MORNINGSTAR | DBRS

Presale Report
KREF 2022-FL3 Ltd.

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

Capital Structure

Description	Rating Action	Balance	Subordination	DBRS Morningstar Rating	Trend
Class A	New Rating - Provisional	$585,000,000	41.500%	AAA (sf)	Stable
Class A-S	New Rating - Provisional	$81,250,000	33.375%	AAA (sf)	Stable
Class B	New Rating - Provisional	$53,750,000	28.000%	AA (low) (sf)	Stable
Class C	New Rating - Provisional	$62,500,000	21.750%	A (low) (sf)	Stable
Class D	New Rating - Provisional	$53,750,000	16.375%	BBB (sf)	Stable
Class E	New Rating - Provisional	$11,250,000	15.250%	BBB (low) (sf)	Stable
Class F	New Rating - Provisional	$51,250,000	10.125%	BB (low) (sf)	Stable
Class G	New Rating - Provisional	$33,750,000	6.750%	B (low) (sf)	Stable
Preferred Shares	NR	$67,500,000	-	NR	N/A

Notes:
1. NR = not rated.
2. Step-Up Coupon: On and after the Payment Date in December 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 December 2027 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 F-E Notes, the Class F-X Notes, the Class G Notes, the Class G-E Notes, the Class G-X 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			
Collateral Interest Cut-Off Date Balance (Trust Amount) ($)	1,000,000,000	**Funded Mortgage Loan Cut-Off Date Balance (Whole Loan) ($)**	1,981,993,471
Number of Loans	16	**Average Collateral Interest Size ($)**	62,500,000
Number of Properties	18	**Top Ten Loan Concentration (%)**	65.6
Managed / Static	Managed	**Future Funding Remaining Balance ($)**	79,037,529
Preidentified Ramp Loans	n/a	**Replenishment Allowed**	Y
Par Value Trigger (%)	107.09	**Reinvestment Period[5]**	24 Months
Initial Par Value Ratio (%)	112.09	**IC Ratio: Trigger (X)**	1.20
Wtd. Avg. As-Is Appraised Issuance LTV (%)	70.5	**Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)**	77.3
Wtd. Avg. Stabilized Appraised LTV (%)	66.4	**Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)**	74.2
Wtd. Avg. Interest Rate Margin (%)	2.97	**DBRS Morningstar Wtd. Avg. Interest Rate[4] (%)**	4.57
Wtd. Avg. Remaining Term[1]	37.8	**Wtd. Avg. Remaining Term - Fully Extended**	56.2
Wtd. Avg. DBRS Morningstar As-Is DSCR[2]	0.95	**Wtd. Avg. Issuer As-Is DSCR (x)[4]**	1.51
Wtd. Avg. DBRS Morningstar Stabilized DSCR[3]	1.06	**Wtd. Avg. Issuer Stabilized DSCR (x)[4]**	1.94
Avg. DBRS Morningstar As-Is NCF Variance[2] (%)	-3.8	**Avg. DBRS Morningstar Stabilized NCF Variance[3] (%)**	-23.5

Note: All DBRS Morningstar DSCR and LTV calculations in this table and throughout the report are based on the DBRS Morningstar Stressed Interest Rate and the fully funded and extended mortgage loan commitment. The 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.

Issuer	KREF 2022-FL3 Ltd.
Co-Issuer	KREF 2022-FL3 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	Computershare Trust Company, National Association
Collateral Administrator	KKR Real Estate Financial Manager LLC
Trustee	Wilmington Trust, National Association
Placement Agent	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.

Transaction Overview

The initial collateral consists of 16 floating-rate mortgage loans secured by 18 mostly transitional properties with a cut-off balance totaling $1.0 billion, excluding approximately $79.0 million of remaining future funding commitments and $981,993,471 of funded companion participations. The transaction is a managed CLO and 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. In addition, the transaction is structured with a Replenishment Period, which begins on 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 and the sixth payment date after the Reinvestment Period. One loan, The Harland, representing approximately 4.0% of the Aggregate Collateral Interest Cut-Off Date Balance, has not yet closed. The Delayed Close Collateral Interest is expected to close on or prior to the Closing Date or within 90 days after the Closing Date. If the fund for the acquisition of such Delayed Close Collateral Interest was unused within such time frame, it will be transferred and to be used during the Reinvestment Period. Any Companion Participation acquired during either the Reinvestment Period or Replenishment Period 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. There are no B notes or mezzanine loans initially being held outside the trust for this transaction.

Eligibility Criteria Concentration Parameters		
Issuer Property Type	Issuance (%)	Limit (%)
Multifamily[1]	100.0	100.0
Student Housing[1]	0.0	15.0
State Concentration	Issuance (%)	Limit (%)
Florida[2]	25.7	40.0
California[2]	16.0	40.0
New York[2]	0.0	40.0
Texas[2]	8.0	40.0
Washington[2]	0.0	40.0
All Other States[3]	50.3	25.0

1. The aggregate principal pool balance of collateral interests secured by student housing properties does not exceed 15.0% and for multifamily properties, does not fall below 100% of the aggregate pool balance.
2. The aggregate principal balance of Collateral Interests secured by Mortgaged Properties located in (x) Florida, California, New York, Texas, and Washington cannot (in each case) exceed more than 40.0% of the Aggregate Outstanding Portfolio Balance.
3. Any other state is (in each case) not to be more than 25.0% of the Aggregate Outstanding Portfolio Balance.

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, eight loans, representing 62.9% of the pool, have remaining future funding participations totaling approximately $79.0 million, which the Issuer may acquire in the future subject to stated criteria. Please see the chart below for the participations that the Issuer may acquire once fully funded.

Future Funding

Loan Name	Cut-Off Date Loan Amount ($)	Future Funding Amount[1] ($)	Whole Loan Amount[2] ($)	Future Funding Uses
Aven	120,000,000	10,009,753	260,000,000	Earnout Facility, Carry Facility
Crystal Towers and Flats	120,000,000	28,059,370	381,000,000	Capex
Portofino Place	115,000,000	2,275,220	171,500,000	Capex
Berkeley Place	76,000,000	10,800,000	86,800,000	Capex, Earnout Facility
Outlook DTC	68,075,000	1,050,000	70,300,000	Capex
3001 Park	50,000,000	4,343,000	106,343,000	Capex
Alvista Durham	40,000,000	10,045,834	60,000,000	Capex
Heights at Park Lane	40,000,000	12,454,352	89,963,000	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)
Aven	10,009,753	10,009,753	100.0	Y
Crystal Towers and Flats	28,059,370	28,059,370	100.0	Y
Portofino Place	2,275,220	2,275,220	100.0	Y
Berkeley Place	10,800,000	10,800,000	100.0	Y
Outlook DTC	1,050,000	1,050,000	100.0	Y
3001 Park	4,343,000	4,343,000	100.0	Y
Alvista Durham	10,045,834	10,045,834	100.0	Y
Heights at Park Lane	12,454,352	12,454,352	100.0	Y

Comparable Transactions

	Subject Deal	Comp Avg				
Deal Name			**KREF 2021-FL2**	**ARCREN 2022-FL1**	**BSPRT 2022-FL8**	**MF1 2022-FL8**
Pool Balance	$1,000,000,000	$1,376,783,547	$1,000,000,000*	$1,662,226,975	$1,025,241,823	$1,819,665,392
Target Pool Balance	$1,000,000,000	$1,568,000,000	$1,000,000,000*	$2,050,000,000	$1,200,000,000	$2,022,000,000
# of Loans	16	31	20	45	26	32
Average Loan Size	$62,500,000	$42,543,419	$36,938,377	$36,938,377	$39,432,378	$56,864,544
Ramp-Up Amount	n/a	Various	n/a	$387,773,025	$174,758,177	$202,334,608
Ramp % of Loans	n/a	Various	n/a	23.3%	17.0%	11.1%
Largest Loan Concentration	12.0%	8.5%	7.3%	5.7%	8.4%	12.4%
Top Ten Concentration	75.6%	54.4%	57.8%	44.9%	61.6%	53.2%
Herf	13.2	30.2		46.9	19.4	24.3
Managed/Static	Managed	Managed	Managed	Managed	Managed	Managed
DBRS Morningstar WA E/L	**5.3%**	**6.0%**	**4.9%**	**7.3%**	**6.5%**	**5.5%**
DBRS Morningstar As-Is WA LTV	**77.3%**	**80.3%**	**78.4%**	**85.1%**	**78.3%**	**79.2%**
DBRS Morningstar Stabilized WA LTV	**74.2%**	**71.0%**	**70.5%**	**73.4%**	**70.1%**	**70.1%**
DBRS Morningstar Sampled As-Is NCF Variance	**-3.8%**	**-12.1%**	**-12.5%**	**-9.8%**	**-7.8%**	**-18.3%**
DBRS Morningstar As-Is WA DSCR	**0.95**	**0.78**	**0.80**	**0.68**	**0.91**	**0.74**
DBRS Morningstar Sampled Stabilized NCF Variance	**-23.5%**	**-19.8%**	**-22.7%**	**-15.7%**	**-20.4%**	**-20.4%**
DBRS Morningstar Stabilized WA DSCR	**1.06**	**1.10**	**1.20**	**0.91**	**1.19**	**1.09**
DBRSM WA Business Score	**1.8**	**2.0**	**2.1**	**1.7**	**2.1**	**2.1**
DBRS Morningstar Property Type						
Total Hotel % (includes Assisted Living)	0.0%	1.0%	3.9%	0.0%	0.0%	0.0%
Total Office %	0.0%	6.7%	26.6%	0.0%	0.0%	0.0%
Total Retail %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total MF %	100.0%	89.3%	59.5%	100.0%	100.0%	97.7%
Total Industrial %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Self Storage %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total MHC %	0.0%	0.6%	0.0%	0.0%	0.0%	2.3%
Total Mixed Use %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Other %	0.0%	2.5%	10.0%	0.0%	0.0%	0.0%
DBRSM WA Market Rank	**4.6**	**4.6**	**6.0**	**3.5**	**3.7**	**5.3**
% Mkt Rank 8	0.0%	6.9%	13.4%	2.2%	6.3%	5.6%
% Mkt Rank 7	12.0%	18.2%	34.0%	0.0%	5.8%	32.8%
% Mkt Rank 5-6	41.0%	30.4%	30.1%	7.2%	60.7%	23.5%
% Mkt Rank 3-4	47.0%	43.2%	22.6%	83.0%	35.9%	31.2%
% Mkt Rank 1-2	0.0%	9.1%	0.0%	7.6%	21.7%	6.9%
% Mkt Rank 0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBRS Morningstar MSA Group						
% MSA Group 3	28.0%	22.7%	33.5%	1.0%	19.5%	36.7%
% MSA Group 2	55.0%	25.3%	45.0%	10.5%	21.1%	24.4%
% MSA Group 1	8.0%	26.6%	21.5%	30.1%	32.7%	22.2%
% MSA Group 0	9.0%	20.8%	0.0%	39.5%	26.8%	16.7%

	Subject Deal	Comp Avg				
Deal Name			**KREF 2021-FL2**	**ARCREN 2022-FL1**	**BSPRT 2022-FL8**	**MF1 2022-FL8**
DBRS Morningstar Property Quality						
Excellent	0.0%	2.1%	7.3%	1.0%	0.0%	0.0%
Above Average	27.0%	17.1%	41.7%	5.9%	8.4%	12.4%
Average +	52.4%	18.7%	16.9%	10.2%	15.7%	32.2%
Average	20.6%	50.8%	34.1%	60.5%	67.5%	41.0%
Average -	0.0%	1.5%	0.0%	3.5%	0.0%	2.5%
Below Average	0.0%	5.1%	0.0%	0.0%	8.5%	11.9%
Poor	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBRS Morningstar Sponsor Strength						
Strong	31.9%	11.0%	29.7%	1.8%	0.0%	12.4%
Average	68.1%	73.5%	70.3%	67.2%	86.6%	70.0%
Weak	0.0%	8.8%	0.0%	12.1%	13.4%	9.9%
Bad (Litigious)	0.0%	1.9%	0.0%	0.0%	0.0%	7.7%

*Based on initial pool balance.

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, 11 loans, comprising 59.7% 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 seven loans, representing 38.9% 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

- **Transaction Sponsor:** The transaction sponsor is KKR Real Estate Finance Trust (KREF), which is externally managed by KKR Real Estate Finance Manager LLC, a subsidiary of KKR & Co. KREF is a publicly traded commercial mortgage REIT focused primarily on originating and acquiring senior loans secured by institutional quality commercial real estate properties that are owned and operated by experienced and well-capitalized sponsors. Since its initial public offering in May 2017, KREF has originated $10.8 billion of loans and as of September 2021 had a portfolio balance of $5.8 billion.
- **Issuer Retention:** The Class F, Class G, and Preferred Shares (collectively, the Retained Securities; representing 15.25% of the initial pool balance) will be purchased and retained by KREF 2022-FL3 Holdings LLC, a majority-owned affiliate of KKR Real Estate Finance Holdings L.P (KREF Holdings).
- **Strong Loan Sponsorship:** Four loans, representing 31.9% 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. Eleven loans, representing 75.4% of the initial pool balance, were deemed Above Average (three loans, 23.0%) and Average + (eight loans, 52.4%) in quality, while the remaining 24.6% of the pool was deemed Average. No loans in the pool are backed by a property that DBRS Morningstar considered to be of Average –, Below Average, or Poor quality. More than 50% of the properties were recently built within the past five years.
- **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. Fourteen loans (91.8% of pool) were originated in 2021 and one loan (4.0% of pool) was originated in 2022. The loan files are recent, including third-party reports that consider impacts from the coronavirus pandemic. Only one loan, The Kendrick, representing 4.2% of the initial pool balance, was originated prior to the onset of the pandemic.
- **100% Multifamily Property Type:** All loans in the pool are secured by multifamily properties and all loans that may be acquired during the reinvestment period must also be secured by multifamily properties (including a maximum of 15% of the aggregate outstanding portfolio balance on student housing properties). Multifamily properties have historically seen lower PODs and typically see lower E/Ls within the DBRS Morningstar model. Multifamily properties benefit from staggered lease rollover and generally low expense ratios compared with other property types. While revenue is quick to decline in a downturn because of the short-term nature of the leases, it is also quick to respond when the market improves. Additionally, most loans in the initial pool are secured by traditional multifamily properties, such as garden-style communities or mid-rise/high-rise buildings, with no independent living/assisted-living/memory care facilities or student housing properties included in this pool.
- **Predominantly Acquisition Financing:** Eleven loans, composing of 62.8% of the initial trust balance, represent acquisition financing. Acquisition loans are considered more favorable because the sponsor is usually required to contribute a significant amount of cash equity as part of the transaction, and it is also generally based on actual transaction values rather than an appraiser's estimate of market value.
- **Lower Business Plan Execution Risk:** The DBRS Morningstar Business Plan Score (BPS) for loans DBRS Morningstar analyzed was between 1.4 and 2.5, with an average of 1.8. On a scale of 1 to 5, a higher DBRS Morningstar BPS indicates more risk in the sponsor's business plan. DBRS Morningstar considers the anticipated lift at the property from current performance, planned property improvements, sponsor experience, projected time horizon, and overall complexity. Compared with similar transactions, this pool has a lower average DBRS Morningstar BPS, which is indicative of lower risk.
- **Strong MSA Groups:** Three loans, representing 28.0% of the pool balance, have collateral in DBRS Morningstar MSA Group 3, which is the best-performing group in terms of historical CMBS default rates among the top 25 MSAs. DBRS Morningstar 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%.

Challenges & Considerations

- **Managed Transaction:** The transaction is managed and includes one delayed-close loan, a reinvestment period, and a replenishment period, which could result in negative credit migration and/or an increased concentration profile over the life of the transaction.

- *Mitigant:* Eligibility criteria for reinvestment assets partially offsets the risk of negative credit migration. The criteria outlines DSCR, LTV, Herfindahl, and property type limitations.
- *Mitigant:* A no downgrade confirmation RAC is required from DBRS Morningstar for reinvestment loans and companion participations, allowing DBRS Morningstar the ability to analyze them for any potential ratings impact.

- **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 as-is credit metrics, assuming the loan was fully funded with no NCF or value upside.
- **Floating-Rate Interest Rates:** All 16 loans in the pool have floating interest rates and are IO during the initial and extended loan term, creating interest rate risk and a lack of principal amortization.
    - *Mitigant:* DBRS Morningstar stresses interest rates based on the loan terms and applicable floors or caps. The DBRS Morningstar Adjusted DSCR is a model input and drives loan-level PODs and LGDs.
    - *Mitigant:* All loans except for one, Crystal Towers and Flats (12% of pool), have extension options, and, to qualify for these options, the loans must meet minimum DSCR and LTV requirements.
    - *Mitigant:* All loans are short term and, even with extension options, have a fully extended loan term of five years maximum, which based on historical data, the DBRS Morningstar model treats more punitively.
    - *Mitigant:* The borrowers for 11 loans, totaling 68.7% of the trust balance, have purchased Libor rate caps that range between 0.5% and 4.00% to protect against rising interest rates over the term of the loan.
- **Weak As-Is Metrics:** Based on the initial pool balances, the overall DBRS Morningstar WA As-Is DSCR of 0.95x and DBRS Morningstar WA As-Is LTV of 77.3% 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 DBRS Morningstar WA DSCR is estimated to improve to 1.06x, suggesting that the properties are

likely to have improved NCFs once the sponsor's business plan has been implemented. The DBRS Morningstar WA Stabilized LTV is estimated to improve to 74.2%.

- **Nonserviced Loans:** Two of the collateral interests, Aven and Portofino Place, representing 23.5% of the pool, are subject to an existing participation agreement entered in connection with the KREF 2021-FL2 offering, which sets forth the respective rights and obligations of the holders created under such KREF 2021-FL2 participation agreement and are nonserviced loans. In connection with the servicing of each such nonserviced loan, any special servicer under the lead servicing agreement (which, as of the Closing Date, will be the related special servicer under the KREF 2021-FL2 servicing agreement or participation agreement, intercreditor agreement, or co-lender agreement, as applicable) may take actions with respect to such loan that could adversely affect the holders of some or all of the classes of notes. The rights of the holders of the nonserviced loans are each governed by a co-lender and agency agreement, which provides the other noteholder 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.
    - *Mitigant:* The in-place servicing agreement follows securitization standards.
- **Lack of Site Inspections:** Because of health and safety constraints associated with the ongoing coronavirus pandemic, DBRS Morningstar was unable to perform in-person site inspections on any of the properties in the pool. As a result, DBRS Morningstar relied more heavily on third-party reports, online data sources, and information provided by the Issuer to determine the overall DBRS Morningstar property quality of each loan.
    - *Mitigant:* The Issuer provided recent third-party reports for all loans that contained property quality commentary and photos except for the PCR and Phase I reports for The Kendrick, which was prepared more than 12 months ago.

Open Environmental Risk: One loan, secured by The Kendrick, representing 4.2% of the pool balance, has an open environmental issue, first identified after the loan's origination, involving levels of trichloroethylene (TCE), a potentially carcinogenic substance, in indoor air and soil gas exceeding regulatory limits. The matter is subject to a mandated in process (early stage) regulatory order by the Massachusetts Department of Environmental Protection (MassDEP) to investigate and remediate the identified contamination until fully resolved potentially over an estimated five-year timeline. DBRS Morningstar was advised that MassDEP's immediate response required an assessment of the subslab depressurization system at the property (SSDS), temporary installation of air purifying units in certain units, and a design (and installation) of a new SSDS. The sponsor also advised that it would be required to obtain a revised Phase I assessment by June 2022, a Phase II assessment by June 2025, and depending on the results, the implementation of a Phase IV remedy plan by June 2026, with the potential finalization of a solution by June 2027. Currently, 18 of the units identified as affected are considered down units and are concluded as vacant by DBRS Morningstar.

DBRS Morningstar was further advised that the sponsor's compliance with the MassDEP remediation steps is under way and approximately $1.5 million has been spent to date as part of that investigation and remediation, with the new SSDS expected to be installed by March 2022. In addition, an investigation of the surrounding area is planned to determine whether other parties responsible for offsite sources or environmental releases could be causing or contributing to these issues and whether they should share in the investigation and remediation costs.

The uncertainty of the source of the TCE, unknown scope of its physical and intangible impact, and extended timeline for investigating, remediating, and monitoring (in accordance with a regulatory order) create a potential credit risk not only as to the anticipated hard cost expense to investigate and remediate, which the sponsor's environmental consultant estimated at $14.5 million in a worst-case scenario, but also as to the potential risk of diminution in value created by such cost and the possible stigma and potential liability associated with the presence of a known environmental hazard at the property. In any event, this ongoing unresolved issue could adversely affect occupancy and cash flow and result in a term default, or the potential inability to refinance the fully funded loan or to sell the property in a situation where the trust may not be able to enforce remedies against the property because of an unresolved environmental issue.

- *Mitigant:* The borrower sponsors provided an environmental indemnity in connection with the loan and are required to take action should an environmental event occur per the Loan Document.
- *Mitigant:* The borrower sponsors have reportedly spent $1.5 million to date and have provided a joint and several environmental indemnity in connection with the related mortgage loan and are motivated to fully remediate the property.
- *Mitigant:* DBRS Morningstar NCF analysis excluded the 18 down units. In addition, DBRS Morningstar adjusted the As-Is and As-Stabilized appraised values downward and increased the LGD on this loan given the amount of potential risks involved and the open-ended nature of this environmental issue. As a result of these adjustments, the loan's expected loss increased to be over the pool WA.
- *Mitigant:* The sponsors on this loan, Toll Brothers and Ares Management, are publicly traded companies and institutional sponsors. Both Toll Brothers and Ares US Real Estate Development and redevelopment Fund II, LP, are the nonrecourse carveout guarantors on this loan.

Legal and Structural Considerations

- **Floating-Rate Benchmark – SOFR/Libor Replacement:** As the deadline for the elimination of Libor approaches, the interest rate on the Notes will initially be based on the floating rate benchmark, Term SOFR (defined as the one-month forward-looking term rate, as obtained by the Calculation Agent, identified as 1 Month CME Term SOFR). However, because Term SOFR is a relatively new index and different kinds of SOFR-based rates exist, mismatches between SOFR-based rates and other benchmark-based rates may cause economic inefficiencies and cause the Notes to experience significant volatility and fluctuations. Also, Term SOFR may not become unavailable and may change upon the occurrence of a benchmark transition event and its related benchmark replacement date.

In addition, all of the Cut-Off Date Real Estate Loans will initially bear (or are expected to bear) interest at adjustable rates based on Libor for one-month Eurodollar deposits. To the extent the Issuer acquires Collateral Interests in the future, including potentially the Delayed Closed Loan, it is expected that such

Collateral Interests will bear interest at adjustable rates based on Term SOFR, Libor for one-month Eurodollar deposits, or other SOFR benchmark. Several potential mismatches including (i) basis mismatch between the Notes and the Collateral Interests as a result of interest rates that are based on different accrual periods, (ii) timing mismatch between the Notes and the Collateral Interests as a result of the benchmark on such Collateral Interests adjusting on different dates than the benchmark on the Notes; (iii) mismatch that results from some or all of the Collateral Interests converting (a) to an alternative rate to Term SOFR that is different from the Benchmark Replacement determined in accordance with the terms of the Indenture, (b) at a different time than when the Notes convert to any Benchmark Replacement or (c) with a different spread adjustment than the applicable benchmark replacement adjustment or (iv) mismatch between the Benchmark and/or benchmark replacement adjustment on the Notes and the benchmark and/or the benchmark replacement adjustment (if any) applicable to the Collateral Interests could result in the Issuer not collecting sufficient interest proceeds to make interest payments on the Notes.

To compensate for differences between the successor Benchmark and then-current Benchmark, a benchmark replacement adjustment will be included in any benchmark replacement other than Term SOFR. However, any benchmark replacement adjustment may not be sufficient to produce the economic equivalent of the then-current Benchmark, either at the benchmark replacement date or over the life of the Notes. Currently, the Designated Transaction Representative, the Collateral Manager, will have sole discretion in all elements of the benchmark replacement process. Noteholders will not have any right to approve or disapprove of any changes as a result of any benchmark transition event and/or its related benchmark replacement date, the selection of a benchmark replacement or benchmark replacement adjustment or the implementation of any benchmark replacement conforming changes to the Loans. In the discharge of any Special Servicer Alternative Rate Activities (which includes (i) any action taken or omitted to be taken by the Special Servicer with respect to the implementation of any loan-level benchmark replacement and loan-level benchmark replacement conforming changes, (ii) updating Special Servicer’s servicing system for the related loan-level benchmark replacement and (iii) following the direction of the Collateral Manager regarding such loan-level benchmark replacement and loan-level benchmark replacement conforming changes) the Special Servicer will be held to a gross negligence standard only with regard to any liability for its actions.

- **Lack of Nonconsolidation Opinions:** Three loans, each having a loan balance greater than $20 million (Aven, The Kendrick, and Alvista Durham), combined representing 20.2% 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 POD adjustment to these loans to account for the lack of a consolidation opinion.

- **Permitted Modifications:** In this transaction, Administrative Modifications and Criteria-Based Modifications may be directed by the sponsor-affiliated Collateral Manager, not subject to the Servicing Standard, but subject to the Collateral Manager Standard and the Eligibility Criteria (as adjusted for modifications). 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.

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)	
DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	4.0
0.50x-0.75x	17.0
0.75x-1.00x	38.7
1.00x-1.25x	35.3
1.25x-1.50x	5.0
1.50x-1.75x	0.0
>1.75x	0.0
Wtd. Avg. (x)	0.95

DBRS Morningstar Stabilized DSCR (x)	
DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	0.0
0.50x-0.75x	16.0
0.75x-1.00x	22.9
1.00x-1.25x	44.1
1.25x-1.50x	17.0
1.50x-1.75x	0.0
>1.75x	0.0
Wtd. Avg. (x)	1.06

DBRS Morningstar As-Is Issuance LTV	
LTV	% of the Pool (Senior Note Balance[1])
0.0%-50.0%	0.0
50.0%-60.0%	0.0
60.0%-70.0%	14.7
70.0%-80.0%	57.5
80.0%-90.0%	15.8
90.0%-100.0%	12.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	77.3

DBRS Morningstar Stabilized Balloon LTV	
LTV	% of the Pool (Senior Note Balance[1,2])
0.0%-50.0%	0.0
50.0%-60.0%	5.0
60.0%-70.0%	25.7
70.0%-80.0%	53.1
80.0%-90.0%	4.2
90.0%-100.0%	12.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	74.2

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 Morningstar LTV (%)
Aven	120,000,000	12.0	n/a	0.75	0.75	90.0	90.0
Crystal Towers and Flats	120,000,000	12.0	n/a	1.19	1.36	74.1	66.4
Portofino Place	115,000,000	11.5	n/a	1.23	1.23	73.8	73.8
Berkeley Place	76,000,000	7.6	n/a	0.87	1.03	84.4	77.3
Outlook DTC	68,075,000	6.8	n/a	1.12	1.22	79.4	79.4
Eli Apts	56,925,000	5.7	n/a	0.91	0.99	69.5	69.5
3001 Park	50,000,000	5.0	n/a	0.94	1.10	64.0	59.9
Alas Over Lowry	50,000,000	5.0	n/a	1.34	1.34	77.2	73.6
Hollywood East	50,000,000	5.0	n/a	0.74	0.88	74.0	73.2
Landmark South	50,000,000	5.0	n/a	1.03	1.10	77.4	72.9

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
Aven	Multifamily	Los Angeles	CA	2019	536	485,075	485,075
Crystal Towers and Flats	Multifamily	Arlington	VA	Various	1,110	343,243	343,243
Portofino Place	Multifamily	West Palm Beach	FL	2003 / 2006	812	211,207	211,207
Berkeley Place	Multifamily	Charlotte	NC	2000	368	235,870	235,870
Outlook DTC	Multifamily	Denver	CO	2017	242	290,496	290,496
Eli Apts	Multifamily	Sharon	MA	2020	192	296,484	296,484
3001 Park	Multifamily	Henderson	NV	1989-1990	528	201,407	201,407
Alas Over Lowry	Multifamily	Denver	CO	2019	300	295,000	295,000
Hollywood East	Multifamily	Hollywood	FL	2020	247	327,935	327,935
Landmark South	Multifamily	Doral	FL	2017-2021	631	335,975	335,975

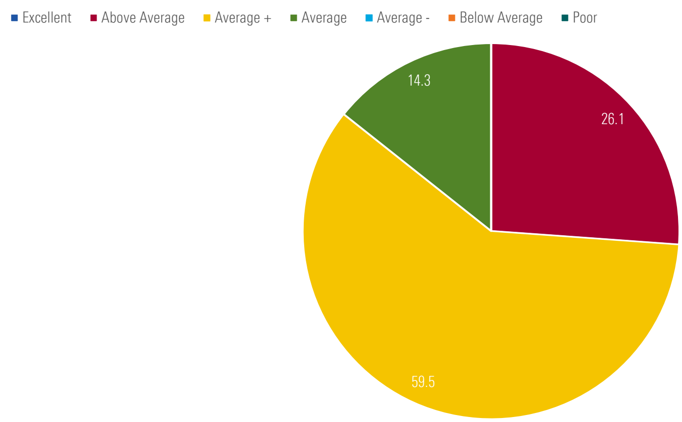
DBRS Morningstar Sample

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	Aven	12.0	10,508,435	-29.9	GPR, Vacancy, Insurance Expense	Above Average
2	Crystal Towers and Flats	12.0	18,954,631	-17.6	GPR, Operating Expenses	Average+
3	Portofino Place	11.5	9,582,080	-12.5	Real Estate Taxes	Average+
4	Berkeley Place	7.6	4,321,122	-14.5	GPR, Vacancy	Average
5	Outlook DTC	6.8	3,179,752	-30.5	GPR, Other Income	Above Average
6	Eli Apts	5.7	2,643,111	-26.3	GPR, Operating Expenses	Average+
7	3001 Park	5.0	5,354,203	-29.1	GPR, Operating Expenses	Average
8	Alas Over Lowry	5.0	4,684,034	-13.5	GPR, Vacancy, Operating Expenses	Average+
9	Hollywood East	5.0	3,488,249	-30.5	GPR, Vacancy, Operating Expenses	Average+
10	Landmark South	5.0	9,311,440	-25.6	GPR, Other Income	Average+
11	Motion at Dadeland	4.2	3,620,167	-23.4	GPR, Other Income, Operating Expenses	Average+
12	The Kendrick	4.2	7,467,291	-10.5	GPR, Operating Expenses	Above Average
15	Orchards Portfolio	4.0	2,784,139	-41.9	GPR, Vacancy, Other Income	Average+

DBRS Morningstar Site Inspections

DBRS Morningstar sampled 13 of the 16 loans in the pool, representing 88.0% of the pool by allocated cut-off date loan balance. DBRS Morningstar did not conduct interior or exterior tours in person on the underlying properties as a result of health and safety constraints associated with the ongoing coronavirus pandemic. DBRS Morningstar assessed the property quality based on a review of third-party reports, documents provided by the Issuer, and online information.

DBRS Morningstar Sampled Property Quality



Source: DBRS Morningstar.

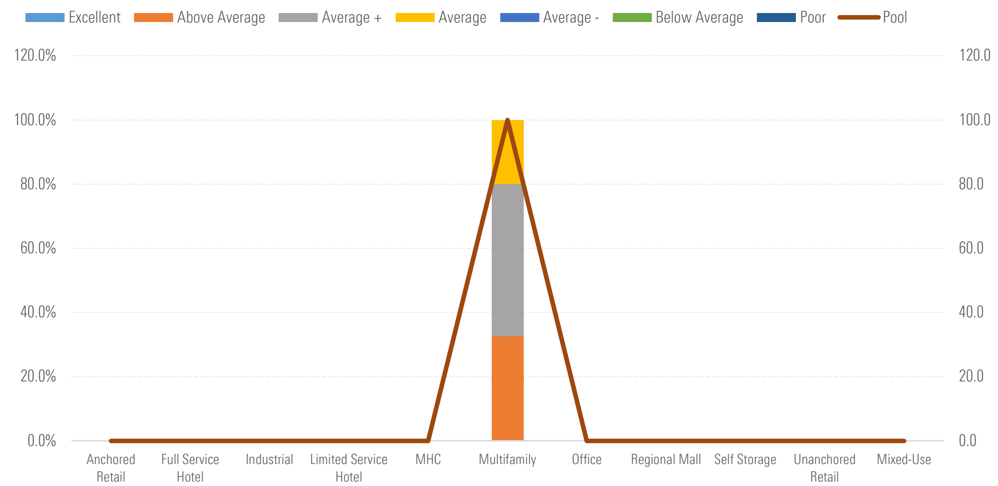
DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and a cash flow stability and structural review for 13 of the 16 loans, representing 88.0% of the initial pool by loan balance. For the loans not subject to an NCF review, DBRS Morningstar applied an NCF variance of -10.0% and -23.5% 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 as-is scenario also assumes that the loan is fully funded, with any allowable future funds increasing the overall leverage. In some cases, property cash flows may be insufficient to cover the fully loaded debt service. In these cases, the PODs and LGDs in the model may be elevated. The DBRS Morningstar As-Is sample had an average in-place NCF variance of -3.8% from the Issuer's NCF and ranged from -13.2% to 10.3%.

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. This often involved assuming higher-than-in-place rental rates for multifamily properties based on significant ongoing renovations, with rents already achieved on renovated units providing the best guidance on market rent upon renovation. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -23.5% from the Issuer's stabilized NCF and ranged from -10.5% to -41.9%.

DBRS Morningstar Sampled Property Type



Source: DBRS Morningstar.

Model Adjustments

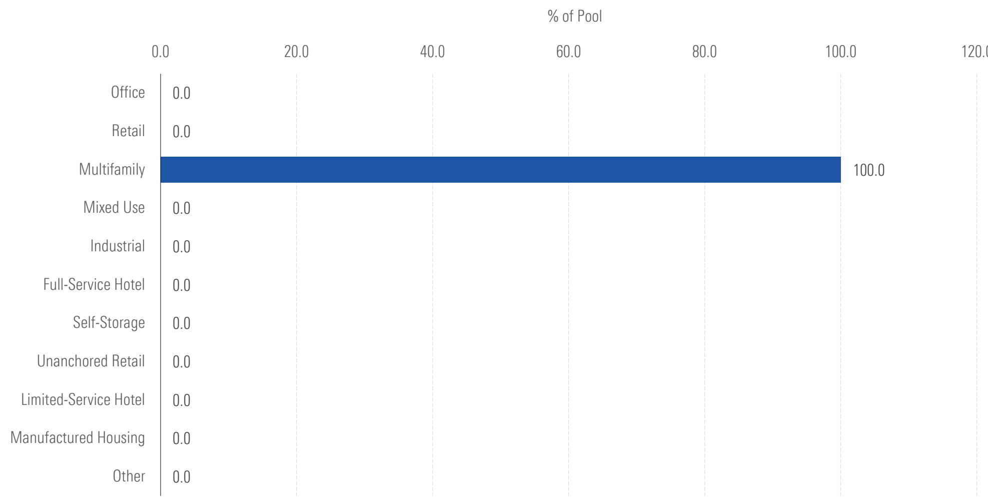
DBRS Morningstar applied upward cap rate adjustments to 10 loans, representing 64.8% of the trust balance. DBRS Morningstar adjusted the cap rate for these loans to reflect its view of the respective markets and the inherent risk associated with the sponsor's business plan. The downward stabilized value adjustments are highlighted in the DBRS Morningstar Sampled Model Adjustments table below.

DBRS Morningstar Model Adjustments

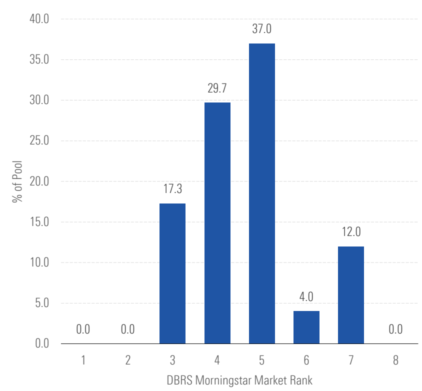
Prospectus ID	Loan	Implied Cap Rate (%)	DBRS Morningstar Adjusted Cap Rate (%)	Appraised As-Is LTV (%)	Appraised Stabilized LTV (%)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized LTV (%)
1	Aven	4.1	5.2	67.7	67.7	90.0	90.0
2	Crystal Towers & Flats	3.7	4.0	68.7	56.8	74.1	66.4
4	Berkeley Place	4.0	4.5	73.9	60.5	84.4	77.3
5	Outlook DTC	4.2	5.2	78.2	63.8	79.4	79.4
7	3001 Park	3.5	4.3	72.8	47.6	64.0	59.9
8	Alas Over Lowry	4.1	4.5	73.9	67.2	77.2	73.6
11	Motion at Dadeland	3.7	4.0	78.2	69.5	76.2	75.7
12	The Kendrick	3.4	5.0	69.5	56.1	82.1	82.1
14	Heights at Park Lane	3.5	4.5	61.4	51.0	77.4	76.9
16	The Harland	3.5	4.0	77.2	64.6	73.2	73.2

Transaction Concentrations

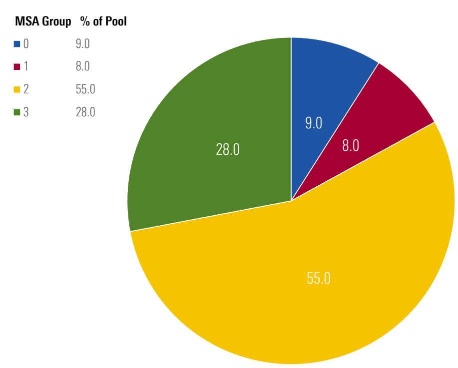
DBRS Morningstar Property Type



DBRS Morningstar Market Rank

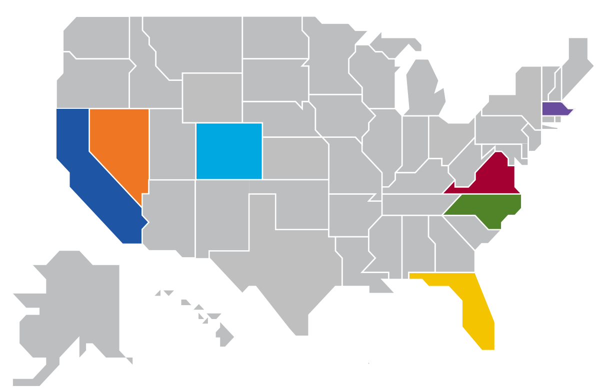


DBRS Morningstar MSA Group



Largest Property Location

Property Name	City	State
Aven	Los Angeles	CA
Crystal Towers and Flats	Arlington	VA
Portofino Place	West Palm Beach	FL
Berkeley Place	Charlotte	NC
Outlook DTC	Denver	CO
Eli Apts	Sharon	MA
3001 Park	Henderson	NV
Alas Over Lowry	Denver	CO
Hollywood East	Hollywood	FL
Landmark South	Doral	FL



Source: DBRS Morningstar.

Loan Structural Features

Loan Terms: All 16 loans are IO during the initial loan term, ranging from 35 months to 60 months with one to two 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: Eleven 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. An interest rate cap agreement was not required at origination on the remaining five loans (Portofino Place, Berkeley Place, Motion at Dadeland, Alvista Durham, and Orchards Portfolio), collectively representing approximately 31.3% of the pool balance. These loans were closed in late 2021 with anticipated SOFR transition in early 2022, and they were structured with springing rate caps at 1.0% Libor.

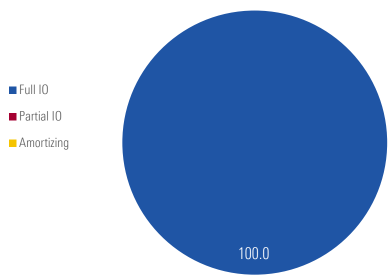
Subordinate Debt: There are no B note or mezzanine debts in this transaction.

Pari Passu Debt: 14 loans, representing 86.7% of the initial pool balance, have pari passu participation interest totaling $982.0 million.

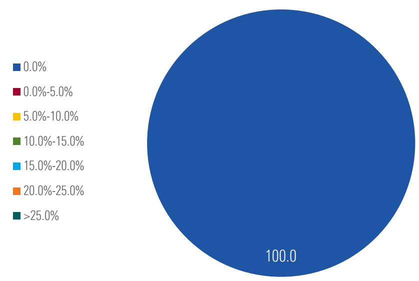
Future Funding: There are eight loans, representing 62.9% of the initial pool balance, that have a future funding component. The aggregate of future funding is $79.0 million, with future funding amounts per loan ranging from $1.0 million to $28.1 million. The proceeds necessary to fulfill the future 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: Two loans, Crystal Towers and Flats and Motion at Dadeland, representing 16.2% of the initial pool balance feature a leasehold loan structure. Both ground leases have lease terms of more than 85 years remaining.

Interest Only



DBRS Morningstar Expected Amortization

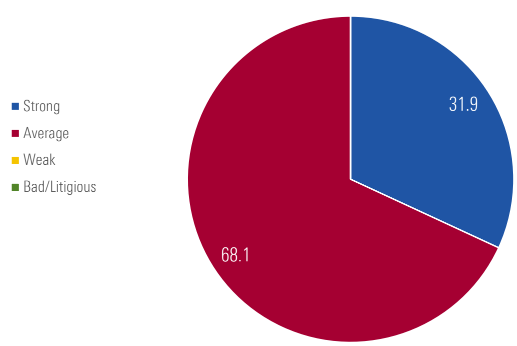


Note: For certain ARD loans, expected amortization may include amortization expected to occur after the ARD but prior to single/major tenant expiry.

Reserve Requirement			**Borrower Structure**		
Type	# of Loans	% of Pool	Type	# of Loans	% of Pool
Tax Ongoing	16	100.0	SPE with Independent Director and Non-Consolidation Opinion	13	79.8
Insurance Ongoing	6	25.4	SPE with Independent Director Only	3	20.2
CapEx Ongoing	15	88.0	SPE with Non-Consolidation Opinion Only	0	0.0
Leasing Costs Ongoing[1]	0	0.0	SPE Only	0	0.0

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

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

Property Release: The Crystal Towers and Flats loan, representing 11.5% of the pool balance, has a partial release provision. The borrower will have the right to release the developable land portion of the property subject to the borrower’s satisfaction of the lender’s customary conditions set forth in the loan documents. The Landmark South loan, representing 5.0% of the pool, permits the release of a certain portion of the related property to a governmental authority for dedication as a public right-of-way, subject to certain conditions.

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.

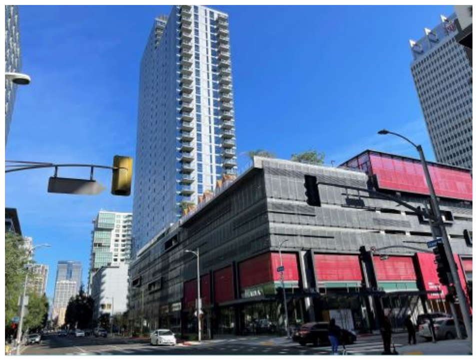
Aven

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
120.0
Loan PSF/Unit ($)
223,881
Percentage of the Pool (%)
12.0
Fully Extended Loan Maturity/ARD
March 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.75
DBRS Morningstar Stabilized DSCR (x)
0.75
DBRS Morningstar As-Is Issuance LTV (%)
90.0
DBRS Morningstar Stabilized Balloon LTV (%)
90.0
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
120.0
Pari Passu
130.0
Remaining Future Funding
10.0
Mortgage Loan Including Future Funding
260.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(2.8)
Trust Balance
120.0



Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2019
City, State	Los Angeles, CA	**Physical Occupancy (%)**	97.6
Units/SF	536	**Physical Occupancy Date**	November 2021

This loan is secured by the borrower's fee-simple interest in Aven, a 536-unit, Class A, multifamily, 38-story high-rise located in the South Park District neighborhood of downtown Los Angeles. The collateral was developed by the transaction sponsor and also features 12,455 sf of ground-floor retail space. Per the November 10, 2021, rent roll, the collateral's units were 97.6% occupied. Loan proceeds of $260.0 million refinanced $230.0 million of existing construction debt on the property, returned $2.8 million of cash equity to the transaction sponsor, covered $9.7 million closing costs associated with the transaction, and established a $17.0 million future funding commitment to be used for carry and debt service ($2.0 million) and a performance-based earnout of up to $15.0 million, of which only $5.0 has been drawn upon currently. The five-year, floating-rate loan is structured with a four-year initial term with one one-year extension option and is IO through the fully extended loan term. The loan permits allow for prepayment in whole but not in part at any time subject to payment of a spread maintenance premium through the 18th month (September 2022). The collateral interest cut-off date balance securitized in this transaction is a $120.0 million pari passu piece.

Unit Mix and Rents			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	23	460	2,029
One Bedroom	371	709	2,821
Two Bedroom	139	1,016	3,935
Three Bedroom	3	2,707	15,159
Total/WA	**536**	**789**	**3,120**

1. Monthly rents based on November 10, 2021 rent roll.

The collateral was constructed by the transaction sponsor team and delivered in December 2018. The property is situated on the east corner of Grand Avenue and 12th Street in the South Park District of downtown, and is walkable to numerous entertainment destinations, including Crypto.com Arena (formerly Staples Center), LA Live, and Microsoft Theater. The transaction sponsor is heavily involved in the greater Greenpoint Landing redevelopment, with two additional residential towers totaling over 1,150 units already under construction within the community. The collateral features 536 market-rate units and 12,455 sf of ground-floor retail space, of which, 7,529 sf is occupied by a pharmacy and a gym tenant, Orange Theory. Property-wide amenities include a 24-hour doorman, concierge, valet services, security, outdoor theater, private cabanas, clubhouse, grilling area, half basketball court, dog park, sand volleyball court, movie theatre, business center, conference room with co-work stations, yoga studio, resident recreation room with billiards tables, fitness center, controlled entry gate, secured parking, and a landscaped floor amenity deck on the eighth floor with a heated pool. Unit amenities include Nest thermostats, premium Whirlpool stainless steel appliance packages, wood-like plank flooring, tiled bathrooms, manufactured cabinets with wood or white-lacquered finishes, washer/dryer, Caeserstone counters and tile backsplashes, floor-to-ceiling windows, and recessed lighting and window shades. The property's parking is provided in a multi-level garage containing approximately 808 parking stalls with two-subterranean levels and six levels above grade.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)
Alina (APEX II)	Los Angeles, CA	0.5	341	2019	90.5
THEA at Metropolis	Los Angeles, CA	0.7	685	2020	15.0
Hope + Flower	Los Angeles, CA	0.2	665	2020	69.0
Park Fifth	Los Angeles, CA	0.9	347	2019	49.0
Atelier	Los Angeles, CA	0.5	363	2017	91.5
888 Grand Hope Park	Los Angeles, CA	0.4	525	2018	70.0
Circa LA	Los Angeles, CA	0.3	648	2018	71.0
825 South Hill	Los Angeles, CA	0.5	497	2019	90.0
Total/WA Comp. Set	**Los Angeles, CA**	**0.5**	**4,071**	**2019**	**65.0**
Aven	**Los Angeles, CA**	**n/a**	**536**	**2019**	**97.6**

Source: Appraisal (dated January 28, 2021), except the subject figures, which are based on the rent roll dated November 10, 2021

Sponsorship

The sponsor for this loan is a joint venture of four institutional investors in Mack (25%), AECOM (12.5%), Brookfield Property Group (Brookfield; 12.5%), and Washington Capital (50%), with significant combined experience in downtown L.A. Brookfield, the real estate-focused subsidiary of Brookfield Asset Management, is one of the largest real estate investors globally with over $219 billion of assets under management reported as of loan closing. Brookfield is the largest owner of commercial real estate in downtown Los Angeles and owns numerous similar multifamily assets, including one of the appraiser's primary rent comparables, Atelier. Mack/AECOM acquired six acres in the South Park District neighborhood and have committed interest in the neighborhood's development, most recently transacting a mid-rise multifamily asset adjacent to the property. The guarantor for the transaction is

AECOM, WRS Advisors IV LLC, who is compliant for the minimum required net worth and liquidity measures of $100.0 million and $10.0 million, respectively.

Property management services are provided by the borrower-affiliated Mack Property Management West Corp. for a contractual rate equal to 2.75% of EGI. The firm manages approximately 21 commercial assets across six United States markets, including two in the subject's downtown Los Angeles area.

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.

The surrounding neighborhood has seen an uptick in supply recently, with over 12,000 units added since 2015, with a large majority added being similar Class A product with a bolstered amenity package similar to the property. Downtown Los Angeles has become an increasingly desirable place to live due to its more modest price point compared with Santa Monica and other high-rent tertiary places, targeting working class individuals that want to live closer to work, be near a number of restaurants and entertainment options, and avoid L.A. traffic. The South Park District of downtown specifically benefits from being close to Staples Center and LA Live, and the subject is among a newer, more premium, residential strip of high rises delivered in recent years. Downtown Los Angeles is continuing to grow with the population anticipated to double to 200,000 people by 2040, according to the Southern California Association of Governments, and the rise in deliveries has gained momentum in the South Park area.

DBRS Morningstar NCF Summary

NCF Analysis				
	T-12 September 2021 ($)	Issuer Stabilized NCF ($)	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR	21,244,256	23,203,275	20,385,738	-12.1
Other Income	2,595,110	3,815,229	3,222,636	-15.5
Vacancy & Concessions	-7,008,008	-1,475,307	-3,123,349	111.7
EGI	**16,831,359**	**25,543,197**	**20,485,024**	**-19.8**
Expenses	11,313,598	10,413,802	10,423,156	0.1
NOI	**5,517,760**	**15,129,395**	**10,061,868**	**-33.5**
Capex	134,000	134,000	159,688	19.2
NCF	**5,383,760**	**14,995,395**	**10,508,435**	**-29.9**

*DBRS Morningstar Stabilized NCF reflects earnout credit of $606,256.

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 $10,508,435, representing a -29.9% variance to the Issuer's Stabilized NCF of $14,995,395. The primary drivers of the variance included gross potential rent, vacancy and collection loss, and other income.

DBRS Morningstar generally estimated gross potential rents for the apartment units based on the in-place lease rates achieved across each unit type per the November 2021 rent roll with vacant units generally grossed up to the average of T-4 net effective rents by unit type. DBRS Morningstar estimated collection loss based on the T-3 annualized ratio of 8.3% (dated September 30, 2021). T-1 rent collections for November 2021 were reported at 89%. As a percentage of GPR, the September 30, 2021, T-12 collection loss as a percentage of GPR was 8.0%, largely attributable to the asset being in lease-up stage during the T-12 year and a penthouse not paying rent during a long period of the subject months. The Issuer projected a stabilized collection loss of 0.05% of GPR. For other income, the Issuer based estimated figures generally on a $/occupied unit and 95% occupancy threshold, with a 3.0% growth rate per year. DBRS Morningstar applied the $/occupied per unit amounts but with no growth rate and based on a 93% occupancy rate. Finally, the Issuer applied a stabilized vacancy rate of 5.0% while DBRS Morningstar applied a rate of 7.0%, noting the amount of supply in the area's submarket and appraiser's similar lease-up comparables that are achieving an average occupancy rate of 65.0%. As of Q3 2021, the property's vintage submarket vacancy rate was 11.9% and 833 units are in the five-year construction forecast for the property's downtown L.A. submarket.

DBRS Morningstar Viewpoint

The collateral benefits from an irreplaceable downtown location in Los Angeles on Grand Avenue. The Downtown submarket is a rapidly emerging location for residential development due to its central location, proximity to employment centers, public transportation hubs, relatively low barriers to entry, available land, and existing building stock that is suitable for redevelopment, as noted by the appraiser. However, the high level of deliveries witnessed in the downtown submarket will challenge landlords' abilities to increase rents along with the use of concessions to reach stabilization. Nonetheless, the collateral is located in an area characterized as having a DBRS Morningstar Market Rank of 7 and a DBRS Morningstar MSA Rank of 3. Such rankings are generally reflective of dense urban areas in core markets, and loans secured by properties located in these areas have historically demonstrated reduced losses relative to loans secured by properties located in less densely populated during financially illiquid markets.

DBRS Morningstar did not conduct interior or exterior tours of the property; however, based on photos and assessments from third-party reports, DBRS Morningstar determined the property quality to be Above Average. The collateral's new vintage provides a competitive edge relative to the influx of new supply delivered to the collateral's submarket over the past decade, as indicated by 64.0% of submarket inventory having been delivered since 2010 but just 10.0% of inventory having been delivered since 2019. The collateral is also among the newest apartment buildings within the appraisal-identified competitive set, which is comprised of similar Class A, downtown-located, luxury multifamily properties. However, the influx of new supply is projected to continue through the near future, with a projected 2,246 more apartments estimated to be under construction within the downtown Los Angeles market in 2022 and 2023, per Reis. The projected new supply into the downtown market along with the slowdown observed in leasing velocity in the CBD Los Angeles market could diminish the collateral's competitive edge; however, the collateral has shown resiliency during lease-up and is maintaining strong occupancy, indicated by the average leasing of 27 units per month from March 2020 to January 2021 and stabilized occupancy of 97.6% reached as of November 2021.

The transaction represents cash-out refinancing and is scheduled to return $11.5 million of cash equity to the transaction sponsor at closing. DBRS Morningstar generally views cash-out financings less favorably than cash-in financings given the reduction of financial incentive alignment presumed to be associated with a diminishing equity basis. The transaction has moderate leverage, with an as-is LTV of 67.7%, based on the appraiser's $369.0 million ($688,433 per unit) appraised value assumption. Furthermore, DBRS Morningstar as-is and stabilized LTVs of 90.0% reflect a DBRS Morningstar modeling adjustment to increase the implied cap rate from 4.0% to 5.2% to bring the cap rate in line with DBRS Morningstar identified comparable multifamily properties in the area. The comparatively high leverage point reflects a reasonable challenge to refinancing without the sponsor injecting additional equity. However, the appraiser reported five comparable sales dating from 2017–20 with an average sales per unit of $784,291 and the transaction benefits from institutional-grade sponsorship in Brookfield Asset Management and the rest of the institutional JV partners aforementioned. The strong sponsorship grade, above-average property quality, and positive market location ultimately contribute to the loan's EL being below the pool WA EL.

Crystal Towers and Flats

Loan Snapshot

Seller	
KREF CLO Seller	
Ownership Interest	
Fee Simple & Leasehold	
Trust Balance ($ million)	
120.0	
Loan PSF/Unit ($)	
108,108	
Percentage of the Pool (%)	
12.0	
Fully Extended Loan Maturity/ARD	
October 2026	
Amortization	
Full IO	
DBRS Morningstar As-Is DSCR (x)	
1.19	
DBRS Morningstar Stabilized DSCR (x)	
1.36	
DBRS Morningstar As-Is Issuance LTV (%)	
74.1	
DBRS Morningstar Stabilized Balloon LTV (%)	
66.4	
DBRS Morningstar Property Type	
Multifamily	
DBRS Morningstar Property Quality	
Average (+)	

Debt Stack ($ millions)

Trust Balance	
120.0	
Pari Passu	
232.9	
Remaining Future Funding	
28.1	
Mortgage Loan Including Future Funding	
381.0	
Loan Purpose	
Refinance	
Equity Contribution/(Distribution) ($ million)	
(6.4)	
Trust Balance	
120.0	

Source: ASR.

Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1968/2017
City, State	Arlington, VA	**Physical Occupancy (%)**	97.3
Units/SF	1,110	**Physical Occupancy Date**	October 2021

This loan is secured by the borrower's fee and leasehold interest in Crystal Towers and Flats, a 1,110 unit multifamily portfolio of two-cross collateralized apartments in Arlington, Virginia. The initial loan proceeds of approximately $352.9 million ($317,965 per unit) were used to refinance existing debt of approximately $337.3 million ($303,898 per unit), repatriate approximately $6.4 million of cash equity to the borrower, and cover prepayment and closing costs. The loan allows for future funding of approximately $28.1 million, which will be used for a comprehensive renovation of the portfolio, including both renovations and deferred maintenance items. The five-year loan is structured as full-term IO with no extension options. After month 18 during the loan term, an excess property cash trap will occur if the portfolio's DSCR is less than 1.25x for one quarter and will last until the DSCR is equal to greater than 1.25x for two consecutive quarters. A cash trap can also occur if the portfolio's debt yield being less than the following threshold for one quarter: (1) months 0 to 24: None, (2) months 25 to 36: 5.00%, and (3) months 37 to 60: 6.25%. This cash trap will last until the debt yields are above the debt yield thresholds for two consecutive quarters.

The portfolio comprises two midrise apartment buildings named Crystal Towers and Crystal Flats. Built in 1968, Crystal Towers is a 12-story two-building apartment complex with 912 market-rate units and approximately 9,000 sf of retail space. Built in 2017, Crystal Flats is an 11-story, 198 unit apartment with 8% affordable housing units that is adjacent to Crystal Towers. Crystal Flats is currently subject to a ground lease with a 104-year term, which expires on December 31, 2115. The sponsor acquired Crystal Towers in 2013 for an acquisition price of approximately $322.3 million and Crystal Towers in 2019 for an acquisition price of approximately $73.5 million. The sponsor already invested approximately $15.3

million into Crystal Towers, installing new washer/dryers, garage repairs, and common area improvements. Additional information on the residential unit mix and rental rates can be found in the table below.

Unit Mix and Rents - Crystal Towers and Flats

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	160	653	1,598
1 Bedroom	498	922	1,868
2 Bedroom	379	1,305	2,470
3 Bedroom	71	1,713	3,176
4 Bedroom	2	2,570	5,422
Total/WA	**1,110**	**1,067**	**2,124**

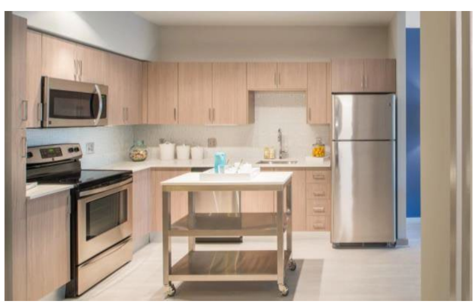
Source: Rent roll dated October 31, 2021.

Sponsorship

The sponsor for this transaction is Dweck Properties, a real estate owner and operator that is controlled by the guarantor for the loan. Dweck Properties owns 14 multifamily properties in the Washington, D.C. MSA, comprising more than 4,900 units. Dweck Property Management, LLC, a borrower-managed company, will manage the subject with a contractual rate of 2.5% of operating income.

DBRS Morningstar Analysis

Site Inspection Summary



Source: ASR.

Source: ASR.

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

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 July 2021 ($)	Appraisal Stabilized ($)	Issuer Stabilized NCF ($)	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR	28,730,942	34,319,868	35,603,393	31,086,622	-12.7
Other Income	3,642,388	4,237,422	4,223,971	4,013,146	-5.0
Vacancy & Concessions	-3,297,000	-1,914,597	-1,303,222	-1,712,318	31.4
EGI	**29,076,330**	**36,642,693**	**38,524,142**	**33,387,450**	**-13.3**
Expenses	13,328,440	14,664,082	15,226,739	14,106,071	-7.4
NOI	**15,747,891**	**21,978,611**	**23,297,403**	**19,281,379**	**-17.2**
Capex	277,500	249,883	303,311	326,748	7.7
NCF	**15,470,391**	**21,728,728**	**22,994,092**	**18,954,631**	**-17.6**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $18,954,631, representing a -17.6% variance from the Issuer's Stabilized NCF of 22,994,074. The primary driver of the variance was GPR. DBRS Morningstar estimated GPR based on a WA per unit premium of $500 per unit for 377 units scheduled for a full interior renovation and a WA per unit premium of $150 for 293 units scheduled for washer/dryer replacement over the in-place rent based on the October 31, 2021, rent roll.

DBRS Morningstar Viewpoint

The loan collateral is a 1,110 unit multifamily portfolio composed of two-cross collateralized apartments in Arlington, Virginia, located 0.4 miles from the Pentagon City and one mile south of the Pentagon. The collateral is well situated with convenient access to major highways and local thoroughfares. The properties are located 0.4 miles west of US-1 and 0.7 miles south of I-395, giving residents convenient access to Washington, D.C. and the Arlington MSA. The immediate surrounding area is urban in nature with multiple high-rise apartments, hotels, and office buildings. The collateral is located within the Crystal City neighborhood, across the street from Amazon's future HQ2 site and a five-minute walk to a Whole Foods Market, a Costco Wholesale, and the Fashion Centre at Pentagon City mall. Additionally, the collateral is a five-minute walk to the Crystal City Metro station and Pentagon City Metro station, which connects the property to Washington, D.C., Alexandria, and the Arlington MSA.

The sponsor's business plan consists of approximately $28.1 million of future funding, which includes both accretive capital expenditure items and deferred maintenance items throughout the portfolio. The sponsor's renovation plan of approximately $12.5 million primarily focuses on the Crystal Towers, and includes $9.4 million for full-unit renovations of 377 units, or approximately $25,000 per unit, and $3.1 million for the new washer/dryer installations in 293 units, or $11,000 per unit. The sponsor seeks to achieve rent premiums in line with competitive similarly renovated multifamily properties in the area. The deferred maintenance items include $4.4 million for waterproofing, $3.4 million for elevator modernization, $1.3 million for hallway improvements, and $7.1 million for other miscellaneous deferred maintenance items.

DBRS Morningstar generally views the sponsor's business plan to be achievable. The sponsor projects an average of $150 monthly per unit rent premiums for 293 units with washer/dryer installations, and the Issuer confirmed that this premium was already achieved in existing units with prior washer/dryer installations. Also, despite the Crystal Tower's age, the previous owner completed a comprehensive renovation of the property in 2002. The sponsor purchased Crystal Towers in 2013 and has invested an additional $15.3 million of capital on common area upgrades and other improvements. The business plan is also supported by the property's exceptional location in the area, attractive multifamily market, and recent renovation. Also, the sponsor is allocating a high amount of per-unit renovation investment, at an average of $18,692 across 670 units. DBRS Morningstar projected a WA monthly per unit premium of $500 for 377 units with a full-unit renovation and $150 for 293 units with washer/dryer installations. Based on those premiums, DBRS Morningstar concluded an average stabilized monthly rental rate per unit of $2,334, which is lower than the Reis' Pentagon City/Crystal City submarket average monthly rent of $2,658 as of Q3 2021.

According to Reis, multifamily market conditions generally appear to align with the sponsor's business plan. The subject's current average monthly in-place rent of $2,124 is substantially lower than the Pentagon City/Crystal City submarket's average monthly rent of $2,658 as of Q3 2021. Also, Reis projects the submarket vacancy will decrease to 3.9% by 2027 from 6.4% as of Q3 2021, while the overall Suburban Virginia multifamily market vacancy is projected to remain steady at 5.0% through 2027. Moreover, Reis predicts that the Pentagon City/Crystal City multifamily submarket will add an average of 153 units annually for the next five years. However, Reis also estimates that the submarket supply will be eclipsed by demand, and that the submarket should absorb an average of 207 units annually during the same period, resulting in a construction-to-absorption ratio of 0.7.

The appraiser identified eight competitive multifamily properties with an average year built of 1997, making Crystal Towers older than most of the identified competitive set. However, given the comprehensive renovations at Crystal Towers and Crystal's Flat's recent year built of 2017, the subject's overall property quality is comparable to most of the competitive set. With an occupancy of 97.3%, the subject is currently achieving higher occupancy compared with the competitive set, which ranges from 82.4% to 97.0%, with a WA of 92.6%. DBRS Morningstar concluded an average stabilized monthly rental rate per unit of $2,334, and is generally in line with most of the competitive set, which ranges from $2,034 to $3,312 excluding the Altaire property. Please see the table below for additional information on the competitive properties identified by the appraiser.

Competitive Set						
Property	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
The Buchanan	0.6	455	1971	95.6	2,289	1,076
Crystal Square Apartments	0.3	378	1978	94.1	2,567	1,228
Aura Pentagon City	0.3	534	2001	92.8	2,184	845
Crystal City Lofts	0.7	184	2010	97.0	2,442	1,008
Crystal House	0.2	825	1965	92.7	2,034	859
Acadia at Metropolitan Park	0.4	411	2015	95.2	3,132	960
The Bartlett	0.4	699	2016	93.7	2,757	826
Altaire	0.7	451	2018	82.4	4,538	1,059
Total/WA	**Various**	**3,937**	**1997**	**92.6**	**2,684**	**952**
Crystal Towers and Flats	**n/a**	**1,110**	**1968/2017**	**97.3**	**2,124**	**1,067**

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

The loan has a lower-than-average expected loss (EL) compared with the pool WA EL. In particular, the collateral's DBRS Morningstar Market Rank of 5 and MSA Group 3 are above average and associated with locations that have historically experienced lower loan defaults and loss severities. Also, DBRS Morningstar estimated the property quality at Average+, which lowers the loan's POD. While Crystal Tower's age is more punitive in the DBRS Morningstar model, the subject's high as-is occupancy of 97.3% mitigates this. The loan exhibits a moderate DBRS Morningstar Issuance LTV of 74.1% based on the as-is appraised value of $514.0 million, but its leverage drops to a 66.4% DBRS Morningstar stabilized balloon LTV based on the adjusted stabilized value of approximately $573.7 million ($516,821 per unit). DBRS Morningstar notes that according to Reis, only one similar property in the Pentagon City/Crystal City submarket has sold in the past two years, which was an 839-unit apartment complex that traded hands in December 2020 at $448,868 per unit.

Portofino Place

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
115.0
Loan PSF/Unit ($)
141,626
Percentage of the Pool (%)
11.5
Fully Extended Loan Maturity/ARD
January 2027
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.23
DBRS Morningstar Stabilized DSCR (x)
1.23
DBRS Morningstar As-Is Issuance LTV (%)
73.8
DBRS Morningstar Stabilized Balloon LTV (%)
73.8
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average (+)

Debt Stack ($ millions)

Trust Balance
115.0
Pari Passu
54.2
Remaining Future Funding
2.3
Mortgage Loan Including Future Funding
171.5
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
64.3
Trust Balance
115.0

Source: ASR.

Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2003/2021
City, State	West Palm Beach, FL	**Physical Occupancy (%)**	95.6
Units/SF	812	**Physical Occupancy Date**	November 2021

This loan is secured by the borrower's fee-simple interest in Portofino Place, an 812-unit, Class A multifamily property in West Palm Beach, Florida. Originally built in two phases in 2003 and 2006, the property was 95.6% occupied as of November 15, 2021. The $169.2 million ($208,405 per unit) recapitalization loan closed in December 2021. The transaction facilitates the acquisition of a 95% interest by Goldman Sachs Asset Management and Cortland Partners from a venture controlled by Cortland Partners and Blackstone Strategic Partners at an implied property value of $229.0 million. The loan allows for approximately $2.3 million of future funding, which will be generally for minor common area renovations and maintenance. The five-year fully extended loan term consists of a three-year initial IO period with two one-year IO extension options.

Located in West Palm Beach, the collateral was built in two phases and previously operated as two separate properties, Arium Laguna Lakes and Arium Palm Cove, built in 2003 and 2006, respectively. The previous venture acquired the subject in October 2016 and began a $20.2 million renovation project in early 2017 to upgrade the common areas, amenities, and unit interiors. In 2018, the previous KREF senior loan provided the venture an additional $13.0 million to address the remaining renovation plan. The interior unit renovations included new hard surface flooring in all units; granite countertops; kitchen finishes; cabinetry including sinks, faucets, and backsplashes; stainless-steel appliances, and fixtures. Also, the amenity package upgrade included a roof replacement program, a clubhouse, a leasing center, a fitness center, pool upgrades, sitewide landscaping, new exterior paints, and new gate and security systems. Arium Laguna Lakes and Arium Palm Cove had 416 units and 396 units, respectively, and the seller combined and rebranded the subject upon acquisition. The unit mix at the property consists of one-, two-, and three-bedroom units. Additional information on the residential unit mix and rental rates can be found in the table below.

Unit Mix and Rents - Portofino Place

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
One Bed/One Bathroom	379	984	1,597
Two Bed/Two Bathroom	341	1,269	1,870
Three Bed/Three Bathroom	92	1,439	2,160
Total/WA	**812**	**1,155**	**1,775**

Source: Rent roll dated November 15, 2021.

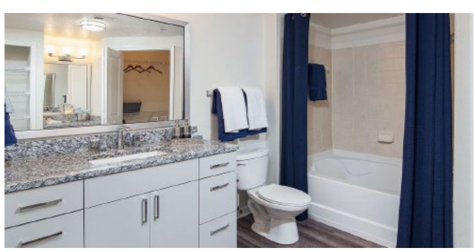
The sponsor for this transaction is a newly formed joint venture between Cortland Partners and Goldman Sachs Asset Management. Cortland Partners serves as a 5.0% equity investor and general partner for the loan, and it is also the guarantor for the transaction. Goldman Sachs will be investing in the subject through its Vintage platform, which is under the Goldman Sachs Asset Management division. Goldman Sachs' Vintage platform has historically raised more than $35 billion in capital. Cortland Partners is a vertically integrated multifamily acquisition, development, and operation company, and it currently owns more than 60,000 units throughout 12 states. Cortland Management LLC, which is a subsidiary of Cortland Partners, will manage the property with a contractual rate of 2.5% of EGI.

Sponsorship

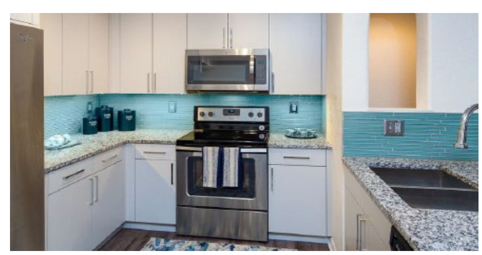
The sponsor for this transaction is a newly formed joint venture between Cortland Partners and Goldman Sachs Asset Management. Cortland Partners serves as a 5.0% equity investor and general partner for the loan, and it is also the guarantor for the transaction. Goldman Sachs will be investing in the subject through its Vintage platform, which is under the Goldman Sachs Asset Management division. Goldman Sachs' Vintage platform has historically raised more than $35 billion in capital. Cortland Partners is a vertically integrated multifamily acquisition, development, and operation company, and it currently owns more than 60,000 units throughout 12 states. Cortland Management LLC, which is a subsidiary of Cortland Partners, will manage the property with a contractual rate of 2.5% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary



Source: ASR.



Source: ASR.

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

	2018 ($)	2019 ($)	2020 ($)	Issuer Stabilized NCF ($)	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR	14,745,703	14,992,712	15,378,062	19,047,727	17,660,206	-7.3
Other Income	1,682,496	2,053,238	2,035,593	2,177,703	2,091,326	-4.0
Vacancy & Concessions	-3,393,354	-1,506,468	-1,763,066	-1,197,192	-1,335,579	11.6
EGI	**13,034,846**	**15,539,482**	**15,650,590**	**20,028,238**	**18,415,953**	**-8.1**
Expenses	7,880,853	7,252,170	7,170,364	8,785,459	8,576,568	-2.4
NOI	**5,153,992**	**8,287,312**	**8,480,226**	**11,242,779**	**9,839,385**	**-12.5**
Capex	292,320	292,320	292,320	292,320	257,305	-12.0
NCF	**4,861,672**	**7,994,992**	**8,187,906**	**10,950,459**	**9,582,080**	**-12.5**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $9,582,080, representing a -12.5% variance from the Issuer's stabilized NCF of $10,950,459. The primary drivers of the variance were GPR and vacancy. DBRS Morningstar estimated GPR based on the T-12 ended November 15, 2021, average rents per unit type in the November 15, 2021, rent roll. Meanwhile, the Issuer estimated its stabilized GPR with marked-to-market rent based on the average of leases signed between August 2021 and October 2021. DBRS Morningstar concluded a 6.0% vacancy, while the Issuer concluded a 5.0% vacancy.

DBRS Morningstar Viewpoint

The subject is an 812-unit, Class A multifamily property in West Palm Beach, approximately 6.5 miles northwest of downtown West Palm Beach. The property is well situated with convenient access to major highways and local thoroughfares. The property is on FL-809, between Florida's Turnpike and I-95. FL-809, also known as North Military Trail, is a major north-south thoroughfare running through the Tri-County region of Southeast Florida. The immediate surrounding area of the subject is suburban in nature with garden-style apartments and single-family homes.

Following the renovations finished under the prior venture, the sponsor's business plan is to complete a light $2.3 million capital plan for additional common area renovations and minor landscaping improvements throughout the subject. Once completed the sponsor will look to capture market rent increases over time. The DBRS Morningstar approach typically ties rental upside to capex rather than market rent inflation. Because the additional capital investment from the sponsor will not materially improve the subject's quality or appeal, DBRS Morningstar viewed the subject as a stabilized property and conducted one stabilized NCF analysis. Therefore, DBRS Morningstar did not give additional rental premiums to the in-place rent roll as a part of the NCF analysis.

According to Reis, the multifamily market conditions appear to produce some hurdles for the property's future performance. The subject's current average in-place rent of $1,775 per unit is in line with the West Palm Beach/Palm Beach submarket's average rent of $1,788 per unit as of Q3 2021. Reis currently projects that the submarket average rent will rise to $2,124 by 2027 from $1,788. However, the Reis submarket average vacancy of 8.9% as of Q3 2021 is higher than the overall Palm Beach market's 5.1%. Reis also projects that the submarket vacancy will remain relatively steady at current levels, only decreasing to 8.2% in 2027. Moreover, Reis forecasts the West Palm Beach/Palm Beach multifamily submarket will add an average of 356 units annually for the next five years. However, it projects that the submarket demand will be eclipsed by new supply and the submarket will only absorb an average of 307 units annually during the same period, resulting in a construction-to-absorption ratio of 1.2. However, the completed renovations will help maintain the property's competitive position. In addition, the post renovation lease-up to 95.6% by November 2021 speaks to the desirability of the asset.

The appraiser identified seven competitive multifamily properties with an average year built of 2000. Therefore, the subject's age is in line with most of the identified competitive set. However, given the property completed significant renovations in 2021, the collateral's quality in terms of unit finishes and amenities will reflect a slightly newer vintage. With an occupancy of 95.6%, the subject is currently achieving a lower occupancy compared with the competitive set, which ranges from 95.0% to 99.0%, with a WA of 97.4%. Also, the subject's average rent per unit is below the competitive set's WA of $1,998 per unit. Please see the table below for additional information on the competitive properties identified by the appraiser.

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built/Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)
Village Crossing	1.1	189	1987/2012	95.0	1,872
Village Place	1.2	202	1999/2014	99.0	1,943
Visions at Willow Pond	0.6	300	1986	99.0	1,624
Vue at 1400	1.4	315	1991/2012	97.0	2,007
Woodbine Apartment Homes	3.2	408	2001	98.0	2,083
Jefferson at Palm Beach	2.4	282	2015	98.0	2,586
Fairway Vista	1.4	250	1999	95.0	1,774
Total/WA	**Various**	**1,946**	**2000**	**97.4**	**1,998**
Portofino Place	**n/a**	**812**	**2003/2021**	**95.6**	**1,775**

Source: Appraisal, except the subject figures are based on rent roll dated November 15, 2021.

The loan has an EL slightly higher than the pool WA EL. In particular, the Average + property quality and Strong sponsor strength result in a lower POD. The subject's DBRS Morningstar Market Rank of 4 suggests a historically higher POD, but it also has an MSA Group score of 2, which suggests a historically lower-than-average POD. Based on the as-is appraised value of $232.4 million, the loan exhibits a moderate DBRS Morningstar Issuance LTV of 73.8%.

Berkeley Place

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
76.0
Loan PSF/Unit ($)
206,522
Percentage of the Pool (%)
7.6
Fully Extended Loan Maturity/ARD
January 2027
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.87
DBRS Morningstar Stabilized DSCR (x)
1.03
DBRS Morningstar As-Is Issuance LTV (%)
84.4
DBRS Morningstar Stabilized Balloon LTV (%)
77.3
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
76.0
Pari Passu
0.0
Remaining Future Funding
10.8
Mortgage Loan Including Future Funding
86.8
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
26.3
Trust Balance
76.0

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2000/2018-2020
City, State	Charlotte, NC	**Physical Occupancy (%)**	95.1
Units/SF	368	**Physical Occupancy Date**	November 2021

The loan is secured by the borrower's fee-simple interest in Berkeley Place, a 368-unit Class B+ garden-style apartment complex in Charlotte, North Carolina. The collateral was built in 2000 and was most recently renovated between 2018 and 2020. Initial loan proceeds of $76.0 million, along with $26.3 million of borrower cash equity, are being used to acquire the property for $100.0 million and cover closing costs. Additionally, the loan is structured with $8.8 million of future funding that, in addition to $5.0 million of future sponsor equity, will be used to renovate unit interiors, exteriors, and common areas. Subject to the property achieving a debt yield of at least 6.0%, the borrower may request up to $2.0 million as an earn-out. The three-year, floating-rate loan is IO through the initial term and includes two 12-month extension options, which are also IO.

The collateral comprises 18 buildings and one clubhouse, built on 25.5 acres, and includes 368 residential units. See the table below for a unit breakdown and average rents. Property wide amenities include a swimming pool, basketball court, tennis court, dog park, pet spa, business center, fitness center, an outdoor lounge with fire pit, package lockers, and controlled-access community gates. Unit amenities include standard appliance packages. Additionally, select renovated units include stainless steel appliances, subway backsplash, quartz counters, and ceiling fans. Per the November 18, 2021, rent roll, the property was approximately 95.1% occupied.

Unit Mix and Rents - Berkeley Place			
Unit Type	Count	Average Size (sf)	Average Rental Rate ($)
One-Bedroom	166	776	1,138
Two-Bedroom	178	1,104	1,379
Three-Bedroom	24	1,454	1,697
Total/WA	**368**	**979**	**1,291**

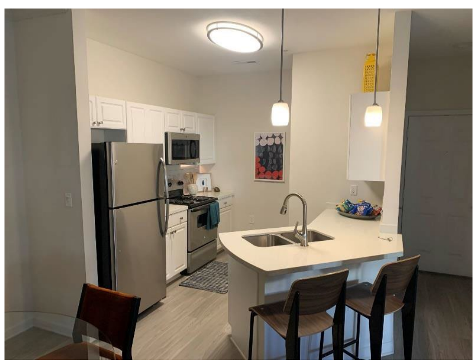
Sponsorship

The sponsor for this transaction is Cortland, a real estate company that is involved in the acquisition and development of multifamily properties throughout the United States. Cortland's current multifamily portfolio comprises more than 60,000 units in 18 distinct markets throughout 12 states. Furthermore, the sponsor owns and operates nine other properties in the Charlotte MSA.

The property is managed by a borrower-related entity for a fee of 2.5% of EGI and it currently manages nine other properties in the greater Charlotte area.

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			
	Issuer Stabilized NCF ($)	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	7,862,676	7,036,299	-10.5
Other Income ($)	801,090	755,210	-5.7
Vacancy & Concessions ($)	-490,857	-541,108	10.2
EGI ($)	**8,172,909**	**7,250,401**	**-11.3**
Expenses ($)	3,028,145	2,936,844	-3.0
NOI ($)	**5,144,763**	**4,313,557**	**-16.2**
Capex ($)	92,000	92,000	0.0
NCF ($)	**5,052,763**	**4,321,122**	**-14.5**

*DBRS Morningstar Stabilized NCF reflects earnout credit of $99,565.

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 is $4,221,557, resulting in a -16.5% variance from the Issuer's stabilized NCF of $5,052,763. The primary driver of the variance is GPR. DBRS Morningstar arrived at a stabilized GPR by taking the sum of the in-place GPR based on the in-place rent roll with a premium on the renovated units. The Issuer undertook a similar approach but also gave additional credit in the form of an upward mark-to-market.

DBRS Morningstar Viewpoint

The loan is secured by a multifamily property in a relatively suburban area within the Charlotte MSA. The property is well located near the intersection of I-85 and I-485, which provides adequate access to the broader Charlotte area. Furthermore, the property is within a five-minute drive of University Research Park, which is a significant office center and home to Nuveen, TIAA, and Wells Fargo. Centene has also announced that it will be opening a one million-sf office that will house more than 7,000 employees. The collateral is also less than two miles north of the University of North Carolina at Charlotte.

The sponsor believes the asset could benefit from significant capital investment and that its current achieved market rents are below market. The borrower's business plan consists of $13.8 million, or more than $37,000 per unit, in capex for renovating building exteriors, unit interiors, and common areas. The sponsor's significant investment will complement the investments made by the seller totaling $6.9 million since the asset's acquisition in 2017. The sponsor's renovation plan includes upgrading kitchen appliances to stainless steel, installing vinyl plank flooring, replacing cabinetry, renovating bathrooms, and adding tile backsplashes in kitchens. DBRS Morningstar believes the renovation plan is significant and will lead to a meaningful rental premium.

The property was approximately 95.1% occupied as of the November 2021 rent roll, which is a stronger performance than the rest of the submarket. Per Reis, the Harris Boulevard/Mallard Creek Church Road submarket exhibited an average submarket vacancy rate of 3.3% and properties of the same construction vintage as the collateral exhibited an average vacancy of 2.9%. Despite the relatively low vacancy rates within the submarket, a significant amount of new supply is coming into the area over the next few years. Specifically, within a five-mile radius of the property, approximately 4,000 units are currently under construction, with completion dates in 2022 and 2023. The new supply will likely put downward pressure on rent growth and increase vacancy rates across the submarket. However, the new supply will be Class A products that may not directly compete with the subject. Furthermore, the Charlotte MSA is considered to be an up-and-coming market for multifamily properties as Mecklenburg County, which is home to Charlotte, has experienced a population growth of 21.3% over the past 10 years. Furthermore, the population of the Charlotte MSA is expected to grow 50% by 2050. This significant population growth in Charlotte should keep the relative demand for multifamily units elevated over the next few decades and offset new supply.

The fully funded loan has a high DBRS Morningstar As-Is Issuance LTV of 84.4%. The stabilized appraised value is considerably higher, although DBRS Morningstar did adjust the implied cap rate to be more in line with market comparables. As a result, the DBRS Morningstar Stabilized LTV is elevated at 77.3%. The property has a relatively weak DBRS Morningstar Market Rank of 3, but this is offset by being in the moderately strong MSA Group 2 as the property is in the Charlotte-Gastonia-Concord MSA. As a result of the loan's credit metrics, property quality, and sponsor strength, the loan has an EL near the pool WA EL.

Outlook DTC

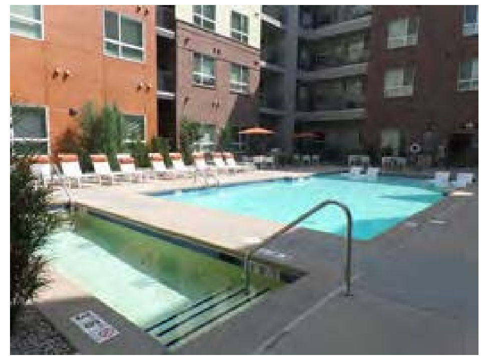
Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
68.1
Loan PSF/Unit ($)
281,302
Percentage of the Pool (%)
6.8
Fully Extended Loan Maturity/ARD
October 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.12
DBRS Morningstar Stabilized DSCR (x)
1.22
DBRS Morningstar As-Is Issuance LTV (%)
79.4
DBRS Morningstar Stabilized Balloon LTV (%)
79.4
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
68.1
Pari Passu
1.2
Remaining Future Funding
1.1
Mortgage Loan Including Future Funding
70.3
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
20.1
Trust Balance
68.1

Source: Appraisal.



Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2017
City	Denver, CO	**Physical Occupancy (%)**	95.5
Units	242	**Physical Occupancy Date**	November 2021

This loan is secured by the borrower's fee-simple interest in Outlook DTC, a 242-unit, mid-rise apartment complex in Denver. The $69.3 million loan closed in September 2021 and was used, along with $20.1 million of borrower equity, to acquire the property for a purchase price of $87.3 million as well as to cover closing costs. The loan allows for future funding of approximately $1.1 million, which will be used for propertywide renovations. The five-year, fully extended loan term consists of a three-year initial period and two one-year extension options. The loan is IO throughout the loan term.

Built in 2017, the property has extensive amenities that include an outdoor swimming pool, fitness center, rooftop lounge, yoga room, barbecue and picnic area, and dog run, among others. Unit amenities include stainless steel appliances, quartz countertops, wood plank flooring, in-unit washers/dryers, and balconies. As of the November 1, 2021, rent roll, the property was 95.5% physically occupied. The unit mix at the property consists of studio, one-bedroom, and two-bedroom units. Additional information on the residential unit mix and unit rental rates can be found in the table below.

Unit Mix and Rents - Outlook DTC

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	30	592	1,358
1 Bedroom	122	754	1,529
2 Bedroom	90	1,106	1,944
Total/WA	**242**	**865**	**1,662**

Sources: November 2021 rent roll.

Sponsorship

The sponsor for the transaction is The Connor Group, a real estate investment firm that focuses on Class A multifamily assets across the U.S. The firm has more than $2.8 billion in assets and operates more than 40 apartment communities. The company owns three other multifamily properties in the Denver market, comprising 877 units. The borrower on the transaction is a six-member TIC structure controlled by the guarantor, Lawrence S. Connor.

A borrower-affiliated management company manages the property for a contractual fee equal to 2.5% of EGI.

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-party reports, DBRS Morningstar determined the property quality to be Above Average.

DBRS Morningstar NCF Summary

NCF Analysis			
	Issuer Stabilized NCF ($)	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,882,278	4,826,574	-17.9
Other Income ($)	1,130,997	945,453	-16.4
Vacancy & Concessions ($)	-346,240	-333,706	-3.6
EGI ($)	**6,667,035**	**5,438,321**	**-18.4**
Expenses ($)	2,034,178	2,198,069	8.1
NOI ($)	**4,632,857**	**3,240,252**	**-30.1**
Capex ($)	60,500	60,500	0.0
NCF ($)	**4,572,357**	**3,179,752**	**-30.5**

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 $3,179,752, a variance of -30.5% from the Issuer's NCF of $4,572,357.

The primary drivers of the variance are GPR and Other Income. DBRS Morningstar estimated GPR based the in-place rent roll as of November 1, 2021, with vacant units grossed up to in-place rents, which comes out to $1,662 per unit. The Issuer assumed a market rental rate of $2,026 per unit based on a 4.0% inflation growth factor over four years. DBRS Morningstar accepted 75% of the Issuer's Other Income analysis, which is based on the projected fee programs at the property.

DBRS Morningstar Viewpoint

The subject is a 242-unit, mid-rise multifamily property in Denver, approximately 11 miles southeast of the city's CBD and in the middle of the Denver Tech Center (DTC). The area, which surrounds the I-25 corridor between I-225 and Highway 88, consists of office, retail, and residential uses. The DTC consists of 25 million sf of office space for companies including Boeing, JP Morgan, Morgan Stanley, Oracle, SAP, Fidelity, Nestle, PepsiCo, among others. The property is well situated with good access to major highways, local thoroughfares, and the greater Denver metropolitan area. The property is also within one mile of the Belleview light rail station with connections to Downtown Denver.

Following the acquisition, the sponsor's business plan is to implement fee programs that include charges for internet, trash, recycling, and parking to help drive up income at the property. The sponsor has executed similar programs across its multifamily portfolio, including in all three properties it owns in Denver. The sponsor's business plan appears achievable given submarket rental rates that indicate increased rates would be accepted. Reis shows a submarket average rent by similar vintage of $1,924 per unit while the current average in-place rent at the property is $1,662 per unit as of the November 1, 2021, rent roll. The business plan is also supported by the property's good location in the DTC, attractive multifamily market, and relatively recent construction. The loan also allows for $1.1 million of future funding that the sponsor has allocated toward capital improvements. Based on the property's modern finishes and amenities, DBRS Morningstar concluded the property quality to be Above Average, which is a positive attribute in the model. The favorable amenities should help attract residents and keep the property competitive with other local apartment communities.

The property competes in a soft submarket, as the Aurora-South submarket has a vacancy rate of 7.3% overall and 5.7% among properties of similar vintage, according to Reis. A generally positive factor is that the property is currently performing at a 95.5% occupancy rate and offers minimal, if any, concessions. The property is also performing in-line with the appraiser's rent comparables, which show occupancy rates ranging from 95.0% to 97.0%, with an average of 96.2%. The appraiser's comparables are generally properties built over the past eight years, which paints a positive picture for the collateral since it shows the market's appetite for new multifamily developments. Because of the property's performance and appraiser's rent comparables, DBRS Morningstar assumed a stabilized vacancy rate of 5.0% based on the Reis vacancy in the submarket.

The loan exhibits an EL level similar to the pool WA EL. In particular, the collateral being in MSA Group 2 with DBRS Morningstar Market Rank of 5 suggests a historically lower POD. DBRS Morningstar adjusted the stabilized value to the as-is value because of the minimal business plan, which resulted in a DBRS Morningstar As-Is and Stabilized LTV of 79.4%.

Eli Apts

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
56.9
Loan PSF/Unit ($)
296,484
Percentage of the Pool (%)
5.7
Fully Extended Loan Maturity/ARD
December 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.91
DBRS Morningstar Stabilized DSCR (x)
0.99
DBRS Morningstar As-Is Issuance LTV (%)
69.5
DBRS Morningstar Stabilized Balloon LTV (%)
69.5
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average (+)

Debt Stack ($ millions)

Trust Balance
56.9
Pari Passu
0.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
56.9
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
19.0
Trust Balance
56.9

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
Property Type	Multifamily	**Year Built/Renovated**	2020
City, State	Sharon, MA	**Physical Occupancy (%)**	89.1
Units	192	**Physical Occupancy Date**	October 2021

This loan is secured by the borrower's fee-simple interest in Eli Apartments, a 192-unit, multifamily property in Sharon, Massachusetts. The borrower used whole loan proceeds of $56.9 million and $18.9 million of cash equity to facilitate the acquisition of the subject property for $74.5 million and cover $1.4 million of closing costs. The loan is IO throughout the four-year initial loan term with one 12-month extension option.

Recently built in 2020, the collateral features 192 residential units and was 89.1% occupied as of the October 2021 rent roll. The property consists of two, four-story buildings in Sharon, approximately 29 miles southwest of Boston. The property consists of 146 market-rate and 46 affordable-rate units. The subject currently requires that residents earn no more than 80.0% of the area median income (AMI) for the affordable housing units. The unit mix includes 51 one-bedroom units averaging 735 sf, 77 one-bedroom units with a den averaging 834 sf, and 64 two-bedroom units averaging 1,060 sf. Per the October 2021 rent roll, the subject reported an average monthly rental rate of $1,856 per unit, ranging from $1,854 for one-bedroom units to $1,878 for two-bedroom units. The property's amenities include a fitness center, coffee bar café, private conference rooms, a clubhouse, outdoor grilling stations, Amazon Hub lockers, and a terrace with community gathering space near a firepit. Additionally, there are several trails nearby that are suitable for hiking and biking.

Unit Mix and Rents - Eli Apartments			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
One Bedroom	51	735	1,854
One Bedroom and Den	77	831	1,839
Two Bedroom	64	1,060	1,878
Total/WA	**192**	**882**	**1,856**

Source: October 2021 rent roll.

The appraiser identified six competitive multifamily properties with an average year built of 2017. With a physical occupancy of 89.1% as of October 2021, the subject achieves a lower occupancy compared with the competitive set, which ranges from 95.0% to 99.0%, with a WA of 97.4%. Additionally, Reis identified 11 comparable properties within a three-mile radius of the collateral, representing an overall occupancy that is also higher than the subject at 97.0%. Reis also identified a strong overall vacancy rate of 5.0% for the Southeast Suburban submarket as of Q3 2021. Additional information regarding comparable properties can be found in the table below.

Competitive Set							
Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
Avalon Sharon	Sharon, MA	5.1	156	2007	97.0	2,765	1,130
The Sylvan	Foxborough, MA	4.9	248	2017	99.0	2,897	1,021
Lodge at Foxborough	Foxborough, MA	5.8	250	2018	97.0	2,413	1,048
Audubon Easterly	Walpole, MA	5.3	157	2020	98.0	2,712	1,010
Union & West	Walpole, MA	5.5	192	2020	95.0	2,849	865
Liberty Station	Walpole, MA	5.5	152	2020	98.0	2,225	1,091
Total/WA Comp Set	**Various**	**Various**	**1155**	**2017**	**97.4**	**2,653**	**1,023**
Eli Apartments	**Sharon, MA**	**n/a**	**192**	**2020**	**89.1**	**1,856**	**882**

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

Sponsorship

The sponsor for this transaction is Pantzer Properties, a New York-based multifamily owner and operator. Founded in 1971, the company has a portfolio of 37 multifamily properties totaling over 11,500 units with a geographic concentration on the east coast, including one asset in Florida. More specifically, the subject property will represent the sponsor’s sixth acquisition in Massachusetts. The sponsor is acquiring the subject as part of the Panco Strategic Real Estate Fund V, focusing on newly constructed multifamily properties. Pantzer Properties will also provide property management for a contractual rate of 3.0% of EGI.

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

	Issuer Stabilized NCF ($)	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,586,350	4,784,769	-14.3
Other Income ($)	554,049	150,903	-72.8
Vacancy & Concessions ($)	-324,247	-300,648	-7.3
EGI ($)	**5,816,152**	**4,635,024**	**-20.3**
Expenses ($)	2,180,057	1,943,913	-10.8
NOI ($)	**3,636,095**	**2,691,111**	**-26.0**
Capex ($)	48,000	48,000	0.0
NCF ($)	**3,588,095**	**2,643,111**	**-26.3**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,643,111, representing a -26.3% variance from the Issuer's as-stabilized NCF of $3,588,095. The main drivers of the variance were GPR and other income. GPR was based on the October 2021 rent roll with vacant units grossed up at the average of recently signed leases. DBRS Morningstar did not project any increase in GPR over its as-is assumption given the recent construction of the collateral. Other income was set to the Issuer's in-place estimate with consideration for an increase over DBRS Morningstar's as-is assumption that is consistent with the property's increase in NRI.

DBRS Morningstar Viewpoint

The sponsor's business plan is to continue its lease-up efforts to reach a stabilized occupancy after being delivered in October 2020. DBRS Morningstar believes that the sponsor's business plan is achievable given the property's strong performance in relation to comparable properties in the surrounding market.

Located in Sharon, the subject property sits approximately 29 miles southwest of Boston. Furthermore, the multifamily property sits directly adjacent to I-95, providing access to major surrounding cities through its connection to I-495. There is also access to Boston via the MBTA Providence/Stoughton line which has a station three miles from the property. Norfolk County, while having a lower concentration of major employment hubs, is seeing an increase in interest from life science companies. In 2021, Robert Kraft, who owns the New England Patriots in nearby Foxborough, announced plans for a 1.5 million-sf office and life science development that would be about five miles from the subject.

According to Reis, multifamily market conditions appear beneficial for the sponsor's business plan. While the subject's current physical vacancy of 10.9% is higher than the Southeast Suburban submarket overall average of 5.0%, the property demonstrates promising opportunities for rental growth as occupancy continues to increase during its lease-up period. The lease up, which began during the coronavirus pandemic in October 2020 and achieved nearly 90% leasing in one year, has demonstrated considerable demand for the local market. According to the October 2021 rent roll, the property demonstrated an average rental rate of $1,856 per unit, which is much lower than the submarket's average rent by vintage of $2,778 per unit, according to Q3 2021 data per Reis. Additionally, comparable properties as identified by the appraiser have shown an average rent of $2,653 per unit.

Fully funded loan proceeds of $56.9 million represent a moderate DBRS Morningstar As-Is Issuance LTV of 69.8% based on the as-is appraised value of $81.5 million. Given the recent construction and imminent stabilization, the appraiser projected minimal increase in value with a stabilized appraised value of $81.9 million, representing a balloon LTV of 69.5%. The appraiser identified six sales comparables for the property and identified the comparables' price-per-unit range from $352,083 to $498,333 per unit, with an average of $402,573 per unit. The collateral demonstrates a healthy stabilized value per unit of $426,563 and a lower fully funded loan amount of $296,484 per unit.

Furthermore, the subject represents a stabilized Issuer implied cap rate of 4.4%, which is within the range of recent sales of 3.5% to 5.1% and slightly above the appraiser's concluded cap rate of 4.25%. However, the property is in a DBRS Morningstar Market Rank of 3, which historically has demonstrated elevated PODs and LGDs. Furthermore, the property demonstrated weak as-is and stabilized DSCRs sitting below 1.0x and at 1.0x, respectively. In aggregate, given the loan's credit metrics, it has an EL above the pool WA EL based on the lower debt service coverage and DBRS Morningstar Market Rank of 3.

3001 Park

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
50.0
Loan PSF/Unit ($)
94,697
Percentage of the Pool (%)
5.0
Fully Extended Loan Maturity/ARD
January 2027
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.94
DBRS Morningstar Stabilized DSCR (x)
1.10
DBRS Morningstar As-Is Issuance LTV (%)
64.0
DBRS Morningstar Stabilized Balloon LTV (%)
59.9
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
50.0
Pari Passu
52.0
Remaining Future Funding
4.3
Mortgage Loan Including Future Funding
106.3
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
56.1
Trust Balance
50.0


Source: ASR.


Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1989-1990
City, State	Henderson, NV	**Physical Occupancy (%)**	95.3
Units/SF	528	**Physical Occupancy Date**	October 2021

The loan is secured by the borrower's fee-simple interest in a Class B, 528-unit multifamily apartment unit located in Henderson, Nevada, roughly eight miles from the Las Vegas strip. Loan proceeds of $102.0 million along with borrower's equity of $56.1 million were used to acquire the property for a total purchase price of $155.0 million, cover closing costs of $3.0 million, and fund a capex program of $10.7 million. The loan is also structured with $4.3 million in future funding to cover the capex costs not covered by the sponsor's equity. The loan is structured with a four-year initial term with one 12-month extension option. The loan will be IO for the initial and extended loan terms.

Constructed in 1989, the collateral features 38 buildings, 528 residential units, and 828 parking spaces on a 22.8 acre plot. Property amenities consist of three swimming pools, a clubhouse, kitchen, sauna, spa, two dog parks, barbecue areas, fitness center, Zen garden, hammock park, package lockers, and a gated, secured entrance. In-unit amenities include walk-in closets, ceiling fans, patios/balconies, and a wet bar and fireplace in select units. The property was 95.3% occupied as of the October 2021 rent roll. Additional information regarding the property's unit mix including average rental rates and unit sizes can be found in the table below.

Unit Type - 3001 Park			
Unit Type	Total	Average Unit Size (sf)	Average Unit ($)
1 BR/1 BA	160	720	1,046.79
2 BR/2 BA	306	1,049	1,142.20
3 BR/2 BA	39	1,253	1,314.83
Total/WA	**505**	**961**	**1,125.30**

The appraiser identified four properties that directly compete with the subject property within a four-mile radius. The subject, compared with its competitors, which are similar in vintage, occupancy rate, and average unit size, lags behind them in average rental rate. This may be an indication that the property is in need of upgrades in order to stay competitive with the market.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Unit Size (sf)	Avg. Rental Rate Per Unit ($)
The Commons	Henderson, NV	1.5	376	1988	98.0	936	1,465
The Bristol at Sunset	Henderson, NV	1.6	432	1989	95.0	930	1,487
Montego Bay Apartment Homes	Henderson, NV	4.00	420	1989	93.0	1022	1,643
The Marlow	Henderson, NV	3.7	272	1990	96.0	1039	1,861
Total/WA Comp. Set	**Henderson, NV**	**Various**	**1,500**	**Various**	**95.4**	**977**	**1,593**
3001 Park	**Henderson, NV**	**n/a**	**528**	**1990**	**95.3**	**961**	**1,125**

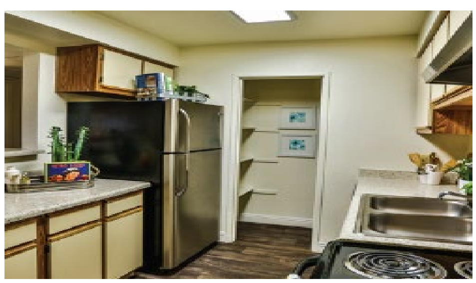
Source: appraisal, except the subject figures are based on the rent roll dated October 18, 2021

Sponsorship

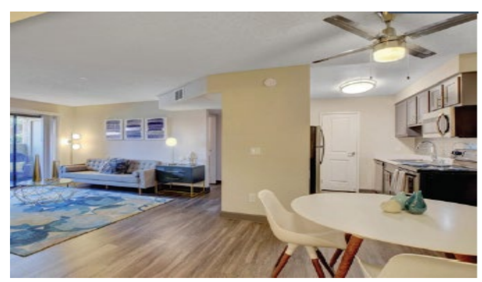
The loan is sponsored by Kennedy Wilson, a global real estate investment company founded in 1977. Kennedy Wilson owns, operates, and manages multifamily and office properties in the western United States, U.K., and Ireland. Headquartered in Beverly Hills, California, the real estate company owns 192 commercial assets and more than 32,000 multifamily units.

DBRS Morningstar Analysis

Site Inspection Summary



Source: ASR.



Source: ASR.

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

	Issuer Stabilized NCF ($)	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	10,472,516	8,974,903	-14.3
Other Income ($)	825,572	731,722	-11.4
Vacancy & Concessions ($)	-593,268	-630,274	6.2
EGI ($)	**10,704,820**	**9,076,352**	**-15.2**
Expenses ($)	3,008,711	3,570,612	18.7
NOI ($)	**7,696,109**	**5,505,740**	**-28.5**
Capex ($)	149,346	151,536	1.5
NCF ($)	**7,546,763**	**5,354,203**	**-29.1**

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 $5,354,203, representing a -29.1% variance from the Issuer's as-stabilized NCF of $7.546.763. The main drivers of the variance were GPR and operating expenses. DBRS Morningstar concluded the stabilized GPR based on average rental rates of leases signed in the past six months for the 219 units that had been renovated and issuer provided market rental rates for the 309 units planned for renovation. This resulted in a total ROI of 17.0%. Operating expenses were based on issuer-provided stabilized figures plus an expense plug equal to $1,250 per unit. The expense plug was added to achieve a total expense ratio of 39%. Comparably, the issuer concluded an expense ratio of 28.0%.

DBRS Morningstar Viewpoint

The sponsor's business plan is to incorporate $10.7 million in a capital improvement plan featuring $6.1 million in exterior renovations and $4.6 million, or $14,886 per unit, in interior renovations for 309 units. The previous owner was in possession of the property from 2018 and executed $1.2 million in capital improvements and interior renovations on 219 units ($5,479 per unit). DBRS Morningstar believes that the business plan is comprehensive and achievable given the sponsor's experience in the market. Because of its 1989 vintage, the property should benefit from the capital improvement plan, resulting in increased average rental rates.

The property is located in Henderson, approximately eight miles or a 20-minute drive from the Las Vegas strip. The surrounding neighborhood is suburban in nature and consists mostly of single-family homes and similar multifamily properties. According to Reis, the asset is in the Henderson/ Southeast submarket, which contains 21.4% of the total residential inventory in the metropolitan Las Vegas area. The submarket's average vacancy rate and average rental rate in Q3 2021 were 2.9% and $1,615, respectively. Developers are expecting 661 units to be delivered by YE2023, amounting to 20.7% of new construction in the Las Vegas area. By YE2023, Reis projects the average rental rate to increase to $1,762 while the vacancy rate will increase to 3.1%. The current and projected average rental rates are well in excess of that at the subject, a factor that supports the sponsor's business plan.

The fully funded loan proceeds of $106.3 million represent a moderate DBRS Morningstar As-Is Issuance LTV of 64% based on the as-is appraised value of $166.2 million. Given the property's older vintage and the meaningful capital improvement project of $10.7 million, the appraiser projected an increase in value with a stabilized appraised value of $214.2 million, representing a balloon LTV of 49.6%. However, DBRS Morningstar stabilized LTV of 59.9% reflects a DBRS Morningstar modeling adjustment to increase the implied cap rate from 3.5% to 4.25% to bring the cap rate in line with DBRS Morningstar identified comparable multifamily properties in the area. The property is in MSA Group 1 and with a DBRS Morningstar Market Rank of 4, which historically has demonstrated elevated PODs and LGDs and eventually resulted in an expected loss above the pool average expected loss.

Alas Over Lowry

Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
50.0
Loan PSF/Unit ($)
166,667
Percentage of the Pool (%)
5.0
Fully Extended Loan Maturity/ARD
July 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.34
DBRS Morningstar Stabilized DSCR (x)
1.34
DBRS Morningstar As-Is Issuance LTV (%)
77.2
DBRS Morningstar Stabilized Balloon LTV (%)
73.6
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average (+)

Debt Stack ($ millions)

Trust Balance
50.0
Pari Passu
38.5
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
88.5
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(18.3)
Trust Balance
50.0

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2019
City, State	Denver, CO	**Physical Occupancy (%)**	91.7
Units/SF	300	**Physical Occupancy Date**	November 2021

This loan is secured by the borrower's fee-simple interest in Alas Over Lowry, a 300-unit, Class A, 2019-built multifamily mid-rise property in central Denver, Colorado. The sponsor acquired the property in September 2020 with an occupancy of 57.0% at the time of the sale. Per the November 2021 rent roll, the collateral was 91.7% occupied. Loan proceeds of $88.5 million refinanced the $68.4 million of existing debt on the property, returned $18.3 million of cash equity to the sponsor, and covered approximately $1.6 million of closing costs. The five-year, floating-rate loan is structured with a three-year initial period and two one-year extension options and is IO through the fully-extended loan term.

The collateral stands three to four stories tall and is situated on a 9.6-acre lot between the Denver International Airport and downtown Denver in the Lowry Redevelopment area. The sponsor has two other multifamily assets in Denver comprising 577 units and $198.5 million in value in the nearby submarkets of Cherry Creek and Broomfield. The property offers a mix of studio, one-bedroom, two-bedroom, and three-bedroom units for a total of 300 units. The property's amenities include a clubhouse with co-working space, bike and ski storage/repair area, game and relaxation areas, a fitness center, yoga room, rooftop deck, swimming pool, hot tub, dog wash, and secure package lockers. Unit amenities include high-end finishes featuring stainless steel appliances with microwave ovens and gas stoves, tile backsplashes, wood cabinetry, designer lighting, luxury vinyl tile flooring, balcony/patios, and washer/dryers. Additional information on the unit mix, rental rates, and competitive set can be found in the tables below.

Unit Mix and Rents			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	32	484	1,457
One Bedroom	161	737	1,752
Two Bedroom	101	1,045	2,286
Three Bedroom	6	1,411	3,759
Total/WA	**300**	**827**	**1,935**

1. Monthly rents for the units are based on the occupied in-place lease rates achieved per November 1, 2021 rent roll.

Competitive Set					
Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)
Broadstone on 9th	Denver, CO	2.8	324	2015	95.0
Encore at Boulevard One	Denver, CO	0.9	347	2019	57.0
High Line Pointe Luxury Apartments	Denver, CO	2.4	190	2019	96.0
Aster Town Center	Denver, CO	3.1	222	2012	91.0
AMLI Cherry Creek	Denver, CO	3.5	341	2015	99.0
7575 Town Center	Denver, CO	2.9	398	2017	96.0
Total/WA Comp. Set	**Denver, CO**	**2.6**	**1,822**	**2016**	**88.3**
Two Blue Slip	**Denver, CO**	**n/a**	**300**	**2019**	**91.7**

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

Sponsorship

The sponsor for this loan is the Connor Group, a real estate investment firm founded in 1992 and focused on owning and operating multifamily value-added assets in strong communities. The Connor Group currently has over 900 investors and $2.8 billion in assets under management across 43 luxury apartment communities in Austin, Atlanta, Minneapolis, Chicago, Charlotte, Raleigh-Durham, Dallas, Denver, Tampa, Columbus, Cincinnati, and Dayton. The sponsor has $18.1 million of equity invested in the property and an additional 577 units of exposure across two communities in the Denver MSA. The guarantor for the transaction is Lawrence S. Connor, who is compliant for the minimum required net worth and liquidity measures of $75.0 million and $7.5 million, respectively.

The Connor Group, LLC, an affiliate of the borrower, manages the property for a contractual management fee of 2.75% of the EGI. The firm manages most of the sponsor's multifamily communities and also manages leasing and residential marketing for the property.

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 the 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 ($)	7,190,322	7,002,386	-2.6
Other Income ($)	1,058,172	1,058,172	0.0
Vacancy & Concessions ($)	-486,066	-643,138	32.3
EGI ($)	**7,762,428**	**7,417,420**	**-4.4**
Expenses ($)	2,275,156	2,658,386	16.8
NOI ($)	**5,487,272**	**4,759,034**	**-13.3**
Capex ($)	75,000	75,000	0.0
NCF ($)	**5,412,272**	**4,684,034**	**-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 $4,684,034, representing a -13.5% variance from the Issuer's Stabilized NCF of $5,412,272. The primary drivers of the variance included GPR, vacancy, and operating expenses.

DBRS Morningstar generally estimated the GPR based on the in-place lease rates achieved across each unit type for the occupied units per the November 2021 rent roll, with 25 vacant units grossed-up to the WA of the rental rate by unit type. By contrast, the Issuer based its stabilized GPR on the in-place rents per the November 1, 2021, rent roll grown at 0.0% in year 1 and 3.0% in year 2, based on appraisal growth rates. DBRS Morningstar estimated the stabilized vacancy at 8.0% based on the appraisal's concluded vacancy for the property while the Issuer estimated it at 6.0%. The vacancy of 8.3% per the November 2021 rent roll was behind the Reis recorded submarket vacancy level of 7.5% as of Q3 2021, providing some support for continuing stabilization, however the Reis recorded submarket vacancy rate by vintage for similar year built properties was at an elevated 17.3%.. For operating expenses, DBRS Morningstar included a $300,000 expense plug to bring the total expense ratio to 35.8%, which is more in line with the expense comparable average of the appraisal and DBRS Morningstar of 35.5% and 36.2%, respectively.

DBRS Morningstar Viewpoint

The collateral benefits from its location in central Denver in between the Denver International Airport and downtown Denver in the Lowry Redevelopment area. The Lowry submarket is home to over 15,000 employees and 2.1 million sf of office space with a heavy concentration of insurance and medical employers. The property benefits from its adjacency to the growing Fitzsimons Life Science District campus, which has over 60 bioscience companies and three hospitals and is projected to grow from 25,000 employees to 46,000 employees in the coming years, and the Lowry Great Lawn, a large regional park. However, the collateral is in an area with a DBRS Morningstar Market Rank of 4. This ranking is generally reflective of more suburban core and less urban markets, and loans secured by properties in these areas have historically demonstrated elevated losses relative to loans secured by properties in more densely populated, financially illiquid markets.

DBRS Morningstar did not conduct a site tour of the property; however, based on photos and assessments from the third-party reports, DBRS Morningstar determined the property quality to be Average (+). The collateral's new vintage provides a competitive advantage relative to the influx of new supply delivered to the submarket over the past decade, as 29.0% of the submarket inventory is 2010+ vintage product but only 5.0% is 2019+ vintage. The collateral is also among the newest assets in the appraisal-identified competitive set, which comprises similar Class A, centrally-located luxury multifamily properties. However, there is new supply in the submarket's pipeline, with about 99 new apartments projected to be under construction in the Denver Northeast submarket in 2022 and 2023, per Reis. The projected new supply could diminish the collateral's competitive edge. The collateral has shown resiliency in lease-up, as well as strong occupancy, evidenced by the increase in occupancy from 57.0% when the sponsor acquired the asset in September 2020 to 91.7% per the November 1, 2021, rent roll.

The transaction represents a $19.2 million cash-out refinancing to the sponsor at closing. DBRS Morningstar generally views cash-out financings less favorably than cash-in financings given the reduction of financial incentive alignment presumed to be associated with a diminishing equity basis. However, the sponsor has approximately $18.2 million of cash equity remaining in the property at closing. The transaction represents moderately high-leverage financing, with a 77.2% DBRS Morningstar As-Is Issuance fully-funded LTV. The appraiser estimates the value of the collateral to improve to $131.6 million through stabilization, representing an improved LTV ratio of 67.2%. DBRS Morningstar adjusted the implied cap rate to be more reflective of a level nearer to comparable multifamily securitized loans in the same market area and the appraiser's concluded reversion cap rate, which increased the DBRS Morningstar Stabilized LTV to 73.6%. The comparatively high leverage point reflects a possible challenge to refinancing without the sponsor injecting additional equity. The transaction benefits from sponsorship with a presence in the local Denver MSA market. The loan exhibits an EL above the pool WA EL, in part driven by the high issuance LTV and location in an area with a DBRS Morningstar Market Rank of 4.

Hollywood East

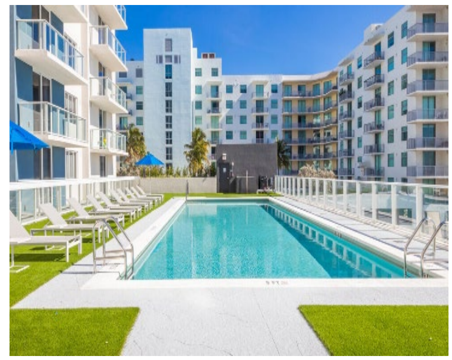
Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
50.0
Loan PSF/Unit ($)
202,429
Percentage of the Pool (%)
5.0
Fully Extended Loan Maturity/ARD
January 2027
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.74
DBRS Morningstar Stabilized DSCR (x)
0.88
DBRS Morningstar As-Is Issuance LTV (%)
74.0
DBRS Morningstar Stabilized Balloon LTV (%)
73.2
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average (+)

Debt Stack ($ millions)

Trust Balance
50.0
Pari Passu
31.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
81.0
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
29.2
Trust Balance
50.0

Source: ASR.



Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2020
City, State	Hollywood, FL	**Physical Occupancy (%)**	85.0
Units/sf	247	**Physical Occupancy Date**	October 2021

The loan is secured by the borrower's fee-simple interest in Hollywood East, a 247-unit multifamily property in Hollywood, Florida. Initial loan proceeds of $81.0 million, along with $29.2 million of sponsor equity, were used to acquire the property for a purchase price of $102.0 million, cover $2.0 million of capex costs, fund a $820,795 upfront carry reserve, and cover remaining closing costs. There is no future funding component to this loan. Based on the whole loan amount, the as-is and stabilized values of $109.4 million and $110.6 million reflect a DBRS Morningstar As-Is and Stabilized LTV of 74.0% and 73.2%, respectively. The floating rate loan has a five-year fully extended term that is IO until maturity.

Built in 2020 by the seller, the property was 85.0% occupied as of October 2021. Hollywood Station Investments originally began construction in 2015, but the developer ran out of capital to complete the project when the collateral was only a 12-story concrete frame. In 2019, two local developers purchased the nonperforming construction loan and completed the project. KKR engaged a firm to conduct due diligence around the architectural and structure integrity of the collateral after the property was completed to confirm there were no issues while the property remained partially complete and exposed to the elements. The firm concluded that the property was in good shape and required only minimal work to the parking garage. The property was averaging a leasing velocity of 27 units per month during the T-3 period ended October 2021. The subject offers high-end unit finishes, including nine-foot ceilings, individual patios and balconies, quartz countertops, stainless-steel appliances, walk-in closets, and garage parking. Common area amenities at the property include a fitness center, a business center, a conference room, and an outdoor pool with lounge chairs and outdoor grills.

Unit Mix and Rents

Unit Type	No. of Units	Avg. Unit Size (sf)	In-place Rent/Mo. ($)
Studio	14	653	1,584
1 Bedroom	137	898	2,096
2 Bedroom	90	1,280	2,929
3 Bedroom	6	1,912	4,169
Total/WA	**247**	**1,048**	**2,421**

Source: Rent roll dated October 2021.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Circ Hotel & Residences	Hollywood, FL	0.6	387	2017	98.0	2,303	772
Hallandale Artsquare	Hallandale Beach, FL	1.5	358	2018	99.0	2,180	728
Cortland Hollywood	Hollywood, FL	1.7	336	2016	94.0	2,047	800
Midtown Aventura	Aventura, FL	3.4	400	2017	96.0	2,514	834
The EnV Apartment Homes	Hollywood, FL	1.7	316	1987/2012	97.0	2,035	755
Total/WA Comp. Set	**Various**	**Various**	**1,797**	**Various**	**96.8**	**2,230**	**779**
Hollywood East	**Hollywood, FL**	**n/a**	**247**	**2020**	**85.0**	**2,096**	**898**

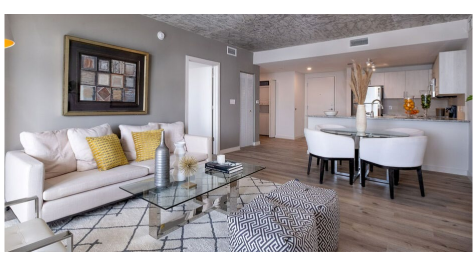
Source: Appraisal.
Avg. Rental Rate Per Unit and Average Unit Size based on 1 Bedroom/1 Bathroom units.

Sponsorship

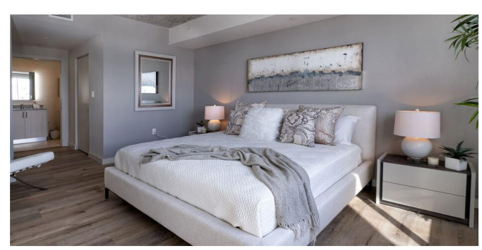
The sponsor for this transaction is GMF Capital, a private investment management platform focused on a broad range of asset classes including real estate, healthcare, and structured credit. GMF Capital was founded in 2013, and as of June 2021 its portfolio consists of 55 multifamily properties totaling 20,000 units. Its investment strategy focuses on acquiring Class A properties that are still in the early stages of leasing. The guarantor for this transaction is Jonah Jay Lobell, who has substantial net worth and liquidity. KKR noted no derogatory findings regarding the sponsor. DBRS Morningstar has modeled with a sponsor strength of Average.

DBRS Morningstar Analysis

Site Inspection Summary



Source: ASR.



Source: ASR.

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

DBRS Morningstar NCF Summary

NCF Analysis

	Issuer Stabilized NCF ($)	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	8,460,426	7,281,732	-13.9
Other Income ($)	537,868	453,941	-15.6
Vacancy & Concessions ($)	-503,194	-582,539	15.8
EGI ($)	**8,495,099**	**7,153,134**	**-15.8**
Expenses ($)	3,416,877	3,603,136	5.5
NOI ($)	**5,078,222**	**3,549,998**	**-30.1**
Capex ($)	61,750	61,750	0.0
NCF ($)	**5,016,472**	**3,488,249**	**-30.5**

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 $3,448,249, representing a -30.5% variance from the Issuer's Stabilized NCF.

The primary drivers of the variance were GPR and operating expenses. DBRS Morningstar concluded to a stabilized GPR based on the in-place leases as of the October 2021 rent roll with vacant units grossed up at the appraiser's market rents. The concluded average rental rate is in line with the Reis competitive set's average as of Q3 2021 as well as comparable properties noted by the appraiser. Operating expenses were generally set to either the appraiser's stabilized figure or the Issuer's stabilized figure.

DBRS Morningstar Viewpoint

Built in 2020, the property was 85.0% occupied as of October 2021. The property exhibited impressive leasing velocity, with an average of 27 new leases per month between August 2021 and October 2021. The recent construction and amenity package appear to be strong demand drivers in the market, and the property will likely achieve occupancy above 90% in the near term. The average unit sizes at the property are also a demand driver, as the original developers intended for these units to be sold as condominiums. The subject has an average unit size of 1,047 sf, which is substantially larger than the appraiser's competitive set average unit size of 779 sf. As a result, the subject has an average in-place rent of $2,421 per unit, which is 8.6% greater than that of the appraiser's competitive set.

The property originally began construction in 2015, before the developers abandoned the project due to lack of financing. The partially complete structured sat vacant and exposed to the elements for several years before the seller completed construction in 2019. The risk of potential structural damage to the property during the interim is mitigated by the conclusion of a third-party firm engaged by KKR to determine the extent of this structural damage. The firm concluded that the property was structurally sound, recommending only minor work be done to the parking garage.

The sponsor for this transaction is experienced with the asset class. The sponsor has historically invested in recently constructed assets in the early stages of leasing. The subject is an ideal investment given the sponsor's investment strategy, and the sponsor's commitment to the property is demonstrated by its $24.8 million equity investment and impressive leasing velocity following the acquisition.

The collateral falls into a DBRS Morningstar Market Rank and MSA Group of 5 and 2, respectively. Both metrics result in a decreased POD. This helps to mitigate the elevated DBRS Morningstar As-Is and Stabilized LTVs of 74.0% and 73.2%, respectively, and low stabilized DSCR, resulting in an increased POD and increased refinance risk.

Overall, the subject is recently built and benefits from an experienced sponsor and ideal location within the submarket. The leasing velocity has demonstrated the demand that exists in the submarket. DBRS Morningstar believes the collateral will achieve a stabilized economic occupancy of 92.0%, which will allow the sponsor to receive future long-term financing. Overall, the loan exhibits an EL that is greater than the pool WA EL.

Landmark South

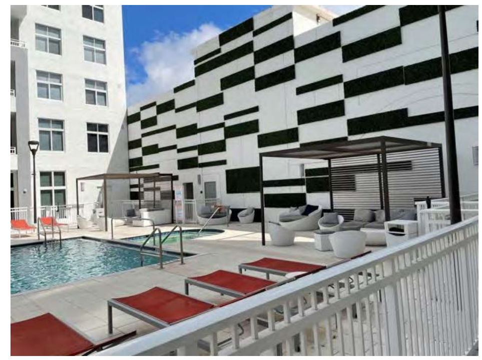
Loan Snapshot

Seller
KREF CLO Seller
Ownership Interest
Fee Simple
Trust Balance ($ million)
50.0
Loan PSF/Unit ($)
79,239
Percentage of the Pool (%)
5.0
Fully Extended Loan Maturity/ARD
December 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.03
DBRS Morningstar Stabilized DSCR (x)
1.10
DBRS Morningstar As-Is Issuance LTV (%)
77.4
DBRS Morningstar Stabilized Balloon LTV (%)
72.9
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average (+)

Debt Stack ($ millions)

Trust Balance
50.0
Pari Passu
162.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
212.0
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
60.6
Trust Balance
50.0

Source: Appraisal.



Source: Appraisal.

Collateral Summary			
Property Type	Multifamily	**Year Built/Renovated**	2017-2021
City, State	Doral, FL	**Physical Occupancy (%)**	88.6
Units	631	**Physical Occupancy Date**	November 2021

This loan is secured by the borrower's fee-simple interest in The Landmark South, a 631-unit multifamily property in Doral, Florida. Loan proceeds of $212.0 million along with $60.6 million sponsor's equity financed the acquisition of the property for $255.0 million and funded $3.0 million of capital improvements, fund upfront reserves, carry reserve, and closing costs. The loan is structured with a three-year initial term and two 12-month extension options. The loan will be IO for the initial and extended loan terms.

Built in two phases, the collateral features 631 residential units and was 88.6% occupied as of the November 2021 rent roll. The property consists of five buildings including three residential buildings, one parking garage, and one leasing office building in Doral, approximately 17 miles northwest of Miami. The seller developed Phase I, which consists of 418 units (66.2% of total units), in 2017 while the remaining 213 units were completed in Phase II, which was delivered in 2021. The combined unit mix includes 254 one-bedroom units averaging 778 sf, 260 two-bedroom units averaging 1,104 sf, and 117 three-bedroom units averaging 1,342 sf. Per the November 2021 rent roll, the subject reported an average monthly rental rate of $2,283 per unit, ranging from $1,876 for one-bedroom units to $2,871 for three-bedroom units. The property's amenities include an outdoor swimming pool, fitness center, business center, pet spa, community lounge and kitchen for entertainment, and outdoor courtyard with grilling space. Units have walk-in showers, granite countertops, stainless steel appliances, in-unit washers/dryers, fob-secured entry access, and walk-in closets.

Unit Mix and Rents - The Landmark South			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
One Bedroom	254	778	1,876
Two Bedroom	260	1,104	2,425
Three Bedroom	117	1,342	2,871
Total/WA	**631**	**1,017**	**2,283**

Source: November 2021 rent roll.

The appraiser identified six competitive multifamily properties with an average year built of 2019. With a physical occupancy of 88.6% as of November 2021, the subject property achieves a lower occupancy compared with the competitive set, which ranges from 91.3% to 100.0%, with a WA of 96.9%. Additionally, Reis identified 12 comparable properties within a two-mile radius of the collateral, representing an overall occupancy of 95.6%. Reis also identified a lower overall vacancy rate of 4.5% for the Airport West submarket as of Q3 2021. Additional information regarding comparable properties can be found in the table below.

Collateral Summary							
Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Sanctuary Doral	Doral, FL	2.8	226	2020	100.0	2,753	1,083
The Flats Apartments at CityPlace Doral	Doral, FL	3.7	303	2017	96.1	2,978	962
Vesada	Doral, FL	1.6	369	2021	91.3	2,664	1,115
Avalon Doral	Doral, FL	3.9	350	2020	98.6	2,994	994
The Pointe at Doral	Doral, FL	1.2	250	2019	99.5	2,915	1,126
8800 Doral	Doral, FL	3.4	550	2016	97.5	2,277	894
Total/WA Competitive Set	**Doral, FL**	**Various**	**2,048**	**2019**	**96.9**	**2,703**	**1,010**
The Landmark South	**Doral, FL**	**n/a**	**631**	**2017-2021**	**88.6**	**2,283**	**1,017**

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

Sponsorship

The sponsor for this transaction is GMF Capital, a private real estate management company. Founded in 2013, the company has a portfolio of 55 multifamily properties totaling more than 20,000 units with a focus on Class A/Class B assets. One of the company's founders, Jay Lobell, will serve as the carveout guarantor for this loan. The sponsor is acquiring the property through a six-member TIC structure, collectively acting as the borrower. Weller Property Management, a third-party management company, provides property management for a contractual rate of 2.5% of the EGI.

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			
	Issuer Stabilized NCF ($)	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	20,706,463	17,509,099	-15.4
Other Income ($)	1,106,564	1,122,483	1.4
Vacancy & Concessions ($)	-1,186,183	-1,143,093	-3.6
EGI ($)	**20,626,844**	**17,488,489**	**-15.2**
Expenses ($)	7,956,421	8,019,299	0.8
NOI ($)	**12,670,423**	**9,469,190**	**-25.3**
Capex ($)	157,750	157,750	0.0
NCF ($)	**12,512,674**	**9,311,440**	**-25.6**

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 $9,311,440, representing a variance of -25.6% from the Issuer's as-stabilized NCF of $12,512,674. The main drivers of the variance were GPR, vacancy, and operating expenses. GPR was based on the November 2021 rent roll with vacant units grossed up at the average of recently signed leases. DBRS Morningstar did not project any increase in GPR over the as-is assumption given the recent construction and recent lease-up at the collateral. DBRS Morningstar estimated the stabilized vacancy at 5.8%, which represents the 2026 vacancy forecast for the Airport West submarket according to Reis Q3 2021 data. Lastly, DBRS Morningstar estimated operating expenses based on the appraiser's stabilized estimates with a management fee of 3.0% of EGI.

DBRS Morningstar Viewpoint

The sponsor's business plan is to continue its lease-up efforts to reach a stabilized occupancy after completing the second phase of the subject's development in 2021. DBRS Morningstar believes that the sponsor's business plan is achievable given the location and the property's strong performance in relation to the comparable properties in the surrounding market. The property benefits from its proximity to Miami's commercial areas, including Downtown Miami, Brickell, Coral Gables, and the Waterford Business District. Furthermore, the property sits less than 2.0 miles southeast of the Ronald Reagan Turnpike, providing access to major surrounding cities across Florida.

According to Reis, the multifamily market conditions appear to support the sponsor's business plan. While the subject's current combined physical vacancy of 11.4% is higher than the Airport West submarket's overall average of 4.5%, the property has demonstrated strong leasing velocity and rental growth opportunity since the projects were delivered. Phase I is currently stabilized at 96.4% leased and Phase II is currently 73.2% leased. Given the similar finishes and amenity packages, DBRS Morningstar believes that Phase II will be able to lease-up to the Phase I level in terms of occupancy and be in line with the submarket in the near future to achieve the sponsor's overall business plan. According to the November 2021 rent roll, the property demonstrated an average rental rate of $2,283 per unit, which is lower than the submarket's average rent by vintage of $2,828 per unit, according to Reis Q3 2021 data. Additionally, the comparable properties in the appraisal indicated an average rent of $2,703 per unit.

The fully funded loan proceeds of $212.0 million represent an elevated DBRS Morningstar Issuance LTV of 77.4% based on the as-is appraised value of $274.0 million. However, based on the stabilized appraised value of $291.0 million, the loan represents a lower and more moderate leverage point with a DBRS Morningstar Balloon LTV of 72.9%. The appraiser identified six sales comparables with prices ranging from $323,077 to $504,386 per unit, with an average of $409,778 per unit. The collateral demonstrates a healthy stabilized value of $461,173 per unit and a fully funded loan amount of $335,975 per unit. The Issuer's stabilized implied cap rate of 4.3% is above the range of recent sales of 3.5% to 4.0% and in line with the appraiser's concluded cap rate of 4.25%. In aggregate, given the loan's credit metrics, it has an EL above the pool WA EL based on the high DBRS Morningstar Issuance LTV and lower in-place occupancy.

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, to satisfy U.S. credit risk retention rules, KREF 2022-FL3 Holdings LLC (the Retention Holder), a majority-owned affiliate of KREF Holdings, will acquire and retain the Preferred Shares, which equal at least 5.0% of the fair value of all securities in the transaction and will also acquire 100% of the Class F and Class G Notes. Additionally, KREF Holdings (in such capacity, the EU/UK Retention Holder) intends to retain a material net economic interest in the securitization for the purposes of the EU Securitization Laws and the UK Securitization Laws.

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

The Controlling Class will be the most senior Class of Notes outstanding. If an EOD under the Indenture has occurred and is continuing, the holders of the Controlling Class will be entitled to determine the remedies to be exercised under the Indenture and in certain circumstances, without regard to whether there are sufficient proceeds to pay in full the amounts then due and unpaid on the Notes. Any remedies pursued by the holders of the Controlling Class upon an EOD could be adverse to the interests of the holders of more subordinated Classes of Notes.

Collateral Manager

KKR Real Estate Finance Manager LLC, a Delaware limited liability company and an affiliate of KKR Real Estate Finance Trust, Inc. and KKR Holdings, 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 (as defined). 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 Notes, Class A-S Notes, and Class B Notes. If the Advancing Agent fails to make such payments, Computershare Trust Company, 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. The Trustee will also be responsible for making Interest Advances if the Backup Advancing Agent fails to perform its obligations to make Interest Advances. Notwithstanding the foregoing, in no circumstance will the Advancing Agent, the Backup Advancing Agent, or the Trustee, as applicable, be required to make an Interest Advance to the extent that the aggregate outstanding amount of all unreimbursed Interest Advances would exceed the aggregate outstanding principal amount of the Offered Notes.

Step-Up Coupon

On or after the Payment Date in December 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 December 2027, 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 (including any corresponding Class F-E Notes and Class F-X Notes, if applicable), and Class G Notes (including any corresponding Class G-E Notes and Class G-X Notes, if applicable), 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 deferrable 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 to the deferred interest classes in months when classes are subject to deferred interest.

Exchangeable Notes and MASCOT Notes

The Class F Notes 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 IO 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 IO 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.

Split Loans and Future Funding Companion 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. Two collateral interests are split loans (or a pari passu participation of split loan) and are subject to co-lender agreements that govern the rights of the split loan noteholders.

More than 60% 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 or co-lender 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.

Non-CLO Controlled Participations

Five of the Cutoff Date Collateral Interests are expected to be CLO Controlled Collateral Interests. Each of the other Collateral Interests (including certain interests that may be acquired after closing) will be Non-CLO Controlled Collateral Interests. 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.

Non-Serviced Loans

Two of the collateral interests, the Aven and Portofino Place mortgage loans, represent participation interests subject to an existing participation agreement entered in connection with the KREF 2021-FL2 offering, which sets forth the respective rights and obligations of the holders of the related participation interests created under such FL2 participation agreement and are non-serviced loans. In connection with the servicing of each such 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 the KREF 2021-FL2 servicing agreement or participation agreement, intercreditor agreement, or co-lender agreement, as applicable) may take actions with respect to such loan that could adversely affect the holders of some or all of the Classes of Notes. The rights of the holders of the non-serviced loans are each governed by a co-lender and agency agreement that provides the other noteholder 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.

Reinvestment Period

During the 24-month period (the Reinvestment Period) beginning on the Closing Date and ending on the payment date in February 2024, subject to the eligibility criteria and other acquisition and disposition requirements, 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 up to 10% of the Aggregate Collateral Interest Cut-Off Date Balance during the period (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 may require the Issuer to obtain a no downgrade confirmation from the rating agencies. 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 Delayed Closed Collateral Interests or funded future funding companion participations of $500,000 or less. Upon request, DBRS Morningstar will confirm if 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.

Offered Note Protection Tests

Like most CRE collateralized loan obligation (CLO) transactions, the subject transaction features Offered Note Protection Tests, which consist of both a Par Value Test and an Interest Coverage Test. If the Offered Note Protection Tests are not satisfied as of any Determination Date, then, on the next Payment Date, interest proceeds otherwise available for payment to the Class F Notes, Class F-E Notes, Class F-X Notes, Class G Notes, Class G-E Notes, Class G-X Notes, and the Preferred Shares will be used to sequentially redeem the principal of the Class A Notes, Class A-S Notes, Class B Notes, Class C Notes, Class D Notes, and Class E Notes, in accordance with the Priority of Payments to the extent necessary to satisfy the Offered Note Protection Tests. If interest proceeds are not sufficient to rebalance the vehicle and satisfy the Offered Note Protection Tests or pay down the applicable classes, any principal proceeds will be diverted for the same purpose and the Issuer will not be permitted to use principal proceeds for Reinvestment Collateral Interests and Replenishment Collateral Interests. The Offered Note Protection tests will be satisfied if the Par Value Ratio is equal to or greater than 112.09%. The minimum interest coverage ratio is 120.0%.

Delayed Close Collateral Interest

One loan, The Harland, representing approximately 4.0% of the Aggregate Collateral Interest Cut-Off Date Balance, has not yet closed. The Delayed Close Collateral Interest is expected to close on or prior to the Closing Date or within 90 days after the Closing Date. If any Delayed Close Collateral Interest does not close within such 90-day period or as directed by the Collateral Manager on any earlier day, amounts on deposit in the Unused Proceeds Account (as defined) for acquisition of such Delayed Close Collateral Interest up to $5,000,000 will be transferred to the Reinvestment and Replenishment Account to be used to acquire Reinvestment Collateral Interests during the Reinvestment Period. Any amounts in excess of $5,000,000 will be applied as Principal Proceeds on the next Payment Date (as defined).

Criteria-Based Modification and Administrative Modifications

Criteria-Based Modifications means a modification (other than Credit Risk Collateral Interest, Specially Serviced Loan, or Defaulted Collateral Interest) that would (1) result in a change in interest rate (other than as a result of any modification under Administrative Modification) or waive 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 provided that multiple simultaneous modifications to a single Collateral Interest will be treated as a single Criteria-Based Modification;
2. No EOD 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 enumerated eligibility criteria modification adjustments (including if such Criteria-Based Modification does not result in an increase in the principal balance of the related Real Estate Loan or does not permit indirect owners of the related borrower to incur additional indebtedness that is pari passu to such Real Estate Loan, no requirements of obtaining a no downgrade confirmation from DBRS Morningstar);
4. For any Criteria-Based Modification after the Reinvestment Period, the as-stabilized LTV ratio of the related Real Estate Loan and any additional indebtedness with the Updated Appraisal is not higher than the as-stabilized LTV 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 (other clause 1 above).

   For the avoidance of doubt, Criteria-Based Modifications may only be made with respect to Serviced Real Estate Loans (regardless of whether the related Collateral Interest is a CLO Controlled Collateral Interest or a Non-CLO Controlled Collateral Interest).

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 LTV, 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 repair, maintenance and capex completion dates and purposes, release conditions or other reserve requirements (other than for taxes or insurance), including requirements to fund reserves in connection with extensions; (3) 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 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; or (4) minimum future funding advance amounts, waiver of force funding requirements, or the ability to extend the funding period or Mortgaged Property lease approvals or modifications of leasing parameters (including in connection with re-leasing reserves or future funding amounts relating to leasing).

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

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

Surveillance

DBRS Morningstar will perform surveillance subject to 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 January 27, 2022. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Glossary

ADR	average daily rate	**MTM**	month to month
ALA	allocated loan amount	**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
CRE	commercial real estate	**OSAR**	operating statement analysis report
CREFC	CRE Finance Council	**PCA**	property condition assessment
DPO	discounted payoff	**PCR**	property condition report
DSCR	debt service coverage ratio	**P&I**	principal and interest
DSR	debt service reserve	**POD**	probability of default
EGI	effective gross income	**PIP**	property improvement plan
EOD	event of default	**PILOT**	payment 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	**SPE**	special-purpose entity
LC	leasing commission	**TI**	tenant improvement
LGD	loss severity given default	**TIC**	tenants in common
LOC	letter of credit	**T-12**	trailing 12 months
LOI	letter of intent	**UW**	underwriting
LS Hotel	limited-service hotel	**WA**	weighted average
LTC	loan-to-cost ratio	**WAC**	weighted-average coupon
LTCT	long-term credit tenant	**x**	times
LTV	loan-to-value ratio	**YE**	year end
MHC	manufactured housing community	**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 Ratio (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 revenue earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions, and capex (or reserves). Moreover, NCF is net operating income less tenant improvements, leasing commissions, and capex.

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 revenue 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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