

P R E S S R E L E A S E

Next Realty, LLC, 5215 Old Orchard Road, Suite 880, Skokie, Illinois 60062 www.nextrealty.com
CONTACT: Michael Millar, Open Slate Communications, 847-863-1037

Affiliate of Next Realty Acquires Essex Square in Madison, Wisconsin; Second Acquisition for Next's Fund X Underscores Firm's Multi-Solution Strategy

SKOKIE, IL (March 21, 2022)—An affiliate of Next Realty LLC, on behalf of Next Realty Fund X, LP, has acquired Essex Square, a multi-tenant neighborhood center in Madison, Wisconsin. The financial terms of the transaction were not disclosed.

The 44,000-square-foot center, which sits on four acres, is located at 4222 - 4260 East Towne Boulevard in Madison. Essex Square consists of three structures: a main single-story building that totals 31,000 square feet; a two-story, 12,600-square-foot mixed-use building; and a 400 square-foot freestanding drive-through facility occupied by MOKA Coffee.

One of the most compelling aspects of the acquisition is the timing which coincides with the opening of Concentra Health Services' 7,777-square-foot space earlier in March. Essex Square's newest tenant, a division of Select Medical, a national health care company, has relocated and expanded to the center from an older and smaller space nearby. From Essex Square, Concentra will provide urgent care, primary care, occupational medicine and physical therapy services.

“The acquisition of Essex Square is a great and timely opportunity for Next and reinforces our Multi-Solution™ investment strategy which at its core is committed to diversification,” said Eteri Zaslavsky, Managing Director, Next Realty. “Concentra brings an appealing medical component to the primarily retail-oriented tenant mix of Essex Square. That should contribute to the financial and operational stability as well as the overall marketability of the center.”

The property features a diverse mix of 15 tenants that includes medical, retail, restaurant and convenience-oriented users. Other tenants of Essex Square include Half Price Books, Penzeys Spice Company, The Camera Store, Noodles & Co., The UPS Store, Allstate, Great Clips, Merle Norman Cosmetics and MOKA Coffee. Many of the tenants at the center have been tenants for more than 20 years, including one that has occupied space here for 35 years. Essex Square was built in 1987 and historically has operated at strong occupancy levels.

Essex Square is located approximately 5-miles northeast from downtown Madison and less than 3-miles from the full I-90 and I-43 interchanges. It occupies a location on the southeast corner of the intersection at East Washington Avenue and Eagan Road. It is adjacent to the 790,000-square-foot East Towne Mall.

Madison, located about 80 miles west of Milwaukee, is one of the fastest-growing cities in the Midwest, boasting an impressive 16% population growth rate between 2010 and 2020. The

current population is approximately 680,000 and the unemployment rate is approximately 2.2%. The city of Madison is home to both the state capitol and the largest public university in the state, the University of Wisconsin-Madison (UW) with total enrollment of more than 40,000 students.

Despite the macro-market headwinds, the Madison retail sector has demonstrated continued strength throughout 2021, with limited vacancy of approximately 3.4% according to Costar. While the market has seen the closure of several large department stores and other big-box retailers which began even prior to the pandemic, the smaller in-line space has shown signs of adaptability and resiliency.

Essex Square is the second acquisition for Next's Fund X. In December 2021, Next acquired the Dolphin Square Apartments, located at 10300 West Bluemound Road in Wauwatosa. Dolphin Square is a 64-unit, multifamily complex with a unit mix that includes studios, one- and two-bedroom units. The three-story plus basement building also includes 88 indoor heated parking spaces.

“We are pleased to continue expanding and diversifying our Wisconsin portfolio, which now includes five retail centers and thirteen multifamily properties,” said Andrew Hochberg, Managing Principal and CEO, Next Realty. “We have been targeting the Madison market for some time and are excited to have finally completed our first acquisition in this dynamic and growing market.”

About Next Realty, LLC:

Next Realty, LLC is a real estate private equity firm that has been acquiring commercial properties since 1998. Since inception, Next Realty has made over 70 investments across multiple asset types and locations, representing approximately \$625 million in gross asset value. Next Realty's focus is to acquire, reposition and improve operations of underperforming assets. As part of our Multi-Solution™ investment strategy, Next Realty manages a diversified portfolio of retail, parking, industrial, office, and multifamily properties. For more information, please visit www.nextrealty.com.

#