

October 9, 2008

Mr. Russell Golden Director of Technical Application and Implementation Activities Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116



LETTER OF COMMENT NO. 27

Dear Mr. Golden:

Subject: File Reference: Proposed FSP FAS 157-d

Highwoods Properties, Inc. appreciates the opportunity to provide comments and observations on the Financial Accounting Standards Board's Exposure Draft of Proposed FSP FAS 157-d ("Exposure Draft"). We are a fully integrated, self-administered and selfmanaged equity REIT that provides leasing, management, development, construction and other customer-related services for our properties and for third parties. Our stock is publicly traded on the NYSE. We are based in Raleigh, North Carolina, and our properties and development land are located in Florida, Georgia, Iowa, Kansas, Maryland, Mississippi, Missouri, North Carolina, South Carolina, Tennessee and Virginia.

We hold certain tax increment financing bonds on our balance sheet as available for sale securities at estimated fair value with unrealized gains or losses reported in other comprehensive income, in accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities. The market for new issuances of bonds of this type is currently inactive. The broker where we routinely obtain fair market value measurements for these bonds, therefore, has diminished ability to assist us.

As such, the measurement of fair value and determination of disclosure classification (i.e. Level 2 or Level 3) under FAS 157 has become increasingly difficult. We believe that this Exposure Draft clarifies the measurement of fair value and determination of disclosure classification under FAS 157 as applicable to our bonds and helps us avoid costly theoryladen discussions with our internal and external auditors about the appropriate application of FAS 157 in the current "credit crisis".

Although not applicable to us, we also are aware of financial assets where an active market does not and never did exist. This Exposure Draft also clarifies the application of FAS 157 to these financial instruments. Additionally, we anticipate that the FAS 157 definition and measurement of "fair value" ultimately will be accepted by IFRS and therefore should be clarified. As such, we agree with the urgent need for adoption of this Exposure Draft in its current form and its immediate effectiveness upon adoption.

We thank the Board for its consideration of our recommendations and would be pleased to discuss these issues in more detail with the Board or staff at your convenience.

Sincerely,

Terry L. Stevens

Senior Vice President and Chief Financial Officer

Highwoods Properties, Inc.

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