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**G&E|PC Sees Continued Growth in Store for West Michigan in 2008**  
*Annual Commercial Real Estate Forecast Notes Medical Development, Out-State Dollars Will Lead Growth*

Grand Rapids, Michigan (January 18, 2008) – After modest improvements across most commercial real estate categories in 2007, Grand Rapids is poised to make continued gains this year, according to an industry forecast released today by Grubb & Ellis|Paramount Commerce.

Ongoing healthcare development in combination with out-state investment will be the primary drivers of this growth, according to the largest commercial real estate firm in West Michigan. G&E|PC released its 2008 West Michigan Commercial Real Estate Forecast, a 24-page booklet with proprietary, detailed analysis of the office, industrial, retail and investment markets, during a breakfast meeting this morning for more than 500 business, government and community leaders.

The annual breakfast, now in its sixth year, provides a comprehensive review of the 2007 performance of each commercial real estate sector in Grand Rapids, Kalamazoo, Holland, Grand Haven and Muskegon, as well as a forecast of market conditions for 2008.

“Key performance indicators for the market are trending in the right direction, and we remain bullish on the potential of West Michigan in the coming year,” said Duke Suwyn, president and CEO of G&E|PC. “While some market segments were soft in 2007, most realized gains. We anticipate that this trend will continue in 2008, fueled by continued development of medical, research and educational facilities, as well as investment from around the country.

“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 leaders.”

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

**Office:** The overall market for office space improved in 2007, as occupancy rates for Class A space increased both in downtown and the suburbs. Ray Kisor, executive vice president and

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office advisor, said that the office market in 2008 stands to benefit from nearly \$2 billion dollars in hotel, museum and healthcare development in downtown Grand Rapids that came online over the past 12 months. He cautioned that second-generation medical offices will face a tougher leasing market as many businesses gravitate to the new spaces open on Medical Mile downtown and in the new Metro Health Village on M-6 in Wyoming.

**Industrial:** The industrial market in Grand Rapids made incremental improvements in 2007. While layoffs and plant closures continued to grab headlines, much of the real growth came from small companies who expanded quality, according to John Kuiper, vice president and industrial advisor. He also noted that companies outside West Michigan have begun to view the area as desirable because of the highly skilled workforce, competitive wage structure, intellectual capability and availability of large, state-of-the-art manufacturing facilities. Demand for industrial facilities under 25,000 square feet increased during the year, a trend he expects will continue in the coming months as entrepreneurial companies continue to diversify and expand.

**Retail:** Despite a slow start to the year, the retail market rebounded. Earl Clements, vice president and retail advisor, expects that pace will quicken in 2008 as more healthcare facilities are completed and attract retail. He said that two large proposed developments – the Cabela’s-anchored shopping center in Walker and the lifestyle center on the East Beltline and Three Mile – have the potential to draw large, national restaurants and retailers into the market.

**Investment:** The past year saw significant out-of-state investment dollars pour into West Michigan, including a \$38 million package of 17 industrial and office properties sold to a California company. Investment Advisor Colin Kraay said that a large supply of quality investment properties served as a catalyst to lure first-time buyers to the region. He expects that 2008 will begin with a “significant amount of investment capital cautiously securing potential deals” as investors wait to see the shakeout of the long-term debt markets, the subprime mortgage crisis, the relative strength of the dollar against foreign currency and other economic fundamentals.

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**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](http://www.gepc.com).

**About Grubb & Ellis**

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](http://www.grubb-ellis.com).

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