

CAPITAL SQUARE 1031

Tax-Advantaged Real Estate Investments



New Class A+, 200-Unit Multifamily Community Near Richmond

CS1031 Artistry at Winterfield Apartments, DST

1000 Artistry Drive | Midlothian, Virginia 23113

Acquisition Date: December 17th, 2021

Offering Details:

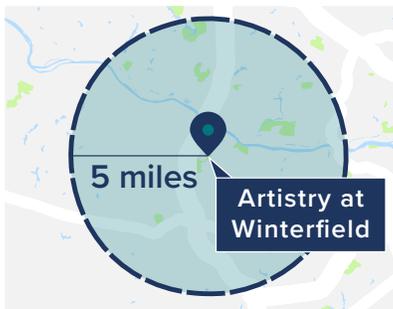
Investment Cost	\$70,700,000
Equity Raise	\$35,200,000
Distribution Rate	See cover page of private placement memorandum
Offering Loan-To-Value	50.21%
Fixed Interest Property Loan Rate	3.11%
Loan Terms	10-year term 30-year amortization 7 years interest only
Fully Subordinated Disposition Fee	Sponsor subordinates disposition fee to investors' return of capital

Investment Opportunity

- New 200 unit, Class A+ apartment community in Midlothian; 17 miles from downtown Richmond.
- Spacious floorplans with top-of-the-line finishes and private patios and balconies.
- Features 24-hour state-of-the-art fitness center, resort-style pool, resident lounge and business center.
- Proximate to Highway 288, providing convenient access to retail and dining options within Midlothian.

Area Highlights

- The median household income within a one-mile radius of the property is **\$172,916**.¹
- The Richmond MSA had an unemployment rate of 3.6%, as of September 2021.²
- The property's submarket is projected to be 95.5% occupied in 2031, according to Yardi Matrix.¹



Projected population increase of **4.09%** in five years within a five-mile radius of the property.¹



Average annual rent growth in the property's submarket from 2021 to 2026.¹

Sources: 1. Yardi Matrix | 2. U.S. Bureau of Labor Statistics



Property Highlights

Details

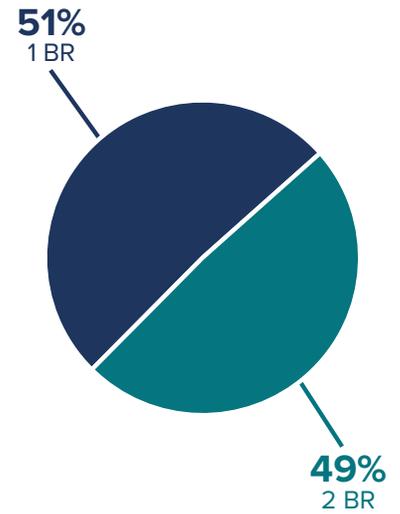
- 200-unit multifamily community
- New construction - completed in 2021
- 8.84 acres

Community Amenities

- Clubhouse
- Resort-style swimming pool
- Fitness center
- Resident lounge with pool table
- Business center

Unit Mix

Unit Type	Count	Square Feet	Rent Average
1 BR / 1 BA	102	759	\$1,450
2 BR / 2 BA	98	1,178	\$1,980
Total/Average	200	964	\$1,697



Location Overview

Fortune 500 Companies in Richmond



Richmond Rankings

One of the Top 10 Cities to Watch in 2020
- Worth

#11 U.S. City Worth Moving to
- 101 USA

#7 of the South's Best Food Cities
- Southern Living

#7 Mid-sized American City of the Future
- FDI Intelligence

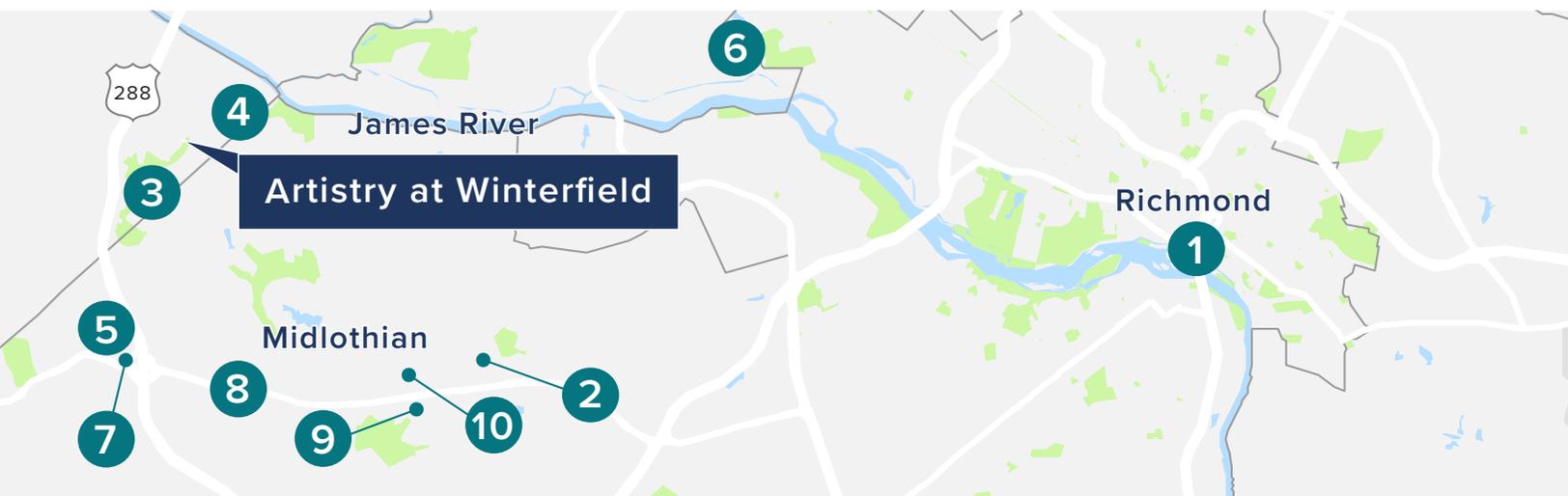
#9 Best City for Art Lovers in the U.S.
- Apartment Guide

One of the 10 Best Beer Scenes in the U.S.
- USA Today

Greater Richmond Metro Area Ranked #4 for Economic Growth Potential
- Business Facilities

One of the Top Cities for Creatives
- Thrillist

One of the Top 30 Most Affordable Downtowns to Live in Across America
- Go Banking Rates



Points of Interest

- | | |
|-----------------------------|---------------------------------|
| 1 Downtown Richmond | 4 James River Equestrian Center |
| 2 Chesterfield Towne Center | 5 Westchester Commons |
| 3 Independence Golf Course | 6 University of Richmond |

Nearby Retail Destinations

- | | |
|----------|---------------|
| 7 Target | 9 Wegman's |
| 8 Kroger | 10 Sam's Club |

Midlothian

Located approximately 15 miles southwest of downtown Richmond, Midlothian is situated within Chesterfield and Powhatan Counties. Midlothian recorded the highest year-over-year rent growth, up 19.6% in August 2021, according to the recently published *Yardi Matrix Multifamily Report - Richmond Drives On*.

Richmond

Home to seven Fortune 500 headquarters, the Richmond region contains a population of approximately 1.3 million people. With four interstates, an international airport and one of the nation's largest ports, Richmond offers residents convenient access to 45% of the United States population within a one-day's drive. The region has maintained a corporate tax rate of 6% since 1972 and its electric rates are 30% below the national average, offering companies a lower cost of doing business. The region features a highly educated workforce, with more than 60% of working adults having college experience and 43% having a bachelor's degree.³ In December 2021, CoStar announced it will build a \$460 million corporate campus in Richmond, creating 2,000 jobs.⁴

Virginia

Virginia boasts a booming economy, with Amazon having developed its East Coast headquarters (HQ2) in Arlington, Virginia in June 2019. Amazon is planning to bring 25,000 jobs to the state with its \$2.5 billion HQ2 development.⁵ CNBC recently ranked Virginia as the #1 state for business.⁵ Virginia boasts a booming economy, with Amazon opening its East Coast headquarters (HQ2) in Arlington, Virginia in June 2019. Amazon is planning to bring 25,000 jobs to the state with its \$2.5 billion HQ2 development.⁶ Virginia is home to the University of Virginia, The College of William & Mary, Washington & Lee University, Virginia Tech, Virginia Commonwealth University and the University of Richmond.

Sources: 3. <https://www.grpva.com/why-richmond-region/> | 4. https://www.virginiabusiness.com/article/costar-group-to-open-460m-campus-in-richmond?oly_enc_id=0917J3542689J70 | 5. <https://www.cnbc.com/2021/07/13/americas-top-states-for-business.html> | 6. <https://www.aboutamazon.com/news/job-creation-and-investment/amazon-marks-one-year-and-1-000->

This is Capital Square's 14th Virginia property in its DST portfolio, creating management efficiencies and economies of scale.





About Capital Square

Capital Square is a national investment sponsor specializing in tax-advantaged real estate offerings, including Delaware statutory trusts and qualified opportunity zone funds. The firm is a leading sponsor of Delaware statutory trust offerings for investors seeking replacement property as part of a Section 1031 exchange and cash investors. Capital Square sponsors turn-key real estate investment offerings with low investment minimums to provide investors access to larger and higher quality real estate than they would be able to acquire on their own.

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“Tax-Advantaged” refers to any type of investment that is either exempt from taxation, tax-deferred, or that offers other types of tax benefits. Capital Square is a national sponsor of investment opportunities that can provide such benefits via our 1031 exchange and opportunity zone offerings, among others.

Securities offered through WealthForge Securities, LLC, the managing broker-dealer for the CS1031 Artistry at Winterfield Apartments, DST offering and member FINRA/SIPC. Capital Square and WealthForge are not affiliated.

Consider the Risks:

An investment in the Interests involves substantial investment and tax risks, including, without limitation, the following risks:

- Past performance is not a guarantee of future results.
- The economic success of the Interests will depend upon the results of operations of the Property. Fluctuations in vacancy rates, rent schedules, and operating expenses can adversely affect operating results or render the sale or refinancing of the Property difficult or unattractive.
- The Master Tenant’s capitalization is supported solely by the cash flow from the underlying tenant lease. The Sponsor is not under any obligation to contribute capital to the Master Tenant.
- No assurance can be given that future cash flow will be sufficient to make the debt service payments on any borrowed funds and also cover capital expenditures or operating expenses.
- No assurance can be given that Beneficial Owners of Interests will realize a substantial return (if any) on their investment or that they will not lose their entire investment in the Trust.
- There are various risks associated with owning, financing, operating, and leasing commercial properties in Virginia.
- The Interests are not freely transferable by the Beneficial Owners.
- The Interests do not represent a diversified investment.
- Beneficial Owners must completely rely on the Master Tenant to collect the rent and operate, manage, lease, and maintain the Property.
- The Beneficial Owners have no voting rights with respect to the management or operations of the Trust or in connection with the sale of the property.
- There are various conflicts of interest among the Trust, the Sponsor, the Signatory Trustee, and their Affiliates.
- The Interests are illiquid.
- There are tax risks associated with an investment in the Interests.
- There are risks related to competition from properties similar to and near the property.
- There may be environmental risks related to the property.
- Private Placements are speculative.