

REAL ESTATE

Retail Lease

After signing two leases at its Palo Woods retail center in Harbor City, commercial real estate investor Watt Cos. of Santa Monica is starting a \$14 million remodel of the property.

In the larger of two deals, L.A. Fitness signed a 15-year lease for 44,000 square feet valued at \$16.2 million. In August, retailer Ross Dress for Less signed a 10-year, 29,105 square foot lease valued at \$5.7 million.

L.A. Fitness will inhabit space at the nine-acre property formerly occupied by Kmart, which vacated Palo Woods on Jan. 31. Susan Rorison, president of Watt, said the company decided to remodel the building because it would be the more "green approach" than tearing it down.

The construction, which will begin the first week of February, should be done in the fall, with L.A. Fitness opening by November. Other upgrades at the property include new signage, landscaping and lighting.

"The project is a long time coming," said Rorison, who represented Watt in-house. "It's certainly due for an uplift."

With the two deals, the property, which Watt has owned since the 1960s, is 100 percent leased. It will remain open during construction.

Chris Wilson of Wilson Commercial Real Estate represented Watt. L.A. Fitness was represented by Realsource Partners and Pat Gilhooly of Clover Co. Gilhooly and L.A. Fitness did not return calls seeking comment.