,862	157,766
Financing obligations	35,195	35,071
Total Liabilities	1,775,011	1,834,824
Minority interest	70,289	70,098
Stockholders' Equity:		
Preferred stock	81,592	135,437
Common stock	635	572
Additional paid-in capital	1,656,516	1,448,055
Distributions in excess of net earnings	(597,254)	(561,093)
Accumulated other comprehensive loss	(2,317)	(938)
Total Stockholders' Equity	1,139,172	1,022,033
Total Liabilities, Minority Interest and Stockholders' Equity	$2,984,472	$2,926,955

Highwoods Properties, Inc.
Funds from Operations
(Unaudited and in thousands, except per share amounts)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
Funds from operations:				
Net income	$14,711	$13,440	$ 45,337	$ 75,287
Dividends to preferred stockholders	(2,451)	(2,680)	(8,127)	(10,639)
Excess of preferred stock redemption/repurchase cost over carrying value	(108)	(842)	(108)	(2,285)
Net income available for common stockholders	12,152	9,918	37,102	62,363
Add/(deduct):				
Depreciation and amortization of real estate assets	31,639	31,294	92,887	88,634
(Gains) on disposition of depreciable properties	(18)	(1,063)	(36)	(3,343)
Minority interest from the Operating Partnership in income from continuing operations	612	92	1,723	2,684
Unconsolidated affiliates:				
Depreciation and amortization of real estate assets	3,136	3,107	9,466	8,851
(Gains) on disposition of depreciable properties	—	—	—	(7,158)
Discontinued operations:				
Depreciation and amortization of real estate assets	—	773	233	2,481
(Gains) on disposition of depreciable properties	(3,137)	(7,001)	(11,890)	(26,847)
Minority interest in income from discontinued operations	200	502	821	2,127
Release of FASB FIN 48 tax liability	—	(1,473)	—	(1,473)
Funds from operations	$44,584	$36,149	$130,306	$128,319
Funds from operations per share - diluted:				
Net income available for common stockholders	$ 0.21	$ 0.17	$ 0.64	$ 1.09
Add/(deduct):				
Depreciation and amortization of real estate assets	0.50	0.51	1.50	1.44
(Gains) on disposition of depreciable properties	—	(0.02)	—	(0.05)
Unconsolidated affiliates:				
Depreciation and amortization of real estate assets	0.05	0.05	0.16	0.14
(Gains) on disposition of depreciable properties	—	—	—	(0.12)
Discontinued operations:				
Depreciation and amortization of real estate assets	—	0.01	—	0.04
(Gains) on disposition of depreciable properties	(0.05)	(0.11)	(0.19)	(0.44)
Release of FASB FIN 48 tax liability	—	(0.02)	—	(0.02)
Funds from operations	$ 0.71	$ 0.59	$ 2.11	$ 2.08
Weighted average shares outstanding - diluted	62,938	61,396	61,865	61,611

Highwoods Properties, Inc.
Net Operating Income Reconcilation
(Unaudited and in thousands)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
Income before disposition of property, insurance gain, minority interest and equity in earnings of unconsolidated affiliates	$ 9,575	$ 2,713	$ 29,139	$ 12,407
Other income/(expense)	(1,019)	(1,469)	(3,425)	(5,094)
Interest expense	24,492	25,325	74,128	74,273
General and administrative expense	8,885	9,649	29,362	31,428
Impairment of assets held for use	—	789	—	789
Depreciation and amortization expense	32,109	31,891	94,359	90,476
Net operating income from continuing operations	74,042	68,898	223,563	204,279
Less - non same property and other net operating income	11,335	6,002	30,999	16,423
Total same property net operating income from continuing operations	$ 62,707	$ 62,896	$192,564	$187,856
Rental and other revenues	$116,207	$107,580	$346,154	$318,188
Rental property and other expenses	42,165	38,682	122,591	113,909
Total net operating income from continuing operations	74,042	68,898	223,563	204,279
Less - non same property and other net operating income	11,335	6,002	30,999	16,423
Total same property net operating income from continuing operations	$ 62,707	$ 62,896	$192,564	$187,856

Exhibit 99.2

Highwoods PROPERTIES

Supplemental Information
September 30, 2008

Supplemental Information
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September 30, 2008

The information within refers to all Highwoods Properties' wholly-owned entities, except pages 30 to 36, unless noted otherwise. Wholly-owned entities include properties classified as both continuing operations and discontinued operations.

All financial information contained in this document is unaudited. In addition, certain matters discussed in this supplemental, including estimates of net operating income, pre-leasing commitments and the cost, timing and stabilization of announced development projects, are forward-looking statements within the meaning of the federal securities laws. Although Highwoods believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Factors that could cause actual results to differ materially from Highwoods' current expectations include general economic conditions, local real estate conditions, the timely development and lease-up of properties, and other risks listed at the end of our third quarter earnings press release and detailed from time to time in the Company's SEC reports. Highwoods assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

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

Summary

Amounts in thousands, except per share amounts

	Three Months Ended				
	09/30/08	06/30/08	03/31/08	12/31/07	09/30/07
Shares and units:					
Common shares outstanding at end of period	**63,545**	57,632	57,309	57,167	57,158
Common units outstanding at end of period	**3,906**	3,933	3,951	4,057	4,059
Weighted average common shares outstanding - basic	**58,497**	56,940	56,729	56,640	56,628
Weighted average common shares outstanding - diluted	**62,938**	61,492	61,050	61,347	61,396
Share price:					
At end of period	**$ 35.56**	$ 31.42	$ 31.07	$ 29.38	$ 36.67
High close during period	**37.94**	37.38	32.34	38.26	39.01
Low close during period	**29.88**	31.42	26.67	28.89	32.09
Financial information:					
Land sale gains, net of (impairments)	**$ 1,727**	$ 89	$ —	$ (419)	$ (564)
Lease termination income	**436**	26	1,900	840	259
Straight line rental income	**967**	1,892	2,404	4,048	908
Capitalized interest	**2,106**	2,221	2,585	2,489	2,742
Impairments on depreciable properties	**—**	—	—	—	(384)
Gains on sales of depreciable properties	**3,155**	5,045	3,726	8,623	8,064
Funds from operations per share - diluted	**$ 0.71**	$ 0.69	$ 0.71	$ 0.65	$ 0.59
Funds from operations per share - diluted, excluding certain items 1/	**$ 0.71**	$ 0.69	$ 0.71	$ 0.65	$ 0.61
Wholly - owned property information:					
In-Service rentable square feet:					
Office	**19,416**	19,416	19,565	19,260	19,003
Industrial	**6,049**	6,299	6,036	6,036	5,942
Retail	**1,342**	1,343	1,314	1,317	1,318
Total	**26,807**	27,058	26,915	26,613	26,263
In-Service occupancy:					
Office	**90.3%**	90.8%	90.4%	91.1%	89.7%
Industrial	**95.2%**	91.4%	91.0%	94.2%	91.4%
Retail	**93.6%**	93.5%	92.9%	94.9%	94.4%
Total	**91.6%**	91.1%	90.7%	92.0%	90.4%

1/ Excludes impairments on depreciable assets and preferred stock redemption/repurchase charges.

Corporate Information

Board of Directors

Thomas W. Adler
Gene H. Anderson
Kay N. Callison
Edward J. Fritsch
Lawrence S. Kaplan
Sherry A. Kellett
L. Glenn Orr Jr.
O. Temple Sloan Jr., Chairman

Corporate Officers

Edward J. Fritsch
President, Chief Executive Officer and Director

Michael E. Harris
Executive Vice President and Chief Operating Officer

Terry L. Stevens
Senior Vice President, Chief Financial Officer

Daniel L. Clemmens
Vice President, Chief Accounting Officer

S. Hugh Esleeck
Treasurer

Peter T. Jardine
Vice President, Corporate Marketing

Carman J. Liuzzo
Vice President, Investments

Art H. McCann
Chief Information Officer

Jeffrey D. Miller
Vice President, General Counsel and Secretary

Kevin E. Penn
Vice President, Strategy

Michael D. Starchville
Vice President, Asset Management

Tabitha N. Zane
Vice President, Investor Relations and Corporate Communications

Research Coverage

Credit Suisse - North America
Steven Benyik - 212-538-0239

Citigroup Global Markets
Michael Bilerman - 212-816-1383

Deutsche Banc Securities
Lou Taylor - 212-469-4912

Friedman, Billings, Ramsey & Co., Inc.
Wilkes Graham - 703-312-9737

Green Street Advisors
Cedric Lachance - 949-640-8780

RW Baird
Chris Lucas - 703-821-5780

Stifel Nicolaus
John Guinee - 443-224-1307
Erin Aslakson - 443-224-1350

UBS Securities
Jamie Feldman - 212-713-4932

Wachovia Securities
Chris Haley - 443-263-6773

Corporate Information

Divisional Officers

Atlanta/Piedmont Triad
Gene H. Anderson - Senior Vice President

Atlanta, GA
James V. Bacchetta, Vice President

Piedmont Triad, NC
E. F. "Rick" Dehnert, Vice President

Orlando/Tampa
Michael F. Beale - Senior Vice President

Orlando, FL
Michael F. Beale, Senior Vice President

Tampa, FL
Daniel E. Woodward, Vice President

Raleigh
Raleigh, NC
Thomas "Skip" Hill, Vice President

Richmond
Richmond, VA
Paul W. Kreckman, Vice President

Nashville/Memphis/Greenville
W. Brian Reames - Senior Vice President

Nashville, TN and Greenville, SC
W. Brian Reames, Senior Vice President

Memphis, TN
Steven L. Guinn, Vice President

Kansas City
Kansas City, MO
Barrett Brady, Senior Vice President
Glenn E. Stephenson, VP of Retail Operations

Corporate Headquarters
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919-872-4924

Stock Exchange
NYSE Trading Symbol: HIW

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Information Request
To request a standard Investor Relations package, Annual Report or to be added to our e-mail or fax list, please contact the Corporate Communications/IR Specialist at:
Phone: 919-431-1529
Email: HIW-IR@highwoods.com

The Company
Highwoods Properties, Inc., a member of the S&P MidCap 400 Index, is a fully integrated, self-administered and self-managed equity real estate investment trust ("REIT") that provides leasing, management, development, construction and other customer-related services for its properties and for third parties. As of September 30, 2008, the Company owned or had an interest in 383 in-service office, industrial and retail properties encompassing approximately 34.8 million square feet. Highwoods also wholly-owned 619 acres of development land. Highwoods is based in Raleigh, North Carolina, and its properties and development land are located in Florida, Georgia, Iowa, Kansas, Maryland, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, and Virginia. For more information about Highwoods Properties, please visit our website at www.highwoods.com.

Highwoods PROPERTIES

Consolidated Statements of Income

Amounts in thousands, except per share amounts

	Nine Months Ended		Three Months Ended				
	09/30/08	09/30/07	09/30/08	06/30/08	03/31/08	12/31/07	09/30/07
Rental and other revenues	**$346,154**	$318,188	**$116,207**	$115,853	$114,094	$113,803	$107,580
Operating expenses:							
Rental property and other expenses	**122,591**	113,909	**42,165**	41,572	38,854	40,782	38,682
Depreciation and amortization	**94,359**	90,476	**32,109**	31,365	30,885	30,471	31,891
Impairment of assets held for use	**—**	789	**—**	—	—	—	789
General and administrative	**29,362**	31,428	**8,885**	10,766	9,711	10,142	9,649
Total operating expenses	**246,312**	236,602	**83,159**	83,703	79,450	81,395	81,011
Interest expenses:							
Contractual	**69,803**	69,514	**22,995**	23,345	23,463	24,478	23,728
Amortization of deferred financing costs	**2,038**	1,791	**714**	686	638	624	616
Financing obligations	**2,287**	2,968	**783**	764	740	962	981
	74,128	74,273	**24,492**	24,795	24,841	26,064	25,325
Other income:							
Interest and other income	**3,425**	5,094	**1,019**	1,604	802	1,303	1,469
	3,425	5,094	**1,019**	1,604	802	1,303	1,469
Income before disposition of property, insurance gain, minority interest and equity in earnings of unconsolidated affiliates	**29,139**	12,407	**9,575**	8,959	10,605	7,647	2,713
Gains on disposition of property, net	**1,852**	20,372	**1,745**	107	—	190	1,288
Gain from property insurance settlement	**—**	4,128	**—**	—	—	—	—
Minority interest	**(2,313)**	(3,202)	**(813)**	(679)	(821)	(455)	(262)
Equity in earnings of unconsolidated affiliates	**4,723**	12,930	**1,214**	1,520	1,989	180	1,207
Income from continuing operations	**33,401**	46,635	**11,721**	9,907	11,773	7,562	4,946
Discontinued operations:							
Income from discontinued operations, net of minority interest	**811**	2,646	**50**	374	387	417	846
Net gains on sales of discontinued operations, net of minority interest	**11,125**	24,533	**2,940**	4,702	3,483	7,479	6,175
Release of FASB FIN 48 tax liability	**—**	1,473	**—**	—	—	—	1,473
	11,936	28,652	**2,990**	5,076	3,870	7,896	8,494
Net income	**45,337**	75,287	**14,711**	14,983	15,643	15,458	13,440
Dividends on preferred stock	**(8,127)**	(10,639)	**(2,451)**	(2,838)	(2,838)	(2,838)	(2,680)
Excess of preferred stock redemption cost over carrying value	**(108)**	(2,285)	**(108)**	—	—	—	(842)
Net income available for common stockholders	**$ 37,102**	$ 62,363	**$ 12,152**	$ 12,145	$ 12,805	$ 12,620	$ 9,918
Net income per common share - diluted:							
Income from continuing operations	**$ 0.43**	$ 0.59	**$ 0.16**	$ 0.12	$ 0.15	$ 0.08	$ 0.02
Income from discontinued operations	**0.21**	0.50	**0.05**	0.09	0.07	0.14	0.15
Net income	**$ 0.64**	$ 1.09	**$ 0.21**	$ 0.21	$ 0.22	$ 0.22	$ 0.17
Weighted average common shares outstanding - diluted	**61,865**	61,611	**62,938**	61,492	61,050	61,347	61,396
Dividends declared and paid per common share	**$ 1.275**	$ 1.275	**$ 0.425**	$ 0.425	$ 0.425	$ 0.425	$ 0.425

Statement of Funds from Operations and Additional Information

Amounts in thousands, except per share amounts

	Nine Months Ended		Three Months Ended				
	09/30/08	09/30/07	09/30/08	06/30/08	03/31/08	12/31/07	09/30/07
Funds from operations:							
Net income	**$ 45,337**	$ 75,287	**$14,711**	$14,983	$15,643	$15,458	$13,440
Dividends to preferred stockholders	**(8,127)**	(10,639)	**(2,451)**	(2,838)	(2,838)	(2,838)	(2,680)
Excess of preferred stock redemption cost over carrying value	**(108)**	(2,285)	**(108)**	—	—	—	(842)
Net income available for common stockholders	**37,102**	62,363	**12,152**	12,145	12,805	12,620	9,918
Add/(deduct):							
Depreciation and amortization of real estate assets	**92,887**	88,634	**31,639**	30,920	30,328	29,895	31,294
(Gains) on disposition of depreciable properties	**(36)**	(3,343)	**(18)**	(18)	—	(609)	(1,063)
Minority interest from the Operating Partnership in income from continuing operations	**1,723**	2,684	**612**	488	623	294	92
Unconsolidated affiliates:							
Depreciation and amortization of real estate assets	**9,466**	8,851	**3,136**	3,395	2,935	4,587	3,107
(Gains) on disposition of depreciable properties	**—**	(7,158)	**—**	—	—	—	—
Discontinued operations:							
Depreciation and amortization of real estate assets	**233**	2,481	**—**	9	224	436	773
(Gains) on disposition of depreciable properties	**(11,890)**	(26,847)	**(3,137)**	(5,027)	(3,726)	(8,014)	(7,001)
Release of FASB FIN 48 tax liability	**—**	(1,473)	**—**	—	—	—	(1,473)
Minority interest in income from discontinued operations	**821**	2,127	**200**	351	270	566	502
Funds from operations	**$130,306**	$128,319	**$44,584**	$42,263	$43,459	$39,775	$36,149
Funds from operations per share - diluted							
Net income available for common stockholders	**$ 0.64**	$ 1.09	**$ 0.21**	$ 0.21	$ 0.22	$ 0.22	$ 0.17
Add/(deduct):							
Depreciation and amortization of real estate assets	**1.50**	1.44	**0.50**	0.50	0.50	0.49	0.51
(Gains) on disposition of depreciable properties	**—**	(0.05)	**—**	—	—	(0.01)	(0.02)
Unconsolidated affiliates:							
Depreciation and amortization of real estate assets	**0.16**	0.14	**0.05**	0.06	0.05	0.07	0.05
(Gains) on disposition of depreciable properties	**—**	(0.12)	**—**	—	—	—	—
Discontinued operations:							
Depreciation and amortization of real estate assets	**—**	0.04	**—**	—	—	0.01	0.01
(Gains) on disposition of depreciable properties	**(0.19)**	(0.44)	**(0.05)**	(0.08)	(0.06)	(0.13)	(0.11)
Release of FASB FIN 48 tax liability	**—**	(0.02)	**—**	—	—	—	(0.02)
Funds from operations	**$ 2.11**	$ 2.08	**$ 0.71**	$ 0.69	$ 0.71	$ 0.65	$ 0.59
Weighted average shares outstanding—diluted	**61,865**	61,611	**62,938**	61,492	61,050	61,347	61,396
Additional information: 1/							
Funds from operations, excluding certain items 2/	**$130,414**	$130,988	**$44,692**	$42,263	$43,459	$39,775	$37,375
Funds from operations per share, excluding certain items 2/	**$ 2.11**	$ 2.13	**$ 0.71**	$ 0.69	$ 0.71	$ 0.65	$ 0.61
Straight line rental income	**$ (5,263)**						
Amortization of lease incentives	**783**						
Depreciation of non-real estate assets	**1,004**						
Ground lease straight line rent	**127**						
Amortization of stock-based compensation	**5,285**						
Amortization of deferred financing costs	**2,038**						
Amortization of accumulated other comprehensive loss	**174**						
Harborview non-cash FMV charge	**(105)**						
Non-incremental revenue generating capital expenditures paid: 3/							
Building improvements	**(9,580)**						
2nd generation tenant improvements	**(20,332)**						
2nd generation lease commissions	**(8,882)**						
Common dividends and unit distributions paid	**(78,290)**						

1/ *Increase or (decrease) to cash flows.*
2/ *Excludes impairments on depreciable assets and preferred stock redemption/repurchase charges.*
3/ *Excludes capital expenditures paid for buildings sold prior to September 30, 2008.*

Consolidated Balance Sheets

Dollars in thousands

	09/30/08	12/31/07
Assets:		
Real estate assets, at cost:		
Land	**$ 360,496**	$ 357,841
Buildings and tenant improvements	**2,824,695**	2,708,989
Development in process	**79,354**	101,661
Land held for development	**100,271**	103,365
	3,364,816	3,271,856
Less-accumulated depreciation	**(700,517)**	(649,765)
Net real estate assets	**2,664,299**	2,622,091
Real estate and other assets, net, held for sale	**8,607**	10,466
Cash and cash equivalents	**13,667**	3,140
Restricted cash	**8,940**	15,896
Accounts receivable, net	**23,755**	23,521
Notes receivable, net	**3,660**	5,226
Accrued straight-line rents receivable, net	**79,505**	74,427
Investment in unconsolidated affiliates	**68,470**	58,046
Deferred financing and leasing costs, net	**73,224**	72,188
Prepaid expenses and other assets	**40,345**	41,954
Total Assets	**$2,984,472**	$2,926,955
Liabilities, Minority Interest and Stockholders' Equity:		
Mortgages and notes payable	**$1,588,954**	$1,641,987
Accounts payable, accrued expenses and other liabilities	**150,862**	157,766
Financing obligations	**35,195**	35,071
Total Liabilities	**1,775,011**	1,834,824
Minority interest	**70,289**	70,098
Stockholders' Equity:		
Preferred stock	**81,592**	135,437
Common stock	**635**	572
Additional paid-in capital	**1,656,516**	1,448,055
Distributions in excess of net earnings	**(597,254)**	(561,093)
Accumulated other comprehensive loss	**(2,317)**	(938)
Total Stockholders' Equity	**1,139,172**	1,022,033
Total Liabilities, Minority Interest and Stockholders' Equity	**$2,984,472**	$2,926,955

Estimated Net Asset Value Ranges
As Released on February 12, 2008 — See Note Below

Dollars in thousands, except per share amounts

Note: The purpose of providing the following information at the beginning of each year is to enable readers to derive their own estimate of net asset value. The Company updates this information annually based on management's assumptions regarding estimated capitalization rates and projected current year net operating income as of the date of initial publication (current year being February 12, 2008) and will not be updated to reflect any facts, circumstances or changes in financial, operating or capitalization rate assumptions that may occur during the year. This information is not intended to be an asset-by-asset or enterprise valuation.

NOI Cap Rates:			
Office	**7.00%**	**7.25%**	**7.50%**
Retail	**5.50%**	**5.75%**	**6.00%**
Industrial/Other	**7.25%**	**7.50%**	**7.75%**
Consolidated Properties Projected 2008 Net Operating Income 1/ 3/			
Office	$ 220,168	$ 220,168	$ 220,168
Retail	29,634	29,634	29,634
Industrial/Other	22,176	22,176	22,176
Total	$ 271,978	$ 271,978	$ 271,978
Consolidated Properties Capitalized Value			
Office	$3,145,257	$3,036,800	$2,935,573
Retail	538,800	515,374	493,900
Industrial/Other	305,876	295,680	286,142
Total	$3,989,933	$3,847,854	$3,715,615
Highwoods' Share of Unconsolidated Joint Ventures			
Projected 2008 net operating income	$ 30,584	$ 30,584	$ 30,584
Capitalization rates	7.00%	7.25%	7.50%
Capitalized value	$ 436,914	$ 421,848	$ 407,787
Total In-Service Property Value	**$4,426,847**	**$4,269,702**	**$4,123,402**
Value of Other income			
Development, leasing and management fees	$ 4,773	$ 4,773	$ 4,773
Capitalization rate	20%	20%	20%
Value of other income	$ 23,867	$ 23,867	$ 23,867
Add Other assets:			
Development pipeline investment at 135% of cost 2/	$ 249,230	$ 249,230	$ 249,230
Assets not fairly valued by capitalized NOI valuation method 3/	204,698	204,698	204,698
Property held for sale at net sales price	10,674	10,674	10,674
Land held for development at market value	138,013	138,013	138,013
Cash and cash equivalents	3,140	3,140	3,140
Restricted cash	15,896	15,896	15,896
Accounts receivable, net	23,521	23,521	23,521
Notes receivable and prepaid expenses	47,180	47,180	47,180
Total	$ 692,352	$ 692,352	$ 692,352
Gross Value of Assets	**$5,143,066**	**$4,985,920**	**$4,839,620**
Deductions:			
Total liabilities	$ 155,779	$ 155,779	$ 155,779
Mortgages and notes payable	1,641,987	1,641,987	1,641,987
Market value of debt adjustment	(9,065)	(9,065)	(9,065)
Minority interest adjustment 4/	41,280	41,280	41,280
Preferred stock, at liquidation value	135,437	135,437	135,437
Highwoods' share of unconsolidated joint ventures liabilities	246,814	246,814	246,814
Estimated Net Asset Value	**$2,930,834**	**$2,773,689**	**$2,627,388**
Estimated diluted common shares and common units for 2008	61,425	61,425	61,425
Estimated Net Asset Value Per Share	**$ 47.71**	**$ 45.16**	**$ 42.77**

1/ *NOI excludes straight line income, lease termination fee income, NOI related to completed not stabilized developments, and NOI related to assets undervalued by capitalized NOI method.*

2/ *Represents average increase in value based on projected development yields on cost compared to projected market valuations.*

3/ *Consolidated Properties NOI is adjusted to eliminate the net NOI for properties for which a NOI capitalization approach is not appropriate. For these assets, an alternative methodology has been applied.*

4/ *Represents adjustment to reflect the minority interest in the fair value of our consolidated joint ventures.*

Components of Discontinued Operations

Dollars in thousands

	Nine Months Ended		Three Months Ended				
	09/30/08	09/30/07	09/30/08	06/30/08	03/31/08	12/31/07	09/30/07
Rental and other revenues	**$ 1,936**	$10,147	**$ 70**	$ 674	$1,192	$2,005	$3,285
Operating expenses:							
Rental property and other expenses	**839**	4,846	**17**	266	556	1,143	1,610
Depreciation and amortization	**233**	2,481	**—**	9	224	436	773
General and administrative	**—**	—	**—**	—	—	—	—
Total operating expenses	**1,072**	7,327	**17**	275	780	1,579	2,383
Other income	**3**	23	**—**	1	2	22	4
Income before minority interest and gains on sales of discontinued operations	**867**	2,843	**53**	400	414	448	906
Minority interest in discontinued operations	**(56)**	(197)	**(3)**	(26)	(27)	(31)	(60)
Income from discontinued operations before gains on sales of discontinued operations	**811**	2,646	**50**	374	387	417	846
Net gains on sales of discontinued operations	**11,890**	26,463	**3,137**	5,027	3,726	8,014	6,617
Minority interest in discontinued operations	**(765)**	(1,930)	**(197)**	(325)	(243)	(535)	(442)
Net gains on sales of discontinued operations, net of minority interest	**11,125**	24,533	**2,940**	4,702	3,483	7,479	6,175
Net income from discontinued operations before release of FASB FIN 48 tax liability	**11,936**	27,179	**2,990**	5,076	3,870	7,896	7,021
Release of FASB FIN 48 tax liability	**—**	1,473	**—**	—	—	—	1,473
Net income from discontinued operations	**$11,936**	$28,652	**$2,990**	$5,076	$3,870	$7,896	$8,494

Capitalization

Dollars, shares, and units in thousands

	9/30/08	6/30/08	3/31/08	12/31/07	9/30/07
Long-Term Debt (see pages 7 & 8):	**$1,588,954**	$1,732,082	$1,703,238	$1,641,987	$1,601,474
Financing Obligations:	**$ 35,195**	$ 35,145	$ 35,296	$ 35,071	$ 34,919
Preferred Stock (at liquidation value):					
Series A 8 5/8 % Perpetual Preferred Stock	**$ 29,092**	$ 82,937	$ 82,937	$ 82,937	$ 82,937
Series B 8% Perpetual Preferred Stock	**52,500**	52,500	52,500	52,500	52,500
Total preferred stock	**$ 81,592**	$ 135,437	$ 135,437	$ 135,437	$ 135,437
Common Shares and Units Outstanding:					
Common stock outstanding	**63,545**	57,632	57,309	57,167	57,158
Minority interest partnership units	**3,906**	3,933	3,951	4,057	4,059
Total common shares and units outstanding	**67,451**	61,565	61,260	61,224	61,217
Stock price at period end	**$ 35.56**	$ 31.42	$ 31.07	$ 29.38	$ 36.67
Market value of common equity	**$2,398,558**	$1,934,372	$1,903,348	$1,798,761	$2,244,827
Total market capitalization with debt and obligations	**$4,104,299**	$3,837,036	$3,777,319	$3,611,256	$4,016,657

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

Long-Term Debt Summary

Dollars in thousands

	9/30/08	6/30/08	3/31/08	12/31/07	9/30/07
Balances Outstanding:					
Secured:					
Conventional fixed rate 1/	**$ 638,032**	$ 640,557	$ 643,041	$ 645,500	$ 657,408
Variable rate debt	**31,954**	47,087	26,890	19,811	11,920
Secured total	**669,986**	687,644	669,931	665,311	669,328
Unsecured:					
Fixed rate bonds and notes	**648,968**	648,938	648,907	748,876	748,846
Bank term loan	**137,500**	137,500	137,500	—	—
Credit facility	**132,500**	258,000	246,900	227,800	183,300
Unsecured total	**918,968**	1,044,438	1,033,307	976,676	932,146
Total	**$1,588,954**	$1,732,082	$1,703,238	$1,641,987	$1,601,474

End of Period Weighted Average Interest Rates:

	9/30/08	6/30/08	3/31/08	12/31/07	9/30/07
Secured:					
Conventional fixed rate	**6.62%**	6.61%	6.62%	6.62%	6.63%
Variable rate debt	**3.94%**	4.01%	4.34%	6.61%	7.02%
Secured total	**6.49%**	6.44%	6.50%	6.62%	6.64%
Unsecured:					
Fixed rate bonds	**6.53%**	6.53%	6.53%	6.61%	6.61%
Bank term loan	**4.38%**	3.53%	3.71%	—	—
Credit facility	**4.02%**	3.43%	3.65%	5.80%	6.32%
Unsecured total	**5.85%**	5.37%	5.47%	6.42%	6.56%
Average	**6.12%**	5.79%	5.88%	6.50%	6.59%

Maturity Schedule:

	Future Maturities of Debt			
Year	Secured Debt 2/	Unsecured Debt	Total Debt 2/	Average Interest Rate
2008	$ —	$ —	$ —	—
2009	147,051	182,500	329,551	6.07%
2010	9,424	—	9,424	4.06%
2011	—	137,500	137,500	4.38%
2012	212,428	—	212,428	6.95%
2013	264,258	—	264,258	5.90%
2014	36,825	—	36,825	5.79%
2015	—	—	—	—
2016	—	—	—	—
2017	—	398,968	398,968	5.85%
2018	—	200,000	200,000	7.50%
Total maturities	$ 669,986	$ 918,968	$1,588,954	6.12%

Weighted average maturity = 5.3 years

1/ Includes a $22.4 million loan related to a consolidated 20% owned joint venture (Harborview) and $36.8 million in loans at September 30, 2008 related to a consolidated 50% joint venture (Markel).

2/ All periods exclude annual principal amortization.

Long-Term Debt Detail

Dollars in thousands

Secured Loans

Lender	Rate	Maturity Date	Loan Balance 9/30/08	Undepreciated Book Value of Assets Secured
Northwestern Mutual	7.05%	Jan-12	$ 190,000	$ 301,318
Northwestern Mutual	6.03%	Mar-13	133,854	183,134
Massachusetts Mutual Life Ins. Co. 1/	5.68%	Dec-13	119,156	213,865
Monumental Life Ins. Co. 2/	7.77%	Nov-09	78,632	200,232
Monumental Life Ins. Co. 2/	7.87%	Nov-09	40,421	
Metropolitan Life Ins. Co. 3/	6.06%	Oct-12	22,428	39,066
Royal Bank of Canada 4/	3.89%	Dec-09	22,530	34,004
Principal Life Insurance Company 5/	5.79%	Jan-14	11,289	14,408
Principal Life Insurance Company 5/	5.79%	Jan-14	11,289	18,781
Massachusetts Mutual Life Ins. Co. 1/	6.48%	Dec-13	10,562	
Principal Life Insurance Company 5/	5.74%	Jan-14	8,901	14,154
Principal Life Insurance Company 5/	5.89%	Jan-14	5,346	7,514
PNC/Regions/Union Bank of California/U.S. Bank 6/	4.06%	Dec-10	9,424	11,644
Lutheran Brotherhood	6.75%	Apr-09	3,591	7,989
Security Life of Denver	8.85%	Aug-09	1,877	9,558
American United Life	9.00%	Jun-13	686	3,344
	6.49%		669,986	$ 1,059,011

Unsecured Bonds

Bonds	5.85%	Mar-17	398,968
Bonds	7.50%	Apr-18	200,000
Bonds	8.13%	Jan-09	50,000
	6.53%		648,968

Unsecured Loans

Credit facility 4/	4.38%	May-09	132,500
Bank term loan 4/	4.02%	Feb-11	137,500
	4.20%		270,000
Total Debt	6.12%		$1,588,954

Note: Credit facility maturity date excludes one-year extension option which management may exercise at its discretion.

Revolving Credit Facility Commitments

Name of Lender	Total Commitment	Amount Outstanding at 9/30/08	Unfunded Commitment at 9/30/08
Bank of America, N.A.	$ 50,000	$ 14,722	$ 35,278
Branch Banking and Trust Co.	50,000	14,722	35,278
Wachovia Bank, N.A.	50,000	14,722	35,278
Wells Fargo Bank, N.A.	50,000	14,722	35,278
Emigrant Bank	35,000	10,306	24,694
Eurolypo AG, New York Branch	35,000	10,306	24,694
PNC Bank, N.A.	30,000	8,833	21,167
Regions Bank	30,000	8,833	21,167
Comerica Bank	25,000	7,361	17,639
RBC Bank	25,000	7,361	17,639
Union Bank of California, N.A.	25,000	7,361	17,639
US Bank	20,000	5,890	14,110
First Horizon Bank	15,000	4,417	10,583
Chevy Chase Bank	10,000	2,944	7,056
	$ 450,000	$ 132,500	$ 317,500

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

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

*3/	Loan relates to a consolidated 20% owned joint venture (Harborview).*
*4/	Floating rate loans based on one month libor.*
*5/	Loans relate to a consolidated 50% owned joint venture (Markel).*
*6/	Floating rate loan based on three month libor.*

Portfolio Summary - Wholly-Owned Properties Only 1/

(Rentable Square Feet)

	9/30/08	6/30/08	3/31/08	12/31/07	9/30/07
Office Industrial & Retail					
In-Service:					
Office 2/	**19,416,000**	19,416,000	19,565,000	19,260,000	19,003,000
Industrial	**6,049,000**	6,299,000	6,036,000	6,036,000	5,942,000
Retail 3/	**1,342,000**	1,343,000	1,314,000	1,317,000	1,318,000
Total 4/	**26,807,000**	27,058,000	26,915,000	26,613,000	26,263,000
Development Completed - Not Stabilized:					
Office 2/	**873,000**	428,000	524,000	607,000	867,000
Industrial	**418,000**	418,000	681,000	681,000	681,000
Retail	**—**	—	—	—	—
Total	**1,291,000**	846,000	1,205,000	1,288,000	1,548,000
Development - In Process:					
Office 2/	**358,000**	803,000	717,000	887,000	1,233,000
Industrial	**200,000**	200,000	200,000	—	120,000
Retail	**—**	—	—	30,000	30,000
Total	**558,000**	1,003,000	917,000	917,000	1,383,000
Total:					
Office 2/	**20,647,000**	20,647,000	20,806,000	20,754,000	21,103,000
Industrial	**6,667,000**	6,917,000	6,917,000	6,717,000	6,743,000
Retail 3/	**1,342,000**	1,343,000	1,314,000	1,347,000	1,348,000
Total 4/	**28,656,000**	28,907,000	29,037,000	28,818,000	29,194,000
Same Property					
Office 2/	**18,224,000**	18,224,000	18,224,000	18,224,000	18,224,000
Industrial	**5,666,000**	5,666,000	5,666,000	5,666,000	5,666,000
Retail	**1,312,000**	1,312,000	1,312,000	1,312,000	1,312,000
Total	**25,202,000**	25,202,000	25,202,000	25,202,000	25,202,000
Percent Leased/Pre-Leased:					
In-Service:					
Office	**90.3%**	90.8%	90.4%	91.1%	89.7%
Industrial	**95.2%**	91.4%	91.0%	94.2%	91.4%
Retail	**93.6%**	93.5%	92.9%	94.9%	94.4%
Total	**91.6%**	91.1%	90.7%	92.0%	90.4%
Development Completed - Not Stabilized:					
Office	**69.4%**	73.6%	67.4%	75.9%	75.9%
Industrial	**91.0%**	72.0%	78.2%	78.2%	78.2%
Retail	**—**	—	—	—	—
Total	**76.4%**	72.8%	73.5%	77.1%	76.9%
Development - In Process:					
Office	**65.7%**	63.5%	65.7%	59.9%	71.2%
Industrial	**50.0%**	50.0%	50.0%	—	100.0%
Retail	**—**	—	—	100.0%	100.0%
Total	**60.1%**	60.8%	62.3%	61.2%	74.3%
Same Property					
Office	**90.2%**	90.8%	90.5%	91.2%	90.2%
Industrial	**95.5%**	91.1%	90.5%	93.9%	91.0%
Retail	**93.5%**	93.4%	93.0%	95.2%	94.8%
Total	**91.6%**	91.0%	90.6%	92.0%	90.6%

1/ *Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.*
2/ *Substantially all of our Office properties are located in suburban markets.*
3/ *Excludes 428,000 square feet of basement space in the Country Club Plaza and other Kansas City Retail properties.*
4/ *Excludes minor for rent apartment buildings.*

Portfolio Summary
(Continued)

As of September 30, 2008

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

Market	Rentable Square Feet		Occupancy	Percentage of Annualized Cash Revenue 2/ Office	Industrial	Retail	Total
Raleigh 3/	3,711,000		89.9%	15.6%	—	—	15.6%
Nashville	3,181,000		94.8%	14.5%	—	—	14.5%
Atlanta	5,552,000		93.2%	10.1%	3.8%	—	13.9%
Tampa	2,419,000		92.2%	13.8%	—	—	13.8%
Kansas City	1,955,000	4/	91.6%	3.5%	0.0%	9.0%	12.5%
Piedmont Triad 5/	5,108,000		88.4%	6.1%	3.6%	0.1%	9.8%
Richmond	2,230,000		90.0%	8.7%	—	—	8.7%
Memphis	1,337,000		93.0%	5.6%	—	—	5.6%
Greenville	897,000		94.4%	3.4%	—	—	3.4%
Orlando	317,000		98.4%	1.7%	—	—	1.7%
Other	100,000		84.3%	0.5%	—	—	0.5%
Total	26,807,000		91.6%	83.5%	7.4%	9.1%	100.0%

Summary by Location, Including Joint Venture Properties:

Market	Rentable Square Feet		Occupancy	Percentage of Annualized Cash Revenue 2/ 6/ Office	Industrial	Retail	Multi-Family	Total
Raleigh	4,525,000		90.0%	14.6%	—	—	—	14.6%
Atlanta	6,387,000		93.4%	10.4%	3.4%	—	—	13.8%
Nashville	3,181,000		94.8%	12.8%	—	—	—	12.8%
Tampa	2,624,000		92.5%	12.4%	—	—	—	12.4%
Kansas City	2,669,000	4/	89.6%	4.0%	0.0%	8.0%	—	12.0%
Piedmont Triad	5,472,000		85.4%	5.6%	3.2%	0.1%	—	8.9%
Richmond	2,643,000		91.5%	8.2%	—	—	—	8.2%
Memphis	1,337,000		93.0%	4.9%	—	—	—	4.9%
Orlando	2,171,000		90.7%	4.7%	—	—	—	4.7%
Des Moines	2,505,000		88.5%	3.1%	0.5%	0.1%	0.4%	4.1%
Greenville	897,000		94.5%	3.0%	—	—	—	3.0%
Other	210,000		92.5%	0.5%	—	—	—	0.5%
Charlotte	148,000		100.0%	0.1%	—	—	—	0.1%
Total	34,769,000		90.8%	84.3%	7.1%	8.2%	0.4%	100.0%

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

2/ *Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.*

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

4/ *Excludes 428,000 square feet of basement space in the Country Club Plaza and other Kansas City Retail properties.*

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

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

Portfolio Summary - Wholly-Owned Properties Only
(Continued)

As of September 30, 2008

	Office Properties 1/			Industrial		
Market	**Rentable Square Feet**	**Occupancy**	**Percentage of Office Annualized Cash Revenue 2/**	**Rentable Square Feet**	**Occupancy**	**Percentage of Industrial Annualized Cash Revenue 2/**
Raleigh	3,711,000	89.9%	18.7%	—	—	—
Nashville	3,181,000	94.8%	17.4%	—	—	—
Tampa	2,419,000	92.2%	16.5%	—	—	—
Atlanta	2,470,000	89.8%	12.1%	3,082,000	96.0%	51.3%
Richmond	2,230,000	90.0%	10.4%	—	—	—
Piedmont Triad	2,115,000	79.6%	7.3%	2,963,000	94.5%	48.6%
Memphis	1,337,000	93.0%	6.7%	—	—	—
Kansas City	639,000	87.9%	4.2%	4,000	46.5%	0.1%
Greenville	897,000	94.4%	4.1%	—	—	—
Orlando	317,000	98.4%	2.0%	—	—	—
Other	100,000	84.3%	0.6%	—	—	—
	19,416,000	90.3%	100.0%	6,049,000	95.2%	100.0%

	Retail		
Market	**Rentable Square Feet**	**Occupancy**	**Percentage of Retail Annualized Cash Revenue 2/**
Kansas City 3/	1,312,000	93.5%	98.8%
Piedmont Triad	30,000	100.0%	1.2%
	1,342,000	93.6%	100.0%

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

2/ Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

3/ Excludes 428,000 square feet of basement space in the Country Club Plaza and other Kansas City Retail properties.

Occupancy Trends - Office, Industrial and Retail Properties 1/

Market	Measurement	9/30/08	6/30/08	3/31/08	12/31/07	9/30/07
Atlanta	Rentable Square Feet	**5,552,000**	5,552,000	5,289,000	5,289,000	5,199,000
	Occupancy	**93.2%**	92.0%	91.6%	93.0%	92.8%
	Current Properties 2/	**93.4%**	92.1%	91.5%	92.9%	92.8%
Columbia	Rentable Square Feet	**—**	—	—	—	253,000
	Occupancy	**—**	—	—	—	82.5%
	Current Properties 2/	**—**	—	—	—	82.5%
Greenville	Rentable Square Feet	**897,000**	897,000	897,000	897,000	897,000
	Occupancy	**94.4%**	91.4%	86.4%	85.6%	87.7%
	Current Properties 2/	**94.4%**	91.4%	86.4%	85.6%	87.6%
Kansas City 3/	Rentable Square Feet	**1,955,000**	1,956,000	2,229,000	2,215,000	2,216,000
	Occupancy	**91.6%**	91.3%	88.8%	89.4%	89.3%
	Current Properties 2/	**91.7%**	91.5%	90.9%	91.9%	92.0%
Memphis	Rentable Square Feet	**1,337,000**	1,337,000	1,276,000	1,276,000	1,276,000
	Occupancy	**93.0%**	93.5%	93.8%	94.9%	92.5%
	Current Properties 2/	**92.6%**	93.2%	93.8%	94.9%	92.5%
Nashville	Rentable Square Feet	**3,181,000**	3,181,000	3,184,000	3,184,000	2,875,000
	Occupancy	**94.8%**	94.9%	95.0%	95.1%	92.5%
	Current Properties 2/	**94.0%**	94.2%	94.4%	94.7%	92.4%
Orlando	Rentable Square Feet	**317,000**	317,000	317,000	218,000	218,000
	Occupancy	**98.4%**	98.4%	96.9%	100.0%	99.4%
	Current Properties 2/	**97.6%**	97.6%	95.4%	100.0%	99.4%
Piedmont Triad	Rentable Square Feet	**5,108,000**	5,358,000	5,358,000	5,328,000	5,234,000
	Occupancy	**88.4%**	85.9%	85.2%	89.3%	86.1%
	Current Properties 2/	**88.0%**	84.8%	84.0%	88.5%	85.3%
Raleigh	Rentable Square Feet	**3,711,000**	3,711,000	3,712,000	3,554,000	3,553,000
	Occupancy	**89.9%**	89.7%	90.3%	91.5%	88.1%
	Current Properties 2/	**90.3%**	90.1%	90.8%	91.5%	88.1%
Richmond	Rentable Square Feet	**2,230,000**	2,230,000	2,135,000	2,134,000	2,024,000
	Occupancy	**90.0%**	92.1%	93.5%	92.5%	91.8%
	Current Properties 2/	**91.0%**	93.3%	93.4%	92.3%	91.6%
Tampa	Rentable Square Feet	**2,419,000**	2,419,000	2,418,000	2,418,000	2,418,000
	Occupancy	**92.2%**	94.5%	94.7%	95.0%	95.6%
	Current Properties 2/	**92.2%**	94.5%	94.7%	94.9%	95.5%
Total 4/	Rentable Square Feet	**26,707,000**	26,958,000	26,815,000	26,513,000	26,163,000
	Occupancy	**91.6%**	91.1%	90.7%	92.0%	90.4%
	Current Properties 2/	**91.6%**	90.9%	90.5%	91.9%	90.5%

1/ *Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.*
2/ *Only includes properties that were owned and in-service for all periods shown.*
3/ *Excludes 428,000 square feet of basement space in the Country Club Plaza and other Kansas City Retail properties.*
4/ *Excludes a 100,000 square foot building located in South Florida.*

Leasing Statistics
Office Portfolio 1/

	Three Months Ended					
	9/30/08 2/	6/30/08 3/	3/31/08 4/	12/31/07 5/	9/30/07 6/	Average
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	**96**	113	126	126	121	**116**
Rentable square footage leased	**471,486**	997,600	602,049	920,405	1,125,050	**823,318**
Square footage of Renewal Deals	**330,751**	913,530	385,756	730,702	720,127	**616,173**
Renewed square footage (% of total)	**70.2%**	91.6%	64.1%	79.4%	64.0%	**74.8%**
New Leases square footage (% of total)	**29.8%**	8.4%	35.9%	20.6%	36.0%	**25.2%**
Weighted average per rentable square foot over the lease term:						
Base rent	**$ 20.84**	$ 22.47	$ 19.82	$ 19.35	$ 19.32	**$ 20.36**
Tenant improvements	**(1.35)**	(1.16)	(1.10)	(1.64)	(0.93)	**(1.24)**
Leasing commissions 7/	**(0.51)**	(0.63)	(0.44)	(0.62)	(0.51)	**(0.54)**
Rent concessions	**(0.22)**	(0.28)	(0.13)	(0.19)	(0.40)	**(0.24)**
Effective rent	**18.76**	**20.40**	**18.15**	**16.90**	**17.48**	**18.34**
Expense stop	**(6.64)**	(7.12)	(5.90)	(6.05)	(6.31)	**(6.40)**
Equivalent effective net rent	**$ 12.12**	**$ 13.28**	**$ 12.25**	**$ 10.85**	**$ 11.17**	**$ 11.94**
Weighted average term in years	**4.5**	**3.2**	**4.0**	**4.4**	**4.6**	**4.1**
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	**$3,041,354**	$5,224,995	$3,504,078	$ 7,696,269	$6,513,821	**$5,196,103**
Rentable square feet	**471,486**	997,600	602,049	920,405	1,125,050	**823,318**
Per rentable square foot	**$ 6.45**	**$ 5.24**	**$ 5.82**	**$ 8.36**	**$ 5.79**	**$ 6.31**
Leasing Commissions:						
Total dollars committed under signed leases 7/	**$ 970,896**	$2,300,840	$1,190,054	$ 2,719,401	$2,747,213	**$1,985,681**
Rentable square feet	**471,486**	997,600	602,049	920,405	1,125,050	**823,318**
Per rentable square foot	**$ 2.06**	**$ 2.31**	**$ 1.98**	**$ 2.95**	**$ 2.44**	**$ 2.41**
Total:						
Total dollars committed under signed leases	**$4,012,250**	$7,525,835	$4,694,132	$10,415,670	$9,261,034	**$7,181,784**
Rentable square feet	**471,486**	997,600	602,049	920,405	1,125,050	**823,318**
Per rentable square foot	**$ 8.51**	**$ 7.54**	**$ 7.80**	**$ 11.32**	**$ 8.23**	**$ 8.72**

1/ *Excludes properties recorded on our Balance Sheet that relate to 50% or less owned joint ventures properties that are consolidated under GAAP.*
2/ *Includes 62K square feet of leases that start in 2010 or later.*
3/ *Includes 346K square feet of leases that start in 2010 or later.*
4/ *Includes 84K square feet of leases that start in 2010 or later.*
5/ *Includes 91K square feet of leases that start in 2010 or later.*
6/ *Includes 94K square feet of leases that start in 2009 or later.*
7/ *Excludes a full allocation of internal leasing costs.*

Leasing Statistics
Industrial Portfolio

	Three Months Ended 9/30/08 1/	6/30/08	3/31/08	12/31/07	9/30/07	Average
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	**14**	14	7	10	8	**11**
Rentable square footage leased	**358,284**	367,684	158,324	694,808	115,617	**338,943**
Square footage of Renewal Deals	**294,376**	155,126	150,170	538,836	73,793	**242,460**
Renewed square footage (% of total)	**82.2%**	42.2%	94.8%	77.6%	63.8%	**71.5%**
New Leases square footage (% of total)	**17.8%**	57.8%	5.2%	22.4%	36.2%	**28.5%**
Weighted average per rentable square foot over the lease term:						
Base rent	**$ 4.50**	$ 3.85	$ 5.95	$ 4.03	$ 7.53	**$ 5.17**
Tenant improvements	**(0.45)**	(0.18)	(0.07)	(0.04)	(0.71)	**(0.29)**
Leasing commissions 2/	**(0.09)**	(0.10)	0.00	(0.05)	(0.14)	**(0.08)**
Rent concessions	**(0.01)**	0.00	0.00	0.00	(0.10)	**(0.02)**
Effective rent	**3.95**	**3.57**	**5.88**	**3.94**	**6.58**	**4.78**
Expense stop	**(0.05)**	(0.19)	(0.10)	(0.05)	(1.04)	**(0.29)**
Equivalent effective net rent	**$ 3.90**	**$ 3.38**	**$ 5.78**	**$ 3.89**	**$ 5.54**	**$ 4.49**
Weighted average term in years	**3.0**	**1.8**	**3.3**	**2.6**	**4.3**	**3.0**
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	**$385,175**	$269,635	$ 50,537	$ 40,925	$424,840	**$234,222**
Rentable square feet	**358,284**	367,684	158,324	694,808	115,617	**338,943**
Per rentable square foot	**$ 1.08**	**$ 0.73**	**$ 0.32**	**$ 0.06**	**$ 3.67**	**$ 0.69**
Leasing Commissions:						
Total dollars committed under signed leases 2/	**$142,626**	$ 62,837	$ 1,918	$136,633	$ 74,106	**$ 83,624**
Rentable square feet	**358,284**	367,684	158,324	694,808	115,617	**338,943**
Per rentable square foot	**$ 0.40**	**$ 0.17**	**$ 0.01**	**$ 0.20**	**$ 0.64**	**$ 0.25**
Total:						
Total dollars committed under signed leases	**$527,801**	$332,471	$ 52,455	$177,558	$498,945	**$317,846**
Rentable square feet	**358,284**	367,684	158,324	694,808	115,617	**338,943**
Per rentable square foot	**$ 1.47**	**$ 0.90**	**$ 0.33**	**$ 0.26**	**$ 4.32**	**$ 0.94**

1/ Includes 256K square feet of leases that start in 2010 or later.
2/ Excludes a full allocation of internal leasing costs.

Leasing Statistics
Retail Portfolio

	Three Months Ended 9/30/08	6/30/08 1/	3/31/08	12/31/07 2/	9/30/07	Average
Net Effective Rents Related to Re-leased Space:						
Number of lease transactions (signed leases)	**3**	6	7	12	8	**7**
Rentable square footage leased	**7,719**	15,839	30,942	44,509	24,629	**24,728**
Square footage of Renewal Deals	**2,898**	14,162	18,826	37,318	18,097	**18,260**
Renewed square footage (% of total)	**37.5%**	89.4%	60.8%	83.8%	73.5%	**73.8%**
New Leases square footage (% of total)	**62.5%**	10.6%	39.2%	16.2%	26.5%	**26.2%**
Weighted average per rentable square foot over the lease term:						
Base rent	**$25.81**	$ 27.61	$ 31.80	$ 20.44	$ 24.06	**$ 25.94**
Tenant improvements	**0.00**	(1.52)	(0.40)	(1.46)	(1.17)	**(0.91)**
Leasing commissions 3/	**(0.15)**	(0.67)	(0.54)	(0.26)	(0.46)	**(0.42)**
Rent concessions	**0.00**	0.00	(1.47)	0.00	0.00	**(0.29)**
Effective rent	**25.66**	**25.42**	**29.39**	**18.72**	**22.43**	**24.32**
Expense stop	**0.00**	0.00	0.00	0.00	0.00	**0.00**
Equivalent effective net rent	**$25.66**	**$ 25.42**	**$ 29.39**	**$ 18.72**	**$ 22.43**	**$ 24.32**
Weighted average term in years	**8.6**	**7.7**	**8.6**	**5.6**	**6.1**	**7.3**
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	**$ —**	$177,176	$161,500	$509,473	$260,407	**$221,711**
Rentable square feet	**7,719**	15,839	30,942	44,509	24,629	**24,728**
Per rentable square foot	**$ —**	**$ 11.19**	**$ 5.22**	**$ 11.45**	**$ 10.57**	**$ 8.97**
Leasing Commissions:						
Total dollars committed under signed leases 3/	**$1,165**	$ 5,794	$123,220	$ 21,542	$ 17,601	**$ 33,864**
Rentable square feet	**7,719**	15,839	30,942	44,509	24,629	**24,728**
Per rentable square foot	**$ 0.15**	**$ 0.37**	**$ 3.98**	**$ 0.48**	**$ 0.71**	**$ 1.37**
Total:						
Total dollars committed under signed leases	**$1,165**	$182,970	$284,720	$531,015	$278,008	**$255,575**
Rentable square feet	**7,719**	15,839	30,942	44,509	24,629	**24,728**
Per rentable square foot	**$ 0.15**	**$ 11.55**	**$ 9.20**	**$ 11.93**	**$ 11.29**	**$ 10.34**

1/ Includes 3K square feet of leases that start in 2010 or later.
2/ Includes 9K square feet of leases that start in 2010 or later.
3/ Excludes a full allocation of internal leasing costs.

Leasing Statistics by Market

For the Three Months Ended As of 9/30/08

Office Portfolio 1/

Market	Rentable Square Feet Leased	Average Term	GAAP Rental Rate	TI's Per SF	Lease Commissions Per SF 2/ 3/
Raleigh	118,037	5.7	$20.56	$ 3.41	$ 0.97
Nashville	101,233	4.7	21.29	5.87	2.90
Memphis	87,202	2.9	21.27	5.36	1.30
Richmond	59,683	4.2	18.78	10.83	1.39
Atlanta	34,613	5.3	18.48	18.37	4.86
Tampa	32,154	3.7	24.92	5.91	0.82
Greenville	16,850	5.0	18.40	0.00	3.68
Kansas City	10,973	3.8	23.90	4.96	4.24
Piedmont Triad	10,741	2.6	14.09	4.65	1.35
	471,486	**4.5**	**$20.62**	**$ 6.45**	**$ 2.06**

Industrial Portfolio

Market	Rentable Square Feet Leased	Average Term	GAAP Rental Rate	TI's Per SF	Lease Commissions Per SF 2/ 3/
Atlanta	287,322	3.4	$ 4.75	$ 1.16	$ 0.47
Piedmont Triad	70,962	1.1	3.43	0.74	0.07
	358,284	**3.0**	**$ 4.49**	**$ 1.08**	**$ 0.40**

Retail Portfolio

Market	Rentable Square Feet Leased	Average Term	GAAP Rental Rate	TI's Per SF	Lease Commissions Per SF 2/ 3/
Kansas City	7,719	8.6	$25.81	$ —	$ 0.15
	7,719	**8.6**	**$25.81**	**$ —**	**$ 0.15**

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

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

3/ *The amount of capitalized internal leasing cost not allocated to individual deals or product types was $498K.*

Rental Rate Comparisons by Market

For the Three Months Ended As of 9/30/08

Office Portfolio 1/

Market	Rentable Square Feet Leased	Current Rent	Previous Rent	Percentage Change Rent
Raleigh	118,037	$20.56	$19.62	4.8%
Nashville	101,233	21.29	19.41	9.7%
Memphis	87,202	21.27	20.01	6.3%
Richmond	59,683	18.78	18.34	2.4%
Atlanta	34,613	18.48	15.24	21.3%
Tampa	32,154	24.92	20.31	22.7%
Greenville	16,850	18.40	17.82	3.3%
Kansas City	10,973	23.90	23.27	2.7%
Piedmont Triad	10,741	14.09	13.59	3.7%
GAAP Rent Growth	**471,486**	**$20.62**	**$19.07**	**8.1%**
Cash Rent Growth	**471,486**	**$19.98**	**$20.57**	**-2.8%**

Industrial Portfolio

Market	Rentable Square Feet Leased	Current Rent	Previous Rent	Percentage Change Rent
Atlanta	287,322	$ 4.75	$ 4.34	9.5%
Piedmont Triad	70,962	3.43	3.62	-5.2%
GAAP Rent Growth	**358,284**	**$ 4.49**	**$ 4.20**	**7.0%**
Cash Rent Growth	**358,284**	**$ 4.41**	**$ 4.51**	**-2.3%**

Retail Portfolio

Market	Rentable Square Feet Leased	Current Rent	Previous Rent 2/	Percentage Change Rent
Kansas City	7,719	$25.81	$32.65	-20.9%
GAAP Rent Growth	**7,719**	**$25.81**	**$32.65**	**-20.9%**
Cash Rent Growth	**7,719**	**$24.74**	**$34.20**	**-27.7%**

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

Type	9/30/08	9/30/07	9/30/06	9/30/05	9/30/04
Office	$20.05	$19.32	$18.32	$17.76	$17.64
Industrial	5.27	5.20	5.06	4.98	4.69
Retail 2/	31.22	30.97	28.14	27.36	26.01
Weighted average rate	**$17.06**	**$16.56**	**$15.60**	**$15.27**	**$14.80**
Annual % growth rate	**3.0%**	**6.2%**	**2.2%**	**3.2%**	

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

2/ *Excludes percentage rent.*

3/ *Average cash rental rates represent September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12 and divided by the related leased square feet.*

Lease Expirations

September 30, 2008

Dollars in thousands

Year	Rentable Square Feet Expiring	Percent of Rentable Square Feet	Annualized Cash Revenue 1/	Average Rental Rate	Percent of Annualized Cash Revenue 1/
Office: 2/					
2008 /3	289,287	1.6%	$ 5,941	$20.54	1.7%
2009	2,236,408	12.5%	45,455	20.33	12.6%
2010	2,188,549	12.2%	46,018	21.03	12.8%
2011	2,636,341	14.6%	51,623	19.58	14.4%
2012	2,321,380	12.9%	48,588	20.93	13.5%
2013	2,313,012	12.9%	45,268	19.57	12.6%
2014	1,595,376	8.9%	32,486	20.36	9.0%
2015	1,110,044	6.2%	22,332	20.12	6.2%
2016	763,340	4.3%	14,255	18.67	4.0%
2017	980,329	5.5%	18,757	19.13	5.2%
2018 and thereafter	1,508,474	8.4%	28,939	19.18	8.0%
	17,942,540	**100.0%**	**$359,662**	**$20.05**	**100.0%**
Industrial:					
2008 /4	174,189	2.9%	$ 997	$ 5.72	3.1%
2009	1,370,123	22.5%	7,170	5.23	22.4%
2010	846,166	14.0%	4,365	5.16	13.6%
2011	729,047	12.0%	3,849	5.28	12.1%
2012	454,550	7.5%	2,767	6.09	8.7%
2013	621,178	10.2%	3,753	6.04	11.8%
2014	478,703	7.9%	2,577	5.38	8.1%
2015	271,382	4.5%	1,124	4.14	3.5%
2016	264,597	4.4%	1,040	3.93	3.3%
2017	149,600	2.5%	737	4.93	2.3%
2018 and thereafter	701,324	11.6%	3,546	5.06	11.1%
	6,060,859	**100.0%**	**$ 31,925**	**$ 5.27**	**100.0%**

1/ Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

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

3/ Includes 81,000 square feet of leases that are on a month to month basis or 0.5% of total annualized revenue.

4/ Includes 96,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.

Note: 2008 and beyond expirations that have been renewed are reflected above based on the renewal expiration date.

Lease Expirations

September 30, 2008

(Continued)

Dollars in thousands

Year	Rentable Square Feet Expiring	Percent of Rentable Square Feet	Annualized Cash Revenue 1/	Average Rental Rate	Percent of Annualized Cash Revenue 1/
Retail:					
2008 2/	54,715	4.4%	$ 884	$16.16	2.3%
2009	140,960	11.2%	4,388	31.13	11.2%
2010	86,575	6.9%	3,390	39.16	8.6%
2011	57,811	4.6%	1,955	33.82	5.0%
2012	165,979	13.2%	5,191	31.28	13.2%
2013	74,113	5.9%	2,833	38.23	7.2%
2014	104,690	8.3%	2,570	24.55	6.5%
2015	144,364	11.5%	4,651	32.22	11.9%
2016	63,866	5.1%	2,634	41.24	6.7%
2017	107,946	8.6%	2,725	25.24	6.9%
2018 and thereafter	255,786	20.3%	8,022	31.36	20.5%
	1,256,805	**100.0%**	**$ 39,243**	**$31.22**	**100.0%**
Total:					
2008 3/ 4/	518,191	2.1%	$ 7,822	$15.09	1.8%
2009	3,747,491	14.8%	57,013	15.21	13.2%
2010	3,121,290	12.4%	53,773	17.23	12.5%
2011	3,423,199	13.6%	57,427	16.78	13.4%
2012	2,941,909	11.6%	56,546	19.22	13.1%
2013	3,008,303	11.9%	51,854	17.24	12.0%
2014	2,178,769	8.6%	37,633	17.27	8.7%
2015	1,525,790	6.0%	28,107	18.42	6.5%
2016	1,091,803	4.3%	17,929	16.42	4.2%
2017	1,237,875	4.9%	22,219	17.95	5.2%
2018 and thereafter	2,465,584	9.8%	40,507	16.43	9.4%
	25,260,204	**100.0%**	**$430,830**	**$17.06**	**100.0%**

1/ *Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.*

2/ *Includes 21,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.*

3/ *Includes 198,000 square feet of leases that are on a month to month basis or 0.7% of total annualized revenue.*

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

Note: 2008 and beyond expirations that have been renewed are reflected above based on the renewal expiration date.

Office Lease Expirations by Market by Quarter 1/

Dollars in thousands

			Three Months Ended				
			12/31/08 2/	3/31/09	6/30/09	9/30/09	Total
Atlanta	RSF		61,582	14,383	64,921	167,806	308,692
	% of Total Office RSF		0.3%	0.1%	0.4%	0.9%	1.7%
	Annualized Cash Revenue	3/	$ 932	$ 302	$ 936	$ 3,016	$ 5,186
	% of Total Office Annl Cash Rev		0.3%	0.1%	0.3%	0.8%	1.4%
Greenville	RSF		120	19,998	29,135	0	49,253
	% of Total Office RSF		0.0%	0.1%	0.2%	0.0%	0.3%
	Annualized Cash Revenue	3/	$ 2	$ 333	$ 492	$ —	$ 827
	% of Total Office Annl Cash Rev		0.0%	0.1%	0.1%	0.0%	0.2%
Kansas City	RSF		4,375	16,833	7,805	9,499	38,512
	% of Total Office RSF		0.0%	0.1%	0.0%	0.1%	0.2%
	Annualized Cash Revenue	3/	$ 137	$ 408	$ 192	$ 224	$ 961
	% of Total Office Annl Cash Rev		0.0%	0.1%	0.1%	0.1%	0.3%
Memphis	RSF		28,917	45,939	26,133	37,557	138,546
	% of Total Office RSF		0.2%	0.3%	0.1%	0.2%	0.8%
	Annualized Cash Revenue	3/	$ 648	$ 1,076	$ 528	$ 713	$ 2,965
	% of Total Office Annl Cash Rev		0.2%	0.3%	0.1%	0.2%	0.8%
Nashville	RSF		29,028	101,069	71,279	264,443	465,819
	% of Total Office RSF		0.2%	0.6%	0.4%	1.5%	2.6%
	Annualized Cash Revenue	3/	$ 658	$ 1,941	$ 1,350	$ 5,795	$ 9,744
	% of Total Office Annl Cash Rev		0.2%	0.5%	0.4%	1.6%	2.7%
Orlando	RSF		0	0	11,482	0	11,482
	% of Total Office RSF		0.0%	0.0%	0.1%	0.0%	0.1%
	Annualized Cash Revenue	3/	$ —	$ —	$ 274	$ —	$ 274
	% of Total Office Annl Cash Rev		0.0%	0.0%	0.1%	0.0%	0.1%
Piedmont Triad	RSF		17,138	24,204	31,062	69,986	142,390
	% of Total Office RSF		0.1%	0.1%	0.2%	0.4%	0.8%
	Annualized Cash Revenue	3/	$ 305	$ 478	$ 536	$ 1,057	$ 2,376
	% of Total Office Annl Cash Rev		0.1%	0.1%	0.1%	0.3%	0.7%
Raleigh	RSF		102,647	223,841	20,991	100,819	448,298
	% of Total Office RSF		0.5%	1.2%	0.1%	0.6%	2.4%
	Annualized Cash Revenue	3/	$ 2,266	$ 4,599	$ 495	$ 2,054	$ 9,414
	% of Total Office Annl Cash Rev		0.6%	1.3%	0.1%	0.6%	2.6%
Richmond	RSF		30,806	101,663	38,586	49,276	220,331
	% of Total Office RSF		0.2%	0.6%	0.2%	0.3%	1.2%
	Annualized Cash Revenue	3/	$ 572	$ 2,091	$ 714	$ 933	$ 4,310
	% of Total Office Annl Cash Rev		0.2%	0.6%	0.2%	0.3%	1.2%
Tampa	RSF		13,579	108,499	54,683	11,024	187,785
	% of Total Office RSF		0.1%	0.6%	0.3%	0.1%	1.0%
	Annualized Cash Revenue	3/	$ 391	$ 2,543	$ 1,232	$ 272	$ 4,438
	% of Total Office Annl Cash Rev		0.1%	0.7%	0.3%	0.1%	1.2%
Other	RSF		1,095	6,166	0	619	7,880
	% of Total Office RSF		0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Cash Revenue	3/	$ 31	$ 121	$ —	$ 11	$ 163
	% of Total Office Annl Cash Rev		0.0%	0.0%	0.0%	0.0%	0.0%
Total	RSF		289,287	662,595	356,077	711,029	2,018,988
	% of Total Office RSF		1.6%	3.7%	2.0%	4.0%	11.2%
	Annualized Cash Revenue	3/	$ 5,942	$ 13,892	$ 6,749	$ 14,075	$ 40,658
	% of Total Office Annl Cash Rev		1.7%	3.9%	1.9%	3.9%	11.3%

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

2/ Includes 81,000 square feet of leases that are on a month to month basis or 0.5% of total annualized revenue.

3/ Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Industrial Lease Expirations by Market by Quarter

Dollars in thousands

			Three Months Ended				
			12/31/08 1/	3/31/09	6/30/09	9/30/09	Total
Atlanta	RSF		33,465	119,612	34,300	108,791	296,168
	% of Total Industrial RSF		0.6%	2.0%	0.6%	1.8%	4.9%
	Annualized Cash Revenue	2/	$ 229	$ 766	$ 215	$ 847	$ 2,057
	% of Total Industrial Annl Cash Rev		0.8%	2.4%	0.7%	2.7%	6.5%
Kansas City	RSF		0	1,756	0	0	1,756
	% of Total Industrial RSF		0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Cash Revenue	2/	$ —	$ 20	$ —	$ —	$ 20
	% of Total Industrial Annl Cash Rev		0.0%	0.1%	0.0%	0.0%	0.1%
Piedmont Triad	RSF		140,724	429,378	579,320	2,460	1,151,882
	% of Total Industrial RSF		2.3%	7.1%	9.6%	0.0%	19.0%
	Annualized Cash Revenue	2/	$ 769	$ 2,057	$ 2,548	$ 24	$ 5,398
	% of Total Industrial Annl Cash Rev		2.4%	6.4%	8.0%	0.1%	16.9%
Total	RSF		174,189	550,746	613,620	111,251	1,449,806
	% of Total Industrial RSF		2.9%	9.1%	10.1%	1.8%	23.9%
	Annualized Cash Revenue	2/	$ 998	$ 2,843	$ 2,763	$ 871	$ 7,475
	% of Total Industrial Annl Cash Rev		3.2%	8.9%	8.7%	2.7%	23.5%

1/ *Includes 96,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.*

2/ *Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.*

Office Lease Expirations by Market by Year 1/

Dollars in thousands

Market			2008 2/	2009	2010	2011	Thereafter
Atlanta	RSF		61,582	258,252	92,676	295,238	1,511,574
	% of Total Office RSF		0.3%	1.4%	0.5%	1.6%	8.4%
	Annualized Cash Revenue	3/	$ 932	$ 4,459	$ 1,769	$ 6,473	$ 29,989
	% of Total Office Annl Cash Rev		0.3%	1.2%	0.5%	1.8%	8.3%
Greenville	RSF		120	60,122	57,236	104,244	625,827
	% of Total Office RSF		0.0%	0.3%	0.3%	0.6%	3.5%
	Annualized Cash Revenue	3/	$ 2	$ 1,027	$ 971	$ 1,902	$ 10,814
	% of Total Office Annl Cash Rev		0.0%	0.3%	0.3%	0.5%	3.0%
Kansas City	RSF		4,375	44,124	104,158	77,286	332,385
	% of Total Office RSF		0.0%	0.2%	0.6%	0.4%	1.9%
	Annualized Cash Revenue	3/	$ 137	$ 1,066	$ 3,066	$ 2,016	$ 8,740
	% of Total Office Annl Cash Rev		0.0%	0.3%	0.9%	0.6%	2.4%
Memphis	RSF		28,917	179,488	188,838	147,775	698,649
	% of Total Office RSF		0.2%	1.0%	1.1%	0.8%	3.9%
	Annualized Cash Revenue	3/	$ 648	$ 3,682	$ 3,998	$ 3,037	$ 12,653
	% of Total Office Annl Cash Rev		0.2%	1.0%	1.1%	0.8%	3.5%
Nashville	RSF		29,028	530,726	450,240	397,761	1,615,841
	% of Total Office RSF		0.2%	3.0%	2.5%	2.2%	9.0%
	Annualized Cash Revenue	3/	$ 658	$ 10,929	$ 9,254	$ 8,049	$ 33,515
	% of Total Office Annl Cash Rev		0.2%	3.0%	2.6%	2.2%	9.3%
Orlando	RSF		0	16,215	77,080	106,313	111,676
	% of Total Office RSF		0.0%	0.1%	0.4%	0.6%	0.6%
	Annualized Cash Revenue	3/	$ —	$ 400	$ 1,802	$ 2,332	$ 2,624
	% of Total Office Annl Cash Rev		0.0%	0.1%	0.5%	0.6%	0.7%
Piedmont Triad	RSF		17,138	136,731	233,929	428,183	867,773
	% of Total Office RSF		0.1%	0.8%	1.3%	2.4%	4.8%
	Annualized Cash Revenue	3/	$ 305	$ 2,266	$ 3,792	$ 6,294	$ 13,496
	% of Total Office Annl Cash Rev		0.1%	0.6%	1.1%	1.7%	3.8%
Raleigh	RSF		102,647	532,283	389,667	560,008	1,973,034
	% of Total Office RSF		0.6%	3.0%	2.2%	3.1%	11.0%
	Annualized Cash Revenue	3/	$ 2,265	$ 11,295	$ 7,641	$ 11,290	$ 35,123
	% of Total Office Annl Cash Rev		0.6%	3.1%	2.1%	3.1%	9.8%
Richmond	RSF		30,806	215,577	251,584	426,833	1,081,450
	% of Total Office RSF		0.2%	1.2%	1.4%	2.4%	6.0%
	Annualized Cash Revenue	3/	$ 572	$ 4,246	$ 4,803	$ 8,051	$ 19,614
	% of Total Office Annl Cash Rev		0.2%	1.2%	1.3%	2.2%	5.5%
Tampa	RSF		13,579	256,105	310,871	91,120	1,731,287
	% of Total Office RSF		0.1%	1.4%	1.7%	0.5%	9.6%
	Annualized Cash Revenue	3/	$ 391	$ 5,954	$ 8,087	$ 2,122	$ 42,854
	% of Total Office Annl Cash Rev		0.1%	1.7%	2.2%	0.6%	11.9%
Other	RSF		1,095	6,785	32,270	1,580	42,459
	% of Total Office RSF		0.0%	0.0%	0.2%	0.0%	0.2%
	Annualized Cash Revenue	3/	$ 31	$ 132	$ 833	$ 56	$ 1,202
	% of Total Office Annl Cash Rev		0.0%	0.0%	0.2%	0.0%	0.3%
Total	RSF		289,287	2,236,408	2,188,549	2,636,341	10,591,955
	% of Total Office RSF		1.6%	12.5%	12.2%	14.7%	59.0%
	Annualized Cash Revenue	3/	$ 5,941	$ 45,456	$ 46,016	$ 51,622	$ 210,624
	% of Total Office Annl Cash Rev		1.7%	12.6%	12.8%	14.4%	58.6%

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

2/ *Includes 81,000 square feet of leases that are on a month to month basis or 0.5% of total annualized revenue.*

3/ *Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.*

Industrial Lease Expirations by Market by Year

Dollars in thousands

			2008 1/	2009	2010	2011	Thereafter
Atlanta	RSF		33,465	321,303	335,043	575,416	1,692,412
	% of Total Industrial RSF		0.6%	5.3%	5.5%	9.5%	27.9%
	Annualized Cash Revenue	2/	$ 228	$ 2,170	$ 1,869	$ 3,145	$ 8,971
	% of Total Industrial Annl Cash Rev		0.7%	6.8%	5.9%	9.9%	28.1%
Kansas City	RSF		0	1,756	0	0	0
	% of Total Industrial RSF		0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Cash Revenue	2/	$ —	$ 20	$ —	$ —	$ —
	% of Total Industrial Annl Cash Rev		0.0%	0.1%	0.0%	0.0%	0.0%
Piedmont Triad	RSF		140,724	1,047,064	511,123	153,631	1,248,922
	% of Total Industrial RSF		2.3%	17.3%	8.4%	2.5%	20.6%
	Annualized Cash Revenue	2/	$ 769	$ 4,981	$ 2,496	$ 704	$ 6,572
	% of Total Industrial Annl Cash Rev		2.4%	15.6%	7.8%	2.2%	20.6%
Total	RSF		174,189	1,370,123	846,166	729,047	2,941,334
	% of Total Industrial RSF		2.9%	22.6%	14.0%	12.0%	48.5%
	Annualized Cash Revenue	2/	$ 997	$ 7,171	$ 4,365	$ 3,849	$ 15,543
	% of Total Industrial Annl Cash Rev		3.1%	22.5%	13.7%	12.1%	48.7%

1/ *Includes 96,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue.*

2/ *Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.*

Customer Diversification 1/

September 30, 2008

Dollars in thousands

Top 20 Customers

Customer	RSF	Annualized Cash Revenue 2/	Percent of Annualized Cash Revenue 2/	Average Remaining Lease Term in Years
Federal Government	1,657,277	$ 32,746	7.60%	7.9
AT&T	896,147	15,013	3.48%	3.6
Price Waterhouse Coopers	369,649	9,969	2.31%	3.1
State of Georgia	367,986	7,862	1.82%	2.1
Healthways	282,132	6,260	1.45%	13.6
T-Mobile USA	207,517	5,722	1.33%	5.2
Metropolitan Life Insurance	267,787	5,401	1.25%	9.2
Lockton Companies	160,561	4,402	1.02%	6.4
BB&T	258,363	4,199	0.97%	4.4
Syniverse Technologies	198,750	3,949	0.92%	8.1
Fluor Enterprises	209,474	3,737	0.87%	3.4
SCI Services 3/	162,784	3,668	0.85%	8.8
RBC Bank	169,843	3,379	0.78%	18.4
Wachovia	127,138	2,978	0.69%	2.4
Jacobs Engineering Group	181,794	2,858	0.66%	7.0
Vanderbilt University	144,161	2,843	0.66%	7.0
Lifepoint Corporate Services	129,217	2,632	0.61%	2.8
Icon Clinical Research	110,909	2,574	0.60%	5.0
Talecris Biotherapeutics	122,870	2,409	0.56%	3.8
HCA Physician Services	130,599	2,299	0.53%	5.3
	6,154,958	$124,900	28.96%	6.4

By Industry

Category	Percent of Annualized Cash Revenue 2/
Professional, Scientific, and Technical Services	20.5%
Government/Public Administration	10.1%
Finance/Banking	9.5%
Insurance	8.9%
Retail Trade	7.3%
Manufacturing	6.6%
Telecommunication	6.3%
Wholesale Trade	6.2%
Health Care and Social Assistance	6.1%
Real Estate Rental and Leasing	4.0%
Information	3.0%
Administrative and Support Services	2.9%
Accommodation and Food Services	2.6%
Transportation and Warehousing	2.2%
Other Services (except Public Administration)	2.1%
Educational Services	1.7%
	100.0%

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

2/ *Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.*

3/ *SCI Services (Saxon Capital, Inc.) is a wholly owned subsidiary of Morgan Stanley.*

Same Property Performance

Dollars and Square Feet in thousands

	Three months ended September 30, 2008	Three months ended September 30, 2007	Percentage Change
Rental revenues 1/	$ 102,103	$ 99,537	2.6%
Operating expenses	(38,896)	(36,934)	-5.3%
	63,207	**62,603**	**1.0%**
Straight line rent	(936)	42	-2328.6%
	62,271	**62,645**	**-0.6%**
Lease termination fees	436	251	73.7%
Net operating income	**$ 62,707**	**$ 62,896**	**-0.3%**
Average occupancy	91.7%	90.5%	1.3%
Rentable square feet	25,202	25,202	

	Nine months ended September 30, 2008	Nine months ended September 30, 2007	Percentage Change
Rental revenues 1/	$ 303,602	$ 293,953	3.3%
Operating expenses	(113,084)	(108,653)	-4.1%
	190,518	**185,300**	**2.8%**
Straight line rent	(313)	790	-139.6%
	190,205	**186,090**	**2.2%**
Lease termination fees	2,359	1,766	33.6%
Net operating income	**$ 192,564**	**$ 187,856**	**2.5%**
Average occupancy	91.1%	90.4%	0.8%
Rentable square feet	25,202	25,202	

	Third Quarter: 2008 vs 2007		September YTD: 2008 vs 2007	
Market	**NOI 2/ Percentage Change**	**Occupancy Percentage Change**	**NOI 2/ Percentage Change**	**Occupancy Percentage Change**
Atlanta	-9.4%	0.4%	-5.4%	-0.2%
Greenville	10.1%	8.5%	11.1%	5.9%
Kansas City	-2.9%	-0.1%	-2.5%	-0.9%
Memphis	3.7%	-0.1%	4.9%	0.9%
Nashville	5.5%	2.4%	8.5%	3.2%
Orlando	2.2%	-1.1%	-3.0%	-1.7%
Piedmont Triad	-10.0%	2.4%	-3.4%	-1.1%
Raleigh	9.6%	2.8%	8.9%	4.0%
Richmond	-4.3%	1.5%	3.9%	3.1%
Tampa	-3.7%	-2.5%	2.6%	-2.9%
	-0.6%	1.3%	2.2%	0.8%

1/ Excludes straight line rents and lease termination fees.
2/ Includes straight line rents and excludes lease termination fees.

Disposition Activity

Dollars in thousands

Name	Market	Type 1/	Date Sold	Square Footage	Occupancy	Gross Sales Price
First quarter 2008:						
Parkway Medical	Kansas City	O	02/15/08	30,000	81.4%	$ 6,050
First quarter totals				**30,000**	**81.4%**	**$ 6,050**
Second quarter 2008:						
Fairway North & West	Kansas City	O	04/02/08	130,000	74.6%	$ 11,676
Corinth Office	Kansas City	O	06/20/08	141,000	75.3%	9,950
Second quarter totals				**271,000**	**74.9%**	**$ 21,626**
Third quarter 2008:						
Chesapeake	Winston-Salem	I	07/20/08	250,000	100.0%	$ 8,150
Third quarter totals				**250,000**	**100.0%**	**$ 8,150**
2008 totals				**551,000**	**86.7%**	**$ 35,826**

1/ The letters "O" and "I" represent Office and Industrial, respectively.

Development Activity

Dollars in thousands

Property In - Process	Market	Type 1/	Rentable Square Feet	Anticipated Total Investment	Investment @ 09/30/08	Pre Leased %	Estimated Completion Date	Estimated Stabilization Date
Office:								
FAA	Atlanta	O	100,000	$ 18,071	$ 5,991	100%	2Q 09	2Q 09
Jackson FBI	Jackson, MS	O	110,000	31,713	11,644	100%	1Q 09	1Q 09
Triad Centre III	Memphis	O	148,000	29,187	7,493	17%	3Q 09	2Q 11
Total or Weighted Average			358,000	$ 78,971	$ 25,128	66%		
					$Weighted%	**69%**		
For Sale Development:								
RBC Plaza Condominiums 3/ 4/ 5/	Raleigh	RC	139 Units	$ 42,380	$ 34,004	138 Contracts	4Q 08	2Q 09
				$ 42,380	$ 34,004			
Industrial:								
River Point IV	Atlanta	I	200,000	$ 10,435	$ 5,108	50%	1Q 09	2Q 10
			200,000	$ 10,435	$ 5,108	50%		
In-Process Total or Weighted Average 4/			**558,000**	**$131,786**	**$ 64,240**	**60%**		
					$Weighted%	**67%**		
Completed Not Stabilized 6/								
Office:								
Cool Springs IV	Nashville	O	153,000	$ 27,597	$ 20,268	8%	3Q 08	1Q 10
Centregreen V	Raleigh	O	98,000	15,662	13,131	75%	1Q 08	3Q 09
Glenlake VI	Raleigh	O	122,000	24,448	21,996	57%	1Q 08	3Q 09
RBC Plaza 2/	Raleigh	O	292,000	76,056	62,868	93%	3Q 08	4Q 09
Highwoods Baycenter I	Tampa	O	208,000	43,100	42,180	86%	3Q 07	4Q 08
Total or Weighted Average			873,000	$186,863	$ 160,443	69%		
					$Weighted%	**73%**		
Industrial:								
Enterprise II	Piedmont Triad	I	418,000	$ 17,222	$ 15,893	91%	4Q 06	4Q 08
			418,000	$ 17,222	$ 15,893	91%		
					$Weighted%	**91%**		
Completed Not Stabilized Total or Weighted Average			**1,291,000**	**$204,085**	**$ 176,336**	**76%**		
					$Weighted%	**74%**		
Grand Total or Weighted Average			**1,849,000**	**$335,871**	**$ 240,576**	**71%**		
					$Weighted%	**72%**		

1/ *The Letters "O", "I" and "RC" represent: Office, Industrial and For Sale Residential Condominiums, respectively.*
2/ *Includes ancillary retail space on the ground level of approximately 11,000 square feet.*
3/ *In January 2007 the Company executed a Joint Venture agreement for this development. The Company has a 93% interest and consolidates this Joint Venture.*
The investment amounts shown represent the Company's 93% share.
4/ *Condo units and numbers are not part of In-Process Total or Weighted Average for SF & Pre-Leasing percentage.*
5/ *16 of the 138 contracts have closed as of 10/29/08*
6/ *"Completed Not Stabilized" and Redevelopment properties are recorded in the Consolidated Balance Sheet in the Land and Building accounts, not Development-in-Process.*

Development Land

September 30, 2008

Dollars in thousands

Market	Usable Acres	Total Estimated Market Value
Atlanta	233	$ 32,882
Raleigh	190	43,566
Greensboro	47	12,505
Baltimore	39	10,300
Richmond	33	8,300
Tampa	20	15,402
Nashville	16	7,951
Memphis	15	3,496
Orlando	15	16,348
Winston-Salem	10	1,896
Kansas City	1	2,100
Total 1/ 2/ 3/	**619**	**$ 154,746**

1/ Includes 75 acres currently classified as Development in Process on our consolidated balance sheet.

2/ Developable square footage on core land holdings, which constitute 479 of the total 619 acres, is approximately 5.1 million of office space and 2.5 million of industrial space.

3/ Includes 34 acres ($9.4 million based on expected gross proceeds) included in property held for sale at September 30, 2008.

Acquisition Activity

Dollars in thousands

Name	Market	Type	Date Acquired	Square Footage	Total Cost
First quarter 2008:					
None					
Second quarter 2008:					
None					
Third quarter 2008:					
None					

Unconsolidated Joint Ventures Assets, Debt and Liabilities

September 30, 2008

Dollars in thousands

Joint Venture	Type 1/	Own %	Venture's Books Total Assets	Venture's Books Debt	Venture's Books Total Liabilities
Board of Trade Investment Co.	O	49.00%	$ 7,445	$ —	$ 592
Dallas County Partners I, LP	O/ I	50.00%	30,719	48,601	51,130
Dallas County Partners II, LP	O	50.00%	13,834	15,262	16,436
Dallas County Partners III, LP	O	50.00%	114	—	28
Fountain Three	O/ I / R	50.00%	24,858	32,478	34,512
RRHWoods, LLC	O/ M	50.00%	85,232	81,035	84,633
Kessinger/Hunter, LLC	—	26.50%	7,051	—	268
4600 Madison Associates, LP	O	12.50%	17,979	12,865	13,532
Highwoods DLF 98/29, LP	O	22.81%	149,656	74,997	80,795
Highwoods DLF 97/26 DLF 99/32, LP	O	42.93%	99,627	55,096	58,862
Concourse Center Associates, LLC	O	50.00%	13,284	8,738	8,972
Plaza Colonnade, LLC	O/R	50.00%	72,127	65,875	67,563
Highwoods KC Glenridge Office, LP	O	40.00%	22,681	16,424	17,794
Highwoods KC Glenridge Land, LP	O	40.00%	780	—	108
Highwoods KC Orlando, LLC	O	40.00%	204,958	140,087	149,642
Highwoods DLF Forum, LLC	O	25.00%	121,461	67,500	72,446
Total			**$ 871,806**	**$618,958**	**$ 657,313**

Joint Venture	Type 1/	Own %	Highwoods' Share of Joint Venture Total Assets	Highwoods' Share of Joint Venture Debt	Highwoods' Share of Joint Venture Total Liabilities
Board of Trade Investment Co.	O	49.00%	$ 3,648	$ —	$ 290
Dallas County Partners I, LP	O/ I	50.00%	15,360	24,301	25,565
Dallas County Partners II, LP	O	50.00%	6,917	7,631	8,218
Dallas County Partners III, LP	O	50.00%	57	—	14
Fountain Three	O/ I / R	50.00%	12,429	16,239	17,256
RRHWoods, LLC	O/ M	50.00%	42,616	40,518	42,317
Kessinger/Hunter, LLC	—	26.50%	1,869	—	71
4600 Madison Associates, LP	O	12.50%	2,247	1,608	1,692
Highwoods DLF 98/29, LP	O	22.81%	34,137	17,107	18,429
Highwoods DLF 97/26 DLF 99/32, LP	O	42.93%	42,770	23,654	25,269
Concourse Center Associates, LLC	O	50.00%	6,642	4,369	4,486
Plaza Colonnade, LLC	O/R	50.00%	36,064	32,938	33,782
Highwoods KC Glenridge Office, LP	O	40.00%	9,072	6,570	7,118
Highwoods KC Glenridge Land, LP	O	40.00%	312	—	43
Highwoods KC Orlando, LLC	O	40.00%	81,983	56,035	59,857
Highwoods DLF Forum, LLC	O	25.00%	30,360	16,872	18,109
Total 2/			**$ 326,483**	**$247,842**	**$ 262,516**

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

2/ *Highwoods' share of equity from these tables will not equal Investments in Unconsolidated Affiliates on the Consolidated Balance Sheet due to various purchase accounting and related adjustments as well as negative investment balances reclassed to Liabilities, which are not reflected in the Joint Ventures' stand-alone financial statements.*

Unconsolidated Joint Ventures Income

For the Three Months Ended September 30, 2008

Dollars in thousands

		Venture's Books				
Joint Venture	**Own %**	**Revenue**	**Operating Exp**	**Interest**	**Depr/Amort**	**Net Income/ (Loss)**
Board of Trade Investment Co.	49.00%	$ 574	$ 387	$ —	$ 142	$ 45
Dallas County Partners I, LP	50.00%	2,539	1,604	769	459	(293)
Dallas County Partners II, LP	50.00%	1,607	745	397	216	249
Dallas County Partners III, LP	50.00%	56	56	—	2	(2)
Fountain Three	50.00%	1,743	946	528	385	(116)
RRHWoods, LLC	50.00%	4,342	2,384	969	1,048	(59)
Kessinger/Hunter, LLC	26.50%	4,113	3,634	—	150	329
4600 Madison Associates, LP	12.50%	1,284	553	224	399	108
Highwoods DLF 98/29, LP	22.80%	4,925	1,794	1,248	1,297	586
Highwoods DLF 97/26 DLF 99/32, LP	42.93%	4,009	1,808	1,067	1,016	118
Concourse Center Associates, LLC	50.00%	458	149	159	78	72
Plaza Colonnade, LLC	50.00%	2,538	956	963	547	72
Highwoods KC Glenridge Office, LP	40.00%	826	525	210	279	(188)
Highwoods KC Glenridge Land, LP	40.00%	—	2	—	—	(2)
Highwoods KC Orlando, LLC	40.00%	8,367	3,631	1,846	1,836	1,054
Highwoods DLF Forum, LLC	25.00%	3,559	1,318	878	1,386	(23)
Total		**$40,940**	**$ 20,492**	**$9,258**	**$ 9,240**	**$ 1,950**

		Highwoods' Share of Joint Venture				
Joint Venture	**Own %**	**Revenue**	**Operating Exp**	**Interest**	**Depr/Amort**	**Net Income/ (Loss)**
Board of Trade Investment Co.	49.00%	$ 281	$ 190	$ —	$ 70	$ 21
Dallas County Partners I, LP	50.00%	1,270	802	385	230	(147)
Dallas County Partners II, LP	50.00%	803	373	198	108	124
Dallas County Partners III, LP	50.00%	28	28	—	1	(1)
Fountain Three	50.00%	871	473	264	192	(58)
RRHWoods, LLC	50.00%	2,171	1,192	485	524	(30)
Kessinger/Hunter, LLC	26.50%	1,090	963	—	39	88
4600 Madison Associates, LP	12.50%	160	69	28	50	13
Highwoods DLF 98/29, LP	22.81%	1,124	409	284	295	136
Highwoods DLF 97/26 DLF 99/32, LP	42.93%	1,721	776	458	436	51
Concourse Center Associates, LLC	50.00%	229	75	79	39	36
Plaza Colonnade, LLC	50.00%	1,269	478	482	274	35
Highwoods KC Glenridge Office, LP	40.00%	330	210	84	112	(76)
Highwoods KC Glenridge Land, LP	40.00%	—	1	—	—	(1)
Highwoods KC Orlando, LLC	40.00%	3,347	1,453	738	734	422
Highwoods DLF Forum, LLC	25.00%	890	330	219	347	(6)
Total 1/ 2/		**$15,584**	**$ 7,822**	**$3,704**	**$ 3,451**	**$ 607**

1/ Highwoods' share of Depreciation and Amortization from these tables will not equal Depreciation and Amortization of Real Estate Assets for Unconsolidated Affiliates on the Statement of Funds from Operations due to various purchase accounting and related adjustments, which are not reflected in the Joint Ventures' stand-alone financial statements.

2/ Highwoods' share of Net Income from these tables will not equal Equity in Earnings of Unconsolidated Affiliates on the Consolidated Income Statement due to various purchase accounting and related adjustments, which are not reflected in the Joint Ventures' stand-alone financial statements.

Unconsolidated Joint Ventures Income
For the Nine Months Ended September 30, 2008

Dollars in thousands

Joint Venture	Own %	Venture's Books Revenue	Operating Exp	Interest	Depr/Amort	Net Income/ (Loss)
Board of Trade Investment Co.	49.00%	$ 1,743	$ 1,188	$ —	$ 424	$ 131
Dallas County Partners I, LP	50.00%	8,305	5,068	2,319	1,443	(525)
Dallas County Partners II, LP	50.00%	5,114	2,527	1,226	648	713
Dallas County Partners III, LP	50.00%	194	173	—	5	16
Fountain Three	50.00%	6,146	2,931	1,593	1,324	298
RRHWoods, LLC	50.00%	13,217	7,519	2,883	3,198	(383)
Kessinger/Hunter, LLC	26.50%	12,252	10,898	—	450	904
4600 Madison Associates, LP	12.50%	3,778	1,728	692	1,202	156
Highwoods DLF 98/29, LP	22.80%	14,509	5,063	3,728	3,886	1,832
Highwoods DLF 97/26 DLF 99/32, LP	42.93%	12,245	4,649	3,215	2,821	1,560
Concourse Center Associates, LLC	50.00%	1,441	419	480	232	310
Plaza Colonnade, LLC	50.00%	7,426	2,728	2,891	1,641	166
Highwoods KC Glenridge Office, LP	40.00%	2,538	1,289	627	594	28
Highwoods KC Glenridge Land, LP	40.00%	—	7	—	—	(7)
Highwoods KC Orlando, LLC	40.00%	24,862	10,317	5,563	5,563	3,419
Highwoods DLF Forum, LLC	25.00%	6,890	2,451	1,733	2,787	(81)
Total		**$120,660**	**$ 58,955**	**$26,950**	**$ 26,218**	**$ 8,537**

Joint Venture	Own %	Highwoods' Share of Joint Venture Revenue	Operating Exp	Interest	Depr/Amort	Net Income/ (Loss)
Board of Trade Investment Co.	49.00%	$ 854	$ 582	$ —	$ 208	$ 64
Dallas County Partners I, LP	50.00%	4,153	2,534	1,160	722	(263)
Dallas County Partners II, LP	50.00%	2,557	1,264	613	324	356
Dallas County Partners III, LP	50.00%	97	87	—	3	7
Fountain Three	50.00%	3,073	1,466	797	662	148
RRHWoods, LLC	50.00%	6,609	3,760	1,442	1,599	(192)
Kessinger/Hunter, LLC	26.50%	3,247	2,888	—	119	240
4600 Madison Associates, LP	12.50%	472	216	87	150	19
Highwoods DLF 98/29, LP	22.81%	3,310	1,155	850	886	419
Highwoods DLF 97/26 DLF 99/32, LP	42.93%	5,257	1,996	1,380	1,211	670
Concourse Center Associates, LLC	50.00%	721	210	240	116	155
Plaza Colonnade, LLC	50.00%	3,713	1,364	1,446	821	82
Highwoods KC Glenridge Office, LP	40.00%	1,015	516	251	238	10
Highwoods KC Glenridge Land, LP	40.00%	—	3	—	—	(3)
Highwoods KC Orlando, LLC	40.00%	9,945	4,127	2,225	2,225	1,368
Highwoods DLF Forum, LLC	25.00%	1,723	613	433	697	(20)
Total 1/ 2/		**$ 46,746**	**$ 22,781**	**$10,924**	**$ 9,981**	**$ 3,060**

1/ Highwoods' share of Depreciation and Amortization from these tables will not equal Depreciation and Amortization of Real Estate Assets for Unconsolidated Affiliates on the Statement of Funds from Operations due to various purchase accounting and related adjustments, which are not reflected in the Joint Ventures' stand-alone financial statements.

2/ Highwoods' share of Net Income from these tables will not equal Equity in Earnings of Unconsolidated Affiliates on the Consolidated Income Statement due to various purchase accounting and related adjustments, which are not reflected in the Joint Ventures' stand-alone financial statements.

Joint Ventures Long-Term Debt Detail 1/

Dollars in thousands

Joint Venture	Own %	Lender	Interest Rate	Maturity Date	Loan Balance 9/30/08
Dallas County Partners I, LP	50.0%	Massachusetts Mutual Life Ins. Co.	6.19%	Aug-18	$ 41,452
Dallas County Partners I, LP	50.0%	Regions	6.30%	Jun-14	3,429
Dallas County Partners I, LP	50.0%	Thrivent	8.45%	Aug-10	1,556
Dallas County Partners I, LP	50.0%	Bankers Trust	8.00%	Jul-11	1,144
Dallas County Partners I, LP	50.0%	Sun Life	5.92%	Feb-16	1,020
			6.31%		48,601
Dallas County Partners II, LP	50.0%	Principal Life Insurance Company	10.19%	Jun-13	15,262
Fountain Three	50.0%	Massachusetts Mutual Life Ins. Co.	6.19%	Aug-18	16,545
Fountain Three	50.0%	Thrivent	7.00%	Sep-12	5,162
Fountain Three	50.0%	Thrivent	6.01%	Oct-10	3,659
Fountain Three	50.0%	Thrivent	6.01%	Apr-09	3,659
Fountain Three	50.0%	Lehman Brothers	8.02%	Jul-09	3,453
			6.47%		32,478
RRHWoods, LLC	50.0%	Bank of America	6.80%	Sep-12	26,178
RRHWoods, LLC	50.0%	Industrial Revenue Bonds /2	2.53%	Nov-15	23,000
RRHWoods, LLC	50.0%	Massachusetts Mutual Life Ins. Co.	5.85%	Mar-16	8,396
RRHWoods, LLC	50.0%	Industrial Revenue Bonds /2	2.50%	Sep-15	6,000
RRHWoods, LLC	50.0%	Industrial Revenue Bonds /2	1.80%	Nov-15	5,500
RRHWoods, LLC	50.0%	Massachusetts Mutual Life Ins. Co.	6.19%	Aug-18	4,578
RRHWoods, LLC	50.0%	UNUM Life Insurance Company	5.67%	Mar-17	3,954
RRHWoods, LLC	50.0%	Regions	6.30%	Jun-14	3,429
			4.72%		81,035
Plaza Colonnade, LLC	50.0%	Met Life	5.72%	Jan-17	48,190
Plaza Colonnade, LLC	50.0%	Tax Incremental Financing	5.90%	Mar-24	11,620
Plaza Colonnade, LLC	50.0%	Tax Incremental Financing	6.00%	Mar-16	4,290
Plaza Colonnade, LLC	50.0%	Tax Incremental Financing	5.38%	Mar-10	1,775
			5.76%		65,875
Highwoods KC Orlando, LLC	40.0%	Met Life	5.21%	Jul-14	140,087
Highwoods DLF Forum, LLC	25.0%	Jackson National Life Insurance Co.	5.13%	Nov-13	67,500
Highwoods DLF 97/26 DLF 99/32, LP	42.9%	Massachusetts Mutual Life Ins. Co.	7.66%	May-12	55,096
Highwoods DLF 98/29, LP	22.8%	USG Annuity & Life Company	6.78%	Apr-11	47,347
Highwoods DLF 98/29, LP	22.8%	Goldman Sachs	6.11%	Jul-17	27,650
Highwoods KC Glenridge Office	40.0%	Wachovia	4.84%	Jun-14	16,424
4600 Madison Associates, LLC	12.5%	State Farm	6.85%	Apr-18	12,865
Concourse Center Associates, LLC	50.0%	Lincoln National Life Insurance Co.	6.95%	Jul-10	8,738
			5.90%		375,707
			5.90%		**$618,958**
Highwoods' share of the above					**$247,842**

1/ Excludes loans related to two "consolidated" joint ventures.
2/ Floating rate loan based on market rates.

Joint Ventures Portfolio Summary

As of September 30, 2008

Summary by Location:

Market	Rentable Square Feet	Occupancy	Percentage of Annualized Cash Revenue Highwoods' Share Only 1/ Office	Industrial	Retail	Multi-Family	Total
Des Moines 2/	2,505,000	88.5%	27.0%	4.1%	0.9%	3.1%	35.1%
Orlando	1,854,000	89.8%	27.8%	—	—	—	27.8%
Atlanta	835,000	94.7%	12.3%	—	—	—	12.3%
Kansas City	714,000	83.0%	8.2%	—	—	—	8.2%
Raleigh	814,000	88.5%	6.2%	—	—	—	6.2%
Richmond	413,000	100.0%	4.9%	—	—	—	4.9%
Piedmont Triad	364,000	72.1%	2.4%	—	—	—	2.4%
Tampa	205,000	98.8%	1.9%	—	—	—	1.9%
Charlotte	148,000	100.0%	0.7%	—	—	—	0.7%
Other	110,000	100.0%	0.5%	—	—	—	0.5%
Total 3/	7,962,000	88.2%	91.9%	4.1%	0.9%	3.1%	100.0%

1/ Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

2/ Excludes 418 apartment units and related occupancy percentage of 96.9%.

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

Joint Ventures Lease Expirations

September 30, 2008

Dollars in thousands

Year	Rentable Square Feet Expiring 1/	Percent of Rentable Square Feet 1/	Annualized Cash Revenue 2/	Average Rental Rate	Percent of Annualized Cash Revenue 2/
Total					
2008	145,826	2.1%	$ 3,339	$22.90	2.3%
2009	821,382	11.7%	17,272	21.03	12.1%
2010	770,421	11.0%	14,828	19.25	10.4%
2011	1,092,292	15.6%	22,046	20.18	15.4%
2012	592,906	8.4%	12,514	21.11	8.7%
2013	1,315,268	18.7%	26,268	19.97	18.4%
2014	648,611	9.2%	14,747	22.74	10.3%
2015	714,465	10.2%	13,280	18.59	9.3%
2016	51,121	0.7%	1,342	26.25	0.9%
2017	523,678	7.5%	11,625	22.20	8.1%
2018 and thereafter	342,651	4.9%	5,843	17.05	4.1%
	7,018,621	**100.0%**	**$143,104**	**$20.39**	**100.0%**

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

2/ Annualized Cash Revenue is September, 2008 cash rental revenue (base rent plus operating expense pass through revenue excluding straight-line rental income) multiplied by 12.

Joint Venture Acquisition and Disposition Activity

Dollars in thousands

Acquisitions

Name	Market	Type	Date Acquired	Square Footage	Total Cost 2/
First quarter 2008:					
None					
Second quarter 2008:					
Forum	Raleigh	O	04/03/08	635,000	$28,000
Third quarter 2008:					
None					

Dispositions

Name	Market	Type	Date Sold	Square Footage	Occupancy	Gross Sales Price
First quarter 2008:						
None						
Second quarter 2008:						
None						
Third quarter 2008:						
None						

1/ The letter "O" represents Office.
2/ Reflects Highwoods pro-rata share only.