Presale Report
KREF 2021-FL2 Ltd.

DBRS Morningstar
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Capital Structure

Description	Rating Action	Balance	Subordination	DBRS Morningstar Rating	Trend
Class A	New Rating - Provisional	540,000,000	46.000	AAA (sf)	Stable
Class A-S	New Rating - Provisional	127,500,000	33.250	AAA (sf)	Stable
Class B	New Rating - Provisional	50,000,000	28.250	AA (low) (sf)	Stable
Class C	New Rating - Provisional	60,000,000	22.250	A (low) (sf)	Stable
Class D	New Rating - Provisional	53,750,000	16.875	BBB (sf)	Stable
Class E	New Rating - Provisional	11,250,000	15.750	BBB (low) (sf)	Stable
Class F	New Rating - Provisional	50,000,000	10.750	BB (low) (sf)	Stable
Class G	New Rating - Provisional	35,000,000	7.250	B (low) (sf)	Stable
Preferred Shares	NR	72,500,000	--	NR	N/A

Notes:
1. NR = Not Rated.
2. Step-Up Coupon: On and after the Payment Date in June 2027, the interest rate of the Class A Notes and the Class A-S Notes will increase by 0.25% and the interest rate of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will increase by 0.50%. On and after the Payment Date in August 2023 and the interest rate of the Class F Notes and the Class G Notes will increase by 0.50%.
3. The Class F Notes, the Class G Notes and the Preferred Shares are not being offered under the Offering Memorandum and will not be secured by the Collateral Interests or the other Collateral securing the Offered Notes.
4. The Class F Notes and the Class G Notes (collectively, the "Exchangeable Notes") are exchangeable for proportionate interests in MASCOT Notes, which are comprised of (i) in the case of the Class F Notes, the Class F-E Notes and the Class F-X Notes and (ii) in the case of the Class G Notes, the Class G-E Notes and the Class G-X Notes. The interest rates on the MASCOT Notes will be determined, on the date of such exchange, by the holder of the Class F Notes or the Class G Notes, as applicable, surrendered in such exchange. The sum of the interest rates of MASCOT Notes received in any exchange will equal the interest rate on the Class F Notes or the Class G Notes, as applicable, surrendered in such exchange.

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Transaction Summary

Pool Characteristics			
Trust Amount ($)	1,000,000,000	**Target Pool Balance ($)**	1,000,000,000
Number of Loans	20	**Average Loan Size ($)**	50,000,000
Number of Properties	29	**Top Ten Loan Concentration (%)**	57.8
Managed / Static	Managed	**Unfunded Companion Participation Amount ($)**	260,482,611
Preidentified Ramp Loans	n/a	**Replenishment Allowed**	Y
Par Value Trigger (%)	112.76	**Reinvestment Period[5]**	24 months
Initial Par Value Ratio (%)	117.76	**IC Ratio: Trigger (X)**	1.20
Wtd. Avg. As-Is Appraised Issuance LTV (%)	68.2	**Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)**	78.4
Wtd. Avg. Stabilized Appraised LTV (%)	65.4	**Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)**	70.5
Wtd. Avg. Interest Rate Margin (%)	3.270	**DBRS Morningstar Wtd. Avg. Interest Rate[4] (%)**	4.700
Wtd. Avg. Remaining Term[1]	20	**Wtd. Avg. Remaining Term - Fully Extended**	39
Wtd. Avg. DBRS Morningstar As-Is DSCR[2]	0.80	**Wtd. Avg. Issuer As-Is DSCR (x)[4]**	1.28
Wtd. Avg. DBRS Morningstar Stabilized DSCR[3]	1.20	**Wtd. Avg. Issuer Stabilized DSCR (x)[4]**	1.74
Avg. DBRS Morningstar As-Is NCF Variance[2] (%)	-12.5	**Avg. DBRS Morningstar Stabilized NCF Variance[3] (%)**	-22.7

Note: All DBRS Morningstar DSCR and LTV calculations in this table and throughout the report are based on the the DBRS Morningstar Stressed Interest Rate and the fully funded and extended mortgage loan commitment. The Wtd. Avg 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 date of the deposit of Permitted Principal Proceeds and ending 24 months thereafter.

Participants	
Issuer	KREF 2021-FL2 Ltd.
Co-Issuer	KREF 2021-FL2 LLC
Mortgage Loan Seller	KREF CLO Loan Seller LLC
Servicer	Midland Loan Services, a Division of PNC Bank, National Association
Special Servicer	Midland Loan Services, a Division of PNC Bank, National Association
Note Administrator	Wells Fargo Bank, National Association
Trustee	Wilmington Trust, National Association
Placement Agents	Wells Fargo Securities, LLC
	KKR Capital Markets LLC
	Morgan Stanley & Co. LLC
	Goldman Sachs & Co. LLC
	MUFG Securities Americas Inc.
Structuring Agent	Wells Fargo Securities, LLC
Advancing Agent	KREF CLO Loan Seller LLC

Coronavirus Disease (COVID-19) Overview

With regard to the coronavirus 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.

Based on the information provided by the borrowers as of May 2021, borrowers for five loans, representing 20.6% of the initial pool balance, have requested forbearance, debt service relief, rent relief, or loan modification. Three loans (The Lewis, Panorama, and W Fort Lauderdale), representing 12.2% of the pool, have been modified; however, W Fort Lauderdale is the only loan for which the loan modification included a deferral of a debt service payment. The W Fort Lauderdale was originally modified in June 2020, which included the partial deferral of interest from May 2020 through December 2020 and the sponsor contributing $4.7 million to cover operating and debt service shortfalls. The loan went through a second modification in January 2021, which included a principal paydown of $10.0 million and repayment of all $1.6 million of accrued interest. The Lewis and Panorama were modified with a combination of an initial maturity date extension, extension fee updates, changes to Libor floors and interest rate spreads, reduced metric hurdles, changes in maintenance spreads, and/or changes to carry reserves. Of the loans that had tenants request rent relief, most came in the form of short-term rent abatements and rent deferments with repayment schedules. All loans that have commenced debt service payments are current as of the cut-off date.

Property Name	% of Pool	DBRS Morningstar Property Type	Debt Service Current as of Cut-off Date	Forbearance or Other Accommodation Requested	Forbearance Granted	Loan Modification Requested	Lease Modification or Rent Relief Requested	Last Reported % Rent Collection Since March 2020	Month of Last Reported % Rent Collection
727 West Madison	7.3	Multifamily	Y	N	n/a	N	N	96.0	December 2020
The Sur	7.0	Multifamily	Y	N	n/a	N	N	n/a	n/a
The Edison	6.8	Multifamily	Y	N	n/a	N	N	103.0	December 2020
9th & Colorado	6.6	Multifamily	Y	N	n/a	N	N	99.0	December 2020
FiveTwo at Highland	5.2	Multifamily	Y	N	n/a	N	N	n/a	n/a
Alesio Urban Center	5.0	Multifamily	Y	n/a	n/a	n/a	n/a	n/a	n/a
Aven	5.0	Multifamily	Y	n/a	n/a	n/a	n/a	n/a	n/a
The Boathouse	5.0	Student Housing	Y	N	n/a	N	N	n/a	n/a
Boston South End Life Science Campus	5.0	Office	Y	n/a	n/a	n/a	n/a	n/a	n/a
Legacy Central	5.0	Office	Y	N	n/a	N	N	98.0	December 2020
One on Centre	5.0	Student Housing	Y	n/a	n/a	n/a	n/a	n/a	n/a
451 D Street	4.2	Office	Y	Y	n/a	N	Y	91.0	December 2020
Fifth Street Towers	4.2	Office	Y	N	n/a	N	n/a	99.0	December 2020
Glenn Gardens	4.2	Multifamily	Y	N	n/a	N	n/a	93.0	May 2021
Independence Portfolio	4.2	Office	Y	Y	n/a	N	Y	95.0	December 2020
Portofino Place	4.2	Multifamily	Y	N	n/a	N	N	101.0	December 2020
The Lewis	4.2	Multifamily	Y	Y	n/a	Y	N	98.0	December 2020
Panorama	4.1	Multifamily	Y	Y	n/a	Y	N	98.0	December 2020
Stadium Innovation Center	4.0	Office	Y	N	n/a	N	N	100.0	December 2020
W Fort Lauderdale	3.9	Full Service Hotel	Y	Y	Y	Y	N	n/a	n/a

Transaction Overview

The initial collateral consists of 20 floating-rate mortgage loans secured by 29 mostly transitional properties with a cut-off balance totaling $1.0 billion, excluding $260.5 million of remaining future funding commitments and $1.8 billion of pari passu debt. One loan, 727 West Madison, representing 7.3% of the initial pool balance, is contributing both senior and mezzanine loan components that will both be held in the trust. The transaction is structured with a 24-month Reinvestment Period whereby the Issuer may acquire Companion Participations in either the form of a mortgage loan, a combination of a mortgage loan and a related mezzanine loan, or a fully funded pari passu participation. Companion Participations in the form of a combination of a mortgage loan and related mezzanine loan are designated for 727 West Madison (#1), Glenn Gardens (#14), and Portofino Place (#16). In addition, the transaction is structured with a Replenishment Period, which begins the first day after the Reinvestment Period and ends on the earlier of the date the Issuer acquired 10% of the cut-off balance after the Reinvestment Period or the sixth payment date after the Reinvestment Period. Any Companion Participation acquired during either the Reinvestment or Replenishment Periods is subject to Eligibility Criteria that, among other criteria, includes a no downgrade rating agency confirmation (RAC) by DBRS Morningstar for all new mortgage assets and funded Companion Participations exceeding $5.0 million.

The Issuer is not required to obtain RAC for acquisitions of Companion Participations less than $5.0 million.

Eligibility Criteria Concentration Parameters

Issuer Property Type	Issuance (%)	Limit (%)
Multifamily[1]	64.1	100.0
Office	17.4	50.0
Industrial	0.0	50.0
Life Science Office	9.2	20.0
Hospitality	3.9	15.0
Student Housing	5.0	15.0
Retail	0.4	10.0
Self-Storage	0.0	5.0

State Concentration	Issuance (%)	Limit (%)
California	5.0	40.0
New York	8.4	40.0
Texas	21.9	40.0
Washington[2]	8.1	40.0
All Other States[3]	56.6	25.0

1. The aggregate principal pool balance of collateral interests secured by multifamily properties does not fall below 25% of the aggregate pool balance.
2. After excluding collateral interests secured by properties located in Seattle, the Washington concentration cannot exceed 25%.
3. The Issuance (%) of All Other States represents the aggregate total, while the Limit (%) represents no more than 25% of the principal balance for each state. The largest concentration in this category is Pennsylvania at 9.2%.

The loans are mostly secured by cash flowing assets, many of which are in a period of transition with plans to stabilize and improve the asset value. In total, 13 loans, representing 67.9% of the pool, have remaining future funding participations totaling $260.5 million, which the Issuer may acquire in the future. Please see the chart below for the participation that the Issuer will be allowed to acquire.

Future Funding

Loan Name	Cut-Off Date Loan Amount ($)	Future Funding Amount[1] ($)	Whole Loan Amount[2] ($)	Future Funding Uses
727 West Madison	73,000,000	6,000,000	185,500,000	Earnout Facility
The Sur	70,000,000	3,308	141,789,000	Carry Facility
9th & Colorado	66,000,000	7,947,513	185,000,000	Construction Costs, Carry Facility
FiveTwo at Highland	51,500,000	1,415,540	80,000,000	Leasing Costs, Carry Facility
Alesio Urban Center	50,000,000	12,600,000	117,600,000	Capex
Aven	50,000,000	12,000,000	260,000,000	Earnout Facility, Carry Facility
The Boathouse	50,000,000	2,754,321	69,000,000	Capex
Boston South End Life Science Campus	50,000,000	120,500,000	332,300,000	Construction Costs, Leasing Costs, Conversion Costs, Holdback, Carry Costs
Legacy Central	50,000,000	28,399,623	153,666,667	Leasing Costs, Carry Facility, Capex
451 D Street	42,000,000	25,039,911	250,462,685	Leasing Costs
Glenn Gardens	42,000,000	15,000,000	163,000,000	Capex
Independence Portfolio	42,000,000	27,063,556	182,600,000	Leasing Costs, Capex
Portofino Place	42,000,000	1,758,839	135,000,000	Capex

1. Cut-Off date unfunded future funding amount.
2. Whole loan amount including unfunded future funding.

Future Funding Commitment

Loan Name	Total Future Funding ($)	Maximum Future Funding Allowed ($)	Total Future Funding Commitments Allowed (%)	Loan Closed (Y/N)
727 West Madison	6,000,000	6,000,000	100.0	Y
The Sur	3,308	3,308	100.0	Y
9th & Colorado	7,947,513	7,947,513	100.0	Y
FiveTwo at Highland	1,415,540	1,415,540	100.0	Y
Alesio Urban Center	12,600,000	12,600,000	100.0	Y
Aven	12,000,000	12,000,000	100.0	Y
The Boathouse	2,754,321	2,754,321	100.0	Y
Boston South End Life Science Campus	120,500,000	120,500,000	100.0	Y
Legacy Central	28,399,623	28,399,623	100.0	Y
451 D Street	25,039,911	25,039,911	100.0	Y
Glenn Gardens	15,000,000	15,000,000	100.0	Y
Independence Portfolio	27,063,556	27,063,556	100.0	Y
Portofino Place	1,758,839	1,758,839	100.0	Y

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 debt service payments were measured against the DBRS Morningstar As-Is NCF, 14 loans, comprising 70.1% of the pool, had a DBRS Morningstar As-Is DSCR below 1.00x, a threshold indicative of elevated default risk. However, the DBRS Morningstar Stabilized DSCRs for only three loans, representing 16.9% of the initial pool balance, are below 1.00x. The properties are often 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 other structural features in place are insufficient to support such treatment. Furthermore, even with the structure provided, DBRS Morningstar generally does not assume the assets to stabilize above market levels.

Rating Considerations

Strengths

- **Issuer Retention:** The Class F, Class G, and Preferred Shares (collectively, the Retained Securities; representing 15.8% of the initial pool balance) will be purchased by KREF 2021-FL2 Holdings LLC, a wholly owned subsidiary of KREF CLO Loan Seller LLC, which is an indirect wholly owned subsidiary of KKR Real Estate Finance Holdings L.P.
- **Dense Urban Markets:** 10 loans, representing a very high 47.4% of the pool, are in areas with a DBRS Morningstar Market Rank of 7 or 8, which are generally characterized as highly dense urbanized areas that benefit from increased liquidity driven by consistently strong investor demand, even during times of economic stress. Market Ranks 7 and 8 benefit from lower default frequencies than less dense suburban, tertiary, and rural markets. Urban markets represented in the deal include Boston, Chicago, Minneapolis, New York City, Los Angeles, Philadelphia, Seattle, and Washington, D.C.
- **Strong MSA Groups:** Seven loans, representing 33.5% of the pool balance, have collateral in MSA Group 3, which is the best-performing group in terms of historical CMBS default rates among the top 25 MSAs. MSA Group 3 has a historical default rate of 17.2%, which is nearly 10.8 percentage points lower than the overall CMBS historical default rate of 28.0%.
- **Strong Sponsorship:** Six loans, representing 29.7% of the pool, feature sponsors that DBRS Morningstar has deemed Strong. Strong sponsorship correlates with more sophisticated borrowers, and loans with strong sponsorship generally exhibit lower rates of delinquency or default over the course of their loan terms.
- **Property Quality:** The loan collateral was generally in very good physical condition. DBRS Morningstar deemed one property, 727 West Madison, representing 7.3% of the initial pool balance, to be of Excellent property quality. Additionally, eight loans, representing 41.7% of the initial pool balance, were deemed to be Above Average, while the remaining 51.0% of the pool was deemed to be Average + or Average. No loans in the pool are backed by a property that DBRS Morningstar considered to be of Average - or Below Average quality.

Challenges and Considerations

- **Transitional Properties:** DBRS Morningstar has analyzed the loans to a stabilized cash flow that is, in some instances, above the in-place 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 future funding amounts to be sufficient to execute such plans. In addition, DBRS Morningstar analyzes LGD based on the DBRS Morningstar As-Is LTV, assuming the loan is fully funded.*
- **Pre-Pandemic Originated Loans:** The ongoing coronavirus pandemic continues to pose challenges and risks to the commercial real estate (CRE) sector, and the long-term effects on the general economy and consumer sentiment are still unclear. 13 loans, representing 62.9% of the initial pool balance, were originated prior to the onset of the pandemic.

  - *Mitigant: All loans include timely property performance reports and recently completed third-party reports, including appraisals.*
  - *Mitigant: Six loans, representing 35.4% of the pool, are secured by newly built or recently renovated properties with relatively simple business plans, which primarily involve the completion of an initial lease-up phase. The sponsors behind these assets are using the loans as traditional bridge financing, enabling them to secure more permanent financing once the properties reach stabilized operations.*
  - *Mitigant: Given the uncertainty and elevated execution risk stemming from the coronavirus pandemic, 11 loans, representing 59.6% of the initial pool balance, are structured with upfront interest and/or carry reserves, some of which are expected to cover one year or more of interest shortfalls. Additionally, seven loans, representing 37.1% of the initial pool balance, are structured with springing interest and/or carry reserves.*
- **Weak As-Is Metrics:** Based on the initial pool balances, the overall WA DBRS Morningstar As-Is DSCR of 0.80x and WA DBRS Morningstar As-Is LTV of 78.4% generally reflect high-leverage financing.
  - *Mitigant: Most of the assets are generally well positioned to stabilize, and any realized cash flow growth would help to offset a rise in interest rates and improve the overall debt yield of the loans. DBRS Morningstar associates its LGD based on the assets' as-is LTV, which does not assume that the stabilization plan and cash flow growth will ever materialize.*
  - *Mitigant: The DBRS Morningstar As-Is DSCR at issuance does not consider the sponsor's business plan, as the DBRS Morningstar As-Is NCF was generally based on the most recent annualized period. The sponsor's business plan could have an immediate impact on the underlying asset performance that the DBRS Morningstar As-Is NCF does not account for.*
  - *Mitigant: When measured against the DBRS Morningstar Stabilized NCF, the WA DBRS Morningstar DSCR is estimated to improve to 1.20x, suggesting that the properties are likely to have improved NCFs once the sponsor's business plan has been implemented.*
- **Lack of Nonconsolidation Opinions**: Seven loans, representing 35.2% of the initial pool balance, were not required to obtain a nonconsolidation opinion as part of their loan agreement. As a result, there is no opinion provided as to the separateness of the borrower to the overarching sponsorship that could otherwise be looked to as an opinion of separateness during a bankruptcy proceeding.
  - *Mitigant: DBRS Morningstar applied a 1% upward POD adjustment to six of the seven loans to account for the lack of a consolidation opinion. One loan did not receive a penalty because DBRS Morningstar considered the overall leverage very low.*
- **Noncontrolling Interests:** The participation interests in two loans, 727 West Madison and Boston South End Life Science Campus, representing 12.3% of the initial pool balance, represent noncontrolling A-notes with an unrelated party holding the controlling note. As a result, the two loans are non-serviced loans and will be serviced outside a securitized transaction. The special servicer under the lead servicing agreement may take actions with respect to each loan that could adversely affect some of or all of the notes. The holder of the related controlling Companion Participation will have certain rights to direct the servicing of the related loan and such holder may have interests in conflict with those of the noteholders. Both loans are governed by a co-lender and agency agreement that appoints an administrative agent that is subject to a gross negligence standard for liability and indemnification in dealing with noteholders..

   - *Mitigant: DBRS Morningstar increased the expected loss of the loan to account for the loan administration weakness.*
   - *Mitigant: The in-place servicing agreement follows securitization standards.*
- **Full-Service Hotel:** One loan, the W Fort Lauderdale, representing 3.9% of the initial pool balance, is a full-service hotel. The property was severely affected by the pandemic, and the loan was subsequently modified in June 2020 and January 2021. Furthermore, the short-term performance of the hotel industry in the wake of the pandemic is still unclear. Hotels across the United States have experienced strenuous market conditions as both occupancy and average daily rates have constricted as a result of coronavirus-related mandated restrictions.
   - *Mitigant: The loan is the smallest in the pool, contributing $39.0 million of the $1.0 billion cut-off date trust balance.*
   - *Mitigant: In 2018, the property went through a $43.1 million hotel renovation, which included full guest room renovation. As a result, the business plan associated with the loan calls for the property to restabilize and achieve pre-pandemic performance metrics. Furthermore, the hotel is managed by W Hotel Management Inc., a subsidiary of Marriott, which will help expedite the recovery process.*
   - *Mitigant: The loan has intuitional sponsorship with substantial financial wherewithal and commercial real estate experience, and has displayed its commitment to the asset through the pandemic with substantial equity infusion.*
   - *Mitigant: The property quality of the loan is modeled as Above Average .*

Legal and Structural Considerations

- **Libor Replacement:** The transaction will likely be subject to a benchmark rate replacement, which will depend on the availability of various alternative benchmarks. The current selected benchmark is the Secured Overnight Financing Rate (SOFR). Term SOFR, which is expected 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 that Term SOFR 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. In order to compensate for differences between the successor benchmark rate and the 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 only be held to a gross negligence standard with regard to any liability for its actions.
- **Modifications**: In this transaction, Administrative Modifications and Criteria-Based Modifications may be directed by the sponsor-affiliated Collateral Manager subject to the Collateral Manager Standard. The Eligible Criteria Modification Adjustments include a provision stating that if any such modification does not involve an increase in the principal balance of the related mortgage loan, it does not require No

Downgrade Confirmation from DBRS Morningstar. The special servicer may be removed with or without cause or a successor special servicer may be appointed, in each case at any time and at the direction of the Collateral Manager.

- **Liability Carveout**: One loan, FiveTwo at Highland, contains a representation exception that waives sponsor/borrower liability for intentional misconduct on their behalf.
    - *Mitigant: DBRS Morningstar adjusted the sponsor strength to Average from Strong, signaling DBRS Morningstar's credit-neutral view of the borrower in light of the bad-boy carveout featured in the loan structure.*

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	25.4
0.50x-0.75x	20.8
0.75x-1.00x	23.9
1.00x-1.25x	11.5
1.25x-1.50x	14.2
1.50x-1.75x	0.0
>1.75x	4.2
Wtd. Avg. (x)	0.80

DBRS Morningstar Stabillized DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	0.0
0.50x-0.75x	11.8
0.75x-1.00x	5.2
1.00x-1.25x	56.8
1.25x-1.50x	14.2
1.50x-1.75x	4.0
>1.75x	8.1
Wtd. Avg. (x)	1.20

DBRS Morningstar As-Is Issuance LTV

LTV	% of the Pool (Senior Note Balance[1])
0.0%-50.0%	0.0
50.0%-60.0%	4.0
60.0%-70.0%	12.6
70.0%-80.0%	50.8
80.0%-90.0%	13.4
90.0%-100.0%	14.2
100.0%-110.0%	5.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	78.4

DBRS Morningstar Stabilized Balloon LTV

LTV	% of the Pool (Senior Note Balance[1,2])
0.0%-50.0%	8.2
50.0%-60.0%	4.2
60.0%-70.0%	34.3
70.0%-80.0%	39.1
80.0%-90.0%	4.2
90.0%-100.0%	10.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	70.5

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 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 LTV (%)
727 West Madison	73,000,000	7.3	n/a	1.22	1.22	74.5	73.9
The Sur	70,000,000	7.0	n/a	0.00	1.17	75.8	67.5
The Edison	67,500,000	6.8	n/a	0.63	0.64	74.2	73.5
9th & Colorado	66,000,000	6.6	n/a	0.97	1.22	78.7	75.7
FiveTwo at Highland	51,500,000	5.2	n/a	0.57	0.97	79.1	73.3
Alesio Urban Center	50,000,000	5.0	n/a	0.83	1.17	78.4	67.2
Aven	50,000,000	5.0	n/a	0.61	0.69	92.3	90.0
The Boathouse	50,000,000	5.0	n/a	0.39	1.25	78.5	73.6
Boston South End Life Science Campus	50,000,000	5.0	n/a	0.25	1.02	103.2	63.2
Legacy Central	50,000,000	5.0	n/a	1.44	1.44	81.3	63.6

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
727 West Madison	Multifamily	Chicago	IL	2018	492	377,033	377,033
The Sur	Multifamily	Arlington	VA	2020	360	393,858	393,858
The Edison	Multifamily	Austin	TX	2020	353	191,218	191,218
9th & Colorado	Multifamily	Denver	CO	2018-2021	557,481	332	332
FiveTwo at Highland	Multifamily	Austin	TX	2020	390	205,128	205,128
Alesio Urban Center	Multifamily	Irving	TX	1987/1996	908	129,515	129,515
Aven	Multifamily	Los Angeles	CA	2019	536	485,075	485,075
The Boathouse	Student Housing	Washington	DC	1962	250	276,000	276,000
Boston South End Life Science Campus	Office	Boston	MA	1982-2021	481,679	690	690
Legacy Central	Office	Plano	TX	1985	721,344	213	213

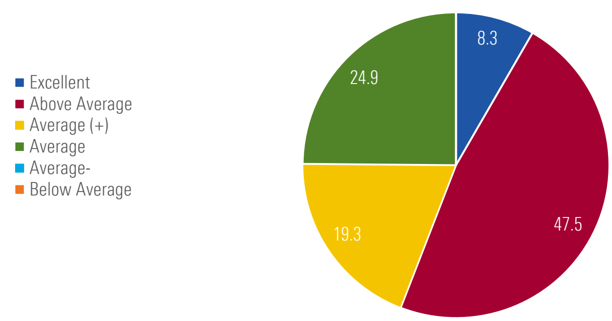
DBRS Morningstar Sample

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	727 West Madison	7.3	10,130,873	-15.6	GPR; Concessions	Excellent
2	The Sur	7.0	7,930,797	-16.8	GPR; Concessions; Operating Expenses; Other Income	Above Average
3	The Edison	6.8	2,041,054	-48.4	GPR; Operating Expenses; Real Estate Taxes	Average (+)
4	9th & Colorado	6.6	11,117,038	-11.8	Operating Expenses; Other Income; GPR; Vacancy; Leasing Costs	Above Average
5	FiveTwo at Highland	5.2	3,945,350	-22.9	Concessions; Commercial Income; Vacancy; Operating Expenses	Average (+)
6	Alesio Urban Center	5.0	6,848,543	-13.5	GPR; Concessions; Operating Expenses; Leasing Costs	Average (+)
7	Aven	5.0	9,526,233	-36.6	GPR; Operating Expenses; Vacancy; Parking Income	Above Average
8	The Boathouse	5.0	4,506,071	-7.6	GPR; Operating Expenses; Other Income	Above Average
9	Boston South End Life Science Campus	5.0	18,918,304	-29.3	GPR; Vacancy; Leasing Costs; Operating Expenses	Average
10	Legacy Central	5.0	9,485,720	-33.9	Vacancy; Operating Expenses; Leasing Costs	Above Average
11	One on Centre	5.0	7,156,159	-11.3	GPR; Other Income	Above Average
12	451 D Street	4.2	18,458,220	-27.5	Vacancy; GPR; Operating Expenses	Average
13	Fifth Street Towers	4.2	11,851,057	-27.0	Leasing Costs; Vacancy	Average
14	Glenn Gardens	4.2	6,793,379	-18.9	GPR; Vacancy	Average
15	Independence Portfolio	4.2	9,272,718	-34.8	Vacancy; Operating Expenses; Leasing Costs	Average
17	The Lewis	4.2	4,518,838	-17.1	GPR; Commercial Income	Above Average
20	W Fort Lauderdale	3.9	12,121,393	-13.6	ADR; Occupancy	Above Average

DBRS Morningstar Site Inspections

DBRS Morningstar sampled 17 of the 20 loans, representing 87.7% of the initial pool by allocated cut-off date loan balance. DBRS Morningstar met with the on-site property manager, leasing agent, or representative of the borrowing entity for four of the 20 loans in the pool, representing 19.9% of the initial pool balance. The resulting DBRS Morningstar property quality scores are highlighted in the chart below.

DBRS Morningstar Sampled Property Quality



Source: DBRS Morningstar.

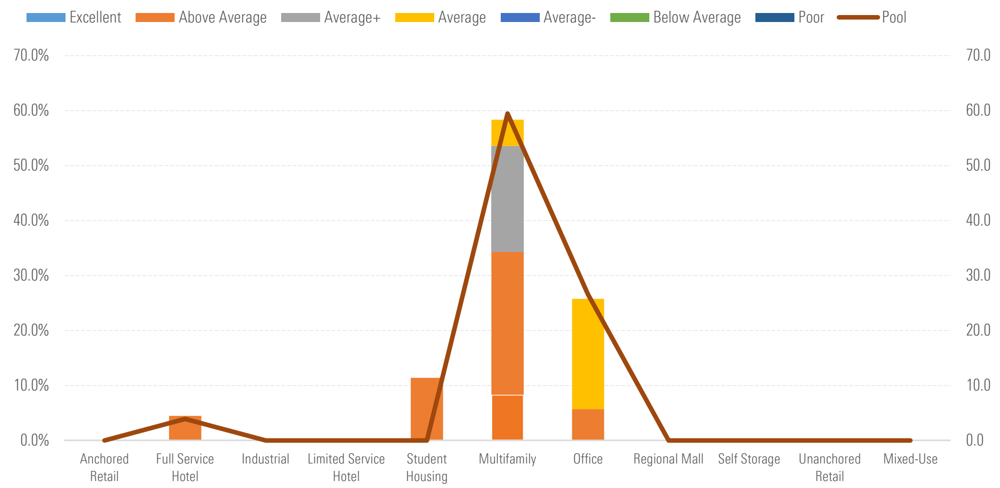
DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and a cash flow stability and structural review for 17 of the 20 loans, representing 87.7% of the initial pool by loan balance. For the loans not subject to an NCF review, DBRS Morningstar applied an NCF variance of -18.9% and -22.7% 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).

The DBRS Morningstar As-Is NCF was based on the current performance of the properties, without giving any credit to the future upside that may be realized upon the sponsors' completion of their business plans. The DBRS Morningstar As-Is sample had an average in-place NCF variance of -18.9% from the Issuer's NCF and ranged from -53.2% to 21.9%. The DBRS Morningstar As-Is NCFs resulted in higher-than-average haircuts compared with most recent CRE CLO transactions because DBRS Morningstar incorporated the most recent financial performance, which may include disruptions and declines in occupancy and/or collections from the coronavirus pandemic. Additionally, the Issuer often includes some stabilized line items in its as-is NCF analysis (i.e., occupancy, other income, operating expenses, etc.), resulting in higher-than-normal as-is haircuts.

The DBRS Morningstar Stabilized NCF assumed the properties stabilized at market rent and/or recently executed leases and market expenses that were reasonably achievable based on the sponsor's business plan and structural features of the respective loan. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -22.7% from the Issuer's stabilized NCF and ranged from -7.6% to -48.4%. DBRS Morningstar did not deem any of the variances to be outliers.

DBRS Morningstar Sampled Property Type



Source: DBRS Morningstar.

Model Adjustments

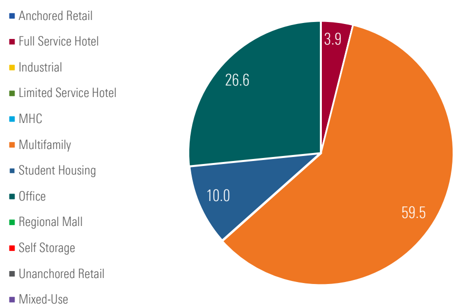
DBRS Morningstar applied upward cap rate adjustments to six loans, including 9th & Colorado, Aven, Boathouse Apartments, One on Centre, Fifth Street Towers, and Glenn Gardens, representing 30.0% of the trust balance. DBRS Morningstar adjusted the cap rate for these six loans to reflect its view of the respective markets and the inherent risk associated with the sponsor's business plan. The downward stabilized value adjustments are highlighted in the DBRS Morningstar Sampled Model Adjustments table below.

DBRS Morningstar Model Adjustments

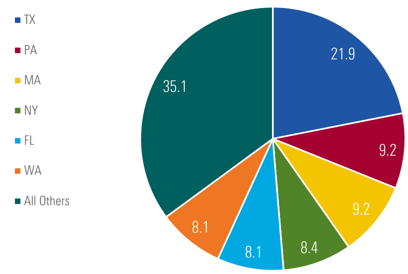
Prospectus ID	Loan	Implied Cap Rate (%)	DBRS Morningstar Adjusted Cap Rate (%)	Appraised As-Is LTV (%)	Appraised Stabilized LTV (%)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized LTV (%)
4	9th & Colorado	3.7	5.2	55.9	54.2	78.1	75.7
7	Aven	4.1	5.2	72.2	70.5	92.3	90.0
8	The Boathouse	4.4	5.2	66.3	62.2	78.5	73.6
11	One on Centre	5.3	6.6	74.2	74.2	91.6	91.6
13	Fifth Street Towers	5.4	6.7	64.8	64.8	80.3	80.3
14	Glenn Gardens	3.2	3.7	84.5	62.9	95.8	71.4

Transaction Concentrations

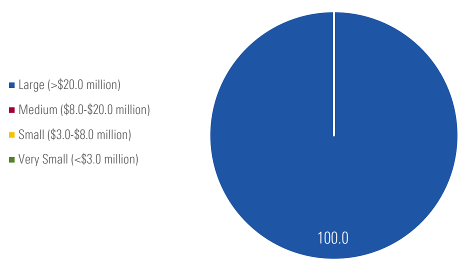
DBRS Morningstar Property Type



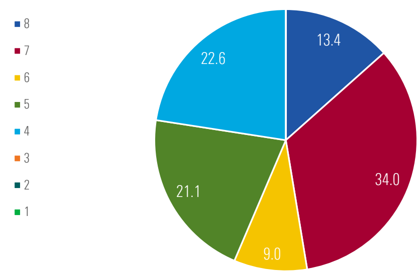
Geography



Loan Size

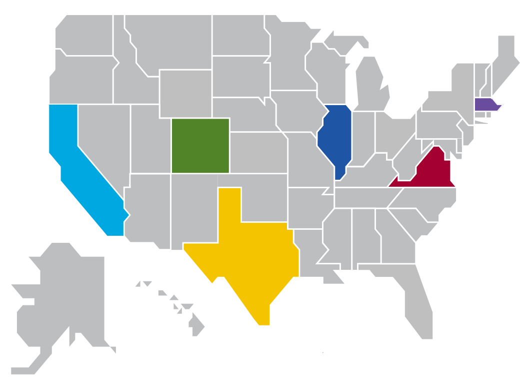


DBRS Morningstar Market Types



Largest Property Location

Property Name	City	State
727 West Madison	Chicago	IL
The Sur	Arlington	VA
The Edison	Austin	TX
9th & Colorado	Denver	CO
FiveTwo at Highland	Austin	TX
Alesio Urban Center	Irving	TX
Aven	Los Angeles	CA
The Boathouse	Washington	DC
Boston South End Life Science Campus	Boston	MA
Legacy Central	Plano	TX



Source: DBRS Morningstar.

Loan Structural Features

Loan Terms: All 20 loans are IO during the initial loan term, ranging from 35 months to 59 months with one to three 12-month extension options. All loans are IO throughout their fully extended loan terms.

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: 17 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 rate. The three remaining loans have conditional rate caps based on Libor being above a certain threshold for a given amount of time. As of July 2021, none of the conditions have been met and have not been required to obtain an interest rate cap.

Combination Financing: Three loans, 727 West Madison, Glenn Gardens, and Portofino Place, representing approximately 16.0% of the initial pool balance, will consist of a pari passu participation and a related mezzanine loan, both of which can be acquired by the Issuer.

Property Name	A-Note - Funded	A-note Future Funding Remaining	Mezzanine Loan - Funded	Mezzanine Loan - Future Funding Remaining	Whole Loan
727 West Madison[1]	143,600,000	4,800,000	35,900,000	1,200,000	185,500,000
Glenn Gardens	125,300,613	12,699,387	22,699,387	2,300,613	163,000,000
Portofino Place	122,965,946	2,034,054	9,837,276	162,724	135,000,000

1. The $148.8 senior loan is split into a $81.6 million controlling A-1 note (held by third party) and a $67.2 million non-controlling A-1 note (KREF).

Subordinate Debt: One loan (The Edison), representing 6.8% of the pool, has $5.0 million of mezzanine financing. The mezzanine loan is held by an unaffiliated third party and will not be able to be contributed to the pool.

Subordinate Debt

Loan Name	Trust Balance ($)	Pari Passu Balance ($)	Future Funding Remaining Balance ($)	Mezz/Unsecured Debt Balance ($)	Future Mezz/ Unsecured Debt (Y/N)	Total Debt Balance ($)
727 West Madison	73,000,000	106,500,000	6,000,000	0.0	N	185,500,000
The Sur	70,000,000	71,785,692	3,308	0.0	N	141,789,000
The Edison	67,500,000	0	0	5,000,000	N	72,500,000
9th & Colorado	66,000,000	111,052,487	7,947,513	0	N	185,000,000
FiveTwo at Highland	51,500,000	27,084,460	1,415,540	0.0	N	80,000,000
Alesio Urban Center	50,000,000	55,000,000	12,600,000	0.0	N	117,600,000
Aven	50,000,000	198,000,000	12,000,000	0.0	N	260,000,000
The Boathouse	50,000,000	16,245,679	2,754,321	0.0	N	69,000,000
Boston South End Life Science Campus	50,000,000	161,800,000	120,500,000	0.0	N	332,300,000
Legacy Central	50,000,000	75,267,044	28,399,623	0.0	N	153,666,667
One on Centre	50,000,000	62,500,000	0	0.0	N	112,500,000
451 D Street	42,000,000	183,422,774	25,039,911	0.0	N	250,462,685
Fifth Street Towers	42,000,000	152,400,000	0	0.0	N	194,400,000
Glenn Gardens	42,000,000	106,000,000	15,000,000	0.0	N	163,000,000
Independence Portfolio	42,000,000	113,536,444	27,063,556	0.0	N	182,600,000
Portofino Place	42,000,000	91,241,161	1,758,839	0.0	N	135,000,000
The Lewis	42,000,000	44,000,000	0	0.0	N	86,000,000
Panorama	41,000,000	51,287,280	0	0.0	N	92,287,280
Stadium Innovation Center	40,000,000	40,708,658	0	0.0	N	80,708,658
W Fort Lauderdale	39,000,000	91,000,000	0	0.0	N	130,000,000

Pari Passu Debt: 19 loans, representing 93.3% of the initial pool balance, have pari passu participation interest totaling $1.8 billion.

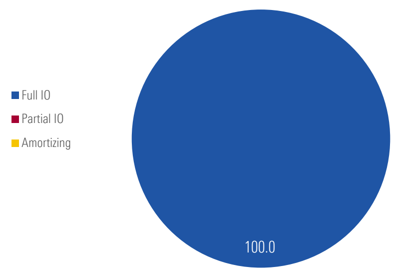
Future Funding: There are 13 loans, representing 67.9% of the initial pool balance, that have a future funding component. The aggregate of future funding is $260.5 million, with future funding amounts per loan ranging from $3,308 to $120.0 million. The proceeds necessary to fulfill the future funding obligations will primarily come from a committed warehouse line and will initially be held outside the trust but will rank pari passu with the trust participations. The future funding is generally for property renovations. Each property has a business plan to execute that the sponsor expects to increase the NCF. DBRS Morningstar believes the business plans are generally achievable, given the market conditions, recent property performance, and adequate available future funding (or upfront reserves) for planned renovations.

Leasehold: No loans in the pool feature a leasehold loan structure.

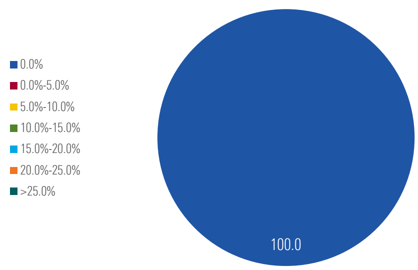
Reserve Requirement			Borrower Structure		
Type	# of Loans	% of Pool	Type	# of Loans	% of Pool
Tax Ongoing	18	90.8	SPE with Independent Director and Non-Consolidation Opinion	13	64.9
Insurance Ongoing	7	38.4	SPE with Independent Director Only	7	35.2
CapEx Ongoing	11	56.4	SPE with Non-Consolidation Opinion Only	0	0.0
Leasing Costs Ongoing[1]	1	15.0	SPE Only	0	0.0

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

Interest Only

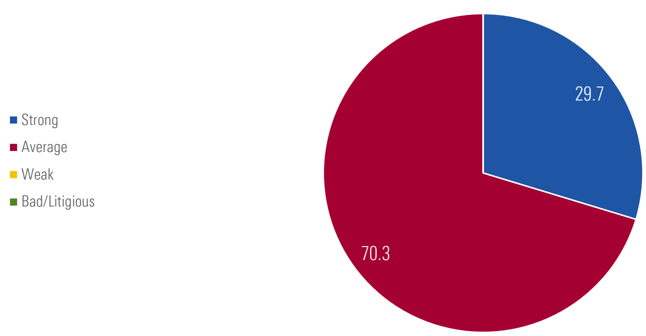


DBRS Morningstar Expected Amortization



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

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

Property Release: Six loans, representing 29.0% 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 above the allocated loan amounts of the respective properties and/or certain leverage tests prescribed in the individual loan agreements.

Property Substitution: No loans in the pool allow for the substitution of properties.

Terrorism Insurance: As of the cut-off date, all loans currently carry or, in the case of the delayed-close loans, are expected to carry terrorism insurance.

727 West Madison

Loan Snapshot

Seller	KREF CLO Seller
Ownership Interest	Fee Simple
Trust Balance ($ million)	73.0
Senior Loan PSF/Unit ($)	377,033
Percentage of the Pool (%)	7.3
Fully Extended Loan Maturity/ARD	June 2024
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	1.22
DBRS Morningstar Stabilized DSCR (x)	1.22
DBRS Morningstar As-Is Issuance LTV (%)	74.5
DBRS Morningstar Stabilized Balloon LTV (%)	73.9
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Excellent

Debt Stack ($ millions)

Trust Balance	73.0
Pari Passu	106.5
Remaining Future Funding	6.0
Mezz Debt	0.0
Mortgage Loan Including Future Funding and Mezz Debt	185.5
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	(58.7)

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2018
City, State	Chicago, IL	**Physical Occupancy (%)**	92.3
Units/SF	492	**Physical Occupancy Date**	July 2021

The loan is secured by the borrower's fee-simple interest in 727 West Madison, a 492-unit Class A apartment building with 10,590 sf of ground-floor retail in the West Loop neighborhood of Chicago. The sponsors developed and built the property in November 2018 for a total cost of $187.0 million prior to loan closing costs, and the subject loan refinanced the construction loan. Initial loan proceeds of $178.5 million refinanced $102.3 million of existing debt, returned $58.7 million of borrower equity, funded upfront reserves for remaining construction costs and TI/LCs, and covered closing costs. The loan also allows for $7.5 million of future funding toward a $6.0 million earnout and $1.5 million carry facility. The $6.0 million earnout requires a debt yield of at least 6.5% on the $186.0 million fully funded loan balance, and the carry facility was available for the first 24 months of the loan term but recently expired on June 7, 2021. There was $1.0 million drawn from the carry facility during the first 24 months, and the remaining $500,000 was used to reduce the fully funded loan balance to $185.5 million. The three-year loan has an initial maturity date in June 2022 but includes two one-year extension options that are exercisable subject to, among other criteria, the collateral's satisfaction of certain minimum debt yield hurdles set forth in the initial loan agreement. The loan is IO throughout the fully extended loan term.

As of the rent roll dated July 9, 2021, the residential component was 92.3% occupied with an average monthly in-place rent of $2,948 per unit. The building's unit mix consists of 130 studio units (532 sf), 269 one-bedroom units (770 sf), 76 two-bedroom units (1,108 sf), and 17 three-bedroom units (1,569 sf). Units are equipped with vinyl plank flooring throughout, floor-to-ceiling glass exterior windows, roller shade blinds, kitchen islands, stainless-steel appliances, quartz countertops, washers/dryers, and Nest thermostats. Common amenities include a coworking space with conference rooms, a large tenant lounge, a game room with billiards and shuffleboard, a modern fitness center with a yoga studio, a golf simulator, a pool with cabanas and TVs, outdoor grilling stations, a fire pit, a dog park, and a sky lounge with a coffee bar and views of the city. The building also has 10,590 sf of ground-floor retail, which is 66.5% occupied by three tenants: JPMorgan Chase Bank, AT&T, and Solidcore, a fitness studio. All three tenants have leases expiring no earlier than September 2029 and pay base rents ranging from $51.25 psf to $64.06 psf.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Avg. Unit Size (sf)	Occupancy (%)	Avg Rent ($/unit)
Gateway West Loop	Chicago, IL	0.1	167	2015	736	96.0	2,265
Landmark West Loop	Chicago, IL	0.7	300	2017	783	90.7	2,470
EMME Apartments	Chicago, IL	0.4	199	2017	663	94.0	2,773
JeffJack Apartments	Chicago, IL	0.5	190	2015	716	87.0	1,956
The Catalyst	Chicago, IL	0.3	223	2014	974	88.0	2,723
Total/WA Comp. Set	**Chicago, IL**	**Various**	**1,079**	**2016**	**781**	**90.9**	**2,456**
727 West Madison	**Chicago, IL**	**n/a**	**492**	**2018**	**787**	**92.3**	**2,948**

Source: Appraisal, except the subject figures are based on the rent roll dated July 9, 2021.

The appraiser identified five competitive properties within one mile of the subject, all of which were built between 2014 and 2017. The subject is the most recently constructed among the identified properties, and its 492 units make it the largest apartment community by a large margin as the competitive properties have unit counts ranging from 167 units to 300 units. The subject's average unit size of 787 sf appears comparable to the competitive set's WA unit size of 781 sf. However, the competitive set's average is skewed by The Catalyst, which has an average unit size of 974 sf, and the subject actually offers larger units than four of the five identified properties. The subject's occupancy of 82.3% in May 2021 was lagging behind the competitive set's WA occupancy of 90.9%. However, this was partially attributed to the subject's larger unit count and being the most recently constructed among the assets. As of the July 9, 2021, rent roll, the subject was 92.3% occupied, which is higher than the competitive set's WA occupancy and indicates that the property has recently stabilized. Lastly, the collateral's average in-place rent of $2,948 per unit indicates a higher property quality and larger unit sizes relative to the competitive set, which has a monthly WA rent of $2,456 per unit.

Sponsorship

The sponsors for the loan are Ares Management Corporation (Ares) and F&F Realty. Ares is a publicly traded global alternative asset management company with a real estate group that manages equity and debt strategies with approximately $28.7 billion of assets under management as of March 31, 2021. F&F Realty is a locally based real estate development firm with ownership and/or management interests in seven hotels, five restaurants, one retirement community, one assisted living community, one conference center, and six apartment complexes in the Chicagoland area. The carveout guarantors for the loan are Ares US Real Estate Development And Redevelopment Fund II, L.P and David M. Friedman. The guarantors are required to have a minimum net worth and liquidity of $100.0 million and $10.0 million, respectively. The property manager is Bozzuto Management Company (Bozzuto), a borrower-affiliate, for a contractual fee of 2.75% of EGI. Bozzuto is highly experienced with more than 71,000 multifamily units under management across 12 states including 4,262 units under management in other Class A assets throughout Chicago.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on Tuesday, July 6, 2021, at 9:00 a.m. Based on the site inspection and management tour, DBRS Morningstar found the property quality to be Excellent.

The collateral consists of a 492-unit, newly constructed apartment building in the West Loop and Fulton Market District neighborhood of Chicago. The area was formerly a meatpacking district that has experienced considerable commercial and multifamily development over the past two decades. The area has become a trendy office market with several large companies moving their offices to the area, including Google and McDonald's, both of which recently developed 500,000-sf office buildings within a half-mile of the collateral. The area is also home to many of the city's most renowned restaurants as Chicago's "restaurant row" is just two blocks north of the subject. The building is immediately west of I-90, which naturally leads to undesirable noise and traffic congestion but generally allows for good vehicle access. Access by foot is generally good with most commercial needs offered throughout the neighborhood, and the Loop is conveniently just a half-mile to the east, allowing most residents an easy walk to work. The subject is also conveniently immediately across the street from both a Whole Foods and Mariano's, which is a local Chicago area grocery chain. Two Metra train stations are within a half-mile, providing good accessibility to the suburbs and certain northwest Chicago neighborhoods. However, the property only has easy access to the green line of Chicago's "L" light-rail system, which limits rail access to Chicago's northern neighborhoods and lakefront because riders must connect to the red line or brown line in the Loop. The 46-story building is the tallest in the West Loop area and has a sleek glass exterior, contributing to a very strong curb appeal. Lastly, the building has 10,590 sf of ground-floor retail along South Halsted Street. While the storefronts are exposed to good foot and vehicle traffic, visibility from the street is hindered by building support columns along South Halsted Street. The retail space is currently 66.5% occupied by JPMorgan Chase Bank, AT&T, and a fitness studio. Management noted there has been showings but no material progress leasing the remaining

3,547 sf of retail space, which is in shell condition and can be leased as one space or split into two smaller spaces.

The building offers many amenities, which are predominantly on the seventh floor and exhibited a very high quality. The tenant lounge was very spacious and well decorated, featuring a bar, several large TVs, floor-to-ceiling glass windows, luxurious furnishings and fixtures, and various high-end seating arrangements including bar seating, tables, booths, and couches. Several tenants were using the space as a coworking environment during the inspection. The tenant lounge had an adjacent private lounge, which can be reserved and featured a full kitchen. Adjacent to the private lounge was a library and business center, which featured an open coworking room, desktop computers, and two private conference rooms. The fitness center was large with a wide array of modern equipment, views of the CBD, and an ancillary yoga and spin room. The outdoor deck had a modern pool area with cabanas and TVs, a dog park, four grilling stations, various seating arrangements, and a fire pit. Other amenities on the seventh floor included a golf simulator and game room with a pool table, a shuffleboard, and two TVs. The only amenity not on the seventh floor was the sky lounge, which was on the 46th floor and featured a coffee bar, weekly free local beer kegs, and exceptional views of the city. Management noted that residents can reserve the sky lounge and it has been used for wedding receptions and other large events in the past. DBRS Morningstar was able to tour model one-bedroom and two-bedroom units during the inspection. The units had a very modern aesthetic with vinyl plank flooring throughout and nine-foot floor-to-ceiling windows that provided great natural light and views. Kitchens had a sleek, modern design and included a kitchen island with stool seating, stainless-steel appliances, white quartz countertops, tan laminate soft-close cabinetry, and a porcelain backsplash. Living rooms shared an open space with kitchens and had average size but benefited from the floor-to-ceiling glass windows and views. Bedrooms were average size at best but had enough space to comfortably fit a queen bed. Similar to the living room, the bedrooms also benefited from the floor-to-ceiling windows, roller shades, and views. Additionally, most bedrooms have large walk-in closets either in the room itself or in the hallway. Bathrooms showed very well with tile flooring, white quartz sink countertops, tan laminate cabinetry, and marble-styled tile tub and shower surrounds. All units come with washer/dryer units and Nest thermostats. Lastly, management noted that most of the vacancy at the building is from the studio and convertible units, which were slow to lease-up during the pandemic. Overall, the common amenities and units exhibited a very high quality throughout that will remain extremely competitive with newly constructed, Class A assets in the area for the foreseeable future.

DBRS Morningstar NCF Summary

NCF Analysis

	2019	2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	17,756,219	17,532,417	18,626,917	17,200,461	-7.7
Other Income ($)	1,127,823	2,199,517	2,399,385	2,354,495	-1.9
Vacancy & Concessions ($)	-8,967,533	-3,762,924	-1,000,546	-1,525,964	52.5
EGI ($)	**9,916,509**	**15,969,010**	**20,025,757**	**18,028,992**	**-10.0**
Expenses ($)	-5,606,009	-6,745,664	-7,896,477	7,737,194	-198.0
NOI ($)	**4,310,500**	**9,223,345**	**12,129,280**	**10,291,798**	**-15.1**
Capex ($)	0	0	-123,000	-160,926	30.8
NCF ($)	**4,310,500**	**9,223,345**	**12,006,280**	**10,130,873**	**-15.6**

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 $10,130,873, representing a -15.6% variance from the Issuer's stabilized NCF of $12,006,280. The primary drivers of the variance included GPR and concessions. DBRS Morningstar based GPR on the July 9, 2021, rent roll with vacant units grossed at the average in-place rent psf, while the Issuer included future annual rent inflation. DBRS Morningstar assumed concessions of a half-month free rent based on the property's current offering as of the site inspection with a 50.0% renewal probability, while the Issuer did not assume any concessions.

DBRS Morningstar Viewpoint

The newly constructed building benefits from its position in the dynamic West Loop and Fulton Market area, a former meatpacking and food distribution district that has experienced tremendous development and growth over the past two decades. The area has culminated a strong entertainment and retail scene, including Chicago's "restaurant row" two blocks north of the subject, as well as a trendy, growing office market spurred by the presence of Google and McDonald's, both of which have developed 500,000-sf office buildings since 2015. The growing supply of office space in the West Loop submarket is further evidenced by 5.0 million sf of office space built from 2016 to 2020, according to Reis. As a result of the area's commercial transformation, its residential landscape has simultaneously blossomed with new multifamily developments.

The City West multifamily submarket has experienced considerable growth over the past five years, with 6,971 units constructed from 2016 to 2020, according to Reis, representing 28.4% of the submarket's 2015 inventory of 24,496 units. The new construction over that period had good absorption, with a construction absorption ratio of 1.0:1.0 compared with the Chicago Metro submarket's construction/absorption ratio of 1.3:1.0. Reis forecasts the inventory growth to continue through the fully extended loan term, with 1,364 new units in 2021, 952 new units in 2022, and 783 new units in 2023. However, Reis forecasts the new construction will be absorbed at a much slower rate with a construction/absorption ratio of 1.7:1.0 from 2021 to 2025. As a result, the submarket's vacancy is likely to increase to 9.4% in 2025 from 6.2% as of Q1 2021. Further discussed below, DBRS Morningstar believes that the collateral's superior quality mitigates the forecast increase in submarket vacancy and that the DBRS Morningstar assumed economic vacancy of 8.9% adequately accounts for a potential increase.

The property recently stabilized after more than two years of lease-up, going to 92.3% occupied as of July 9, 2021, from 82.3% occupied in May 2021. The building's large unit count and the coronavirus pandemic contributed to the rather long stabilization period, and DBRS Morningstar views the property's outlook favorably in the future now that it has achieved a stabilized occupancy and phases out concessions. Specifically, DBRS Morningstar considers the quality of the asset to be atop that of other recently developed multifamily assets in the West Loop area and analyzed the loan with Excellent property quality based on its site inspection. The property's superior quality is also evident in its average monthly rent of $2,948 per unit as of the July 9, 2021, rent roll, which is notably higher than the City

West submarket average monthly rent of $2,619 per unit for Class A assets as of Q1 2021, according to Reis. While Reis forecasts 3,099 units of new supply and vacancy to drift upward to 9.5% at the fully extended loan term in 2024, DBRS Morningstar views the property as stabilized and expects that its outstanding quality will help maintain its performance atop of the submarket. In addition, gaining approvals to build a multifamily property anywhere near this tall in the West Loop in the future will be challenging, as many developments are 20 stories or less. This should make the building's commanding views a differentiating factor in the neighborhood.

The loan demonstrates relatively high leverage, with DBRS Morningstar Issuance and Balloon LTVs of 74.5% and 73.9%, respectively. Additionally, while the loan amount per unit of nearly $400,000 is very high for Chicago, it reflects of the subject's position at the top of the market in a very desirable location within the city. Given the property is recently stabilized and the loan is more than two years old with an initial maturity approaching in June 2022, DBRS Morningstar deems it likely that the borrower will refinance the loan with long-term financing in the relative near term. Lastly, DBRS Morningstar's concerns with the property being in MSA Group 1, reflecting the MSA's historically high default rates, are mitigated by its position in a DBRS Morningstar Market Rank of 7, which indicates a liquid and urban market with lower historical default rates.

The Sur

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
70.0
Senior Loan PSF/Unit ($)
393,858
Percentage of the Pool (%)
7.0
Fully Extended Loan Maturity/ARD
October 2025
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.00
DBRS Morningstar Stabilized DSCR (x)
1.17
DBRS Morningstar As-Is Issuance LTV (%)
75.8
DBRS Morningstar Stabilized Balloon LTV (%)
67.5
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
70.0
Pari Passu
71.8
Remaining Future Funding
0.0
Mezz Debt
0.0
Mortgage Loan Including Future Funding and Mezz Debt
141.8
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(45.9)

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2020
City, State	Arlington, VA	**Physical Occupancy (%)**	20.3
Units/SF	360	**Physical Occupancy Date**	March 2021

This loan is secured by the borrower's fee-simple interest in The Sur, a Class A, high-rise, 360-unit multifamily property approximately 4.8 miles southwest of downtown Washington, D.C. The collateral was delivered in 2020 and has been preleasing since Q2 2020. Initial proceeds of $136.9 million refinanced $75.2 million of debt previously encumbering the property; returned $45.9 million to a preferred equity holder; and covered $5.1 million in closing and carrying costs. The loan was originally structured with an $5.8 million future funding component, which was scheduled to fund a carrying costs reserve; however, only $3,308 remain. Of the $141.8 million fully funded whole loan, $70.0 million will be contributed to the KREF 2021-FL2 trust. The five-year, floating-rate loan is full-term IO.

The collateral comprises of one high-rise building on 1.66 acres of land. The subject's unit mix includes 13 studio units, 176 one-bedroom units, 149 two-bedroom units, and 22 three-bedroom units averaging 557 sf, 793 sf, 1,179 sf, and 1,414 sf, respectively. Property wide amenities include a fitness center, yoga studio, rooftop lounge, conference center, and pet spa. Unit amenities include in-unit washers and dryers, quartz countertops, panoramic windows, and stainless steel kitchen appliances. The property additionally features 469 parking spaces, representing an aggregate parking ratio of 1.3 spaces per unit.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Unit Size (SF)
The Clark	Arlington, VA	0.1	342	2020	47.1	850
Acadia at Metropolitan Park	Arlington, VA	1.7	411	2015	87.1	960
The Witmer	Arlington, VA	1.7	440	2019	93.6	931
The Bartlett	Arlington, VA	1.6	669	2016	83.3	826
Altaire	Arlington, VA	1.6	451	2018	96.7	1,059
Total/Wtd. Avg. Comp. Set	**Arlington, VA**	**Various**	**2,313**	**Various**	**83.2**	**919**
The Sur - Subject		**n/a**	**360**	**2020**	**20.3**	**982**

Source: Appraisal, except the Subject figures are based on the rent roll dated month 03, 2021

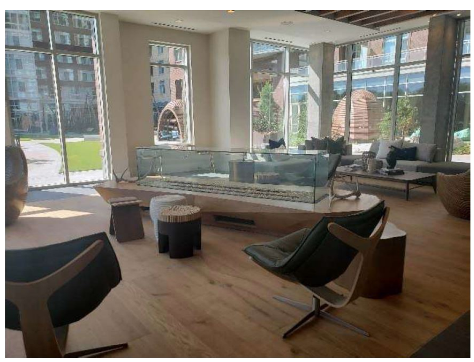
Sponsorship

The sponsor is Erkiletian Development Company, a vertically-integrated real estate investment company focused on Northern Virginia and Washington. Founded in the 1960s, the family-owned business manages a portfolio of over 8,000 residential units, 2.0 million sf of office space, and 1.0 million sf of commercial retail space in the Washington metro area.

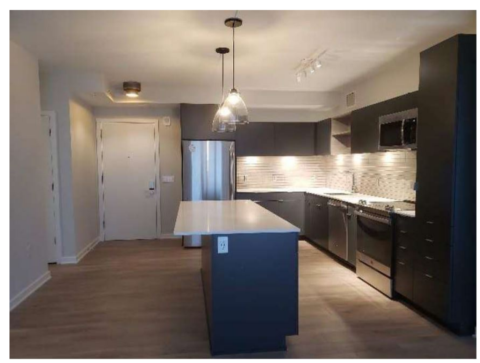
The property is managed by a borrower-affiliate company accepting a fee of 2.75% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary



Source: Appraisal.



Source: Appraisal.

DBRS Morningstar did not conduct interior or exterior photos of the property due to the 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 Above Average.

DBRS Morningstar NCF Summary

NCF Analysis				
	2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	3,301,863	13,173,621	12,666,900	-3.8
Other Income ($)	39,562	1,637,809	1,415,771	-13.6
Vacancy & Concessions ($)	-3,256,380	-790,417	-1,199,206	51.7
EGI ($)	**85,045**	**14,021,012**	**12,883,465**	**-8.1**
Expenses ($)	-444,909	-4,397,442	-4,755,728	8.1
NOI ($)	**-359,864**	**9,623,570**	**8,127,736**	**-15.5**
Capex ($)	-995	-90,000	-196,939	118.8
NCF ($)	**-360,859**	**9,533,570**	**7,930,797**	**-16.8**

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 $7,930,797, representing a -16.8% variance from the Issuer's NCF of $9,533,570. The primary driver for the variance was the DBRS Morningstar GPR, economic vacancy, and operating expense assumptions. DBRS Morningstar assumed GPR based on the rent roll provided for May 2021, with vacant units grossed up to the appraiser's stabilized market rent assumptions. DBRS Morningstar assumed a total economic vacancy of 9.0%, consisting of a 6.1% residential vacancy in line with Reis submarket forecasts and a 2.9% concession rate in line with the one-month free rent concession currently in place at the property.

DBRS Morningstar Viewpoint

The collateral is well located within the city of Arlington, Virginia, and is surrounded by numerous demand drivers, including Amazon's future HQ2 (1.1 miles away) and the Virginia Tech Innovation Campus (0.6 miles away). The property is one block away from a bus stop that provides direct access to the Crystal City Metro Station, while also in close proximity to the Reagan National Airport. Based on the collateral's exceptional location, it received a DBRS Morningstar Viewpoint Market Rank of 5 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 3,425 units of competitive apartment stock will be introduced to the market. During 2022 and 2023, developers are expected to deliver an additional 3,508 market rate rental apartments to the submarket. The market vacancy rate is predicted to finish at 5.9% by year-end 2023 while monthly asking rents are anticipated to finish 2023 at $1,946.

The sponsor's business plan is to lease up the property to stabilization and burn off concessions, which are currently marketed as one month free to drive leasing velocity. The property is exhibiting a leasing velocity of approximately 20 units per month and, once stabilized, the sponsor intends to refinance the loan with more permanent debt financing.

Whole-loan proceeds of $141.8 million represent a moderately high LTV ratio of 75.8%. The appraiser estimates the value of the collateral to improve to $210.0 million through stabilization, representing an improved LTV ratio of 67.5%. The DBRS Morningstar Stabilized NCF represents a relatively low DSCR of 1.17x based on the DBRS Morningstar stressed annual debt service payment of $6.8 million, providing a minimal cash flow buffer to support ongoing debt service maintenance in the event of a market downturn. Fortunately, the DBRS Morningstar NCF represents a breakeven vacancy rate of approximately 15.0% compared with the Reis annual submarket average of 5.8% over the five-year period ended 2025. Additionally, the property's construction quality is at the high end of the rental submarket and features several luxury finishes. The superior amenity offering coupled with the property's ideal location within Arlington should put it in a position to attract prospective tenants for years to come.

The Edison

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
67.5
Senior Loan PSF/Unit ($)
191,218
Percentage of the Pool (%)
6.8
Fully Extended Loan Maturity/ARD
September 2024
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.63
DBRS Morningstar Stabilized DSCR (x)
0.64
DBRS Morningstar As-Is Issuance LTV (%)
74.2
DBRS Morningstar Stabilized Balloon LTV (%)
73.5
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average (+)

Debt Stack ($ millions)

Trust Balance
67.5
Pari Passu
0.0
Remaining Future Funding
0.0
Mezz Debt
5.0
Mortgage Loan Including Future Funding and Mezz Debt
72.5
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(27.6)

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2020
City, State	Austin, TX	**Physical Occupancy (%)**	95.5
Units/SF	353	**Physical Occupancy Date**	July 2021

This loan is secured by the borrower's fee-simple interest in The Edison, a Class A, 353-unit multifamily property in Austin, Texas. The collateral was originally constructed by the sponsor in 2020. Loan proceeds of $67.5 million will refinance $35.4 million of existing debt, return $27.7 million to the sponsor, fund the remaining $5.0 million of contract costs, and fund an interest and carry reserve. There is no future funding component, but there is $5.0 million of mezzanine debt contributing to the transaction. The loan is IO throughout with an initial three-year term and two one-year extension options that are exercisable subject to, among other criteria, the collateral's achievement of certain DSCR and debt yield hurdles set forth in the loan agreement.

Originally completed in 2020, the collateral consists of two four-story buildings totaling 353 units. The subject was delivered in 2020, with initial lease-up commencing in January 2019. The subject's unit mix includes 103 studio units, 185 one-bedroom units, and 65 two-bedroom units, averaging 527 sf, 756 sf, and 1,112 sf, respectively. Per the rent roll dated July 15, 2021, the property's studio, one-bedroom, and two-bedroom units achieved average monthly rental rates of $1,189, $1,473, and $2,088, respectively. The overall occupancy at the property was 95.5% as of July 2021. Amenities at the property include a clubhouse, outdoor picnic and grill area, rooftop lounge, outdoor swimming pool, and fitness center. The property also includes two parking structures, totaling 228 spaces, which are connected to living and amenity spaces. Unit amenities include nine-foot ceilings, walk-in closets, in-unit washers and dryers, and balconies and/or patios.

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built	Avg. Unit Size (sf)	Occupancy
Lenox Boardwalk	0.8	339	2018	807	93.0
Lakeshore Pearl	1.1	199	2013	852	97.0
Azul Lakeshore	1.4	295	2015	775	82.0
Henley Riverside	1.6	368	2019	921	75.0
Monroe	2.0	223	2021	816	100.0
Total/WA Comp. Set	**1.4**	**1,424**	**2017**	**838**	**87.7**
The Edison	**n/a**	**354**	**2020**	**755**	**95.5**

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

Sponsorship

The sponsor for this transaction, Presidium Real Estate Investors (Presidium), is a vertically integrated real estate investment, development, and management firm. The firm was founded in Dallas in 2003 and has sourced, structured, and closed over $4.0 billion of real estate debt and equity transactions. Presidium currently has six multifamily projects, totaling 2,000 units, under construction, with 10 additional multifamily projects scheduled to break ground through 2021. The guarantors are affiliates of the firm and reported combined net worth and liquidities considered to be sufficient to warrant a credit-neutral Average sponsor strength score from DBRS Morningstar.

The property will be managed by an affiliate of Presidium for a contractual fee of 3.0% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar did not conduct interior or exterior tours of the property because 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 NCF Summary

NCF Analysis					
	2019	2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	6,875,953	6,781,201	8,115,965	6,401,700	-21.1
Other Income ($)	333,548	683,310	640,130	550,514	-14.0
Vacancy & Concessions ($)	-4,381,208	-1,415,583	-795,975	-714,893	-10.2
EGI ($)	**2,828,293**	**6,048,928**	**7,960,120**	**6,237,322**	**-21.6**
Expenses ($)	-2,892,736	-3,802,192	-3,915,258	-4,108,018	4.9
NOI ($)	**-64,443**	**2,246,736**	**4,044,862**	**2,129,304**	**-47.4**
Capex ($)	-50,435	0	-88,250	-88,500	0.3
NCF ($)	**-114,878**	**2,246,736**	**3,956,612**	**2,041,054**	**-48.4**

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 $2,041,054, representing a variance of -48.4% from the Issuer's Stabilized NCF of $3,956,612. The primary drivers of the variance are GPR, operating expenses, and real estate taxes. DBRS Morningstar concluded to a stabilized GPR based on the rent roll dated July 15, 2021, with all vacant units grossed to in-place rents, while the Issuer grew rents through stabilization. DBRS Morningstar generally based operating expenses on the sponsor's budget inflated by 3.0%, assuming stabilization in 2022, while the Issuer concluded to operating expenses generally based on the greater of 2.5% inflation over historical levels or the KKR projections. Additionally, DBRS Morningstar based real estate taxes on the 2020 historical level inflated by 6.0%, assuming stabilization in 2022. The Issuer determined real estate taxes based on the appraiser's estimate.

DBRS Morningstar Viewpoint

The collateral consists of a newly constructed, 354-unit apartment complex in the East Riverside area of Austin. The area is generally characterized by new office, retail, and multifamily developments. The property benefits from immediate access to I-35, TX-71, and U.S. Route 183, which provide connectivity to downtown Austin and Austin-Bergstrom International Airport. The property is positioned near several Fortune 500 office buildings including Oracle, Facebook, and Intel and is in close proximity to a Google office. Tesla is in the process of building a 5 million-sf campus within 10 miles of the subject and has plans to employ 5,000 people. Per various reports, other companies such as Dell, Apple, Whole Foods, and Canva have announced their intentions to expand into the Austin market. The subject's proximity to these large employers is tailored to suit the young professionals that Austin is attracting.

The property was delivered in 2020 and initial lease-up commenced in January 2019. The property achieved a stabilized occupancy of 94.8% in early 2020 and, as of the rent roll dated July 15, 2021, was 95.5% occupied with WA monthly rents of $1,507 per unit. The property was offering concessions of one-half to two months of free rent throughout 2020, which is typical of the submarket average of approximately 0.88 months free rent, according to Reis. Upon stabilization, DBRS Morningstar accounted for similar concessions of 0.88 months free, with a 50.0% renewal probability. The property is currently well occupied at 95.5%, and DBRS Morningstar concluded to a stabilized occupancy of 94.1%, in line with the Reis submarket average through 2026 and closer to the occupancy the property achieved in early 2020.

The subject is in the Southeast Austin submarket, according to Reis. This submarket has benefited from the growth that the greater Austin MSA has seen over the past 10 years, with asking rents growing by an annual average of 4.1% compared with the national average of 3.4%, per Reis. The submarket experienced an average vacancy rate of 5.1% over the same time frame. As of Q1 2021, the submarket's average monthly rent of $1,162 is considerably lower than the subject's average of $1,507. However, the collateral's higher rent is supported by the submarket's average monthly rent of $1,524 per unit for properties built between 2010 and 2019. Reis projects that 1,281 units will be delivered by the end of 2021, representing 5.9% of the current submarket inventory. While only 3.0% of the submarket's inventory was constructed after 2019, 32.0% was constructed between 2010 and 2019. As new deliveries enter the market, vacancy is expected to average 5.9% through 2026.

Loan proceeds of $67.5 million represent an elevated LTV of 73.5%, based on the appraiser's stabilized value of $91.8 million. At deal closing, the sponsor will have $8.0 million of equity remaining, based on the sponsor's estimated cost basis of $80.5 million. The DBRS Morningstar As-Is and Stabilized DSCRs of 0.63x and 0.64x, respectively, are concerningly low especially since the sponsor only has $500,121 remaining in a carry reserve. Assuming the DBRS Morningstar As-Is NCF, the sponsor's carry reserve will be sufficient to cover loan obligations for only 4.9 months. The loan has a hard lockbox and active cash management in place at closing, and all excess cash flow will be swept into an account managed by the lender as long as the DSCR is below 1.15x, among other criteria set forth in the loan agreement.

9th & Colorado

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
66.0
Senior Loan PSF/Unit ($)
332
Percentage of the Pool (%)
6.6
Fully Extended Loan Maturity/ARD
September 2024
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.97
DBRS Morningstar Stabilized DSCR (x)
1.22
DBRS Morningstar As-Is Issuance LTV (%)
78.7
DBRS Morningstar Stabilized Balloon LTV (%)
75.7
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
66.0
Pari Passu
111.1
Remaining Future Funding
7.9
Mezz Debt
0.0
Mortgage Loan Including Future Funding and Mezz Debt
185.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(31.9)

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2018-2021
City, State	Denver, CO	**Physical Occupancy (%)**	80.0
Units/SF	594	**Physical Occupancy Date**	May 2021

This loan is secured by the borrower's fee-simple interest in two adjacent multifamily mid-rises totaling 594 units, two single-story retail buildings totaling 81,072 sf, and a 1,064-space parking garage in the Cherry Creek/Hilltop neighborhood of Denver. The four land parcels underlying the collateral were acquired by the transaction sponsor in January 2015 for a reported purchase price of $31.5 million. Following the acquisition, the sponsor subsequently developed the retail and residential improvements comprising the collateral, delivering the properties in phases between 2018 and 2021 for an all-in reported cost basis of $236.6 million. Initial loan proceeds of $127.2 million refinanced $91.0 million of existing debt on the property, returned $31.9 million of cash equity to the transaction sponsor, and covered $4.0 million of closing costs associated with the transaction. The loan permits for up to $57.8 million in additional future funding, which is scheduled to provide financing for $38.6 million in outstanding construction costs associated with the completion of the collateral. fund a $15.0 million completion holdback, and provide for $4.2 million in interest reserves. The three-year, floating-rate loan is structured with two one-year extension options that are exercisable subject to, among other criteria, the collateral's satisfaction of certain debt yield, DSCR, and LTV hurdles set forth in the initial loan agreement. The loan is full-term IO and represents an 55.9% LTV ratio based on the as-is appraised value estimate of $331.0 million. The appraiser estimates the value of the collateral to improve to $341.3 million through stabilization, representing an improved LTV ratio of 54.2%. The DBRS Morningstar As-Is and Stabilized LTVs of 78.7% and 75.7%, respectively, reflect a DBRS Morningstar modeling adjustment to increase the implied cap rate of the property from 3.7% to 5.2%, The collateral comprises four assets within the 12-parcel, 26-acre master-planned development commonly referred to as 9th & Colorado. Once complete, the greater master-planned development will include multifamily assets, residential condos and townhomes, office space, senior housing, a variety of retail and food and beverage offerings, an AMC theater, and a public park. The collateral consists of Milo Apartments (a 319-unit, 7-story multifamily mid-rise), Theo Apartments (a 275-unit, 9-story multifamily mid-rise), Block 8 (consisting of a public park and two single-story retail buildings), and a 1,064-space parking garage. As part of this transaction, the sponsor plans to complete the tenant buildout of Block 8 (expected to open in September of 2021) and continue to lease-up and stabilize the Theo and Milo Apartments. At the time of securitization, the collateral's residential components were completed and had achieved a total occupancy in excess of 90.0%, while the collateral's retail and parking components were continuing to undergo the final stages of their development. Both Milo and Theo Apartments feature an abundance of separate amenity offerings including luxury business centers with complimentary WiFi, computer stations, and printers; resident lounges with entertaining kitchens, fire places, and televisions; 24-hour fitness centers with flex-yoga studios; outdoor lounge areas with fire pits and grilling stations; and resort-style swimming pools that remain open and heated year-round. Unit amenities across both Milo and Theo apartments generally include wood-flooring, stainless steel kitchen appliances, and in-unit washer/dryer units.

Sponsorship

The sponsors for this transaction are CIM Group, L.P. (Limited Partner and 95.0% equity investor) and Continuum Partners, LLC (General Partner and 5.0% equity investor). CIM Group is a privately-held real estate and infrastructure owner, operator, and lender that has led more than $60.0 billion of projects across the Americas since inception in 1994. CIM Group invests on behalf of sovereign wealth funds, public and corporate pensions, insurance companies, and a variety of other investors with strategies spanning opportunistic, value-add and stabilized real estate debt, and equity investment vehicles. Continuum Partners is a Denver-based development firm founded in 1997 and specializing in urban, mixed-use, large-scale projects. Continuum Partners and its affiliates have developed more than $2.0 billion of real estate projects across Colorado, New York, Massachusetts, Connecticut, Michigan, Arizona, New Hampshire, North Carolina, and Florida, including the redevelopment of the Denver Union Station transportation hub. The guarantors for this transaction are CIM Fund VIII, LLC, and CIM Fund VIII (Parallel 1 LLC). The guarantors are required to maintain a minimum net worth and liquidity of $75.0 million and $15.0 million, respectively.

Property management services for the collateral's residential and retail components are provided by Gables Residential Services, Inc., and Continuum Property Management Company, LLC, respectively. Gables Residential Services, Inc., is a third-party management company while Continuum Property Management Company is an affiliate of the sponsor. The contractual management fee for both the residential and retail components is equal to 3.0% of the collateral's EGI.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar did not conduct interior or exterior tours of the property due to 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 Above Average.

DBRS Morningstar NCF Summary

NCF Analysis				
	2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	14,247,889	14,353,552	14,038,620	-2.2
Other Income ($)	1,803,772	4,353,395	4,967,371	14.1
Vacancy & Concessions ($)	-8,362,951	-900,069	-1,109,051	23.2
EGI ($)	**7,688,710**	**17,806,878**	**17,896,940**	**0.5**
Expenses ($)	-4,246,839	-5,037,024	-6,441,303	27.9
NOI ($)	**3,441,871**	**12,769,854**	**11,455,637**	**-10.3**
Capex ($)	0	-168,091	-338,599	101.4
NCF ($)	**3,441,871**	**12,601,762**	**11,117,038**	**-11.8**

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 $11,117,038, representing a -11.8% variance from the Issuer's Stabilized NCF of $12,601,762. The primary drivers of the variance included residential gross potential rent, vacancy and concessions, real estate taxes, operating expenses, and leasing costs.

DBRS Morningstar generally estimated residential gross potential rent based on the leases in place per the June 2021 rent roll provided in the appraisal with vacant units grossed-up to the average of rates achieved by similar unit types, resulting in a monthly rent per unit of approximately $1,970 compared with the Issuer's estimated monthly rent per unit of approximately $2,014. DBRS Morningstar generally estimated vacancy based on the Reis forecast submarket average of 5.9% for the five-year period ending December 31, 2021, while the Issuer generally estimated a 5.0% residential vacancy loss based on the appraisal. DBRS Morningstar estimated concessions equal to 2.0% of EGI based on the appraiser's stabilized estimate, while the issuer estimated zero concessions, assuming that concessions burn-off through stabilization. DBRS Morningstar generally estimated real estate taxes, insurance, and operating expenses based on the appraiser's stabilized estimate, resulting in an aggregate operating expense ratio of 36.0% compared with the issuer's estimated operating expense ratio of 28.3% and the Reis submarket average multifamily expense ratio of 40.5% as of Q1 2021. DBRS Morningstar lastly estimated commercial leasing costs based on a blend of appraisal estimates and DBRS Morningstar internal competitive set date, resulting in total leasing costs of $2.94 per commercial square foot. The issuer did not apply leasing costs as part of its analysis.

DBRS Morningstar Viewpoint

The collateral is generally well-located within an affluent and growing neighborhood of Denver, that has a relatively high appraisal-reported average household income of $135,944 within a 1.0 mile radius of the collateral. The collateral's location provides favorable proximity to the Downtown Denver CBD (approximately 3.6 miles west) and to the Cherry Creek Shopping District (approximately 1.5 miles south). The collateral is also close to several local thoroughfares including Colorado Boulevard and Colfax Avenue, providing convenient accessibility. It is in an area with a DBRS Morningstar market rank of 4 and a DBRS Morningstar MSA rank of 2, which generally reflects a moderately dense suburban location within an MSA that has historically demonstrated below-average loan default frequencies fueled by more favorable liquidity from increased investor demand.

Despite receiving a DBRS Morningstar market rank that suggests suburban density, the collateral's location is undoubtedly considered to be an affluent extension of Denver and a favorable destination for local residents, with a Reis average submarket vacancy rate of just 5.5% exhibited over the five-year period ended December 31, 2020. Properties of similar vintage to the collateral within the same market exhibited a relatively high average rent of $2,400, further indicating the strong affluent demand for multifamily product within the collateral's vicinity. While multifamily development throughout Denver and the collateral's submarket has been exceptionally strong in the past five years, with Reis forecasting nearly 500 additional units to be delivered in the collateral's submarket over the five-year period ending December 31, 2026, the collateral's recent vintage and superior amenities offerings earned a DBRS Morningstar property quality score of Above Average, which should allow the collateral to maintain a competitive market position.

Whole loan proceeds of $185.0 million represent an LTV ratio of 55.9% based on the as-is appraised value estimate of $331.0 million. The appraiser estimates the value of the collateral to improve to $341.3 million through stabilization, representing an improved LTV ratio of 54.2%. The DBRS Morningstar As-Is and Stabilized LTVs of 78.7% and 75.7%, respectively, reflect a DBRS Morningstar modeling adjustment to increase the implied cap rate of the property from 3.7% to 5.2%, which is generally more in line with DBRS Morningstar identified comparable multifamily properties in the vicinity of the collateral. The DBRS Morningstar Stabilized NCF represents a relatively low DSCR of 1.22x based on the DBRS Morningstar stressed annual debt service payment, providing minimal excess cash flow to support ongoing debt service maintenance in the event of a market downturn. However, the DBRS Morningstar Stabilized NCF represents a breakeven residential vacancy rate of 20.4% compared with the Reis annual submarket average of 5.9% forecast over the five-year period ending December 31, 2026. Additionally, the transaction benefits from well-capitalized and locally experienced sponsorship in both CIM Group and Continuum Partners. While the loan is scheduled to return up to $47.1 million of cash equity to the transaction sponsor through stabilization, the borrower is scheduled to retain $59.9 million of cash equity remaining in the transaction, demonstrating a continued capital commitment to the collateral's ongoing performance.

FiveTwo at Highland

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
51.5
Senior Loan PSF/Unit ($)
205,128
Percentage of the Pool (%)
5.2
Fully Extended Loan Maturity/ARD
December 2024
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.57
DBRS Morningstar Stabilized DSCR (x)
0.97
DBRS Morningstar As-Is Issuance LTV (%)
79.1
DBRS Morningstar Stabilized Balloon LTV (%)
73.3
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average (+)

Debt Stack ($ millions)

Trust Balance
51.5
Pari Passu
27.1
Remaining Future Funding
1.4
Mezz Debt
0.0
Mortgage Loan Including Future Funding and Mezz Debt
80.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(26.0)

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2020
City, State	Austin, TX	**Physical Occupancy (%)**	80.8
Units/SF	390	**Physical Occupancy Date**	March 2021

The loan is secured by the borrower's fee-simple interest in FiveTwo at Highland, a Class A, 390-unit mid-rise multifamily complex approximately five miles northeast of downtown Austin, Texas. The property was developed by the sponsor in 2019 for $89.2 million and received its temporary certificate of occupancy in October of that year. Initial loan proceeds of $78.0 million will facilitate the refinance of the borrower's $48.0 million construction loan, return $26.0 million in borrower equity, and fund closing costs. The loan is structured with a $2.0 million future funding component earmarked for a $600,000 interest carry reserve and a $1.4 million TI/LC reserve dedicated to the continued lease-up of the collateral's 27,257 sf of ground-floor retail. The three-year, fully IO loan is structured with one one-year extension option.

The collateral comprises two four-story buildings, offering a unit mix of 57 studio units, 206 one-bedroom units, 125 two-bedroom units, and 2 three-bedroom units, averaging 618 sf, 737 sf, 1,148 sf, and 1,785 sf, respectively. Per the rent roll dated March 26, 2021, the property's multifamily component was 80.8% leased and its studio, one-bedroom, two-bedroom, and three-bedroom units achieved monthly rental rates of $1,207, $1,688, $2,284, and $2,775, respectively. Unit amenities include luxury finishes with in-unit washers and dryers, quartz countertops, and stainless steel appliances. Common area amenities include two pools and courtyards, a theater, conference rooms, co-working space, a group kitchen, a fitness center, a yoga studio, and lounges. The property includes 713 parking spaces and 27,257 sf of ground-floor retail space, which was 59.1% leased as of the rent roll dated March 26, 2021.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/Renovated	Occupancy (%)	Avg. Unit Size (sf)
West Koenig Flats	Austin, TX	0.8	210	2015	91.4	801
Burnet Flats	Austin, TX	2.1	179	2014	92.2	796
Elan Parkside	Austin, TX	0.3	309	2017	86.1	858
Echo	Austin, TX	2.3	274	2014	90.2	934
Camden Lamar Heights	Austin, TX	1.3	314	2014	96.2	987
Flora	Austin, TX	0.8	194	2019	95.9	634
Total/WA Comp. Set	**Austin, TX**	**Various**	**1,480**	**Various**	**91.8**	**854**
FiveTwo at Highland	**Austin, TX**	**n/a**	**390**	**2020**	**80.8**	**855**

Source: Appraisal, except the subject figures are based on the rent roll dated March 26, 2021.

Sponsorship

The sponsors for the transaction are PIMCO and Greystar. Greystar, which will serve as the carveout guarantor for the loan, is a global leader in rental housing with $32.0 billion in assets under management and more than 713,000 multifamily units across the United States under management. Greystar has experience in the Austin market as it is the owner of Elan Parkside, an asset adjacent to the subject property. PIMCO is one of the largest investment managers, managing more than $2.21 trillion in assets. The firm’s commercial real estate platform has more than $7.0 billion of capital invested through private equity vehicles, with an additional $35.0 billion invested through CMBS and REIT debt. The property is managed by Greystar for a contractual rate of 3.0% of EGI.

Per the loan agreement, the borrower and guarantor are not liable under the loan for intentional misconduct. DBRS Morningstar deemed this to be a weakness of the loan structure and applied a POD penalty to the loan.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar did not conduct interior or exterior tours of the property because 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 (+).

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar NCF Summary

NCF Analysis			
	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	8,496,794	8,447,794	-0.6
Other Income ($)	1,175,263	860,321	-26.8
Vacancy & Concessions ($)	-573,239	-1,091,333	90.4
EGI ($)	**9,098,817**	**8,216,782**	**-9.7**
Expenses ($)	-3,885,593	-4,091,856	5.3
NOI ($)	**5,213,224**	**4,124,926**	**-20.9**
Capex ($)	-97,500	-179,576	84.2
NCF ($)	**5,115,724**	**3,945,350**	**-22.9**

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 $3,945,350, representing a variance of -22.9% from the Issuer's stabilized NCF of $5,115,724. The primary drivers of the variance included vacancy, concessions, commercial income, and other income. DBRS Morningstar concluded to an 8.25% vacancy rate based on the Reis projected vacancy rate average through the loan's term. By contrast, the Issuer concluded to a 6.0% vacancy rate based on the appraiser's assumptions. DBRS Morningstar concluded to a one-month concession based on Reis submarket data, but the Issuer did not include any concessions in its analysis. DBRS Morningstar concluded to commercial income based on the commercial rent roll dated March 26, 2021, with vacant space grossed up to in-place rents, and assumed a 10% vacancy factor. The variance between commercial and other income items is a result of a 2.5% annual growth factor assumed by the Issuer.

DBRS Morningstar Viewpoint

The subject's immediate location provides access to growing local demand drivers and major roadways. The collateral is adjacent to Austin Community College: Highland Campus and is a half-mile from the intersection of U.S. Route 290 and I-35. I-35 provides direct access to the Austin CBD via a short 10-minute drive. Austin Community College: Highland Campus is the college's largest campus in Austin and is still expanding its presence at the location. The Highland campus offers classes in dance, drama, and jewelry design and is home to the Texas A&M-Chevron Engineering Academy and the Austin Community College Bioscience Incubator. The college is currently expanding its Highland presence via a Phase 2 development that will add an additional 415,000 sf to house the college's IMPACT Lab. The lab will function as an advanced manufacturing incubator, health sciences simulation center, multimedia art gallery, and culinary arts center, with a restaurant operated by students and staff. Additional classes in computer science, information technology, architectural/computer-aided design, and others will be taught at the new location. The complex is nearly complete and classes began in the spring semester of 2021. While this campus is considered a large local demand driver, the subject property was not designed as student housing, and, according to the sponsor, less than 5% of tenants are students at the college.

Given the property's delivery in late 2020, the sponsor's business plan is to continue lease-up of the multifamily and retail components and sell the property at loan maturity. DBRS Morningstar feels the plan is reasonable given that the property's location will continue to drive demand to the subject and given that Reis submarket statistics are generally supportive of the property's continued lease-up. Per the rent roll dated March 26, 2021, the property's residential component was 80.8% occupied and the ground-floor retail component was 59.1% leased. Through the loan's final maturity in December 2024, Reis projects the completion of 1,732 multifamily units in Austin's Central submarket, though the new supply is expected to be met with adequate absorption. Forecast vacancy rates are expected to decline 10 basis points to 7.8% in 2024 from the May 2021 vacancy rate of 7.9%. The sponsor notes that the property has experienced strong demand in recent months, leasing an average of 22 units per month since the loan's close in November 2020. DBRS Morningstar believes the loan's $1.4 million TI/LC reserve is sufficient to facilitate the continued lease-up of the retail portion as it represents more than $100 psf on the vacant space, allowing for substantial TI allowances. As the property is across the street from the expanding Austin Community College: Highland Campus, demand for both the property's residential and retail components should be strong, and the retail space is already more than 50% occupied by tenants paying approximately $30 psf.

The loan is facilitating a very large-cash out of borrower equity of $26.0 million and, based on the borrower's reported cost basis of $91.5 million, the sponsor will retain only $14.2 million of cash equity at closing. Beyond the high LTC ratio in excess of 85%, the loan's leverage is relatively high based on the as-is and stabilized appraised values, with DBRS Morningstar As-Is and Stabilized LTVs of 79.1% and 73.3%, respectively. This represents a leverage level with higher-than-average historical default rates. Additionally, the fully funded loan amount per unit of $205,128 is higher than most other securitized multifamily loans within a 1.5-mile radius of the subject property and is only matched by another high-leverage bridge loan secured by a recent build. Despite the higher leverage, the collateral's good location in an MSA with deep investor demand resulted in the loan's expected loss being modeled below the pool average.

Alesio Urban Center

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
50.0
Senior Loan PSF/Unit ($)
129,515
Percentage of the Pool (%)
5.0
Fully Extended Loan Maturity/ARD
May 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.83
DBRS Morningstar Stabilized DSCR (x)
1.17
DBRS Morningstar As-Is Issuance LTV (%)
78.4
DBRS Morningstar Stabilized Balloon LTV (%)
67.2
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average (+)

Debt Stack ($ millions)

Trust Balance
50.0
Pari Passu
55.0
Remaining Future Funding
12.6
Mezz Debt
0.0
Mortgage Loan Including Future Funding and Mezz Debt
117.6
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
48.2


Source: Appraisal.


Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1987-1996
City, State	Irving, TX	**Physical Occupancy (%)**	87.2
Units/sf	908	**Physical Occupancy Date**	April 2021

This loan is secured by the borrower's fee interest in Alesio Urban Center, a 908-unit multifamily complex in Irving, Texas. The $105.0 million initially funded loan closed in April 2021 and funded the acquisition of the asset. The borrower used $48.2 million to help fund the acquisition of the asset at a purchase price of $146.3 million, fund upfront reserves and cover closing costs. The loan allowed for future funding in the amount of $12.6 million for the sponsor's capital improvement plan to renovate units and fix deferred maintenance. The loan is fully IO throughout with an initial three-year term and two one-year extension options that are exercisable subject to, among other criteria, the collateral's achievement of certain DSCR and debt yield hurdles set forth in the loan agreement.

Built in two phases in 1987 and 1996, the property consists of 908 units, 55,496 sf of commercial space, and a two-level parking garage. As of the rent roll dated April 9, 2021, the residential component was 92.5% occupied with an average monthly in-place rent of $1,253 per unit. The building's unit mix consists of 23 studio units (721 sf), 558 one-bedroom units (744 sf), 323 two-bedroom units (1,074 sf), and four three-bedroom units (2,088 sf). The building also has 55,496 sf of ground-floor commercial space, of which 9,536 sf is reserved for the property's amenity space. The remaining 45,960 sf is currently 53.9% occupied by 11 ground-floor retail tenants.

Unit Mix and Rents - Alesio Urban Center				
Unit Type	**Units**	**Avg. Unit Size (sf)**	**Rent/Month ($)**	**Reis Comp. Rent/Month ($)**
Studio	23	721	1,070	882
1 Bedroom	558	744	1,115	1,402
2 Bedroom	323	1,074	1,518	1,553
3 Bedroom	4	2,088	3,059	3,652
Total/WA	**908**	**867**	**1,266**	**1,452**

Sources: April 9, 2021 rent roll & Reis.

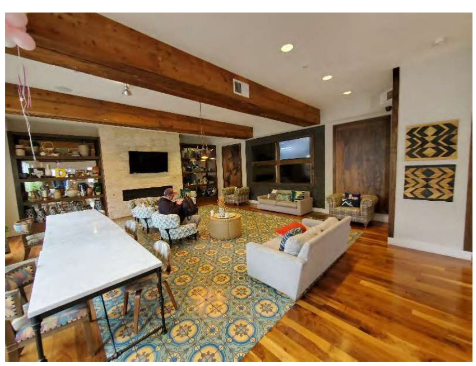
Sponsorship

The key sponsor for the transaction is Harbor Group International (HGI), a global real estate investment firm that owns and manages more than 250 assets, including 45,000 multifamily units and 4.9 million sf of commercial real estate. The firm owns and manages approximately 4,000 multifamily units in the Dallas metro and is acquiring the asset through its fund, HGGP Capital XIV, alongside nine individual 1031 investors through a TIC structure under common control. The guarantors on the transaction are a series of six funds managed by Harbor Group. The guarantors on the transaction are required to maintain a minimum net worth and liquidity of $40.0 million and $4.0 million, respectively. With the exception of the Alesio Gardens LP TIC, the TICs are 100% owned by a third-party 1031 investor and are indirectly controlled by HGGP Capital XIV LP, a guarantor of the loan; all TICs are directly or indirectly controlled by HGI. None of the eight TICs own in excess of 10% of the property. DBRS Morningstar assessed the sponsor strength as Average in its model.

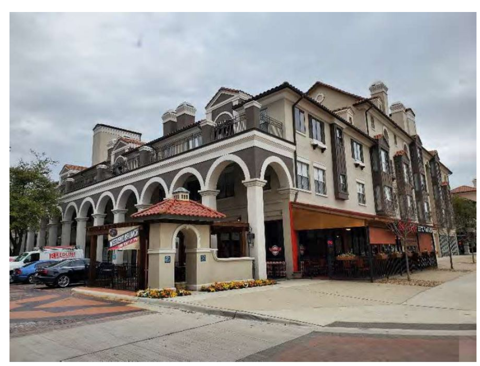
Harbor Group Management Co., a borrower-affiliated company, provides property management for a contractual fee of 2.75% of EGI. The management firm manages 116 multifamily properties across the United States.

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

	2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	14,095,323	15,573,792	15,080,935	-3.2
Other Income ($)	1,967,404	2,420,201	2,437,546	0.7
Vacancy & Concessions ($)	-2,948,784	-1,143,631	-1,391,738	21.7
EGI ($)	**13,113,944**	**16,850,362**	**16,126,743**	**-4.3**
Expenses ($)	-7,194,865	-8,709,809	-8,996,847	3.3
NOI ($)	**5,919,079**	**8,140,553**	**7,129,896**	**-12.4**
Capex ($)	-227,000	-227,000	-281,353	23.9
NCF ($)	**5,692,079**	**7,913,553**	**6,848,543**	**-13.5**

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 $6,848,543, a variance of -13.5% from the Issuer's Stabilized NCF of $7,913,553.

The primary drivers of the variance are GPR, concessions, and other income. DBRS Morningstar based GPR on the in-place rent roll as of April 9, 2021, annualized with a 15% rent premium to unrenovated units. The Issuer based GPR on the rent roll with a 2.75% annual inflation over years two to five of the loan term. DBRS Morningstar estimated concessions of 2.0% of GPR based on historical concessions at the property and supporting submarket data. The Issuer is not concluding to any concessions for the property. DBRS Morningstar based other income on the grossed up YE2020 amount net of the 6.1% vacancy rate. The Issuer estimated other income based on a $90 per month amount across 94% of occupied units.

DBRS Morningstar Viewpoint

The $105.0 million initially funded loan closed in April 2021 and, along with $48.2 million of sponsor equity, funded the purchase of the asset of $146.3 million and covered closing costs. The sponsor, HGI, purchased the property from LaSalle Investment Management and Lincoln Property Company. Built in two phases in 1987 and 1996, the property was partially renovated by the seller at a cost of $25.0 million to repair the property, upgrade the common area and amenities, and renovate 375 units. The sponsor's business plan is to spend the $12.6 million of future funding on deferred maintenance, common area and exterior upgrades, and continued renovation on units. Currently, there are 533 renovated units at the property, and the sponsor plans to upgrade 300 additional units that are either not renovated or partially renovated and lease the units up to market rent.

Renovated units at the property have achieved premiums of about 35% over unrenovated units and 15% over partially renovated units. The average monthly rent of the renovated units was $1,353/unit versus $1,054/unit for unrenovated units and $1,178/unit for partially renovated units. While the renovated units' premiums are above the Reis average of $1,234, they are within the range of comparables presented in the appraisal. This provides some confidence that the projected rents have been accepted in the market and pushback from the demand base would be limited.

The relative health of the submarket will also provide some lift to the business plan. The vacancy rate was 6.2% as of the first quarter of 2021 and Reis forecast a drop into the 4% range by 2026. While new supply forecast for the market will still be steady over the next few years, much of the new supply will be at higher price points than the subject. Las Colinas is a major employment center in the Dallas-Fort Worth Metroplex with more than 27 million sf of office space and more than 7 million sf of industrial space. The Urban Center district of Las Colinas has the largest concentration of office space in the Dallas area.

Alesio Urban Center is a large 908-unit multifamily complex with 55,496 sf of commercial space in Irving. The property is well situated on the east side of Las Colinas Boulevard, approximately 11 miles northwest of the Dallas CBD. As of the rent roll dated April 9, 2021, the residential component was 92.5% occupied with an average monthly in-place rent of $1,253 per unit. The commercial space was less well occupied, with only a 53.9% occupancy as of the rent roll. The subject is well located and benefits from its near proximity to I-635, Hwy. 114, as well as other highways and local thoroughfares that provide easy access throughout the area.

Unit amenities for renovated units include stainless-steel appliances, faux-wood flooring, tiled backsplash, upgraded lighting, in-unit washers/dryers, and private balconies or patios. The extensive common amenities at the property include five swimming pools, three clubhouses, a fitness center and yoga studio, conference rooms, a gaming room, and an outdoor grilling area. Exterior renovations at the property included upgrades to the roof, pool, fitness center, and clubhouse, as well as security upgrades. The property sits well within its surrounding area. It also has good curb appeal and desirable water frontage along Lake Carolyn. 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.

HGI is a global real estate investment firm with more than 45,000 multifamily units and 4.9 million sf of commercial real estate. The firm has extensive experience in the local area, with more than 4,000 units in the Dallas metro. Based on the loan’s as-is appraised value of $150.0 million, the loan exhibits an elevated 78.4% DBRS Morningstar Issuance LTV, which drops to a manageable 67.2% stabilized LTV when looking at the stabilized appraised value of $175.0 million. Given the loan’s credit metrics, the loan has an expected loss higher than the deal average based on the elevated leverage and location in the DBRS Morningstar MSA Group 1, which is weak. However, the property quality and recent renovations to the property should continue to attract residents, keep the property competitive with other apartment communities, and support the property greatly in the long term.

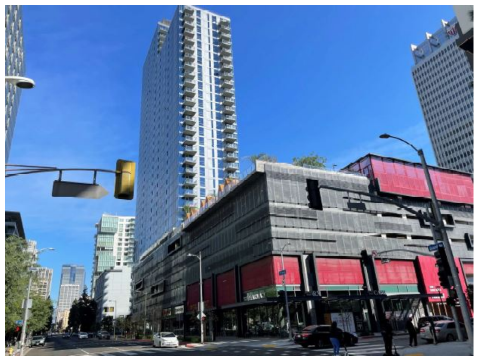
Aven

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
50.0
Senior Loan PSF/Unit ($)
485,075
Percentage of the Pool (%)
5.0
Fully Extended Loan Maturity/ARD
March 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.61
DBRS Morningstar Stabilized DSCR (x)
0.69
DBRS Morningstar As-Is Issuance LTV (%)
92.3
DBRS Morningstar Stabilized Balloon LTV (%)
90.0
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
50.0
Pari Passu
198.0
Remaining Future Funding
12.0
Mezz Debt
0.0
Mortgage Loan Including Future Funding and Mezz Debt
260.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(2.8)



Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2019
City	Los Angeles	**Physical Occupancy (%)**	93.5
Units/SF	536	**Physical Occupancy Date**	May 2021

This loan is secured by the borrower's fee-simple interest in AVEN, a 536-unit, Class A, high-rise apartment building with ground floor retail in the South Park District of downtown Los Angeles. The property was developed by the current sponsor and delivered in January 2019. Initial loan proceeds of $243.0 million, along with $17.0 million of future funding will be used to refinance $230.0 million in existing debt, pay off $7.9 million in preferred equity, cover a $15.0 million earnout, establish a 12-month carry shortfall reserve of $2.0 million, return $2.8 million of equity to the sponsor and cover closing costs. At closing, the loan was structured with a $15.0 million performance based earnout subject to a 6.5% debt yield, of which $5.0 million has been advanced as of the cutoff date, reducing the future funding remaining to $12.0 million. The four-year, floating-rate, loan is fully IO and includes one, one-year extension option.

Located three blocks southeast of the Staples Center and L.A. Live, the collateral is a 38-story high rise apartment building with 12,455 sf of ground floor retail space and 808 parking stalls. The subject's mix consists of 23 studio units, 371 one-bedroom units, 139 two-bedroom units, and three three-bedroom units averaging 460 sf, 709 sf, 1,011 sf, and 2,707 sf respectively. Per the May 2021 rent roll, the subject's studio, one-, two-, and three-bedroom units achieved average monthly rental rates of $2,051, $2,877, $4,177, and $15,290 respectively. Unit amenities feature floor-to-ceiling windows, Fisher and Paykel appliances, Bosch dishwashers, keyless Bluetooth entry, and in-unit washer/dryer systems. The subject's common amenities include a rooftop pool, a fitness center, a test kitchen, a 32nd floor Ojai deck, barbecue pits, a co-working lounge, beach volleyball and basketball courts, a dog park with washing stations, and the only urban park in the South Park area, totaling 12,000 sf of space.

The retail space was 70.8% occupied as of February 2021. The largest tenant is South Park Pharmacy, which occupies 4,029 sf. Its lease expires in December 2029. Orange Theory has 3,500 sf with a lease expiration of December 2030. A restaurant is intending to occupy a 4,926 sf suite that is scheduled in late 2021.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/Renovated	Occupancy (%)	Avg. Unit Size (SF)
Alina (APEX II)	Los Angeles	0.8	341	2019	90.5	957
Thea at Metropolis	Los Angeles	1.0	685	2020	15.0	910
Hope + Flower	Los Angeles	0.4	665	2020	69.0	799
Park Fifth	Los Angeles	1.0	347	2019	49.0	806
Atelier	Los Angeles	0.6	363	2017	91.5	838
888 Grand Hope Park	Los Angeles	0.6	525	2018	70.0	952
Circa LA	Los Angeles	0.7	648	2018	71.0	1,074
825 South Hill	Los Angeles	0.6	497	2019	90.0	887
Total/Wtd. Avg. Comp. Set	**Los Angeles**	**Various**	**4,071**	**Various**	**65.0**	**909**
AVEN	**Los Angeles**	**n/a**	**536**	**2019**	**93.5**	**786**

Source: Appraisal, except the Subject figures are based on the rent roll dated May 5, 2021

Sponsorship

The sponsorship is a joint-venture between Mack Real Estate Group, AECOM Capital, Brookfield Asset Management and Washington Capital Management Inc.. Together, the four institutional investors have extensive experience in multifamily development, specifically in downtown Los Angeles. Brookfield is the largest owner of commercial real estate in downtown Los Angeles and own numerous multifamily assets in the area. Mack Real Estate Group and AECOM acquired six acres in the South Park District in 2013 and have a long-term commitment to the neighborhood. The carveout guarantor is AECOM, WRS Advisors IV LLC, which the four members of the joint-venture own. The guarantor is required to have a minimum net worth of $100.0 million and $10.0 million in liquidity.

The property is managed by the borrower affiliated Mack Property Management West Corp for a contractual rate of 2.75% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar did not conduct interior or exterior tours of the property due to 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 Above Average.

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar NCF Summary

NCF Analysis

	March 2021 T-12	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	23,012,926	23,203,275	20,568,994	-11.4
Other Income ($)	2,388,491	3,847,526	3,103,743	-19.3
Vacancy & Concessions ($)	-10,401,244	-1,479,611	-2,851,324	92.7
EGI ($)	**15,000,172**	**25,571,190**	**20,821,413**	**-18.6**
Expenses ($)	-10,646,154	-10,415,748	-11,120,338	6.8
NOI ($)	**4,354,019**	**15,155,443**	**9,701,075**	**-36.0**
Capex ($)	-134,000	-134,000	-174,843	30.5
NCF ($)	**4,220,019**	**15,021,443**	**9,526,233**	**-36.6**

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 $9,526,233, representing a -36.6% variance from the Issuer's stabilized NCF of $15,021,443. The primary drivers of the variance included GPR, vacancy, and operating expenses.

DBRS Morningstar's GPR of $20.6 million is based on the July, 2021, rent roll with vacant units grossed to average monthly in-place rents of $3,198. By contrast, the issuer concluded to a GPR of $23.2 million based on the May 2021 rent roll, with rents increasing by 3% per year. DBRS Morningstar concluded to a 8.7% vacancy factor based on Reis submarket projections. The issuer concluded to a 5.0% vacancy factor. For operating expenses, DBRS Morningstar concluded to the T-12 operating statement dated March 2021 and applied a 3% inflation factor. The issuer concluded to the appraiser's estimates.

DBRS Morningstar Viewpoint

The loan is collateralized by a Class A, multifamily property centrally located in the South Park District of Downtown Los Angeles on the northeast corner of Grand Avenue and 12th Street, three blocks southeast of L.A. Live and the Staples Center. The South Park District is one of the fastest growing submarkets in downtown Los Angeles, providing plenty of walkable amenities to an affluent base of working professionals looking to live in a dynamic live/work/play community. Given the prime location and supply of Class A product, average rents in the Reis defined Downtown Submarket were $3,013 throughout Q1 2021; the third highest average asking rent level of the metro's thirty-seven submarkets. The subject's rents compare favorably to the broader submarket with average monthly in-place rents of

$3,177 based on the May 2021 rent roll. Also, the subject's in place occupancy of 93.5% compares favorably to the Downtown submarket's 87.2% occupancy level as of Q1 2021, per Reis.

Having been delivered to the market in December, 2018, the subject faced headwinds to lease up stemming from a heavy influx of new supply since 2015 as well as the onset of the coronavirus pandemic. Per Reis, throughout the five year period from 2015-2020, the Downtown submarket's inventory has more than doubled from 11,584 units in 2015 to 23,855 units in 2020, a 106% increase. To keep occupancy up, the sponsor cut rents by approximately 20% during the lease-up period. Additionally, the coronavirus pandemic led to elevated collection loss and concessions being offered at the property, total collection loss was 13.5% of GPR as of the T-12 ended March 2021. Thus, the sponsor's business plan is to increase occupancy to a stabilized level of 95%, burn off pandemic concessions and bad debt, and raise rents back to pre-pandemic levels. DBRS Morningstar believes that the submarket will eventually recover and the sponsor's business plan is generally achievable. However, DBRS Morningstar did assume a lower stabilized economic occupancy of 86.1% compared with the issuer's 93.6%.

The DBRS Morningstar As-Is and stabilized LTVs of 92.3% and 90.0% reflect a DBRS Morningstar modeling adjustment to increase the implied cap rate of the property from 4.1% to 5.4% to bring the subject's cap rate in-line with DBRS Morningstar identified comparable multifamily properties in the area. Additionally, the DBRS Morningstar Stabilized NCF represents a low 0.69x DSCR based on the DBRS Morningstar stressed debt annual debt service of $13.7 million. The low DSCR and high LTV portend a higher likelihood of the loan defaulting. However, the loan does benefit from a sponsor group with significant experience in the local market and considerable equity at stake in the deal. The loan is also structured with a $2.0 million carry shortfall reserve, which can be used in the event of short-term cash flow disruptions. The property in an area with a DBRS Morningstar Market Rank of 7 and a DBRS Morningstar MSA Group Rank of 3, which indicate a dense, urban market that has historically shown lower loan defaults and losses. Given these factors, the loan's expected loss is below the pool average expected loss.

The Boathouse

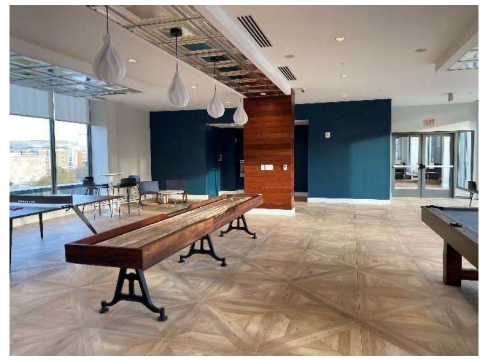
Loan Snapshot

Seller	KREF CLO Seller
Ownership Interest	Fee Simple
Trust Balance ($ million)	50.0
Senior Loan PSF/Unit ($)	276,000
Percentage of the Pool (%)	5.0
Fully Extended Loan Maturity/ARD	December 2025
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.39
DBRS Morningstar Stabilized DSCR (x)	1.25
DBRS Morningstar As-Is Issuance LTV (%)	78.5
DBRS Morningstar Stabilized Balloon LTV (%)	73.6
DBRS Morningstar Property Type	Student Housing
DBRS Morningstar Property Quality	Above Average

Debt Stack ($ millions)

Trust Balance	50.0
Pari Passu	16.2
Remaining Future Funding	2.8
Mezz Debt	0.0
Mortgage Loan Including Future Funding and Mezz Debt	69.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	(4.9)

Source: Appraisal.



Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Student Housing	**Year Built/Renovated**	1962/2020
City, State	Washington, DC	**Physical Occupancy (%)**	50.0
Units/SF	250	**Physical Occupancy Date**	April 2021

This loan is secured by the borrower's fee-simple interest in Boathouse Apartments, a Class-B, 250-unit multifamily property in Washington, D.C. The sponsor acquired the property in 2016 and recently completed a $65.8 million reconfiguration and reconstruction of the collateral. Total loan proceeds of $69.0 million will refinance $57.5 million of existing debt, return $4.9 million to the sponsor, cover closing costs, and fund reserves. The loan is IO throughout with an initial three-year term and two one-year extension options that are exercisable subject to, among other criteria, the collateral's achievement of certain DY hurdles set forth in the loan agreement.

Originally constructed in 1962, the collateral consists of a 10-story building with 250 residential units and 3,000 sf of ground floor retail space. The subject's unit mix includes 201 studios (averaging 387 sf), 18 one-bedrooms (528 sf), and 31 two-bedroom (791 sf) units. Of the 250 units, 18 are affordable units (subject to 60.0% of AMI) and 42 units are master leased to Zeus Living through March 2025. Per the April 2021 rent roll, the property's market-rate studio, one-bedroom, and two-bedroom units achieved average monthly rental rates of $2,086, $2,703, and $4,205, respectively, and the rent-controlled studio and two-bedrooms achieved average monthly rental rates of $1,057 and $1,313, respectively. There were no leased one-bedroom, rent-controlled units at the time. The overall physical occupancy at the property was 50.0% as of April 2021, with the fair market units and rent-controlled units being 51.3% and 33.3% physically occupied, respectively. Amenities at the property include a fitness center, rooftop lounge, Amazon lockers, and front desk concierge. There is a parking garage available with 44 spaces.

In-unit finishes and amenities include quartz countertops, stainless steel appliances, floor-to- ceiling windows, and washers and dryers.

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built	Avg. Unit Size (SF)	Occupancy
Legacy West End	0.8	197	2018	748	84.8
The Drake	1.4	214	2014	428	87.9
West End Residences	0.6	85	2002	788	95.3
The Bond	0.7	84	2013	567	83.3
Residences on The Avenue	0.4	335	2011	821	88.4
Total/WA Comp. Set	**0.8**	**885**	**2013**	**691**	**87.8**
Boathouse Apartments	**n/a**	**250**	**1962**	**447**	**50.0**

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

Sponsorship

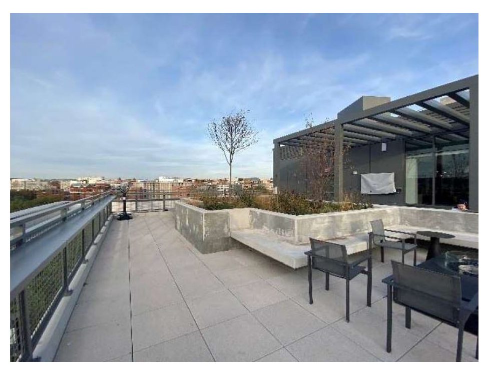
The sponsor for this transaction is a joint venture between J.P. Morgan Asset Management and Urban Investment Partners. J.P. Morgan Asset Management has over $69.0 billion of real estate assets under management, and Urban Investment Partners is a vertically-integrated real estate owner and operator that specializes in multifamily properties in the D.C. metro area. As a result of J.P. Morgan's institutional status as an investor and 90.0% participation in the transaction, DBRS Morningstar assigned the credit-positive sponsor strength of Strong. The guarantors for this transaction are affiliated with Urban Investment Partners and presented a combined net worth and liquidity of approximately $30.0 million and $2.0 million, respectively.

The property will be managed by an affiliate of the sponsor for a contractual fee of 4.0% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.



Source: Appraisal.

DBRS Morningstar did not conduct interior or exterior tours of the property due to 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 Above Average.

DBRS Morningstar NCF Summary

NCF Analysis				
	2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	5,508,712	7,325,337	7,073,881	-3.4
Other Income ($)	182,835	743,948	669,154	-10.1
Vacancy & Concessions ($)	-4,270,139	-423,547	-619,565	46.3
EGI ($)	**1,421,407**	**7,645,738**	**7,123,471**	**-6.8**
Expenses ($)	-1,826,147	-2,705,877	-2,554,900	-5.6
NOI ($)	**-404,740**	**4,939,862**	**4,568,571**	**-7.5**
Capex ($)	-62,500	-62,500	-62,500	0.0
NCF ($)	**-467,240**	**4,877,362**	**4,506,071**	**-7.6**

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 $4,506,071, representing a -7.6% variance from the Issuer's Stabilized NCF of $4,877,362. The primary drivers of the variance included GPR and operating expenses. DBRS Morningstar based the stabilized GPR on the April 2021 rent roll with all units grossed up to in-place rents, while the Issuer grew the market rate rentals year over year through stabilization. DBRS Morningstar generally based operating expenses on the 2020 historical level inflated by 6.0%, assuming two years until stabilization. The resulting DBRS Morningstar expense ratio of 35.9% is supported by the appraiser's expense comp average of 34.4%.

DBRS Morningstar Viewpoint

The collateral consists of a newly-renovated, 250-unit multifamily property in the Foggy Bottom neighborhood of Washington, D.C. The subject's neighborhood is densely urban in nature, characterized by high-rise office and apartment buildings, and received the DBRS Morningstar Market Rank of 8. DBRS Morningstar assigns a Market Rank of 8 to areas that typically exhibit dense populations, development, and investment and ultimately demonstrate lower rates of default compared to loans secured by assets in areas with a lower DBRS Market Rank. Additionally, the collateral is 0.4 miles from George Washington University and 1.5 miles from Georgetown University. As such, approximately 50.0% of tenants at the subject are students, and DBRS Morningstar elected to model the subject as student housing. The subject is also less than one mile in proximity to major employers in the area, including the U.S. Department of State, The International Monetary Fund, and the The World Bank. The collateral is conveniently located just three blocks from the Foggy Bottom-GWU Metro stop, providing access to the Washington, D.C. public transit system.

In comparison with the appraiser's comp set, the subject is the most dated but benefits from the sponsor's recently completed renovations. The renovations total $65.8 million, representing 63.3% of the appraiser's as-is value, and they position the property to be competitive with more recently constructed assets in the area. Per the April 2021 rent roll, fair-market units, affordable units, and Zeus master-leased units averaged $1,117, $2,447, and $2,619, respectively, for a weighted average of $2,358. The

Reis-identified submarket of Foggy Bottom exhibited a monthly average rent of $2,078 per unit in Q1 2021. Per Reis, 9.0% of the Foggy Bottom submarket was constructed after 2019 and properties of this vintage achieved average monthly rents of $3,569 per unit. The collateral was 50.0% occupied as of the April 2021 rent roll, and DBRS Morningstar concluded a stabilized vacancy of 6.8%. This is generally supported by the appraiser's comp set vacancy ranging between 4.7 and16.7%, recent leasing at the property, and Reis submarket data. Since closing, the sponsor has achieved leasing velocity of approximately 3.4 units per month on the fair-market units. Class A assets in the Reis-identified submarket averaged 6.8% vacancy in Q1 2021, while the total submarket was 6.3%. Additionally, Reis projects that the submarket will average 6.3% vacancy through 2026.

Loan proceeds of $69.0 million represent an elevated DBRS Morningstar As-Is LTV and Stabilized LTV of 78.5% and 73.6%, respectively. The sponsor has a reported cost basis of $105.9 million and will have $36.9 million of equity invested into the deal at closing. Although the property is still in lease-up and not yet able to cover debt service payments through current cash flow, the DBRS Morningstar Stabilized NCF represents a 1.25x DSCR.

Boston South End Life Science Campus

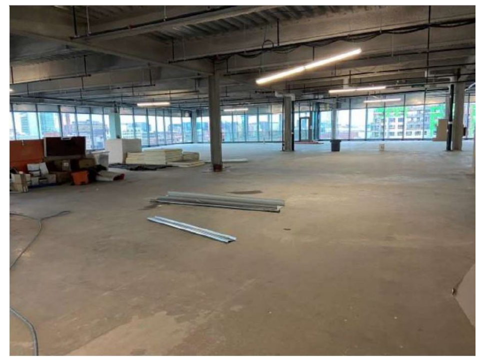
Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
50.0
Senior Loan PSF/Unit ($)
690
Percentage of the Pool (%)
5.0
Fully Extended Loan Maturity/ARD
May 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.25
DBRS Morningstar Stabilized DSCR (x)
1.02
DBRS Morningstar As-Is Issuance LTV (%)
103.2
DBRS Morningstar Stabilized Balloon LTV (%)
63.2
DBRS Morningstar Property Type
Office
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
50.0
Pari Passu
161.8
Remaining Future Funding
120.5
Mezz Debt
0.0
Mortgage Loan Including Future Funding and Mezz Debt
332.3
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
124.7

Source: Appraisal.



Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Office	**Year Built/Renovated**	1982-2021
City, State	Boston, MA	**Physical Occupancy (%)**	44.9
Units/sf	481,679	**Physical Occupancy Date**	July 2021

This loan is secured by the borrower's fee-simple interest in Boston South End Life Science Campus, a two-building, 481,679-sf office and lab property in the South End neighborhood of Boston. The sponsor acquired the buildings for a purchase price of $314.2 million. Initial loan proceeds of $211.8 million along with borrower equity of $124.7 million will fund the purchase price and cover closing costs. The loan also allows for $120.5 million of future funding allocated toward $43.4 million of future TI/LCs, $43.3 million of conversion costs, a $30.0 million holdback, $3.8 million of carry costs, and $1.5 million of capex. The loan is IO throughout with an initial three-year term and two one-year extension options that are exercisable subject to no event of default existing as of the commencement of the applicable extension term.

The collateral consists of two adjacent, 11-story office buildings totaling 481,679 sf that are collectively 44.9% occupied. The 321 Harrison building consists of 237,401 sf and is completely vacant. The building was formerly used as traditional office space, and the sponsor's business plan is to convert the building to lab space, which is expected to take 15 months with lease-up commencing in month 13. The loan's future funding component allocates $41.8 million ($175 psf) toward the conversion costs. Additionally, the future funding component will support 75.0% of future TI/LCs up to $43.4 million, while the sponsor will be responsible for the other 25.0% of future TI/LCs. The appraiser concluded a market rent of $90.00 psf for the lab space, representing a discount of approximately 10% to the Cambridge laboratory submarket WA rent of $99.46 psf for Class A buildings according the appraisal. The leases will have a NNN structure.

Originally constructed in 1982, the 1000 Washington building has 244,278 of traditional office space that is 88.6% occupied by four tenants, which pay a WA base rent of $41.10 psf. The building is anchored by the Commonwealth of Massachusetts, which occupies 152,402 sf (62.4% of building NRA) and pays a gross rent of $44.41 psf on a lease that expires in April 2025. Massachusetts Behavioral Health Partnership and Unidine Corporation, the building's second and third-largest tenants, have leases expiring in September 2023 and November 2022, respectively, resulting in 86.1% of the building's NRA rolling throughout the loan's fully-extended term. These two tenants pay a WA base rent of $33.36 psf, which is notably below the appraiser's concluded market rent of $49.00 psf. Given the sponsor will continue to operate the building as traditional office space to offset carry costs, the two tenants will likely renew if offered similar below-market rents or vacate if the sponsor increases rents closer to market rent.

Tenant Summary

Tenant	SF	% of Total NRA	DBRS Morningstar Base Rent PSF ($)	% of Total DBRS Morningstar Base Rent	Lease Expiry	Investment Grade (Y/N)	LTCT (Y/N)
Commonwealth of MA	152,402	31.6	$44.41	76.1	April 2025	Y	N
MA Behavioral Health	39,385	8.2	$34.00	15.1	September 2023	N	N
Unidine	18,619	3.9	$32.00	6.7	November 2022	N	N
New England Foundation for the Arts	5,971	1.2	$31.64	2.1	August 2030	N	N
Subtotal/WA	**216,377**	**44.9**	**$41.10**	**100.0**	**Various**	**N**	**N**
Other Tenants	0	0.0	n/a	n/a	n/a	n/a	n/a
Vacant Space	265,302	55.1	n/a	n/a	n/a	n/a	n/a
Total/WA	**481,679**	**100.0**	**$18.46**	**100.0**	**Various**	**N**	**N**

Sponsorship

The loan's sponsor is Blackstone Real Estate Partners Fund IX, a global real estate fund with $20.5 billion of capital commitments from institutional clients including CalSTRS, Minnesota State Board of Investment, New York State Common Retirement Fund, and North Carolina State Treasury, among others. The operator and carve-out guarantor is BioMed Realty, a fully-integrated REIT that was founded in 2004 and merged with The Blackstone Group in 2016. BioMed focuses on the acquisition, development, and management of laboratory and office properties within the life science industry and owns approximately 13.9 million sf of life science office buildings throughout the U.S., including 6.0 million sf of life science assets in the Greater Boston area. BioMed Realty manages the property for a contractual fee of 3.0% of EGI excluding parking revenue and reported a net worth of $164.1 million as of April 23, 2021. Based on the strong institutional sponsorship and highly-experienced operator, DBRS Morningstar modeled the loan with Strong sponsorship.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar did not conduct interior or exterior tours of the property due to 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 NCF Summary

NCF Analysis			
	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	31,813,449	31,728,806	-0.3
Recoveries ($)	6,743,031	6,239,600	-7.5
Other Income ($)	935,462	927,996	-0.8
Vacancy ($)	-1,395,506	-4,767,847	241.7
EGI ($)	**38,096,435**	**34,128,554**	**-10.4**
Expenses ($)	-11,210,656	-11,614,959	3.6
NOI ($)	**26,885,779**	**22,513,595**	**-16.3**
Capex ($)	-124,052	-542,714	337.5
TI/LC ($)	0	-3,052,577	0.0
NCF ($)	**26,761,726**	**18,918,304**	**-29.3**

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 $18,918,304, representing a -29.3% variance from the Issuer's stabilized NCF of $26,761,726. The primary drivers of the variance included vacancy, TI/LCs, reimbursements, operating expenses, and replacement reserves. DBRS Morningstar assumed a vacancy of 15.0%, while the Issuer assumed a vacancy of 4.4%. DBRS Morningstar based TI/LCs on the appraiser's estimates. For lab space, DBRS Morningstar assumed a first-generation TI of $200 psf, new/renewal TIs of $100/$50 psf on a 10-year term thereafter, and LCs of 2.5% for both new and renewal leases. For office space, DBRS Morningstar assumed new/renewal TIs of $50/$15 psf on a seven-year term and LCs of 5.0% for both new and renewal leases. DBRS Morningstar based reimbursements on the Issuer's stabilized reimbursement ratio adjusted for occupancy, resulting in slippage from a higher assumed vacancy. Additionally, DBRS Morningstar assumed higher expenses with operating expenses based on the Issuer's assumptions inflated by 10.0% due to lack of operating history. Lastly, DBRS Morningstar based replacement reserves on the engineer's inflated estimate of $1.13 psf over the fully-extended loan term plus a two-year tail.

DBRS Morningstar Viewpoint

The collateral consists of two adjacent, 11-story office buildings totaling 481,679 sf in the South End neighborhood of Boston. Anchored by various renowned academic institutions and many of the world's largest biotechnology companies, the greater Boston area has cemented itself as one of the world's top life sciences clusters. While Cambridge will always be the center of the Boston life sciences sector, the growing demand for lab space in the greater Boston area has spurred development in less-established lab markets such as the Seaport District and South End, among others. These secondary lab markets provide a more affordable alternative to the Cambridge life sciences office market while still providing proximity to an expanding network of other major life sciences companies. Specifically, the South End life sciences market benefits from the presence of Boston Medical Center, Tufts Medical Center, and BioSquare, all of which are within one mile of the collateral.

The sponsor's business plan is to convert the vacant 237,401-sf building (321 Harrison) into lab space while continuing to operate the 244,278-sf building (1000 Washington) as traditional office space. The loan is structured with $41.8 million ($175 psf) of future funding for the conversion costs, which DBRS Morningstar believes to be adequate for the scope of the plan. As the conversion is expected to take 15 months and extend into year two of the loan term, there is potential risk that the time horizon expands and lease-up of the lab space extends into the last year of the three-year initial loan term. However, the loan's two one-year extension options provide a mitigating buffer to the timeline. Further, the appraiser's concluded market rent of $90.00 psf for the lab space represents a discount of approximately 10% to Cambridge lab space rents, providing a more affordable option that should drive leasing activity. Lastly, DBRS Morningstar considers BioMed's role as operator as a strength for the business plan's prospects as the company has extensive experience with life sciences assets, including more than 6.0 million sf of space in the greater Boston area.

The scheduled rollover at the 1000 Washington building is a concern as the three largest tenants, accounting for 86.1% of NRA, will roll during the fully-extended loan term. While only two of these leases (12.1% of NRA) roll during the initial term, the DBRS Morningstar As-Is DSCR of 0.25x is considerably low, and $3.8 million of future funding allocated for carry costs will only cover a few months of debt service payments, amplifying the need to maintain the building's occupancy. BioMed will serve as the carry guarantor for additional shortfalls up to $15.0 million, which will heavily incentivize it to complete the conversion and lease-up in a timely manner. Weighing the factors discussed at both buildings, DBRS Morningstar assumed a stabilized occupancy of 85.0%, which is nearly double the in-place occupancy of 44.9% but more conservative than the South Station/Ft. Point Channel submarket vacancy of 10.0% as of Q1 2021, according to Reis. The DBRS Morningstar leasing assumptions indicate that $45.7 million of TI/LCs will be needed to stabilize the property at an occupancy of 85.0%, approximately $2.7 million more than the lender's maximum future funding for TI/LCs of $43.4 million.

The loan exhibits markedly high leverage at origination with a DBRS Morningstar Issuance LTV of 103.2%. However, the loan is expected to have much more favorable leverage upon stabilization and maturity with a DBRS Morningstar Balloon LTV of 63.2%. Considering the anticipated lift from current performance, projected time horizon, and overall complexity, among other factors, DBRS Morningstar analyzed and modeled the loan with a business plan score that was greater than the deal average, indicating a higher business plan execution risk. Despite the elevated business plan execution risk, DBRS Morningstar considered the Blackstone sponsorship and extensive experience of BioMed as a life sciences operator by modeling the loan with Strong sponsorship. Lastly, the loan benefits from the collateral's location in a DBRS Morningstar Market Rank 7 and MSA Group 2, both of which are indicative of areas with historically lower default rates. These positive factors offset the high LTV and business plan execution risk leading to the loan's expected loss being around the pool average.

Legacy Central

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
50.0
Senior Loan PSF/Unit ($)
213
Percentage of the Pool (%)
5.0
Fully Extended Loan Maturity/ARD
February 2025
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.44
DBRS Morningstar Stabilized DSCR (x)
1.44
DBRS Morningstar As-Is Issuance LTV (%)
81.3
DBRS Morningstar Stabilized Balloon LTV (%)
63.6
DBRS Morningstar Property Type
Office
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
50.0
Pari Passu
75.3
Remaining Future Funding
28.4
Mezz Debt
0.0
Mortgage Loan Including Future Funding and Mezz Debt
153.7
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(5.4)

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Office	**Year Built/Renovated**	1985/2019
City, State	Plano, TX	**Physical Occupancy (%)**	83.8
Units/SF	721,344	**Physical Occupancy Date**	March 2021

This loan is secured by the borrower's fee-simple interest in Legacy Central, a four-acre suburban office park in Plano, Texas. The transaction sponsors acquired the collateral in December 2015 as part of a larger $71.4 million acquisition that included the greater 85-acre Legacy Central campus that had been previously used as the corporate headquarters for Texas Instruments. Following the acquisition, the sponsors added mixed-used properties to the campus by selling two land parcels that were used to develop two multifamily buildings in 2019 (450 units) and 2021 (350 units). The sponsors also deployed a $158.6 million capital investment plan that included capital improvements, leasing, and carry costs required to develop structured parking, create 25,000 sf of shared common area amenity space, and comprehensively reposition the four office buildings securing this transaction, bringing the sponsors' total cost basis to $232.2 million. While the collateral for this loan initially consisted of four office buildings totaling approximately 930,000 sf, in October 2020, one of the buildings securing the loan (LC-4) was sold and the loan was partially paid down by $72.8 million. The remaining collateral includes three office buildings totaling 721,344 sf: LC-1 (215,521 sf and 98.1% leased as of the June 2021 rent roll), LC-2 (316,328 sf and 79.0% leased as of the June 2021 rent roll), and LC-3 (189,495 sf and 88.8% leased as of the June 2021 rent roll).

Initial loan proceeds of $160.6 million refinanced $152.0 million of existing debt on the property, returned $5.4 million of cash equity to the transaction sponsor, and covered $3.1 million of closing costs associated with the transaction. The loan permits for up to roughly $65.9 million of future funding to provide financing for up to $31.2 million of future leasing costs, cover $22.0 million of contractually obligated leasing costs for executed leases, reserve $7.7 million of estimated debt service and carry shortfalls, and cover $4.9 million of remaining capital improvement work. As of securitization the cut-off date mortgage loan balance was $125.3 million, excluding nearly $28.4 million in outstanding future funding commitments. The three-year, floating-rate loan has two one-year extension options that are exercisable subject to, among other criteria, the collateral's satisfaction of certain minimum debt yield requirements set forth in the initial loan agreement. The loan includes an IO period extending through the fully extended loan term. The loan also permits the borrower to release individual properties from the collateral of the transaction, subject to the collateral's satisfaction of certain minimum debt yield hurdles after release and a partial paydown of the loan equal to the greater of 120% of the allocated loan amount for the released asset or 90% of the net sales proceeds from the released asset. The $153.7 million of committed senior mortgage financing outstanding at securitization represents an 81.3% LTV based on the appraiser's as-is value estimate of $188.9 million. However, the appraiser estimates the value of the collateral to improve to $241.6 million through stabilization, representing an improved LTV of 63.6%.

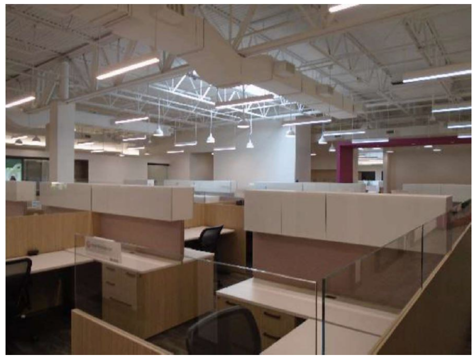
Sponsorship

The sponsors for this loan are Bain Capital Real Estate on behalf of the Harvard University Endowment (together, comprising the Limited Partners) and Regent Properties (the General Partner). Harvard University's $41.9 billion endowment (as of F2020) is one of the largest academic endowments in the world and is managed by Harvard Management Company, Inc. (HMC), a Harvard-owned investment management company. However, the direct real estate responsibilities (as well as the 22-person real estate team) for Harvard University's endowment were transferred to Bain Capital from HMC in 2018, creating Bain Capital's more than $3.0 billion real estate business. The HMC team has invested at least $4.0 billion of equity across more than 400 assets since 2010. Regent Properties was founded in 1989 and is headquartered in Los Angeles. The company has acquired, developed, financed, and/or managed approximately $3.0 billion of real estate transactions totaling more than 22.0 million sf of retail, commercial, residential, and mixed-use projects nationally since inception, with approximately $1.0 billion of assets under management reported at loan closing. Regent Properties reported ownership interests in seven assets across Texas including four assets in the Dallas/Fort Worth metropolitan area as of loan closing. The transaction guarantors are Eric R. L. Fleiss (Managing Director and Chief Executive Officer of Regent Properties), Jeffrey A. Dinkin (Managing Director and Founder of Regent Properties), and Matthew Benbassat (Executive Vice President of Regent Properties). Per the terms of the loan agreement, the guarantors are required to maintain a combined minimum net worth and liquidity of $100.0 million and $10.0 million, respectively.

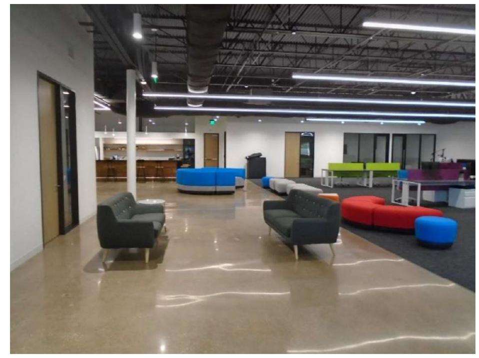
The property manager is Regent PM Services TX, LLC, an affiliate of the borrower, for a contractual management fee equal to 2.75% of the collateral's gross revenue.

DBRS Morningstar Analysis

Site Inspection Summary



Source: Appraisal.



Source: Appraisal.

DBRS Morningstar did not conduct interior or exterior tours of the property because 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 Above Average.

DBRS Morningstar NCF Summary

NCF Analysis				
	2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	2,843,629	16,275,367	15,988,286	-1.8
Recoveries ($)	882,634	6,277,242	6,521,047	3.9
Other Income ($)	150,063	188,194	150,063	-20.3
Vacancy ($)	-1,115,885	-1,284,112	-3,680,324	186.6
EGI ($)	**2,760,441**	**21,456,691**	**18,979,072**	**-11.5**
Expenses ($)	-5,713,430	-6,918,934	-7,098,986	2.6
NOI ($)	**-2,952,989**	**14,537,757**	**11,880,087**	**-18.3**
Capex ($)	0	180,314	-555,366	-408.0
TI/LC ($)	0	0	-1,839,001	0.0
NCF ($)	**-2,952,989**	**14,357,443**	**9,485,720**	**-33.9**

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 $9,485,720, representing a -33.9% variance to the Issuer's stabilized NCF of $14,357,443. The primary drivers of the variance included GPR, vacancy, operating expenses, replacement reserves, and leasing costs.

DBRS Morningstar generally estimated GPR based on in-place leases per the June 2021 rent roll provided, with vacant spaces grossed up to the rough average of rents for recent leases ($22.50 psf) at the time of securitization. This resulted in an aggregate base rent of $22.17 psf, compared with the Issuer's GPR estimate of $22.57 psf. DBRS Morningstar applied a 16.4% stabilized economic vacancy loss based on the collateral's in-place economic occupancy at the time of securitization and supported by the 10-year Plano submarket average vacancy of 16.4%, per the appraisal. By contrast, the Issuer estimated a stabilized economic vacancy loss of 7.9%. DBRS Morningstar generally inflated operating expenses 6.0% over the borrower's 2021 budgeted expense estimates, reflecting two years of expense inflation; this resulted in an aggregate stabilized expense ratio of 38.9%, compared with the Issuer's stabilized expense ratio of 32.2%. DBRS Morningstar generally estimated replacement reserves based on the engineer's inflated estimate of $0.77 psf, while the Issuer generally estimated replacement reserves equal to $0.25 psf. Lastly, DBRS Morningstar generally estimated leasing costs based on the appraisal, resulting in aggregate leasing costs of $3.32 psf compared with the Issuer's stabilized leasing cost deductions of $0.00.

DBRS Morningstar Viewpoint

To date, the sponsors have successfully executed on portions of the business plan, successfully leasing and selling one of the four buildings in the original loan collateral. The buildings have now achieved an occupancy level that is slightly better than the market, and DBRS Morningstar considers the collateral to be stabilized at this point. The property could achieve additional incremental leasing over time, but any future leases are not in the analysis.

The collateral's submarket exhibited a persistently high average submarket vacancy rate of 21.6% over the five-year period ended December 31, 2020, with Reis forecasting the submarket's vacancy to remain relatively high at an average of 22.5% annually through the five-year period ending December 31, 2026. While the collateral benefits from being near thoroughfares, Plano is generally a suburban market, evidenced by the property's location in an area with a DBRS Morningstar Market Rank of 4 and a MSA Group of 1. Loans secured by properties in such areas have historically demonstrated higher default frequencies relative to loans secured by properties in more densely populated areas that tend to benefit from increased investor demand translating to elevated market liquidity in times of market turmoil. However, DBRS Morningstar considers the near-term downside to be limited because of the low lease rollover through the loan term. Only one lease, representing just 2.4% of total NRA, is scheduled to roll through the fully extended loan term. In addition, the tenancy is strong, with two tenants, Freddie Mac and Samsung, having investment-grade characteristics and others such as Transamerica and Peloton being strong national brands.

The outstanding senior mortgage loan commitment of approximately $153.7 million represents a relatively high LTV of 81.3% based on the as-is appraised value estimate of $188.9 million. However, the appraiser estimates the collateral's value to improve to $241.6 million through stabilization, representing an improved LTV of 63.6%. While the success of the borrower's lease-up and stabilization plan is an inherent uncertainty, the transaction sponsors have demonstrated progress toward the completion of the proposed business plan and the ultimate stabilization of the underlying assets by executing a number of leases to tenants such as Freddie Mac (153,000 sf), Peloton (103,000 sf), and TRIdigital (7,000 sf) since loan closing. Additionally, the DBRS Morningstar Stabilized NCF (which provides for limited upside beyond the collateral's in-place performance) represents a DSCR of 1.44x based on the DBRS Morningstar stressed annual debt service payment, providing modest cash flow cushion to support ongoing debt service maintenance in the event of a market downturn. The transaction also benefits from well-capitalized and locally experienced sponsorship in both Bain Capital Real Estate (on behalf of the Harvard University Endowment) and Regent Properties. Though the loan is scheduled to return up to $5.4 million of cash equity to the transaction sponsors through stabilization, the borrower is scheduled to retain $58.6 million of cash equity in the transaction after closing, evidencing substantial capital commitment to the collateral's stabilization and ongoing success.

Transaction Structural Features

Credit Risk Retention

Under the U.S. credit risk retention rules, KKR Real Estate Finance Holdings, L.P. (KREF Holdings), in its capacity as the securitization sponsor, will be responsible for compliance with the U.S. credit risk retention requirements and intends to satisfy such criteria through the purchase and retention by itself or a majority-owned affiliate of an eligible horizontal residual interest in an amount equal to not less than 5.0% of the fair value of the securities issued by the Issuer. As of the closing date, KREF 2021-FL2 Holdings LLC, a majority-owned affiliate of KREF Holdings, will retain the Preferred Shares, which equal at least 5.0% of the fair value of all securities in the transaction, to satisfy U.S. Credit Risk Retention Rules. Additionally, KREF Holdings (in such capacity, the EU/UK Retention Holder) and the Retention Holder, will each, as applicable, covenant and represent to the Issuer, the Co-Issuer, the Placement Agents, the Collateral Manager, and the Trustee that it will retain a material net economic interest in the securitization for the purposes of the EU Securitization Laws and the UK Securitization Laws.

KREF 2021-FL2 Holdings LLC will also acquire 100% of the Class F and Class G Notes on the Closing Date.

Preferred Shares

The Preferred Shares are equity of the Issuer and will not be secured by any of the mortgage loans. The Preferred Shares are subordinate to all classes of notes in all respects.

Controlling Class

If an Event of Default 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 Event of Default could be adverse to the interests of the holders of more subordinated Classes of Notes.

Collateral Manager

KKR Real Estate Finance Manager LLC, a Delaware limited liability company and an affiliate of KKR Real Estate Finance, 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 Standard. 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.

Advancing Agent and Backup Advancing Agent

KREF CLO Loan Seller LLC will serve as Advancing Agent with respect to certain interest payments on the Class A, Class A-S, and Class B Notes. If the Advancing Agent fails to make such payments, 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 Advancing Agent or Backup Advancing Agent, as applicable, deems such advances to be recoverable.

Step-Up Coupon

On or after the Payment Date in June 2027, the interest rate of the Class A Notes and the Class A-S Notes will increase by 0.25% and the interest rate of the Class B Notes, the Class C Notes, the Class D Notes, and the Class E Notes will increase by 0.50%. On and/or after the Payment Date in August 2023, the interest rate of the Class F Notes and the Class G Notes will increase by 0.50%.

Deferrable Notes

With respect to the Class C, Class D, Class E, Class F, and Class G notes, to the extent that interest proceeds are not sufficient on a given payment to pay accrued interest, interest will not be due and payable on the payment date and will instead be deferred. The ratings assigned by DBRS Morningstar contemplate the timely payments of distributable interest and, in the case of the Deferrable Notes, the ultimate recovery of deferred interest (inclusive of interest payable thereon at the applicable rate to the extent permitted by law). Deferred interest will be added to the principal balance of the deferable notes and will be payable on the first payment date on which funds are permitted. Thus, DBRS Morningstar will assign its Interest in Arrears designation on the deferred interest classes in months when classes are subject to deferred interest.

Exchangeable Notes

The Class F and the Class G Notes will be considered Exchangeable Notes and are exchangeable for proportionate interests in MASCOT Notes, which comprise (1) in the case of the Class F Notes, the Class F-E Notes (a principal and interest class), and the Class F-X Notes (an interest-only class) and (2) in the case of the Class G Notes, the Class G-E Notes (a principal and interest class), and the Class G-X Notes (an interest-only class). The interest rates on the MASCOT Notes will be determined, on the date of such exchange, by the holder of the Class F Notes or the Class G Notes, as applicable, surrendered in such exchange. The sum of the interest rates of MASCOT Notes received in any exchange will equal the interest rate on the Class F Notes or the Class G Notes, as applicable, surrendered in such exchange.

Future Funding Companion Participations and Non-Controlling Participations

Certain collateral interests will be a participation interest (or a note) in a mortgage loan or senior note (participated mortgage loan) or a combination of a mortgage loan and a related mezzanine loan secured by the equity interests in the related borrower (a combined 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 or combined loan 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). Companion participations (unless later acquired, in whole or in part, during the Reinvestment Period or

Replenishment Period in accordance with the applicable criteria) will not be assets of the Issuer and will not be part of the Collateral.

Thirteen of the closing date participations, representing approximately 67.9% of the aggregate collateral interest cutoff date balance, are participation interests in participated mortgage loans that also have future funding participations. As of the Closing Date, KREF CLO Loan Seller LLC or one of its subsidiaries will own all future funding companion participations but they will not be owned by the Issuer as of the Closing Date and are not included in the aggregate collateral interest cutoff date balance. The holder of the future funding participation (or a permitted transferee pursuant to the terms of the related participation agreement) will have the sole obligation under its 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 and the Issuer may acquire such funded participation interest as a Reinvestment Collateral Interest or Replenishment Collateral Interest subject to the related criteria.

Two of the collateral interests, the 727 West Madison mortgage loan and the Boston South End Life Science Campus mortgage loan, represent participation interests in one of multiple mortgage notes and are non-serviced loans. In connection with the servicing of each Non-Serviced Real Estate Loan, any special servicer under the lead servicing agreement (which, as of the Closing Date, will be the related special servicer under each of the 727 West Madison Servicing Agreement and the Boston South End Life Science Campus Servicing Agreement) or participation agreement, intercreditor agreement or co-lender agreement, as applicable, may take actions with respect to such Real Estate Loan that could adversely affect the holders of some or all of the Classes of Notes. Additionally, with respect to each Non-CLO Controlled Collateral Interest, the holder of the related controlling Companion Participation will have certain rights to direct the servicing of the related Real Estate Loan and such holder may have interests in conflict with those of the Noteholders. The rights of the Boston South End Life Science Campus Noteholders are governed by a co-lender and agency agreement and the rights of the 727 West Madison Mortgage Noteholders are governed by a co-lender and agency agreement, each of which provides the other note holder with control, subject to certain consent rights, and appoints that party as administrative agent subject to a gross negligence standard for liability and indemnification in dealing with noteholders. In addition, these loans have certain future funding obligations by parties that are not affiliates of the sponsor, but a sponsor affiliate has agreed to make certain advances in the event the non-affiliated noteholder fails to do so.

Reinvestment Period

During the 24-month period beginning on the closing date and ending on the payment date in August 2023, the collateral manager may direct the reinvestment of principal proceeds arising from the collateral interests and any cash contributed by the holder of the preferred shares in reinvestment collateral interests, including participation interests in participated mortgage loans, related mezzanine loans secured by equity interests in the related mortgage borrower, or fully-funded pari passu participations so long as the eligibility criteria and the reinvestment criteria are satisfied.

Replenishment Period

So long as the eligibility criteria and reinvestment criteria are satisfied, the Issuer may acquire Funded Companion Participations during the Replenishment Period, which begins on the first day after the end of the Reinvestment Period and ends on and including the earlier of (1) the date that the Issuer has acquired 10% of the Aggregate Collateral Interest Cut-Off Date Balance after the Reinvestment Period and (2) the sixth Payment Date after the expiration of the Reinvestment Period.

No Downgrade Confirmation

Certain events within the transaction require the Issuer to obtain a no downgrade confirmation from the rating agencies. DBRS Morningstar will confirm that a proposed rating 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 required to obtain a no downgrade confirmation under the Eligibility Criteria for acquisitions after the closing date of additional collateral interests, other than funded future funding companion participations of $5.0 million or less.

Note Protection Test

Like most commercial real estate collateralized loan obligation (CRE CLO) transactions, the subject transaction features a senior note protection test in the form of a par value or overcollateralization (OC) test. If the OC test is not satisfied on any measurement date, interest proceeds remaining after interest is paid to the Class E Notes will be diverted to deleverage and pay down Classes A through E (inclusive of deferred interest) in senior sequential order until the test is brought back into compliance. If interest proceeds are not sufficient to rebalance the vehicle and satisfy the OC test 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 Collateral Interests and Replenishment Collateral Interests. The Offered Note Protection test will be satisfied if the Par Value Ratio is equal to or greater than 112.76%. There is no interest coverage component to the Offered Note Protection Test.

Criteria-Based Modification and Administrative Modifications

Criteria-Based Modifications means a modification would (1) result in a change in interest rate (other than as a result of any modification under Administrative Modification) or waiving any interest due in connection with a prepayment of the related mortgage loan in full that relates to interest that accrues after the date of prepayment, (2) result in a delay in the required timing of any payment of principal for any prepayment, amortization, or other principal reduction, (3) result in an increase in the principal balance of such Real Estate Loan that will be allocated solely to the related Companion Participation, (4) result in a change of maturity date or extended maturity date, under such Real Estate Loan, or (5) permit indirect owners of the related borrower to incur additional indebtedness that is pari passu or subordinate to such Real Estate Loan. The following conditions (Criteria-Based Modification Conditions) must be satisfied as of the date of the closing of such Criteria-Based Modification:

1. No more than seven Criteria-Based Modifications have been effectuated;
2. No Event of Default has occurred and is continuing and the Offered Note Protection Test is satisfied;
3. The related Collateral Interest complies with the Eligibility Criteria, as adjusted by the Eligibility Criteria Modification Adjustments;

4. For any Criteria-Based Modification after the Reinvestment Period, the as-stabilized loan-to-value ratio of the related Real Estate Loan and any additional indebtedness with the Updated Appraisal is not higher than the as-stabilized loan-to-value prior to such Criteria-Based Modification using the previously effective appraisal; and
5. An Updated Appraisal is obtained with respect to the Collateral Interest for any Criteria-Based-Modification.

Administrative Modification means any modification, waiver, or amendment directed by the Collateral Manager that relates exclusively to (1) with respect to any Real Estate Loan, in the case of a mismatch between the Benchmark Replacement (including any Benchmark Replacement Adjustment) on the Notes and the benchmark replacement (including any benchmark replacement adjustment) applicable to such Real Estate Loans, (x) any alternative rate index and alternative rate spread that the Collateral Manager determines are reasonably necessary to reduce or eliminate such mismatch and (y) any corresponding changes to such Real Estate Loan to match the applicable Benchmark Replacement Conforming Changes and/or to make any Loan-Level Benchmark Replacement Conforming Changes, (2) with respect to any Real Estate Loan other than a Real Estate Loan related to a Credit Risk Collateral Interest, Specially Serviced Loan, or Defaulted Collateral Interest, exit fees, extension fees, default interest, financial covenants (including cash management triggers) relating (directly or indirectly) to debt yield, debt service coverage or loan-to-value, prepayment fees (including in connection with defeasance and lockouts), yield or spread maintenance provisions, adding or modifying provisions related to partial releases of a Mortgaged Property, 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 or (3) amending an Interest Rate Cap Agreement to the extent that such amendment would not materially and adversely affect the Noteholders as determined by the Collateral Manager in its reasonable judgement.

The Collateral Manager’s decision to direct, process, and effect any Administrative Modification or Criteria-Based Modification will be subject to the Collateral Management Standard. The processing of Administrative Modifications and any Criteria-Based Modifications that satisfy the Criteria-Based Modification Criteria by the Special Servicer will not be subject to the Servicing Standard.

Methodologies

The following are the methodologies DBRS Morningstar applied to assign ratings to this transaction. These methodologies 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.

- *North American CMBS Multi-Borrower Rating Methodology*
- *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*
- *Rating North American CMBS Interest-Only Certificates*
- *Interest Rate Stresses for U.S. Structured Finance Transactions*

Surveillance

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

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

This report is based on information as of July 21, 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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