Presale Report
HGI CRE CLO 2021-FL2, Ltd.

DBRS Morningstar
September 13, 2021

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DBRS Morningstar Viewpoint
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DBRS Morningstar Viewpoint is an interactive, data-driven, loan and property level platform that provides users with access to DBRS Morningstar presale reports, surveillance updates, transaction information, and contextual comparable data in a user-friendly manner. Complimentary registration and access to the transaction is available.

Capital Structure

Description	Rating Action	Balance	Subordination	DBRS Morningstar Rating	Trend
Class A	New Rating - Provisional	$323,070,000	44.250%	AAA (sf)	Stable
Class B	New Rating - Provisional	$39,841,000	37.375%	AA (low) (sf)	Stable
Class C	New Rating - Provisional	$40,565,000	30.375%	A (low) (sf)	Stable
Class D	New Rating - Provisional	$46,360,000	22.375%	BBB (sf)	Stable
Class E	New Rating - Provisional	$13,038,000	20.125%	BBB (low) (sf)	Stable
Class F	New Rating - Provisional	$38,392,000	13.500%	BB (low) (sf)	Stable
Class G	New Rating - Provisional	$23,905,000	9.375%	B (low) (sf)	Stable
Preferred Shares	NR	$54,328,191	--	NR	n/a

Notes:
1. NR = not rated.
2. Class F Notes, Class G Notes, and the Preferred Shares are not being offered and will be purchased and retained by a wholly owned subsidiary of HGI CFI REIT. The Preferred Shares will not be rated.
3. The Class C, Class D, Class E, Class F, and Class G Notes allow for deferred interest.

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Transaction Summary

Pool Characteristics			
Trust Amount ($)	514,499,192	**Target Pool Balance ($)**	579,499,192
Number of Loans	20	**Average Loan Size ($)**	25,724,960
Number of Properties	22	**Top 10 Loan Concentration (%)**	70.8
Managed/Static	Managed	**Ramp-Up Amount ($)**	65,000,000
Delayed Close Collateral Interests	4/$110,726,620 Total	**Replenishment Allowed**	Y
Par Value Ratio Test (%)	122.7	**Reinvestment Period[5]**	24 months
Interest Coverage Ratio Test (%)	120.0		
WA Current Funded As-Is Appraised Issuance LTV (%)	74.2	**WA DBRS Morningstar As-Is Issuance LTV (%)**	86.9
WA Current Funded Stabilized Appraised LTV (%)	59.0	**WA DBRS Morningstar Stabilized Balloon LTV (%)**	73.8
WA Interest Rate Margin (%)	3.454	**DBRS Morningstar WA Interest Rate[4] (%)**	4.841
WA Remaining Term[1]	35.7	**WA. Remaining Term - Fully Extended**	59.0
WA DBRS Morningstar As-Is DSCR[2]	0.77	**WA Issuer As-Is DSCR (x)[4]**	1.41
WA DBRS Morningstar Stabilized DSCR[3]	1.14	**WA Issuer Stabilized DSCR (x)[4]**	1.84
Avg. DBRS Morningstar As-Is NCF Variance[2] (%)	-26.9	**Avg. DBRS Morningstar Stabilized NCF Variance[3] (%)**	-21.3

Note: All DBRS Morningstar DSCR and LTV calculations in this table and throughout the report are based on the DBRS Morningstar Stressed Interest Rate and the fully funded and extended mortgage loan commitment. The WA metrics presented in the table and the report exclude DBRS Morningstar ramp loan assumptions, if applicable.

1. Assumes that the initial term to maturity of each loan is not extended.
2. Based on DBRS Morningstar As-Is NCF.
3. Based on DBRS Morningstar Stabilized NCF.
4. Interest rate assumes 0.100% one-month Libor stress based on the Libor strike rate of the interest rate cap, which is lower than the stressed rate from the DBRS Morningstar *Interest Rate Stresses for U.S. Structured Finance Transactions* methodology. All DBRS Morningstar DSCR figures are based on this stressed rate.
5. Reinvestment Period begins on the closing date and ends following the payment date in September 2023.

Coronavirus Overview

With regard to the Coronavirus Disease (COVID-19) pandemic, the magnitude and extent of performance stress posed to global structured finance transactions remain highly uncertain. This considers the fiscal and monetary policy measures and statutory law changes that have already been implemented or will be implemented to soften the impact of the crisis on global economies. Some regions, jurisdictions, and asset classes are, however, feeling more immediate effects. Accordingly, DBRS Morningstar may apply additional short-term stresses to its rating analysis. For example, DBRS Morningstar may front-load default expectations and/or assess the liquidity position of a structured finance transaction with more stressful operational risk and/or cash flow timing considerations.

For more information regarding rating methodologies and the coronavirus, please see the following DBRS Morningstar press releases: https://www.dbrsmorningstar.com/research/357883 and https://www.dbrsmorningstar.com/research/358308.

Rating Considerations

The initial collateral includes 20 mortgage loans or senior notes, consisting of seven whole loans and 13 fully funded senior, senior pari passu, or pari passu participations secured by multifamily real estate properties with an initial cut-off date balance totaling $514.5 million. All 20 mortgages have floating interest rates tied to the Libor index. The transaction is a managed vehicle, which includes a ramp-up acquisition period and subsequent 24-month reinvestment period. The ramp-up acquisition period will be used to increase the trust balance by $65.0 million to an aggregate deal balance of $549.4 million. DBRS Morningstar assessed the $65.0 million ramp component using a conservative pool construct, and, as a result, the ramp loans have expected losses (E/Ls) above the WA pool E/L. During the reinvestment period, so long as the note protection tests are satisfied and no event of default (EOD) has occurred and is continuing, the collateral manager may direct the reinvestment of principal proceeds to acquire reinvestment collateral interest, including funded companion participations that meet the eligibility criteria. The eligibility criteria has, among other things, minimum DSCR, LTV, and loan size limitations. Lastly, the eligibility criteria stipulates that a No Downgrade Confirmation (Rating Agency Confirmation (RAC)) must be received from DBRS Morningstar before acquiring new ramp loans, reinvestment loans, and participations on loans already owned by the Issuer in excess of $1.0 million. The No Downgrade Confirmation requirement allows DBRS Morningstar to review the new collateral interest and assess potential impacts on ratings.

For the floating-rate loans, DBRS Morningstar used the one-month Libor index, which is based on the lower of a DBRS Morningstar stressed rate that corresponded to the remaining fully extended term of the loans or the strike price of the interest rate cap with the respective contractual loan spread added to determine a stressed interest rate over the loan term. When the cut-off balances were measured against the DBRS Morningstar As-Is NCF, 18 loans, representing 80.9% of the initial pool balance, had a DBRS Morningstar As-Is DSCR of 1.00x or below, a threshold indicative of default risk. On the other hand, only three loans, representing 15.8% of the initial pool balance, had a DBRS Morningstar Stabilized DSCR of 1.00x or below, which is indicative of elevated refinance risk. Most properties are transitioning with potential upside in cash flow; however, DBRS Morningstar does not give full credit to the stabilization if there are no holdbacks or if the other loan structural features are insufficient to support such treatment. Furthermore, even with the structure provided, DBRS Morningstar generally does not assume the assets to stabilize above current market levels.

The transaction will have a sequential-pay structure.

Strengths

- **100% Multifamily Property Type:** All loans in the pool are secured by multifamily properties across 13 states including Illinois, Texas, Florida, and New York. Multifamily properties have historically seen lower PODs and typically see lower E/Ls within the DBRS Morningstar model. Multifamily properties benefit from staggered lease rollover and generally low expense ratios compared with other property types. While revenue is quick to decline in a downturn because of the short-term nature of the leases, it is also quick to respond when the market improves. Additionally, most loans in the pool are secured by traditional multifamily properties, such as garden-style communities or mid-rise/high-rise buildings, with no independent living/assisted-living/memory care facilities or student housing properties included in this pool. Furthermore, during the transaction's reinvestment period, only multifamily properties (excluding senior housing and student housing properties) are eligible to be brought into the trust.

- **Majority Acquisition Financing:** Eleven loans, composing of 66.0% of the initial trust balance, represent acquisition financing wherein sponsors contributed significant cash equity as a source of initial funding in conjunction with the mortgage loan, resulting in a moderately high sponsor cost basis in the underlying collateral.
- **Recent Loan Originations:** All loans were originated in 2021, with the earliest loan having a note date of April 2021. The loan files are recent, including third-party reports that consider impacts from the coronavirus pandemic.
- **Lower Business Plan Execution Risk:** The DBRS Morningstar Business Plan Score (BPS) for loans DBRS Morningstar analyzed was between 1.5 and 2.8, with an average of 2.16. On a scale of 1 to 5, a higher DBRS Morningstar BPS indicates more risk in the sponsor's business plan. DBRS Morningstar considers the anticipated lift at the property from current performance, planned property improvements, sponsor experience, projected time horizon, and overall complexity. Compared with similar transactions, this pool has a lower average DBRS Morningstar BPS, which is indicative of lower risk.

Challenges & Considerations

- **Coronavirus Pandemic:** The ongoing coronavirus pandemic continues to pose challenges and risks to the commercial real estate (CRE) sector, and while DBRS Morningstar expects multifamily (100.0% of the pool) to fare better than most other property types, the long-term effects on the general economy and consumer sentiment are still unclear.
    - *Mitigant*: All loans in the pool have been originated after March 2020, or the beginning of the pandemic in the U.S. Loans originated after the pandemic include timely property performance reports and recently completed third-party reports, including appraisals.
- **Newer Issuer:** The Sponsor for the transaction, HGI CFI REIT, is a newer CRE CLO issuer and collateral manager, and the subject transaction is its second securitization.
    - *Mitigant*: HGI CFI REIT will purchase and retain the most subordinate portion of the capital structure totaling 20.125%, including Notes F and G; in addition to the Preferred Shares. This provides protection to the Offered Notes, as the Issuer will incur first losses up to 20.125%.
    - *Mitigant*: DBRS Morningstar met with the Sponsor to better understand its investment strategy, organization structure, and origination practices. Based on this meeting, DBRS Morningstar found that HGI CFI REIT met its issuer standards. Furthermore, as of June 30, 2021, Harbor Group International, LLC (HGI) had $14.5 billion of assets under management, including direct equity, debt investments, and real estate securities.
- **Managed Transaction:** The transaction is managed and includes four delayed-close loans, a ramp-up component, a reinvestment period, and a replenishment period, which could result in negative credit migration and/or an increased concentration profile over the life of the transaction.
    - *Mitigant*: Eligibility criteria for ramp and reinvestment assets partially offsets the risk of negative credit migration. The criteria outlines DSCR, LTV, Herfindahl, and property type limitations.

- *Mitigant*: A No Downgrade Confirmation (RAC) is required from DBRS Morningstar for ramp loans, reinvestment loans, and companion participations above $1.0 million. Before loans are acquired and brought into the pool, DBRS Morningstar will analyze them for any potential ratings impact.
- *Mitigant*: DBRS Morningstar accounted for the uncertainty introduced by the ramp-up period by running a ramp scenario that simulates the potential negative credit migration in the transaction based on the eligibility criteria.

- **Transitional Properties**: DBRS Morningstar has analyzed the loans to a stabilized cash flow that is, in some instances, above the as-is cash flow. It is possible that the sponsors will not successfully execute their business plans and that the higher stabilized cash flow will not materialize during the loan term, particularly with the ongoing coronavirus pandemic and its impact on the overall economy. A sponsor's failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance.
  - *Mitigant*: DBRS Morningstar made relatively conservative stabilization assumptions and, in each instance, considered the business plan to be rational and the loan structure to be sufficient to execute such plans. In addition, DBRS Morningstar analyzed LGD based on the as-is credit metrics, assuming the loan was fully funded with no NCF or value upside.
- **Limited Site Inspections**: Because of the ongoing coronavirus pandemic, DBRS Morningstar was able to perform site inspections on only two loans in the pool, The Astor LIC and One Arlington. As a result, DBRS Morningstar relied more heavily on third-party reports, online data sources, and information from the Issuer to determine the overall DBRS Morningstar property quality score for each loan.
  - *Mitigant*: DBRS Morningstar made relatively conservative property quality adjustments with five loans, comprising 25.2% of the pool having Average – or Below Average property quality.
- **Floating-Rate Interest Rates**: All 20 loans in the pool have floating interest rates and are IO during the initial loan term, creating interest rate risk and a lack of principal amortization.
  - *Mitigant*: DBRS Morningstar stresses interest rates based on the loan terms and applicable floors or caps. The DBRS Morningstar Adjusted DSCR is a model input and drives loan-level PODs and LGDs.
  - *Mitigant*: All loans have extension options, and, to qualify for these options, the loans must meet minimum DSCR and LTV requirements.
  - *Mitigant*: All loans are short term and, even with extension options, have a fully extended loan term of five years maximum, which, based on historical data, the DBRS Morningstar model treats more punitively.
  - *Mitigant*: The borrowers for nine loans, totaling 42.5% of the trust balance, have purchased Libor rate caps that range between 1.00% and 2.50% to protect against rising interest rates over the term of the loan.

Loan Sponsor Strength: Three loans, representing 17.4% of the initial cut-off pool balance, have a sponsor with negative credit history and/or limited financial wherewithal, including Congressional Village, Marbella Apartments, and Prosper Fairways. For more information about Congressional Village, see the individual write-up on page 35.

- *Mitigant*: DBRS Morningstar deemed two loans to have Weak sponsorship strength, effectively increasing the POD for each loan.

Legal and Structural Considerations

The underlying mortgage loans for the transaction will pay the floating rate, which presents potential benchmark transition risk as the deadline approaches for the elimination of Libor. The transaction documents provide for the transition to an alternative benchmark rate, which is primarily contemplated to be either Term Secured Overnight Financing Rate (SOFR) plus the applicable Alternative Rate Spread Adjustment or Compounded SOFR plus the Alternative Rate Spread Adjustment. Term SOFR, which is likely to be a similar forward-looking term rate compared with Libor, is the first alternative benchmark replacement rate but is currently being developed. There is no assurance Term SOFR's development will be completed or that it will be widely endorsed and adopted. This could lead to volatility in the interest rate on the mortgage assets and floating-rate notes. The transaction could be exposed to a timing mismatch between the notes and the underlying mortgage assets as a result of the mortgage benchmark rates adjusting on different dates than the benchmark on the notes, or a mismatch between the benchmark and/or the benchmark replacement adjustment on the notes and the benchmark and/or the benchmark replacement adjustment (if any) applicable to the mortgage loans. To compensate for differences between the successor benchmark rate and then-current benchmark rate, a benchmark replacement adjustment has been contemplated in the indenture as a way to compensate for the rate change. Currently, Wells Fargo, National Association in its capacity as Designated Transaction Representative will generally be responsible for handling any benchmark rate change and will be held to a gross negligence standard only with regard to any liability for its actions.

- **Criteria-Based Modifications:** Consistent with the ongoing evolution of Criteria-Based Modifications, the transaction permits the Collateral Manager to cause the special servicer to effectuate Criteria-Based Modifications subject to certain conditions. The number of Criteria-Based Modifications that can be made is limited to nine (9) and the Servicing Standard does not apply to such Criteria-Based Modifications. The nine (9) Criteria-Based Modifications allowed in this transaction is slightly above the average from recent CRE CLO transactions (deals that only cap the aggregate number of modifications).

Eligibility Criteria Concentration Parameters

Issuer Property Type	Issuance (%)	Limit (%)
Multifamily	100.0	100.0
Student Housing	0.0	0.0
Senior Housing	0.0	0.0

State Concentration	Issuance (%)	Limit (%)
Texas	17.4	40.0
Florida	14.4	40.0
Maryland	7.1	40.0
Arizona	5.6	40.0
Any Other State	Various	25.0

Issuer	HGI CRE CLO 2021-FL2, Ltd.
Co-Issuer	HGI CRE CLO 2021-FL2, LLC
Mortgage Loan Seller	HGI Commercial Funding Mortgage Trust I Parent, LLC
Servicer	Berkadia Commercial Mortgage LLC
Special Servicer	KeyBank National Association
Collateral Manager	Harbor Group International, LLC
Note Administrator and Trustee	Wells Fargo Bank, National Association
Placement Agents	Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, & Amherst Pierpont Securities LLC
Structuring Agent	Goldman Sachs & Co. LLC
Advancing Agent	HGI CFI REIT

Future Funding

Loan Name	Cut-Off Date Whole Loan Amount ($)	Future Funding Amount[1] ($)	Whole Loan Amount[2] ($)	Future Funding Uses
Ravella at Sienna	42,000,000	500,000	42,500,000	Capital Improvements
Congressional Village	36,750,000	1,000,000	74,500,000	Capital Improvements
Riverdale Portfolio 1	34,883,000	1,372,000	36,255,000	Capital Improvements
Upland Townhomes	30,100,000	6,030,000	36,130,000	Capital Improvements
Avon Mills	29,570,287	2,929,713	32,500,000	Capital Improvements
Chapel View	28,189,500	2,110,500	30,300,000	Capital Improvements
Marbella Apartments	27,636,577	10,618,020	51,767,597	Capital Improvements
Prosper Fairways	25,040,000	2,960,000	28,000,000	Capital Improvements
Raible Place Apartments	13,440,000	1,000,000	14,440,000	Capital Improvements
The Pointe at Bailey Cove	12,962,550	637,450	13,600,000	Capital Improvements
333 State Street	11,014,070	961,650	11,975,720	Capital Improvements
Pine Glen	10,060,000	1,000,000	11,060,000	Capital Improvements
Meridian Tower	8,359,002	1,425,998	9,785,000	Capital Improvements
Central Park Apartments	6,730,050	1,119,950	7,850,000	Capital Improvements

1. Cut-off date unfunded future funding amount.
2. Whole loan amount including unfunded future funding and senior note pari passu balance.

Future Funding Commitment

Loan Name	Total Future Funding ($)	Maximum Future Funding Allowed ($)	Total Future Funding Commitments Allowed (%)	Loan Closed (Y/N)
Ravella at Sienna	500,000	500,000	100.0	Y
Congressional Village	1,000,000	1,000,000	100.0	N
Riverdale Portfolio 1	1,372,000	1,372,000	100.0	Y
Upland Townhomes	6,030,000	6,030,000	100.0	Y
Avon Mills	2,929,713	2,929,713	100.0	Y
Chapel View	2,110,500	2,110,500	100.0	Y
Marbella Apartments	10,618,020	10,618,020	100.0	Y
Prosper Fairways	2,960,000	2,960,000	100.0	Y
Raible Place Apartments	1,000,000	1,000,000	100.0	Y
The Pointe at Bailey Cove	637,450	637,450	100.0	N
333 State Street	961,650	961,650	100.0	N
Pine Glen	1,000,000	1,000,000	100.0	Y
Meridian Tower	1,425,998	1,425,998	100.0	Y
Central Park Apartments	1,119,950	1,119,950	100.0	Y

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	15.1
0.50x-0.75x	21.7
0.75x-1.00x	41.6
1.00x-1.25x	21.5
1.25x-1.50x	0.0
1.50x-1.75x	0.0
>1.75x	0.0
WA (x)	0.77

DBRS Morningstar Stabilized DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	0.0
0.50x-0.75x	0.0
0.75x-1.00x	17.8
1.00x-1.25x	58.2
1.25x-1.50x	24.0
1.50x-1.75x	0.0
>1.75x	0.0
WA (x)	1.14

DBRS Morningstar As-Is Issuance LTV

LTV	% of the Pool (Senior Note Balance[1])
0.0%-50.0%	0.0
50.0%-60.0%	0.0
60.0%-70.0%	6.0
70.0%-80.0%	30.9
80.0%-90.0%	28.4
90.0%-100.0%	20.8
100.0%-110.0%	0.0
110.0%-125.0%	13.9
>125.0%	0.0
WA (%)	86.9

DBRS Morningstar Stabilized Balloon LTV

LTV	% of the Pool (Senior Note Balance[1,2])
0.0%-50.0%	0.0
50.0%-60.0%	1.3
60.0%-70.0%	34.9
70.0%-80.0%	41.2
80.0%-90.0%	15.5
90.0%-100.0%	0.0
100.0%-110.0%	7.1
110.0%-125.0%	0.0
>125.0%	0.0
WA (%)	73.8

1. Includes pari passu debt, but excludes subordinate debt.
2. The senior note balloon balance assumes the DBRS Morningstar Stressed Interest Rate and the fully extended loan term.

Largest Loan Summary

Loan Detail

Loan Name	Trust Balance ($)	% of Pool	DBRS Morningstar Shadow Rating	DBRS Morningstar As-Is DSCR (x)	DBRS Morningstar Stabilized DSCR (x)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized Morningstar LTV (%)
The Astor LIC	50,000,000	9.7	n/a	0.00	1.25	92.6	84.5
Monterosso	43,100,000	8.4	n/a	1.03	1.03	75.0	75.0
Ravella at Sienna	42,000,000	8.2	n/a	0.71	1.06	78.5	71.7
One Arlington	38,400,000	7.5	n/a	0.98	1.05	74.2	74.2
Congressional Village	36,750,000	7.1	n/a	0.95	0.95	118.8	100.9
Riverdale Portfolio 1	34,883,000	6.8	n/a	0.81	1.37	112.7	71.9
A17	31,000,000	6.0	n/a	1.22	1.43	60.2	60.2
Upland Townhomes	30,100,000	5.9	n/a	1.21	1.26	89.8	69.4
Avon Mills	29,570,287	5.7	n/a	0.88	0.98	97.6	81.1
Westcreek Apartments	28,700,000	5.6	n/a	0.66	1.12	70.0	61.7

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	sf/Units	Fully Funded Mortgage Loan per sf/Units ($)	Fully Funded Mortgage Maturity Balance per sf/Units ($)
The Astor LIC	Multifamily	Long Island City	NY	2021	143	349,650	349,650
Monterosso	Multifamily	Kissimmee	FL	2020	216	199,537	199,537
Ravella at Sienna	Multifamily	Missouri City	TX	2019	292	143,836	143,836
One Arlington	Multifamily	Arlington Heights	IL	1969	214	179,439	179,439
Congressional Village	Multifamily	Rockville	MD	2005	403	91,191	91,191
Riverdale Portfolio 1	Multifamily	Various	VA	Various	402	86,774	86,774
A17	Multifamily	Miami	FL	2021	192	161,458	161,458
Upland Townhomes	Multifamily	Mableton	GA	1972	348	86,494	86,494
Avon Mills	Multifamily	Avon	CT	1977	189	156,457	156,457
Westcreek Apartments	Multifamily	Phoenix	AZ	1983	224	128,125	128,125

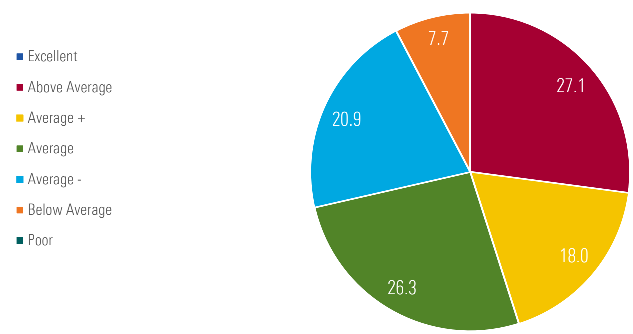
DBRS Morningstar Sample

Prospectus ID	Loan Name	% of Pool	DBRS Morningstar Stabilized NCF ($)	DBRS Morningstar Stabilized NCF Variance (%)	DBRS Morningstar Major Variance Drivers	DBRS Morningstar Property Quality
1	The Astor LIC	9.7	3,219,828	-14.9	GPR, Operating Expenses	Above Average
2	Monterosso	8.4	2,177,240	-20.4	GPR, Concessions, Bad Debt	Average +
3	Ravella at Sienna	8.2	2,088,272	-21.4	GPR, Operating Expenses	Above Average
4	One Arlington	7.5	2,546,982	-19.3	GPR, Concessions	Average +
5	Congressional Village	7.1	3,331,143	-29.9	GPR, Vacancy	Average
6	Riverdale Portfolio 1	6.8	2,337,005	-15.8	GPR, Other Income	Below Average
7	A17	6.0	2,179,721	-10.9	GPR, Vacancy, Operating Expenses	Above Average
8	Upland Townhomes	5.9	2,126,155	-19.7	GPR, Other Income, Operating Expenses	Average -
9	Avon Mills	5.7	1,567,349	-21.7	GPR, Operating Expenses, Real Estate Taxes	Average
10	Westcreek Apartments	5.6	1,497,313	-24.6	GPR, Other Income	Average -
11	Chapel View	5.5	1,522,080	-25.4	GPR, Operating Expenses	Average
12	Marbella Apartments	5.4	3,133,020	-18.0	GPR, Other Income	Average -
13	Prosper Fairways	4.9	1,250,219	-38.3	GPR, Other Income	Average
18	Meridian Tower	1.6	572,034	-17.3	Other Income, Operating Expenses	Average -

DBRS Morningstar Site Inspections

DBRS Morningstar sampled 14 of the 20 loans in the pool, representing 88.2% of the pool by allocated cut-off date loan balance. DBRS Morningstar conducted site inspections on The Astor LIC and One Arlington, comprising 17.2% of pool. DBRS Morningstar did not conduct interior or exterior tours of the remaining properties because of health and safety constraints associated with traveling during the ongoing coronavirus pandemic. DBRS Morningstar assessed property quality based on third-party reports, documents from the Issuer, and online information.

DBRS Morningstar Sampled Property Quality



Source: DBRS Morningstar.

DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and a cash flow stability and structural review for 14 of the 20 loans, representing 88.2% of the pool by loan balance. For the loans not subject to an NCF review, DBRS Morningstar applied NCF variances of -19.2% and -21.3% to the Issuer's as-is and stabilized NCFs, respectively, which reflect the average sampled NCF variances (excluding certain outliers from the DBRS Morningstar As-Is NCF analysis).

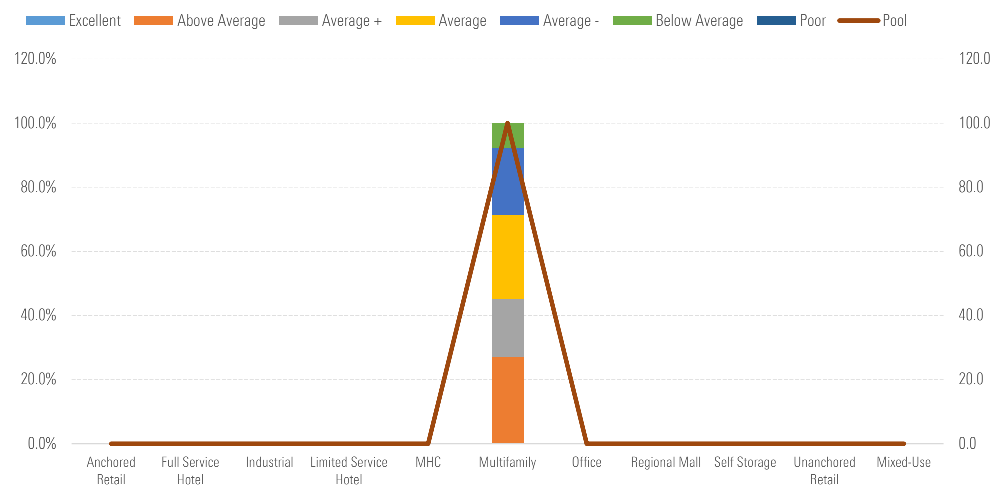
As-Is NCF

The DBRS Morningstar As-Is NCF was based on the current performance of the property, without giving any credit to future upside that may be realized upon the sponsor's completion of the business plans. The As-Is NCF scenario also assumes that the loan is fully funded, with any allowable future funds increasing the overall leverage. In some cases, property cash flows may be insufficient to cover the fully loaded debt service. In these cases, the PODs and LGDs in the model may be elevated. The DBRS Morningstar As-Is NCF sample had an average in-place NCF variance of -19.2% from the Issuer's NCF and ranged from -2.0% to -39.5%, excluding two loans with major outliers: Upland Townhomes and Marbella Apartments.

Stabilized NCF

The DBRS Morningstar Stabilized NCF assumed the properties stabilized at market rents and/or recently executed leases and market expenses that DBRS Morningstar believed were reasonably achievable based on the sponsor's business plan and structural features of the respective loan. This often involved assuming higher-than-in-place rental rates for multifamily properties based on significant ongoing renovations, with rents already achieved on renovated units providing the best guidance on market rent upon renovation. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -21.3% from the Issuer's stabilized NCF and ranged from -10.9% to -38.3%.

DBRS Morningstar Sampled Property Type



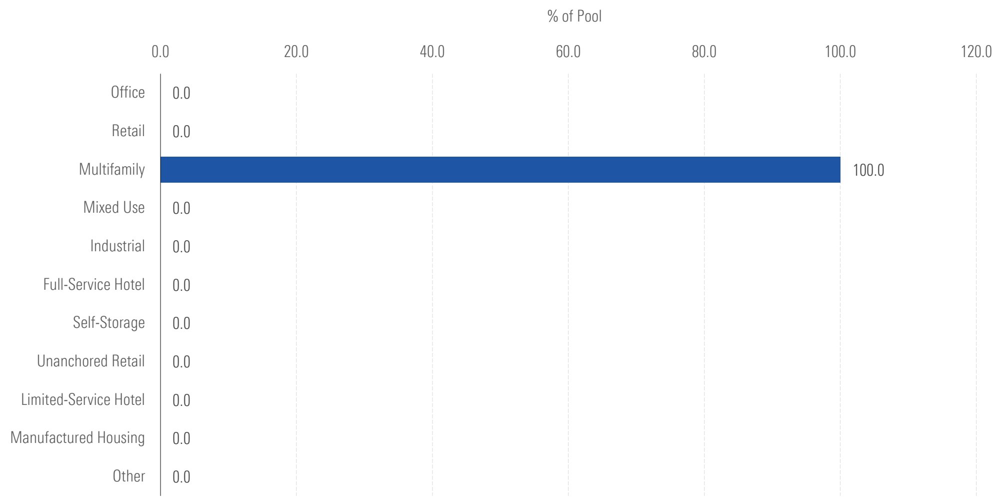
Source: DBRS Morningstar.

Model Adjustments

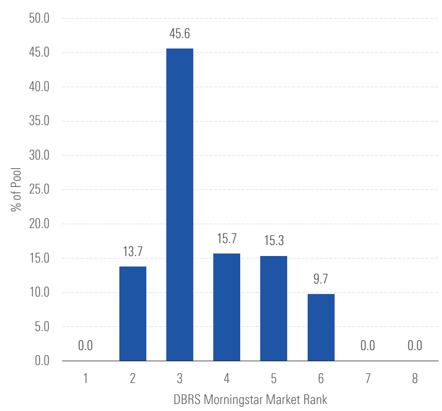
DBRS Morningstar applied upward capitalization rate adjustments to five loans, comprising 30.7% of the cut-off date pool balance to bring the cap rate to a level consistent with comparables within the market, taking into account the inherent risk associated with the sponsor's business plan and in certain instances adjusting cap rates for loans secured by leasehold interests.

Transaction Concentrations

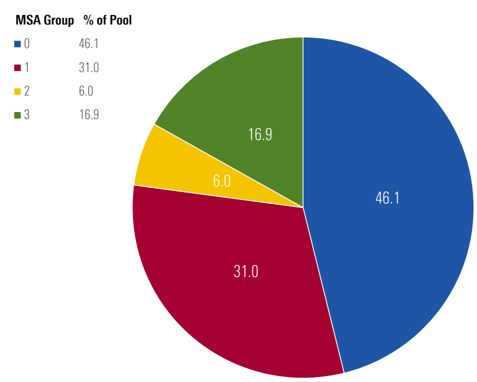
DBRS Morningstar Property Type



DBRS Morningstar Market Rank

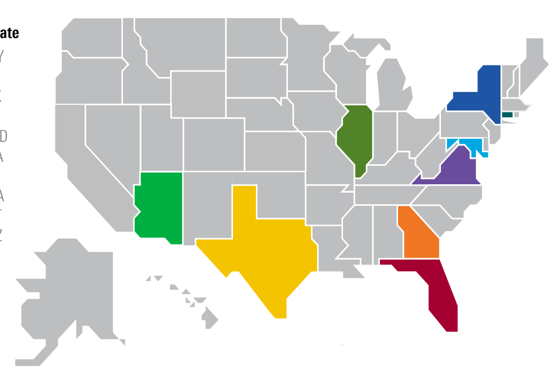


DBRS Morningstar MSA Group



Largest Property Location

Property Name	City	State
The Astor LIC	Long Island City	NY
Monterosso	Kissimmee	FL
Ravella at Sienna	Missouri City	TX
One Arlington	Arlington Heights	IL
Congressional Village	Rockville	MD
Riverdale Portfolio 1	Various	VA
A17	Miami	FL
Upland Townhomes	Mableton	GA
Avon Mills	Avon	CT
Westcreek Apartments	Phoenix	AZ



Source: DBRS Morningstar.

Loan Structural Features

Loan Terms: All 20 loan in the pool are IO during the fully extended loan term. Original loan terms for all loans range from 36 months to 48 months. All loans have one to two extension options, with each option being 12 months in duration.

Interest Rate: The interest rate is generally the greater of (1) the floating rate referencing one-month USD Libor as the index plus the margin and (2) the interest rate floor.

Interest Rate Protection: All of the floating-rate loans in the initial pool have purchased interest rate caps to protect against rising interest rates over the term of the loan. If the DBRS Morningstar stressed interest rate is less than the interest rate cap purchased by the borrower, DBRS Morningstar would default to the lower of the DBRS Morningstar stressed interest rate. Additionally, the four delayed-close loans will be required to purchase interest rate caps prior to closing.

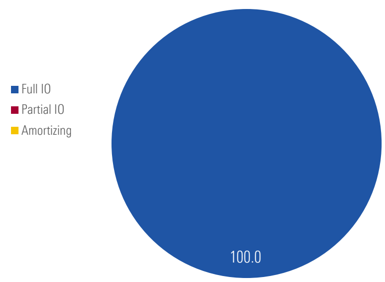
Subordinate Debt

Loan Name	Trust Balance ($)	Pari Passu Balance ($)	B Note Balance ($)	Mezz/Unsecured Debt Balance ($)	Future Mezz/Unsecured Debt (Y/N)	Total Debt Balance ($)
The Astor LIC	50,000,000	0	0	8,000,000	N	58,000,000
One Arlington	38,400,000	9,600,000	0	0	N	48,000,000
Congressional Village	36,750,000	36,750,000	0	0	N	73,500,000
Marbella Apartments	27,636,577	13,513,000	0	0	N	41,149,577

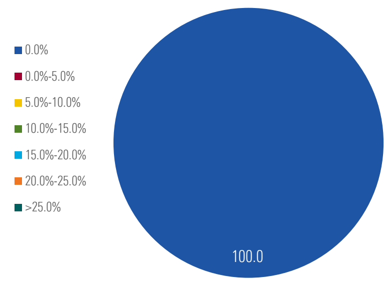
Future Funding: There are 14 loans, representing 52.0% of the initial pool balance, that have future funding. The aggregate amount of future funding remaining is $33.7 million, with future funding amounts per loan ranging from $500,000 to $10.6 million. The proceeds necessary to fulfill the future funding obligations will primarily be drawn from non-interest-accruing funds held inside the trust. The future funding is generally for property renovations and leasing costs. Each property has a business plan to execute that is likely to increase NCF. DBRS Morningstar believes that the business plans were generally achievable, given market conditions, recent property performance, and adequate available future funding (or upfront reserves) for planned renovations and leasing costs.

Leasehold: Two loans, comprising 16.9% of the pool are secured by a leasehold interest. These loans include The Astor LIC (fully extended ground lease expiry of October 2115) and Congressional Village (July 2120). All loans in the initial pool are secured by the borrower’s fee-simple interest.

Interest Only



DBRS Morningstar Expected Amortization

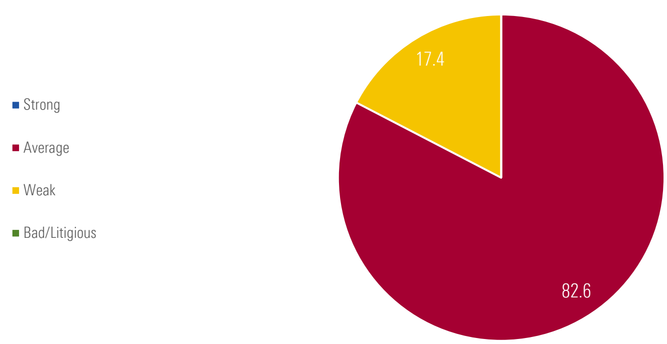


Note: For certain ARD loans, expected amortization may include amortization expected to occur after the ARD but prior to single/major tenant expiry.

Reserve Requirement			**Borrower Structure**		
Type	# of Loans	% of Pool	Type	# of Loans	% of Pool
Tax Ongoing	20	100.0	SPE with Independent Director and Non-Consolidation Opinion	17	95.1
Insurance Ongoing	19	92.5	SPE with Independent Director Only	1	2.0
Capex Ongoing	20	100.0	SPE with Non-Consolidation Opinion Only	1	1.3
Leasing Costs Ongoing[1]	0	0.0	SPE Only	1	1.6

1. Percent of office, retail, industrial and mixed use assets based on DBRS Morningstar property types.

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

Property Release: Two loans, representing 12.5% of the initial pool balance, allow for the release of one or more properties or a portion of the mortgaged property, subject to release prices at or exceeding the allocated loan amounts of the respective properties and/or certain leverage tests prescribed in the individual loan agreement.

Property Substitution: There are no loans in the pool that allow for the substitution of properties.

The Astor LIC

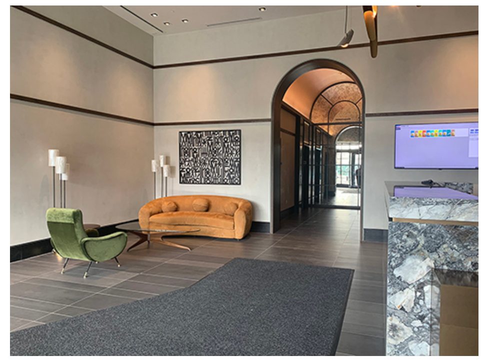
Loan Snapshot

Seller	HGI
Ownership Interest	Leasehold
Trust Balance ($ million)	50.0
Loan PSF/Unit ($)	349,650
Percentage of the Pool (%)	9.7
Fully Extended Loan Maturity/ARD	September 2026
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.00
DBRS Morningstar Stabilized DSCR (x)	1.25
DBRS Morningstar As-Is Issuance LTV (%)	92.6
DBRS Morningstar Stabilized Balloon LTV (%)	84.5
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Above Average

Debt Stack ($ millions)

Trust Balance	50.0
Pari Passu	0.0
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	50.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	2.6

Source: DBRS Morningstar.



Source: DBRS Morningstar.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2021
City, State	Queens, NY	**Physical Occupancy (%)**	54.5
Units/SF	143	**Physical Occupancy Date**	August 2021

The loan is secured by the sponsor's leased-fee interest in The Astor LIC, a Class A, mid-rise 143-unit multifamily apartment building in Queens, New York. Loan proceeds of $50.0 million along with $8.0 million of mezzanine debt went toward refinancing existing debt of $56.0 million, funding an interest reserve of $2.8 million, and covering closing costs of $1.2 million. The three-year floating-rate loan features two 12-month extension options and will remain IO throughout the loan term. The loan is encumbered by a 99-year ground lease initiated on November 1, 2016; ground rent is set to increase at 2.0% annually with market value resets scheduled three times throughout the lease term.

The property began leasing efforts in July 2021 and reported a 54.5% occupancy as of the August 2021 rent roll. On the ground floor, there is 12,000 sf of retail space featuring 18-foot ceilings divisible to accommodate one to four retail tenants. Propertywide amenities include a doorman, bicycle storage, a tenant lounge with fireplaces, a coworking area, a conference room, outdoor kitchens, a rooftop with barbecue grills, and a parking garage with 126 parking spaces. Unit amenities include stainless-steel kitchen appliances, quartz countertops, washer/dryers, and private balconies and terraces in select units. The property's unit mix with average rental rates per unit type is detailed in the exhibit below. The property has a 421a (affordable housing) tax abatement and an Industrial and Commercial Abatement Program agreement on the commercial space. Both abatement agreements expire 20 and 30 years beyond the loan term, respectively. Of the 143 total units, 43 are designated as affordable.

Unit Mix and Rents - The Astor LIC			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio - Affordable Housing	13	434	1,826
Studio - Market	31	476	2,664
One Bedroom - Affordable Housing	21	594	2,500
One Bedroom - Market	50	618	3,345
Two Bedroom - Affordable Housing	9	811	3,413
Two Bedroom - Market	19	916	4,771
Totals/WA	**143**	**619**	**3,087**

Source: Rent roll dated August 2021.

Competitive Set					
Property	Location	Units	Year Built/Renovated	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
Hunter's Landing	Queens, NY	194	2016	5,249	1,185
2 Jackson Park	Queens, NY	650	2017	3,775	860
The Forge	Queens, NY	272	2017	3,424	679
Halo	Queens, NY	284	2015	3,808	777
Jackson Park	Queens, NY	658	2018	3,138	734
Total/WA Comp. Set	**Queens, NY**	**2,058**	**Various**	**3,668**	**815**
The Astor	Queens, NY	143	2021	3,087	619

Source: Appraisal, except the subject figures are based on the rent roll dated August 2021.

Sponsorship

The sponsor for this loan is JMH Development, a real estate development company specializing in luxury residential properties in New York and Miami. The firm's portfolio consists of six (for sale and for lease) residential buildings and one limited-service hotel. The property manager is a third party entity for a fixed fee of $9,750 per month.

DBRS Morningstar NCF Summary

NCF Analysis				
	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,603,037	5,975,321	5,427,540	-9.2
Other Income ($)	1,259,236	1,123,426	1,103,638	-1.8
Vacancy & Concessions ($)	-253,498	-357,298	-300,229	-16.0
EGI ($)	**6,608,775**	**6,741,449**	**6,230,949**	**-7.6**
Expenses ($)	1,623,085	2,920,343	2,919,967	0.0
NOI ($)	**4,985,690**	**3,821,106**	**3,310,982**	**-13.4**
Capex ($)	30,342	35,750	91,154	155.0
NCF ($)	**4,955,348**	**3,785,356**	**3,219,828**	**-14.9**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $3,219,828, representing a -14.9% variance from the Issuer's stabilized NCF of $3,785,356. The predominant driver of the haircut is the GPR. DBRS Morningstar based its stabilized GPR on average in-place rental rates from the August 2021 rent roll, with vacant units grossed to average rents with no benefit for future market appreciation.

DBRS Morningstar Analysis

Site Inspection Summary

Source: DBRS Morningstar.

Source: DBRS Morningstar.

DBRS Morningstar toured the property on Thursday, August 19, 2021, at 10:00 a.m. with the property manager. Based on the site inspection, DBRS Morningstar found the property to be Above Average.

The collateral is at the corner of Steinway Street and Northern Boulevard within the Astoria neighborhood in Queens, bordering Long Island City. Steinway Street, a major throughfare, and most of the neighborhood blocks are populated with a vast variety of restaurants, retail shops, and day/night entertainment centers. The property benefits from easy access through a multitude of transportation options, with the E, M, and R subway lines within walking distance, offering access to downtown Manhattan within 30 minutes and Midtown Manhattan within 20 minutes. The Ed Koch Queensboro bridge is a short drive away, which leads directly into FDR Drive, providing convenient access throughout all of Manhattan and into upstate New York. Alternative transportation routes include Citi Bike rentals with several docks within the area or the Long Island City Ferry, which has routes into Midtown Manhattan, Brooklyn and the Bronx.

The Astor LIC is a mid-rise building taking up nearly the entire block at the bottom of Steinway Street. The entire building is vertically flat with one setback on the top floor featuring cream colored brick and large windows with exposed air conditioning vents. Main entrances for the lobby, retail spaces, and parking garage are on Steinway Street. The main entrance has an outward canopy with visible and well-placed signage leading into a large lobby that is decorated with lounge furniture, a marble front desk, lots of natural light, and matte black archways leading into the elevators. DBRS Morningstar toured the fitness center, resident lounge, rooftop terrace, and laundry and mail rooms, all of which were in excellent condition and consistently designed. Hallways were carpeted with cork or matte black details throughout the corridor.

DBRS Morningstar toured the interiors of studio, one-, and two-bedroom units. All units featured large windows, hardwood floors, matte black fixtures and finishes throughout, waterfall countertops, and new stainless-steel appliances. Bedrooms were spacious enough for a queen-size bed, nightstand, and dresser; select rooms had personal bathrooms. Some of the two-bedroom apartments have large terraces that can fit a four- to six-person outdoor dining set. The tour manager noted that apartments were leased at a rate of 20 leases per month. Overall, the property exhibited encouraging signs of high demand in a competitive market.

The ground-floor retail space at the corner of the building was still under construction but featured tall ceilings of at least 18 feet, floor-to-ceiling windows, and a spacious floorplan. The tour manager noted that the space had capacity for four separate tenants but can accommodate two or potentially one big tenant. The space itself would be a great fit for a prospective grocery store, specialty retail shops, or medical center.

DBRS Morningstar Viewpoint

The property is well located within a development rich neighborhood in Queens and is surrounded by numerous demand drivers, including Kaufman Astoria Studio, a filming studio for movies and television, and Brooklyn Grange on the SMP building. The property is two blocks away from a subway station that provides direct access to multiple CBDs in Manhattan, while also being in close proximity to the LaGuardia Airport and John F. Kennedy International Airport. Based on the collateral's exceptional location, it received a DBRS Morningstar Market Rank of 7 and DBRS Morningstar MSA Group of 3. Loans secured by properties in such areas have historically demonstrated lower losses compared with loans secured by assets in less densely populated and less financially liquid markets. Per Reis, between now and year end, approximately 3,135 units of competitive apartment stock will be introduced to the market. During 2022 and 2023, Reis expects developers to add 2,689 market rate rental apartments to the submarket. The market vacancy rate will finish at 4.7% by YE2023, while monthly asking rents will finish 2023 at $2,897, according to Reis. This is consistent with the DBRS Morningstar concluded net rental rate of $2,988.

The sponsor's business plan is to lease-up the residential and retail component to above 90% occupancy, which is forecast to occur within the next 12 to24 months. The sponsor commissioned a third-party leasing company known as Rezi to assist with lease-up efforts. At opening, Rezi escrowed $3.1 million ($1,953 per unit) into an operating account, which represents 16 months of net rental payments for 100 market units. In return, Rezi will use its platform to lease-up the 100 units at market rates, which are being rented for an average of $3,087 per unit. The property also benefits from the 421a tax abatement, which lends 43 remaining units to the affordable housing program. DBRS Morningstar generally believes the business plan is achievable given the location and new vintage. The property is exhibiting a favorable leasing velocity of approximately 20 units per month, and once stabilized, the sponsor intends to refinance the three-year loan with more permanent debt financing.

This loan is the largest one in the pool, representing 9.7% of the entire transaction, and has the lowest expected loss. DBRS Morningstar anticipates the loan to perform well throughout the loan term based on its strong market fundamentals and Above Average property quality.

Monterosso

Loan Snapshot

Seller
HGI
Ownership Interest
Fee Simple
Trust Balance ($ million)
43.1
Loan PSF/Unit ($)
199,537
Percentage of the Pool (%)
8.4
Fully Extended Loan Maturity/ARD
June 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
1.03
DBRS Morningstar Stabilized DSCR (x)
1.03
DBRS Morningstar As-Is Issuance LTV (%)
75.0
DBRS Morningstar Stabilized Balloon LTV (%)
75.0
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average +

Debt Stack ($ millions)

Trust Balance
43.1
Pari Passu
0.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
43.1
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
13.4


Source: Appraisal.


Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2020
City, State	Kissimmee, FL	**Physical Occupancy (%)**	95.0
Units/SF	216	**Physical Occupancy Date**	August 2021

This loan is secured by the borrower's fee-simple interest in Monterosso Apartments, a 216-unit, garden-style multifamily property in Kissimmee, Florida. The borrower used the loan proceeds of $43.1 million and approximately $13.4 million of cash equity, representing 24.3% of the purchase price, to acquire the collateral for a purchase price of approximately $55.2 million and cover closing costs of approximately $1.3 million. The three-year initial loan term and two 12-month extension options are IO throughout.

Built in 2020, the collateral features 216 residential units and was 95.0% occupied as of August 5, 2021. The property consists of two four-story buildings with 380 parking spaces. The unit mix includes 16 studio units averaging 672 sf, 81 one-bedroom units averaging 749 sf, 89 two-bedroom units averaging 1,097 sf, and 30 three-bedroom units averaging 1,445 sf. Per the August 2021 rent roll, the subject reported an average monthly rental rate of $1,543 per unit, ranging from $1,212 for studio units to $2,045 for three-bedroom units. In comparison, according to Q2 2021 Reis data, properties of similar vintage in the Kissimmee/Osceola submarket reported a similar average rent of $1,561 per unit. The property's amenities include a pool, a fitness center, a yoga studio, an outdoor lounge, a clubhouse, an entertainment room, a pet spa, package lockers, and storage rentals. Unit amenities include stainless-steel kitchen appliances, quartz countertops, washers/dryers, balconies, and walk-in closets.

Unit Mix and Rents - Monterosso Apartments			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	16	672	1,212
1 Bedroom	81	749	1,351
2 Bedroom	89	1,097	1,608
3 Bedroom	30	1,445	2,045
Total/WA	**216**	**983**	**1,543**

The appraiser identified four competitive multifamily properties with an average year built of 2018. Therefore, the subject's age is in line with the identified competitive set. With an occupancy of 95.0%, the subject achieves a higher occupancy compared with the competitive set, which ranges from 46.0% to 98.0%, with a WA of 94.0%, when excluding an outlier with a 46.0% occupancy. Additionally, Reis identified 11 comparable properties within a three-mile radius of the collateral, representing a slightly lower occupancy of 94.3% compared with the subject's 95.0% occupancy. Reis also identified a submarket vacancy rate of 8.7% and a five-year average submarket vacancy of 6.2% as of Q2 2021. Additional information regarding comparable properties can be found in the table below.

Competitive Set						
Property	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Sonceto	0.5	296	2020	46.0	1,594	992
Vernazza Apartments	0.3	256	2018	94.0	1,503	1,017
Cortland Hunter's Creek	0.5	288	2017	90.0	1,420	1,025
Sonoma Pointe Apartments	1.0	216	2015	98.0	1,504	992
Total/WA	**Various**	**1,056**	**2018**	**80.3**	**1,506**	**1,007**
Monterosso Apartments	**n/a**	**216**	**2020**	**95.0**	**1,543**	**983**

Source: Appraisal, except the subject figures are based on the rent roll dated August 5, 2021.

Sponsorship

The sponsor for this transaction is a commercial real estate investment company owned by two guarantors of the transaction. It focuses on acquisitions of multifamily assets throughout Texas and the Southeast region. It currently has a portfolio of $250 million AUM across the U.S. A third-party company, FCA Management LLC, provides property management for a contractual fee of 2.5% of EGI. It has more than 25 years of experience in property management and manages more than 4,500 units.

DBRS Morningstar Analysis

Site Inspection Summary


Source: Appraisal.


Source: Appraisal.

DBRS Morningstar did not conduct a site inspection of the property because of health and safety constraints associated with the ongoing coronavirus pandemic. Based on photos and assessments from the Issuer and third parties, DBRS Morningstar determined the property quality to be Average +.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 April 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,029,476	4,026,804	4,397,601	4,000,264	-9.0
Other Income ($)	403,992	583,200	546,394	543,531	-0.5
Vacancy & Concessions ($)	-1,749,167	-297,820	-377,094	-508,876	34.9
EGI ($)	**2,684,301**	**4,312,184**	**4,566,901**	**4,034,919**	**-11.6**
Expenses ($)	1,625,289	1,680,306	1,787,024	1,803,679	0.9
NOI ($)	**1,059,013**	**2,631,878**	**2,779,878**	**2,231,240**	**-19.7**
Capex ($)	43,200	43,200	43,200	54,000	25.0
NCF ($)	**1,015,813**	**2,588,678**	**2,736,678**	**2,177,240**	**-20.4**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,177,240, representing a -20.4% variance from the Issuer's as-stabilized NCF of $2,736,678. The main drivers of the variance were GPR, concessions, and bad debt. DBRS Morningstar estimated the stabilized GPR to be based on leases in place according to the August 5, 2021, rent roll, using averages of the in-place leases per unit type to gross up vacant space. DBRS Morningstar estimated concessions at 4.0% based on the recent trend in the collections with high concessions at the property. DBRS Morningstar estimated bad debt based on the T-12 ratio ended April 30, 2021.

DBRS Morningstar Viewpoint

The sponsor's business plan is to continue to lease the property at a stabilized occupancy, allow the existing concessions to burn off, identify operational inefficiencies, and improve operations. While there is no future funding component, the sponsor's business plan appears achievable given the property's good location and quality and in-place occupancy of 95.0%. The property has extensive amenities, including a pool, a fitness center, a yoga studio, storage rentals, and more. Although DBRS Morningstar did not perform a site inspection of the property, the photos and assessments from the Issuer and third-party reports have shown the property to be in Average + condition. Also, the property sits well within its surrounding area and has good curb appeal. The property is less than a half mile from West Osceola Parkway's retail corridor, which includes large national retailers like Kohl's, Bed Bath & Beyond, and CVS. Also, South John Young Parkway and U.S. Route 441 are less than a mile from the property, providing access to the rest of the Orlando area.

According to Reis, multifamily market conditions appear to be favorable to the sponsor's business plan. The subject's current average in-place rent of $1,543 is higher than the Reis submarket average rent of $1,223, but it is in line with the submarket average rent by vintage of $1,561. Also, Reis' Kissimmee/Osceola submarket vacancy is relatively high at 8.7% as of Q2 2021, but Reis projects the submarket vacancy will gradually decrease from 2022 to 2026, at a low of 7.2% in the year 2026. Similarly, overall Orlando multifamily market vacancy will decrease to 6.0% in 2026 from 6.6% in Q2 2021. The supply in the submarket is projected to be materially increasing at 1,360 units based on Reis' five-year forecast ending 2025, but Reis also projects that the submarket will absorb 1,272 units, resulting in a stable construction to absorption ratio of 1.1.

Loan proceeds of $43.1 million represent a relatively high DBRS Morningstar Issuance LTV of 75.0% based on the as-is appraised value of $57.5 million dated May 10, 2021. The appraiser identified seven sales comparables for the property, and identified comparables' price per unit range from $226,402 to $267,411 per unit, with an average of $248,738 per unit. The purchase price of approximately $55.2 million for the collateral represents a purchase price of $255,699 per unit, which is in line with the appraisal's identified sales comparables. The property is in a DBRS Morningstar Market Rank of 3, which historically had elevated POD and LGD. Overall, given the loan's credit metrics, it has an expected loss close to the pool average expected loss based on the high DBRS Morningstar Issuance LTV, DBRS Morningstar Market Rank of 3, and Average + property quality.

Ravella at Sienna

Loan Snapshot

Seller
HGI
Ownership Interest
Fee Simple
Trust Balance ($ million)
42.0
Loan PSF/Unit ($)
143,836
Percentage of the Pool (%)
8.2
Fully Extended Loan Maturity/ARD
August 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.71
DBRS Morningstar Stabilized DSCR (x)
1.06
DBRS Morningstar As-Is Issuance LTV (%)
78.5
DBRS Morningstar Stabilized Balloon LTV (%)
71.7
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
42.0
Pari Passu
0.0
Remaining Future Funding
0.5
Mortgage Loan Including Future Funding
42.5
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
15.1


Source: Appraisal.


Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2019
City, State	Missouri City, TX	**Physical Occupancy (%)**	94.5
Units/sf	292	**Physical Occupancy Date**	July 2021

The loan is secured by the borrower's fee simple-interest in Ravella at Sienna, a 292-unit multifamily property in Missouri City, Texas. Initial loan proceeds of $42.0 million, along with $15.1 million of sponsor equity, were used to acquire the property for a purchase price of $53.4 million, fund $570,000 in capital expenditures, and cover the remaining closing costs. The loan is structured with an additional $500,000 future funding component for the business plan. Based on the whole loan amount, the as-is and stabilized values of $54.2 million and $59.3 million reflect an as-is and stabilized DBRS Morningstar LTV of 78.5% and 71.7%, respectively. The floating-rate loan has a five-year fully extended term that is IO until maturity.

Built in 2019, the property is a 292-unit multifamily apartment community, completed with superior amenities compared with those typical for the Missouri City market. The subject is located within the 10,000-acre master planned community in the heart of Fort Bend County, 25 miles from the Houston CBD. As of July 2021, the property was 94.5% occupied and has demonstrated strong leasing velocity since construction was completed in 2019. The sponsor intends to commence a $570,000 capital plan for esthetic upgrades to increase curbside appeal.

Sponsorship

The borrower for this transaction is a Dallas-based multifamily acquisition and management company, specializing in value-add opportunities. The company currently manages 2,000 units in Phoenix and the Dallas/Fort Worth MSA, and has begun to expand into suburban Houston. HGI has previously partnered with the sponsor on a $40 million bridge loan for Laurelwood Apartments in the Houston suburban market. The guarantors for this transaction have substantial net worth and liquidity that satisfy HGI's minimum requirements.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar did not conduct a site inspection of the property because of the health and safety constraints associated with the ongoing coronavirus pandemic. Based on photos and assessments from the Issuer and third parties, DBRS Morningstar determined the property quality to be Above Average.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 June 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,150,420	5,651,360	5,758,195	4,995,794	-13.2
Other Income ($)	687,611	607,670	726,622	684,911	-5.7
Vacancy & Concessions ($)	-1,492,111	-466,237	-575,819	-385,274	-33.1
EGI ($)	**4,345,920**	**5,792,793**	**5,908,997**	**5,295,431**	**-10.4**
Expenses ($)	2,926,555	3,052,001	3,179,752	3,134,159	-1.4
NOI ($)	**1,419,365**	**2,740,792**	**2,729,245**	**2,161,272**	**-20.8**
Capex ($)	0	73,000	73,000	73,000	0.0
NCF ($)	**1,419,365**	**2,667,792**	**2,656,245**	**2,088,272**	**-21.4**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,140,517, representing a -19.4% variance from the Issuer's Stabilized NCF.

The primary driver of the variance is GPR. DBRS Morningstar concluded a stabilized GPR based on the July 2021 rent roll with vacant units grossed up at in-place rents. The property is new and no major capital improvements are planned, other than minor esthetic updates that DBRS Morningstar does not believe will drastically increase rental rates.

DBRS Morningstar Viewpoint

Built in 2019, the subject was 94.5% occupied as of July 2021. The sponsor intends to use $570,000 to improve the overall esthetic of the property and increase curbside appeal. The property is in excellent condition, given its recent construction, and offers a superior amenity package. The additional improvements will aid the property, but DBRS Morningstar does not believe these upgrades will have a significant impact on rental rates.

The subject exhibited impressive leasing velocity after construction was completed in 2019. Despite the pandemic, roughly 20 units per month were leased throughout 2020. The property offers courtyards, a resort-style pool with private cabanas, and attached garages in nearly one-quarter of the units. Additional improvements made by the sponsor will focus on repainting the entire property, upgrading signage, and landscaping. The sponsor also intends to transform a large plot of unused lawn area into a dog park and develop a large residential lounge/event space. DBRS Morningstar believes that the subject is one of the better properties in the submarket and its recent vintage and strong amenity package will continue to drive demand. The property is well located within Fort Bend County, about nine miles south of downtown Sugar Land and 25 miles from downtown Houston. The location also offers a 30-minute commute to an estimated 500,000 jobs. The property is only one mile from Fort Bend Town Center and Sienna Village, which offer a combined 700,000 sf of Class A retail. Lastly, Fort Bend County is ranked second in Texas for consumer purchasing power, averaging 5% GDP growth per year since 2010, and with more than a 40% growth in population during the last 10 years.

Due to its recent construction, the property lacks an operating history. While this poses risk, it is mitigated by the strong submarket performance. Reis reports for Q2 2021 show the submarket has an average rental rate and vacancy of $1,248 and 5.6%, respectively.

Unit Mix and Rents

Unit Type	No. of Units	Avg. Units Size (sf)	In-place Rent/Mo. ($)
1 Bedroom	180	713	1,247
2 Bedroom	96	1,142	1,660
3 Bedroom	16	1,466	2,262
Total/WA	**292**	**895**	**1,438**

Source: Rent roll dated July 2021.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
The Ranch at Sienna Plantation	Missouri City, TX	0.8	312	2016	92.0	1,708	1104
SYNC at Sienna Plantation	Missouri City, TX	1.0	270	2007	98.0	1,396	1014
Villas at Sienna Plantation	Missouri City, TX	0.9	190	2014	96.0	1,590	1129
Broadstone Sienna Plantation	Missouri City, TX	0.2	327	2020	70.0	1,530	893
Heritage Grand at Sienna Plantation	Missouri City, TX	2.3	240	2013	97.0	1,384	982
Stella at Riverstone	Sugar Land, TX	4.6	351	2017	93.0	1,675	939
Total/WA Comp. Set	**Various, TX**	**Various**	**1,690**	**Various**	**90.1**	**1,558**	**1,000**
Ravella at Sienna	**Missouri City, TX**	**n/a**	**292**	**2019**	**94.5**	**1,511**	**895**

Source: Appraisal.

Based on the competitive set from the appraiser, the property achieves rental and occupancy rates in line with competing properties. Most of the competitive properties are located within a one- to two-mile radius of the subject, and all were constructed within the last 10 to 15 years, indicating a large demand for this product type. While the supply is large, the subject's leasing velocity and stable occupancy rate indicate there is demand for the property.

The property was recently completed and boasts impressive amenities that compete with similar properties in the market. The sponsor will implement a minor capital improvement plan to further increase demand. DBRS Morningstar believes the property is very close to stabilization and the business plan risk is minimal. However, the loan has a relatively high DBRS Morningstar Issuance LTV of 78.5% based on the as-is appraised value. Furthermore, the property is located within an area assigned a DBRS Morningstar Market rank of 3 and MSA Group of 1, which elevate both POD and LGD. Overall, given the loan's credit metrics, it has an expected loss higher than the pool average.

One Arlington

Loan Snapshot

Seller	HGI
Ownership Interest	Fee Simple
Trust Balance ($ million)	38.4
Loan PSF/Unit ($)	179,439
Percentage of the Pool (%)	7.5
Fully Extended Loan Maturity/ARD	August 2026
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.98
DBRS Morningstar Stabilized DSCR (x)	1.05
DBRS Morningstar As-Is Issuance LTV (%)	74.2
DBRS Morningstar Stabilized Balloon LTV (%)	74.2
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average +

Debt Stack ($ millions)

Trust Balance	38.4
Pari Passu	9.6
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	48.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	4.0


Source: DBRS Morningstar.


Source: DBRS Morningstar.

Collateral Summary			
Property Type	Multifamily	**Year Built/Renovated**	1969/2015
City, State	Arlington Heights, IL	**Physical Occupancy (%)**	95.3
Units	214	**Physical Occupancy Date**	June 2021

This loan is secured by the borrower's fee-simple interest in One Arlington, a 214-unit, multifamily property in Arlington Heights, Illinois. The borrower used the loan proceeds of $48.0 million and $4.0 million of cash equity to refinance existing debt of $51.0 million and cover closing costs. The three-year initial loan term and two 12-month extension options are IO throughout.

Renovated in 2015, the collateral features 214 residential units and was 95.3% occupied as of the June 2021 rent roll. The property consists of one 13-story building with 355 parking spaces in a subterranean parking structure. The collateral also includes a 15,932-sf ground floor retail space that is fully occupied by a co-working space. The unit mix includes 51 studio units averaging 625 sf, 113 one-bedroom units averaging 889 sf, and 50 two-bedroom units averaging 1,283 sf. Per the June 2021 rent roll, the subject reported an average monthly rental rate of $1,939 per unit, ranging from $1,514 for studio units to $2,647 for two-bedroom units. In comparison, according to Q1 2021 Reis data, properties of similar vintage in the Wheeling submarket reported a similar average rent of $2,027 per unit, slightly above the subject's overall average rent of $1,939 per unit. The property's amenities include a fitness center, a 5,000-sf rooftop, a golf simulator, a yoga studio, a pet spa, and electric car charging stations. Unit amenities include stainless-steel kitchen appliances, quartz countertops, in-unit washers/dryers, and walk-in closets. Select units feature private balconies.

Unit Mix and Rents - One Arlington			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	51	625	1,514
One Bedroom	113	889	1,818
Two Bedroom	50	1283	2,647
Total/WA	**214**	**918**	**1,939**

Source: June 2021 rent roll.

The appraiser identified seven competitive multifamily properties with an average year built of 2008, older than the subject itself. With an occupancy of 95.3% as of June 2021, the subject achieves a higher occupancy compared with the competitive set, which ranges from 55.0% to 98.0%, with a WA of 93.7%, when excluding an outlier with a 55.0% occupancy. Additionally, Reis identified 30 comparable properties within a three-mile radius of the collateral, representing a slightly lower occupancy of 93.0%. Reis also identified a submarket vacancy rate of 8.7% and a five-year average submarket vacancy of 6.2% as of Q1 2021. Additional information regarding comparable properties can be found in the table below.

Competitive Set							
Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
Buckingham Place	Des Plaines, IL	6.8	267	2018/n/a	87.0	1,965	952
Dunton Tower	Arlington Heights, IL	2.1	216	1986/2004	98.0	1,974	897
Hancock Square at Arlington Station	Arlington Heights, IL	2.3	409	1988/2012	97.0	1,982	847
North 680 Apartments	Schaumburg, IL	2.2	180	2017/n/a	94.0	1,928	896
Deer Park Crossing	Deer Park, IL	4.9	236	2017/n/a	95.0	2,404	1,204
Residences at Hamilton Lakes	Itasca, IL	7.3	297	2017/n/a	91.0	1,760	949
Element at Veridan	Schaumburg, IL	2.2	260	2020/n/a	55.0	2,168	912
Total/WA Comp Set	**Various**	**Various**	**1,865**	**2008**	**88.3**	**2,017**	**943**
One Arlington	**Arlington Heights, IL**	**n/a**	**214**	**1969/2015**	**95.3**	**1,939**	**918**

Source: Appraisal, except the subject figures are based on the rent roll dated June 2021.

Sponsorship

The sponsor for this transaction is Stoneleigh Companies, a private real estate investment company that focuses on the acquisition and development of multifamily properties. The sponsor's portfolio consists of 1,548 multifamily units with another three communities under construction in Colorado, Minnesota, and Ohio and four more in development in Michigan and Texas. With consideration to these projects in development, the sponsor's portfolio will increase to 3,104 units. Furthermore, the sponsor has successfully developed more than 40,000 multifamily units across 17 different states within the past two decades.

Waterford Residential, LLC, a borrower-affiliated management company, provides property management for a contractual rate of 3.0% of EGI. It has more than 35 years of experience and manages more than 4,000 multifamily units.

DBRS Morningstar Analysis

Site Inspection Summary

Source: DBRS Morningstar.

Source: DBRS Morningstar.

DBRS Morningstar toured the interior and exterior of One Arlington on Tuesday, August 17, 2021, at 9:00 a.m. Based on the guided management tour, DBRS Morningstar found the property quality to be Average +.

One Arlington is in Arlington Heights, Illinois, less than 30 miles northwest of downtown Chicago. Renovated in 2015, the 13-story multifamily property was part of the first phase of a multiphase master plan development, which will include approximately 32,000 sf of retail space, additional multifamily units, one 102-key hotel, and a 42,000-sf rock climbing facility. At the time of DBRS Morningstar's inspection, the rock climbing facility was built and the surface parking lot was being poured. In aggregate, the property is in a suburban corridor with small retail and industrial buildings in the immediate vicinity. DBRS Morningstar noted the signage provided good exposure with leasing signs displayed along Euclid Ave as well as affixed to the top of the building.

Originally built as a Hilton hotel in 1968, the property was fully redeveloped into its current use of multifamily in 2015. The collateral was composed of 214 residential units and 335 parking spaces within the subterranean garage. Amenities offered at the subject include a larger-than-average rooftop providing panoramic views, a lounge area with games and a kitchen for hosting guests, a dog spa, and a bike room. In aggregate, the common spaces and grounds appeared well-maintained and demonstrated no signs of deferred maintenance. The property was in line with similar products within the master plan development with above-average exterior facade and landscaping. The property's exterior was modern and clean with the subject's signage near the main entryway. Unit interiors featured faux wood plank flooring, stainless-steel appliances, and in-unit washers/dryers. Located on the ground floor is a roughly 16,000-sf co-working space that is leased to 25N. DBRS Morningstar toured the interior space and it appeared well-utilized at the time of inspection. Management noted that the co-working concept has been popular during the pandemic for those who would like to connect with nearby coworkers or for employees that would prefer to work outside of their home while their offices are closed. The space included individual office spaces and open desks for individuals or groups to meet. Overall, the retail space was modern, clean, and welcoming.

At the time of DBRS Morningstar's inspection, the property was 98.0% physically occupied and 99.0% leased. According to on-site management, there was an uptick in delinquencies as a result of the ongoing coronavirus pandemic that resulted in roughly $40,000 of delinquent rent. Management noted that this figure usually is about $5,000 in total. At the time of inspection, no concessions were being offered at the property.

Overall, DBRS Morningstar found the property to be in line with comparable properties in the surrounding area and presented well with its high-quality finishes throughout, indicative of its more recent vintage.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 May 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,040,665	4,960,644	5,470,361	4,956,780	-9.4
Other Income ($)	1,152,829	1,118,396	1,083,620	987,721	-8.8
Vacancy & Concessions ($)	-776,457	-398,893	-448,022	-425,516	-5.0
EGI ($)	**5,417,037**	**5,680,147**	**6,105,958**	**5,518,985**	**-9.6**
Expenses ($)	2,759,099	2,713,766	2,890,792	2,871,306	-0.7
NOI ($)	**2,657,938**	**2,966,381**	**3,215,166**	**2,647,680**	**-17.7**
Capex ($)	53,500	53,500	58,850	100,697	71.1
NCF ($)	**2,604,438**	**2,912,881**	**3,156,316**	**2,546,982**	**-19.3**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,546,982, representing a -19.3% variance from the Issuer's as-stabilized NCF of $3,156,316. The main drivers of the variance were GPR, concessions, and management fee. GPR was based on the June 2021 rent roll with vacant units grossed up at the appraiser's market rent. DBRS Morningstar estimated concessions at 1.9% based on recent trends at the subject with concessions above 5.0%. As of May 2021, Reis reported that the Wheeling submarket free rent was 3.8%, whereas the appraiser estimated concessions to be 1.0% of GPR. DBRS Morningstar set management fee to 4.0%.

DBRS Morningstar Viewpoint

The sponsor's business plan is to continue to lease the property at a stabilized occupancy, allow the existing concessions to burn off, identify operational inefficiencies, and improve operations. While there is no future funding component, the sponsor's business plan appears achievable given the property's strong performance since being renovated in 2015. Located in the northwest suburb of Arlington Heights, the property sits about 30 miles from downtown Chicago and about 14 miles from O'Hare International Airport. The collateral sits less than 0.3 miles from Hwy. 53, connecting the subject to I-90 and I-94, ultimately providing access to downtown Chicago and the surrounding Chicagoland area.

According to Reis, multifamily market conditions appear favorable to the sponsor's business plan. The subject's current average in-place rent of $1,939 is higher than the Reis submarket average rent of $1,393, but it is in line with the submarket average rent by vintage of $2,027. Also, Reis' Wheeling submarket vacancy by vintage is relatively high at 9.7% as of Q2 2021, but the subject property has already outperformed the surrounding submarket with its 95.3% occupancy as of the June 2021 rent roll. Reis projects the submarket vacancy will gradually decrease from its current overall vacancy rate of 6.2% to 5.2% in the year 2026. While the submarket is also expected to improve, DBRS Morningstar projects that the property will continue to outperform the surrounding area because of the subject's strong amenity package and location within a growing master plan development.

Loan proceeds of $48.0 million represent a higher DBRS Morningstar Issuance LTV of 74.2% based on the as-is appraised value of $64.7 million (no as-stabilized value was provided given the current property performance). The appraiser identified six sales comparables for the property, and identified comparables' price per unit range from $230,516 to $484,234 per unit, with an average of $359,594 per unit. The collateral demonstrates a healthy value per unit of $302,336 and a lower loan amount of $224,299 per unit. Furthermore, the subject represents a stabilized Issuer implied cap rate of 4.8%, which is within the range of recent sales of 4.44% to 5.03% and above the appraiser's concluded cap rate of 4.5%. However, the property is in a DBRS Morningstar Market Rank of 4 and MSA Group 1, which historically have demonstrated elevated PODs and LGDs. In aggregate, given the loan's credit metrics, it has an expected loss above deal average based on the high DBRS Morningstar Issuance LTV, DBRS Morningstar Market Rank of 4, and MSA Group 1.

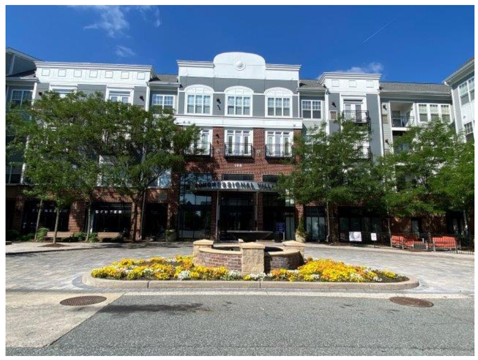
Congressional Village

Loan Snapshot

Seller	HGI
Ownership Interest	Leasehold
Trust Balance ($ million)	36.8
Loan PSF/Unit ($)	91,191
Percentage of the Pool (%)	7.1
Fully Extended Loan Maturity/ARD	September 2026
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.95
DBRS Morningstar Stabilized DSCR (x)	0.95
DBRS Morningstar As-Is Issuance LTV (%)	118.8
DBRS Morningstar Stabilized Balloon LTV (%)	100.9
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average

Debt Stack ($ millions)

Trust Balance	36.8
Pari Passu	36.8
Remaining Future Funding	1.0
Mortgage Loan Including Future Funding	74.5
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	30.2


Source: Appraisal.


Source: Appraisal.

Collateral Summary

DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2005
City, State	Rockville, MD	**Physical Occupancy (%)**	97.0
Units/SF	403	**Physical Occupancy Date**	July 2021

This loan is secured by the borrower's leasehold and leased fee interests in Congressional Village, a 403-unit mid-rise apartment complex with 7,793 sf of ground retail space in Rockville, Maryland, approximately 11 miles northwest of Washington, D.C. This asset has a delayed closing date and is anticipated to be contributed to the trust within 90 days of the securitization closing. Loan proceeds of approximately $73.5 million, future funding of $1.0 million, and borrower cash equity of approximately $30.2 million are being used to acquire the asset for $128.55 million and cover closing costs. Of the total purchase price, approximately $102.84 million will be allocated to the leasehold improvements with the remaining $25.71 million allocated for the leased fee/land portion. A 99-year ground lease will be put in place simultaneously at the acquisition's settlement. The land leased fee portion is borrower equity and is expected to be donated as part of a philanthropic initiative whereby the borrower places the land into an irrevocable trust for the benefit of educational and social institutions, with a nationally recognized university expected to receive the ground lease for Congressional Village. The proposed financing for this HGI 2021-FL2 trust will be for the leasehold estate and amounts to a contributed balance of $36.75 million, a piece bifurcated from the $74.5 million senior loan. The three-year, floating-rate loan is structured with two 12-month extension options and is IO for its full term.

The collateral consists of four residential and three nonresidential buildings built in 2005 on a 7.28-acre site. The unit mix consists of one-, two-, and three-bedroom apartments with an average of 973 sf in size and in-place rent of $1,904 as of the July 2021 rent roll, as outlined in the unit mix table below. The property features 53 moderately priced units reserved for tenants that have incomes at or below 60% of the area median income until 2035, typical of newer construction in Montgomery County. Common area amenities include an on-site leasing office, clubhouse, fitness center, pool and spa, theater, and storage. Unit interiors include carpet, vinyl, and hardwood floors; standard commercial-grade fixtures and kitchen appliances; orange peel walls and ceilings; stackable washer/dryer combos; and balconies and granite countertops in select units. The appraiser identified five properties that are part of the subject collateral's competitive set as noted in the table below. Target tenants for the property are families and professionals seeking larger space in an urban/suburban setting, as evidenced by the larger unit sizes listed below:

Unit Mix and Rents - Congressional Village

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
1x1 - Affordable	35	604	1,167
1x1	159	747	1,687
2x2 - Affordable	18	1,043	1,312
2x2	171	1,187	2,195
3x2	20	1,473	2,966
Total/WA	**403**	**971**	**1,904**

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Avg. Rent/ Unit ($)	Avg. Unit Size (sf)	Occupancy (%)
The Stories at Congressional	Rockville, MD	0.4	194	2003	2,012	970	94.5
The Fenestra at Rockville Town	Rockville, MD	2.5	492	2008	2,062	1,077	95.7
Gables Upper Rock I & II	Rockville, MD	5.9	551	2015	1,727	927	95.8
Alaire at Twinbrook Station	Rockville, MD	1.1	330	2008	1,711	851	94.3
Rollins Ridge	Rockville, MD	0.4	99	2007	1,615	822	97.0
Total/WA	**Rockville, MD**	**Various**	**1,666**	**Various**	**1,849**	**955**	**95.4**
Congressional Village	**Rockville, MD**	**n/a**	**403**	**2005**	**1,904**	**971**	**97.0**

*Per appraisal with the exception of data for Congressional Village, which is based on the July 2021 rent roll.

Sponsorship

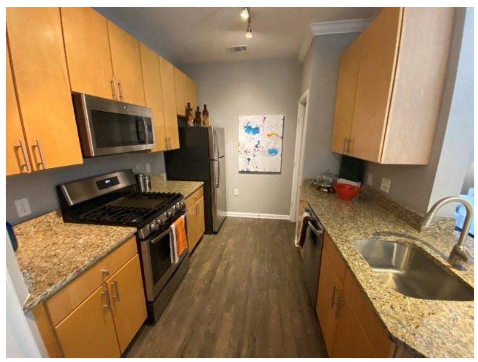
The sponsor for this loan is The Shidler Group. Founded in 1972 by Jay Shidler, the Hawaii-headquartered firm has made debt and/or equity investments in more than 2,000 commercial real estate properties in the U.S. and Canada and has founded five New York Stock Exchange-listed public corporations, which have issued in excess of $20 billion of debt and equity securities collectively. In 2019, the firm built a platform to invest in multifamily communities with a focus on affordability in cost-burdened markets, often placing the land portion in irrevocable trusts for the benefit of societal or educational institutions, which this acquisition falls under.

The sponsor has reported ownership in three hotel portfolios that were undergoing default proceedings largely resulting from the coronavirus pandemic. The outstanding debt on the three hotel portfolios subject to default proceedings totals more than $293.8 million, and all excess cash flow derived from such assets, if any, has been surrendered to the respective lender. However, the asset is multifamily, and all other asset classes with the listed sponsor on loans in the DBRS Viewpoint platform are listed as performing. The sponsor has more than 50 years of experience and has expertise dealing with ground lease bifurcations with debt and equity capitalizations for more than 140 leasehold estates. DBRS Morningstar applied a Weak sponsor strength to this loan as a mitigant against the weaker leasehold ownership structure.

The property is managed by a third-party property management firm, Kettler Management, with a contractual fee of 2.25% of EGI. Kettler Management is a tenured full-service multifamily property management firm founded in 1977 and headquartered in Virginia, with more than 18,000 managed units concentrated in the Mid-Atlantic and Southeastern regions of the U.S.

DBRS Morningstar Analysis

Site Inspection Summary



Source: Appraisal.

Source: Appraisal.

DBRS Morningstar did not conduct a site inspection of the property as a result of health and safety constraints associated with the ongoing coronavirus pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average.

DBRS Morningstar NCF Summary

NCF Analysis					
	T-12 May 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	8,987,564	10,797,582	10,858,707	9,497,724	-12.5
Other Income ($)	781,837	962,406	999,646	751,342	-24.8
Vacancy & Concessions ($)	-445,473	-676,374	-819,981	-850,393	3.7
EGI ($)	**9,323,928**	**11,083,614**	**11,038,372**	**9,398,672**	**-14.9**
Expenses ($)	3,890,444	5,886,100	6,165,295	5,907,210	-4.2
NOI ($)	**5,433,484**	**5,197,514**	**4,873,077**	**3,491,462**	**-28.4**
Capex ($)	120,900	110,092	120,900	160,319	32.6
NCF ($)	**5,312,584**	**5,087,422**	**4,752,177**	**3,331,143**	**-29.9**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $3,331,143, representing a variance of -29.9% from the Issuer's stabilized NCF of $4,752,177. The main driver of the variance was GPR. For GPR, DBRS Morningstar used the July 28, 2021, in-place monthly rent by unit type and applied the appraiser's concluded monthly premiums of $65 and $150 for the 293 units expected to receive new flooring and the 37 units expected to receive full interior renovations, respectively. The Issuer concluded to a GPR based on $2,219 per unit, based on affordable-rate units' rents growing by 3.3% and 2.0%, and also applied renovation premiums for the market-rate units.

DBRS Morningstar Viewpoint

The collateral consists of four mid-rise multifamily buildings totaling 403 units on Halpine Road in Rockville, approximately 11 miles from Washington, D.C. The property benefits from strong accessibility to transit options; there are bus stops down the street from the property at Rockville Place, and the property is adjacent to the Twinbrook Metro Station with metro rail service connections to Washington, D.C., and four stops north of Bethesda, Maryland (both of which are among the largest employment hubs for Montgomery County), along with one stop south of Rockville. Additionally, residents are zoned to attend schools with a GreatSchools rating range of 7 to 10 in the well-regarded Montgomery County Public School system. Furthermore, there are three popular retail centers in Montgomery County that are in the property's immediate surrounding area. Congressional Plaza shopping mall, which houses The Fresh Market, a new Barnes & Noble, and a long list of fast casual eateries and popular apparel stores, is adjacent to the property. Pike & Rose, a newly transformed walkable urban-suburban development with office, retail, multifamily, and condominium components along Rockville Pike in North Bethesda, is approximately one mile away. Additionally, the upscale North Bethesda Market, which is anchored by a Whole Foods Market and an LA Fitness, is just two miles south of the property. In terms of nearby employment, the county is home to 19 federal agencies including the National Institutes of Health, the U.S. Food and Drug Administration, and the U.S. Department of Energy and has gained worldwide recognition as one of the nation's leading locales for the information technology industry.

Reis reports that 310 units of new market-rate apartment inventory will be introduced to the Rockville submarket by the end of the year and projects that developers will deliver an additional 585 units in 2022 and 2023, amounting to 16.7% of the new construction introduced to suburban Maryland. The appraiser also notes that the subject competes with many newer Class A mid-rise assets in the immediate area. The property underwent approximately $6.5 million in capex renovations in the past five years with upgrades to amenities, and the interiors of 301 of the property's 350 market-rate units have been renovated with new appliances, countertops, and baths. The borrower has also allocated a $1 million budget to further renovate with proceeds from future funding for this loan, which will be used to install new vinyl plank flooring in 293 units ($629,950) and conduct full-scale interior renovations of 37 of the remaining classic units ($370,000). The appraiser notes that the past renovations are in good condition, and the proposed interior upgrades of $3,030 per renovated unit should help keep the property competitive in the onset of new supply.

The ground lease will be for a term of 99 years; however, the lessor has the option to purchase the ground in Year 35 for a below-market price of $25.71 million. Ground rent has an average rent growth of

2.57% over the full term, starting at $1.05 million in Year 1 and growing according to schedule as outlined briefly in the table below:

Ground Rent Schedule

Year	Amount ($)	Esc. %
1	1,050,000	n/a
2	1,050,000	0
3	1,775,000	69.05
4-10	Various	2.95
11	2,556,352	17.50
12-35	Various	2.95
36-98	Various	1.15
99	10,677,507	n/a

While there is a buyback option in Year 35, the ground rent increases may put pressure on the property's NOI before that option can be exercised. DBRS Morningstar considers this ground lease structure to be credit negative generally, as it poses a risk to property cash flow in times of weak revenue and opens up potential for the sponsor to sell the leasehold interests within the initial loan term and exit, leaving the new owner to deal with the ground lease. To account for this, DBRS Morningstar estimated the ground rent expense as an average over the fully extended loan term, marked the sponsor strength as Weak, and increased the cap rate by 200 basis points.

The subject is has a DBRS Morningstar Market Rank of 5 and is in DBRS Morningstar MSA Group 3, which represent urban/suburban markets and have historically shown lower rates of defaults and losses. However, the senior loan balance of $73.5 million and a DBRS Morningstar Stabilized LTV of 100.9% result in high refinance risk. The loan also shows a low DBRS Morningstar Stabilized DSCR of 0.95x, which reflects a high default risk. Despite these elevated risks, the loan has an expected loss that is slightly below the deal average.

Riverdale Portfolio I

Loan Snapshot

Seller
HGI
Ownership Interest
Fee Simple
Trust Balance ($ million)
34.9
Loan PSF/Unit ($)
86,774
Percentage of the Pool (%)
6.8
Fully Extended Loan Maturity/ARD
April 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.81
DBRS Morningstar Stabilized DSCR (x)
1.37
DBRS Morningstar As-Is Issuance LTV (%)
112.7
DBRS Morningstar Stabilized Balloon LTV (%)
71.9
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Below Average

Debt Stack ($ millions)

Trust Balance
34.9
Pari Passu
0.0
Remaining Future Funding
1.4
Mortgage Loan Including Future Funding
36.3
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
8.2


Source: Appraisal.


Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1972-1985
City, State	Various, VA	**Physical Occupancy (%)**	99.5
Units/sf	402	**Physical Occupancy Date**	July 2021

The loan is secured by the borrower's fee-simple interest in Riverdale Portfolio I, a portfolio consisting of three Class C multifamily properties in the Virginia Beach MSA. The borrower is acquiring the properties for a purchase price of $41.8 million. Initial loan proceeds of $34.9 million, along with borrower equity of $8.2 million, will fund the purchase price and cover closing costs. The loan is also structured with a $1.4 million ($3,413 per unit) future funding component that will be used for the borrower's capital improvement plan. The loan is IO throughout with a three-year initial term and two one-year extension options.

Portfolio Summary

Property	City, State	Units	Year Built	Occupancy (%)	In-place Rent ($/unit)	Cut-Off Date Loan Amount ($)	Cut-Off Date Loan Amount (%)	Cut-off Date Future Funding Amount ($)
Poquoson Place	Poquoson, VA	157	1985	100.0	1,075	16,423,057	47.1	645,943
Coliseum Garden	Hampton, VA	181	1983	99.4	874	13,577,959	38.9	534,041
Pinewood	Hampton, VA	64	1972	98.4	934	4,881,984	14.0	192,016
Total/WA	**Various, VA**	**402**	**Various**	**99.5**	**963**	**34,883,000**	**100.0**	**1,372,000**

Originally constructed between 1972 and 1985, the collateral consists of three multifamily properties totaling 402 units in the Virginia cities of Hampton and Poquoson. As of the rent roll dated July 20, 2021, the properties were 99.5% occupied with an average rent of $963 per unit. The unit mix across the portfolio consists of 78 one-bedroom units, 308 two-bedroom units, and 16 three-bedroom units with average rents of $831 per unit, $990 per unit, and $1,082 per unit, respectively. Units across the portfolio are generally in original condition, and the properties have very limited common amenity offerings. The borrower is budgeting $1.5 million ($3,752 per unit) to renovate the properties including $1.1 million ($2,767 per unit) for unit renovations and $395,815 ($985 per unit) for property-wide improvements.

Sponsorship

The sponsor is a New Jersey-based real estate investment firm focused on multifamily and senior living properties. The sponsor's portfolio is predominantly concentrated in Virginia, having acquired more than 1,500 units in the area. The guarantors for the loan are four partners of the sponsor with adequate net worth and liquidity comfortably above HGI's minimum requirements. The properties will be managed by a third party for a contractual fee of 3.0% of EGI.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 January 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,402,358	5,798,892	5,312,670	4,885,673	-8.0
Other Income ($)	115,196	389,591	395,687	115,196	-70.9
Vacancy & Concessions ($)	-20,317	-289,945	-443,593	-354,211	-20.1
EGI ($)	**4,497,237**	**5,898,538**	**5,264,764**	**4,646,658**	**-11.7**
Expenses ($)	3,138,479	2,070,541	2,369,747	2,209,153	-6.8
NOI ($)	**1,358,758**	**3,827,997**	**2,895,017**	**2,437,505**	**-15.8**
Capex ($)	0	110,550	120,600	100,500	-16.7
NCF ($)	**1,358,758**	**3,717,447**	**2,774,417**	**2,337,005**	**-15.8**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,337,005, representing a -15.8% variance from the Issuer's Stabilized NCF of $2,774,417. The main drivers of the variance were GPR and other income. DBRS Morningstar based GPR on the in-place rent roll dated March 12, 2021, plus monthly rent premiums of $50 per unit, resulting in an average stabilized rent of $1,013 per unit. The Issuer concluded an average stabilized rent of $1,101 per unit. DBRS Morningstar based other income on the T-12 ended January 2021 figure of $115,196, while the Issuer concluded to a much higher figure of $395,687.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar did not conduct a site inspection of the property as a result of health and safety constraints associated with the ongoing Coronavirus Disease (COVID-19) pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Below Average.

DBRS Morningstar Viewpoint

The portfolio has demonstrated strong occupancy; it was 99.5% occupied as of the July 20, 2021, rent roll, which is in line with the Reis Hampton/York submarket vacancy rate of 2.5% by vintage. However, the properties were originally constructed between 1972 and 1985 and are now in need of a renovation to restore revenue performance in line with competitors. Specifically, the portfolio is achieving an average in-place rent of $963 per unit as of the July 20, 2021, rent roll, a figure significantly below the Reis Hampton/York submarket average rent of $1,132 per unit by vintage.

The borrower has budgeted $1.5 million ($3,752 per unit) for the capital improvement project, including $1.1 million ($2,767 per unit) for unit renovations and $395,815 ($985 per unit) to complete general common area and site improvements. Interior renovations will generally include new vinyl flooring, refinished cabinets, new countertops, updated black or stainless-steel appliances, updated plumbing, and new light fixtures. Given the size of the overall budget, DBRS Morningstar believes that only a fraction of the total unit count will receive these full interior renovations. Exterior renovations will include updates to window shutters, awnings, roofing, exterior lighting, property signage, and landscaping. While the interior renovations are expected to generate upside revenue, DBRS Morningstar considers the exterior updates to be general upkeep items that will not necessarily drive rents across the properties. DBRS Morningstar projects the renovated units to achieve monthly premiums of $50 per unit on an overall basis (though it would be much higher when only looking at fully renovated units), but this upside will only increase the portfolio’s overall average rent to $1,013 per unit, which still remains well below the per unit Reis Hampton/York submarket average rent of $1,132 by vintage.

The portfolio has exhibited a considerably high expense ratio, particularly driven by high R&M and payroll expenses. Specifically, the portfolio had an expense ratio of 69.8% during the T-12 ended January 2021, which is markedly higher than the appraiser's expense comparable average of 42.1% and the Reis Hampton/York submarket average of 44.7%. During this period, the portfolio's R&M and payroll expenses were very high at $2,907 per unit and $1,979 per unit, respectively. DBRS Morningstar expects these to decrease as a result of the capital improvement project and change in ownership and management. Based on expense comparable properties provided in the appraisal and by the Issuer, DBRS Morningstar assumed a stabilized R&M expense of $1,000 per unit and a stabilized payroll of $1,056 per unit. The resulting DBRS Morningstar stabilized expense ratio of 47.5% reflects consideration of improvements following the acquisition while maintaining an expense ratio comfortably more conservative than the submarket and comparable averages. In addition, the average expense ratio for loans in this MSA securitized over the past several years is 46.8%.

Despite the borrower recently acquiring the properties for $41.8 million, the as-is appraised value is reported to be $43.2 million. Additionally, the as-is appraised value of $43.2 million ($107,438 per unit) is projected to increase to a stabilized appraised value of $67.7 million ($168,458 per unit), representing an increase of $61,020 per unit despite the business plan only having a scope of $1.5 million ($3,752 per unit) in capital improvements. Further, 16 multifamily agency loans securitized since 2019 within a 10-mile radius of the subject have exhibited a WA cap rate of 5.1%, while the Issuer is assuming implied as-is and stabilized cap rates of 5.3% and 4.1%, respectively. DBRS Morningstar adjusted the loan's cap rate to 5.5% to account for the variance between purchase price and as-is appraised value, a hefty lift in appraised value, and low implied stabilized cap rate. Based on the cap rate adjustment, the resulting DBRS Morningstar As-Is and Stabilized LTVs were 112.7% and 71.9%, respectively. As a result of the high DBRS Morningstar As-Is LTV the modeled expected loss is relatively high.

A17

Loan Snapshot

Seller
HGI
Ownership Interest
Fee Simple
Trust Balance ($ million)
31.0
Loan PSF/Unit ($)
161,458
Percentage of the Pool (%)
6.0
Fully Extended Loan Maturity/ARD
August 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
1.22
DBRS Morningstar Stabilized DSCR (x)
1.43
DBRS Morningstar As-Is Issuance LTV (%)
60.2
DBRS Morningstar Stabilized Balloon LTV (%)
60.2
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
31.0
Pari Passu
0.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
31.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(5.4)

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
Property Type	Multifamily	**Year Built/Renovated**	2021
City, State	Miami, FL	**Physical Occupancy (%)**	95.3
Units	192	**Physical Occupancy Date**	August 2021

The loan is secured by the borrower's fee-simple interest in No. 17 Residences, Allapattah (A17), a 192-unit apartment complex in Miami, Florida. Initial loan proceeds of $31.0 million will refinance existing debt of $24.4 million, return approximately $5.4 million of cash equity to the borrower, fund a two-month interest reserve of $197,367, and cover closing costs. The three-year initial loan term and the two 12-month extension options are IO throughout.

The 13-story, recently built property is just outside the Miami downtown area in the Allapattah submarket. More specifically, the property sits 0.3 miles north of the Miami River, 0.5 miles north of the Dolphin Expressway, and about one mile west of I-95, linking the collateral to downtown Miami and surrounding cities. The collateral's location within the Miami Health District serves as a demand driver for medical professionals and students, with Jackson Memorial Hospital, Bruce W. Carter VA Medical Center, and the Miami VA Medical Center all within walking distance and Miami Dade College Medical Campus sitting 1.2 miles northeast. Additionally, an $830.0 million expansion project has been approved for Jackson Memorial Hospital. In aggregate, despite being so close to the Miami CBD, the immediate area is less densely developed, with surrounding uses consisting of medical offices and hospitals, smaller retail centers, restaurants, and other multifamily properties. A17 is one of the first development projects in the Miami area to be designated as double density bonus, allowing the developer to develop beyond the maximum allowable space on a given site, and mixed income. Rental restrictions are in place that require 10.0% of total units (19 units) to be occupied by tenants with incomes of 30.0% of area median income (AMI) or less, 10.0% of total units (19 units) to be occupied by tenants with incomes of 50.0% of AMI or less, and 80.0% of units (154 units) to be occupied by tenants with incomes of 140.0%

of AMI or less. More detail on the unit mix and rental rates as of the August 2021 rent roll is shown below.

Unit Mix and Rents - A17

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
30% AMI - Studio	13	467	496
50% AMI - Studio	1	515	857
30% AMI - One Bedroom	7	425	480
50% AMI - One Bedroom	18	572	857
Studio	10	551	1,753
One Bedroom	64	586	1,761
Two Bedroom, One Bath	35	749	2,072
Two Bedroom, Two Bath	35	868	2,311
Three Bedroom, Two Bath	9	1125	2,830
Total/WA	**192**	**675**	**1,746**

Source: August 2021 rent roll.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Riverhouse at 11th	Miami, FL	0.7	292	2017	96.0	2,334	993
Lantower River Landing	Miami, FL	0.3	528	2020	33.0	2,530	830
Oak Plaza	Miami, FL	0.2	156	2012	99.0	1,595	798
Stadium Tower	Miami, FL	0.7	80	2011	94.0	2,042	1,040
Modera Skylar - Phases 1 & 2	Miami, FL	0.2	166	2013	95.0	2,024	962
Terrazas	Miami, FL	0.3	324	2010	96.0	2,006	1,076
Somerset Tower	Miami, FL	0.2	115	2008	100.0	1,734	913
Total/WA Comp Set	**Miami, FL**	**Various**	**1,661**	**2013**	**76.3**	**2,176**	**933**
A17	**Miami, FL**	**n/a**	**192**	**2021**	**95.3**	**1,746**	**675**

Source: Appraisal, except the subject figures are based on the rent roll dated August 2021.

Sponsorship

The sponsor for this transaction is Neology Life Development Group, a real estate development company that focuses on the health district within Miami and the Allapattah neighborhood. As of August 2021, the development group had a portfolio of more than 1,500 units completed or under construction. Lissette Calderon, the president and chief executive officer of the sponsorship group, will serve as the guarantor for this transaction. Calderon has had strong exposure and interest in the health district and the Allapattah submarket throughout her real estate career and has more than 20 years of experience.

DBRS Morningstar Analysis

Site Inspection Summary


Source: Appraisal.


Source: Appraisal.

DBRS Morningstar did not conduct a site inspection of the property as a result of health and safety constraints associated with the ongoing coronavirus pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Above Average.

DBRS Morningstar NCF Summary

NCF Analysis

	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	3,971,508	4,390,030	4,071,154	-7.3
Other Income ($)	156,050	162,371	162,371	0.0
Vacancy & Concessions ($)	-198,575	-374,916	-420,040	12.0
EGI ($)	**3,928,983**	**4,177,484**	**3,813,485**	**-8.7**
Expenses ($)	1,448,189	1,683,493	1,585,764	-5.8
NOI ($)	**2,480,794**	**2,493,991**	**2,227,721**	**-10.7**
Capex ($)	38,400	48,000	48,000	0.0
NCF ($)	**2,442,394**	**2,445,991**	**2,179,721**	**-10.9**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,179,721, representing a variance of -10.9% from the Issuer's as-stabilized NCF of $2,445,991. The main drivers of the variance were GPR and vacancy. DBRS Morningstar estimated stabilized GPR to be based on leases in place according to the August 26, 2021, rent roll, which represented an average rent per unit of $1,767, sitting just below the Miami submarket average of $1,882 per unit according to Reis Q1 2021 data. DBRS Morningstar estimated stabilized vacancy to be 6.5%. While greater than in-place vacancy according to the August 2021 rent roll, this is much lower than the Miami Lakes submarket's overall average of 16.1% and the submarket's average over the past five years of 10.8%, according to Reis.

DBRS Morningstar Viewpoint

The sponsor's business plan consists of continuing the lease-up efforts to reach a stabilized occupancy while burning off concessions. Recently completed in early 2021, the property has achieved an occupancy level of 95.3% in less than a year of operation despite opening during the coronavirus pandemic. Given the current leasing momentum, DBRS Morningstar believes that the subject property can achieve a stabilized occupancy that is in line with comparable properties in the surrounding area without providing substantial concessions and continue to be well occupied over the fully extended loan term.

Based on the August 2021 rent roll, the property demonstrated an average rental rate of $1,746, which is in line with the submarket average of $1,882 according to Reis Q1 2021 data. Despite the property's recent construction, it is already outperforming a competitive set of 12 properties within a 0.5-mile radius that has an average of $1,645 per unit. Properties of a similar vintage as the subject have an even higher average rental rate of $2,738 per unit; however, given the income-based rental restrictions in place, there is limited opportunity for future upside. With consideration to the collateral's 2021 vintage, unit interiors and amenities are upscale and consist of quartz countertops, stainless steel appliances, faux-wood plank flooring, and in-unit washers/dryers. With no capital improvements planned over the loan term, DBRS Morningstar believes it is unlikely that the property will achieve higher rental rates than those of comparable properties in the market.

The fully funded mortgage loan balance of $31.0 million represents a lower issuance and balloon LTV of 60.2% based on the as-is appraised value of $51.5 million (no as-stabilized value was provided given the current property performance). More specifically, the appraised value of $268,229 per unit is just below the lowest of the recent sales comparables as identified by the appraiser of $270,980 per unit, though this is likely at least partly because of the income restrictions placed on potential tenants at the subject. The eight recent sales comparables averaged a value per unit of $305,159 and a range of cap rates from 3.6% to 5.1%, and the Issuer's stabilized implied cap rate sits within this range at 4.4%. The property's Miami location is within a DBRS Morningstar Market Rank 5 and MSA Group 2, which typically demonstrate lower loan PODs and LGDs. As a result, the loan modeled expected loss below the deal average. Given the relatively low leverage, strong in-place cash flow performance, good location, and Above Average property quality, DBRS Morningstar believes the subject has a very high likelihood of refinance.

Upland Townhomes

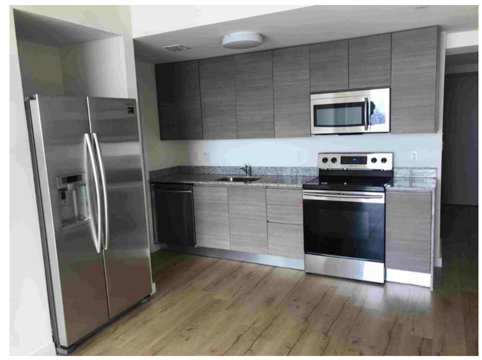
Loan Snapshot

Seller	HGI
Ownership Interest	Fee Simple
Trust Balance ($ million)	30.1
Loan PSF/Unit ($)	86,494
Percentage of the Pool (%)	5.9
Fully Extended Loan Maturity/ARD	June 2026
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	1.21
DBRS Morningstar Stabilized DSCR (x)	1.26
DBRS Morningstar As-Is Issuance LTV (%)	89.8
DBRS Morningstar Stabilized Balloon LTV (%)	69.4
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average -

Debt Stack ($ millions)

Trust Balance	30.1
Pari Passu	0.0
Remaining Future Funding	6.0
Mortgage Loan Including Future Funding	36.1
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	12.8

Source: Appraisal.



Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1972/2017
City, State	Mableton, GA	**Physical Occupancy (%)**	91.9
Units/SF	348	**Physical Occupancy Date**	August 2021

The loan is secured by the borrower's fee-simple interest in Upland Townhomes, a 348-unit multifamily property in Mableton, Georgia. Initial loan proceeds of $30.1 million, along with $12.8 million of sponsor equity, went toward acquiring the property for a purchase price of $40.1 million, funding a $316,138 interest reserve, and covering closing costs and other reserves. The loan includes an additional $6.0 million future funding component for planned property renovations and improvements. Based on the fully funded loan amount, as-is and stabilized values of $40.2 million and $52.0 million reflect an as-is and stabilized LTV of 89.8% and 69.4%, respectively. The floating-rate loan has a five year fully extended term that is IO until maturity.

Built in 1972, the property is a 348-unit multifamily apartment community in the southwest portion of unincorporated Cobb County, approximately 12 miles west of the Atlanta CBD. The property benefits from its proximity to the Fulton Industrial Corridor of northwest Atlanta, offering nearly 30,000 industrial jobs and approximately 52.0 million sf of industrial warehouse and distribution space. The property seller invested more than $5.0 million ($14,000 per unit) in capex at the property over the past six years, including replacing the roofs and renovating approximately 50% of the unit interiors. The borrower's business plan includes investing approximately $6.4 million ($18,487 per unit) to renovate unit interiors, improve curb appeal, address deferred maintenance, complete a clubhouse addition, and install an improved security system.

Unit Mix and Rents - Upland Townhomes			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
One Bedroom	144	706	933
Two Bedroom	188	898	1,040
Three Bedroom	16	1,225	1,225
Total/WA	**348**	**834**	**1,004**

Competitive Set						
Property	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Crestmark	3.9	334	1993	100.0	1,417	1,079
The Columns at Sweetwater Creek	5.3	270	2000	95.0	1,295	1,098
The Greens at Cascade	3.7	160	1990	98.0	1,323	1,258
Ashley Cascade	4.9	336	2000	97.0	1,320	1,390
The Parkton	0.0	137	2000	97.0	1,668	1,135
Sweetwater Creek	4.0	240	2002	97.0	1,505	1,131
Total/WA	**Various**	**1,477**	**1998**	**97.4**	**1,400**	**1,186**
Upland Townhomes	**n/a**	**348**	**1972**	**91.9**	**1,004**	**834**

Source: Appraisal, except the subject figures are based on the rent roll dated August 1, 2021.

Sponsorship

The borrower for this transaction is an entity affiliated with the sponsor, ZMR Capital. Founded in 2013 by Zamir Kazi, ZMR Capital is an opportunistic real estate investment firm focused on acquiring and redeveloping value-add multifamily across the United States. ZMR Capital's team has approximately 60 years of combined experience in commercial real estate acquisition, disposition, investment analysis, asset management, development, and construction. The firm currently has more than $400 million assets under management across at least 4,000 units. Kazi will serve as the loan guarantor and will be required to maintain a minimum net worth and liquidity of $36.1 million and $5.4 million, respectively.

DBRS Morningstar Analysis

Site Inspection Summary


Source: Appraisal.


Source: Appraisal.

DBRS Morningstar did not conduct a site inspection of the property because of the health and safety constraints associated with the ongoing coronavirus pandemic. Based on photos and assessments from the Issuer and third parties, DBRS Morningstar determined the property quality to be Average -.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 March 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	3,852,999	4,955,036	4,993,942	4,194,240	-16.0
Other Income ($)	326,429	366,960	437,750	354,697	-19.0
Vacancy & Concessions ($)	-697,196	-383,913	-491,009	-293,823	-40.2
EGI ($)	**3,482,231**	**4,938,083**	**4,940,684**	**4,255,114**	**-13.9**
Expenses ($)	1,509,433	1,981,778	2,172,575	2,041,959	-6.0
NOI ($)	**1,972,799**	**2,956,305**	**2,768,109**	**2,213,155**	**-20.0**
Capex ($)	0	95,067	121,800	87,000	-28.6
NCF ($)	**1,972,799**	**2,861,238**	**2,646,309**	**2,126,155**	**-19.7**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria.* The resulting DBRS Morningstar Stabilized NCF was $2,126,155, representing a -19.7% variance from the Issuer's stabilized NCF of $2,646,309. The primary driver of the variance was GPR. DBRS Morningstar concluded a stabilized GPR based on occupied, vacant, and nonrevenue units grossed up to the August 2021 rent roll's 90-day average in-place lease rates. The property is older, but DBRS Morningstar believes that historic and planned capital investment will allow the property to remain competitive and maintain lease rates.

DBRS Morningstar Viewpoint

Fully funded proceeds of $36.1 million, along with $12.8 million of sponsor equity, acquired Upland Townhomes for a purchase price of $40.1 million. The loan includes a $316,138 interested reserve and $6.0 million future funding piece that will go toward renovating and repositioning the property. Based on the whole loan amount, the as-is and stabilized values of $40.2 million and $52.0 million reflect an as-is and stabilized LTV of 89.8% and 69.4%, respectively. The floating-rate loan has a five-year fully extended term that is IO until maturity.

Built in 1972, the subject was 91.9% physically occupied as of August 2021. The sponsor intends to invest $6.4 million to renovate and reposition the subject. The property has received $5.0 million ($14,000 per unit) in capex at the property over the past six years. DBRS Morningstar believes the sponsor's planned upgrades will not significantly improve rental rates form those achieved over the property's 90-day average, but rather the renovations will allow the older property to improve occupancy in a competitive set dominated by newer properties offering larger units and superior amenities.

DBRS Morningstar applied a 5% stabilized vacancy rate to the property at stabilization. As of Q2 2021, Reis reported the submarket had an average rental rate and vacancy of $955 per month and 3.4%, respectively. Reis does not anticipate material new supply in the submarket and forecasts a 3.8% vacancy over the next five years.

At the time of the appraiser's report, Upland Townhomes' competitive set had an occupancy rate ranging from 95.0% to 100.0% with a WA of 97.4%. The competitive set's unit size ranged from 1,079 sf to 1,390 sf, with an average of 1,186 sf compared with the subject's average of 834 sf. Rental rates ranged from $1,295 to $1,668, with an average of $1,400 compared with the subject's 90-day average of $1,004.

Avon Mills

Loan Snapshot

Seller
HGI
Ownership Interest
Fee Simple
Trust Balance ($ million)
29.6
Loan PSF/Unit ($)
156,457
Percentage of the Pool (%)
5.7
Fully Extended Loan Maturity/ARD
July 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.88
DBRS Morningstar Stabilized DSCR (x)
0.98
DBRS Morningstar As-Is Issuance LTV (%)
97.6
DBRS Morningstar Stabilized Balloon LTV (%)
81.1
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
29.6
Pari Passu
0.0
Remaining Future Funding
2.9
Mortgage Loan Including Future Funding
32.5
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
9.9

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1977/2021
City, State	Avon, CT	**Physical Occupancy (%)**	96.8
Units/SF	189	**Physical Occupancy Date**	July 2021

This loan is secured by the borrower's fee simple interest in Avon Mills, a 189-unit three-story garden-style apartment complex in Avon, Connecticut, about 10 miles northwest of Hartford. Loan proceeds of approximately $29.6 million, future funding of $2.9 million, and borrower cash equity of approximately $9.9 million are being used to acquire the asset for $38.5 million and to cover closing costs. The four-year, floating-rate loan is structured with one 12-month extension option and is IO for its full term. A $2.0 million portion of the initial funding is being allocated to a development parcel (outlined in more detail in the DBRS Morningstar Viewpoint section below) and the borrower is escrowing 24 months of interest reserves related to this parcel.

The sponsor plans to spend the $2.9 million of future funding ($15,501 per unit) on upgrades to common areas and interior renovations to all 189 units. The borrower's budget allocates $2.2 million ($11,736 per unit) for the interior renovations, which feature new stainless steel appliance packages, quartz countertops in the kitchens, flooring, paint, vanities, backsplashes, hardware, cabinetry, and upgraded plumbing fixtures. The remaining $0.7 million of the capex budget is allocated for the common area improvements, which feature upgrades to hallway flooring, curb appeal via new signage, and various deferred maintenance line items. The sponsor forecasts renovating 33% of the apartments per year and expects to complete build-out with full lease-up by June 2024.

The unit mix consists of one-, two-, and three-bedroom apartments averaging 1,063 sf with average in-place rent of $1,300 per unit or $1,292 per market rate unit. Common area amenities include a seasonal swimming pool, business center, laundry facility, elevator service, security system, surface parking, bike and basement storage, on-site office, and dry-cleaning services. Unit amenities are considered standard and include dishwashers, balcony/patio, along with central air conditioning.

Unit Mix and Rents - Avon Mills

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
1 Bedroom	91	971	1,181
2 Bedroom	66	1,155	1,413
3 Bedroom	9	1,325	1,661
2 Bedroom/2 Bathroom	12	1,150	1,425
1 Bedroom/1 Bathroom	11	969	1,177
Total/WA	**189**	**1,063**	**1,300**

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Avg. Rent/ Unit ($)	Avg. Unit Size (SF)	Occupancy (%)
The Arbors at Brighton Park	Bloomfield, CT	6.4	132	2016	1,820	926	98.0
Wedgewood Apartments	Bloomfield, CT	7.2	112	1966	1,488	913	99.0
Bishops Place	West Hartford, CT	4.6	64	2016	2,098	890	97.0
Spark Bloomfield	Bloomfield, CT	4.7	246	2004	1,940	1,061	99.0
Westgate Apartments	West Hartford, CT	4.5	186	1962/2014	1,655	950	93.0
Avon Place	Avon, CT	0.4	188	1973	1,711	1,166	94.0
Total/WA	**Various, CT**	**Various**	**928**	**Various**	**1,776**	**1,011**	**96.5**
Avon Mills	**Avon, CT**	**n/a**	**189**	**1977/2021**	**1,300**	**1,063**	**96.8**

*Per Appraisal with the exception of data for Avon Mills, which is based on the July, 7, 2021 rent roll.

Sponsorship

The sponsor for this loan is a LLC Corporation led by the borrower guarantor Abraham H. Fruchthandler. His private investment firm is owned entirely by the Fruchthandler family and was founded in the 1970s. The real estate portfolio includes 13 million sf in industrial properties, more than 4,000 residential units, and six office buildings. The sponsor entity reports a net worth of $29.0 million and liquidity of $9.8 million and is well experienced in executing similar value added apartment developments.

The property is managed by a borrower-affiliated property management firm, Axela Management, for a contractual fee of 3.0% of EGI. Axela Management is a locally based property management firm with almost thirty years of experience and 1,000 residential units and 1 million sf of commercial properties in its portfolio.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar did not conduct a site inspection of the property as a result of health and safety constraints associated with the ongoing coronavirus pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 March 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	2,728,197	4,166,403	3,825,519	3,383,942	-11.5
Other Income ($)	62,746	75,600	91,282	75,600	-17.2
Vacancy & Concessions ($)	-2,077	-254,520	-273,682	-205,005	-25.1
EGI ($)	**2,788,866**	**3,987,483**	**3,643,120**	**3,254,536**	**-10.7**
Expenses ($)	1,407,898	1,566,022	1,583,454	1,639,937	3.6
NOI ($)	**1,380,969**	**2,421,461**	**2,059,666**	**1,614,599**	**-21.6**
Capex ($)	0	56,700	56,700	47,250	-16.7
NCF ($)	**1,380,969**	**2,364,761**	**2,002,965**	**1,567,349**	**-21.7**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,567,349, representing a -21.7% variance from the Issuer's stabilized NCF of $2,002,965. The main driver of the variance was GPR. For GPR, DBRS Morningstar used the in-place rent average of $1,292 observed from the July 7, 2021, rent roll and applied a $200 weighted average premium to all units, which is approximately 50.7% of the lender's concluded premium upside. The Issuer concluded the GPR at $1,687 per unit, resulting from a $395 per unit per month increase, based on a renovation premium along with a growth rate to market in its projections.

DBRS Morningstar Viewpoint

The collateral consists of a three-building mid-rise apartment community totaling 189 units located on both sides of Avonwood Road off Route 44 in the town of Avon, approximately 10 miles from the capital city of Hartford. The immediate surrounding area consists of a number of large parks and riverfront trails, such as Nassahegon State Forest and Found Lake Park, which offer a lot of outdoor recreation space. Avon itself is set in park-like grounds and the average reported household income within a 1-mile radius of the subject property is $250,000. The town center is nearby and features a number of local restaurants and national retailers such as Walmart, Stop & Shop, and Marshall's.

The appraiser notes that a number of insurance firms have their headquarters in Hartford and the surrounding towns. Recent corporate acquisitions of Connecticut-headquartered firms, such as Aetna (by CVS Health) and United Technologies Corporation (by Raytheon Company), have been a cause for concern as post-buyout news reports stated both firms would depart their Hartford hubs. However, after the vacancy rate in Hartford peaked in Q1 2020, the appraiser notes that vacancies have compressed four consecutive quarters, citing demand gains as people left nearby bigger cities during the pandemic. There still remain positives, with a strong cluster of firms, notably luring tax incentives, and developments such as the new University of Connecticut campus and the planned revitalization of the Front Street District.

Reis places Avon Mills in the North/West Hartford submarket, which has been fairly balanced in the construction and absorption of new units over the past few years. Reis forecasts 180 units of new market-rate apartment inventory will be added in the next year to the submarket's current inventory of 7,371 units, with 509 additional units planned for 2022 and 2023 deliveries. According to the appraiser, the more immediate area of Avon/Burlington has an inventory of 480 apartment units with no anticipated additions to the supply pipeline. The appraiser further notes that rents have increased by 8.3% in the subject's area over the past year. Strong rent growth in the Reis submarket is also forecast, projecting the submarket's net effective rent to increase to $1,524 by YE2023 from $1,388 in Q2 2021.

DBRS Morningstar considers the property's age as credit negative as older buildings generally face more leasing risks from new supply and loss given defaults tend to be higher for older properties. Additionally, the location is associated with a DBRS Morningstar market rank of 2, which is associated with more tertiary areas with fewer liquid transactional markets in areas that historically show higher-than-average rates of default and losses. However, the appraiser notes that no units have been added in the area over the past year and the inventory today remains reflective of the picture five years ago. The in-place rent as of July 2021 is $1,292, well below the recorded Q2 2021 Reis submarket average of $1,388. Reis also reports that properties in the submarket built after 2000 record an average effective rent of $2,049. Given these conditions, it is feasible that the property can lease-up quickly because of its expected higher quality appeal post renovations.

The DBRS Morningstar Stabilized DSCR of 0.98x places the loan at extension risk as a requirement trigger for the one-year extension is a minimum DSCR of 1.25x, should top-line growth stall because leasing and market factors. However, DBRS Morningstar assigned a better-than-deal-average business plan score of 1.88, which means there is more confidence in the likelihood of the sponsor's renovation plan being achieved.

The trust balance and appraisal values reflect issuance and stabilized LTVs of 82.3% and 68.4%, respectively, based on the appraiser's as-is value of $35.0 million and as-stabilized appraised value of $47.5 million, which includes the excess land parcel valued at $4.5 million. According to the appraiser, property management has indicated that the purchase price includes this developable parcel that can house 200+ units and that the purchaser intends to either subdivide the parcel to sell off the excess developable land or possibly use it for its own development project. Since the future funding of $2.9 million is allocated for capex improvements that do not include funds spent on this parcel, DBRS Morningstar lifted the issuance and stabilized LTVs to 97.6% and 81.1%, respectively, in order to lower the adjusted stabilized value to reflect a cap rate of 5.00%, which is approximately 78 bps higher than the issuer's implied cap rate, based on its NCF and appraisal values. DBRS Morningstar concluded that the applied cap rate lift makes sense because the appraiser's concluded cap rate is 5.50% and the average cap rate for the competitive set property types in similar markets is 5.74%. The resulting LTVs are considered high for multifamily properties and put the loan at higher default risk. However, this risk is mitigated because the Planning and Zoning Commission of the Town of Avon has already approved the building of up to 250 units on the excess land parcel. This increases the demand for the parcel, should the borrower decide to sell it, and it serves as a contingency piece.

Overall, despite the risks associated with the leverage profile, potential debt service coverage levels, smaller liquidity market location, and the property's age, DBRS Morningstar concluded the collateral will benefit from its lower-risk business plan, the current below market rents, the lack of recently added supply, and the sponsor's experience in similar value-added projects. Despite having a higher-than-pool-average expected loss, the subject appears to be in a strong position to perform, given the scope of the renovation project and the zoning welcome that Avon appears to be giving to more renovated development apartment projects.

Westcreek Apartments

Loan Snapshot

Seller
HGI
Ownership Interest
Fee Simple
Trust Balance ($ million)
28.7
Loan PSF/Unit ($)
128,125
Percentage of the Pool (%)
5.6
Fully Extended Loan Maturity/ARD
June 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.66
DBRS Morningstar Stabilized DSCR (x)
1.12
DBRS Morningstar As-Is Issuance LTV (%)
70.0
DBRS Morningstar Stabilized Balloon LTV (%)
61.7
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average -

Debt Stack ($ millions)

Trust Balance
28.7
Pari Passu
0.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
28.7
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
13.4


Source: Appraisal.


Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1983
City, State	Phoenix, AZ	**Physical Occupancy (%)**	96.9
Units/SF	224	**Physical Occupancy Date**	July 31, 2021

The loan is secured by the borrower's fee-simple interest in Westcreek Apartments, a 224-unit garden-style apartment complex built in 1983, approximately 13 miles north of Phoenix, Arizona. The property consists of 18 two-story apartment buildings and a leasing office. The property has been family owned and operated for the past 17 years with all but 21 units in their original condition. The seller spent $640,000 ($2,871/unit) in capital improvements over the last four years including roof repair/replacement, landscaping and parking maintenance, and new flooring, appliances, and fixtures including granite countertops. Whole loan proceeds of $28.7 million and $13.4 million of sponsor equity will be used to purchase the property for $41.0 million, fund $250,000 in interest reserves, and pay closing costs. The sponsor is also planning to spend $4.6 million in capital improvements, $1.6 million ($7,051 per unit) is designated for unit interior renovations. There is no future funding and there are no up-front reserves (besides a nominal amount for minor deferred maintenance) to fund the planned renovations, with all cash coming at the sponsor's discretion. The fully extended floating-rate loan term is five years: an initial 36-month IO term with two one-year extension options.

The property is currently 96.9% occupied as of the July 31, 2021, rent roll. The unit mix consists of 152 one-bedroom units, 36 two-bedroom/one-bath units, and 36 two-bedroom/two-bath units with an average unit size of 678 sf and an average unit price of $723 per month. The property has 303 parking spaces comprising 79 open slots and 224 covered. According to the appraisal, current interior finishes include laminate countertops with wood cabinetry. Bathrooms and kitchens have faux-wood vinyl flooring with a mix of faux-wood vinyl and carpeting in the living space. Each unit features a balcony/patio, walk-in closets, air conditioning, refrigerator, dishwasher, and a garbage disposal. There are two common laundry rooms with a total of 22 washers and 22 dryers on the property.

Unit Mix and Rents – Westcreek Apartments			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
One Bedroom	152	586	689
Two Bedroom	72	871	864
Total/WA	**224**	**678**	**746**

Competitive Set							
Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
Paseo 51	Glendale, AZ	1.6	116	1986	95.0	1088	667
Spring Meadow	Glendale, AZ	0.7	271	1982	93.0	990	650
Villa Serena	Phoenix, AZ	1.6	137	1982	96.0	1123	859
Club Valencia	Glendale, AZ	0.7	270	1985	98.0	924	675
Sierra Pines Apartments	Phoenix, AZ	1.9	332	1983	98.0	1101	756
Atrium Court	Phoenix, AZ	3.2	192	1984	98.0	1156	780
Total/WA Comp. Set	**Various, State**	**Various**	**1,318**	**Various**	**96.5**	**1051**	**724**
Westcreek Apartments	**Phoenix, AZ**	**n/a**	**224**	**1983**	**96.9**	**746**	**678**

Source: Appraisal, except the subject figures are based on the rent roll dated July 31, 2021.

Sponsorship

The sponsor is Greenwater Investments, which owns and operates more than 3,900 units in predominantly Class B and Class C multifamily assets throughout New Mexico, Texas, and Arizona. The sponsor owns 411 units in Arizona and 10 properties comprising 2,141 units in total. The guarantor is the CEO of Greenwater Investments with more than 10 years' experience in real estate.

DBRS Morningstar NCF Summary

NCF Analysis					
	T-12 April 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	1,793,011	3,394,364	2,910,365	2,430,516	-16.5
Other Income ($)	283,751	265,302	511,672	384,178	-24.9
Vacancy & Concessions ($)	1,382	-203,662	-258,815	-163,942	-36.7
EGI ($)	**2,078,144**	**3,456,004**	**3,163,223**	**2,650,752**	**-16.2**
Expenses ($)	1,107,578	1,064,654	1,109,293	1,096,543	-1.1
NOI ($)	**970,565**	**2,391,350**	**2,053,930**	**1,554,209**	**-24.3**
Capex ($)	67,200	67,200	67,200	56,896	-15.3
NCF ($)	**903,365**	**2,324,150**	**1,986,730**	**1,497,313**	**-24.6**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,497,313, representing a -24.6% variance from the Issuer's Stabilized NCF of $1,986,730. The primary drivers of the variance included GPR and other income.

DBRS Morningstar assumed a stabilized GPR equal to $904 per unit, assuming a rent premium of $181 from the July 2021 rent roll, equal to 87.5% of the appraiser's Year 1 pro forma assumed premium of $207 per unit. The appraiser assumed a Year 4 stabilized rent per unit of $1,263, a premium of $540 per month. The Issuer estimated a Year 4 pro forma value of $1,083 per unit, a premium of $360 per month. DBRS Morningstar assumed an Other Income value of $1,715 per unit, equal to the per unit average of the comparables and the collateral's T-12 ended April 2021. The Issuer assumed other income of $511,672 or $2,284 per unit.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar did not conduct interior or exterior tours of the property as a result of health and safety constraints associated with the ongoing coronavirus pandemic. Based on photos and assessments from third-party reports, DBRS Morningstar determined the property quality to be Average –.

DBRS Morningstar Viewpoint

According to the appraisal, the collateral is in the Northwest Phoenix submarket of Phoenix, Arizona. The property benefits from its proximity to the nearby commercial district, Central/Black Canyon Corridor, and I-17, which is three miles from the subject. The majority of the nearby development is multifamily properties, followed by office space to the west. According to the appraisal, there are 19 Class B and 28 Class C properties in the immediate area.

According to the appraisal, as of Q1 2021, multifamily properties built in the 1980s have an average rent of $1,097 per month and a 96.0% occupancy. The appraiser concluded to a 5.0% stabilized vacancy driven by the Northwest Phoenix Q1 2021 vacancy rate of 3.9% and May 2021 vacancy rate of 4.9% within a three-mile radius. Reis' assumed Q2 2021 rent is slightly lower at $1,042 per month. However, Reis' occupancy rate was higher at 97.5% compared with the appraisal's Q1 value. In addition, the appraiser's rent comps are supportive of DBRS Morningstar's renovated rental rate conclusion, with most of the comps above $1,000 per month compared with the subject in-place at less than $750 per month because of the original condition of the units. While the DBRS Morningstar concluded rents are achievable, they result in a stabilized cash flow that translates to a very low 5.2% debt yield. As such, substantial market rent growth may be needed in order to make the loan refinanceable without additional equity infusions from the borrower.

The loan has an expected loss greater than the pool average (and very high overall for a multifamily CRE CLO loan) driven by the collateral's DBRS Morningstar Market Rank 4 and MSA 1. Loan proceeds of $28.7 million represents an as-is LTV of 70.0% based on the appraiser's as-is value of $41.0 million and a 61.72% stabilized LTV based on the appraiser's stabilized value of $46.5 million, lower than the deal average. The DBRS Morningstar Stabilized NCF represents a DSCR of 1.12x based on the Morningstar stressed annual debt service payment on an IO basis, which is low and credit negative in the CMBS Insight model.

Transaction Structural Features

Credit Risk Retention: The Sponsor, HGI Credit Fund I REIT, LLC (HGI CF REIT), will be responsible for compliance with the U.S. credit risk retention requirements and intends to satisfy such requirement through the purchase and retention by HGI CRE CLO 2021-FL2 Holder, LLC, (the Retention Holder), an indirect wholly owned subsidiary of the Sponsor, of an eligible horizontal residual interest. As of the closing date, the Retention Holder will purchase and retain 100% of the Class F Notes, the Class G Notes, and the Preferred Shares. Additionally, the transaction is being structured with the intent to comply with the EU risk retention rules under Regulation (EU) 2017/2402 and the UK risk retention rules under Regulation (EU) 2017/2402.

Preferred Shares: The Preferred Shares are equity of HGI CRE CLO 2021-FL2, LLC (the Issuer) and will not be secured by any of the mortgage assets or the other collateral securing the offered notes (the Collateral). The Preferred Shares are subordinate to all classes of notes in all respects.

Collateral Manager: Harbor Group International, LLC, will serve as the Collateral Manager and provide certain advisory and administrative functions with respect to the collateral interests. The Collateral Manager is obligated to perform its duties according to the collateral management agreement, including the Collateral Management Standard (as defined in the Preliminary Offering Memorandum (POM). Harbor Group International, LLC is also the [external manager] of HGI CFI REIT pursuant to an advisory agreement and is under common control with HGI CFI REIT, and therefore the Collateral Manager is also an affiliate of the originator, the Retention Holder, the seller and the co-issuers. The special servicer may be removed with or without cause, and a successor special servicer may be appointed, in each case at any time and at the direction of the Collateral Manager.

Delayed-Close Mortgage Assets: Four mortgage assets, The Astor LIC, Congressional Village, The Pointe at Bailey Cove, and 333 State Street (the Delayed Close Mortgage Assets), having an aggregate expected principal balance of $110,726,620 or approximately 21.5% of the aggregate mortgage asset cut-off date balance, have not yet closed but are expected to close and be purchased by the Issuer on or prior to the date that is 90 days after the closing date (the Purchase Termination Date). If the Delayed Close Mortgage Assets are not acquired on or prior to the Purchase Termination Date, or if the terms of the Delayed Close Mortgage Assets are materially different from the terms described in the Offering Memorandum, then the Delayed Close Mortgage Assets may be acquired in accordance with the terms and conditions applicable to acquisitions of Ramp-Up Mortgage Assets (as defined), including satisfaction of the Eligibility Criteria and the Acquisition Criteria (as defined in the Offering Memorandum).

Future Funding Participations: Certain mortgage assets will be a participation interest in a mortgage loan or senior note (participated mortgage loan) that has been participated (or split) into any combination of: (1) a fully funded senior, senior pari passu, or pari passu participation interest or senior note which will be held by the Issuer and will be part of the Collateral; (2) an unfunded future funding participation interest that will not be held by the Issuer and will not be part of the Collateral (Future Funding Participation); and (3) funded pari passu or junior participation interests or notes that will not be held by the Issuer and will not be part of the Collateral (Funded Companion Participation and, with any future funding participation, a Companion Participation). Future Funding Participations and Funded Companion Participations will not be assets of the Issuer and will not be part of the Collateral for the Offered Notes, unless acquired by the Issuer after the Closing Date.

Fourteen of the Closing Date Mortgage Assets, representing approximately 61.6% of the Aggregate Mortgage Asset Cut-Off Date Balance, are participation interests in Participated Loans that have related Future Funding Participations with an aggregate,
unfunded Future Funding Commitment of approximately $33,665,281 as of [September 2, 2021,] the Cut-Off Date.

As of the Closing Date, each Future Funding Participation will be held by HGI Commercial Funding I, LLC (the Originator) or affiliates of the Originator (Future Funding Holder), as the holder of the related Future Funding Participation (or a permitted transferee pursuant to the terms of the related participation agreement). The Future Funding Holder will have the sole obligation under each of the related participation agreements to make future advances under the Future Funding Participations. Once funded, such participation may be transferred in accordance with the terms of the related participation agreement. The Issuer may, but is not obligated to, acquire such funded participation interest as a Ramp-Up Mortgage Asset or as a Reinvestment Mortgage Asset (as defined below). Pursuant to each participation agreement, so long as the Future Funding Holder or another affiliate of HGI CFI REIT is obligated to make future advances under such participation agreement, HGI CFI REIT (in such capacity, the Future Funding Indemnitor) will be required to indemnify the Issuer and, if applicable, the holder of any other related Companion Participation against any losses, claims, damages, costs, expenses, and liabilities in connection with, arising out of, or as a result of the failure of the Future Funding Holder to make future advances when required under the related participated mortgage asset.

Ramp-Up Acquisition Period: The transaction includes a ramp-up acquisition period whose completion date will be determined by the earliest of (1) the sixth Payment Date, (2) the first date on which all funds in the Unused Proceeds Account (as defined below) have been used to purchase Ramp-Up Mortgage Assets and, if applicable, Delayed Close Mortgage Asset, and (3) the date that the Collateral Manager determines, in its sole discretion, that investment in Ramp-Up Mortgage Assets is no longer practical or desirable and notifies the Trustee of such determination. Subject to the satisfaction of certain conditions, Ramp-Up Mortgage Assets may be acquired during the Ramp-Up Period with $65,000,000 (plus an amount equal to the purchase price of the Delayed Close Mortgage Assets that are not acquired by the Issuer on the Closing Date, if any) that the Issuer will deposit into an account (the Unused Proceeds Account) on the Closing Date. Any Ramp-Up Mortgage Assets acquired by the Issuer during the Ramp-Up Period will have the benefit of representations and warranties similar to the representations and warranties provided with respect to the Closing Date Mortgage Assets (as defined). In addition, the Issuer may use principal proceeds and any amounts transferred from the Unused Proceeds Account (subject to a maximum of $5,000,000) to the Reinvestment Account (as defined below) at the end of the Ramp-Up Period to acquire mortgage assets (each, a Reinvestment Mortgage Asset) during the Reinvestment Period (as defined below). All acquisitions of Ramp-Up Mortgage Assets and

Reinvestment Mortgage Assets will be subject to the satisfaction of the Eligibility Criteria (as defined in the Offering Memorandum) and the Acquisition Criteria (as defined below).

Reinvestment: The transaction includes a 24-month Reinvestment Period commencing on the Closing Date and ending on (and including) the earliest of (i) the end of the Due Period related to the Payment Date in September 2023, (ii) the end of the Due Period related to the Payment Date on which all of the Notes are redeemed, and (iii) the date on which principal of and accrued and unpaid interest on all of the Notes is accelerated following the occurrence and continuation of an EOD (which includes the Ramp-Up Period) during which the Collateral Manager will be permitted to direct the Issuer to acquire Ramp-Up Mortgage Assets or Reinvestment Mortgage Assets (which may include Funded Companion Participations), subject to the satisfaction of Eligibility Criteria and the Acquisition Criteria. The Acquisition Criteria requires that (a) the Note Protection Tests are satisfied and (b) no EOD is continuing.

No Downgrade Confirmations: Certain events within the transaction require the Issuer to obtain RAC. DBRS Morningstar will confirm that a proposed action or failure to act or other specified event will not, in and of itself, result in the downgrade or withdrawal of the current rating. The Issuer is not required to obtain RAC for acquisitions of funded companion participations less than $1.0 million.

Certain Mortgage Loan Modifications: The Collateral Manager may, but is not required to, direct and require the master servicer to administratively process any Administrative Modification or any Criteria-Based Modification in accordance with the Collateral Management Standard. Administrative Modifications and Criteria-Based Modifications are not subject to the Servicing Standard.

A Criteria-Based Modification for a mortgage loan (or related mortgage asset) serviced under the servicing agreement for this transaction (Serviced Mortgage Asset) will be permissible only if, immediately after giving effect to such modification, (i) not more than nine Criteria-Based Modifications have been effectuated; (ii) the Acquisition Criteria are satisfied; (iii) the related Mortgage Asset complies with the Eligibility Criteria, as adjusted by the EC Modification Adjustments (as defined below); and (iv) an updated appraisal is obtained with respect to the mortgage asset. Multiple simultaneous modifications to a single mortgage asset may be treated as a single Criteria-Based Modification.

Administrative Modification means any modification, waiver, or amendment directed by the Collateral Manager that relates exclusively to (i) with respect to any Serviced Mortgage Loan, Loan-Level Benchmark Replacement Conforming Changes (as defined in the Offering Memorandum) or (ii) with respect to any Serviced Mortgage Loan that is not a Credit Risk Mortgage Loan, Specially Serviced Loan, or Defaulted Mortgage Loan (as defined in the Offering Memorandum, collectively, a defaulted mortgage), exit fees, extension fees, financial covenants (including cash management triggers) relating to debt yield, debt service coverage or loan-to-value, prepayment fees, yield or spread maintenance provisions, reserve account minimum balance amounts and purposes or waivers of a borrower being required to obtain an interest rate cap agreement in connection with an extension when the extension is for 90 days or less.

Criteria-Based Modification means, with respect to any Serviced Mortgage Asset other than a defaulted mortgage, a modification, waiver or amendment to a mortgage loan that is directed by the Collateral Manager that would (i) result in a change in interest rate (other than any modification in accordance with clause (i) of the definition of Administrative Modification), (ii) result in a delay in the required timing of any payment of principal, (iii) result in an increase in the principal balance of such mortgage loan that will be allocated to a Companion Participation interest, (iv) result in a change of maturity date or extended maturity date, or (v) permit indirect owners of the related borrower to incur additional indebtedness in the form of mezzanine loans or preferred equity.

EC Modification Adjustments means, with respect to any Criteria-Based Modification, adjustments to the Eligibility Criteria having the effects of: (i) limiting modified maturity date to not more than two years later than its original maturity date (if such modification involves extension beyond the last day of the Reinvestment Period; (ii) if such Criteria-Based Modification involves an increase in the principal balance of a mortgage loan or the indirect owners of the related borrower incurring additional indebtedness in the form of a mezzanine loan or preferred equity, the As-Stabilized LTV of the related mortgage loan and any additional indebtedness is not higher than the As-Stabilized LTV of the mortgage loan as of the Closing Date (or, date of acquisition), as determined based on an updated appraisal; (iii) if such Criteria-Based Modification does not involve an increase in the principal balance of the related mortgage loan or the indirect owners of the related borrower incurring additional indebtedness in the form of a mezzanine loan or preferred equity, no requirements to obtain a No Downgrade Confirmation from DBRS Morningstar or re-obtain a rating from Moody's; (iv) clauses (xxv)(a), (xxvii), (xxviii), (xxxii), and (xxxiii) of the Eligibility Criteria (defined in the Offering Memorandum) are not applicable; and (v) references in clause (xxix) of the Eligibility Criteria (defined in the Offering Memorandum) to "acquisition" will instead be references to "modification."

Note Protection Tests: The transaction features senior note protection tests in the form of an interest coverage (IC) test and a par value or overcollateralization (OC) test. If the IC or OC tests are not satisfied on any measurement date, interest proceeds that would otherwise be used to pay interest on the Class F Notes and the Class G Notes and pay dividends to the Preferred Shares and make certain other payments on the following Payment Date must instead be used to pay principal of first, the Class A Notes; second, the Class B Notes; third, the Class C Notes; fourth, the Class D Notes; fifth, the Class E Notes, in each case, to the extent necessary to cause the Note Protection Tests to be satisfied. If interest proceeds are not sufficient to rebalance the vehicle and satisfy both the IC and the OC tests or pay down the applicable classes, any principal proceeds will be diverted for the same purpose and the Issuer will not be permitted to use principal proceeds for Reinvestment Mortgage Assets. The OC Test will be satisfied if the Par Value Ratio (as defined in the Offering Memorandum) is equal to or greater than 122.69%. The IC Test will be satisfied if the Interest Coverage Ratio (as defined in the Offering Memorandum) is equal to or great than 120.0%.

Advancing Agent and Backup Advancing Agent: HGI CFI REIT will serve as Advancing Agent with respect to certain interest payments on the Class A and B offered notes subject to a determination of recoverability. If the Advancing Agent fails to make such payments, the Note Administrator, Wells Fargo

Bank, National Association, will serve as Backup Advancing Agent and be required to advance certain delinquent scheduled interest payments, as applicable, to the extent that the Master Servicer or Trustee deems such advances to be recoverable.

Controlling Class: The Class A Notes are the Controlling Class, so long as any Class A Notes are outstanding; then the Class B Notes, so long as any Class B Notes are outstanding; then the Class C Notes, so long as any Class C Notes are outstanding; then the Class D Notes, so long as any Class D Notes are outstanding; then the Class E Notes, so long as any Class E Notes are outstanding; then the Class F Notes, so long as any Class F Notes are outstanding; then the Class G Notes, so long as any Class G Notes are outstanding. If an EOD under the Indenture has occurred and is continuing, the holders of the Controlling Class will be entitled to determine the remedies to be exercised under the Indenture and, in certain circumstances, without regard to whether there are sufficient proceeds to pay in full the amounts then due and unpaid on the Notes. The Controlling Class will be the most senior class of notes outstanding. Any remedies pursued by the holders of the Controlling Class upon an EOD could be adverse to the interests of the holders of more subordinated classes of notes.

Deferrable Floating-Rate Notes: The Class C, D, E, F, and G Notes (the Deferrable Notes) allow for deferred interest on the deferrable notes. To the extent that interest proceeds are not sufficient on a given payment date to pay accrued interest, interest will not be due and payable on the payment date and will instead be deferred. The deferred interest will be added to the principal amount of the respective Deferrable Note and bear interest at the same rate as the reference Deferrable Note and will be payable on the first payment date on which funds are available in the priority of payments. The ratings assigned by DBRS Morningstar contemplate the timely payments of distributable interest and, in the case of the deferred interest, the ultimate recovery of deferred interest (inclusive of interest payable thereon at the applicable rate to the extent permitted by law). Thus, DBRS Morningstar will assign its Interest in Arrears designation to the Deferred Interest classes in months when classes are subject to deferred interest.

Methodologies

The principal methodology DBRS Morningstar applied to assign ratings to this transaction is the *North American CMBS Multi-Borrower Rating Methodology*. This methodology can be found on www.dbrsmorningstar.com under the heading Methodologies & Criteria. Alternatively, please contact info@dbrsmorningstar.com or contact the primary analysts, whose information is listed in this report.

For a list of the related methodologies for DBRS Morningstar's principal Structured Finance asset class methodologies that may be used during the rating process, please see the DBRS Morningstar *Global Structured Finance Related Methodologies* document on www.dbrsmorningstar.com. Please note that not every related methodology listed under a principal Structured Finance asset class methodology may be used to rate or monitor an individual structured finance or debt obligation.

Surveillance

DBRS Morningstar will perform surveillance subject to *North American CMBS Surveillance Methodology*.

Notes:
All figures are in U.S. dollars unless otherwise noted.

This report is based on information as of September 13, 2021. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Glossary

ADR	average daily rate	**MSA**	metropolitan statistical area
ARA	appraisal-reduction amount	**n.a.**	not available
ASER	appraisal subordinate entitlement reduction	**n/a**	not applicable
BOV	broker's opinion of value	**NCF**	net cash flow
CAM	common area maintenance	**NNN**	triple net
capex	capital expenditures	**NOI**	net operating income
CBD	central business district	**NRA**	net rentable area
CBRE	CB Richard Ellis	**NRI**	net rental income
CMBS	commercial mortgage-backed securities	**NR – PIF**	not rated – paid in full
CoStar	CoStar Group, Inc.	**OSAR**	operating statement analysis report
CREFC	CRE Finance Council	**PCR**	property condition report
DPO	discounted payoff	**P&I**	principal and interest
DSCR	debt service coverage ratio	**POD**	probability of default
EGI	effective gross income	**PIP**	property improvement plan
EOD	event of default	**PILOT**	property in lieu of taxes
F&B	food & beverage	**PSA**	pooling and servicing agreement
FF&E	furniture, fixtures and equipment	**psf**	per square foot
FS Hotel	full-service hotel	**R&M**	repairs and maintenance
G&A	general and administrative	**REIT**	real estate investment trust
GLA	gross leasable area	**REO**	real estate owned
GPR	gross potential rent	**RevPAR**	revenue per available room
HVAC	heating, ventilation and air conditioning	**sf**	square foot/square feet
IO	interest only	**STR**	Smith Travel Research
LC	leasing commission	**SPE**	special-purpose entity
LGD	loss severity given default	**TI**	tenant improvement
LOC	letter of credit	**TIC**	tenants in common
LOI	letter of intent	**T-12**	trailing 12 months
LS Hotel	limited-service hotel	**UW**	underwriting
LTC	loan-to-cost	**WA**	weighted average
LTCT	long-term credit tenant	**WAC**	weighted-average coupon
LTV	loan-to-value	**x**	times
MHC	manufactured housing community	**YE**	year end
MTM	month to month	**YTD**	year to date

Definitions

Capital Expenditure (Capex)
Costs incurred in the improvement of a property that will have a life of more than one year.

DBRS Morningstar Refi DSCR
A measure that divides the DBRS Morningstar stabilized NCF by the product of the loan's maturity balance and a stressed refinance debt constant.

DBRS Morningstar Term DSCR
A measure that divides the DBRS Morningstar stabilized NCF by the actual debt service payment

Debt Service Coverage Ratio (DSCR)
A measure of a mortgaged property's ability to cover monthly debt service payments, defined as the ratio of net operating income or net cash flow to the debt service payments.

Effective Gross Income (EGI)
Rental revenue minus vacancies plus miscellaneous income.

Issuer UW
Issuer underwritten from Annex A or servicer reports.

Loan-to-Value (LTV)
The ratio between the principal amount of the mortgage balance, at origination or thereafter, and the most recent appraised value of the underlying real estate collateral, generally from origination.

Net Cash Flow (NCF)
The revenues earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions and capital expenditures (or reserves). Moreover, NCF is net operating income less tenant improvements, leasing commissions and capital expenditures.

NNN (Triple Net)
A lease that requires the tenant to pay operating expenses such as property taxes, insurance and maintenance, in addition to the rent.

Net Operating Income (NOI)
The revenues earned by a property's ongoing operations less the expenses associated with such operations but before mortgage payments, tenant improvements, replacement reserves and leasing commissions.

Net Rentable Area (NRA)
The area (sf) for which rent can be charged. NRA includes the tenant's premises plus an allocation of the common area directly benefiting the tenant, such as common corridors and restrooms.

Revenue Per Available Room (RevPAR)
A measure that divides revenue by the number of available rooms, not the number of occupied rooms. It is a measure of how well the hotel has been able to fill rooms in the off-season, when demand is low even if rates are also low, and how well it fills the rooms and maximizes the rate in the high season, when there is high demand for hotel rooms.

Tenant Improvements (TIs)
The expense to physically improve the property or space, such as new improvements or remodeling, paid by the borrower.

Weighted Average (WA)
Calculation is weighted by the size of each mortgage in the pool.

Weighted-Average Coupon (WAC)
The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool.

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