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Sears Holdings Corp. Plans to Close South Florida Kmart

A near 40-year-old Kmart in Boca Raton is expected to close its doors in October.

The location at 1401 Palmetto Park Road is the next step in Kmart's parent company Sears Holdings Corp.' plan to close down low-performing locations.

A spokesperson for the Illinois-based company told the Business Journal that liquidation of the location in the Palmetto Park Square shopping plaza began July 29th.

"As we continue to evaluate our store network and invest in our best stores, the Kmart store ... in Boca Raton did not meet our go-forward criteria," the spokesperson said.

After its closure, there will be just four remaining Kmart stores in South Florida – two in Miami, one in Lantana and one in Hollywood.

Sears Holdings has shuttered hundreds of Sears and Kmart stores across the country since filing for Chapter 11 bankruptcy protection in 2018.

In its latest batch of announced closings, the company names Sears stores in Vero Beach and Sebring to close soon. A total of 26 Sears and Kmart stores will close in October, according to a company statement.

The real estate brokerage firm Katz & Associates, which has offices in Boca Raton, handles leasing for Palmetto Park Square. The shopping center is 195,000 square feet and is anchored by Kmart and Publix.

Jonathan Cashion and Daniel Soloman are principals at Katz and oversee leasing at the shopping center.

Cashion told the Business Journal that the Kmart will leave 105,000 square feet vacant, but in a market with not a lot of commercial retail space, he doesn't expect it to stay vacant for long.

He added that the shopping center's owner, Atlanta-based Selig Enterprises Inc., has wanted Kmart out of the space for about 10 years now and is relieved to finally have the space back, despite it being a relatively well-performing location.

Solomon said he is open to breaking up the space into two to four smaller tenant storefronts, but since the shopping center already has plenty of small retailers, he'd prefer another big box chain and anchor.

Cashion said that any tenant that rents out the space will likely need to extensively renovate it, and a complete remodel and redevelopment of the shopping center is possible, depending on what tenant leases the space.