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Next Closes Fund IX with Final Acquisition



This September, with the acquisition of Westridge Office Park, Next Realty Fund IX, LP became fully invested. The office/medical complex near Indianapolis was the 12th acquisition for the Fund.

One of the most notable aspects of the Fund is how it advances the firm's Multi-Solution™ strategy that emphasizes diversification across geography, asset classes, and revenue streams.

Key highlights of Fund IX, LP investments include:

- A portfolio which includes a mix of retail, office, multifamily, industrial and parking properties
- Properties that total 85,000 square feet of retail space, 200,000 square feet of office space, 51,000 square feet of industrial space, 274 apartment units and 498 parking spaces.
- Properties that are located in 7 states/metro areas. The Fund marked Next Realty's entrance into new markets, including Indianapolis, Cincinnati, and Denver.

"Our Fund IX portfolio completely embraces our Multi-Solution™ strategy that has allowed us to expand into new markets while also broadening the range of property types we're investing in to optimize returns for our investors," says Andy Hochberg, Next's CEO and Managing Principal.

The Fund IX portfolio includes:

Fiserv Building (Nashville, TN)—a 51,000-square-foot industrial building occupied by a subsidiary of Fiserv, Inc.

1523 West Chicago Avenue (Chicago, IL)—a mixed-use building consisting of 15 residential units as well as ground-floor and lower level commercial space.

838-846 West Altgeld Street (Chicago, IL)—a 12-unit, two-building, three-story brick walk-up located in Chicago's Lincoln Park neighborhood.

Arlington Executive Plaza (Arlington Heights, IL)—a general office and medical complex consisting of six single-story, multi-tenant buildings totaling 62,500 square feet.

Town Square Garage (St. Paul, MN)—a two-level subterranean garage with 498 parking spaces in downtown St. Paul.

The Charmel Apartments (Denver, CO)—a 15 unit multi-family asset in the West Washington Park neighborhood of Denver, 2.5 miles southeast of downtown.

Hillside Terrace Shopping Center (Delafield, WI)—a 17,000-square-foot neighborhood center featuring a diverse mix of regional and local tenants.

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86th Street Business Center (Indianapolis, IN)—a two-property, single-story, multi-tenant, flex office complex totaling 52,000 square feet in the Castleton submarket of Indianapolis.

Marquette Multifamily Portfolio (Milwaukee, WI)—a 12-building, 232-unit portfolio located within blocks of Marquette University's campus.

935 Lakeview Parkway (Vernon Hills, IL)—a 47,000-square-foot, single-story, multi-tenant office building located adjacent to Hawthorn Mall in Vernon Hills.

Kings Automall Shopping Center (Cincinnati, OH)—a 67,000-square-foot shopping center featuring a diverse mix of national and local tenants.

Westridge Office Park (Avon, IN)—a 39,000-square-foot office/medical complex, which is home to medical offices from two of the largest Indiana hospital systems, among other medical and non-medical tenants.

Catching up with Marc Blum



It has been a busy year for everyone at Next, including President and COO, Marc Blum. There is a new marketing direction for 620 N. LaSalle, an important asset for the firm. Marc has been very active in various social media outlets, from LinkedIn posts to

participating in industry podcasts. The Next Perspective caught up with Marc to discuss his outlook for 2022, social media and more.

Look into your crystal ball, what do you expect in 2022 ... from a general business perspective, for commercial real estate and for Next Realty?

I believe in 2022 we will continue to see labor shortages and inflation. The labor shortage will impact our retailers. Inflation will impact the cost to do business and could continue to impact the cost of construction. That said, our portfolio is well located and will continue to see strong demand, just as we have historically, through various cycles.

As the pandemic lingers on, what have you done, personally and professionally, to overcome the disruption it has caused?

Disruption, whether caused by the pandemic or some other event can be a great distraction, if you let it. Personally, I have put my head down and am working even harder to ensure our existing retail and office tenants have the best environment we can supply to allow them to thrive. For tenants who are struggling, we try to be supportive of their needs and help where we can.

In the ongoing marketing of 620 N. LaSalle, you've become extremely active on social media, especially LinkedIn. How has your view of social media changed over the last 3-5 years?

Social Media is a tool, but only one part of the overall marketing effort. It's about investing time and making content that you believe engages your customer. While I support these initiatives, our customers still demand and respond favorably to good old-fashioned tactics like talking on the phone and personal meetings/interaction.

In the last six months you've also appeared on two podcasts. How did those come about and what was the impetus for your participation?

Business is often about connections and knowing the right people. Both podcast opportunities came about as result of long-term connections and networking with

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friends of friends. The coworking podcast with Jamie Russo is timely and relevant to our business (especially at 620 N. LaSalle). Further, Jamie is a business school classmate of Eteri Zaslavsky, one of my partners. The Becker Healthcare podcast, with my close friend Scott Becker, focused on real estate private equity. We always thought it would be fun to do a podcast together and were glad we could make it happen.

ICSC – Here, We Go. 2021 in Las Vegas



The most influential convention in commercial real estate's retail sector is working to bring the industry back together again, and Next Realty was there!

From December 5th-7th, ICSC – Here, We Go. 2021 made up for lost time bringing together retailers, retail property owners and all the other professionals involved in the retail sector. Programming at the convention focused on networking, reconnecting with business associates, peers and friends as well as re-establishing in-person deal making.



Following its traditional plans, Next Realty was joined by co-hosts Levenfeld Perlstein, Bellwether Enterprise,

Centric Wealth Management, and FGMK in the continuation of our traditional luncheon program that allows sponsors and guests a respite from the busy convention floor, while also presenting an opportunity for networking and dealmaking.

Sources around the industry who have attended ICSC events in recent months have expressed a sense of relief in getting back to in-person business meetings.

Next makes Multi-Solution™ Acquisitions in Cincinnati and Indianapolis



In the past 4 months, Next Realty has completed two new acquisitions which marked the close of Fund IX.

In July, an affiliate of Next Realty, LLC acquired the **Kings Automall Shopping Center**, a 67,000-square-foot, multi-tenant neighborhood center located at 9950-9998 Kings Automall Drive in Cincinnati, Ohio. It is the first acquisition for the firm in Cincinnati.

One of the primary attributes of the Kings Automall Shopping Center is its irreplaceable location in a key Cincinnati submarket and major retail corridor that is adjacent to the Kings Automall.

The center, located approximately 17 miles northeast of downtown Cincinnati, includes a diverse mix of national,

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regional, and local tenants. Some tenants have occupied space for more than 20 years. The Center features:

- **Planet Fitness**
- **Mirage Restaurant**
- **Play it Again Sports**
- **LensCrafters**
- **Kings Ford**
- **Your CBD Store**

In September, an affiliate of Next Realty, LLC acquired **Westridge Office Park**, an office/medical complex, consisting of two single-story buildings at 6791 and 6845 E US Highway 36 in Avon (Indianapolis MSA), Indiana. It was the second acquisition made by the firm in the Indianapolis MSA in 10 months and was the 12th and final acquisition for Fund IX.



Westridge Office Park is a 39,000-square-foot asset that primarily caters to medical related space users as well as traditional office tenants. Tenants of Westridge Office Park include:

- **Indiana University Health Care Associates, Inc.**
- **Indiana Department of Child Services**
- **Kindred Hospice**
- **Midwest Behavioral Health, LLC**
- **Allergy Partners**
- **Vincent Medical Group, Inc.**

Single story office properties are one of the asset types Next believes will perform well, offering tenants a competitive alternative to the traditional multi-story office space with convenient direct access to all tenant spaces and abundant parking.

Westridge is approximately 15-miles west of downtown and 10-miles from the Indianapolis International Airport. Benefiting from traffic counts of over 31,000 vehicles per day, the property offers both tenants and guests clear visibility and signage along with traffic-light access.

Next's Fund IX portfolio continues the firm's Multi-Solution™ investment and management strategy that has allowed it to expand into new markets while also broadening the range of property types. Ultimately, Multi-Solution™ strategy is expected to optimize returns for investors.

Next Realty Announces The Nextpert® Report



In August, Next Realty debuted the inaugural issue of The Nextpert® Report, a communication that offers insights and perspectives on current topics and trends impacting the business of commercial real estate. Andy Hochberg, Next Realty CEO and Managing Principal uses The Nextpert® Report to provide a synopsis of news reports covering key economic indicators, investing trends, and other topics of interest to Next's friends and investors.

The first The Nextpert® Report took a deeper dive on inflation, a topic that is of increasing interest to real estate investors, businesses, and consumers. To read the first issue of The Nextpert® Report, go to the NEWS section on our website at www.nextrealty.com.

**Please note that this was first released on mid-August. While the rate of inflation has been unchanged since it was released, the report reflected a particular point in time.*

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To receive future editions of The Nextpert® Report, email your contact information, including your email address, to database@nextrealty.com.

Monograph Provides Comprehensive Introduction to Next Realty



In addition to introducing the firm's principals and other staff members critical to Next Realty's success, The Next Perspective on Multi-Solution™ Investing details the investment strategy that has been 20-plus years in the making at Next. The monograph highlights successful investments the firm has made, shares the lessons it has learned over the years and showcases the expertise and thought leadership pieces of the firm's founder, Andy Hochberg.

The monograph is a collection of information the firm uses for those who may not be familiar with how the firm has progressed and performed since its founding in 1998. It is also a great refresher for investors and friends of Next Realty who have worked alongside the firm for years.

If you are interested in receiving a copy of the The Next Perspective on Multi-Solution™ Investing, please contact Jocelyn Donnelly at jdonnelly@nextrealty.com.

Around the Portfolio



Next Realty's current portfolio consists of 42 properties. Following are some highlights of activity that has taken place at the portfolio's properties over the last six months:

The Shops at Flint Creek - Club Pilates recently opened their new studio at this retail center, which is located in the heart of downtown Barrington.

Lincolnshire Commons - Next Realty welcomed two new tenants to the center: Poke Bros, serving fast, fresh and fit Hawaiian poke bowls, and Charming Charlie, a women's fashion and accessories retailer.

Kingsbury Center - Edie's All Day Café & Bar will open at this River North office and retail building, following the retrofitting of a former restaurant space.

Wilmette Commons - Next Realty will welcome CycleBar, a premium indoor cycling and training studio. The fitness group will open its doors in early Spring of 2022.

Autumn Grove - PlayWell Pediatric Dentistry, with Dr. David Jadin and a team of dental professionals focused on building up young smiles, recently opened at this center located in Elm Grove, WI, a suburb of Milwaukee.

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Next Realty is a real estate investment and operating company with over 20-years of success in the industry. We have closed nearly \$625 million in acquisitions across the country. With over 70 transactions completed, Next Realty continues to manage a diversified portfolio with assets that include retail, industrial, parking, adaptive reuse and medtail holdings. Next Realty has expanded the asset classes in which it considers investing as it broadens its portfolio of assets under management. If you have any questions regarding any of the articles here, or would like to know more about what we do, please contact one of our Nextperts® today.

OUR EXECUTIVE TEAM:

The principals of Next Realty have been working together for over a decade and have a combined total of over 75 years of diverse real estate industry experience.



Andrew S. Hochberg
Founder and CEO

Andy is responsible for designing Next Realty's strategic direction and executing its investment strategy. He is a real estate industry veteran with a wide range of expertise. Andy served as CEO of Sportmart, a \$450 million sporting goods retailer, where he led the company's expansion to 70 stores nationwide. He is also the co-founder of Hilco Real Estate. Andy founded Next Realty in 1998 to invest capital on behalf of his family office and other like-minded investors.



Marc J. Blum
President and COO

Joining Next Realty in 2001, Marc oversees all of the company's portfolio operations and asset management activity, as well as Next Realty's financial structuring and reporting. Marc has more than 25 years of experience successfully navigating the acquisition, reposition, and disposition of more than \$1 billion in real estate assets, including more than \$250 million in loan acquisitions and work-outs nationwide.



Eteri Zaslavsky, CCIM
Managing Director

Joining Next Realty in 2006, Eteri is responsible for executing the company's investment strategy, sourcing acquisitions, raising capital and overseeing investor relations. Eteri has more than 20 years of experience in real estate investing, underwriting and financing. Since 1999, Eteri has been involved with the sourcing and execution of more than \$1 billion of commercial real estate acquisitions, dispositions and financings.

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