



Happy New Year

Winter 2006

Square Feet

News

From
The Grossman Companies

1266 Furnace Brook Parkway • Quincy, MA 02169 • Phone: (617) 472-2000 • Fax: (617) 472-4600 • Email: info@grossmanco.com • www.grossmanco.com

AVAILABLE FOR LEASE

OFFICE

BRAINTREE	850 – 3,300 s/f
BROOKLINE	4,000 – 10,000 s/f
FRAMINGHAM	1,000 – 2,500 s/f
QUINCY	267 – 1,500 s/f
WELLESLEY	330 – 2,566 s/f suites

FEATURED SPACE

WOBURN

2,500 – 20,000 s/f

Brokers: Ask about
enhanced commission package

RETAIL

BROOKLINE	4,000 -- 10,000 s/f
FRAMINGHAM	2,613 s/f
KINGSTOWN, RI	5,226 s/f
QUINCY	1,300 & 3,000 s/f
SEEKONK	5,000 - 28,000 s/f

INDUSTRIAL

E. PROVIDENCE, RI	144,840 s/f
WINDSOR, CT	2 units – ea. 6,000 s/f
MANCHESTER, CT	39,000 s/f

NAMING RIGHTS ! WOBURN

130 New Boston Street
First-Class Office Space
Lease 10,000 - 20,000 s/f
Name the building !

BROKER BONUS:

Execute a minimum 5-year
lease by March 15, 2006
Commission Rate: \$1.25 s/f !
DETAILS: 617.472.2000

Looking for space?

Call (617) 472-2000
or email richmck@grossmanco.com

For detailed listings, visit our website:
www.grossmanco.com

Morton S. Grossman, 1923 - 2005: A Tribute



Morton Grossman, co-founder and former President and Chairman of The Grossman Companies, Inc., passed away on November 30, 2005, at age 82. The grandson of the founder of the family's building materials business, in 1980 Morton launched the real estate company with his son Louis who now serves as President.

Morton was an idea person. The design of the 'square foot' character at the top of our newsletter was his idea. Many ideas related to recycling the former Willard School and the old Plymouth Post Office into first-class offices were his.

Continued on page 2

Completes \$10.8 Million Refinancing Package

Grossman Cos. Plans 12 New Townhouse Apartments And Community Building At Mill Creek

The Grossman Companies, Inc., has completed a \$10.8 million refinancing package for its Mill Creek Townhouse Apartments complex in North Kingstown, Rhode Island, and has begun construction of "The Town Homes at Mill Creek," 12 new townhouses on a 13-acre site, along with a 3,000 square-foot community center.

Director of Finance and Acquisitions Dana Wolfe says the funds will help to finance the new construction and other investment opportunities.

The new two and three-bedroom town homes will include fenced privacy yards, attached garages and full basements. Units



Continued on page 6

National Retailer Leases 6,500 s/f

Family Dollar Brings Medford's Foodmaster Plaza To 100% Occupancy

Family Dollar, a growing discount chain, leased 6,500 square feet at the Foodmaster Shopping Plaza on Salem Street (Route 60) at The Fellsway (Route 28) in Medford. The lease brought the landmark 81,000 square-foot plaza to 100% occupancy. Representing the owners, Salem Street Realty Trust, was Richard McKinnon, Director of Brokerage Services for The Grossman Companies. Family Dollar was represented by Neil Denenberg, President of Denenberg Realty of Boston.

Other tenants in the plaza are Johnny's Foodmaster, Brooks Pharmacy, Mike's Gym, Great Cuts, Alexander's Liquors and Bank of America. Family Dollar operates 5,500 stores in 44 states. McKinnon said excellent demographics make this retail location highly desirable. A quarter million people live within 3 miles of the property, with a median household income over \$55,500.



FROM OUR MAILBOX



To The Grossman Companies:

Eighteen years of Casey Media's 25 years in business have been at 150 Grossman Drive in Braintree. Bob Casey and I would like to thank you and your staff for your roles in making those 18 years most enjoyable. We have been very pleased with the professionalism and kindness of your staff, the maintenance of the building and grounds, and the extra courtesy extended to us during the closing weeks of our business. We took great pride in our office space and would have remained if our business were to continue. We will miss working with you all.

Sincerely,

Mary E. Petrino, Vice President

PROPERTY MANAGEMENT

Our motto is "Tenant Satisfaction." In addition to managing over one million square feet of company-owned properties, we provide a full range of third-party property management services. Let us share our expertise. Contact Ted Arend: [HYPERLINK mailto:ted@grossmanco.com](mailto:ted@grossmanco.com) ted@grossmanco.com or 617-472-2000.

WHO WE ARE

The Grossman Companies, Inc., owns and manages a portfolio of office, retail, industrial and residential properties throughout southern New England, and offers a broad range of commercial real estate brokerage, consulting, property management and development services. For more information, visit the company website: www.grossmanco.com.



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WE'RE LOOKING TO BUY

We are interested in buying commercial properties. Contact Dana Wolfe at 617-472-2000.

We manage and lease commercial property, too! Call our commercial brokerage division, 617-472-2000.

Morton S. Grossman

Continued from page 1

Morton loved art. Besides his own collection, he commissioned artists to create 'public art' to dress up the company's properties. He also collected clocks, music boxes, historic autographs and photos - even vintage autos.

Most of all, though, Morton loved people. He supported causes that improved people's lives or made the world a little better: educational, medical, religious and community. He was an early supporter of civil rights and donated his platelets countless times to the Brigham & Women's Blood Bank.

A solid businessman, Morton had a softer side you could see in the twinkle of his eyes. He liked to have fun -- but not alone. One summer day in the mid-1980s, Morton took 100 family members, company associates and friends to the Big Apple Circus. No matter how busy his schedule, he never missed a family occasion involving his four children and 16 grandchildren.

The front of Morton's business card read, in large 'Grossman orange' letters 'SMILE.' On the back it read:

I shall pass through this world but once. Any good, therefore, that I can do or any kindness I can show to any human being, let me do it now. Let me not defer it or neglect it, for I shall not pass this way again.

We'll miss Morton.

-- Stanley Hurwitz

(Donations in Morton's memory may be made to Hebrew College, 160 Herrick Rd., Newton, MA 02459, or to Brigham & Women's Hospital, 75 Francis St., Boston 02115, ATTN: Dr. Kirk Daffner)

OUR MISSION is to provide companies, families and individuals throughout New England with comfortable, supportive and highly enjoyable environments in which to conduct their businesses and make their homes.

REPAIRING THE WORLD – ONE STEP AT A TIME



Many religions teach that each individual has a duty to work toward making the world a better place.

In recent years, Grossman Companies' Director of Finance and Acquisitions Dana Wolfe has taken this idea to heart, spending vacation time in some of the world's most neglected regions. She says, "Each of us is a 'citizen of the world.' By seeing these people and their plight in person, we bear witness to their suffering and use our resources to bring about long-term change and a better quality of life."

During 2004, Dana traveled to Cambodia and Thailand with a fact-finding delegation under the auspices of the American Jewish World Service, a non-profit organization that raises and distributes money to help alleviate poverty, hunger and disease around the globe regardless of race, religion or nationality. (ajws.org)

In Phnom Penh, Cambodia, 20 participants – professionals, academics and business people from across the U.S. – visited a project in which 40 at-risk women learn job skills, health and environmental education, and finances. (The per capita income is \$1,600 per year and the average life expectancy is just 58 years). Another project introduces women to small business and job training.



*"You are not required to complete the work,
yet you are not allowed to desist from it."*

– Sayings of the Fathers

Near Bangkok, Thailand, (annual per capita income: \$7,000), the group toured programs that provide health services to Burmese refugees, and that strengthen local grassroots organizations that help empower women. Another agency the group visited works to alleviate rural poverty, fight the human slavery trade, and teach about HIV-AIDS.

In the past, Dana visited Ghana in Africa, taught business skills to women in a subsistence farming community, and helped arrange the donation of computers. "The tour opened our eyes to widespread human rights violations and government corruption," says Dana. "The trip changed our lives. Maybe we can change theirs."

by Stanley Hurwitz
Photos by Dana Wolfe

For more information on how you can help visit www.AJWS.org



SPOTLIGHT ON SPACE

Richard McKinnon, Director of Brokerage Services, reports a flurry of leasing and sales activity in recent months, much of it on behalf of third-party clients. Many featured properties still have space available for lease. (For leasing information, call 617-472-2000 or email [HYPERLINK"mailto:richmck@grossmanco.com"](mailto:richmck@grossmanco.com) richmck@grossmanco.com). Following are highlights of recent transactions.

QUINCY

GROSSMAN COMPANIES SELLS MUNROE BUILDING

The landmark Munroe Building on Hancock Street in the heart of Quincy Center's historic district was sold by The Grossman Companies, which had been exclusive leasing agent for the property. Co-brokering the transaction with Grossman was Meredith & Grew representing the seller.



CANDY LOVERS...THE FUDGE BAR IS HERE

The Fudge Bar, a gourmet candy store, leased 1,750 square feet at The Residences at Munroe Place in Quincy Center. Munroe Place, completed in 2004, consists of several street-level retail units with 111 luxury apartments -- 100% leased.. There remain available two retail units of 1,300 square feet and 3,000 square feet. The first retailer to lease space in the building was Starbucks.

Retailers are attracted by several factors: 600,000 square feet of office space within walking distance; 10,000 public transit riders use the MBTA station each day; and nearby municipal parking. About 118,000 people live within a three-mile radius with a median household income of about \$60,000.

BRAINTREE

ROCKLAND TRUST LEASES 4,300 S/F AT BRAINTREE EXECUTIVE PARK

Rockland Trust Company's Commercial Lending Group has leased 4,300 square feet at Braintree Executive Park, 150 Grossman Drive. Rockland Trust is a subsidiary of Independent Bank Corp. (INDB).

I-TECH SOLUTIONS, INC., RENEWS AT BRAINTREE EXECUTIVE PARK

I-Tech Solutions, Inc., specialists in placement of information technology professionals and in computer consultancy, leased 1,200 square feet at 150 Grossman Drive at Braintree Executive Park Route 3. The office park, about 10 miles south of Boston, is home to such well-known businesses as Quadgraphics, GE Mortgage, Tremont Credit Union, and University of Phoenix, among others.

100 and 150 Grossman Drive amenities include an on-site cafeteria, executive covered parking and high quality interior finishes. They are within walking distance to the MBTA Red Line / Commuter Rail station, with easy highway access and numerous nearby restaurants, stores and hotels. Available office space ranges from 1,300 - 6,700 square feet.

BOSTON / BROOKLINE

SKI MARKET RENEWS LEASE FOR 28,000 S/F FLAGSHIP BOSTON STORE



One of the region's best-known winter sports retailers has renewed the lease for 28,000 square feet on its flagship Boston location, 860 Commonwealth Avenue on the Brookline-Boston line. Other retailers in the building are Mattress Discounters, Spirit Sound, and New England Electronics Services. Available for lease is a 10,500 square foot space, which is sub-dividable. With heavy vehicle and pedestrian traffic, the address boasts excellent visibility and is on the MBTA Green Line. Nearby are the new Boston University Residence Towers, John Hancock Student Village, and the Harry Agganis Sports Arena and Entertainment Complex.

HINGHAM

Unique Shop Expands to 1,800 Square Feet

'ISLAND IN THE SQUARE' OFFERS SPECIALTY CLOTHING & GIFTS

Susan Trachik has operated a clothing and gift store in Hingham Square for five years. Now, increased business has prompted her to change the name of the store to reflect expanded product lines -- and she's leased more space to display them. 'Island in the Square' is the name of the playful new incarnation of Trachik's shop with 1,800 square feet in the Pride Building at the intersection of Main and South Streets. "We carry a lot of colorful resort clothes," she says, "so even on the coldest winter days, people who come in will feel like they're on vacation."



Family Partnerships Under Attack by IRS

By Deborah DiVerdi Carlson

Limited liability companies (LLCs) and family limited partnerships (FLPs) have become very popular estate planning vehicles to hold real estate and other property. For purposes of this article, these LLCs and FLPs will be referred to as LLCs. Transferring property to an LLC is an effective method to control and centralize the management of family assets and prevent transfers of family assets to non-family members. Holding property in an LLC also provides certain creditor protections and facilitates tax-efficient gifts of interests since they may be discounted for lack of marketability and for ownership of a minority interest.



As LLCs have become more popular, the IRS has tried to attack the validity of these agreements and the substantial discounts taken by taxpayers. Recently, the IRS has been successful in a number of cases. These cases have put at risk the traditional model for which LLCs have been used: an older family member transfers his property to an LLC and names himself the manager or general partner, thus retaining all management and control over the property. Over time, he makes gifts of interests in the LLC to family members and discounts the value of those gifts for gift tax purposes. Upon the death of the older family member, only the value of the interest held by him is included in his gross estate.

In each of the recent cases in which the IRS has been successful, the entire fair market value of property transferred to the LLC by a donor had to be included in the donor's gross estate upon his or her death, even though a significant portion of the interests in the LLC had been gifted to other family members before the donor's death.

While all is not lost, these cases won by the IRS teach us valuable lessons about what not to do with LLCs:

1. The LLC should not hold the donor's personal assets; i.e., the LLC should have a business purpose for its organization.
2. The donor to the LLC should not retain total control, especially the right to control distributions and liquidation.
3. The donor should avoid using the assets of the LLC for personal use.
4. The donor should not contribute all or substantially all of his assets to the LLC; i.e., the donor should retain sufficient assets outside of the LLC to maintain his lifestyle.
5. The LLC should not make cash and income distributions to the donor for payment of personal expenses and not to the other members (i.e., non-pro rata distributions).
6. The LLC should be respected as a separate entity, and the donor should not commingle personal and LLC assets.
7. The LLC should not be established on the donor's deathbed.

This area is very complex and continues to evolve. Those who wish to establish an LLC or those who already have an existing LLC and desire to make amendments to guard against IRS attack should consult their own tax advisors.

(Deborah DiVerdi Carlson is a partner in the Corporate Department at Posternak Blankstein & Lund LLP).

TIMELY TOPICS

'Insourcing' May Create Need For Office Space

- An article in the *Wall Street Journal* focused on outsourcing – or 'offshoring' – jobs by large companies, and the resulting slowdown in U. S. demand for office space. One analyst estimated that about 50 million square feet of office space a year would be lost if the trend continues -- 17% of the total nationwide office market over the next 12 years. But another expert is less pessimistic, figuring foreign companies will be hiring employees in the U. S. – referred to as 'insourcing.' Stay tuned. (The Grossman Companies, Inc., has office space available in several great locations. Call us).

Who's Watching Out For You?

- Leases contain many time-sensitive provisions that should be monitored on a regular basis. As a tenant / business owner, do you have someone assigned to lease administration? Knowing when it's time to renew a lease or how market conditions and rents may have changed since you signed the first lease can affect your company's bottom line and future. (This service can be provided by our Property Management Team. Talk to us!).

What's A 1031?

- Do you know about 'like-kind' or 1031 exchanges? A 1031 (named after IRS Code Section 1031) could mean significant tax benefits for real estate owners. It allows an investor to sell a property, reinvest the proceeds in a new property and defer capital gains. (Besides real estate, 'like-kind' may involve aircraft, boats, fleet vehicles). To qualify, the owner cannot have access to the property and may only receive the replacement property in exchange. Due to their complexity, it's best to use a 'Qualified Intermediary' in any 1031 Exchange. Often these are financial institutions or title insurers. (Talk to Dana Wolfe for more details).

Faster Depreciation – But You Need To Act Fast

- Pending legislation could give big tax breaks to commercial property owners – but the window of opportunity expires January 1, 2006. The bill allows owners to recoup a greater amount of expenses from tenant (leasehold) improvements in less time. It allows them to depreciate improvements they make for tenants such as interior walls or lighting fixtures over 15 years rather than the current 39 years. Talk to your commercial broker (at The Grossman Companies), attorney or financial adviser for more details.

PROfiles

MEALS ON WHEELS

– Associates of The Grossman Companies donated \$500 to the South Shore Elder Services Meals on Wheels Program to purchase new insulated food transport bags. A dozen associates donate time each week to deliver hot meals to the area's seniors. Twelve TGC associates were honored at a Volunteer Recognition Luncheon last June. TGC participation is coordinated by Theresa Rouleau of the Accounting Team.



ADDED DUTIES -- For prospective tenants looking to lease commercial property and owners wishing to sell, their first encounter with The Grossman Companies is usually with Cathy Joyce, Brokerage Services Administrative Assistant. Cathy, with the company for six years, has taken on a larger role assisting Team Leader Richard McKinnon in fielding calls, distributing marketing materials, responding to phone inquiries, preparing drafts of leases materials, maintaining the contact database, and layout of direct mail pieces.

CONGRATULATIONS to Administrative Team Leader Lois Nutley's daughter Kaitlyn graduated from Emmanuel College with a BA in Developmental Psychology and a minor in Religious Studies. She attends St. John's Seminary in Brighton for graduate studies in "Masters in the Art of Ministry."

PROPERTY MANAGEMENT ASSOCIATE KAREN NORTH'S daughter Samantha and her classmates at the Holy Family School in Rockland sent a package of unique gifts to soldiers in Iraq: Hand-decorated T-shirts adorned with messages of peace, love and support.

PRESIDENT Louis Grossman commended associates for their generous support of a clothing drive in support of DOVE, Inc. (Domestic Violence Ended) of Quincy, and St. Francis House, which provides shelter and rehabilitative programs for the poor and homeless in Boston.

LOUIS and his doubles partner, Braver and Company's Bob Poirier, took first place in the Annual MGI International Golf and Tennis tournament hosted by the CPA firm at the Ferncroft Country Club in Danvers, Mass.

Left to right: Patrick Riley, managing shareholder, Braver and Company; Dennis Pellecchia, shareholder, Braver and Company; Louis Grossman, CEO The Grossman Companies; Bob Poirier, COO, Braver and Company; Allison Simons, Marketing Manager, Braver and Company.



A Tradition of HELPING HANDS

The following were recipients of corporate donations (either monetary, drive or sponsorship) from The Grossman Companies, Inc., this past year:

*American Cancer Society
Boston Rescue Mission
Braintree Fire Fighters Association
Braintree Police Patrolmen's Club
Dream Day on Cape Cod
Father Bill's Annual Foodfest
& Auction
Literary Volunteers of Mass.
Quincy After School Program
The Salvation Army
School Supply Drive (Quincy)
Special Olympics of Rhode Island
United First Parish Church*

The company also has a charitable matching gifts program. These organizations have been recipients in the past year:

*Boston Children's Hospital
Connecticut Humane Society
Hebrew Senior Life
Quincy Medical Center
South Shore Hospice*

Mill Creek *Continued from page 1* will range from 1,322 square feet for a two-bedroom to 1,575 square feet for a three-bedroom unit. The community building will feature fitness and computer rooms, kitchen, deck and patio area.

Mill Creek sits on 25 rustic acres about one mile from Route 1 (Post Road), near the Quonset / Davisville Industrial and Office Park. Currently, Mill Creek consists of 128 units with two, three and four-bedroom units. Some of the bigger units are among the largest in the area with about 1,100 square feet.

Laurie Lineham, Mill Creek Property Manager, says anyone interested in a tour of the model unit when ready may leave contact information at 401-295-0900. Harry Blackie, President of Creative Housing of Acton, Mass., a multi-housing developer, is serving as Project Manager through its development affiliate, The Land Collaborative.

The Grossman Companies also owns and manages the nearby 87,000 square-foot value-oriented Kingstown Plaza on Route 1 anchored by TJ Maxx, HomeGoods and Dollar Tree.



visit us on the web - www.grossmanco.com