

CSRA Opportunity Zone Fund IX, LLC

A 320-UNIT MULTIFAMILY & APARTMENT HOTEL DEVELOPMENT IN RICHMOND, VIRGINIA



Value Proposition

OPPORTUNITY ZONES CONNECT PRIVATE CAPITAL WITH ECONOMIC GROWTH

Opportunity zones were created as part of the Tax Cuts and Job Acts of 2017 to stimulate long-term private investments in low-income urban and rural communities. By providing tax benefits to investors, opportunity zone fund investments are intended to promote economic growth in distressed areas.

TAX ADVANTAGES THAT GROW WITH TIME

Qualified opportunity zone funds (QOF) investments can lead to a permanent elimination of capital gains taxes.

INITIAL TAX DEFERRAL

Defer capital gains taxes from initial sale of stocks, bonds, real estate, businesses and other assets, by investing in a QOF.

COMPLETE ELIMINATION

Exclude (forgive) capital gain taxes from QOF appreciation if held for at least 10 years.

The level of tax deferral grows over time as long as the investment is maintained in the QOF.



Executive Summary

Capital Square is pleased to introduce an opportunity to invest in the development of a 320-unit multifamily community and apartment hotel in Scott's Addition, Richmond, Virginia's top rental submarket and dining and entertainment destination. This development project, within a qualified opportunity zone, will be funded by CSRA Opportunity Zone Fund IX, LLC.



Land acquisition occurred in April 2024.



Predevelopment is underway.



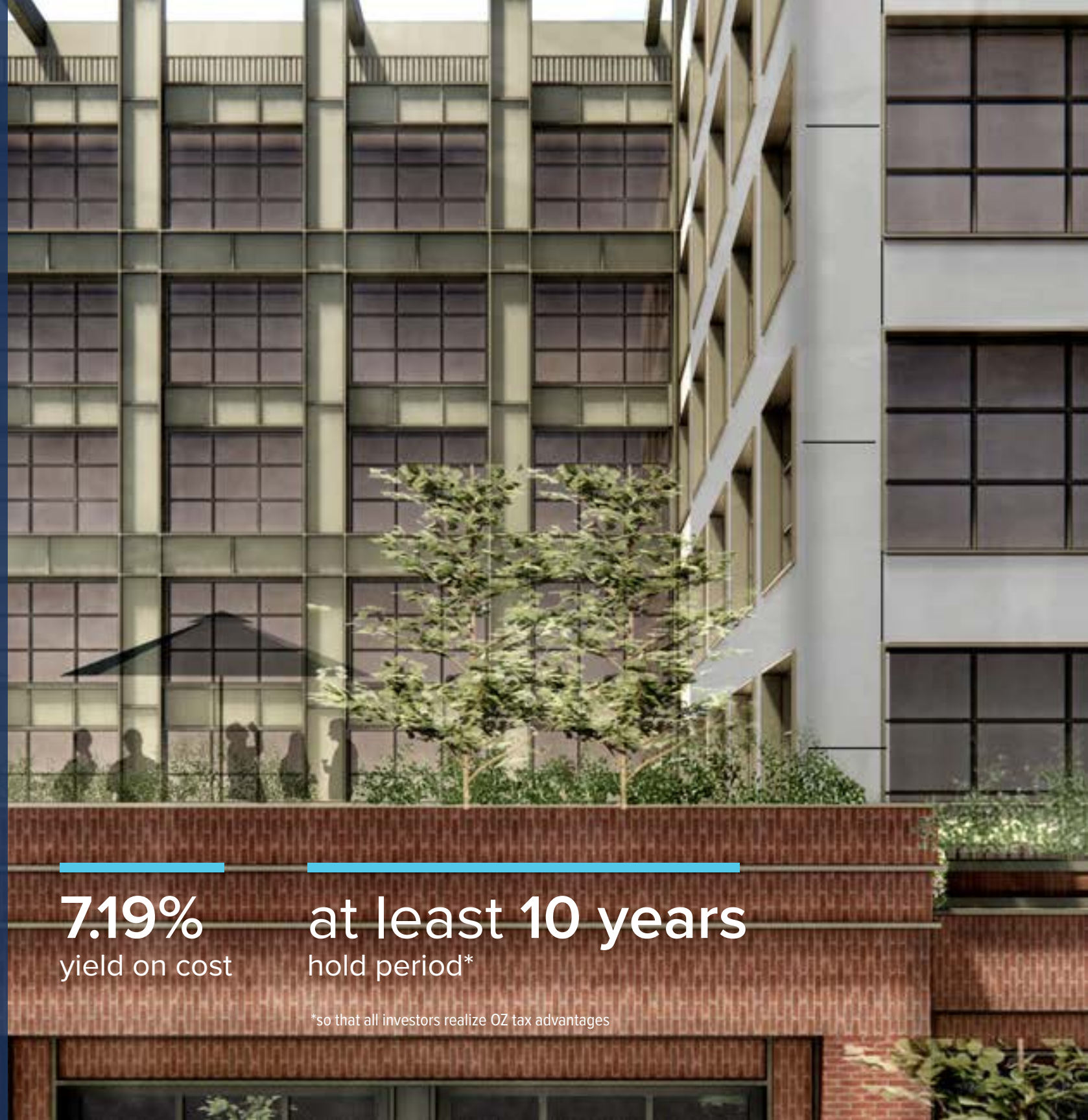
Construction is slated to begin Q2 2025

Approximately 95 units will be operated as apartment hotel units under a nationally known hospitality brand, allowing nightly, weekly and monthly stays, capitalizing on the lack of hotel options in the vibrant, walkable neighborhood, packed with restaurants, breweries and local small businesses.

7.19%
yield on cost

at least 10 years
hold period*

*so that all investors realize OZ tax advantages



Key Strengths

- Located at “Main and Main” in the highest-performing multifamily submarket in the Richmond region. The site sits among the highest concentration of dining and entertainment establishments in the neighborhood.
- The Scott’s Addition Historic District is an **amenity-rich neighborhood** consisting of a seven-by-seven block walkable retail radius.
- Multifamily rent growth and hospitality revenue per available room (RevPAR) are both **forecasted to increase over 4%** over the next five years, according to CoStar and CBRE.
- Because of its burgeoning diverse economy, affordable quality of life and thriving tourism industry **Richmond continues to receive national recognition**. Recent accolades include “Best Place to Live in Virginia” by Travel + Leisure and #11 Hottest Job Market by the Wall Street Journal.





SIGNAGE

SIGNAGE

SIGNAGE

SIGNAGE

SIGNAGE

SIGNAGE

SIGNAGE

BAR

CAFE

BAR

CAFE



Key Strengths

- Richmond's young professionals working in the city's diverse employment base have proven **the submarket's strong rental housing demand**. The neighboring comp, Otis, delivered in 2023, leased up at an average of nearly 25 leases per month and achieved top-of-market rental rates. The Otis is fully stabilized at 95% occupancy.
- The apartment hotel units will capitalize on the **undersupply of hospitality options in the neighborhood**. There is only one hotel opened after the year 2000 within a two-mile radius, leaving the only other option across an interstate.
- The **most prolific developer in Scott's Addition, Capital Square** has delivered over 550 units, with 352 more under construction in the neighborhood.

CAPITAL SQUARE

Scott's Addition Development Portfolio

6

CLASS A DEVELOPMENTS

1,231

UNITS

41,600

SQUARE FEET OF RETAIL

\$110M+

IN OZ EQUITY RAISED

\$20M

IN REFINANCE PROCEEDS DISTRIBUTED TO DATE

CURRENT OFFERING

OZ FUND IX
320 Units
2027 Delivery

OTIS

OZ FUND V
350 Units
Delivered 2023

viv

OZ FUND II
58 Units | Delivered 2021

GEM

OZ FUND III
71 Units
Delivered 2022

iNk

OZ FUND I
80 Units
Delivered 2021

CHASEN

OZ FUND VII
352 Units
2025 Delivery

Offering Details

Offering Size:	\$77,395,000 ¹
Minimum Purchase:	100 Investor Units (\$100,000) minimum for accredited investors
Price Per Unit:	\$1,000
Suitability:	For accredited investors only
Preferred Return	11% preferred return for first \$15,000,000 of investor units sold; 7% for remainder of investor units sold. See “Summary of the Offering” of the fund’s private placement memorandum. ²
Priority of Distribution ³ :	<ol style="list-style-type: none">1. To the investors until each investor has received its respective preferred return;2. To the investors until each investor has received aggregate distributions under this clause (2) equal to such investor’s capital contributions to the fund; and3. 80% to the investors and 20% to the manager
Holding Period:	10-year minimum for permanent elimination of capital gains taxes generated during the holding period.
Lookback Provision:	Upon liquidation of the Fund, if investors have not received 100% of their initial capital contribution during the life of the Fund, the Manager will be required to pay back any distributions received to the extent of any shortfall.

OBJECTIVES

Return investor capital

Reduce or permanently eliminate capital gains and depreciation recapture taxes

Generate attractive risk-adjusted returns

1. Subject to increase to \$85,134,000 | 2. Distributions and the preferred return are not guaranteed and subject to available cash flows. | 3. The discussion of Priority of Capital Distributions is merely a summary of the distribution provisions and is qualified in its entirety by the full text in the operating agreement. See “Summary of Operating Agreement and Income, Loss and Distributions” in the fund’s private placement memorandum (PPM). | This investment is speculative and involves a high degree of risk. Capital Square provides no guarantee or assurance that investment objectives will be realized. | Defined terms used herein have the meanings ascribed to them in the PPM.

By the Numbers

Capital Square is one of the nation's leading sponsors of tax-advantaged real estate investments and an active developer and manager of multifamily communities. An investor-centric real estate company, the firm's offerings include Delaware statutory trusts (DSTs), qualified opportunity zone funds, development funds and a real estate investment trust (REIT).

\$7.8 billion+

in real estate transacted

6,500+

investors served

170+

real estate assets
acquired

135+

investment offerings
sponsored



Capabilities

Capital Square is a vertically integrated real estate company with in-house acquisitions, legal, accounting, asset management, development, construction management and property management teams providing leading insights into the firm's portfolio of 14,000 units across the Sun Belt.



Proven Results

DEVELOPMENT TRACK RECORD

632

Units Delivered

50,000

Total Retail Square Feet

1,047

Units Under Construction

\$730M

GAV¹

DEVELOPMENT PLATFORM

1,022

Retail Investors in Business

\$250M

Equity Raised

\$230,000

Average Retail Check Size

\$585M

Debt Raised

1. Appraised value for stabilized projects and total development cost for under construction projects.



Development Leadership



WHITSON HUFFMAN, CO-CHIEF EXECUTIVE OFFICER

Prior to joining Capital Square, where he oversees sourcing and acquiring mixed-use multifamily properties as well as the oversight of Capital Square's investment activity, Huffman was an associate with JBG SMITH Properties, a NYSE-listed real estate investment trust (REIT) and fund manager. In this role, Huffman participated in the development of 1,300 residential units and over 210,000 square feet of retail space with a total capitalized value of more than \$650 million. He also sought entitlements for over 1,500 residential units and 350,000 square feet of retail, with a projected capitalized value in excess of \$400 million. Prior to joining JBG SMITH, Huffman was consultant in the financial services group of Ernst & Young, working on multifaceted banking and capital markets projects for systemically important financial institutions. Huffman earned a bachelor's degree in finance from Miami University's Farmer School of Business and a Master of Real Estate, finance from Georgetown University.



NATALIE MASON, EXECUTIVE VICE PRESIDENT

Prior to joining Capital Square, where she oversees development projects across multiple markets, Mason was senior director at Tishman Speyer, overseeing the financing, construction, delivery and sale of more than 1,200 residential units in San Francisco. In this role, Mason led the internal project team, implemented residential sales and marketing strategy, and was responsible for the overall financial performance, coordination with design and construction professionals, and the hiring of critical vendors. Prior to her tenure at Tishman Speyer, Mason served as project manager for the Office of the Deputy Mayor for Planning and Economic Development for the Government of the District of Columbia. Mason earned a bachelor's degree from Princeton University and a master's in business administration from The Wharton Business School at the University of Pennsylvania.



MICHAEL OLLINGER, EXECUTIVE VICE PRESIDENT

Prior to joining Capital Square, where he oversees all aspects of design and construction for both existing assets and new development projects at the firm, Ollinger was managing director and partner at Northpoint Services, a leading third-party development and construction management firm. He has had broad experience in all facets of commercial real estate development, construction and design management, operations and marketing, including the supervision of the design and construction of more than 5 million square feet of commercial space across the country, ranging from infill multifamily and mixed-use, to high-end hospitality, office, retail, educational, healthcare and industrial.

Overview

- The roughly 320-unit building is expected to have five residential levels situated above two stories of podium parking with a 1.0x parking ratio.
- Approximately two thirds of the units will be operated as traditional multifamily units.
- Capital Square intends to operate one third of the apartment units (approximately 95 units) as serviced apartment hotel rooms.
- Amenities are expected to include a pool deck with outdoor courtyard space, a fully equipped fitness center and a resident lounge.
- Capital Square plans to include roughly 15,000 square feet of complementary retail space to serve residents and the neighborhood, such as as bike shop, restaurant or coffee shop.





Hotel Demand

- Scott's Addition is the top dining, entertainment and nightlife center of Richmond and ranked #1 on CNN's "Best Towns to Visit in 2024".
- The neighborhood has been dubbed Richmond's "craft beverage capital" by CNN and is home to three restaurants on Eater's list of "18 Essential Restaurants in Richmond, VA".
- Scott's Addition is also adjacent to The Diamond, home to Richmond's AA baseball team, the Science Museum of Virginia, the Virginia Museum of Fine Arts and the Virginia Museum of History and Culture.
- Yet, there is a dearth of hospitality offerings in the neighborhood. There is only one hotel constructed after 2000 within a two-mile radius. The closest hotel to Scott's Addition is a 128-room Courtyard by Marriott affiliate that opened in March 2022. The hotel is situated across Interstate I-95 from Scott's Addition, posing both a psychological barrier and a logistical challenge for guests seeking a pedestrian-oriented experience. The adjacent Museum District and Fan District also lack many hotel products.

Hotel Demand

- The apartment hotel rooms will target currently unmet demand from visitors coming to Richmond who are looking for nightly, weekly or monthly accommodations, such as small friend groups traveling together, families desiring more space and separate bedrooms and business travelers seeking the comforts of home while on work trips.
- Capital Square is set to deliver a similar apartment hotel concept in the second half of 2025 on historic King Street in Charleston, South Carolina. The 50-room, luxury hospitality development will offer similar daily, weekly and monthly stays.



Why Scott's Addition?

- Established neighborhood commanding top of market rents on a per square foot basis in a walkable seven-by-seven block with an countless amenities including breweries, restaurants, live music, museums, sports, bowling, a movie theater and more.
- The apartment-hotel units will capitalize on the lack of hospitality options in the neighborhood.
- There is only one hotel opened after 2000 within a two-mile radius. That hotel is across an interstate from Scott's Addition's walkable neighborhood.
- The submarket saw unprecedented rental demand in 2023. Almost 800 units were absorbed, the most in seven years. An additional 220 multifamily units represents less than 1% of the existing inventory within three miles of the site.





Established OZ Submarket

- Investing in Opportunity Zone Fund IX, LLC offers the advantages of opportunity zone tax benefits (deferral of capital gains, depreciation, and the potential for total tax forgiveness) without the risk of developing in an economically distressed area.
- The Scott's Addition demographic relative to all other qualified opportunity zone census tracts, is well-educated, high earning and young.
- Compared to all qualified opportunity zone census tracts:
 - 28% higher median family incomes¹
 - 6% lower poverty rate¹
 - Almost 3x the number of adults with a bachelor's degree or higher¹
 - Only 5.50% of adults without a high school diploma¹

	Qualified Opportunity Zones*	Scott's Addition Opportunity Zone**	Delta
Median Family Income	\$49,000	\$63,795	28%
Poverty Rate	26.4%	24.9%	-6%
Adults with a Bachelor's Degree or Higher	18.6%	69.4%	273%
Adults without a High School Diploma	20.5%	5.50%	-73%

*Based on U.S. Census Bureau's American Community Survey 2015-2019 5-year estimates
 **Based on U.S. Census Bureau's American Community Survey 2022-2027 5-year estimates

Source: 1. U.S. Census Bureau's American Community Service, 2022



Established OZ Submarket

- Compared to the City of Richmond:
 - Wealthier: Higher median household income and more individuals earning over \$75,000¹
 - Educated and employed: Higher percentage of the population with a high school diploma or bachelor's degree or higher¹
 - Young: Higher percentage of the population are within the prime rental ages of 20-34¹

	Scott's Addition Opportunity Zone	City of Richmond	Delta
Median Household Income	\$63,975	\$59,606	7%
Percent of Population Earning over \$75,000	41.4%	39.6%	5%
Adults with a Bachelor's Degree or Higher	69.4%	44.1%	57%
Adults without a High School Diploma	5.50%	11.20%	-51%
Unemployment Rate	2.50%	6.20%	-60%
Percent of Population Between Ages 20-34	67.1%	29.8%	125%
Median Age	28.3	34.5	-18%
18 Years and Over	98.3%	83%	19%

Source: 1. U.S. Census Bureau's American Community Service, 2022






*Based on U.S. Census Bureau's American Community Survey 2022-2027 5-year estimates

Why Scott's Addition?

- Capital Square is the preeminent developer in Scott's Addition. Capital Square's significant experience in the neighborhood include 911 existing or under construction multifamily units and over 25,000 retail square footage achieving market-leading rents.
- There is a demonstrated demand for highly amenitized apartment units. Otis, a 350-unit Class A multifamily project adjacent to the site, is over 95% occupied and achieved stabilization within 12 months of opening with almost 25 leases per month. That project is currently achieving the highest rent per square foot in the Richmond MSA.
- Scott's Addition offers the advantages of opportunity zone tax benefits without the risk of developing in an economically distressed area. The Scott's Addition demographic reports 28% higher median household incomes, 2.7x more adults with a bachelor's degree compared to other opportunity zone census tracts. Only 5.5% of adults in Scott's Addition don't have a high school diploma, compared to 20.5% in other opportunity zone census tracts.



Capital Square - Scott's Addition's Preeminent Developer

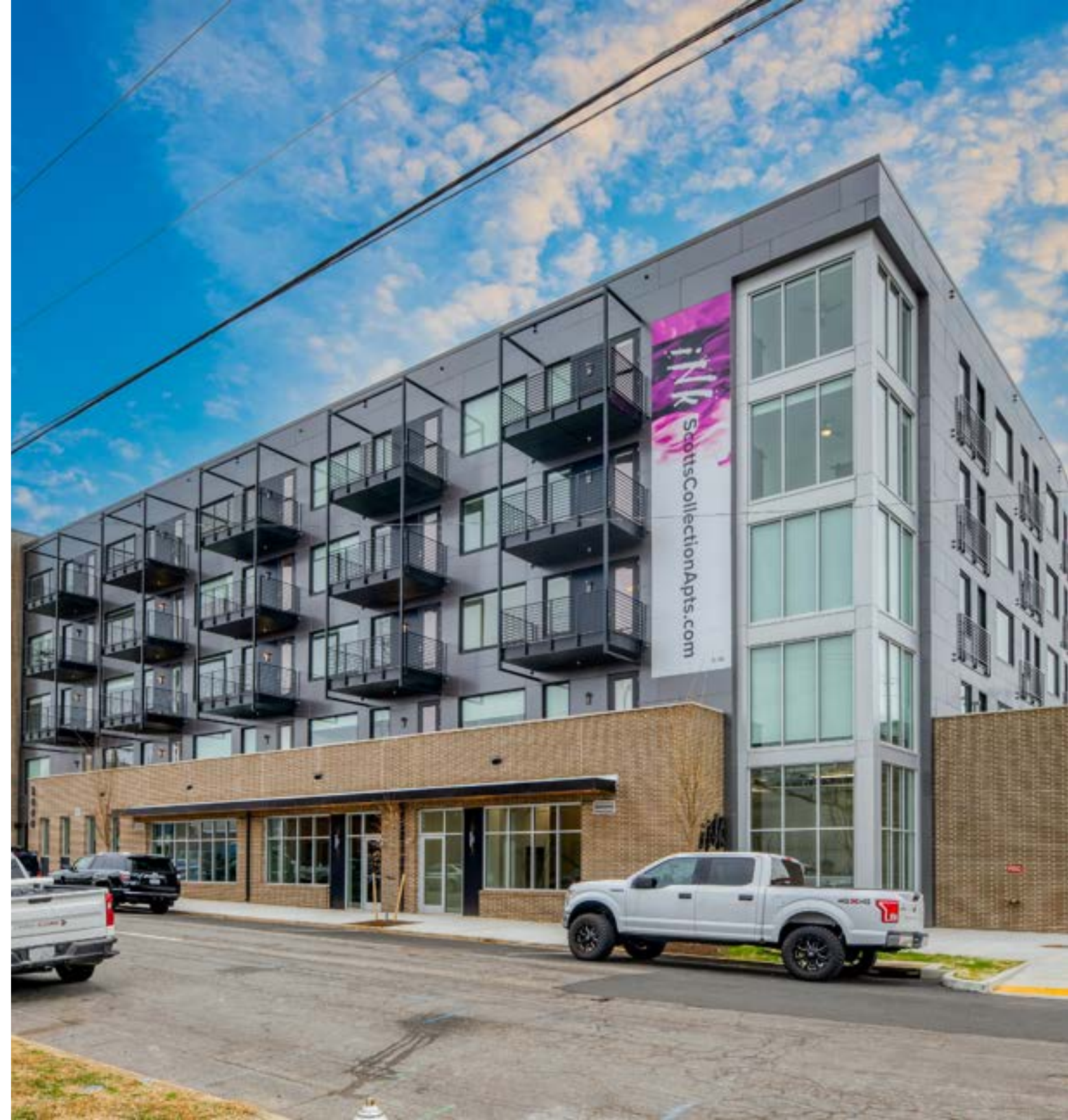
	Name	MSA	Unit Count	Vehicle	Status
	Scott's Collection - INK	Richmond, VA	80	Single Asset QOZ Fund	Stabilized and Refinanced
	Scott's Collection - VIV	Richmond, VA	58	Single Asset QOZ Fund	Stabilized and Refinanced
	Scott's Collection - GEM	Richmond, VA	71	Single Asset QOZ Fund	Stabilized and Refinanced
	Otis	Richmond, VA	350	Single Asset QOZ Fund	Stabilized and Refinanced
	Chasen	Richmond, VA	352	Single Asset QOZ Fund	Under Construction
	Total	5	911		

Case Study: INK at Scott's Collection

RICHMOND, VA — SCOTT'S ADDITION

In just three years, Capital Square Development planned, constructed, stabilized and permanently financed this project, despite construction cost volatility and procurement challenges during the COVID-19 pandemic. Diligent construction management resulted in savings of over \$1 million. **Ink at Scott's Collection** is well received in the market and is amongst the highest rents per square foot in Richmond. The permanent financing resulted in a return of equity of over 50%.

Development Highlights	
Units	80
Delivery	2022
Total Cost	\$18.2 million
Rental Rate	\$1,698 (\$2.42 per square foot)
Occupancy	96%
Average Unit Size	708 square feet





Case Study: The Otis

RICHMOND, VA — SCOTT'S ADDITION

Capital Square partnered with international developer Greystar to deliver a premier 350-unit property with over 15,000 square feet of retail space. The project broke ground in January 2021 and finished, in phases, in Q1 2023. Capital Square and Greystar effectively navigated procurement challenges during the COVID-19 pandemic to deliver the project on budget. In addition to winning the 2024 CoStar Impact Award for Multifamily Development of the Year, The Otis is now in lease up and achieving the highest rents per square foot in Richmond. Permanent debt closed in early October 2023 and, after lender stabilization holdbacks, will result in a return of equity of over 30%.

Development Highlights

Units	350
Delivery	2023
Total Cost	\$88.15 million
Rental Rate	\$2,123 (\$2.66 per square foot)
Occupancy	95%
Average Unit Size	798 square feet

Market Overview: Richmond, Virginia

Richmond, the capital of Virginia, is home to a growing population of over 1.2 million people and ideally located at the intersection of Interstates I-95 and I-64.

- Home to 12 Fortune 1000 companies and 3 Fortune 1000 Headquarters
- Strategically located between Maine and Miami
- Affordable cost of living with a stable 6% corporate tax rate.
- Capital of one of CNBC's Top States for Business



#1	Best Place to Live in Virginia (Travel + Leisure, 2023)
#1	America's Best Towns to Visit in 2024 (CNN, 2024)
#3	Most Economic Development Projects per Capita (Site Selection, 2022)
#6	Best Beer Scene (USA Today, 2020)
#7	The South's Best Food Cities (Southern Living, 2020)
#9	For Corporate Headquarters (Business Facilities, 2022)
#11	11 Hottest Job Market (Wall Street Journal, 2024)
#15	For Population Growth in the U.S. among metros with 1 million+ population (U.S. Census Bureau, 2023)

Market Overview: Richmond, Virginia

ECONOMIC DEVELOPMENT

- Meta (the parent company of Facebook) announced a \$1 billion expansion of its data center complex in neighboring Henrico County, following a \$750 million investment announced in 2022.
- Amazon will open a large distribution center in South Richmond, creating 150 jobs.
- CoStar announced plans to build a second headquarters, which would span 750,000 square feet and include a 26-story office building. The project will bring 2,000 additional jobs to Richmond, adding to the 1,000 employees CoStar already has in the city. Once completed, CoStar will occupy around 1 million square feet of office space in downtown Richmond.
- The LEGO Group is building a 1.7-million-square-foot plant on a 340-acre site in Chesterfield County, part of the Richmond MSA. This will be the first U.S. factory for the maker of the universal toy building blocks. Construction began in fall 2022. LEGO is investing more than \$1 billion to build the factory and is anticipated to create more than 1,760 jobs.



Richmond, Virginia

Beyond large employers, Richmond benefits from the stability and business ecosystem built around government functions; the city is home to a **Federal Reserve Branch** and a Federal Court Branch and is **Virginia's state capital**.

The Richmond **job market continues to outperform** the national average, as companies relocate to the area and expand on Richmond's signature countercyclical governmental, legal, medical, energy and education-focused employment bases. According to the U.S. Bureau of Labor Statistics, Richmond's unemployment was 3.1% in November 2023, 60 basis points lower than the national rate of 3.7%.

The **stability and strength of the Richmond market** was especially prevalent during the COVID-19 pandemic. According to CBRE, Richmond's multifamily market "posted the strongest quarterly asking rent gains of any major market in the country in the second quarter [of 2020]."

Richmond residents are a highly educated workforce, with approximately 43% of the labor force holding a bachelor's degree. Richmond is also home to **Virginia Commonwealth University (VCU)** and the **University of Richmond**.



Submarket: Scott's Addition

Centrally located with a high concentration of lifestyle amenities, Scott's Addition is the food and beverage heart of the city. The neighborhood is known for its social and entertainment destinations, including more than 13 breweries, ciders and distilleries that attract city residents near and far.

The neighborhood's highly rated restaurants include ZZQ, rated the best BBQ in Virginia by Food & Wine Magazine and Texas Monthly.



Breweries, Cideries and Distilleries

- The Veil Brewing Company Co.
- Starr Hill Beer Hall & Rooftop
- Vasen Brewing Company
- Ardent Craft Ales
- Buskey Cider
- Three Notch'd Brewing Company
- Bingo Beer Co.
- Brambly Park
- Reservoir Distillery
- Black Heath Meadery

Restaurants

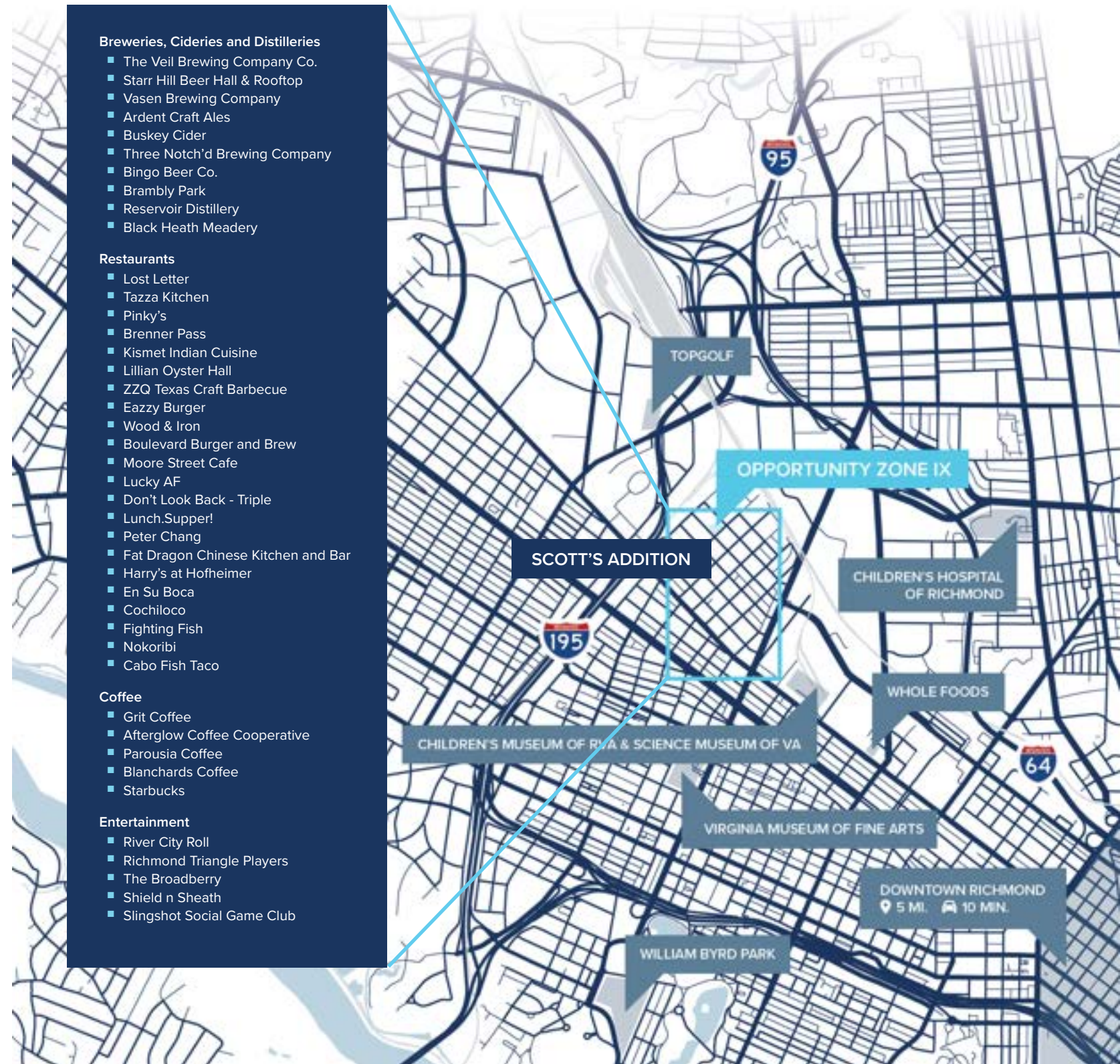
- Lost Letter
- Tazza Kitchen
- Pinky's
- Brenner Pass
- Kismet Indian Cuisine
- Lillian Oyster Hall
- ZZQ Texas Craft Barbecue
- Eazzy Burger
- Wood & Iron
- Boulevard Burger and Brew
- Moore Street Cafe
- Lucky AF
- Don't Look Back - Triple
- Lunch.Supper!
- Peter Chang
- Fat Dragon Chinese Kitchen and Bar
- Harry's at Hofheimer
- En Su Boca
- Cochiloco
- Fighting Fish
- Nokoribi
- Cabo Fish Taco

Coffee

- Grit Coffee
- Afterglow Coffee Cooperative
- Parousia Coffee
- Blanchards Coffee
- Starbucks

Entertainment

- River City Roll
- Richmond Triangle Players
- The Broadberry
- Shield n Sheath
- Slingshot Social Game Club



Program and Underwriting

Key Assumptions			
Residential			
Units		225	
Average Square Feet		804	
Rent per Unit (untrended)		\$2,431 per month	
Rent per Square Foot (untrended)		\$3.03 per square foot	
Stabilized Occupancy		95.00%	
Monthly Absorption		22 units per month	
Hotel			
Units		95	
Average Square Feet		750	
ADR (untrended)		\$208	
Average Occupancy		75%	
RevPAR		\$156	
Monthly Revenue		\$4,742 per month	
Retail			
Square Feet		15,000	
Rent (untrended)		\$40.00	
TIA (untrended)		\$75.00	
Vacancy		3.00%	
Sources			
Equity	50%		\$67,336,248
Construction Loan	50%		\$67,336,248
Total Sources	100%		\$134,672,496
Construction Financing Assumptions			
LTC			50.0%
Interest Rate			4.00% + SOFR
Development Overview			per unit
Land Acquisition + Fees	14,475,943		45,237
Hard Costs	89,959,046		281,122
Soft Cost	13,072,039		40,850
Contingency	5,120,766		16,002
CM & Dev. Fees	5,347,096		16,710
Cash Reserves	1,000,000		3,125
Unlevered Basis	\$128,974,890		\$403,047
Interest Carry + Fees	5,697,606		17,805
Levered Basis	\$134,672,496		\$420,852

Consider the Risks

There will be occasions when the manager and its affiliates may encounter potential conflicts of interest in connection with the fund and its members and there is no independent dispute resolution mechanism in place to resolve such conflicts.

Potential investors should be aware that an investment in the fund involves a significant degree of risk. An investment in investor units involves substantial risks including, but not limited to, the following risk factors:

- The offering will be made on a “best efforts” basis with no minimum investment requirement.
- The various risks associated with acquiring, financing, owning, constructing, leasing and operating multifamily real estate located in Richmond, Virginia.
- The investor units do not represent a diversified investment because the fund’s activities will be limited to the property.
- Although Capital Square and its affiliates have extensive experience in acquiring, improving and operating commercial real estate, the fund and the manager were recently organized and do not have an operating history or significant assets.
- Investors will rely solely on the manager to manage the fund and the property; the manager will have broad discretion to make decisions regarding the property.
- There are substantial risks associated with developing the property in an economically disadvantaged, qualified opportunity zone that permits investors in the fund to qualify for available opportunity zone tax benefits.
- Diversification does not guarantee profits or protect against losses.
- The fund may not make capital distributions until the sale or refinancing of the property, if at all.
- Real estate-related investments involve substantial risks.
- The fund will pay substantial fees to the manager and its affiliates (including CS Development).
- The investor units will be highly illiquid; transferability of the investor units is restricted and withdrawals of capital contributions are prohibited.
- Substantial actual and potential conflicts of interest exist among the fund, the manager, Capital Square, CS Development and their affiliates.
- An investor could lose all or a substantial portion of his investment in the fund.
- There are tax risks associated with an investment in the investor units, including the possibility that government regulations regarding opportunity zone investments may change.
- Investment may result in a loss of entire amount invested.
- The income tax laws applicable to the fund and to investors therein are extremely complex, and the summary herein is not exhaustive and does not constitute tax advice. A person considering an investment in the fund should consult its own tax advisor in order to understand fully the federal, state, local, and foreign income tax consequences of an investment with respect to the investor’s particular situation.
- Private placements are speculative.

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