

For Immediate Release

Contact: Mary Ann Sabo
maryann@sabo-pr.com, 616.485.1432
or
Lori Eastman
lori.eastman@gepc.com,
616.774.3500, ext. 136

SLOWER CONSTRUCTION, POSITIVE ABSORPTION HIGHLIGHT G&E|PC RETAIL REPORT IN WEST MICHIGAN

Grand Rapids, Michigan (November 10, 2008) – Although new construction has slowed a bit, the retail market remained steady in the third quarter, according to a research report on retail trends released today by Grubb & Ellis|Paramount Commerce.

G&E|PC, the largest commercial real estate firm in West Michigan, noted that more than 22,000 square feet of space was leased during the just-completed quarter, most of it on 28th Street Southeast. That area and Rivertown Parkway continue to boast the lowest retail vacancy rates in the area at 5.5 percent and 4.9 percent, respectively.

The overall vacancy rate for retail space declined slightly over the previous two quarters, falling to 7.3 percent. Year to date, nearly 163,000 square feet of retail space has been leased or sold.

The report also noted that new construction has slowed. Currently, just slightly more than 36,000 square feet of retail space – most of it along Alpine Avenue or on 28th Street Southeast – is under construction.

“Although the Grand Rapids retail market has slowed a bit, we are still seeing activity in high-profile locations with experienced tenants that continue to expand,” said Mike Murray, vice president of G&E|PC’s retail division. “Continued interest in projects already planned or under construction has not abated.

“Many national retailers are still thriving in spite of the economic and banking crises, and they will continue to seek market share in West Michigan.”

The retail market report, the fourth in a series of proprietary research reports issued quarterly by G&E|PC, said that rental rates range from \$8.97 to \$23.15 per square foot, which is in line with last year.

-- more--

2 – 2 – 2

November 10, 2008

Q3 Retail Trends

The report pointed out progress on a number of retail developments throughout the community, including:

- Completion of a 10,000 square foot strip center on 28th Street SE that will house a Chipotle Mexican Grill.
- The redevelopment of the former Ethan Allen store, also on 28th Street SE, into a Jared's Jewelry and adjacent 20,000 square foot strip center.
- The grand opening of the new Klingman's furniture store on 28th Street SW, which is attracting interest from national and local retailers.
- The signing of an upscale department store to the new lifestyle center at East Beltline and 3 Mile Road, which is scheduled to break ground in the fall of 2009.

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.

About Grubb & Ellis

Grubb & Ellis Company (NYSE: GBE) is one of the largest and most respected commercial real estate services and investment 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 March 31, 2008, more than \$3.4 billion in investor equity has been raised for these investment programs. The company and its subsidiaries currently manage a growing portfolio of more than 218 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.

###