

# HIGHWOODS PROPERTIES INC

## FORM 8-K

(Unscheduled Material Events)

Filed 2/28/2006 For Period Ending 2/28/2006

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

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 8-K

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

**Date of Report (Date of earliest event reported): February 28, 2006**

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### **HIGHWOODS PROPERTIES, INC.**

(Exact name of registrant specified in its charter)

**Maryland**  
(State of Incorporation)

**1-13100**  
(Commission File Number)

**56-1871668**  
(I.R.S. Employer Identification No.)

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### **HIGHWOODS REALTY LIMITED PARTNERSHIP**

(Exact name of registrant specified in its charter)

**North Carolina**  
(State of Incorporation)

**000-21731**  
(Commission File Number)

**56-1869557**  
(I.R.S. Employer Identification No.)

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

**Registrant's telephone number, including area code: (919) 872-4924**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant 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))
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**Item 2.02. Results of Operations and Financial Condition**

On February 27, 2006, Highwoods Properties, Inc. issued a press release announcing operational information for the year ended December 31, 2005. This press release is attached hereto as Exhibit 99.1. In addition, we posted on our website supplemental information regarding our operational results for the year ended December 31, 2005.

**Item 9.01. Financial Statements and Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Supplemental operating information of Highwoods Properties, Inc. for the year ended December 31, 2005

Dated: February 28, 2006

By: / s / TERRY L. S TEVENS

*Vice President and Chief Financial Officer*

By: Highwoods Properties Inc., in its capacity as  
general partner (the “General Partner”)

By: \_\_\_\_\_ / s / TERRY L. STEVENS

*Vice President and Chief Financial Officer*



Supplemental Information

December 31, 2005

**Supplemental Information**  
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**December 31, 2005**

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The information within refers to all Highwoods Properties' wholly-owned entities, except pages 24 to 26 unless noted otherwise.

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 the other risks detailed from time to time in the Company's SEC reports.

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## Corporate Information

### **Board of Directors**

Thomas W. Adler  
Gene H. Anderson  
Kay N. Callison  
Edward J. Fritsch  
Ronald P. Gibson  
Lawrence S. Kaplan  
Sherry Kellett  
L. Glenn Orr Jr.  
O. Temple Sloan Jr., Chairman  
F. William Vandiver, Jr.

### **Corporate Officers**

#### **Edward J. Fritsch**

President, Chief Executive Officer and Director

#### **Michael E. Harris**

Executive Vice President and Chief Operating Officer

#### **Terry L. Stevens**

Vice President, Chief Financial Officer

#### **S. Hugh Esleeck**

Treasurer

#### **Thomas S. Hill**

Corporate Vice President, Leasing

#### **Julie M. Kelly**

Vice President, Compliance and Internal Audit

#### **Carman J. Liuzzo**

Vice President, Investments

#### **Kevin E. Penn**

Chief Information Officer and  
Vice President, Strategy

#### **Mack D. Pridgen III**

Vice President, General Counsel and  
Secretary

#### **Tabitha Zane**

Vice President, Investor Relations

### **Research Coverage**

#### **Deutsche Banc Securities**

Lou Taylor - 212-469-4912

#### **Green Street Advisors**

Jim Sullivan - 949-640-8780

#### **KeyBanc Capital Markets**

Richard Moore - 216-443-2815

#### **Stifel Nicolaus**

John Guinee - 410-454-5520

#### **Morgan Stanley Dean Witter**

Gregory Whyte - 212-761-6331

#### **Prudential Equity Group**

Jim Sullivan - 212-778-2515

#### **Smith Barney Citigroup**

Jonathan Litt - 212-816-0231

#### **Wachovia Securities**

Chris Haley - 443-263-6773

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## Corporate Information

### **Divisional Officers**

#### **Atlanta/Piedmont Triad**

Gene H. Anderson - Regional Manager

Atlanta, GA

*Gene H. Anderson, Senior Vice President*

Piedmont Triad, NC

*Mark W. Shumaker, Vice President*

#### **Orlando/Tampa**

Michael F. Beale - Regional Manager

Orlando, FL

*Michael F. Beale, Senior Vice President*

Tampa, FL

*Stephen A. Meyers, Vice President*

#### **Raleigh/Richmond**

Robert G. Cutlip - Regional Manager

Raleigh, NC

*Robert G. Cutlip, Senior Vice President*

Richmond, VA

*Paul W. Kreckman, Vice President*

#### **Memphis/Nashville/Columbia/Greenville**

W. Brian Reames - Regional Manager

Nashville, TN

*W. Brian Reames, Senior Vice President*

Columbia, SC and Greenville, SC

*W. Brian Reames, Senior Vice President*

Memphis, TN

*Steven Guinn, Vice President*

#### **Kansas City**

Kansas City, MO

*Barrett Brady, Senior Vice President*

### **Corporate Headquarters**

Highwoods Properties, Inc.

3100 Smoketree Court, Suite 600

Raleigh, NC 27604

919-872-4924

### **Stock Exchange**

NYSE Trading Symbol: HIW

### **Investor Relations Contact**

Tabitha Zane

Vice President, Investor Relations

Phone: 919-431-1529

Fax: 919-876-6929

E-mail: [tabitha.zane@highwoods.com](mailto:tabitha.zane@highwoods.com)

### **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: 919-431-1521

Email: [HIW-IR@highwoods.com](mailto:HIW-IR@highwoods.com)

### **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. As of December 31, 2005, the Company owned or had an interest in 447 in-service office, industrial and retail properties encompassing approximately 37.0 million square feet. Highwoods also owns 898 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, Missouri, North Carolina, South Carolina, Tennessee and Virginia.

For more information about Highwoods Properties, please visit our Web site at [www.highwoods.com](http://www.highwoods.com).





## Capitalization

*Dollars, shares, and units in thousands*

	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
<b>Long-Term Debt (see page 9 &amp; 10):</b>	<b>\$1,471,615</b>	\$1,441,081	\$1,559,352	\$1,582,388	\$1,572,574
<b>Eastshore Debt 1/</b>	—	—	19,800	—	—
<b>Total debt per the balance sheet</b>	<b>1,471,615</b>	1,441,081	1,579,152	1,582,388	1,572,574
<b>Finance Obligations:</b>	<b>\$ 34,000</b>	\$ 34,746	\$ 43,168	\$ 63,096	\$ 65,309
<b>Preferred Stock (at redemption value):</b>					
Series A 8 5/8% Perpetual Preferred Stock	\$ 104,945	\$ 104,945	\$ 104,945	\$ 104,945	\$ 104,945
Series B 8% Perpetual Preferred Stock 2/	142,500	142,500	172,500	172,500	172,500
Series D 8% Perpetual Preferred Stock	—	—	100,000	100,000	100,000
<b>Total preferred stock</b>	<b>\$ 247,445</b>	\$ 247,445	\$ 377,445	\$ 377,445	\$ 377,445
<b>Shares and Units Outstanding:</b>					
Common stock outstanding	<b>54,029</b>	54,030	54,037	54,053	53,813
Minority interest partnership units	<b>5,450</b>	5,493	5,668	5,828	6,102
<b>Total shares and units outstanding</b>	<b>59,479</b>	59,523	59,705	59,881	59,915
<b>Stock price at period end</b>	<b>\$ 28.45</b>	\$ 29.51	\$ 29.76	\$ 26.82	\$ 27.70
<b>Market value of common equity</b>	<b>\$1,692,178</b>	\$1,756,524	\$1,776,821	\$1,606,008	\$1,659,646
<b>Total market capitalization with debt and obligations</b>	<b>\$3,445,238</b>	\$3,479,796	\$3,756,786	\$3,628,937	\$3,674,974

1/ This debt is the 100% obligation of an entity that Highwoods has no ownership interest in but which had been consolidated according to GAAP. The value of this debt is not included in total market capitalization with debt and obligations. These properties are no longer consolidated as of 9/30/05.

2/ The company redeemed \$50.0 million of Series B preferred stock on February 23, 2006.

## Long-Term Debt Summary

Dollars in thousands

	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
<b>Balances Outstanding:</b>					
<b>Secured:</b>					
Conventional fixed rate 1/	\$ 667,137	\$ 676,855	\$ 709,948	\$ 754,604	\$ 756,001
Variable rate debt 2/	53,978	46,226	84,404	67,784	66,573
Secured total	<u>\$ 721,115</u>	<u>\$ 723,081</u>	<u>\$ 794,352</u>	<u>\$ 822,388</u>	<u>\$ 822,574</u>
<b>Unsecured:</b>					
Fixed rate bonds and notes	\$ 460,000	\$ 460,000	\$ 460,000	\$ 460,000	\$ 460,000
Variable rate debt	100,000	100,000	120,000	120,000	120,000
Credit facility	190,500	158,000	185,000	180,000	170,000
Unsecured total	<u>\$ 750,500</u>	<u>\$ 718,000</u>	<u>\$ 765,000</u>	<u>\$ 760,000</u>	<u>\$ 750,000</u>
Total	<u><u>\$1,471,615</u></u>	<u><u>\$1,441,081</u></u>	<u><u>\$1,559,352</u></u>	<u><u>\$1,582,388</u></u>	<u><u>\$1,572,574</u></u>
<b>Average Interest Rates:</b>					
<b>Secured:</b>					
Conventional fixed rate	7.0%	7.0%	7.1%	7.2%	7.2%
Variable rate debt	5.5%	5.0%	4.9%	4.7%	4.2%
Secured total	<u>6.9%</u>	<u>6.9%</u>	<u>6.8%</u>	<u>6.9%</u>	<u>6.9%</u>
<b>Unsecured:</b>					
Fixed rate bonds	7.4%	7.4%	7.4%	7.4%	7.4%
Variable rate debt	5.4%	5.4%	4.7%	3.5%	3.5%
Credit facility	5.4%	4.9%	4.3%	3.4%	3.4%
Unsecured total	<u>6.6%</u>	<u>6.5%</u>	<u>6.2%</u>	<u>6.0%</u>	<u>5.9%</u>
Average	<u><u>6.7%</u></u>	<u><u>6.7%</u></u>	<u><u>6.5%</u></u>	<u><u>6.5%</u></u>	<u><u>6.4%</u></u>

### Maturity Schedule:

Year	Future Maturities of Debt		Total Debt 3/	Average Interest Rate
	Secured Debt 3/	Unsecured Debt		
2006 4/	\$ —	\$ 400,500	\$ 400,500	5.8%
2007	122,790	—	122,790	7.0%
2008	—	100,000	100,000	7.1%
2009	157,787	50,000	207,787	7.9%
2010	135,229	—	135,229	7.8%
2011	—	—	—	—
2012	22,800	—	22,800	6.1%
2013	277,311	—	277,311	5.9%
2014	—	—	—	—
2015	—	—	—	—
Thereafter	5,198	200,000	205,198	7.5%
Total maturities	<u>\$ 721,115</u>	<u>\$ 750,500</u>	<u>\$1,471,615</u>	<u>6.7%</u>

Weighted average maturity = 5.1 years

1/ Includes a \$22.8 million loan related to a consolidated 20% owned joint venture property (Harborview)

2/ Includes the construction loan related to a consolidated 50% owned joint venture property (Vinings)

3/ Excludes annual principal amortization

4/ The \$400.5 million of unsecured debt maturities includes \$190.5 million related to the credit facility which matures in 2006.

## Long-Term Debt Detail

Dollars in thousands

	<u>Rate</u>	<u>Maturity Date</u>	<u>Loan Balance 12/31/05</u>
<b>Secured Loans</b>			
<b><u>Lender</u></b>			
Monumental Life Ins. Co.	7.8%	Nov-09	\$ 149,850
Northwestern Mutual	6.0%	Mar-13	139,897
Northwestern Mutual	7.8%	Nov-10	135,229
Massachusetts Mutual Life Ins. Co. 1/	5.7%	Dec-13	125,445
Northwestern Mutual	8.2%	Feb-07	63,400
PNC/Am South/Southtrust 2/	5.1%	Oct-07	42,777
Metropolitan Life Ins. Co. 3/	6.1%	Oct-12	22,800
Massachusetts Mutual Life Ins. Co. 1/	6.5%	Dec-13	11,000
Central Carolina Bank 4/ 5/	3.8%	Jan-08	7,723
PFL Life Ins. Co. 6/	8.1%	Jun-07	5,412
Ohio National	8.0%	Nov-17	5,198
Lutheran Brotherhood	6.8%	Apr-09	3,918
PFL Life Ins. Co. 6/ 7/	6.7%	Jun-07	3,478
Security Life of Denver 8/	8.9%	Aug-09	2,146
Southland Life Ins. Co.	8.8%	Aug-09	1,873
American United Life	9.0%	Jun-13	969
	<u>6.9%</u>		<u>\$ 721,115</u>
<b><u>Unsecured Bonds</u></b>			
Bonds	7.0%	Dec-06	\$ 110,000
Bonds	7.1%	Feb-08	100,000
Bonds	8.1%	Jan-09	50,000
Bonds	7.5%	Apr-18	200,000
	<u>7.4%</u>		<u>\$ 460,000</u>
<b><u>Unsecured Loans</u></b>			
Term Loan 2/	5.4%	Jul-06	\$ 100,000
Line of Credit 2/	5.4%	Jul-06	190,500
	<u>5.4%</u>		<u>\$ 290,500</u>
<b><u>Total Debt</u></b>	<u>6.7%</u>		<u>\$1,471,615</u>

- 1/ These two loans are secured by the same assets.  
2/ Floating rate loan based on one month libor and was paid off on 1/15/06.  
3/ Loan relates to a consolidated 20% owned joint venture property (Harborview).  
4/ Loan relates to a consolidated 50% owned joint venture property (Vinings).  
5/ Floating rate loan based on one month libor.  
6/ These two loans are secured by the same assets.  
7/ Floating rate loan based on ninety day libor.  
8/ Loan was paid off on 1/2/2006.

**Portfolio Summary - Wholly-Owned Properties Only 1/**

(Rentable Square Feet)

	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
<b>Office Industrial &amp; Retail</b>					
<b>In-Service:</b>					
Office 2/	21,412,000	21,432,000	23,849,000	24,254,000	24,628,000
Industrial	6,977,000	6,977,000	6,623,000	6,991,000	7,829,000
Retail 3/	1,416,000	1,417,000	1,417,000	1,409,000	1,409,000
Total	29,805,000	29,826,000	31,889,000	32,654,000	33,866,000
<b>Development Completed - Not Stabilized:</b>					
Office 2/	—	—	—	—	—
Industrial	—	—	353,000	353,000	353,000
Retail	9,600	9,600	9,600	—	—
Total	9,600	9,600	362,600	353,000	353,000
<b>Development - In Process:</b>					
Office 2/	533,000	780,000	710,000	358,000	358,000
Industrial	—	—	—	—	—
Retail	—	—	—	9,600	9,600
Total	533,000	780,000	710,000	367,600	367,600
<b>Total:</b>					
Office 2/	21,945,000	22,212,000	24,559,000	24,612,000	24,986,000
Industrial	6,977,000	6,977,000	6,976,000	7,344,000	8,182,000
Retail 3/	1,425,600	1,426,600	1,426,600	1,418,600	1,418,600
Total	30,347,600	30,615,600	32,961,600	33,374,600	34,586,600
<b>Same Property</b>					
Office 2/	20,825,000	20,825,000	20,825,000	20,825,000	20,825,000
Industrial	6,623,000	6,623,000	6,623,000	6,623,000	6,623,000
Retail	1,416,000	1,416,000	1,416,000	1,416,000	1,416,000
Total	28,864,000	28,864,000	28,864,000	28,864,000	28,864,000
<b>Percent Leased/Pre-Leased:</b>					
<b>In-Service:</b>					
Office	87.5%	85.0%	83.5%	82.3%	82.7%
Industrial	92.4%	86.2%	83.8%	86.8%	90.2%
Retail	97.5%	96.4%	96.0%	95.5%	97.3%
Total	89.1%	85.8%	84.1%	83.8%	85.0%
<b>Development Completed - Not Stabilized:</b>					
Office	—	—	—	—	—
Industrial	—	—	100.0%	100.0%	100.0%
Retail	87.0%	87.0%	87.0%	—	—
Total	87.0%	87.0%	100.0%	100.0%	100.0%
<b>Development - In Process:</b>					
Office	37.2%	57.1%	60.8%	100.0%	100.0%
Industrial	—	—	—	—	—
Retail	—	—	—	66.0%	44.0%
Total	37.2%	57.1%	60.8%	99.1%	98.5%
<b>Same Property</b>					
Office	87.3%	85.4%	84.9%	84.8%	84.9%
Industrial	92.0%	86.1%	83.8%	86.2%	88.7%
Retail	97.5%	96.5%	96.1%	95.1%	96.8%
Total	88.9%	86.1%	85.2%	85.6%	86.4%

1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66

2/ Substantially all of our Office properties are located in suburban markets

3/ Excludes 430,000 square feet of basement space in the Country Club Plaza and other Kansas City retail properties

## Portfolio Summary

(Continued)

As of December 31, 2005

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

Market	Rentable Square Feet	Occupancy	Percentage of Annualized Revenue 2/			
			Office	Industrial	Retail	Total
Raleigh /3	4,232,000	87.5%	15.6%	0.1%	—	15.7%
Atlanta	6,806,000	87.4%	11.7%	3.7%	—	15.4%
Kansas City	2,314,000 <sup>4/</sup>	92.2%	4.3%	—	9.6%	13.9%
Nashville	2,874,000	94.0%	12.9%	—	—	12.9%
Tampa	2,989,000	87.6%	12.4%	—	—	12.4%
Piedmont Triad /5	5,589,000	93.1%	6.9%	3.7%	—	10.6%
Richmond	1,955,000	94.4%	8.3%	—	—	8.3%
Memphis	1,197,000	88.8%	4.9%	—	—	4.9%
Greenville	1,105,000	73.0%	3.3%	0.1%	—	3.4%
Orlando	218,000	100.0%	1.2%	—	—	1.2%
Columbia	426,000	59.0%	1.0%	—	—	1.0%
Other	100,000	56.3%	0.3%	—	—	0.3%
<b>Total</b>	<b>29,805,000</b>	<b>89.1%</b>	<b>82.8%</b>	<b>7.6%</b>	<b>9.6%</b>	<b>100.0%</b>

### Summary by Location, Including Joint Venture Properties:

Market	Rentable Square Feet	Occupancy	Percentage of Annualized Revenue 2/ 6/				Total
			Office	Industrial	Retail	Multi-Family	
Piedmont Triad	5,953,000	93.5%	6.5%	3.3%	—	—	9.8%
Atlanta	7,641,000	88.1%	11.7%	3.3%	—	—	15.0%
Raleigh	4,687,000	88.7%	14.0%	0.1%	—	—	14.1%
Tampa	3,194,000	88.4%	11.2%	—	—	—	11.2%
Kansas City	3,027,000 <sup>4/</sup>	90.1%	4.8%	—	8.4%	—	13.2%
Richmond	2,368,000	95.3%	8.0%	—	—	—	8.0%
Nashville	2,874,000	94.0%	11.4%	—	—	—	11.4%
Orlando	1,903,000	93.3%	4.1%	—	—	—	4.1%
Des Moines	2,315,000	93.1%	3.5%	0.5%	0.1%	0.4%	4.5%
Greenville	1,105,000	73.0%	2.9%	0.1%	—	—	3.0%
Memphis	1,197,000	88.8%	4.3%	—	—	—	4.3%
Columbia	426,000	58.9%	0.9%	—	—	—	0.9%
Other	210,000	79.2%	0.4%	—	—	—	0.4%
Charlotte	148,000	100.0%	0.1%	—	—	—	0.1%
<b>Total</b>	<b>37,048,000</b>	<b>90.0%</b>	<b>83.8%</b>	<b>7.3%</b>	<b>8.5%</b>	<b>0.4%</b>	<b>100.0%</b>

1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66

2/ Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

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

4/ Excludes 430,000 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 Rental Revenue, see page 24

**Portfolio Summary - Wholly-Owned Properties Only 1/**  
(Continued)

As of December 31, 2005

Market	Office Properties			Industrial		
	Rentable Square Feet	Occupancy	Percentage	Rentable Square Feet	Occupancy	Percentage
			of Office Annualized Revenue 2/			of Industrial Annualized Revenue 2/
Raleigh	4,131,000	88.0%	18.7%	101,000	67.4%	1.7%
Nashville	2,874,000	94.0%	15.5%	—	—	—
Tampa	2,989,000	87.6%	15.0%	—	—	—
Atlanta	3,480,000	82.7%	14.2%	3,326,000	92.4%	48.4%
Richmond	1,955,000	94.4%	10.1%	—	—	—
Piedmont Triad	2,146,000	90.1%	8.3%	3,443,000	95.0%	48.6%
Memphis	1,197,000	88.8%	5.9%	—	—	—
Kansas City	894,000	83.7%	5.2%	4,000	100.0%	0.1%
Greenville	1,002,000	77.5%	4.0%	103,000	28.9%	1.2%
Orlando	218,000	100.0%	1.4%	—	—	—
Columbia	426,000	59.0%	1.3%	—	—	—
Other	100,000	56.3%	0.4%	—	—	—
	<u>21,412,000</u>	<u>87.5%</u>	<u>100.0%</u>	<u>6,977,000</u>	<u>92.4%</u>	<u>100.0%</u>

Market	Retail		
	Rentable Square Feet	Occupancy	Percentage of Retail Annualized Revenue 2/
Kansas City 3/	1,416,000	97.5%	100.0%
	<u>1,416,000</u>	<u>97.5%</u>	<u>100.0%</u>

- 1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66
- 2/ Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.
- 3/ Excludes 430,000 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	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
Atlanta	Rentable Square Feet	<b>6,806,000</b>	6,818,000	6,465,000	6,826,000	6,825,000
	Occupancy	<b>87.4%</b>	83.3%	81.9%	83.0%	83.7%
	Current Properties 2/3/	<b>86.5%</b>	83.6%	82.4%	82.9%	83.8%
Charlotte	Rentable Square Feet	—	—	1,492,000	1,492,000	1,492,000
	Occupancy	—	—	66.9%	67.7%	72.9%
	Current Properties 2/	—	—	—	—	—
Columbia	Rentable Square Feet	<b>426,000</b>	426,000	426,000	426,000	426,000
	Occupancy	<b>58.9%</b>	62.0%	61.6%	59.9%	60.4%
	Current Properties 2/	<b>58.9%</b>	62.0%	61.6%	59.9%	60.4%
Greenville	Rentable Square Feet	<b>1,105,000</b>	1,105,000	1,105,000	1,127,000	1,127,000
	Occupancy	<b>73.0%</b>	71.2%	75.5%	81.1%	80.5%
	Current Properties 2/	<b>73.0%</b>	71.2%	75.5%	82.7%	82.1%
Kansas City 4/	Rentable Square Feet	<b>2,314,000</b>	2,315,000	2,315,000	2,308,000	2,308,000
	Occupancy	<b>92.2%</b>	91.7%	91.4%	91.6%	94.1%
	Current Properties 2/	<b>92.2%</b>	91.8%	91.4%	91.4%	93.9%
Memphis	Rentable Square Feet	<b>1,197,000</b>	1,216,000	1,216,000	1,216,000	1,216,000
	Occupancy	<b>88.8%</b>	83.8%	82.3%	80.6%	83.2%
	Current Properties 2/	<b>88.8%</b>	83.8%	82.3%	80.6%	83.3%
Nashville	Rentable Square Feet	<b>2,874,000</b>	2,874,000	2,873,000	2,870,000	2,870,000
	Occupancy	<b>94.0%</b>	95.6%	95.1%	92.8%	93.3%
	Current Properties 2/	<b>94.0%</b>	95.6%	95.0%	92.7%	93.2%
Orlando	Rentable Square Feet	<b>218,000</b>	218,000	218,000	222,000	222,000
	Occupancy	<b>100.0%</b>	100.0%	96.8%	97.7%	93.2%
	Current Properties 2/	<b>100.0%</b>	100.0%	96.8%	99.5%	94.9%
Piedmont Triad	Rentable Square Feet	<b>5,589,000</b>	5,589,000	5,593,000	5,722,000	6,652,000
	Occupancy	<b>93.1%</b>	89.1%	88.3%	90.4%	92.5%
	Current Properties 2/	<b>93.1%</b>	89.1%	88.4%	91.0%	91.9%
Raleigh	Rentable Square Feet	<b>4,232,000</b>	4,358,000	4,432,000	4,432,000	4,597,000
	Occupancy	<b>87.5%</b>	85.5%	83.8%	83.3%	83.8%
	Current Properties 2/	<b>87.5%</b>	86.3%	84.5%	83.9%	84.0%
Richmond	Rentable Square Feet	<b>1,955,000</b>	1,955,000	1,841,000	1,836,000	1,835,000
	Occupancy	<b>94.4%</b>	93.1%	93.2%	95.1%	94.1%
	Current Properties 2/3/	<b>94.0%</b>	92.7%	93.2%	94.8%	93.7%
Tampa	Rentable Square Feet	<b>2,989,000</b>	2,851,000	3,813,000	4,077,000	4,196,000
	Occupancy	<b>87.6%</b>	76.7%	77.2%	70.5%	71.0%
	Current Properties 2/3/	<b>87.0%</b>	76.7%	73.3%	71.1%	72.4%
Total 5/	Rentable Square Feet	<b>29,705,000</b>	29,725,000	31,789,000	32,554,000	33,766,000
	Occupancy	<b>89.1%</b>	85.8%	84.1%	83.8%	85.0%
	Current Properties 2/3/	<b>88.8%</b>	86.0%	85.1%	85.4%	86.2%

1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66

2/ Only properties that were owned and in-service on December 31, 2005 are included for each quarter shown.

3/ Excludes properties placed in service in Q3 and Q4 of 2005

4/ Excludes 430,000 square feet of basement space in the Country Club Plaza and other Kansas City retail properties

5/ Excludes a 100,000 square foot building located in South Florida

**Leasing Statistics**  
**Office Portfolio 1/**

	Three Months Ended					
	12/31/05 2/	9/30/05 3/	6/30/05 4/	3/31/05 5/	12/31/04 6/	Average
Net Effective Rents Related to Re-Leased Space:						
Number of lease transactions (signed leases)	171	180	223	188	206	194
Rentable square footage leased	1,169,148	1,069,468	1,155,513	1,235,718	1,101,291	1,146,228
Square footage of Renewal Deals	890,582	826,512	785,827	677,799	726,959	781,536
Renewed square footage (% of total)	76.2%	77.3%	68.0%	54.9%	66.0%	68.2%
New Leases square footage (% of total)	23.8%	22.7%	32.0%	45.1%	34.0%	31.8%
Average per rentable square foot over the lease term:						
Base rent	\$ 17.37	\$ 17.71	\$ 17.31	\$ 16.20	\$ 17.40	\$ 17.20
Tenant improvements	(1.67)	(1.10)	(1.45)	(0.94)	(1.51)	(1.33)
Leasing commissions 7/	(0.66)	(0.57)	(0.60)	(0.66)	(0.62)	(0.62)
Rent concessions	(0.27)	(0.27)	(0.31)	(0.41)	(0.31)	(0.31)
Effective rent	14.77	15.77	14.95	14.19	14.96	14.94
Expense stop	(4.79)	(4.85)	(5.33)	(4.46)	(5.61)	(5.01)
Equivalent effective net rent	\$ 9.98	\$ 10.92	\$ 9.62	\$ 9.73	\$ 9.35	\$ 9.93
Average term in years	5.0	3.8	4.1	5.7	5.0	4.7
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$10,506,779	\$5,996,413	\$ 8,869,553	\$5,644,830	\$ 9,208,835	\$ 8,045,282
Rentable square feet	1,169,148	1,069,468	1,155,513	1,235,718	1,101,291	1,146,228
Per rentable square foot	\$ 8.99	\$ 5.61	\$ 7.68	\$ 4.57	\$ 8.36	\$ 7.02
Leasing Commissions:						
Total dollars committed under signed leases 7/	\$ 3,551,312	\$2,398,139	\$ 2,629,936	\$4,109,601	\$ 2,806,566	\$ 3,099,111
Rentable square feet	1,169,148	1,069,468	1,155,513	1,235,718	1,101,291	1,146,228
Per rentable square foot	\$ 3.04	\$ 2.24	\$ 2.28	\$ 3.33	\$ 2.55	\$ 2.70
Total:						
Total dollars committed under signed leases	\$14,058,091	\$8,394,552	\$11,499,489	\$9,754,431	\$12,015,401	\$11,144,393
Rentable square feet	1,169,148	1,069,468	1,155,513	1,235,718	1,101,291	1,146,228
Per rentable square foot	\$ 12.02	\$ 7.85	\$ 9.95	\$ 7.89	\$ 10.91	\$ 9.72

- 1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66
- 2/ Includes 171K square feet of leases that start in 2008 or later
- 3/ Includes 115K square feet of leases that start in 2008 or later
- 4/ Includes 68K square feet of leases that start in 2008 or later
- 5/ Includes 89K square feet of leases that start in 2008 or later
- 6/ Includes 111K square feet of leases that start in 2008 or later
- 7/ Excludes a full allocation of internal marketing cost



**Leasing Statistics**  
**Industrial Portfolio**

	Three Months Ended					
	12/31/05 1/	9/30/05 2/	6/30/05 3/	3/31/05	12/31/04	Average
Net Effective Rents Related to Re-Leased Space:						
Number of lease transactions (signed leases)	29	32	30	15	36	28
Rentable square footage leased	532,917	498,819	359,342	599,048	1,216,644	641,354
Square footage of Renewal Deals	274,174	349,405	224,203	579,069	875,445	460,459
Renewed square footage (% of total)	51.4%	70.0%	62.4%	96.7%	72.0%	71.8%
New Leases square footage (% of total)	48.6%	30.0%	37.6%	3.3%	28.0%	28.2%
Average per rentable square foot over the lease term:						
Base rent	\$ 4.14	\$ 4.19	\$ 5.16	\$ 3.39	\$ 3.49	\$ 4.07
Tenant improvements	(0.32)	(0.45)	(0.51)	(0.16)	(0.13)	(0.31)
Leasing commissions 4/	(0.14)	(0.06)	(0.12)	(0.06)	(0.06)	(0.09)
Rent concessions	(0.09)	(0.02)	(0.16)	(0.01)	(0.03)	(0.06)
Effective rent	3.59	3.66	4.37	3.16	3.27	3.61
Expense stop	(0.15)	(0.38)	(0.31)	(0.08)	(0.09)	(0.20)
Equivalent effective net rent	\$ 3.44	\$ 3.28	\$ 4.06	\$ 3.08	\$ 3.18	\$ 3.41
Average term in years	3.9	4.1	3.7	1.3	2.0	3.0
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$ 796,212	\$ 1,256,241	\$ 917,527	\$ 361,044	\$ 756,077	\$ 817,420
Rentable square feet	532,917	498,819	359,342	599,048	1,216,644	641,354
Per rentable square foot	\$ 1.49	\$ 2.52	\$ 2.55	\$ 0.60	\$ 0.62	\$ 1.27
Leasing Commissions:						
Total dollars committed under signed leases 4/	\$ 355,767	\$ 185,669	\$ 172,719	\$ 63,473	\$ 226,000	\$ 200,726
Rentable square feet	532,917	498,819	359,342	599,048	1,216,644	641,354
Per rentable square foot	\$ 0.67	\$ 0.37	\$ 0.48	\$ 0.11	\$ 0.19	\$ 0.31
Total:						
Total dollars committed under signed leases	\$1,151,979	\$1,441,910	\$1,090,246	\$424,517	\$ 982,077	\$1,018,146
Rentable square feet	532,917	498,819	359,342	599,048	1,216,644	641,354
Per rentable square foot	\$ 2.16	\$ 2.89	\$ 3.03	\$ 0.71	\$ 0.81	\$ 1.59

- 1/ Includes 12K square feet of leases that start in 2008 or later  
2/ Includes 113K square feet of leases that start in 2008 or later  
3/ Includes 4K square feet of leases that start in 2008 or later  
4/ Excludes a full allocation of internal marketing cost

## Leasing Statistics

### Retail Portfolio

	Three Months Ended					
	12/31/05	9/30/05	6/30/05 1/	3/31/05	12/31/04	Average
Net Effective Rents Related to Re-Leased Space:						
Number of lease transactions (signed leases)	9	7	10	4	23	11
Rentable square footage leased	19,320	10,721	39,723	10,993	106,629	37,477
Square footage of Renewal Deals	2,729	6,502	36,118	1,750	78,579	25,136
Renewed square footage (% of total)	14.1%	60.6%	90.9%	15.9%	73.7%	67.1%
New Leases square footage (% of total)	85.9%	39.4%	9.1%	84.1%	26.3%	32.9%
Average per rentable square foot over the lease term:						
Base rent	\$ 23.03	\$ 17.61	\$ 21.49	\$ 26.09	\$ 17.03	\$ 21.05
Tenant improvements	(1.33)	(1.21)	(1.64)	(2.65)	(1.73)	(1.71)
Leasing commissions 2/	(0.60)	(1.11)	(0.40)	(0.88)	(0.26)	(0.65)
Rent concessions	(0.35)	(0.08)	0.00	0.00	0.00	(0.09)
Effective rent	20.75	15.21	19.45	22.56	15.04	18.60
Expense stop	0.00	0.00	0.00	0.00	0.00	0.00
Equivalent effective net rent	\$ 20.75	\$ 15.21	\$ 19.45	\$ 22.56	\$ 15.04	\$ 18.60
Average term in years	6.1	4.3	8.7	9.3	8.3	7.3
Capital Expenditures Related to Re-leased Space:						
Tenant Improvements:						
Total dollars committed under signed leases	\$251,252	\$62,187	\$695,152	\$308,098	\$2,137,327	\$690,803
Rentable square feet	19,320	10,721	39,723	10,993	106,629	37,477
Per rentable square foot	\$ 13.00	\$ 5.80	\$ 17.50	\$ 28.03	\$ 20.04	\$ 18.43
Leasing Commissions:						
Total dollars committed under signed leases 2/	\$ 13,721	\$12,026	\$ 43,041	\$ 3,778	\$ 220,528	\$ 58,619
Rentable square feet	19,320	10,721	39,723	10,993	106,629	37,477
Per rentable square foot	\$ 0.71	\$ 1.12	\$ 1.08	\$ 0.34	\$ 2.07	\$ 1.56
Total:						
Total dollars committed under signed leases	\$264,973	\$74,213	\$738,193	\$311,876	\$2,357,855	\$749,422
Rentable square feet	19,320	10,721	39,723	10,993	106,629	37,477
Per rentable square foot	\$ 13.71	\$ 6.92	\$ 18.58	\$ 28.37	\$ 22.11	\$ 20.00

1/ Includes 16K square feet of leases that start in 2007 or later

2/ Excludes a full allocation of internal marketing cost

## Leasing Statistics by Market

For the Three Months ended December 31, 2005

### Office Portfolio 1/

Market	Rentable Square Feet	Average	GAAP Rental Rate	TI's Per SF	Lease Commissions Per SF 2/
	Leased	Term			
Tampa	246,928	5.0	\$17.44	\$10.32	\$ 3.51
Raleigh	210,231	4.0	16.52	7.98	1.81
Nashville	162,935	5.4	20.95	6.62	3.23
Atlanta	160,579	4.9	12.48	9.48	2.82
Richmond	150,998	6.7	17.61	11.74	3.21
Piedmont Triad	111,290	4.4	17.57	5.03	2.13
Greenville	40,789	4.7	15.13	10.61	3.66
Memphis	32,500	4.9	19.36	15.14	1.95
Other	18,286	4.8	17.77	15.40	6.18
Kansas City	17,198	4.0	22.38	3.55	5.56
Columbia	15,331	3.5	12.04	5.24	2.02
Orlando	2,083	5.0	23.99	0.00	2.00
	<b><u>1,169,148</u></b>	<b><u>5.0</u></b>	<b><u>\$17.10</u></b>	<b><u>\$ 8.99</u></b>	<b><u>\$ 3.04</u></b>

### Industrial Portfolio

Market	Rentable Square Feet	Average	GAAP Rental Rate	TI's Per SF	Lease Commissions Per SF 2/
	Leased	Term			
Atlanta	321,884	4.6	\$ 4.66	\$ 2.03	\$ 0.94
Piedmont Triad	205,993	2.7	3.00	0.51	0.17
Raleigh	5,040	3.3	8.09	7.60	1.08
	<b><u>532,917</u></b>	<b><u>3.9</u></b>	<b><u>\$ 4.05</u></b>	<b><u>\$ 1.49</u></b>	<b><u>\$ 0.67</u></b>

### Retail Portfolio

Market	Rentable Square Feet	Average	GAAP Rental Rate	TI's Per SF	Lease Commissions Per SF
	Leased	Term			
Kansas City	19,320	6.1	\$22.68	\$13.00	\$ 0.71
	<b><u>19,320</u></b>	<b><u>6.1</u></b>	<b><u>\$22.68</u></b>	<b><u>\$13.00</u></b>	<b><u>\$ 0.71</u></b>

1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66

2/ Total lease commissions per square foot excludes all internal charges from Leasing Departments, which are not allocated to individual leases.

## Rental Rate Comparisons by Market

For the Three Months ended December 31, 2005

### Office Portfolio 1/

	Rentable Square Feet	Current	Previous	Percentage
Market	Leased	Rent	Rent	Change Rent
Tampa	246,928	\$17.44	\$16.58	5.2%
Raleigh	210,231	16.52	18.69	-11.6%
Nashville	162,935	20.95	19.72	6.2%
Atlanta	160,579	12.48	14.01	-10.9%
Richmond	150,998	17.61	16.31	8.0%
Piedmont Triad	111,290	17.57	17.13	2.5%
Greenville	40,789	15.13	16.69	-9.4%
Memphis	32,500	19.36	19.33	0.2%
Other	18,286	17.77	12.54	41.7%
Kansas City	17,198	22.38	20.83	7.4%
Columbia	15,331	12.04	15.42	-21.9%
Orlando	2,083	23.99	22.30	7.6%
GAAP Rent Growth	<b>1,169,148</b>	<b>\$17.10</b>	<b>\$17.07</b>	<b>0.2%</b>
Cash Rent Growth	<b>1,169,148</b>	<b>\$16.61</b>	<b>\$18.08</b>	<b>-8.1%</b>

### Industrial Portfolio

	Rentable Square Feet	Current	Previous	Percentage
Market	Leased	Rent	Rent	Change Rent
Atlanta	321,884	\$ 4.66	\$ 5.37	-13.2%
Piedmont Triad	205,993	3.00	3.57	-15.9%
Raleigh	5,040	8.09	13.09	-38.2%
GAAP Rent Growth	<b>532,917</b>	<b>\$ 4.05</b>	<b>\$ 4.74</b>	<b>-14.5%</b>
Cash Rent Growth	<b>532,917</b>	<b>\$ 4.04</b>	<b>\$ 4.91</b>	<b>-17.7%</b>

### Retail Portfolio

	Rentable Square Feet	Current	Previous	Percentage
Market	Leased	Rent	Rent	Change Rent
Kansas City	19,320	\$22.68	\$20.37	11.3%
GAAP Rent Growth	<b>19,320</b>	<b>\$22.68</b>	<b>\$20.37</b>	<b>11.3%</b>
Cash Rent Growth	<b>19,320</b>	<b>\$21.32</b>	<b>\$20.14</b>	<b>5.8%</b>

1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66

**Lease Expirations**  
**December 31, 2005**

*Dollars in thousands*

Year	Rentable Square Feet Expiring	Percent of Rentable Square Feet	Annualized Revenue 1/	Average Rental Rate	Percent of Annualized Revenue 1/
<b>Office: 2/</b>					
2006 /3	2,938,849	15.7%	\$ 53,086	\$18.06	16.1%
2007	1,672,362	8.9%	30,805	18.42	9.3%
2008	2,986,977	16.0%	49,609	16.61	15.1%
2009	2,613,048	13.9%	47,625	18.23	14.4%
2010	2,327,241	12.4%	44,141	18.97	13.4%
2011	1,900,749	10.1%	33,556	17.65	10.2%
2012	1,198,203	6.4%	21,765	18.16	6.6%
2013	566,233	3.0%	10,097	17.83	3.1%
2014	451,009	2.4%	9,425	20.90	2.9%
2015	585,962	3.1%	11,559	19.73	3.5%
2016 and thereafter	1,513,556	8.1%	17,921	11.84	5.4%
	<b><u>18,754,189</u></b>	<b><u>100.0%</u></b>	<b><u>\$329,589</u></b>	<b><u>\$17.57</u></b>	<b><u>100.0%</u></b>
<b>Industrial:</b>					
2006 /4	1,772,916	27.6%	\$ 7,336	\$ 4.14	23.9%
2007	875,152	13.6%	5,197	5.94	16.8%
2008	995,306	15.4%	4,902	4.93	16.0%
2009	710,465	11.0%	4,235	5.96	13.8%
2010	541,555	8.4%	1,987	3.67	6.5%
2011	322,828	5.0%	1,249	3.87	4.1%
2012	225,536	3.5%	1,133	5.02	3.7%
2013	146,784	2.3%	750	5.11	2.4%
2014	206,731	3.2%	1,043	5.05	3.4%
2015	137,882	2.1%	673	4.88	2.2%
2016 and thereafter	511,330	7.9%	2,204	4.31	7.2%
	<b><u>6,446,485</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 30,709</u></b>	<b><u>\$ 4.76</u></b>	<b><u>100.0%</u></b>

1/ Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

2/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66

3/ Includes 170,000 square feet of leases that are on a month to month basis or 0.6% of total annualized revenue

4/ Includes 127,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue

Note: 2006 and beyond expirations that have been renewed are reflected above based on the renewal expiration date.

# Lease Expirations

December 31, 2005

(Continued)

Dollars in thousands

Year	Rentable Square Feet Expiring	Percent of Rentable Square Feet	Annualized Revenue 1/	Average Rental Rate	Percent of Annualized Revenue 1/
<b>Retail:</b>					
2006 2/	119,868	8.6%	\$ 2,591	\$21.62	6.8%
2007	75,617	5.4%	2,130	28.17	5.6%
2008	129,441	9.3%	3,744	28.92	9.8%
2009	177,913	12.8%	4,875	27.40	12.7%
2010	105,370	7.6%	3,575	33.93	9.3%
2011	57,974	4.2%	1,805	31.13	4.7%
2012	132,034	9.5%	3,904	29.57	10.2%
2013	109,674	7.9%	2,854	26.02	7.4%
2014	80,159	5.8%	1,453	18.13	3.8%
2015	134,858	9.7%	4,266	31.63	11.1%
2016 and thereafter	266,386	19.2%	7,155	26.86	18.6%
	<b><u>1,389,294</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 38,352</u></b>	<b><u>\$27.61</u></b>	<b><u>100.0%</u></b>
<b>Total:</b>					
2006 3/4/	4,831,633	18.1%	\$ 63,013	\$13.04	15.8%
2007	2,623,131	9.9%	38,132	14.54	9.7%
2008	4,111,724	15.4%	58,255	14.17	14.6%
2009	3,501,426	13.2%	56,735	16.20	14.2%
2010	2,974,166	11.2%	49,703	16.71	12.5%
2011	2,281,551	8.6%	36,610	16.05	9.2%
2012	1,555,773	5.9%	26,802	17.23	6.7%
2013	822,691	3.1%	13,701	16.65	3.4%
2014	737,899	2.8%	11,921	16.16	3.0%
2015	858,702	3.2%	16,498	19.21	4.1%
2016 and thereafter	2,291,272	8.6%	27,280	11.91	6.8%
	<b><u>26,589,968</u></b>	<b><u>100.0%</u></b>	<b><u>\$398,650</u></b>	<b><u>\$14.99</u></b>	<b><u>100.0%</u></b>

1/ Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

2/ Includes 4,000 square feet of leases that are on a month to month basis or 0.0% of total annualized revenue

3/ Includes 301,000 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 were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66

Note: 2006 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				Total
		3/31/06 2/	06/30/06	09/30/06	12/31/06	
Atlanta	RSF	290,763	72,746	166,772	34,490	564,771
	% of Total Office RSF	1.6%	0.4%	0.9%	0.2%	3.0%
	Annualized Revenue 3/	\$ 4,793	\$ 1,042	\$ 2,725	\$ 638	\$ 9,198
	% of Total Office Annl Rev	1.5%	0.3%	0.8%	0.2%	2.8%
Columbia	RSF	6,251	0	17,391	43,368	67,010
	% of Total Office RSF	0.0%	0.0%	0.1%	0.2%	0.4%
	Annualized Revenue 3/	\$ 122	\$ —	\$ 369	\$ 787	\$ 1,278
	% of Total Office Annl Rev	0.0%	0.0%	0.1%	0.2%	0.4%
Greenville	RSF	39,908	119,623	10,699	28,545	198,775
	% of Total Office RSF	0.2%	0.6%	0.1%	0.2%	1.1%
	Annualized Revenue 3/	\$ 739	\$ 2,248	\$ 221	\$ 535	\$ 3,743
	% of Total Office Annl Rev	0.2%	0.7%	0.1%	0.2%	1.1%
Kansas City	RSF	67,408	18,549	22,735	38,916	147,608
	% of Total Office RSF	0.4%	0.1%	0.1%	0.2%	0.8%
	Annualized Revenue 3/	\$ 1,334	\$ 373	\$ 497	\$ 820	\$ 3,024
	% of Total Office Annl Rev	0.4%	0.1%	0.2%	0.2%	0.9%
Memphis	RSF	31,532	25,086	16,128	5,590	78,336
	% of Total Office RSF	0.2%	0.1%	0.1%	0.0%	0.4%
	Annualized Revenue 3/	\$ 641	\$ 430	\$ 312	\$ 110	\$ 1,493
	% of Total Office Annl Rev	0.2%	0.1%	0.1%	0.0%	0.5%
Nashville	RSF	163,202	41,311	63,074	176,728	444,315
	% of Total Office RSF	0.9%	0.2%	0.3%	0.9%	2.4%
	Annualized Revenue 3/	\$ 3,073	\$ 843	\$ 1,341	\$ 3,523	\$ 8,780
	% of Total Office Annl Rev	0.9%	0.3%	0.4%	1.1%	2.7%
Orlando	RSF	0	0	0	6,465	6,465
	% of Total Office RSF	0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Revenue 3/	\$ —	\$ —	\$ —	\$ 180	\$ 180
	% of Total Office Annl Rev	0.0%	0.0%	0.0%	0.1%	0.1%
Piedmont Triad	RSF	92,815	33,871	57,095	35,187	218,968
	% of Total Office RSF	0.5%	0.2%	0.3%	0.2%	1.2%
	Annualized Revenue 3/	\$ 1,498	\$ 523	\$ 959	\$ 553	\$ 3,533
	% of Total Office Annl Rev	0.5%	0.2%	0.3%	0.2%	1.1%
Raleigh	RSF	305,579	65,439	263,692	54,281	688,991
	% of Total Office RSF	1.6%	0.3%	1.4%	0.3%	3.6%
	Annualized Revenue 3/	\$ 5,758	\$ 1,410	\$ 3,567	\$ 920	\$ 11,655
	% of Total Office Annl Rev	1.7%	0.4%	1.1%	0.3%	3.5%
Richmond	RSF	152,562	68,468	38,286	73,301	332,617
	% of Total Office RSF	0.8%	0.4%	0.2%	0.4%	1.8%
	Annualized Revenue 3/	\$ 2,459	\$ 1,244	\$ 979	\$ 1,434	\$ 6,116
	% of Total Office Annl Rev	0.7%	0.4%	0.3%	0.4%	1.9%
Tampa	RSF	37,768	76,033	8,978	67,119	189,898
	% of Total Office RSF	0.2%	0.4%	0.0%	0.4%	1.0%
	Annualized Revenue 3/	\$ 797	\$ 1,515	\$ 180	\$ 1,590	\$ 4,082
	% of Total Office Annl Rev	0.2%	0.5%	0.1%	0.5%	1.2%
Other	RSF	1,095	0	0	0	1,095
	% of Total Office RSF	0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Revenue 3/	\$ 5	\$ —	\$ —	\$ —	\$ 5
	% of Total Office Annl Rev	0.0%	0.0%	0.0%	0.0%	0.0%
Total	RSF	1,188,883	521,126	664,850	563,990	2,938,849
	% of Total Office RSF	6.3%	2.8%	3.5%	3.0%	15.6%
	Annualized Revenue 3/	\$ 21,219	\$ 9,628	\$ 11,150	\$ 11,090	\$ 53,087
	% of Total Office Annl Rev	6.4%	2.9%	3.4%	3.4%	16.1%

1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements

*under FAS 66*

- 2/ Includes 170,000 square feet of leases that are on a month to month basis or 0.6% of total annualized revenue*
- 3/ Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.*



## Industrial Lease Expirations by Market by Quarter

Dollars in thousands

		Three Months Ended				
		3/31/06 1/	06/30/06	09/30/06	12/31/06	Total
Atlanta	RSF	153,653	66,091	93,720	110,452	423,916
	% of Total Industrial RSF	2.4%	1.0%	1.5%	1.7%	6.6%
	Annualized Revenue 2/	\$ 611	\$ 348	\$ 444	\$ 770	\$ 2,173
	% of Total Industrial Annl Rev	2.0%	1.1%	1.4%	2.5%	7.1%
Greenville	RSF	16,081	0	0	0	16,081
	% of Total Industrial RSF	0.2%	0.0%	0.0%	0.0%	0.2%
	Annualized Revenue 2/	\$ 206	\$ —	\$ —	\$ —	\$ 206
	% of Total Industrial Annl Rev	0.7%	0.0%	0.0%	0.0%	0.7%
Kansas City	RSF	2,018	0	0	0	2,018
	% of Total Industrial RSF	0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Revenue 2/	\$ 17	\$ —	\$ —	\$ —	\$ 17
	% of Total Industrial Annl Rev	0.1%	0.0%	0.0%	0.0%	0.1%
Piedmont Triad	RSF	680,379	319,924	267,068	53,982	1,321,353
	% of Total Industrial RSF	10.6%	5.0%	4.1%	0.8%	20.5%
	Annualized Revenue 2/	\$ 2,368	\$ 901	\$ 1,246	\$ 333	\$ 4,848
	% of Total Industrial Annl Rev	7.7%	2.9%	4.1%	1.1%	15.8%
Raleigh	RSF	9,548	0	0	0	9,548
	% of Total Industrial RSF	0.1%	0.0%	0.0%	0.0%	0.1%
	Annualized Revenue 2/	\$ 93	\$ —	\$ —	\$ —	\$ 93
	% of Total Industrial Annl Rev	0.3%	0.0%	0.0%	0.0%	0.3%
Total	RSF	861,679	386,015	360,788	164,434	1,772,916
	% of Total Industrial RSF	13.4%	6.0%	5.6%	2.6%	27.5%
	Annualized Revenue 2/	\$ 3,295	\$ 1,249	\$ 1,690	\$ 1,103	\$ 7,337
	% of Total Industrial Annl Rev	10.8%	4.1%	5.5%	3.6%	23.9%

1/ Includes 127,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue

2/ Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

# Office Lease Expirations by Market by Year 1/

Dollars in thousands

		2006 2/	2007	2008	2009	Thereafter
Atlanta	RSF	564,771	209,185	568,670	351,030	1,191,410
	% of Total Office RSF	3.0%	1.1%	3.0%	1.9%	6.4%
	Annualized Revenue 3/	\$ 9,198	\$ 3,034	\$ 8,902	\$ 5,725	\$ 19,880
	% of Total Office Annl Rev	2.8%	0.9%	2.7%	1.7%	6.0%
Columbia	RSF	67,010	61,766	63,170	13,869	45,148
	% of Total Office RSF	0.4%	0.3%	0.3%	0.1%	0.2%
	Annualized Revenue 3/	\$ 1,279	\$ 1,096	\$ 1,106	\$ 184	\$ 499
	% of Total Office Annl Rev	0.4%	0.3%	0.3%	0.1%	0.2%
Greenville	RSF	198,775	10,050	99,410	34,937	433,488
	% of Total Office RSF	1.1%	0.1%	0.5%	0.2%	2.3%
	Annualized Revenue 3/	\$ 3,743	\$ 190	\$ 1,824	\$ 555	\$ 6,822
	% of Total Office Annl Rev	1.1%	0.1%	0.6%	0.2%	2.1%
Kansas City	RSF	147,608	95,938	80,316	71,522	352,862
	% of Total Office RSF	0.8%	0.5%	0.4%	0.4%	1.9%
	Annualized Revenue 3/	\$ 3,023	\$ 1,997	\$ 1,635	\$ 1,436	\$ 8,918
	% of Total Office Annl Rev	0.9%	0.6%	0.5%	0.4%	2.7%
Memphis	RSF	78,336	112,319	183,608	209,967	478,558
	% of Total Office RSF	0.4%	0.6%	1.0%	1.1%	2.6%
	Annualized Revenue 3/	\$ 1,493	\$ 2,157	\$ 3,762	\$ 3,821	\$ 8,284
	% of Total Office Annl Rev	0.5%	0.7%	1.1%	1.2%	2.5%
Nashville	RSF	444,315	202,799	244,016	654,942	1,155,356
	% of Total Office RSF	2.4%	1.1%	1.3%	3.5%	6.2%
	Annualized Revenue 3/	\$ 8,780	\$ 3,904	\$ 4,798	\$ 12,086	\$ 21,704
	% of Total Office Annl Rev	2.7%	1.2%	1.5%	3.7%	6.6%
Orlando	RSF	6,465	21,694	7,157	6,788	175,828
	% of Total Office RSF	0.0%	0.1%	0.0%	0.0%	0.9%
	Annualized Revenue 3/	\$ 180	\$ 447	\$ 152	\$ 149	\$ 3,731
	% of Total Office Annl Rev	0.1%	0.1%	0.0%	0.0%	1.1%
Piedmont Triad	RSF	218,968	208,500	676,560	93,525	758,302
	% of Total Office RSF	1.2%	1.1%	3.6%	0.5%	4.0%
	Annualized Revenue 3/	\$ 3,532	\$ 3,209	\$ 8,507	\$ 1,372	\$ 10,754
	% of Total Office Annl Rev	1.1%	1.0%	2.6%	0.4%	3.3%
Raleigh	RSF	688,991	403,270	539,721	446,840	1,557,687
	% of Total Office RSF	3.7%	2.2%	2.9%	2.4%	8.3%
	Annualized Revenue 3/	\$ 11,654	\$ 7,794	\$ 8,987	\$ 8,306	\$ 25,105
	% of Total Office Annl Rev	3.5%	2.4%	2.7%	2.5%	7.6%
Richmond	RSF	332,617	154,532	265,957	173,328	918,205
	% of Total Office RSF	1.8%	0.8%	1.4%	0.9%	4.9%
	Annualized Revenue 3/	\$ 6,116	\$ 2,780	\$ 5,031	\$ 3,028	\$ 16,308
	% of Total Office Annl Rev	1.9%	0.8%	1.5%	0.9%	4.9%
Tampa	RSF	189,898	178,472	238,943	556,300	1,455,628
	% of Total Office RSF	1.0%	1.0%	1.3%	3.0%	7.8%
	Annualized Revenue 3/	\$ 4,081	\$ 3,843	\$ 4,386	\$ 10,962	\$ 26,002
	% of Total Office Annl Rev	1.2%	1.2%	1.3%	3.3%	7.9%
Other	RSF	1,095	13,837	19,449	0	20,481
	% of Total Office RSF	0.0%	0.1%	0.1%	0.0%	0.1%
	Annualized Revenue 3/	\$ 5	\$ 355	\$ 519	\$ —	\$ 454
	% of Total Office Annl Rev	0.0%	0.1%	0.2%	0.0%	0.1%
Total	RSF	2,938,849	1,672,362	2,986,977	2,613,048	8,542,953
	% of Total Office RSF	15.7%	8.9%	15.9%	13.9%	45.6%
	Annualized Revenue 3/	\$ 53,084	\$ 30,806	\$ 49,609	\$ 47,624	\$ 148,461
	% of Total Office Annl Rev	16.1%	9.3%	15.1%	14.4%	45.0%

1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66

- 2/ *Includes 170,000 square feet of leases that are on a month to month basis or 0.6% of total annualized revenue*
- 3/ *Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.*

## Industrial Lease Expirations by Market by Year

*Dollars in thousands*

		2006 1/	2007	2008	2009	Thereafter
Atlanta	RSF	423,916	408,012	532,398	336,676	1,372,590
	% of Total Industrial RSF	6.6%	6.3%	8.3%	5.2%	21.3%
	Annualized Revenue 2/	\$ 2,173	\$ 2,145	\$ 2,775	\$ 1,976	\$ 5,807
	% of Total Industrial Annl Rev	7.1%	7.0%	9.0%	6.4%	18.9%
Greenville	RSF	16,081	0	5,350	0	8,470
	% of Total Industrial RSF	0.2%	0.0%	0.1%	0.0%	0.1%
	Annualized Revenue 2/	\$ 206	\$ —	\$ 59	\$ —	\$ 91
	% of Total Industrial Annl Rev	0.7%	0.0%	0.2%	0.0%	0.3%
Kansas City	RSF	2,018	0	0	1,756	0
	% of Total Industrial RSF	0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Revenue 2/	\$ 17	\$ —	\$ —	\$ 19	\$ —
	% of Total Industrial Annl Rev	0.1%	0.0%	0.0%	0.1%	0.0%
Piedmont Triad	RSF	1,321,353	463,590	442,370	344,107	699,650
	% of Total Industrial RSF	20.5%	7.2%	6.9%	5.3%	10.9%
	Annualized Revenue 2/	\$ 4,848	\$ 3,016	\$ 1,902	\$ 2,066	\$ 3,088
	% of Total Industrial Annl Rev	15.8%	9.8%	6.2%	6.7%	10.1%
Raleigh	RSF	9,548	3,550	15,188	27,926	11,936
	% of Total Industrial RSF	0.1%	0.1%	0.2%	0.4%	0.2%
	Annualized Revenue 2/	\$ 93	\$ 37	\$ 166	\$ 173	\$ 53
	% of Total Industrial Annl Rev	0.3%	0.1%	0.5%	0.6%	0.2%
Total	RSF	1,772,916	875,152	995,306	710,465	2,092,646
	% of Total Industrial RSF	27.5%	13.6%	15.4%	11.0%	32.5%
	Annualized Revenue 2/	\$ 7,337	\$ 5,198	\$ 4,902	\$ 4,234	\$ 9,039
	% of Total Industrial Annl Rev	23.9%	16.9%	16.0%	13.8%	29.4%

1/ Includes 127,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue

2/ Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

# Customer Diversification 1/

December 31, 2005

Dollars in thousands

## Top 20 Customers

Customer	RSF	Annualized Revenue 2/	Percent of Annualized Revenue 2/	Average Remaining Lease Term in Years
Federal Government	1,526,045	\$ 22,519	5.65%	8.4
AT&T	537,529	10,280	2.58%	3.1
Price Waterhouse Coopers	297,795	7,609	1.91%	4.3
State Of Georgia	356,175	6,882	1.73%	3.8
T-Mobile USA	205,855	4,676	1.17%	8.1
US Airways	293,007	3,971	1.00%	2.0
IBM	188,763	3,768	0.95%	0.3
Volvo	278,940	3,752	0.94%	3.5
Lockton Companies	145,651	3,701	0.93%	9.2
Northern Telecom	246,000	3,651	0.92%	2.2
SCI Services, Inc.	162,784	3,450	0.87%	11.6
BB&T	227,757	3,127	0.78%	6.2
CHS Professional Services	170,524	3,080	0.77%	1.1
Metropolitan Life Insurance	174,944	2,659	0.67%	6.8
MCI	127,915	2,487	0.62%	1.4
Jacobs Engineering Group, Inc.	164,417	2,269	0.57%	10.4
Lifepoint Corporate Services	120,112	2,224	0.56%	5.6
Icon Clinical Research	99,163	2,153	0.54%	6.4
Vanderbilt University	108,622	2,090	0.52%	9.8
The Martin Agency	118,518	2,018	0.51%	11.3
	<u>5,550,516</u>	<u>\$ 96,366</u>	<u>24.19%</u>	<u>5.8</u>

## By Industry

Category	Percent of Annualized Revenue 2/
Professional, Scientific, and Technical Services	21.1%
Insurance	9.7%
Finance/Banking	8.6%
Government/Public Administration	8.2%
Retail Trade	8.1%
Manufacturing	7.8%
Telecommunication	7.3%
Health Care and Social Assistance	6.2%
Wholesale Trade	5.7%
Real Estate Rental and Leasing	3.6%
Transportation and Warehousing	3.3%
Administrative and Support Services	2.9%
Accommodation and Food Services	2.7%
Other Services (except Public Administration)	2.4%
Information	1.6%
Educational Services	0.8%
	<u>100.0%</u>

1/ Excludes properties recorded on our Balance Sheet that were sold but accounted for as Financings or Profit Sharing arrangements under FAS 66

2/ Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

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## Acquisition Activity

*Dollars in thousands*

<u>Name</u>	<u>Market</u>	<u>Type</u>	<u>Date Acquired</u>	<u>Square Footage</u>	<u>Total Cost</u>
<b>First quarter 2005:</b>					
None					
<b>Second quarter 2005:</b>					
None					
<b>Third quarter 2005:</b>					
None					
<b>Fourth quarter 2005:</b>					
None					

## Disposition Activity

*Dollars in thousands*

						Gross Sales
Name	Market	Type 1/	Date Sold	Square Footage	Occupancy	Price
First quarter 2005:						
Northside	Tampa	O	02/24/05	85,700	93.5%	\$ 9,000
531 Northridge Warehouse	Piedmont Triad	I	02/28/05	598,100	100.0%	
531 Northridge Office	Piedmont Triad	O	02/28/05	91,800	100.0%	
				689,900	100.0%	18,656
3928 Westpoint Boulevard	Piedmont Triad	I	02/28/05	240,000	100.0%	6,225
4300 Six Forks Road	Raleigh	O	03/31/05	163,300	98.0%	27,318
First quarter totals				1,178,900	99.3%	61,199
Second quarter 2005:						
2599 Empire Drive	Piedmont Triad	I	04/15/05	89,600	100.0%	2,150
Highwoods Preserve II	Tampa	O	06/30/05	32,600	0.0%	
Highwoods Preserve IV	Tampa	O	06/30/05	207,100	0.0%	
				239,700	0.0%	24,500
Kennestone Corporate Center	Atlanta	O	06/30/05	82,600	73.3%	
Chattahoochee Avenue	Atlanta	I	06/30/05	62,100	90.1%	
LaVista Business Park	Atlanta	I	06/30/05	216,300	94.5%	
				361,000	88.8%	13,250
Second quarter totals				690,300	59.4%	39,900
Third quarter 2005:						
Charlotte/Sabal	Charlotte/Tampa	O	07/22/05	2,432,900	75.3%	228,0002/
Ironwood/Leatherwood	Raleigh	O	08/29/05	75,200	86.4%	6,500
Third quarter totals				2,508,100	75.6%	234,500
Fourth quarter 2005:						
Creekstone Crossings	Raleigh	O	10/03/05	59,400	63.7%	5,000
Hickory Hill Medical Plaza	Memphis	O	10/07/05	18,100	82.9%	1,025
Hawthorn	Raleigh	O	12/15/05	64,000	57.3%	5,571
Cosmopolitan North	Atlanta	O	12/22/05	121,900	51.7%	8,967
Fourth quarter totals				263,400	57.9%	20,563
2005 totals				4,640,700	78.2%	\$356,162

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

2/ Includes \$6.8 million related to vacant land

## Development Activity

Dollars in thousands

Property	Market	Type 1/	Rentable Square Feet	Anticipated Total Investment	Investment @ 12/31/05	Pre- Leasing	Estimated Completion Date	Estimated Stabilization Date
<b>In - Process</b>								
<b>Office:</b>								
ThyssenKrupp	Memphis	O	78,000	\$ 8,800	\$ 1,412	100%	1Q 07	1Q 07
Cool Springs III	Nashville	O	153,000	20,050	6,573	0%	2Q 06	4Q 07
Glenlake Four	Raleigh	O	158,000	26,889	6,530	46%	3Q 06	1Q 08
Stony Point IV	Richmond	O	104,000	13,125	1,422	46%	4Q 06	4Q 07
3330 Healy Rd 2/	Piedmont Triad	O	40,000	3,600	3,001	0%	4Q 06	2Q 07
Total or Weighted Average			<u>533,000</u>	<u>\$ 72,464</u>	<u>\$ 18,938</u>	<u>37%</u>		
<b>Completed Not Stabilized 3/</b>								
<b>Retail 4/:</b>								
Griffith Road/Boutique Shops	Piedmont Triad	R	9,600	\$ 2,634	\$ 2,480	87%	2Q05	2Q06
Total or Weighted Average			<u>9,600</u>	<u>\$ 2,634</u>	<u>\$ 2,480</u>	<u>87%</u>		
Grand Total or Weighted Average			<u>542,600</u>	<u>\$ 75,098</u>	<u>\$ 21,418</u>	<u>38%</u>		

### Placed In Service

Property	Market	Type 1/	In-Service Date	Rentable Square Feet	Investment @ 12/31/05	Occ %	Leasing %
National Archives Record Administration	Atlanta	I	9/1/2005	354,000	\$ 19,114	100%	100%
Saxon	Richmond	O	7/1/2005	112,000	16,371	100%	100%
FBI	Tampa	O	12/1/2005	138,000	25,595	100%	100%
Center for Disease Control	Atlanta	O	12/1/2005	109,000	20,900	100%	100%
Total or Weighted Average				<u>713,000</u>	<u>\$ 81,980</u>	<u>100%</u>	<u>100%</u>

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

2/ Redevelopment property

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

4/ Excludes a vacant building in Kansas City acquired in the first quarter for \$4.1 million for potential future retail development or sale to a retail user.



**Development Land**  
**December 31, 2005**

*Dollars in thousands*

Market	Usable Acres	Total Estimated Market Value
<b>On Balance Sheet:</b>		
Research Triangle	260	\$ 55,347
Atlanta	226	42,062
Piedmont Triad	96	20,713
Richmond	57	15,834
Kansas City 1/	44	21,090
Baltimore	44	12,566
Charlotte	41	9,000
Nashville	39	12,486
Tampa	31	14,879
Orlando	25	14,270
Memphis	21	5,100
Greenville	12	1,800
Columbia	2	276
<b>Total 2/</b>	<b>898</b>	<b>\$ 225,423</b>

1/ Includes 27 acres of residential land

2/ Developable square footage on core land holdings is approximately 5.3 million of office space and 1.8 million of industrial space

## Joint Ventures Portfolio Summary

As of December 31, 2005

### Summary by Location:

Market	Rentable Square Feet 1/	Occupancy 2/	Percentage of Annualized Revenue - Highwoods' Share Only 3/				Total
			Office	Industrial	Retail	Multi-Family	
Des Moines	2,315,000	93.1%	30.1%	4.3%	1.0%	3.1%	38.5%
Orlando	1,685,000	92.4%	26.0%	—	—	—	26.0%
Atlanta	835,000	93.1%	11.1%	—	—	—	11.1%
Kansas City	713,000	83.5%	8.6%	—	—	—	8.6%
Richmond	413,000	100.0%	5.0%	—	—	—	5.0%
Piedmont Triad	364,000	100.0%	3.9%	—	—	—	3.9%
Raleigh	455,000	99.6%	3.6%	—	—	—	3.6%
Tampa	205,000	100.0%	2.0%	—	—	—	2.0%
Charlotte	148,000	100.0%	0.8%	—	—	—	0.8%
Other	110,000	100.0%	0.5%	—	—	—	0.5%
<b>Total</b>	<b>7,243,000</b>	<b>93.6%</b>	<b>91.6%</b>	<b>4.3%</b>	<b>1.0%</b>	<b>3.1%</b>	<b>100.0%</b>

1/ Excludes Des Moines' apartment units

2/ Excludes Des Moines' apartment occupancy percentage of 92.8%

3/ Annualized Rental Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

**Joint Ventures Lease Expirations  
December 31, 2005**

*Dollars in thousands*

Year	Rentable Square Feet Expiring	Percent of Rentable Square Feet	Annualized Revenue 1/	Average Rental Rate	Percent of Annualized Revenue 1/
<b>Total</b>					
2006	705,215	10.3%	\$ 13,354	\$18.94	10.4%
2007	396,081	5.8%	8,104	20.46	6.3%
2008	1,371,531	20.0%	22,742	16.58	17.7%
2009	819,959	11.9%	15,867	19.35	12.4%
2010	689,599	10.0%	11,667	16.92	9.1%
2011	682,500	9.9%	11,621	17.03	9.0%
2012	423,183	6.2%	9,020	21.31	7.0%
2013	722,942	10.5%	15,680	21.69	12.2%
2014	386,249	5.6%	8,463	21.91	6.6%
2015	507,046	7.4%	7,826	15.43	6.1%
2016 and thereafter	167,107	2.4%	4,084	24.44	3.2%
	<b><u>6,871,412</u></b>	<b><u>100.0%</u></b>	<b><u>\$128,428</u></b>	<b><u>\$18.69</u></b>	<b><u>100.0%</u></b>

1/ Annualized Revenue is December, 2005 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

## Joint Ventures Development

*Dollars in thousands*

Property	% Ownership	Market	Rentable Square Feet	Anticipated Total Investment	Investment @ 12/31/05	Pre- Leasing	Estimated Completion Date	Estimated Stabilization Date
Sonoma	50%	Des Moines	75,000	\$ 9,364	\$ 8,621	65%	2Q 05	2Q 06
The Vinings at University Center 2/ 3/	50%	Charlotte	156 units	11,300	9,324	0%	1Q 06	3Q 06
Weston Lakeside 3/	50%	Raleigh	332 units	33,200	6,795	0%	1Q 07	1Q 08
Total or Weighted Average 4/			75,000	\$ 53,864	\$ 24,740	65%		
Highwoods' Share of the above				\$ 26,932	\$ 12,370			

### Placed In Service 5/

Property	Market	Type 1/	In-Service Date	Rentable Square Feet	Investment @ 12/31/05	Occ %	Leasing %
Plaza Colonade, LLC 1/	Kansas City	O	9/1/2005	285,000	\$ 71,308	77%	77%
Summit	Des Moines	O	9/1/2005	35,000	3,442	75%	90%
Pinehurst	Des Moines	O	9/1/2005	35,000	3,783	98%	98%
				355,000	\$ 78,533	79%	80%

1/ Includes \$16.2 million in investment cost that has been funded by tax increment financing

2/ The Vinings at University Center is currently a fifty percent owned joint venture consolidated under the provisions of FIN 46.

3/ Estimated Completion Date is the date the last unit is expected to be delivered

4/ Pre-leasing percentage does not include multi-family

5/ In-service date represents date property is added to statistics for leasable space and occupancy, but does not necessarily represent date that leasing revenues commence at the property