



NEWS RELEASE

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**WATT COMMERCIAL CLOSES 28 RETAIL LEASE DEALS TOTALING \$5 MILLION**  
*Activity reflects improving conditions in the Southern California retail market*

SANTA MONICA, Calif. (July 28, 2010)— Watt Commercial Properties, a leader in developing, redeveloping and managing community shopping centers in urban markets, executed seven new leases and renewed 21 existing lease contracts with retailers in the first half of 2010. In all, these lease deals comprise nearly 55,000 square feet of space in neighborhood shopping centers across Southern California.

“While I cannot claim the Southern California retail market is experiencing a robust recovery, the steady stream of renewals and new leases we have closed over the past six months may indicate the beginning of an upswing for the sector,” said Watt Companies’ CEO Jim Maginn. “Urban-infill properties, which comprise the bulk of our portfolio, have held significant value and continue to garner considerable interest from retailers across the region.”

Some of the leasing highlights include the following:

- Watt signed a new lease with the Crab Hut at Broadway Lofts, an 84-unit, mixed-use retail and residential property in downtown San Diego. As of July 15<sup>th</sup>, the family-owned and operated Cajun/Creole restaurant now occupies just over 5,000 square feet of ground floor retail space. Built in 1909 as the American National Bank and standing 12 stories tall, the Broadway Lofts tower is one of San Diego’s first skyscrapers. It is located at the intersection of 5<sup>th</sup> Avenue and Broadway, adjacent to San Diego’s Gaslamp Quarter and Business District. Watt Companies announced a recapitalization of the property in May of this year.
- Magnolia Plaza, a Ralphs-anchored neighborhood retail center located in Fountain Valley, California, is in the process of welcoming two new retailers. Watt Commercial contracted with Catholic Books & Gifts for nearly 2,000 square feet and with Massage Enjoy for a 1,020 square-foot space within the shopping center. Both lease deals carry a five year term. Catholic Books & Gifts opened its doors in April, and Massage Enjoy is expected to be open for business within the next month. Magnolia Plaza is located at the intersection of Magnolia Street and Garfield Avenue.
- Starbucks and the UPS Store have renewed five-year leases at the Brea Gateway Center, located at the corner of Brea Boulevard and Imperial Highway in Brea, California. The retailers signed on for 1,600 square feet and 1,200 square feet, respectively. Watt Commercial’s 182,000 square foot shopping plaza is adjacent to the bustling Birch Street Promenade in the heart of the city, and enjoys excellent visibility from the nearby Imperial Highway. Other retailers at the center include Ralphs, Rite Aid and Cost Plus.

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**About Watt Commercial Properties**

With over two million square feet of core retail space in 39 shopping centers located largely in Southern California, Watt Commercial is a leader in developing, redeveloping and managing neighborhood and community shopping centers in urban markets. Most of Watt's centers are grocery and drug store-anchored and include a strong mix of independent, regional and national chain retailers. Watt Commercial is a division of Watt Companies, a diversified real estate company that, over the past 60 years, has developed over eight million square feet of industrial and office space, and built more than 50 shopping centers, homes for over 100,000 families, three first class hotels and six major master-planned communities.

Watt Commercial is aggressively pursuing additional acquisitions within its core product type of neighborhood and community shopping centers. For submittals and more information regarding our existing portfolio, please call Karin Gilbert at (310) 314-2466.

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