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G&E|PC Sees Retail Market Again Leads Kalamazoo Growth in 2008

Kalamazoo, Michigan (January 18, 2008) – The retail market will again be a bright spot in the 2008 commercial real estate market in Kalamazoo, according to an industry forecast by Grubb & Ellis|Paramount Commerce.

The 2008 West Michigan Commercial Real Estate Forecast, which was released during an afternoon session for more than 200 business, government and community leaders, also noted that biotech and life sciences will continue to be driving forces in the office and industrial markets. The findings were featured in the G&E|PC Forecast, a 24-page booklet with proprietary, detailed analysis on Kalamazoo and other West Michigan markets.

The annual session provides a comprehensive review of the 2007 performance of retail, office and industrial markets in Kalamazoo, as well as a forecast of 2008 market conditions.

“We are pleased to be able to share our proprietary market Forecast, which is the only locally developed research of its kind in West Michigan, with area business and community leaders,” said Jodi Milks, CCIM and managing director in Kalamazoo for G&E|PC. “While market conditions in Kalamazoo remain challenging, we do see modest improvements that should continue as we move into 2008.

“Retail will again lead the way, and we anticipate that Kalamazoo will attract new national restaurants and retailers, as well as expansions of existing franchises. “

Kalamazoo highlights of the report, which is available in its entirety to the media, include:

Retail: Although 2007 was marked by “conservative construction,” Milks noted that most new projects were leased before completion. While this will likely put some pressure on older properties to upgrade, it could also have positive impact on rental rates. Milks said that the city’s major retail corridors will continue to see expansion during the coming year. She also

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said that the central business district will experience modest expansion, attracting new restaurant and bar concepts.

Office: Milks said that the Kalamazoo industrial market remains in “recovery mode,” marked by steady lease rates and modest new construction. She expects to see gradual improvement during 2008, although construction and rental rates are both likely to remain flat. The market will be impacted by companies anxious to take advantage of shorter lease terms and larger concessions. Milks noted that Kalamazoo, which continues to draw companies focused on biotech and life sciences, will see continued growth in these key areas in 2008.

Industrial: With the Kalamazoo industrial market still in the recovery phase, G&E|PC Commercial Real Estate Advisor Dave Kuepfer, said he anticipates gradual improvement in the year ahead. The uncertainty of Michigan’s business tax situation has put a question mark on some transactions, which wound up being slowed or delayed. Kuepfer noted that biotech and life sciences, particularly from start ups, will continue to drive growth in this sector.

About Grubb & Ellis|Paramount Commerce:

Grubb & Ellis|Paramount Commerce is the largest commercial real estate firm in West Michigan, with offices in Grand Rapids, Kalamazoo, Grand Haven and Holland. Leading market knowledge and technological resources support individual teams of specialists representing Industrial, Office, Retail and Investment/Land markets, Corporate Account and Property Management services to provide a full range of strategic, customized client solutions. For more information, visit www.gepc.com.

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Grubb & Ellis Company (NYSE: GBE) is one of the largest and most respected commercial real estate services companies. With more than 130 owned and affiliate offices worldwide, Grubb & Ellis offers property owners, corporate occupants and investors comprehensive integrated real estate solutions, including transaction, management, consulting and investment advisory services supported by proprietary market research and extensive local market expertise.

Grubb & Ellis and its subsidiaries are leading sponsors of real estate investment programs that provide individuals and institutions the opportunity to invest in a broad range of real estate investment vehicles, including tax-deferred 1031 tenant-in-common (TIC) exchanges, public non-traded real estate investment trusts (REITs) and real estate investment funds. As of September 30, 2007, nearly \$3 billion in investor equity has been raised for these investment programs. The company and its subsidiaries currently manage a growing portfolio of more than 214 million square feet of real estate. In 2007, Grubb & Ellis was selected from among 15,000 vendors as Microsoft Corporation's Vendor of the Year. For more information regarding Grubb & Ellis Company, please visit www.grubb-ellis.com.

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