Grubb&Ellis
Property Solutions Worldwide

January 22, 2008

Via Email: rule-comments@sec.gov

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N. E.
Washington, D.C. 20549-1090

RE: File No. S7-30-07

Dear Ms. Morris:

Grubb & Ellis Company, one of the largest and most respected commercial real estate services companies in the United States, is also a sponsor of real estate investment programs including tax-deferred 1031 tenant-in-common exchanges, public non-traded real estate investment trusts and real estate investment funds. The purpose of this letter is to comment on the Commission's proposed rule that would permit an entity that has filed at least one annual report and that is current in its reporting obligations under the Securities Exchange Act of 1934 to incorporate by reference into Form S-11 information from the reports and documents it has previously filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We support and are in general agreement with the Commission's proposal to allow incorporation be reference into Form S-11; however, we do have questions and concerns on two aspects of the Commission's proposed rule which are discussed in greater detail below.

Ability to Incorporate by Reference for a REIT Conducting a "Blind Pool" Offering

We are seeking to confirm that a REIT conducting a "blind pool" offering will not be deemed to be a "shell company" as defined by Rule 405. Under the proposed rule, "shell companies" are expressly prohibited from incorporating by reference into a Form S-11. Rule 405 defines a shell company as a company meeting both of the following two requirements:

(1) the company has no or nominal operations; and

(2) the company has either:

(i) No or nominal assets;

(ii) Assets consisting solely of cash and cash equivalents; or

(iii) Assets consisting of any amount of cash and cash equivalents and nominal other assets.

Arguably, "blind pool" REITs could be considered shell companies at the time that they file their initial registration statements because their assets at such time generally consist solely of cash and cash equivalents, and such REITs generally do not commence active operations until they have raised sufficient funds to reach their minimum offering amount, break escrow and acquire their first properties. However, unlike the blank check companies, shell companies and penny stock issuers about which the Commission was concerned when adopting the Securities Offering Reform in 2005, "blind-pool" REITs registering on Form S-11 and subject to Guide 5 are subject to much more stringent disclosure requirements, including regarding their investment policies and, perhaps most importantly, the performance of other real estate programs sponsored by their sponsors. Therefore, the abuses that the Commission was concerned about with respect to blank check companies, shell companies and penny stock issuers do not apply to "blind pool" REITs. It is therefore our position that a "blind pool" REIT registering on Form S-11 and subject to Guide 5 should not be deemed a shell company under Rule 405. We are requesting that the Commission confirm this interpretation in connection with this rulemaking, particularly in light of the fact that the proposal to allow incorporation by reference into a Form S-11 would not be available to "blind-pool" REITs if they are deemed to be shell companies.

Item 20.D of Guide 5

We encourage the Commission to take the opportunity as soon as possible following the adoption of the proposed rule to revise the requirements of Item 20.D of Guide 5. Under Item 20.D as currently in effect, a registrant must file a sticker supplement during the distribution period describing properties that have not been identified in the prospectus whenever a reasonable probability exists that a property will be acquired. Furthermore, at least every three months, these sticker supplements must be consolidated in a post-effective amendment which must also include audited Rule 3-14 financial statements for all material property acquisitions completed during the three-month period. The requirement to provide audited Rule 3-14 financial statements is particularly onerous to comply with for property acquisitions which are completed close to the end of the three-month period. As a result, REITs may be forced to make decisions about completing a property acquisition not based on merits of a particular property but instead on the ability to have an audit completed of the property's financial statements in time to meeting the post-effective amendment filing deadline.

We recommend that, instead of requiring registrants to include Rule 3-14 financial statements in post-effective amendments for all completed property acquisitions during the prior

three-month period, the Commission should allow registrants to follow the timing requirements of Form 8-K and only require that Rule 3-14 financial statements be incorporated into the next post-effective amendment filed after the Form 8-K/A with such Rule 3-14 financial statements has been filed with the Commission.

Conclusion

Apart from the aforementioned concerns, we are in general agreement with the Commission's decision to permit a registrant to incorporate by reference into Form S-11 information from its previously filed Exchange Act reports and documents. We feel that incorporation by reference is in the best interests of investors, since it should lower registration costs, which could be passed along to investors, by reducing the amount of information that would otherwise be required to be repeated in registration statements when that information is already on file with the SEC. Moreover, incorporation by reference would not compromise the level of disclosure available to investors, since the information incorporated by reference would already be on file with the SEC. The Commission's decision to allow incorporation by reference into Form S-11 will also make the requirements of Form S-11 consistent with Forms S-1 and F-1 with respect to incorporation by reference.
Begin on this line**.**

Sincerely,

/s/ Andrea R. Biller

Andrea R. Biller
General Counsel, Executive Vice President
and Secretary