



Supplemental Operating and Financial Information
December 31, 2002

Supplemental Information
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The information within refers to all Highwoods Properties' consolidated entities, except pages 30 to 35 unless noted otherwise.

Certain matters discussed in this press release, 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.

Summary

Dollars in thousands, except per share amounts

	Three Months Ended		
	12/31/02	12/31/01	Change F/(U)
Operations			
Revenue from continuing operations	\$ 112,354	\$ 116,241	\$ (3,887)
Rental Property Expense from continuing operations	35,972	39,123	3,151
Net Operating Income from continuing operations	<u>\$ 76,382</u>	<u>\$ 77,118</u>	<u>\$ (736)</u>
Revenue from discontinued operations	\$ 6,535	\$ 10,000	\$ (3,465)
Property Expense from discontinued operations	1,788	2,852	1,064
Net Operating Income from discontinued operations	<u>\$ 4,747</u>	<u>\$ 7,148</u>	<u>\$ (2,401)</u>
Interest and other income	\$ 4,797	\$ 4,105	\$ 692
Equity in earnings of unconsolidated affiliates	1,765	3,245	(1,480)
General and administrative	6,026	5,953	(73)
G&A as a % of Revenue and Other Income	4.8%	4.5%	-0.3%
EBITDA	<u>\$ 81,665</u>	<u>\$ 85,663</u>	<u>\$ (3,998)</u>
Interest Expense from continuing operations	\$ 30,117	\$ 25,452	(4,665)
Interest Expense from discontinued operations	429	430	1
EBITDA/Interest Expense	2.67	3.31	(0.64)
EBITDA/Interest Expense + Preferred Dividends	2.13	2.55	(0.42)
Net Income	\$ 30,119	\$ 22,684	\$ 7,435
Funds from Operation.	46,347	58,461	(12,114)
Cash available for distribution	31,731	42,510	(10,779)
Per Share - Diluted:			
Net Income	\$ 0.42	\$ 0.29	\$ 0.13
Funds from operations	0.77	0.96	(0.19)
Cash available for distribution	0.53	0.70	(0.17)
Dividends paid	0.585	0.585	-
Dividends paid as % of Funds from operations	76.0%	60.8%	-15.2%
Dividends paid as % of cash available for distribution	110.4%	83.6%	-26.8%
Capitalization			
Total Assets	\$ 3,395,369	\$ 3,648,286	\$ (252,917)
Market Capitalization:	3,240,453	3,661,330	(420,878)
Total Debt	1,528,720	1,719,230	190,510
Market Value of Common Equity	1,711,733	1,942,100	(230,368)
Total Market Capitalization	<u>3,240,453</u>	<u>3,661,330</u>	<u>(420,878)</u>
Total Debt/Total Assets	45.0%	47.1%	2.1%
Portfolio			
Total Square Footage	37,112,000	37,221,000	(109,000)
Occupancy	84.0%	91.9%	-7.9%
Same Property NOI	\$ 69,238	\$ 75,007	\$ (5,769)

Corporate Information

Board of Directors

Thomas W. Adler
Gene H. Anderson
Kay N. Callison
Edward J. Fritsch
Ronald P. Gibson
William E. Graham Jr.
Lawrence S. Kaplan
L. Glenn Orr Jr.
O. Temple Sloan Jr., Chairman
Willard H. Smith Jr.
John L. Turner
F. William Vandiver, Jr.

Senior Management Team

Ronald P. Gibson
President, Chief Executive Officer and Director

Edward J. Fritsch
Executive Vice President, Chief Operating
Officer, Director and Secretary

Gene H. Anderson
Senior Vice President and Director

Michael F. Beale
Senior Vice President

Michael E. Harris
Senior Vice President

Carman J. Liuzzo
Vice President, Chief Financial Officer
and Treasurer

Mack D. Pridgen III
Vice President, General Counsel and
Assistant Secretary

Research Coverage

Banc of America Securities
Lee Schalop - 212-847-5677

Davenport & Company, LLC
Rob Norfleet - 804-780-2170

Deutsche Banc Alex. Brown
Lou Taylor - 212-469-4912

Green Street Advisors
John Lutzius - 949-640-8780

Legg Mason
David Fick - 410-454-5018

McDonald Investments, Inc.
Anatole Pevnev - 216-263-4783

Morgan Stanley Dean Witter
Gregory Whyte - 212-761-6331

Prudential Securities
Jim Sullivan - 212-778-2515

The Penobscot Group, Inc.
Fred Carr, Jr. - 617-723-9600

Salomon Smith Barney, Inc.
Jonathan Litt - 212-816-0231

UBS Warburg
Keith Mills - 212-713-3098

Wachovia Securities
Chris Haley - 443-263-6773

Corporate Information

Divisional Offices

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

Research Triangle/Richmond

Research Triangle, NC

Edward J. Fritsch, Executive Vice President

Richmond, VA

Paul W. Kreckman, Vice President

Kansas City/Charlotte/Memphis/

Nashville

Michael E. Harris - Regional Manager

Kansas City, MO

Barrett Brady, Senior Vice President

Charlotte, NC

Thomas F. Cochran, Senior Vice President

Memphis, TN

Michael E. Harris, Senior Vice President

Nashville, TN

W. Brian Reames, 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

Sr. Director, Investor Relations

Phone: 919-431-1529

Fax: 919-876-6929

E-mail: 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

Investor Relations Coordinator at:

Phone: 919-875-6717 or 800-256-2963

Email: HIW-IR@highwoods.com

The Company

Highwoods Properties, Inc. 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, the company owns or has an interest in 571 office, industrial, and retail properties encompassing approximately 44.9 million square feet.

Highwoods also owns over 1,300 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, North Carolina, South Carolina, Tennessee and Virginia.

For more information about Highwoods Properties, please visit our

Web site at www.highwoods.com.



Consolidated Statements of Operations

Dollars in thousands, except per share amounts

	<i>Year Ended</i>		<i>Three Months Ended</i>				
	<u>12/31/02</u>	<u>12/31/01</u>	<u>12/31/02</u>	<u>09/30/02</u>	<u>06/30/02</u>	<u>03/31/02</u>	<u>12/31/01</u>
Rental Revenue	\$ 454,220	\$ 469,276	\$ 112,354	\$ 114,260	\$ 111,183	\$ 116,423	\$ 116,241
Operating expenses:							
Rental property	143,414	144,685	35,972	36,446	34,870	36,126	39,123
Depreciation and amortization	126,638	113,468	36,584	30,926	29,732	29,396	31,304
Interest expense:							
Contractual	109,134	104,777	29,751	27,092	26,687	25,604	25,111
Amortization of deferred financing costs	1,393	2,005	366	347	341	339	341
	110,527	106,782	30,117	27,439	27,028	25,943	25,452
General and administrative includes \$3,700 of nonrecurring compensation expense in the year ended 12/31/02 and the three months ended 9/30/02	24,576	21,390	6,026	7,847	5,533	5,170	5,953
Litigation reserve	2,700	-	-	2,700	-	-	-
Total operating expense	407,855	386,325	108,699	105,358	97,163	96,635	101,832
Other Income							
Interest and other income	13,650	24,491	4,797	2,809	2,699	3,345	4,105
Equity in earnings of unconsolidated affiliates	8,063	8,911	1,765	1,259	2,475	2,564	3,245
	21,713	33,402	6,562	4,068	5,174	5,909	7,350
Income before gain/(loss) on disposition of land and depreciable assets, minority interest, discontinued operations and extraordinary item	68,078	116,353	10,217	12,970	19,194	25,697	21,759
Gain on disposition of land	6,894	4,702	396	741	5,989	(232)	3,677
Gain/(loss) on disposition of depreciable assets	5,353	11,470	(197)	2,862	1,512	1,176	(3,603)
Income before minority interest, discontinued operations and extraordinary item	80,325	132,525	10,416	16,573	26,695	26,641	21,833
Minority interest	(9,653)	(16,683)	(1,193)	(2,042)	(3,174)	(3,244)	(3,188)
Income from continuing operations	70,672	115,842	9,223	14,531	23,521	23,397	18,645
Discontinued operations							
Income from discontinued operations, net of minority int	12,312	16,083	2,542	3,064	3,068	3,638	4,235
Gain on sale of discontinued operations, net of minority int	16,957	-	18,354	(3,283)	1,886	-	-
	29,269	16,083	20,896	(219)	4,954	3,638	4,235
Net Income before extraordinary item	99,941	131,925	30,119	14,312	28,475	27,035	22,880
Extraordinary item - loss							
on early extinguishment of debt	(378)	(714)	-	(378)	-	-	(196)
Net income	99,563	131,211	30,119	13,934	28,475	27,035	22,684
Dividends on preferred stock	(30,852)	(31,500)	(7,713)	(7,713)	(7,713)	(7,713)	(7,713)
Net income available for common stockholders	\$ 68,711	\$ 99,711	\$ 22,406	\$ 6,221	\$ 20,762	\$ 19,322	\$ 14,971
Net income per common share-diluted:							
Income from continuing operations	\$ 0.75	\$ 1.55	\$ 0.03	\$ 0.13	\$ 0.30	\$ 0.29	\$ 0.21
Income from discontinued operations	\$ 0.55	\$ 0.29	\$ 0.39	\$ -	\$ 0.09	\$ 0.07	\$ 0.08
Extraordinary item - loss							
on early extinguishment of debt	\$ (0.01)	\$ (0.01)	\$ -	\$ (0.01)	\$ -	\$ -	\$ -
Net income	\$ 1.29	\$ 1.83	\$ 0.42	\$ 0.12	\$ 0.39	\$ 0.36	\$ 0.29
Weighted average common shares outstanding- diluted	53,485	54,571	53,407	53,604	53,691	53,393	53,261
Rental property expenses / Rental Revenue	31.6%	30.8%	32.0%	31.9%	31.4%	31.0%	33.7%

Statement of Funds from Operations

Dollars in thousands, except per share amounts

	Year Ended		Three Months Ended				
	<u>12/31/02</u>	<u>12/31/01</u>	<u>12/31/02</u>	<u>09/30/02</u>	<u>06/30/02</u>	<u>03/31/02</u>	<u>12/31/01</u>
Funds from Operations:							
Income before gain/(loss) on disposition of land and depreciable assets, minority interest, discontinued operations and extraordinary item	\$ 68,078	\$ 116,353	\$ 10,217	\$ 12,970	\$ 19,194	\$ 25,697	\$ 21,759
Add/(Deduct):							
Dividends to preferred stockholders	(30,852)	(31,500)	(7,713)	(7,713)	(7,713)	(7,713)	(7,713)
Transition adjustment upon adoption of FAS 133	-	556	-	-	-	-	-
Gain on disposition of land	6,894	4,702	396	741	5,989	(232)	3,677
Depreciation and amortization	126,638	113,468	36,584	30,926	29,732	29,396	31,304
Unconsolidated affiliates:							
Loss on early extinguishment of debt	309	-	-	309	-	-	-
Depreciation	9,619	8,483	2,554	2,432	2,149	2,484	2,668
Discontinued operations:							
Depreciation and amortization	7,139	7,599	1,432	1,901	1,836	1,970	1,937
Income, net of minority interest	12,312	16,083	2,542	3,064	3,068	3,638	4,235
Minority interest	1,651	2,265	335	404	406	506	594
Funds from operations	201,788	238,009	46,347	45,034	54,661	55,746	58,461
Cash Available for Distribution:							
Add/(Deduct):							
Rental income from straight-line rents	(3,672)	(11,257)	(1,132)	(1,222)	1,049	(2,367)	(2,310)
Nonrecurring compensation expense	3,700	-	-	3,700	-	-	-
Litigation reserve	2,700	-	-	2,700	-	-	-
Amortization of deferred financing costs	1,393	2,005	366	347	341	339	341
Non-incremental revenue generating capital expenditures paid:							
Building improvements	(7,947)	(8,345)	(3,086)	(1,740)	(2,370)	(751)	(2,386)
2nd generation tenant improvements	(20,531)	(19,704)	(7,796)	(5,824)	(3,380)	(3,531)	(7,094)
2nd generation lease commissions	(12,321)	(15,697)	(2,968)	(3,694)	(3,049)	(2,610)	(4,502)
Cash available for distribution	\$ 165,110	\$ 185,011	\$ 31,731	\$ 39,301	\$ 47,252	\$ 46,826	\$ 42,510
Weighted average common share/units outstanding-diluted	60,631	62,182	60,437	60,653	60,849	60,747	60,747
Per common share/common unit-diluted:							
Funds from operations	\$ 3.33	\$ 3.83	\$ 0.77	\$ 0.74	\$ 0.90	\$ 0.92	\$ 0.96
Cash available for distribution	\$ 2.72	\$ 2.98	\$ 0.53	\$ 0.65	\$ 0.78	\$ 0.77	\$ 0.70
Dividends paid	\$ 2.340	\$ 2.310	\$ 0.585	\$ 0.585	\$ 0.585	\$ 0.585	\$ 0.585
Dividend payout ratios:							
Funds from operations	70.3%	60.3%	76.0%	78.8%	65.1%	63.7%	60.8%
Cash available for distribution	86.0%	77.6%	110.4%	90.2%	75.3%	75.9%	83.6%
Ratios:							
FFO growth from prior year	-13%	3%	-20%	-6%	-6%	-4%	1%

	Year Ended	
	<u>12/31/02</u>	<u>12/31/01</u>
Supplemental Capital Expenditure Disclosure		
Development cost:		
Shell construction	\$ 40,910	\$ 186,271
1st generation tenant improvements	15,270	33,467
1st generation lease commissions	4,569	10,789
Nonrecurring property renovation cost	11,195	7,692
Acquisitions	15,511	67,939
Furniture Fixture and Equipment	2,616	2,079
	\$ 90,071	\$ 308,237
Non-incremental revenue generating capital expenditures paid:		
	40,799	43,746
Total per the Statement of Cash Flows	\$ 130,870	\$ 351,983

Consolidated Balance Sheet

Dollars in thousands

Assets:	<u>12/31/02</u>	<u>09/30/02</u>	<u>06/30/02</u>	<u>03/31/02</u>	<u>12/31/01</u>
Real estate assets, at cost:					
Land and improvements	\$ 397,091	\$ 395,402	\$ 409,353	\$ 411,335	\$ 405,641
Buildings and tenant improvements	2,870,037	2,825,026	2,877,224	2,881,039	2,858,661
Development in process	6,847	39,647	53,522	82,744	108,273
Land held for development	176,173	167,893	168,179	148,816	147,316
Furniture, fixtures and equipment	20,966	20,479	19,842	19,666	19,398
	3,471,114	3,448,447	3,528,120	3,543,600	3,539,289
Less-accumulated depreciation	(462,228)	(439,547)	(421,222)	(399,178)	(374,012)
Net real estate assets	3,008,886	3,008,900	3,106,898	3,144,422	3,165,277
Property held for sale	124,058	236,891	181,788	195,183	197,920
Cash and cash equivalents	11,017	13,998	14,194	3,863	576
Restricted cash	8,582	2,702	4,556	4,412	5,685
Accounts receivable, net	13,578	18,327	15,423	20,513	23,659
Advances to related parties	-	971	788	788	788
Notes receivable	31,057	31,914	33,181	39,852	43,761
Accrued straight-line rents receivable	48,777	50,191	49,407	51,118	49,078
Investment in unconsolidated affiliates	79,504	80,825	79,603	83,257	83,393
Other assets:					
Deferred leasing costs	100,168	105,037	108,852	104,736	100,426
Deferred financing costs	26,120	25,964	25,916	26,055	26,121
Prepaid expenses and other	15,295	13,400	12,086	10,843	10,461
	141,583	144,401	146,854	141,634	137,008
Less- accumulated amortization	(71,673)	(70,165)	(66,927)	(62,942)	(58,859)
	69,910	74,236	79,927	78,692	78,149
Total Assets	\$ 3,395,369	\$ 3,518,955	\$ 3,565,765	\$ 3,622,100	\$ 3,648,286
Liabilities and Stockholders' Equity					
Mortgages and notes payable	\$ 1,528,720	\$ 1,626,362	\$ 1,675,358	\$ 1,725,032	\$ 1,719,230
Accounts payable, accrued expenses and other liabilities	113,693	131,087	99,275	102,078	120,235
Total liabilities	1,642,413	1,757,449	1,774,633	1,827,110	1,839,465
Minority interest	189,382	191,114	192,879	200,918	203,181
Preferred stock	377,445	377,445	377,445	377,445	377,445
Common stock	534	534	534	529	529
Additional paid-in capital	1,390,043	1,389,595	1,390,238	1,375,874	1,376,546
Accumulated other comprehensive loss	(9,204)	(10,418)	(8,260)	(8,853)	(9,441)
Distributions in excess of net earnings	(191,545)	(182,719)	(157,223)	(147,501)	(135,878)
Deferred compensation - restricted stock	(3,699)	(4,045)	(4,481)	(3,422)	(3,561)
Total Stockholders' Equity	1,563,574	1,570,392	1,598,253	1,594,072	1,605,640
Total Liabilities and Stockholders' Equity	\$ 3,395,369	\$ 3,518,955	\$ 3,565,765	\$ 3,622,100	\$ 3,648,286
Ratios					
Total Debt/Total Assets	45.0%	46.2%	47.0%	47.6%	47.1%

Combined Financial Information

Highwoods Properties and Unconsolidated Joint Ventures

Dollars in thousands

Statement of Operations:	Highwoods Properties Inc.	Highwoods' Share of Joint Ventures	Total
<u>For the quarter ended December 31, 2002</u>		(see pages 30 to 32)	
Revenue:			
Rental property revenue	\$ 112,354	\$ 12,300	\$ 124,654
Expenses:			
Rental property expense	35,972	5,010	40,982
Depreciation and amortization	36,584	2,554	39,138
Interest expense:			
Contractual	29,751	3,093	32,844
Amortization of deferred financing costs	366	-	366
	<u>30,117</u>	<u>3,093</u>	<u>33,210</u>
General and administrative	6,026	-	6,026
Other Income/(Expenses)	6,562	-	6,562
Income from continuing operations	<u>\$ 10,217</u>	<u>\$ 1,643</u>	<u>\$ 11,860</u>
EBITDA /Interest Expense			<u>2.61</u>
<u>For the year ended December 31, 2002</u>			
Revenue:			
Rental property revenue	\$ 454,220	\$ 48,960	\$ 503,180
Expenses:			
Rental property expense	143,414	19,920	163,334
Depreciation and amortization	126,638	9,619	136,257
Interest expense:			
Contractual	109,134	11,830	120,964
Amortization of deferred financing costs	1,393	-	1,393
	<u>110,527</u>	<u>11,830</u>	<u>122,357</u>
General and administrative includes \$3,700 of nonrecurring compensation expense	24,576	-	24,576
Litigation reserve	2,700	-	2,700
Other Income/(Expenses)	21,713	-	21,713
Income from continuing operations	<u>\$ 68,078</u>	<u>\$ 7,591</u>	<u>\$ 75,669</u>
EBITDA/Interest Expense 1/			<u>2.86</u>
<u>As of December 31, 2002</u>			
Balance Sheet Information:			
Total Assets 2/	\$ 3,315,865	\$ 288,910	\$ 3,604,775
Debt	1,528,720	192,493	1,721,213
Total Liabilities	1,642,413	201,688	1,844,101
Total Debt/Total Assets			<u>47.7%</u>

1/ Excludes nonrecurring charges of \$3.7 million of compensation expense and \$2.7 million of litigation reserve

Capitalization

Dollars in thousands

	<u>12/31/02</u>	<u>09/30/02</u>	<u>06/30/02</u>	<u>03/31/02</u>	<u>12/31/01</u>
Long-Term Debt (see page 5 & 6)	\$ 1,528,720	\$ 1,626,362	\$ 1,675,358	\$ 1,725,032	\$ 1,719,230
Preferred Stock:					
Series A 8 5/8% Perpetual Preferred Stock	\$ 104,945	\$ 104,945	\$ 104,945	\$ 104,945	\$ 104,945
Series B 8% Perpetual Preferred Stock	172,500	172,500	172,500	172,500	172,500
Series D 8% Perpetual Preferred Stock	100,000	100,000	100,000	100,000	100,000
Total preferred stock	<u>\$ 377,445</u>	<u>\$ 377,445</u>	<u>\$ 377,445</u>	<u>\$ 377,445</u>	<u>\$ 377,445</u>
Shares and Units Outstanding:					
Common stock outstanding	53,400	53,387	53,417	52,906	52,892
Minority interest partnership units	6,975	7,042	7,049	7,319	7,403
Total shares and units outstanding	<u>60,375</u>	<u>60,429</u>	<u>60,466</u>	<u>60,225</u>	<u>60,295</u>
Stock price at period end	\$ 22.10	\$ 23.40	\$ 26.00	\$ 28.09	\$ 25.95
Market value of equity	<u>\$ 1,711,733</u>	<u>\$ 1,791,484</u>	<u>\$ 1,949,561</u>	<u>\$ 2,069,165</u>	<u>\$ 1,942,100</u>
Total market capitalization with debt	<u>\$ 3,240,453</u>	<u>\$ 3,417,846</u>	<u>\$ 3,624,919</u>	<u>\$ 3,794,197</u>	<u>\$ 3,661,330</u>

See pages 30 to 35 for information regarding Highwoods' Joint Ventures

Long-Term Debt Summary

Dollars in thousands

	<u>12/31/02</u>	<u>09/30/02</u>	<u>06/30/02</u>	<u>03/31/02</u>	<u>12/31/01</u>
Balances Outstanding:					
Secured:					
Conventional fixed rate	\$ 515,411	\$ 517,859	\$ 512,145	\$ 525,253	\$ 536,143
Variable rate debt	4,309	5,503	32,213	16,283	3,922
Secured total	<u>\$ 519,720</u>	<u>\$ 523,362</u>	<u>\$ 544,358</u>	<u>\$ 541,536</u>	<u>\$ 540,065</u>
Unsecured:					
Fixed rate bonds and notes	\$ 931,500	\$ 931,500	\$ 931,500	\$ 931,500	\$ 931,500
Variable rate debt	20,000	20,000	-	18,996	19,165
Credit facility	57,500	151,500	199,500	233,000	228,500
Unsecured total	<u>\$ 1,009,000</u>	<u>\$ 1,103,000</u>	<u>\$ 1,131,000</u>	<u>\$ 1,183,496</u>	<u>\$ 1,179,165</u>
Total	<u>\$ 1,528,720</u>	<u>\$ 1,626,362</u>	<u>\$ 1,675,358</u>	<u>\$ 1,725,032</u>	<u>\$ 1,719,230</u>
Average Interest Rates:					
Secured:					
Conventional fixed rate	8.0%	8.0%	8.0%	8.0%	8.0%
Variable rate debt	4.2%	3.9%	3.4%	3.1%	2.7%
Secured total	<u>8.0%</u>	<u>7.9%</u>	<u>7.7%</u>	<u>7.8%</u>	<u>8.0%</u>
Unsecured:					
Fixed rate bonds	7.3%	7.3%	7.3%	7.3%	7.3%
Variable rate debt	2.8%	2.8%	-	7.3%	7.3%
Credit facility	2.4%	2.8%	2.7%	2.8%	2.8%
Unsecured total	<u>6.9%</u>	<u>6.5%</u>	<u>6.5%</u>	<u>6.4%</u>	<u>6.4%</u>
Average	<u>7.3%</u>	<u>7.0%</u>	<u>6.9%</u>	<u>6.9%</u>	<u>6.9%</u>
Capitalized Interest:	<u>\$ (1,325)</u>	<u>\$ 1,724</u>	<u>\$ 2,622</u>	<u>\$ 3,995</u>	<u>\$ 5,939</u>

Maturity Schedule:

Year	<i>Future Maturities of Debt</i>		<i>Total Debt 1/</i>	<i>Average Interest Rate</i>
	<i>Secured Debt 1/</i>	<i>Unsecured Debt</i>		
2003 **	1,775	304,000 2/	305,775	6.5%
2004	-	-	-	-
2005	71,484	20,000	91,484	7.2%
2006	6,867	110,000	116,867	7.1%
2007	81,734	-	81,734	8.0%
2008	-	100,000	100,000	7.1%
2009	207,301	50,000	257,301	8.0%
2010	143,458	-	143,458	7.8%
2011	-	100,000	100,000	7.2%
2012	-	-	-	-
Thereafter	7,101	325,000	332,101	7.3%
Total maturities	<u>\$ 519,720</u>	<u>\$ 1,009,000</u>	<u>\$ 1,528,720</u>	<u>7.3%</u>

Weighted average maturity = 6.9 years

1/ Excludes annual principal amortization

2/ Included in the \$304.0 million of unsecured debt maturities is \$57.5 million related to the credit facility

Long-Term Debt Detail

Dollars in thousands

Secured Loans In Excess of \$10 Million

<u>Lender</u>	<u>Blended Rate</u>	<u>Maturity Date</u>	<u>Loan Balance 12/31/02</u>	<u>Undepreciated Book Value of Assets Secured</u>
Monumental Life Insurance Company	7.8%	Nov-09	\$ 179,954	\$ 249,241
Northwestern Mutual Life	7.8%	Nov-10	142,841	254,015
Northwestern Mutual Life	8.2%	Jan-07	68,442	125,879
Principal Life Insurance Company	8.6%	Apr-05	42,447	101,961
Principal Life Insurance Company	8.2%	Jul-05	28,004	68,280
Cigna Corporation	9.1%	Mar-09	19,000	19,000
	<u>8.0%</u>		<u>\$ 480,688</u>	<u>\$ 818,376</u>
All Other Secured Loans (17)	<u>7.1%</u>		<u>\$ 39,032</u>	<u>\$ 67,654</u>
Total Secured Loans	<u>8.0%</u>		<u>\$ 519,720</u>	<u>\$ 886,030</u>

Unsecured Bonds

Bonds	6.8%	Dec-03	\$ 100,000
Bonds	8.0%	Dec-03	146,500
Bonds	7.0%	Dec-06	110,000
Bonds	7.1%	Feb-08	100,000
Bonds	8.1%	Jan-09	50,000
Xpos 1/	7.2%	Jun-11	100,000
MOPPRS 2/	6.8%	Feb-13	125,000
Bonds	7.5%	Apr-18	200,000
	<u>7.3%</u>		<u>\$ 931,500</u>

1/ Remarket date is 6/15/2004

2/ Remarket date is 1/31/2003

Portfolio Summary

(Rentable Square Feet)

Office Industrial & Retail	<u>12/31/02</u>	<u>09/30/02</u>	<u>06/30/02</u>	<u>03/31/02</u>	<u>12/31/01</u>
In-Service:					
Office	25,342,000	25,861,000	25,787,000	25,214,000	24,945,000
Industrial	10,242,000	10,468,000	10,468,000	10,607,000	10,640,000
Retail 1/	1,528,000	1,650,000	1,651,000	1,651,000	1,636,000
Total	<u>37,112,000</u>	<u>37,979,000</u>	<u>37,906,000</u>	<u>37,472,000</u>	<u>37,221,000</u>
Development Completed - Not Stabilized:					
Office	231,000	568,000	735,000	1,472,000	1,490,000
Industrial	60,000	136,000	136,000	136,000	200,000
Retail	-	20,000	20,000	20,000	20,000
Total	<u>291,000</u>	<u>724,000</u>	<u>891,000</u>	<u>1,628,000</u>	<u>1,710,000</u>
Development - In Process:					
Office	40,000	100,000	201,000	415,000	739,000
Industrial	-	60,000	60,000	-	-
Retail	-	-	-	-	-
Total	<u>40,000</u>	<u>160,000</u>	<u>261,000</u>	<u>415,000</u>	<u>739,000</u>
Total:					
Office	25,613,000	26,529,000	26,723,000	27,101,000	27,174,000
Industrial	10,302,000	10,664,000	10,664,000	10,743,000	10,840,000
Retail 1/	1,528,000	1,670,000	1,671,000	1,671,000	1,656,000
Total	<u>37,443,000</u>	<u>38,863,000</u>	<u>39,058,000</u>	<u>39,515,000</u>	<u>39,670,000</u>
Same Store					
Office	22,450,000	23,408,000	23,400,000	23,748,000	20,970,000
Industrial	9,679,000	10,041,000	10,041,000	10,179,000	9,694,000
Retail	1,509,000	1,650,000	1,651,000	1,651,000	1,458,000
Total	<u>33,638,000</u>	<u>35,099,000</u>	<u>35,092,000</u>	<u>35,578,000</u>	<u>32,122,000</u>
Percent Leased/Pre-Leased:					
In-Service:					
Office	82.3%	86.3%	86.7%	89.0%	91.9%
Industrial	86.2%	86.2%	83.5%	84.3%	91.9%
Retail	97.0%	95.4%	95.6%	96.0%	96.0%
Total	<u>84.0%</u>	<u>86.7%</u>	<u>86.2%</u>	<u>88.0%</u>	<u>91.9%</u>
Development Completed - Not Stabilized:					
Office	61.3%	17.3%	28.7%	51.3%	58.4%
Industrial	50.0%	29.0%	29.0%	29.4%	39.2%
Retail	-	90.0%	90.0%	90.0%	90.0%
Total	<u>59.0%</u>	<u>21.5%</u>	<u>30.1%</u>	<u>49.9%</u>	<u>56.5%</u>
Development - In Process:					
Office	0.0%	42.0%	70.1%	85.5%	74.9%
Industrial	-	20.0%	-	-	-
Retail	-	-	-	-	-
Total	<u>0.0%</u>	<u>33.8%</u>	<u>54.0%</u>	<u>85.5%</u>	<u>74.9%</u>
Same Store					
Office	84.3%	87.0%	87.7%	88.9%	92.1%
Industrial	87.1%	86.3%	83.4%	84.4%	91.3%
Retail	97.1%	95.4%	95.6%	96.0%	95.6%
Total	<u>85.7%</u>	<u>87.2%</u>	<u>86.9%</u>	<u>88.0%</u>	<u>92.1%</u>

1/ Excludes basement space in the Country Club Plaza property of 527,000 square feet.

2/ The occupancy percentages have been reduced as a result of the rejection of the 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

The impact on Office occupancy and Total occupancy was 3.2% and 2.2%, respectively.

3/ The occupancy percentages have been reduced as a result of the rejection of the 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

Only 631,000 square feet of this lease was related to Same Store Properties. The impact on Office occupancy and Total occupancy was 2.8% and 1.8%, respectively.

Portfolio Summary

(Continued)

As of December 31, 2002

Summary by Location:

<u>Market</u>	<u>Rentable</u>		<u>Percentage of Annualized Revenue 1/</u>			
	<u>Square Feet</u>	<u>Occupancy</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
Atlanta	6,728,000	83.0%	11.2%	3.2%	-	14.4%
Research Triangle	4,340,000	81.9%	13.8%	0.2%	-	14.0%
Kansas City	2,512,000 2/	94.5%	4.3%	-	8.6%	12.9%
Tampa	4,262,000	67.1% 3/	12.2%	-	-	12.2%
Piedmont Triad	8,371,000	88.9%	6.6%	4.9%	-	11.5%
Nashville	2,733,000	87.7%	10.1%	-	-	10.1%
Richmond	2,764,000	95.0%	8.4%	0.5%	-	8.9%
Charlotte	1,729,000	84.0%	4.8%	0.3%	-	5.1%
Memphis	1,215,000	80.8%	4.3%	-	-	4.3%
Greenville	1,511,000	86.8%	4.2%	0.2%	-	4.4%
Columbia	426,000	67.4%	1.1%	-	-	1.1%
Orlando	340,000	47.6%	0.6%	-	-	0.6%
Other	181,000	74.7%	0.5%	-	-	0.5%
Total	37,112,000	84.0% 3/	82.1%	9.3%	8.6%	100.0%

Summary by Location, Including Unconsolidated Joint Venture Properties:

<u>Market</u>	<u>Rentable</u>		<u>Percentage of Annualized Revenue 1/4/</u>				
	<u>Square Feet</u>	<u>Occupancy</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Multi-Family</u>	<u>Total</u>
Atlanta	7,658,000	82.9%	11.4%	2.9%	-	-	14.3%
Research Triangle	5,465,000	83.1%	13.3%	0.2%	-	-	13.5%
Kansas City	2,940,000 2/	94.8%	4.4%	-	7.9%	-	12.3%
Tampa	4,833,000	69.2% 5/	11.7%	-	-	-	11.7%
Piedmont Triad	8,735,000	89.3%	6.5%	4.4%	-	-	10.9%
Nashville	2,733,000	87.7%	9.2%	-	-	-	9.2%
Richmond	2,884,000	95.2%	7.9%	0.4%	-	-	8.3%
Charlotte	1,877,000	85.2%	4.4%	0.3%	-	-	4.7%
Greenville	1,512,000	86.8%	3.8%	0.2%	-	-	4.0%
Memphis	1,215,000	80.8%	3.9%	-	-	-	3.9%
Des Moines	2,245,000	96.6%	2.8%	0.4%	0.1%	0.3%	3.6%
Orlando	2,103,000	77.4%	2.1%	-	-	-	2.1%
Columbia	426,000	67.4%	1.0%	-	-	-	1.0%
Other	291,000	84.3%	0.5%	-	-	-	0.5%
Total	44,917,000	85.0% 5/	82.9%	8.8%	8.0%	0.3%	100.0%

1/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12,

excludes the revenue associated with the rejected 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

2/ Excludes basement space in the Country Club Plaza property of 527,000 square feet.

3/ The occupancy percentages have been reduced as a result of the rejection of the 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

The impact on Tampa's occupancy and Total occupancy was 19.1% and 2.2%, respectively.

4/ Includes Highwoods' share of Joint Venture Annualized Rental Revenue

5/ The occupancy percentages have been reduced as a result of the rejection of the 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

The impact on Tampa's occupancy and Total occupancy was 16.9% and 1.8%, respectively.

Portfolio Summary

(Continued)

As of December 31, 2002

<u>Market</u>	<u>Office Properties</u>			<u>Industrial</u>		
	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Office Annualized Revenue 1/</u>	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Industrial Annualized Revenue 1/</u>
Research Triangle	4,239,000	81.5%	16.8%	101,000	96.2%	1.9%
Tampa	4,262,000	67.1% 2/	14.9% 3/	-	-	-
Atlanta	3,289,000	85.4%	13.6%	3,439,000	80.7%	35.1%
Nashville	2,733,000	87.7%	12.2%	-	-	-
Richmond	2,382,000	94.2%	10.2%	382,000	100.0%	4.9%
Piedmont Triad	2,321,000	89.5%	8.1%	6,050,000	88.7%	52.9%
Charlotte	1,566,000	84.1%	5.8%	163,000	82.9%	3.0%
Kansas City	980,000	90.6%	5.3%	4,000	100.0%	0.1%
Memphis	1,215,000	80.8%	5.2%	-	-	-
Greenville	1,408,000	87.9%	5.1%	103,000	73.1%	2.1%
Columbia	426,000	67.4%	1.4%	-	-	-
Orlando	340,000	47.6%	0.7%	-	-	-
Other	181,000	74.7%	0.7%	-	-	-
	<u>25,342,000</u>	<u>82.3% 2/</u>	<u>100.0%</u>	<u>10,242,000</u>	<u>86.2%</u>	<u>100.0%</u>

<u>Market</u>	<u>Retail</u>		
	<u>Rentable Square Feet</u>	<u>Occupancy</u>	<u>Percentage of Retail Annualized Revenue 1/</u>
Kansas City 4/	1,528,000	97.0%	100.0%
	<u>1,528,000</u>	<u>97.0%</u>	<u>100.0%</u>

1/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

2/ The occupancy percentages have been reduced as a result of the rejection of the 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

The impact on Tampa's occupancy and Office occupancy was 19.1% and 3.2%, respectively.

3/ excludes the revenue associated with the rejected 816,000 square foot Intermedia(Worldcom) lease on 12/31/02

4/ Excludes basement space in the Country Club Plaza property of 527,000 square feet.

Occupancy Trends - Office, Industrial and Retail Properties

<u>Market</u>	<u>Measurement</u>	<u>12/31/02</u>	<u>09/30/02</u>	<u>06/30/02</u>	<u>03/31/02</u>	<u>12/31/01</u>
Atlanta	Rentable Square Feet Occupancy	6,728,000 83.0%	6,592,000 83.7%	6,484,000 84.9%	6,484,000 86.6%	6,484,000 89.9%
Charlotte	Rentable Square Feet Occupancy	1,729,000 84.0%	2,075,000 87.2%	2,075,000 69.5%	2,230,000 72.2%	2,229,000 89.1%
Columbia	Rentable Square Feet Occupancy	426,000 67.4%	426,000 62.9%	426,000 63.0%	426,000 79.5%	426,000 77.6%
Greenville	Rentable Square Feet Occupancy	1,511,000 86.8%	1,527,000 85.7%	1,409,000 86.2%	1,409,000 84.5%	1,216,000 86.5%
Kansas City 1/	Rentable Square Feet Occupancy	2,512,000 94.5%	2,690,000 91.7%	2,692,000 92.4%	2,872,000 95.0%	2,857,000 94.7%
Memphis	Rentable Square Feet Occupancy	1,215,000 80.8%	1,135,000 85.7%	1,135,000 85.9%	1,135,000 89.8%	1,134,000 91.1%
Nashville	Rentable Square Feet Occupancy	2,733,000 87.7%	3,045,000 88.5%	2,991,000 86.9%	2,786,000 88.7%	2,787,000 90.3%
Orlando	Rentable Square Feet Occupancy	340,000 47.6%	664,000 69.7%	664,000 68.4%	664,000 88.3%	664,000 90.5%
Piedmont Triad	Rentable Square Feet Occupancy	8,371,000 88.9%	8,273,000 88.8%	8,273,000 88.9%	8,297,000 89.3%	8,233,000 92.3%
Research Triangle	Rentable Square Feet Occupancy	4,340,000 81.9%	4,120,000 82.8%	4,118,000 86.4%	3,882,000 90.0%	3,923,000 91.9%
Richmond	Rentable Square Feet Occupancy	2,764,000 95.0%	2,989,000 95.1%	2,990,000 94.1%	2,767,000 95.4%	2,703,000 98.4%
Tampa	Rentable Square Feet Occupancy	4,262,000 67.1% 2/	4,262,000 86.4%	4,467,000 86.3%	4,338,000 86.1%	4,383,000 93.5%
Total 3/	Rentable Square Feet Occupancy	36,931,000 84.0% 2/	37,798,000 86.7%	37,724,000 86.2%	37,290,000 88.0%	37,039,000 91.9%

1/ Excludes basement space in the Country Club Plaza property of 527,000 square feet.

2/ The occupancy percentages have been reduced as a result of the rejection of the 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

The impact on Tampa's occupancy and Total occupancy was 19.1% and 2.2%, respectively.

3/ Excludes 181,000 square foot for buildings held for sale

Leasing Statistics

Office Portfolio

	Three Months Ended				Average
	12/31/02	09/30/02	06/30/02	03/31/02	
Net Effective Rents Related to Re-Leased Space:					
Number of lease transactions (signed leases)	194	184	162	110	163
Rentable square footage leased	1,035,837	882,115	874,467	417,102	802,380
Average per rentable square foot over the lease term:					
Base rent	\$ 17.38	\$ 17.26	\$ 16.86	\$ 16.83	\$ 17.08
Tenant improvements	(1.58)	(1.06)	(0.86)	(0.98)	(1.12)
Leasing commissions	(0.65)	(0.60)	(0.56)	(0.78)	(0.65)
Rent concessions	(0.43)	(0.22)	(0.14)	(0.15)	(0.24)
Effective rent	14.72	15.38	15.30	14.92	15.08
Expense stop	(5.08)	(5.54)	(5.17)	(5.17)	(5.24)
Equivalent effective net rent	\$ 9.64	\$ 9.84	\$ 10.13	\$ 9.75	\$ 9.84
Average term in years	4.2	3.6	4.1	4.1	4.0
Capital Expenditures Related to Re-leased Space:					
Tenant Improvements:					
Total dollars committed under signed leases	\$ 8,004,279	\$ 4,396,259	\$ 3,481,988	\$ 2,031,231	\$ 4,478,439
Rentable square feet	1,035,837	882,115	874,467	417,102	802,380
Per rentable square foot	\$ 7.73	\$ 4.98	\$ 3.98	\$ 4.87	\$ 5.58
Leasing Commissions:					
Total dollars committed under signed leases	\$ 2,255,691	\$ 1,352,691	\$ 1,272,854	\$ 984,220	\$ 1,466,364
Rentable square feet	1,035,837	882,115	874,467	417,102	802,380
Per rentable square foot	\$ 2.18	\$ 1.53	\$ 1.46	\$ 2.36	\$ 1.83
Total:					
Total dollars committed under signed leases	\$ 10,259,970	\$ 5,748,950	\$ 4,754,842	\$ 3,015,450	\$ 5,944,803
Rentable square feet	1,035,837	882,115	874,467	417,102	802,380
Per rentable square foot	\$ 9.91	\$ 6.52	\$ 5.44	\$ 7.23	\$ 7.41

Leasing Statistics

Industrial Portfolio

	Three Months Ended				Average
	<u>12/31/02</u>	<u>09/30/02</u>	<u>06/30/02</u>	<u>03/31/02</u>	
Net Effective Rents Related to Re-Leased Space:					
Number of lease transactions (signed leases)	45	45	32	15	34
Rentable square footage leased	530,945	593,188	1,005,765	78,844	552,186
Average per rentable square foot over the lease term:					
Base rent	\$ 4.45	\$ 4.37	\$ 3.58	\$ 6.95	\$ 4.84
Tenant improvements	(0.51)	(0.23)	(0.29)	(1.10)	(0.53)
Leasing commissions	(0.12)	(0.14)	(0.14)	(0.21)	(0.15)
Rent concessions	(0.09)	(0.02)	(0.03)	0.00	(0.04)
Effective rent	3.73	3.98	3.12	5.64	4.12
Expense stop	(0.32)	(0.39)	(0.09)	(0.72)	(0.38)
Equivalent effective net rent	\$ 3.41	\$ 3.59	\$ 3.03	\$ 4.92	\$ 3.74
Average term in years	3.8	1.6	6.3	4.1	3.9
Capital Expenditures Related to Re-leased Space:					
Tenant Improvements:					
Total dollars committed under signed leases	\$ 1,172,142	\$ 522,115	\$ 2,088,547	\$ 386,263	\$ 1,042,267
Rentable square feet	530,945	593,188	1,005,765	78,844	552,186
Per rentable square foot	\$ 2.21	\$ 0.88	\$ 2.08	\$ 4.90	\$ 1.89
Leasing Commissions:					
Total dollars committed under signed leases	\$ 199,076	\$ 141,694	\$ 797,939	\$ 44,100	\$ 295,702
Rentable square feet	530,945	593,188	1,005,765	78,844	552,186
Per rentable square foot	\$ 0.37	\$ 0.24	\$ 0.79	\$ 0.56	\$ 0.54
Total:					
Total dollars committed under signed leases	\$ 1,371,218	\$ 663,809	\$ 2,886,486	\$ 430,363	\$ 1,337,969
Rentable square feet	530,945	593,188	1,005,765	78,844	552,186
Per rentable square foot	\$ 2.58	\$ 1.12	\$ 2.87	\$ 5.46	\$ 2.42

Leasing Statistics

Retail Portfolio

	Three Months Ended				Average
	12/31/02	09/30/02	06/30/02	03/31/02	
Net Effective Rents Related to Re-Leased Space:					
Number of lease transactions (signed leases)	18	13	13	12	14
Rentable square footage leased	36,085	28,267	52,527	59,649	44,132
Average per rentable square foot over the lease term:					
Base rent	\$ 19.19	\$ 20.14	\$ 18.15	\$ 25.66	\$ 20.79
Tenant improvements	(1.22)	(0.60)	(1.83)	(1.87)	(1.38)
Leasing commissions	(0.82)	(0.88)	(0.65)	(0.35)	(0.68)
Rent concessions	(0.01)	0.00	(0.03)	(0.02)	(0.02)
Effective rent	17.14	18.66	15.64	23.42	18.72
Expense stop	0.00	0.00	(1.02)	0.00	(0.26)
Equivalent effective net rent	\$ 17.14	\$ 18.66	\$ 14.62	\$ 23.42	\$ 18.46
Average term in years	6.0	5.6	7.0	6.5	6.3
Capital Expenditures Related to Re-leased Space:					
Tenant Improvements:					
Total dollars committed under signed leases	\$ 351,023	\$ 121,500	\$ 1,077,825	\$ 738,605	\$ 572,238
Rentable square feet	36,085	28,267	52,527	59,649	44,132
Per rentable square foot	\$ 9.73	\$ 4.30	\$ 20.52	\$ 12.38	\$ 12.97
Leasing Commissions:					
Total dollars committed under signed leases	\$ 127,964	\$ 91,405	\$ 151,268	\$ 61,981	\$ 108,154
Rentable square feet	36,085	28,267	52,527	59,649	44,132
Per rentable square foot	\$ 3.55	\$ 3.23	\$ 2.88	\$ 1.04	\$ 2.45
Total:					
Total dollars committed under signed leases	\$ 478,987	\$ 212,905	\$ 1,229,093	\$ 800,586	\$ 680,393
Rentable square feet	36,085	28,267	52,527	59,649	44,132
Per rentable square foot	\$ 13.27	\$ 7.53	\$ 23.40	\$ 13.42	\$ 15.42

Leasing Statistics by Market

For the Year Ended December 31, 2002

Office Portfolio

<u>Market</u>	<u>Rentable Square Feet</u>	<u>Average Term</u>	<u>GAAP Rental Rate</u>	<u>TI's Per SF</u>	<u>Lease Commissions Per SF</u>
Nashville	472,509	4.6	\$ 18.05	\$ 7.19	\$ 1.53
Research Triangle	464,399	3.3	18.01	6.11	0.85
Tampa	428,656	4.1	16.08	4.74	1.55
Atlanta	367,701	3.0	14.77	4.53	1.13
Piedmont Triad	335,540	4.3	15.58	6.09	1.20
Richmond	267,838	3.0	18.15	3.20	1.16
Charlotte	260,484	4.2	16.49	7.13	2.46
Kansas City	175,942	3.4	19.71	4.09	3.45
Memphis	171,559	5.4	20.69	6.41	1.34
Greenville	164,912	4.7	15.07	5.84	2.34
Orlando	40,084	5.5	9.13	3.01	1.51
Columbia	26,589	4.6	15.99	6.19	3.80
Other	25,128	5.1	18.99	1.80	1.29
	3,201,341	4.0	\$ 17.00	\$ 5.56	\$ 1.55

Industrial Portfolio

<u>Market</u>	<u>Rentable Square Feet</u>	<u>Average Term</u>	<u>GAAP Rental Rate</u>	<u>TI's Per SF</u>	<u>Lease Commissions Per SF</u>
Piedmont Triad	975,318	2.4	\$ 4.10	\$ 0.89	\$ 0.10
Atlanta	693,950	4.3	4.48	2.12	0.50
Charlotte	418,363	9.4	2.87	3.46	1.44
Richmond	78,667	3.5	4.16	1.80	0.14
Research Triangle	31,956	4.0	7.93	7.63	0.27
Greenville	8,470	0.5	10.00	0.00	0.40
Kansas City	2,018	1.0	7.50	0.00	0.00
	2,208,742	4.4	\$ 3.77	\$ 1.89	\$ 0.48

Retail Portfolio

<u>Market</u>	<u>Rentable Square Feet</u>	<u>Average Term</u>	<u>GAAP Rental Rate</u>	<u>TI's Per SF</u>	<u>Lease Commissions Per SF</u>
Kansas City	176,528	6.4	\$ 23.58	\$ 12.97	\$ 2.17
	176,528	6.4	\$ 23.58	\$ 12.97	\$ 2.17

Rental Rate Comparisons by Market

Office Portfolio

<u>Market</u>	<u>Rentable Square Feet</u>	<u>First Year Cash Rent 1/</u>	<u>Previous Year Cash Rent</u>	<u>Percentage Change</u>	
				<u>Cash Rent</u>	<u>Straight Line Rent</u>
Research Triangle	200,008	\$ 18.27	\$ 19.48	-6.3%	0.2%
Piedmont Triad	195,969	15.16	15.81	-4.1%	3.5%
Nashville	146,373	14.44	18.24	-20.8%	-3.8%
Atlanta	106,043	15.32	18.92	-19.1%	-14.5%
Charlotte	101,848	15.51	15.71	-1.3%	7.6%
Tampa	88,559	15.04	15.55	-3.3%	7.7%
Richmond	81,868	19.02	18.82	1.1%	1.0%
Memphis	43,245	19.94	18.72	6.5%	15.0%
Kansas City	36,255	19.18	18.40	4.3%	9.6%
Columbia	19,104	15.40	15.47	-0.4%	6.8%
Other	5,710	31.48	24.53	28.3%	109.9%
Orlando	2,300	13.50	9.27	45.6%	61.8%
Greenville	374	17.04	16.56	2.9%	6.1%
	1,027,656	\$ 16.45	\$ 17.64	-6.8%	1.9%

Industrial Portfolio

<u>Market</u>	<u>Rentable Square Feet</u>	<u>First Year Cash Rent 1/</u>	<u>Previous Year Cash Rent</u>	<u>Percentage Change</u>	
				<u>Cash Rent</u>	<u>Straight Line Rent</u>
Piedmont Triad	236,610	\$ 4.47	\$ 4.75	-5.9%	-2.0%
Atlanta	187,960	3.31	4.44	-25.6%	-17.8%
Richmond	78,667	4.52	4.95	-8.6%	-0.6%
Research Triangle	15,027	7.83	9.46	-17.2%	-14.7%
Charlotte	12,681	9.59	10.09	-4.9%	-1.3%
	530,945	\$ 4.28	\$ 4.93	-13.1%	-7.6%

Retail Portfolio

<u>Market</u>	<u>Rentable Square Feet</u>	<u>First Year Cash Rent 1/</u>	<u>Previous Year Cash Rent</u>	<u>Percentage Change</u>	
				<u>Cash Rent</u>	<u>Straight Line Rent</u>
Kansas City	34,612	\$ 18.26	\$ 14.67	24.4%	33.1%
	34,612	\$ 18.26	\$ 14.67	24.4%	33.1%

1/ First Year Cash Rent = Base Rent less concessions

Lease Expirations

December 31, 2002

Dollars in thousands

<u>Year</u>	<u>Number of Leases</u>	<u>Rentable Square Feet 1/</u>	<u>Percent of Rentable Square Feet</u>	<u>Annualized Revenue 2/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Revenue 2/</u>
Office:						
2003 3/	761	4,044,936	19.3%	\$ 70,361	\$ 17.39	19.4%
2004	498	2,767,455	13.3%	49,612	17.93	13.7%
2005	535	3,331,798	16.0%	59,293	17.80	16.4%
2006	324	2,843,860	13.6%	51,583	18.14	14.2%
2007	246	2,024,252	9.7%	33,864	16.73	9.3%
2008	108	1,998,952	9.6%	30,851	15.43	8.5%
2009	40	838,814	4.0%	14,047	16.75	3.9%
2010	38	841,052	4.0%	17,713	21.06	4.9%
2011	40	954,988	4.6%	18,576	19.45	5.1%
2012	29	685,237	3.3%	10,378	15.15	2.9%
2013 and thereafter	104	536,623	2.6%	6,186	11.53	1.7%
	<u>2,723</u>	<u>20,867,967</u>	<u>100.0%</u>	<u>\$ 362,464</u>	<u>\$ 17.37</u>	<u>100.0%</u>
Industrial:						
2003 4/	135	1,711,921	19.5%	\$ 8,204	\$ 4.79	20.3%
2004	99	2,508,687	28.7%	9,866	3.93	24.4%
2005	76	1,099,777	12.5%	5,347	4.86	13.2%
2006	40	821,554	9.4%	4,505	5.48	11.1%
2007	38	1,630,860	18.6%	6,948	4.26	17.1%
2008	11	254,067	2.9%	1,498	5.90	3.7%
2009	8	318,813	3.6%	2,366	7.42	5.8%
2010	3	46,508	0.5%	349	7.50	0.9%
2011	2	35,475	0.4%	178	5.02	0.4%
2012	2	44,447	0.5%	255	5.74	0.6%
2013 and thereafter	15	299,619	3.4%	1,016	3.39	2.5%
	<u>429</u>	<u>8,771,728</u>	<u>100.0%</u>	<u>\$ 40,532</u>	<u>\$ 4.62</u>	<u>100.0%</u>

1/ Excludes the rejected 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

2/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12, excludes the revenue associated with the rejected 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

3/ Includes 195,000 square feet of leases that are on a month to month basis or 0.8% of total annualized revenue

4/ Includes 469,000 square feet of leases that are on a month to month basis or 0.4% of total annualized revenue

Lease Expirations

December 31, 2002

(Continued)

Dollars in thousands

<u>Year</u>	<u>Number of Leases</u>	<u>Rentable Square Feet 1/</u>	<u>Percent of Rentable Square Feet</u>	<u>Annualized Revenue 2/</u>	<u>Average Rental Rate</u>	<u>Percent of Annualized Revenue 2/</u>
Retail:						
2003 3/	49	136,326	9.2%	\$ 2,972	\$ 21.80	7.8%
2004	39	207,103	14.0%	2,775	13.40	7.3%
2005	37	90,821	6.1%	2,687	29.59	7.0%
2006	33	101,041	6.8%	2,621	25.94	6.9%
2007	39	116,915	7.9%	2,723	23.29	7.1%
2008	24	123,459	8.3%	4,257	34.48	11.2%
2009	23	154,317	10.4%	3,555	23.04	9.3%
2010	16	89,890	6.1%	2,573	28.62	6.7%
2011	18	73,392	5.0%	2,400	32.70	6.3%
2012	10	53,263	3.6%	1,908	35.82	5.0%
2013 and thereafter	20	335,657	22.6%	9,656	28.77	25.4%
	<u>308</u>	<u>1,482,184</u>	<u>100.0%</u>	<u>\$ 38,127</u>	<u>\$ 25.72</u>	<u>100.0%</u>
Total:						
2003 4/	945	5,893,183	19.0%	\$ 81,537	\$ 13.84	18.5%
2004	636	5,483,245	17.7%	62,253	11.35	14.1%
2005	648	4,522,396	14.5%	67,327	14.89	15.3%
2006	397	3,766,455	12.1%	58,709	15.59	13.3%
2007	323	3,772,027	12.1%	43,535	11.54	9.9%
2008	143	2,376,478	7.6%	36,606	15.40	8.3%
2009	71	1,311,944	4.2%	19,968	15.22	4.5%
2010	57	977,450	3.1%	20,635	21.11	4.7%
2011	60	1,063,855	3.4%	21,154	19.88	4.8%
2012	41	782,947	2.5%	12,541	16.02	2.8%
2013 and thereafter	139	1,171,899	3.8%	16,858	14.39	3.8%
	<u>3,460</u>	<u>31,121,879</u>	<u>100.0%</u>	<u>\$ 441,123</u>	<u>\$ 14.17</u>	<u>100.0%</u>

1/ Excludes the rejected 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

2/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12, excludes the revenue associated with the rejected 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

3/ Includes 47,000 square feet of leases that are on a month to month basis or 0.1% of total annualized revenue

4/ Includes 711,000 square feet of leases that are on a month to month basis or 1.3% of total annualized revenue

Office Lease Expirations by Market by Quarter

Dollars in thousands

		Three Months Ended				
		03/31/03	06/30/03	09/30/03	12/31/03	Total
Atlanta	RSF	147,298	236,340	84,038	254,811	722,487
	% of Total Office RSF	0.7%	1.1%	0.4%	1.2%	3.5%
	Annualized Revenue 1/	\$ 2,719	\$ 4,176	\$ 1,269	\$ 4,888	\$ 13,052
	% of Total Office Annl Rev	0.8%	1.2%	0.4%	1.3%	3.6%
Charlotte	RSF	105,977	60,621	179,405	131,858	477,861
	% of Total Office RSF	0.5%	0.3%	0.9%	0.6%	2.3%
	Annualized Revenue 1/	\$ 1,778	\$ 1,101	\$ 3,360	\$ 1,379	\$ 7,618
	% of Total Office Annl Rev	0.5%	0.3%	0.9%	0.4%	2.1%
Columbia	RSF	39,246	0	47,251	21,706	108,203
	% of Total Office RSF	0.2%	0.0%	0.2%	0.1%	0.5%
	Annualized Revenue 1/	\$ 731	\$ -	\$ 973	\$ 408	\$ 2,112
	% of Total Office Annl Rev	0.2%	0.0%	0.3%	0.1%	0.6%
Greenville	RSF	81,708	14,949	20,218	374	117,249
	% of Total Office RSF	0.4%	0.1%	0.1%	0.0%	0.6%
	Annualized Revenue 1/	\$ 1,517	\$ 142	\$ 366	\$ -	\$ 2,025
	% of Total Office Annl Rev	0.4%	0.0%	0.1%	0.0%	0.6%
Kansas City	RSF	69,451	34,041	53,388	54,663	211,543
	% of Total Office RSF	0.3%	0.2%	0.3%	0.3%	1.0%
	Annualized Revenue 1/	\$ 1,328	\$ 589	\$ 1,114	\$ 1,103	\$ 4,134
	% of Total Office Annl Rev	0.4%	0.2%	0.3%	0.3%	1.1%
Memphis	RSF	76,490	35,508	54,758	15,330	182,086
	% of Total Office RSF	0.4%	0.2%	0.3%	0.1%	0.9%
	Annualized Revenue 1/	\$ 1,543	\$ 732	\$ 1,125	\$ 219	\$ 3,619
	% of Total Office Annl Rev	0.4%	0.2%	0.3%	0.1%	1.0%
Nashville	RSF	66,728	37,904	57,629	86,028	248,289
	% of Total Office RSF	0.3%	0.2%	0.3%	0.4%	1.2%
	Annualized Revenue 1/	\$ 1,372	\$ 805	\$ 1,231	\$ 1,678	\$ 5,086
	% of Total Office Annl Rev	0.4%	0.2%	0.3%	0.5%	1.4%
Orlando	RSF	14,820	15,232	0	0	30,052
	% of Total Office RSF	0.1%	0.1%	0.0%	0.0%	0.1%
	Annualized Revenue 1/	\$ 267	\$ 176	\$ -	\$ -	\$ 443
	% of Total Office Annl Rev	0.1%	0.0%	0.0%	0.0%	0.1%
Piedmont Triad	RSF	208,229	95,603	14,749	15,223	333,804
	% of Total Office RSF	1.0%	0.5%	0.1%	0.1%	1.6%
	Annualized Revenue 1/	\$ 2,479	\$ 1,483	\$ 229	\$ 308	\$ 4,499
	% of Total Office Annl Rev	0.7%	0.4%	0.1%	0.1%	1.2%
Research Triangle	RSF	352,795	129,719	34,542	176,093	693,149
	% of Total Office RSF	1.6%	0.6%	0.2%	0.8%	3.3%
	Annualized Revenue 1/	\$ 6,163	\$ 2,400	\$ 676	\$ 3,112	\$ 12,351
	% of Total Office Annl Rev	1.7%	0.7%	0.2%	0.9%	3.4%
Richmond	RSF	53,408	65,697	102,361	55,520	276,986
	% of Total Office RSF	0.3%	0.3%	0.5%	0.3%	1.3%
	Annualized Revenue 1/	\$ 871	\$ 1,056	\$ 1,760	\$ 1,033	\$ 4,720
	% of Total Office Annl Rev	0.2%	0.3%	0.5%	0.3%	1.3%
Tampa	RSF	144,164	115,844	359,852	21,383	641,243
	% of Total Office RSF	0.7%	0.6%	1.7%	0.1%	3.1%
	Annualized Revenue 1/	\$ 2,851	\$ 2,409	\$ 4,975	\$ 398	\$ 10,633
	% of Total Office Annl Rev	0.8%	0.7%	1.4%	0.1%	2.9%
Other	RSF	695	0	0	1,289	1,984
	% of Total Office RSF	0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Revenue 1/	\$ 35	\$ -	\$ -	\$ 34	\$ 69
	% of Total Office Annl Rev	0.0%	0.0%	0.0%	0.0%	0.0%
Total	RSF	1,361,009	841,458	1,008,191	834,278	4,044,936
	% of Total Office RSF	6.5%	4.0%	4.8%	4.0%	19.3%
	Annualized Revenue 1/	\$ 23,654	\$ 15,069	\$ 17,078	\$ 14,560	\$ 70,361
	% of Total Office Annl Rev	6.5%	4.2%	4.7%	4.0%	19.4%

1/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

Industrial Lease Expirations by Market by Quarter

Dollars in thousands

		<i>Three Months Ended</i>				
		<u>03/31/03</u>	<u>06/30/03</u>	<u>09/30/03</u>	<u>12/31/03</u>	<u>Total</u>
Atlanta	RSF	224,916	167,466	106,852	86,157	585,391
	% of Total Office RSF	2.6%	1.9%	1.2%	1.0%	6.7%
	Annualized Revenue	1/ \$ 1,010	\$ 864	\$ 717	\$ 469	3,060
	% of Total Office Annl Rev	2.5%	2.1%	1.8%	1.2%	7.6%
Charlotte	RSF	17,448	6,506	20,960	9,029	53,943
	% of Total Office RSF	0.2%	0.1%	0.2%	0.1%	0.6%
	Annualized Revenue	1/ \$ 173	\$ 70	\$ 194	\$ 94	531
	% of Total Office Annl Rev	0.4%	0.2%	0.5%	0.2%	1.3%
Greenville	RSF	8,470	0	0	24,096	32,566
	% of Total Office RSF	0.1%	0.0%	0.0%	0.3%	0.4%
	Annualized Revenue	1/ \$ 93	\$ -	\$ -	\$ 270	363
	% of Total Office Annl Rev	0.2%	0.0%	0.0%	0.7%	0.9%
Kansas City	RSF	2,018	0	0	1,756	3,774
	% of Total Office RSF	0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Revenue	1/ \$ 19	\$ -	\$ -	\$ 20	39
	% of Total Office Annl Rev	0.0%	0.0%	0.0%	0.0%	0.1%
Piedmont Triad	RSF	393,510	301,768	204,650	37,252	937,180
	% of Total Office RSF	4.5%	3.4%	2.3%	0.4%	10.7%
	Annualized Revenue	1/ \$ 1,552	\$ 944	\$ 875	\$ 228	3,599
	% of Total Office Annl Rev	3.8%	2.3%	2.2%	0.6%	8.9%
Research Triangle	RSF	0	2,340	0	12,859	15,199
	% of Total Office RSF	0.0%	0.0%	0.0%	0.1%	0.2%
	Annualized Revenue	1/ \$ -	\$ 23	\$ -	\$ 125	148
	% of Total Office Annl Rev	0.0%	0.1%	0.0%	0.3%	0.4%
Richmond	RSF	37,800	0	0	46,068	83,868
	% of Total Office RSF	0.4%	0.0%	0.0%	0.5%	1.0%
	Annualized Revenue	1/ \$ 218	\$ -	\$ -	\$ 246	464
	% of Total Office Annl Rev	0.5%	0.0%	0.0%	0.6%	1.1%
Total	RSF	684,162	478,080	332,462	217,217	1,711,921
	% of Total Office RSF	7.8%	5.5%	3.8%	2.5%	19.5%
	Annualized Revenue	1/ \$ 3,065	\$ 1,901	\$ 1,786	\$ 1,452	8,204
	% of Total Office Annl Rev	7.6%	4.7%	4.4%	3.6%	20.3%

1/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

Office Lease Expirations by Market by Year

Dollars in thousands

		2003	2004	2005	2006	Thereafter
Atlanta	RSF	722,487	224,413	356,127	183,756	1,319,345
	% of Total Office RSF	3.5%	1.1%	1.7%	0.9%	6.3%
	Annualized Revenue	1/ \$ 13,052	\$ 3,996	\$ 6,253	\$ 2,854	\$ 23,199
	% of Total Office Annl Rev	3.6%	1.1%	1.7%	0.8%	6.4%
Charlotte	RSF	477,861	238,031	282,161	134,396	184,052
	% of Total Office RSF	2.3%	1.1%	1.4%	0.6%	0.9%
	Annualized Revenue	1/ \$ 7,618	\$ 3,889	\$ 4,794	\$ 1,977	\$ 2,695
	% of Total Office Annl Rev	2.1%	1.1%	1.3%	0.5%	0.7%
Columbia	RSF	108,203	23,334	48,288	37,273	69,524
	% of Total Office RSF	0.5%	0.1%	0.2%	0.2%	0.3%
	Annualized Revenue	1/ \$ 2,112	\$ 421	\$ 877	\$ 645	\$ 849
	% of Total Office Annl Rev	0.6%	0.1%	0.2%	0.2%	0.2%
Greenville	RSF	117,249	42,688	334,723	224,057	518,568
	% of Total Office RSF	0.6%	0.2%	1.6%	1.1%	2.5%
	Annualized Revenue	1/ \$ 2,026	\$ 859	\$ 4,161	\$ 4,267	\$ 7,018
	% of Total Office Annl Rev	0.6%	0.2%	1.1%	1.2%	1.9%
Kansas City	RSF	211,543	139,673	128,494	123,584	285,312
	% of Total Office RSF	1.0%	0.7%	0.6%	0.6%	1.4%
	Annualized Revenue	1/ \$ 4,133	\$ 2,724	\$ 2,906	\$ 2,673	\$ 6,745
	% of Total Office Annl Rev	1.1%	0.8%	0.8%	0.7%	1.9%
Memphis	RSF	182,086	168,719	204,085	136,750	290,606
	% of Total Office RSF	0.9%	0.8%	1.0%	0.7%	1.4%
	Annualized Revenue	1/ \$ 3,619	\$ 3,176	\$ 4,008	\$ 2,520	\$ 5,543
	% of Total Office Annl Rev	1.0%	0.9%	1.1%	0.7%	1.5%
Nashville	RSF	248,289	283,175	620,217	392,178	869,914
	% of Total Office RSF	1.2%	1.4%	3.0%	1.9%	4.2%
	Annualized Revenue	1/ \$ 5,086	\$ 5,711	\$ 11,849	\$ 7,780	\$ 13,906
	% of Total Office Annl Rev	1.4%	1.6%	3.3%	2.1%	3.8%
Orlando	RSF	30,052	28,860	3,000	9,227	92,456
	% of Total Office RSF	0.1%	0.1%	0.0%	0.0%	0.4%
	Annualized Revenue	1/ \$ 443	\$ 474	\$ 42	\$ 161	\$ 1,597
	% of Total Office Annl Rev	0.1%	0.1%	0.0%	0.0%	0.4%
Piedmont Triad	RSF	333,804	266,415	207,353	212,375	1,056,382
	% of Total Office RSF	1.6%	1.3%	1.0%	1.0%	5.1%
	Annualized Revenue	1/ \$ 4,499	\$ 3,536	\$ 3,294	\$ 3,745	\$ 14,239
	% of Total Office Annl Rev	1.2%	1.0%	0.9%	1.0%	3.9%
Research Triangle	RSF	693,149	508,443	471,550	738,511	1,069,926
	% of Total Office RSF	3.3%	2.4%	2.3%	3.5%	5.1%
	Annualized Revenue	1/ \$ 12,350	\$ 9,014	\$ 8,807	\$ 12,663	\$ 18,199
	% of Total Office Annl Rev	3.4%	2.5%	2.4%	3.5%	5.0%
Richmond	RSF	276,986	266,321	404,777	230,971	1,045,450
	% of Total Office RSF	1.3%	1.3%	1.9%	1.1%	5.0%
	Annualized Revenue	1/ \$ 4,721	\$ 4,925	\$ 6,657	\$ 4,222	\$ 16,594
	% of Total Office Annl Rev	1.3%	1.4%	1.8%	1.2%	4.6%
Tampa	RSF	2/ 641,243	577,383	250,542	347,012	1,039,275
	% of Total Office RSF	3.1%	2.8%	1.2%	1.7%	5.0%
	Annualized Revenue	1/2/ \$ 10,632	\$ 10,887	\$ 5,200	\$ 7,002	\$ 20,254
	% of Total Office Annl Rev	2.9%	3.0%	1.4%	1.9%	5.6%
Other	RSF	1,984	0	20,481	73,770	39,108
	% of Total Office RSF	0.0%	0.0%	0.1%	0.4%	0.2%
	Annualized Revenue	1/ \$ 69	\$ -	\$ 446	\$ 1,075	\$ 776
	% of Total Office Annl Rev	0.0%	0.0%	0.1%	0.3%	0.2%
Total	RSF	2/ 4,044,936	2,767,455	3,331,798	2,843,860	7,879,918
	% of Total Office RSF	19.4%	13.3%	16.0%	13.6%	37.8%
	Annualized Revenue	1/2/ \$ 70,360	\$ 49,612	\$ 59,294	\$ 51,584	\$ 131,614
	% of Total Office Annl Rev	19.4%	13.7%	16.4%	14.2%	36.3%

1/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

2/ Excludes the rejected 816,000 square foot Intermedia(Worldcom) lease on 12/31/02

Industrial Lease Expirations by Market by Year

Dollars in thousands

		2003	2004	2005	2006	Thereafter
Atlanta	RSF	585,391	452,558	476,513	463,069	744,871
	% of Total Industrial RSF	6.7%	5.2%	5.4%	5.3%	8.5%
	Annualized Revenue 1/	\$ 3,058	\$ 2,378	\$ 2,188	\$ 2,667	\$ 3,955
	% of Total Industrial Annl Rev	7.5%	5.9%	5.4%	6.6%	9.8%
Charlotte	RSF	53,943	29,022	30,359	1,428	20,081
	% of Total Industrial RSF	0.6%	0.3%	0.3%	0.0%	0.2%
	Annualized Revenue 1/	\$ 532	\$ 263	\$ 220	\$ 12	\$ 191
	% of Total Industrial Annl Rev	1.3%	0.6%	0.5%	0.0%	0.5%
Greenville	RSF	32,566	26,859	16,081	0	0
	% of Total Industrial RSF	0.4%	0.3%	0.2%	0.0%	0.0%
	Annualized Revenue 1/	\$ 363	\$ 283	\$ 190	\$ -	\$ -
	% of Total Industrial Annl Rev	0.9%	0.7%	0.5%	0.0%	0.0%
Kansas City	RSF	3,774	0	0	0	0
	% of Total Industrial RSF	0.0%	0.0%	0.0%	0.0%	0.0%
	Annualized Revenue 1/	\$ 39	\$ -	\$ -	\$ -	\$ -
	% of Total Industrial Annl Rev	0.1%	0.0%	0.0%	0.0%	0.0%
Piedmont Triad	RSF	937,180	1,946,410	494,243	292,851	1,685,562
	% of Total Industrial RSF	10.7%	22.2%	5.6%	3.3%	19.2%
	Annualized Revenue 1/	\$ 3,599	\$ 6,601	\$ 2,202	\$ 1,511	\$ 7,516
	% of Total Industrial Annl Rev	8.9%	16.3%	5.4%	3.7%	18.5%
Research Triangle	RSF	15,199	13,756	41,396	2,339	24,675
	% of Total Industrial RSF	0.2%	0.2%	0.5%	0.0%	0.3%
	Annualized Revenue 1/	\$ 148	\$ 115	\$ 329	\$ 22	\$ 158
	% of Total Industrial Annl Rev	0.4%	0.3%	0.8%	0.1%	0.4%
Richmond	RSF	83,868	40,082	41,185	61,867	154,600
	% of Total Industrial RSF	1.0%	0.5%	0.5%	0.7%	1.8%
	Annualized Revenue 1/	\$ 464	\$ 226	\$ 217	\$ 293	\$ 792
	% of Total Industrial Annl Rev	1.1%	0.6%	0.5%	0.7%	2.0%
Total	RSF	1,711,921	2,508,687	1,099,777	821,554	2,629,789
	% of Total Industrial RSF 1/	19.5%	28.6%	12.5%	9.4%	30.0%
	Annualized Revenue	\$ 8,203	\$ 9,866	\$ 5,346	\$ 4,505	\$ 12,612
	% of Total Industrial Annl Rev	20.2%	24.3%	13.2%	11.1%	31.1%

1/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

Customer Diversification

December 31, 2002

Dollars in thousands

Top 20 Customers

<u>Tenant</u>	<u>Number Of Leases</u>	<u>RSF</u>	<u>Annualized Revenue 1/</u>	<u>Percent of Annualized Revenue 1/</u>	<u>Average Remaining Lease Term in Years</u>
Federal Government	62	742,378	14,892	3.38%	4.6
AT&T	8	617,477	11,669	2.65%	4.9
Price Waterhouse Coopers	6	297,795	6,932	1.57%	7.3
US Airways	6	414,059	6,910	1.57%	4.9
State of Georgia	10	356,993	6,783	1.54%	6.0
Capital One Services	6	361,968	6,329	1.43%	5.9
Sara Lee	10	1,230,534	4,605	1.04%	2.4
IBM	7	216,505	4,453	1.01%	2.6
Bell South	11	212,011	4,441	1.01%	1.3
Northern Telecom	1	246,000	3,235	0.73%	5.2
WorldCom and Affiliates 2/	15	166,869	3,206	0.73%	3.0
Lockton Companies	1	127,485	3,117	0.71%	12.2
Bank of America	23	152,017	3,003	0.68%	2.3
Volvo	5	214,783	2,979	0.68%	6.6
Hartford Insurance	6	134,021	2,900	0.66%	3.3
T-Mobile USA	3	120,561	2,831	0.64%	3.5
Business Telecom	4	147,379	2,795	0.63%	2.4
Ford Motor Company	2	126,045	2,609	0.59%	7.2
Carlton Fields	2	95,771	2,475	0.56%	1.5
BB&T	6	157,290	2,431	0.55%	7.8
	<u>194</u>	<u>6,137,941</u>	<u>98,595</u>	<u>22.35%</u>	<u>4.8</u>

By Industry

<u>Category</u>	<u>Percent of Annualized Revenue 1/</u>
Professional, Scientific, and Technical Services	20.8%
Insurance	9.4%
Manufacturing	9.4%
Finance/Banking	9.4%
Telecommunication	8.9%
Retail Trade	7.9%
Government/Public Administration	5.3%
Wholesale Trade	5.1%
Administrative and Support Services	4.9%
Health Care and Social Assistance	4.1%
Transportation and Warehousing	4.0%
Real Estate Rental and Leasing	3.1%
Information	2.8%
Accommodation and Food Services	2.6%
Other Services (except Public Administration)	1.5%
Educational Services	0.8%
	<u>100.0%</u>

1/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

2/ Our exposure to Worldcom has been reduced as a result of the rejection of the 816,000 square foot Intermedia(Worldcom) lease on 12/31/02.

Same Property Performance

Dollars in thousands

	Three months ended December 31,		Percentage Change
	<u>2002</u>	<u>2001</u>	
	Rental revenues	\$ 105,071	
Operating expenses	(35,833)	(35,941)	0.3%
Net operating income	<u>\$ 69,238</u>	<u>\$ 75,007</u>	<u>-7.7%</u>
Average Occupancy	<u>86.9%</u>	<u>92.2%</u>	<u>-5.7%</u>
Rentable Square Feet	<u>33,638,000</u>	<u>33,638,000</u>	

	Year ended December 31,		Percentage Change
	<u>2002</u>	<u>2001</u>	
	Rental revenues	\$ 425,788	
Operating expenses	(137,062)	(137,267)	0.1%
Net operating income	<u>\$ 288,726</u>	<u>\$ 303,212</u>	<u>-4.8%</u>
Average Occupancy	<u>88.0%</u>	<u>93.0%</u>	<u>-5.4%</u>
Rentable Square Feet	<u>33,638,000</u>	<u>33,638,000</u>	

<u>Market</u>	2001 to 2002 4th Quarter	2001 to 2002 YTD
	<u>NOI Change</u>	<u>NOI Change</u>
	Atlanta	-7.9%
Charlotte	-1.6%	-7.4%
Columbia	-39.7%	-23.9%
Greenville	-5.0%	-16.6%
Kansas City	-1.4%	4.7%
Memphis	-18.7%	-8.3%
Nashville	-3.4%	-1.9%
Orlando	-11.0%	-4.6%
Piedmont Triad	-8.4%	-4.1%
Research Triangle	-11.0%	-7.5%
Richmond	0.3%	-1.1%
Tampa	<u>-10.5%</u>	<u>-6.8%</u>
	<u>-7.7%</u>	<u>-4.8%</u>

Acquisition Activity

Dollars in thousands

<u>Name</u>	<u>Market</u>	<u>Type</u>	<u>Date Acquired</u>	<u>Square Footage</u>	<u>Cost</u>
First quarter 2002:					
none					
Second quarter 2002:					
Harborview Plaza	Tampa	O	06/26/02	205,000	1/
Third quarter 2002:					
none					
Fourth quarter 2002:					
none					

1/ Purchased partners' 50% interest in this property for \$6.5 million.

Disposition Activity

Dollars in thousands

Name	Market	Type	Date Sold	Square Footage	Sales Price
First quarter 2002:					
Romac	Tampa	O	01/10/02	128,000	\$ 20,200
Second quarter 2002:					
Parkway Plaza Building Nine	Charlotte	I	04/04/02	110,000	5,922
Alston & Bird	Charlotte	O	05/13/02	45,000	8,500
7327 & 7339 West Friendly Avenue	Piedmont Triad	I	05/21/02	23,000	1,272
International Place III	Memphis	O	05/23/02	214,000	38,270
Reo Building	Tampa	O	05/30/02	76,000	5,155
Amica and Arrowwood	Research Triangle	O	05/31/02	78,000	7,200
4900 Main Buildng	Kansas City	O	05/31/02	182,000	29,000
Third quarter 2002:					
none					
Fourth quarter 2002:					
Twin Lakes Distribution Center	Charlotte	I	10/10/02	347,000	10,350
Brymar Building	Kansas City	O	10/18/02	56,000	2,535
Eastshore I, II, III & Cat Financial	Richmond/Nashville	O	11/26/02	538,000	90,034
Oakridge Office Park	Orlando	O	12/18/02	316,000	22,175
Red Bridge Shops	Kansas City	R	12/18/02	141,000	7,000
Brookfield YMCA	Greenville	I	12/31/02	16,000	1,050
				2,270,000	\$ 248,663

Assets Contributed to Joint Ventures

Market	Type	Date Contributed	Square Footage	Sales Price
First quarter 2002:				
none				
Second quarter 2002:				
none				
Third quarter 2002:				
Harborview Plaza	Tampa	O	09/11/02	205,000 \$ 38,500
Fourth quarter 2002:				
none				

Development

Dollars in thousands

<u>Property</u>	<u>Market</u>	<u>Type</u>	<u>Rentable Square Feet</u>	<u>Anticipated Total Investment</u>	<u>Investment @ 12/31/02</u>	<u>Pre- Leasing</u>	<u>Estimated Completion Date</u>	<u>Estimated Stabilization Date</u>
Catawba 1/	Research Triangle	O	40,000	\$ 4,030	\$ 2,105	0%	2Q 03	2Q04
Seven Springs I 2/	Nashville	O	131,000	15,556	13,371	76%	1Q02	3Q03
801 Raleigh Corporate Center 2/	Research Triangle	O	100,000	12,016	9,802	42%	4Q02	2Q04
Tradeport V 2/	Atlanta	I	60,000	2,913	2,851	50%	4Q02	4Q03
Total or Weighted Average			331,000	\$ 34,515	\$ 28,129	52%		

1/ Redevelopment project in process

2/ Completed but not stabilized properties, they contributed \$138,000 in Net Operating Income (Property Revenue - Property Expense) in Q4 2002.

Developments Placed in Service 2002

Dollars in thousands

<u>Property</u>	<u>Market</u>	<u>Type</u>	<u>In-Service Date</u>	<u>Rentable Square Feet</u>	<u>Investment</u>		<u>Occ %</u>	<u>Leasing % 2/</u>
					<u>@ 12/31/02</u>	<u>Quarter 4 2002 NOI 1/</u>		
Verizon Wireless	Greenville	O	Jan-02	193,000	\$ 15,996	\$ 447	100%	100%
380 Park Place	Tampa	O	Jan-02	82,000	10,064	254	94%	94%
Innslake	Richmond	O	Feb-02	65,000	7,625	209	100%	100%
Holden Rd	Piedmont Triad	I	Mar-02	64,000	2,621	33	60%	68%
Centre Green Two	Research Triangle	O	Apr-02	97,000	11,293	103	66%	66%
Highwoods Tower II	Research Triangle	O	May-02	167,000	25,570	719	94%	94%
Cool Springs II	Nashville	O	May-02	205,000	23,931	152	71%	96%
North Shore Commons A	Richmond	O	May-02	115,000	14,702	354	94%	100%
Stony Point III	Richmond	O	May-02	107,000	11,866	231	77%	77%
ParkWest One	Research Triangle	O	Jun-02	46,000	4,637	100	96%	96%
1825 Century Center	Atlanta	O	Jul-02	101,000	15,894	437	100%	100%
Hickory Trace	Nashville	O	Sep-02	52,000	7,475	35	86%	91%
Met Life Building at Brookfield	Greenville	O	Sep-02	115,000	13,486	456	82%	82%
Newpoint IV	Atlanta	I	Oct-02	135,000	5,061	19	30%	83%
Centre Green Four	Research Triangle	O	Oct-02	100,000	9,682	(52)	0%	100%
1501 Highwoods Boulevard	Piedmont Triad	O	Nov-02	98,000	10,313	(27)	4%	10%
Shadow Creek II	Memphis	O	Nov-02	81,000	7,284	10	19%	19%
GlenLake I	Research Triangle	O	Nov-02	158,000	20,320	(110)	40%	72%
Granada Shops	Kansas City	R	Nov-02	19,000	4,552	206	90%	100%
				<u>2,000,000</u>	<u>\$ 222,372</u>	<u>\$ 3,576</u>	<u>68%</u>	<u>82%</u>

Placed in Service and Sold

International Place III	Memphis	O	May-02	214,000	N/A 3/	N/A 3/	N/A 3/	N/A 3/
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1/ NOI = Net Operating Income (Property Revenue - Property Expense)

2/ Letters of intent comprise 7.6% of the total leasing percentage.

3/ Sold 5/23/2002 for \$38.3 million

Development Land

December 31, 2002

Dollars in thousands

<u>Market</u>	<u>Acres</u>	<u>Developable Square Footage</u>			<u>Total</u>
	<u>Total</u>	<u>Office</u>	<u>Retail</u>	<u>Industrial</u>	<u>Estimated Market Value</u>
On Balance Sheet:					
Research Triangle	383	2,309,000	-	162,000	\$ 59,000
Atlanta	202	270,000	600,000	1,040,000	30,400
Piedmont Triad	167	787,000	37,000	1,252,000	19,000
Kansas City 1/	115	725,000	216,000	-	20,300
Baltimore	101	1,102,000	-	-	13,200
Richmond	99	756,000	-	700,000	16,800
Charlotte	87	1,384,000	-	-	14,900
Nashville	54	830,000	-	-	13,300
Orlando	44	862,000	-	-	14,500
Tampa	32	522,000	-	15,000	5,500
Greenville	12	150,000	-	-	1,800
Jacksonville	10	80,000	-	-	1,100
Columbia	2	20,000	-	-	300
	<u>1,308</u>	<u>9,797,000</u>	<u>853,000</u>	<u>3,169,000</u>	<u>\$ 210,100</u>
Deferred or optioned:					
Atlanta	48	-	1,000,000	-	
Research Triangle	40	731,000	-	-	
Memphis	22	288,000	-	-	
Richmond	11	91,000	-	-	
Piedmont Triad	-	-	-	-	
Nashville	-	-	-	-	
Charlotte	-	-	-	-	
	<u>121</u>	<u>1,110,000</u>	<u>1,000,000</u>	<u>-</u>	
Total	<u>1,429</u>	<u>10,907,000</u>	<u>1,853,000</u>	<u>3,169,000</u>	

1/ Includes 27 acres of residential land

Unconsolidated Joint Ventures Assets, Debt and Liabilities

December 31, 2002

Dollars in thousands

<u>Joint Venture</u>	<u>Asset</u>		<u>Venture's Books</u>		
	<u>Type</u>	<u>Own %</u>	<u>Total Assets</u>	<u>Debt</u>	<u>Total Liabilities</u>
Dallas County Partners I, LP	O / I	50.0%	\$ 44,115	\$ 38,904	\$ 41,263
Dallas County Partners II, LP	O	50.0%	18,900	23,587	24,874
Dallas County Partners III, LP	O	50.0%	13	-	22
Fountain Three	O / I / R	50.0%	37,159	30,958	32,581
RRHWoods , LLC	O / M	50.0%	82,646	68,561	71,767
Dreilander-Fonds 98/29	O	22.8%	141,147	68,209	70,482
Dreilander-Fonds 97/26 Dreilander-Fonds 99/32	O	42.9%	119,134	59,688	62,601
MG-HIW, LLC	O	20.0%	355,102	242,240	249,340
MG-HIW Metrowest I, LLC	O	50.0%	1,601	-	3
MG-HIW Peachtree Corners, LLC	O	50.0%	3,809	2,494	2,823
MG-HIW Metrowest II, LLC	O	50.0%	9,600	5,372	5,540
4600 Madison Associates, LP	O	12.5%	23,254	17,385	17,896
Board of Trade Investment Co.	O	49.0%	7,778	919	1,071
Concourse Center Associates, LLC	O	50.0%	14,896	9,859	10,193
Plaza Colonnade, LLC	O/R	50.0%	3,591	-	3
Highwoods-Markel Assoc., LLC	O	50.0%	16,026	11,625	12,583
SF-HIW Harborview Plaza, LP	O	20.0%	41,134	22,800	25,225
Kessinger/Hunter, LLC	-	26.5%	12,929	-	888
Total			\$ 932,834	\$ 602,601	\$ 629,155

<u>Joint Venture</u>	<u>Asset</u>		<u>Highwoods' Share of Joint Ventures</u>		
	<u>Type</u>	<u>Own %</u>	<u>Total Assets</u>	<u>Debt</u>	<u>Total Liabilities</u>
Dallas County Partners I, LP	O / I	50.0%	\$ 22,058	\$ 19,452	\$ 20,632
Dallas County Partners II, LP	O	50.0%	9,450	11,793	12,437
Dallas County Partners III, LP	O	50.0%	6	-	11
Fountain Three	O / I / R	50.0%	18,580	15,479	16,290
RRHWoods , LLC	O / M	50.0%	41,323	34,280	35,884
Dreilander-Fonds 98/29	O	22.8%	32,196	15,558	16,077
Dreilander-Fonds 97/26 Dreilander-Fonds 99/32	O	42.9%	51,144	25,624	26,875
MG-HIW, LLC	O	20.0%	71,020	48,448	49,868
MG-HIW Metrowest I, LLC	O	50.0%	800	-	2
MG-HIW Peachtree Corners, LLC	O	50.0%	1,905	1,247	1,411
MG-HIW Metrowest II, LLC	O	50.0%	4,800	2,686	2,770
4600 Madison Associates, LP	O	12.5%	2,907	2,173	2,237
Board of Trade Investment Co.	O	49.0%	3,811	450	525
Concourse Center Associates, LLC	O	50.0%	7,448	4,930	5,096
Plaza Colonnade, LLC	O/R	50.0%	1,796	-	1
Highwoods-Markel Assoc., LLC	O	50.0%	8,013	5,813	6,292
SF-HIW Harborview Plaza, LP	O	20.0%	8,227	4,560	5,045
Kessinger/Hunter, LLC	-	26.5%	3,426	-	235
Total			\$ 288,910	\$ 192,493	\$ 201,688

Unconsolidated Joint Ventures Income

For the Three Months Ended December 31, 2002

Dollars in thousands

<u>Joint Venture</u>	<u>Own %</u>	<u>Venture's Books</u>				
		<u>Revenue</u>	<u>Oper Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>	<u>Net Income</u>
Dallas County Partners I, LP	50.0%	\$ 2,603	\$ 1,331	\$ 687	\$ 526	\$ 59
Dallas County Partners II, LP	50.0%	1,495	624	597	265	9
Dallas County Partners III, LP	50.0%	53	37	-	1	15
Fountain Three	50.0%	1,918	812	645	534	(73)
RRHWoods , LLC	50.0%	3,455	1,888	641	933	(7)
Dreilander-Fonds 98/29	22.8%	4,882	1,404	1,181	853	1,444
Dreilander-Fonds 99/32 & 97/26	43.8%	4,201	1,166	1,184	996	855
MG-HIW, LLC	20.0%	12,830	4,636	2,787	2,218	3,189
MG-HIW Metrowest I, LLC	50.0%	-	6	-	-	(6)
MG-HIW Rocky Point, LLC	50.0%	-	-	-	-	-
MG-HIW Peachtree Corners, LLC	50.0%	-	26	-	17	(43)
MG-HIW Metrowest II, LLC	50.0%	99	63	30	65	(59)
4600 Madison Associates, LP	12.5%	1,282	493	305	515	(31)
Board of Trade Investment Co.	49.0%	659	432	18	112	97
Concourse Center Assoc., LLC	50.0%	527	136	175	76	140
Highwoods-Markel Assoc., LLC	50.0%	809	202	504	142	(39)
Kessinger/Hunter, LLC	28.3%	1,991	1,227	-	172	592
SF-HIW Harborview Plaza, LP	20.0%	1,450	384	352	217	497
Plaza Colonnade, LLC	50.0%	4	-	-	1	3
Total		\$ 38,258	\$ 14,867	\$ 9,106	\$ 7,643	\$ 6,642

<u>Joint Venture</u>		<u>Highwoods' Share of Joint Ventures</u>				
		<u>Revenue</u>	<u>Oper Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>	<u>Net Income</u>
Dallas County Partners I, LP	50.0%	\$ 1,301	\$ 666	\$ 344	\$ 262	\$ 30
Dallas County Partners II, LP	50.0%	748	312	299	133	5
Dallas County Partners III, LP	50.0%	27	19	-	1	8
Fountain Three	50.0%	959	406	323	266	(37)
RRHWoods , LLC	50.0%	1,727	944	321	466	(4)
Highwoods DLF 98/29	22.8%	1,114	320	269	194	329
Highwoods DLF 97/26 DLF 99/32	42.9%	1,802	501	508	427	367
MG-HIW, LLC	20.0%	2,565	927	557	444	638
MG-HIW Metrowest I, LLC	50.0%	-	3	-	-	(3)
MH-HIW Rocky Point, LLC	50.0%	-	-	-	-	-
MG-HIW Peachtree Corners III, LLC	50.0%	-	13	-	8	(22)
MG-HIW Metrowest II, LLC	50.0%	50	32	15	32	(30)
4600 Madison Associates	12.5%	160	62	38	64	(4)
Board of Trade Investment Co.	49.0%	323	212	9	55	48
Concourse Center Assoc., LLC	50.0%	264	68	88	38	70
Highwoods-Markel Assoc., LLC	50.0%	405	101	252	71	(20)
Kessinger/Hunter & Company	28.3%	563	347	-	49	167
SF-HIW Harborview Plaza, LP	20.0%	290	77	70	43	99
Plaza Colonnade, LLC	50.0%	2	-	-	1	2
Total 1/		\$ 12,300	\$ 5,010	\$ 3,093	\$ 2,554	\$ 1,643

1/ Highwoods' Share of JV income shown above does not include the amortization of a \$122K deferred gain.

Unconsolidated Joint Ventures Income

For the Year Ended December 31, 2002

Dollars in thousands

<u>Joint Venture</u>	<u>Own %</u>	<u>Venture's Books</u>				
		<u>Revenue</u>	<u>Oper Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>	<u>Net Income</u>
Dallas County Partners I, LP	50.0%	\$ 10,836	\$ 5,325	\$ 2,663	\$ 1,993	\$ 855
Dallas County Partners II, LP	50.0%	5,948	2,522	2,452	1,062	(88)
Dallas County Partners III, LP	50.0%	210	145	-	5	60
Fountain Three	50.0%	6,884	2,850	2,143	1,516	375
RRHWoods , LLC 1/	50.0%	13,740	7,145	3,397	3,617	(419)
Dreilander-Fonds 98/29	22.8%	20,337	5,549	4,653	3,391	6,744
Dreilander-Fonds 99/32 & 97/26	42.9%	16,859	4,465	4,635	3,968	3,791
MG-HIW, LLC	20.0%	51,177	18,156	10,741	8,377	13,903
MG-HIW Metrowest I, LLC	50.0%	-	26	-	-	(26)
MG-HIW Rocky Point, LLC	50.0%	1,813	555	271	248	739
MG-HIW Peachtree Corners, LLC	50.0%	-	55	-	44	(99)
MG-HIW Metrowest II, LLC	50.0%	303	240	50	246	(233)
4600 Madison Associates, LP	12.5%	5,229	1,954	1,258	1,839	178
Board of Trade Investment Co.	49.0%	2,670	1,647	83	363	577
Concourse Center Assoc., LLC	50.0%	2,113	539	681	302	591
Highwoods-Markel Assoc., LLC	50.0%	3,191	1,642	1,032	562	(45)
Kessinger/Hunter, LLC	29.2%	6,867	4,927	-	682	1,258
SF-HIW Harborview Plaza, LP	20.0%	1,721	458	432	289	542
Plaza Colonnade, LLC	50.0%	9	-	-	2	7
Total		\$ 149,907	\$ 58,200	\$ 34,491	\$ 28,506	\$ 28,710

<u>Joint Venture</u>		<u>Highwoods' Share of Joint Ventures</u>				
		<u>Revenue</u>	<u>Oper Exp</u>	<u>Interest</u>	<u>Depr/Amort</u>	<u>Net Income</u>
Dallas County Partners I, LP	50.0%	\$ 5,419	\$ 2,663	\$ 1,332	\$ 997	\$ 427
Dallas County Partners II, LP	50.0%	2,975	1,261	1,226	531	(43)
Dallas County Partners III, LP	50.0%	106	73	-	3	30
Fountain Three	50.0%	3,442	1,425	1,072	758	187
RRHWoods , LLC 1/	50.0%	6,871	3,573	1,699	1,810	(211)
Highwoods DLF 98/29 2/	22.8%	4,639	1,266	1,061	773	1,539
Highwoods DLF 97/26 DLF 99/32	42.9%	7,238	1,917	1,990	1,704	1,627
MG-HIW, LLC	20.0%	10,235	3,631	2,148	1,676	2,780
MG-HIW Metrowest I, LLC	50.0%	-	13	-	-	(13)
MH-HIW Rocky Point, LLC 3/	50.0%	915	278	136	124	377
MG-HIW Peachtree Corners III, LLC	50.0%	-	28	-	22	(50)
MG-HIW Metrowest II, LLC	50.0%	152	120	25	123	(116)
4600 Madison Associates	12.5%	654	244	157	230	23
Board of Trade Investment Co. 4/	49.0%	1,308	807	41	178	282
Concourse Center Assoc., LLC	50.0%	1,057	270	341	151	295
Highwoods-Markel Assoc., LLC	50.0%	1,596	821	516	281	(22)
Kessinger/Hunter & Company	29.2%	2,004	1,438	-	199	367
SF-HIW Harborview Plaza, LP	20.0%	344	92	86	58	108
Plaza Colonnade, LLC	50.0%	5	-	-	1	4
Total 5/		\$ 48,960	\$ 19,920	\$ 11,830	\$ 9,619	\$ 7,591

1/ Includes a \$617K (\$309K Highwoods' Share) extraordinary loss due to the early extinguishment of debt reflected in the "Interest" expense column

2/ Does not include a \$25K prior period adjustment decreasing Highwoods' share of income.

3/ Includes an \$8K net income adjustment for Highwoods' 100% ownership as of June 26, 2002

4/ Does not include an \$8K prior period adjustment increasing Highwoods' share of income.

5/ Highwoods' Share of JV income shown above does not include the amortization of a \$489K deferred gain.

Unconsolidated Joint Ventures Long-Term Debt Detail

Dollars in thousands

<u>Joint Venture</u>	<u>Own %</u>	<u>Lender</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Loan Balance 12/31/02</u>
Dallas County Partners I, LP	50.0%	various 1/	7.2%	various 1/	\$ 38,904
Dallas County Partners II, LP	50.0%	Principal Life Insurance Company	10.2%	Jun-13	23,587
Fountain Three	50.0%	John Hancock Life Insurance Co.	7.8%	Jan-08	6,341
	50.0%	various 2/	7.5%	various 2/	24,617
Total Fountain Three			7.5%		30,958
RRHWoods , LLC	50.0%	Industrial Revenue Bonds	2.9% 3/	Nov-15	23,000
	50.0%	CIGNA	6.8%	Sep-12	8,471
	50.0%	Industrial Revenue Bonds	4.5% 3/	Sep-15	6,000
	50.0%	various 3/	5.8%	various 4/	31,090
Total RRHWoods, LLC			5.5%		68,561
Dreilander-Fonds 98/29	22.8%	USG Annuity & Life Company	6.8%	May-11	68,209
Dreilander-Fonds 97/26 Dreilander-Fonds 99/32	42.9%	Massachusetts Mutual Life Ins. Co.	7.7%	May-12	59,688
MG-HIW, LLC	20.0%	GE Capital	3.9% 4/	Jan-06	242,240
MG-HIW Peachtree Corners, LLC	50.0%	Highwoods Finance, LLC	3.9% 4/	Jul-02	2,494
MG-HIW Metrowest II, LLC	50.0%	Wachovia	3.5% 4/	Jan-02	5,372
4600 Madison Associates, LP	12.5%	State Farm	6.9%	Apr-18	17,385
Board of Trade Investment Co.	49.0%	KC Board of Trade Clearing Corp.	7.8%	Sep-07	919
Concourse Center Associates, LLC	50.0%	Lincoln National Life Insurance Co.	7.0%	Jul-10	9,859
Highwoods-Markel Assoc., LLC	50.0%	First Community Bank	7.9%	Apr-11	10,000
	50.0%	First Community Bank	8.6%	Apr-10	1,625
Total Highwoods-Markel Assoc., LLC			8.0%		11,625
SF-HIW Harborview Plaza, LP	20.0%	Met Life	6.1%		22,800
Total Secured Loans					\$ 602,601
Highwoods' Share of the above					\$ 192,493

1/ includes 15 fixed rate loans under \$4 million with maturities ranging from January 2006 to July 2011

2/ includes 6 fixed rate loans under \$6 million with maturities ranging from May 2008 to September 2012

3/ includes 6 fixed rate loans under \$6 million maturing between October 2002 to september 2012 and 2 floating rate loans under \$6 million with maturities ranging from January 2004 to November 2015

4/ The floating rate loans' interest rates are based on December 31, 2002's rates.

Portfolio Summary Unconsolidated Joint Ventures

As of December 31, 2002

Summary by Location:

<u>Market</u>	<u>Rentable</u>		<u>Percentage of Annualized Revenue - Highwoods' Share Only 3/</u>				
	<u>Square Feet 1/</u>	<u>Occupancy 2/</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Multi-Family</u>	<u>Total</u>
Des Moines	2,245,000	96.6%	32.4%	4.1%	1.0%	4.0%	41.5%
Orlando	1,764,000	83.1%	17.5%	-	-	-	17.5%
Atlanta	930,000	82.4%	14.0%	-	-	-	14.0%
Research Triangle	1,125,000	87.7%	8.5%	-	-	-	8.5%
Tampa	571,000	85.1%	5.6%	-	-	-	5.6%
Piedmont Triad	364,000	100.0%	4.6%	-	-	-	4.6%
Kansas City	427,000	96.2%	4.5%	-	-	-	4.5%
Richmond	121,000	100.0%	2.4%	-	-	-	2.4%
Charlotte	148,000	100.0%	0.8%	-	-	-	0.8%
Other	110,000	100.0%	0.6%	-	-	-	0.6%
Total	7,805,000	90.0%	90.9%	4.1%	1.0%	4.0%	100.0%

1/ Excludes Des Moines' apartment units.

2/ Excludes Des Moines' apartment occupancy percentage of 88%.

3/ Annualized Rental Revenue is December 2002 rental revenue (base rent plus operating expense pass throughs) multiplied by 12.

Unconsolidated Joint Ventures Development

Dollars in thousands

<u>Property</u>	<u>% Ownership</u>	<u>Market</u>	<u>Rentable Square Feet</u>	<u>Anticipated Total Investment</u>	<u>Investment @ 12/31/02</u>	<u>Pre- Leasing</u>	<u>Estimated Completion Date</u>	<u>Estimated Stabilization Date</u>
Plaza Colonnade, LLC								
Plaza Colonnade 1/	50%	Kansas City	285,000	\$ 69,000	\$ 1,796	59%		
Total or Weighted Average			<u>285,000</u>	<u>\$ 69,000</u>	<u>\$ 1,796</u>	<u>59%</u>		
Highwoods' Share of the above			<u>142,500</u>	<u>\$ 34,500</u>	<u>\$ 898</u>	<u>59%</u>		

1/ Includes \$14.1 million in investment cost that will be funded by tax increment financing