

CSRA Opportunity Zone Fund IX, LLC

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





OZ IX - PREVIOUS USE



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.

	April 2024 - Land acquisition
	July 2024 - Full project entitlement
	October 2024 - Executed Apartments by Marriott Bonvoy Term Sheet
	May 2025 - Executed Marriott Franchise Agreement to brand one third of the units as Apartments by Marriott Bonvoy
	1Q 2026 - Construction Loan Closing & Construction SStart



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% **at least 10 years**
yield on cost¹ hold period²

1. yield on cost is the projected net operating income at stabilization divided by the total development cost and does not pertain to investor returns.
2. so that all investors realize OZ tax advantages



Capital Square Overview

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.











Investment Overview

Development Program Overview

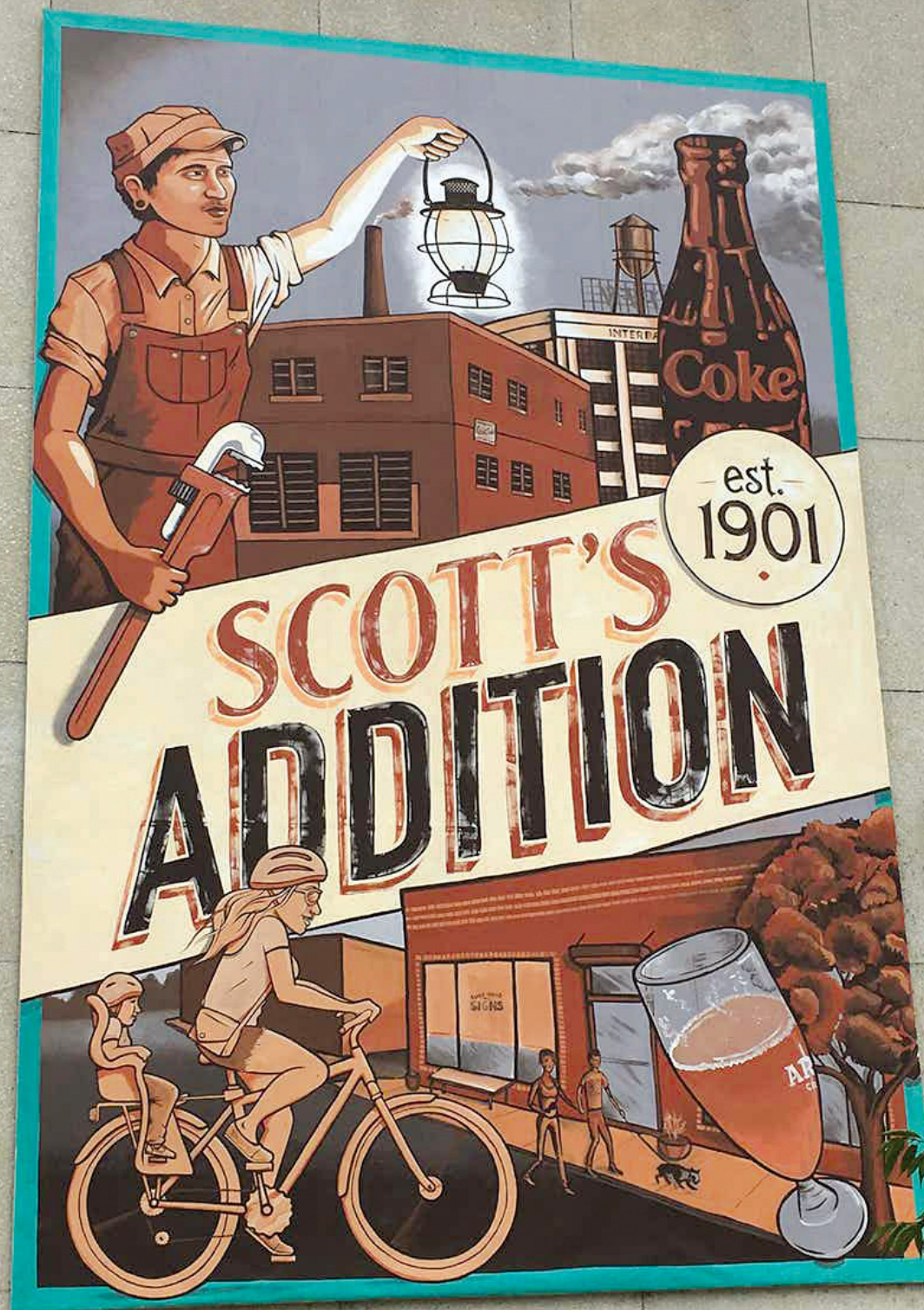
- The roughly 320-unit building is expected to have five residential levels situated above two stories of podium parking with a 1.0x parking ratio.
- Approximately two thirds of the units will be operated as traditional multifamily units.
- One third of the apartment units will be operated as serviced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



Key Strengths

- **Prime Location:** 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.
- **Vibrant Neighborhood:** The Scott’s Addition Historic District is an amenity-rich neighborhood consisting of a seven-by-seven block walkable retail radius.
- **Experienced Sponsorship:** Capital Square, the most prolific developer in Scott’s Addition, has delivered over 550 apartment units, with 352 more under construction in the neighborhood.
- **Growing Diverse Economy:** 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.





Key Strengths

- **Executed Marriott Franchise Agreement:** The Developer recently executed a franchise agreement with Marriott to franchise 95 rooms for its Apartments by Marriott Bonvoy brand. This “soft brand” will take advantage of Marriott’s powerful global awareness, sales channels and market-leading loyalty program, Marriott Bonvoy, enhancing revenue potential.
- **Optimized Mixed-Use Strategy:** The project is expected to generate higher cash flow per unit than a strictly residential execution, diversify the housing offering of the project and neighborhood, and provide flexibility at exit with a franchise term nearly aligned with the anticipated hold period.
- **Hospitality Outperformance:** Hospitality revenue per available room (RevPAR) is forecasted to increase over 4% over the next 5 years according to CBRE.
- **Strong Multifamily Fundamentals:** Multifamily rent growth is forecasted to increase over 4% in the downtown Richmond submarket over the next 5 years, according to CoStar.

Key Strengths

- **Proven Demand:** 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.
- **Limited Hotel Supply:** 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.
- **Outsized Hospitality Demand:** CBRE projects demand to grow nearly 2.75% in upper-priced Richmond, Virginia hotels.
- **Fully Entitled Project:** The City of Richmond issued a Special Use Permit to increase the height of the development to eight (8) stories. The Development is currently entitled for all uses contemplated at the site.



An aerial photograph of a city, likely New York City, featuring a large, light-colored classical building with a portico in the foreground, surrounded by greenery. In the background, a dense urban landscape with various skyscrapers and buildings is visible under a clear sky. The image is overlaid with a semi-transparent blue filter.

Market & Location Overview

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
- Access to more than 45% of the U.S. population within a day’s drive.
- Affordable cost of living with a stable 6% corporate tax rate.



#1	Best Place to Live in Virginia (Travel + Leisure, 2023)
#1	America’s Best Towns to Visit in 2024 (CNN, 2024)
#1	State for Business in America (CNBC, 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)



Multifamily Demand

- **Strong Fundamentals:** Richmond ranked #7 among the top 50 apartment markets in May year end 2025 rent growth at 3.6%.¹
- **Growing Population:** Richmond ranked #7 in a ranking of Top 20 Metros for Millennials thanks to a 10.9% increase in its millennial population in the last five years.²
- Scott's Addition is the best performing multifamily submarket in the Richmond region.
- Capital Square's existing portfolio in Scott's Addition, which totals 559 units, outperforms the larger market.³
 - **Above Market Occupancy:** Over 95% occupied compared to 91.4% market.
 - **Rental Rate Premium:** Rents average \$1,700 - \$1,800+ per unit, compared to \$1,577 market.

Sources: 1. RealPage Market Analytics | 2. Commercial Cafe | 3. CoStar 2Q2025





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.
- In 2023, these demand drivers saw 1.5 million visitors within a one-mile radius of the site.
- 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 Positioning

- 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.
- With the average room over 700 square feet, the apartment hotel rooms will include fully equipped kitchens with in-unit washer and dryers. No other existing or planned hotels will provide a similar offering.
- Capital Square is set to deliver a similar apartment hotel concept in the first 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.



An aerial night view of a city, likely Chicago, with a blue overlay. A white horizontal line is positioned above the text.

Capital Square's Proven Expertise: Unlocking Value in Scott's Addition, a Premier Opportunity Zone

Scott's Addition Development Portfolio





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, Otis is now stabilized and achieving the highest rents per square foot in Richmond.

Development Highlights	
Units	350
Delivery	2023
Total Cost	\$88.15 million
Value at Refinance	\$134.6 million
Return of Equity at Refinance	33.1%*
Occupancy	95%
Average Unit Size	798 square feet

*total projected after release of lender stabilization reserves

OTIS - PREVIOUS USE



OTIS





Offering Details

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 :	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; and 3. 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.

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.

OBJECTIVES

- Return investor capital
- Reduce or permanently eliminate capital gains and depreciation recapture taxes
- Generate attractive risk-adjusted returns

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.



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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