

Opportunity Zones – Now a Permanent Tax Planning Tool

Opportunity Zones 2.0 Primer

- The Opportunity Zone program allows investors to defer and reduce capital gains taxes by investing in low income or rural communities designated Opportunity Zones.
- The One Big Beautiful Bill makes the Opportunity Zone program a permanent part of the tax code under a program known as OZ 2.0.
- Holding an Opportunity Zone investment long term lets an investor defer capital gains tax, reduce the amount that becomes taxable, and pay no federal tax on the appreciation earned.
- Investors access these benefits by investing eligible gains in a Qualified Opportunity Fund (QOF) within 180 days of realization.

Primary Tax Benefits

Available through a Qualified Opportunity Zone Fund (QOF) beginning January 1, 2027

5-Year Deferral	Tax Reduction	Tax Exclusion
▪ Defer taxes on any capital gain for five years ▪ The deferral period runs from the date of the investment into a Qualified Opportunity Fund	▪ Hold the QOF investment 5+ years and receive a reduction on the original deferred gain ▪ Traditional QOFs: 10% step-up in basis ▪ Rural QOFs: 30% step-up in basis	▪ Hold the QOF investment 10+ years and appreciation earned in the Fund is tax free upon sale ▪ Depreciation benefits utilized by investors are not subject to recapture

OZ 2.0 Tax Benefit Timeline

OPPORTUNITY ZONE INVESTMENT LIFECYCLE



July 13, 2026: Standard capital gains become eligible for OZ 2.0

Gains from a partnership or S-Corp realized in all of 2026 are generally eligible for OZ 2.0.¹

1) K-1 partnership or S-Corp gains may be invested into a QOF within 180 days of any of the following: the sale of a qualifying asset, the end of the partnership's taxable year, or the due date of the partnership's return.

Diligence Considerations for Opportunity Zone Investment

THE SPONSOR

Evaluating an OZ Fund Manager

Builds what it buys

A vertically integrated manager with in-house development and general contractor capabilities owns the construction schedule, rather than a third party, to deliver within the OZ guidelines.

Pre-identified sites

An under-control pipeline means capital is deployed on schedule rather than looking for new deals after capital is raised.

Full-cycle track record

Has owned and operated through a full cycle in the same property type, not merely acquired into it.

10-year alignment

When the sponsor is also the operator, interests align with investors throughout the entire holding period.

THE ASSET

Evaluating an Asset Class

Predictable demand

Structural demand, driven by factors unrelated to the real estate cycle, enables underwriting an investment for the full ten-year hold.

Prime location permanence

Assets in lasting best-in-class locations compound the benefit of investing in a QOF.

Restrictions on new supply

Physical and regulatory limits on new development protect pricing power across the holding period.

Income credit quality

Because QOF tax advantages are back ended, durable credit behind the rent roll carries the asset throughout the hold.

About Landmark Properties

- The largest vertically integrated purpose-built student housing developer in the U.S.
- \$11.4 billion of student housing development activity since 2004
- 100 projects developed or under development across the platform
- \$3.9 billion deployed in areas now designated as Opportunity Zones

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