

CS1031 RICHMOND VA APARTMENTS, DST

Located at 1701 Irondale Road | Richmond (Chesterfield County), Virginia 23235

ACQUISITION DATE: SEPTEMBER 14, 2018



Offering Details

INVESTMENT COST	\$46,807,000
EQUITY RAISE	\$20,970,000
CASH-ON-CASH RETURN	5.55%
OFFERING LOAN TO VALUE	55.20%
OFFERING LOAN TO VALUE (with disposition fee)	58.50%
FIXED INTEREST RATE	4.29%
LOAN TERMS	10-year term 5-year interest only 30-year amortization
OCCUPANCY (as of September 2018)	97%

Axis 147 Apartments being rebranded as
SUMMIT AT BON AIR

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INVESTMENT HIGHLIGHTS



Positive Income Growth

16.9% Net Operating Income growth since October 2017.

Strong Rent Growth Potential

Average rents are currently 6% below the competition, affording the opportunity to increase rents and cash flow.¹

Discount to Replacement Cost

New property cannot be delivered at competitive rents given the cost of new construction.

Capital Improvements

Previous ownership invested \$2 million in capital improvements since 2010, including new windows, roofs and HVAC units. Since May of 2015, \$3.6 million has been invested in a new clubhouse, new siding and interior renovations.

Desirable Submarket

94.7% occupancy rate² in the submarket makes it an appealing location for tenants.

Source: ¹ CoStar, BH Management | ² Colliers International

PROPERTY HIGHLIGHTS

Property Details

- 296 unit multifamily community
- 37 residential buildings and one clubhouse
- 27.09 acres of land; 10.90 units per acre
- 97% occupied as of September 2018
- Originally constructed in 1974 and substantially renovated from 2015-2017

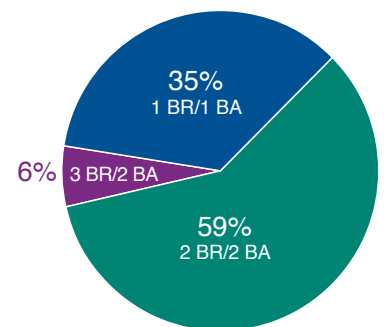
Top Community Amenities

- Business center
- Dog park
- Clubhouse
- Swimming pool
- Fitness center
- Playground
- 550 parking spaces
- Many dining, shopping and entertainment options nearby
- Minutes from Midlothian Turnpike (Route 60) and Huguenot Road (Route 147)
- 5-minute drive to Pony Pasture Park on the James River
- Close to public transportation



Unit Mix

Unit Type	Number of Units	Square Feet	Rent Average
1 BR / 1 BA	58	872	\$1,000
1 BR / 1 BA (renovated)	46	872	\$1,110
2 BR / 1.5 BA	82	1,077	\$1,080
2 BR / 1.5 BA (renovated)	94	1,078	\$1,183
3 BR / 2 BA	7	1,325	\$1,273
3 BR / 2 BA (renovated)	9	1,321	\$1,343
296 Total Units		1,090 Average Size	



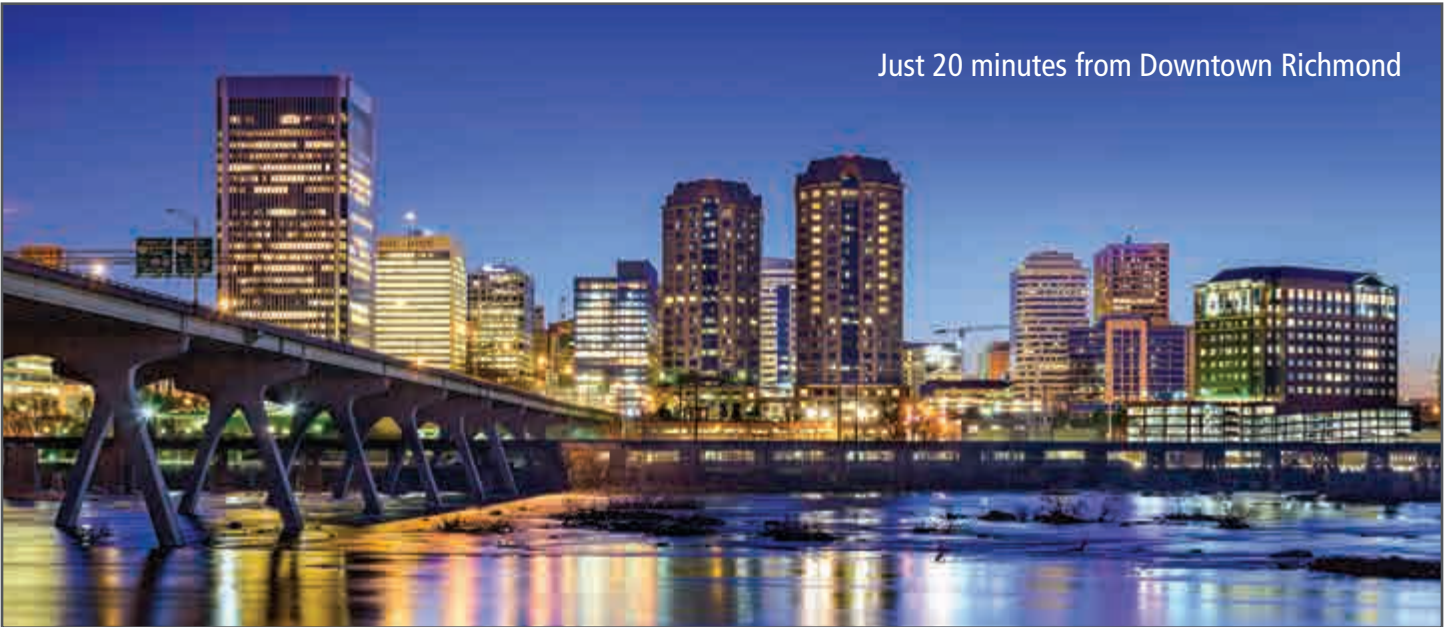
LOCATION OVERVIEW



- Richmond was distinguished as the 4th Best City in the US for Commuters in 2011¹
- Stony Point Fashion Park, 10 minutes away, is undergoing a \$50 million renovation
- Numerous Chesterfield County Public Schools have won the 2018 Governor's Award for Educational Excellence²

Sources: ¹ Kiplinger | ² NBC12 News

Just 20 minutes from Downtown Richmond



Richmond, Virginia

Since its founding in 1737, Richmond has been the strategic center of commerce, innovation and decision-making power in Virginia - a state known for being pro-business.

Serving as the Commonwealth's capital, Richmond is home to key local, state and federal government agencies, providing a strong foundation for professional employment in law, government and finance sectors.

A strong employment base combined with reasonable cost of living, short commuting times, and a strong collection of cultural amenities make Richmond an attractive destination for work-life balance.

- The property is conveniently located near Midlothian Turnpike and Huguenot Road
- Located in region's most populous county, with population of approximately 344,000

Source: U.S. Census Bureau (2017)

TOP PRIVATE EMPLOYERS IN THE AREA, AND EMPLOYEE COUNT



11,491



9,054



7,325



16,852



5,526



5,317



4,010



3,966



3,900



3,300

Source: Colliers International



ABOUT CAPITAL SQUARE

Capital Square 1031 is a national real estate investment and management company that sponsors investment-grade real estate exchange programs that qualify for tax deferral under Section 1031 of the Internal Revenue Code. The firm uses the Delaware Statutory Trust (DST) structure to make quality real estate available to a larger number of investors. Capital Square provides a range of services, including due diligence, acquisition, loan sourcing, property management/asset management, and disposition, for a growing number of high net worth investors, private equity firms, family offices and institutional investors.

FOR SALES AND OTHER INFORMATION, CONTACT:

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Securities offered through WealthForge Securities, LLC, the managing broker-dealer for the CS1031 Richmond VA Multifamily, 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.
- The Interests are not freely transferable by the Beneficial Owners.
- There are various risks associated with owning, financing, operating, and leasing commercial properties in Virginia.
- 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.