Presale Report
STWD 2022-FL3, Ltd.

DBRS Morningstar
January 18, 2022

William McClanahan
Senior Analyst
+1 312 845-2261
william.mcclanahan@dbrsmorningstar.com

John Amman
Senior Vice President
+1 312 332-9442
john.amman@dbrsmorningstar.com

Edward Dittmer
Senior Vice President
+1 212 806-3285
edward.dittmer@dbrsmorningstar.com

Erin Stafford
Managing Director
+1 312 332-3291
erin.stafford@dbrsmorningstar.com

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 Notes	New Rating - Provisional	$525,000,000	47.500%	AAA (sf)	Stable
Class X-A Notes	New Rating - Provisional	$525,000,000	N/A	AAA (sf)	Stable
Class A-S Notes	New Rating - Provisional	$141,250,000	33.375%	AAA (sf)	Stable
Class B Notes	New Rating - Provisional	$50,000,000	28.375%	AA (low) (sf)	Stable
Class C Notes	New Rating - Provisional	$60,000,000	22.375%	A (low) (sf)	Stable
Class D Notes	New Rating - Provisional	$53,750,000	17.000%	BBB (sf)	Stable
Class E Notes	New Rating - Provisional	$12,500,000	15.750%	BBB (low) (sf)	Stable
Class F Notes	New Rating - Provisional	$50,000,000	10.750%	BB (low) (sf)	Stable
Class G Notes	New Rating - Provisional	$32,500,000	7.500%	B (low) (sf)	Stable
Preferred Shares	NR	$75,000,000	N/A	NR	NR

Notes:
1. NR = Not Rated.
2. The Class F Notes, The Class G Notes, and the Preferred Shares are not offered.
3. The Class E Notes, the Class F Notes and the Class G Notes are exchangeable notes and are exchangeable for proportionate interests in MASCOT Notes.
4. Class F Notes, Class G Notes, and the Preferred Shares will be purchased and retained by STWD 2022-FL3, Retention Holder, LLC. The Preferred Shares will not be rated.
5. Class X-A notional amount will equal the Class A principal amount until the payment date in February 2024; and thereafter, $0.

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Transaction Summary

Pool Characteristics			
Collateral Interest Cut-off Date Balance (Trust Amount) ($)	1,000,000,000	**Whole Loan Cut-off Date Balance ($)**	3,019,610,231
Number of Loans	24	**Average Loan Size ($)**	41,666,667
Number of Properties	36	**Top Ten Loan Concentration (%)**	62.0
Managed / Static	Managed	**Cut-off Date Future Funding Remaining ($)**	188,938,946
Preidentified Ramp Loans	n/a	**Replenishment Allowed**	Y
Minimum Par Value Ratio (Reinvestment)/ Cushion (%)	116.32/2.00	**Reinvestment Period[5]**	24 months
Minimum Par Value Ratio (Distribution)/ Cushion (%)	112.76/5.00	**IC Ratio: Trigger (%)**	120.00
Wtd. Avg. Current Funded As-Is Appraised Issuance LTV (%)	68.6	**Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)**	72.9
Wtd. Avg. Current Funded Stabilized Appraised LTV (%)	63.4	**Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)**	66.4
Wtd. Avg. Interest Rate Margin (%)	3.4058	**DBRS Morningstar Wtd. Avg. Interest Rate[4] (%)**	5.0338
Wtd. Avg. Remaining Term[1]	29.8	**Wtd. Avg. Remaining Term - Fully Extended**	48.5
Wtd. Avg. DBRS Morningstar As-Is DSCR[2]	0.95	**Wtd. Avg. Issuer As-Is DSCR (x)[4]**	1.65
Wtd. Avg. DBRS Morningstar Stabilized DSCR[3]	1.13	**Wtd. Avg. Issuer Stabilized DSCR (x)[4]**	2.02
Avg. DBRS Morningstar As-Is NCF Variance[2] (%)	-18.9	**Avg. DBRS Morningstar Stabilized NCF Variance[3] (%)**	-27.8

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

1 Assumes that the initial term to maturity of each loan is not extended.

2 Based on DBRS Morningstar As-Is NCF.

3 Based on DBRS Morningstar Stabilized NCF.

4 Interest rate assumes x.xx% 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 xxx days thereafter.

Issuer	STWD 2022-FL3, Ltd.
Co-Issuer	STWD 2022-FL3, LLC
Mortgage Loan Seller	STWD CLO Seller, LLC; SPT Real Estate Capital, LLC; Starwood Property Trust, Inc.
Servicer	Wells Fargo Bank, National Association.
Special Servicer	LNR Partners, LLC
Note Administrator	Computershare Trust Company, National Association
Trustee	Wilmington Trust, National Association
Advancing Agent	Starwood Property Mortgage, LLC
Custodian	Computershare Trust Company, National Association
Sole Structuring Agent	Wells Fargo Securities, LLC
Placement Agents	Morgan Stanley & Co. LLC; J.P. Morgan Securities LLC; Goldman Sachs & Co. LLC; Citigroup Global Markets Inc.; BMO Capital Markets; Barclays Capital Inc.; Capital One Securities

Coronavirus Overview

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

For more information regarding rating methodologies and the coronavirus, please see the following DBRS Morningstar press release: https://www.dbrsmorningstar.com/research/384482

Transaction Overview

DBRS, Inc. (DBRS Morningstar) analyzed the pool to determine the ratings, reflecting the long-term risk that the Issuer will default and fail to satisfy its financial obligations in accordance with the terms of the transaction. The trust's initial collateral consists of 24 floating-rate mortgage loans secured by 36 mostly transitional real estate properties, with a cut-off date pool balance totaling $1.0 billion (participation of $3.0 billion whole loan cut-off date balance). The loans in the trust have approximately $188.9 million of future funding commitments that can be acquired into the trust subject to eligibility and replenishment criteria. The initial pool includes eight combination loans, made up of a senior loan and related mezzanine loan.

Managed Transaction

The 24-month reinvestment period allows the Issuer (as directed by the Collateral Manager) to acquire whole loans and future fundings participations. The future funding participations are subject to eligibility criteria, acquisition criteria, acquisition and disposition requirements and replenishment criteria, which, among other things, have a minimum DSCR and LTV for each respective property type, Herfindahl Score greater than or equal to 14.0, loan size limitations, and property type concentration limits. The eligibility criteria stipulates the receipt of a No Downgrade Confirmation from DBRS Morningstar on reinvestment loans (except in the case of the acquisition of companion participations if a portion of the underlying loan is already included in the pool and less than $1,000,000). The No Downgrade Confirmation allows DBRS Morningstar to review the new collateral interest and any potential impact on the overall ratings. The transaction does not include a ramp-up period and all loans as of the Closing Date are closed.

The transaction will have a sequential-pay structure whereby interest and principal payments will be prioritized in order of note seniority. In the event that a note protection test is not satisfied, payments that would have otherwise been applied to the Class F Notes and Class G Notes (Retained Notes) will instead be redirected to redeem the Offered Notes until the note protection tests are satisfied. Interest may also be deferred for Class C Notes (Offered Note), Class D Notes (Offered Note), Class E Notes (Offered Note), Class F Notes (Retained Note), and Class G Notes (Retained Note).

All of the loans in the pool have floating interest rates initially indexed to Libor and are IO through their initial and extended terms. As such, to determine a stressed interest rate over the loan term, DBRS Morningstar took the contractual loan spread and added the lower of DBRS Morningstar's stressed rates that corresponded to the remaining fully extended term of the loans and the strike price of the interest rate cap.

The credit metrics of the pool are generally stronger than most of the recent CRE CLO transactions DBRS Morningstar has rated. However, the pool has a relatively large office property concentration (28.6% of pool balance) and low average stabilized DSCR of 1.13x, with 31.3% of all loan in the pool at or below a stabilized DSCR of 1.00x. The properties are often transitional 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 loan structural features are insufficient to support such treatment. Furthermore, even with the structure provided, DBRS Morningstar generally does not assume the assets will stabilize above market levels.

Rating Considerations

Strengths

- **Strong DBRS Morningstar Market Rank and MSA Groups:** The pool reflects a WA DBRS Morningstar Market Rank of 5.42, indicative of a higher concentration of properties in dense urban markets, which generally experience lower PODs and LDGs. The historical CMBS conduit loan data shows that POD increases in middle markets (Market Rank 3 or 4); moderates in tertiary and rural markets (Market Rank 1 or 2); and greatly improves in primary urban markets (Market Rank 6, 7, or 8). Historical loan data has shown that LGD increases in tertiary and rural markets, and the lowest LGDs were noted in Market Rank 8. Eighteen loans, representing 75.6% of total pool balance, fall into Market Rank 5 or higher, resulting in a decreased POD and LGD, and two loans (12 Metrotech Center and Anthem Row), representing 12.1% of the total pool balance, fall into Market Rank 8, the strongest markets in the country. Additionally, 43.1% of loans are concentrated in MSA Group 3, which represents the best performing MSAs nationally. When compared with recently rated CRE CLO transactions, this pool exhibits some of the highest Market Ranks and largest concentrations of loans in MSA Group 3.
- **Low Leverage:** The WA DBRS Morningstar Stabilized LTV is 66.4%. This credit metric compares favorably with recent CRE CLO transactions that DBRS Morningstar has rated, resulting in lower loan level PODs and LGDs. The WA in-place LTV of 72.9% is also quite low compared with recent CRE CLO transactions.
- **Low Business Plan Execution Risk:** The pool exhibits a WA DBRS Morningstar Business Plan Score (BPS) of 2.06, which is lower than recent CRE CLO transactions DBRS Morningstar has rated. The low BPS indicates that borrowers have the necessary funds to achieve their business plans, proper loan structures, and adequate upside cash flow potential. The BPS also shows that many properties in the pool are near stabilization or have achieved the proposed stabilized operations.
- **Property Quality:** All loans in the pool were modeled with Average property quality or higher and three loans, representing 13.2% of the pool balance, were modeled with Excellent property quality. These property quality metrics are considerably better than most recent CRE CLO transactions. Given that the

majority of these properties are transitional, the property quality for the collateral is expected to further improve upon the successful completion of their business plans.

- **Sponsorship and Risk Retention:** Starwood (STWD) is a leading diversified real estate finance company with more than $21 billion in undepreciated assets, focusing on the origination, acquisition, financing, and management of real estate and infrastructure investments. The sponsor currently has roughly $100 billion in assets under management. Over the last 30 years, the sponsor has acquired over $195 billion in real estate assets across almost all property types. The sponsor's leadership team has an average of 29 years in the commercial real estate industry individually. STWD has completed one CRE CLO securitization with DBRS Morningstar (formerly DBRS Inc.): STWD 2019-FL1. STWD, as the retention holder, is anticipated to acquire and retain at least 100% of the Class F Notes, Class G Notes, and Preferred Shares, totaling $157.5 million or 15.75% of the pool.

Challenges and Stabilizing Factors

- **Dated Loan Originations:** Six loans, representing 20.1% of the pool balance, were originated in 2020 or earlier. Four loans, representing 14.1% of the pool, were originated in 2019 or earlier. The majority of these loans are office properties and have a BPS above the pool average.
    - *Mitigant:* While most of these loans are nearing maturity, only one loan, 700 Louisiana and 600 Prairie Street, requested any form of forbearance. The loan maturity was extended and reserves were allowed to be used for shortfalls in exchange for an additional equity contribution. 700 Louisiana and 600 Prairie Street, along with all other loans in the pool, are current on debt service payments as of the Closing Date.
    - *Mitigant:* Two of the six properties were modeled with Strong sponsor strength, indicating the sponsor has the finance strength and real estate expertise to complete their business plan in a timely basis and secure future financing. Additionally, the average DBRS Morningstar Market Rank across the six properties is 5.33, reflecting a decreased POD and LGD to potentially offset the risk of dated origination.
- **Office Exposure with potential to increase to 60.0% of pool:** Seven loans, representing 28.6% of the pool balance, are backed by office properties and, as a result of the eligibility criteria during the reinvestment period, the office component could shift up to 60.0% of the pool. Office properties have historically had elevated POD risk compared with other asset classes and have suffered considerable disruptions as a result of the coronavirus pandemic with mandatory closures and work from home strategies.
    - *Mitigant:* The office properties exhibit an average Market Rank of 6.43, well above the pool average and generally higher than observed in recent CRE CLO transactions. The office properties also have a combined WA expected loss lower than pool average, indicating that the loan metrics excluding property type are generally strong.
    - *Mitigant:* Office properties are subject to eligibility criteria, including a maximum as-stabilized LTV of 75.0% and a stabilized NCF DSCR of not less than 1.25x.
- **Managed Transaction:** The transaction is managed and includes a reinvestment period, which could result in negative credit migration and/or an increased concentration profile over the life of the transaction.

- *Mitigant:* The risk of negative migration is partially offset by eligibility criteria (detailed in the transaction documents) that outline DSCR, LTV, Herfindahl score minimum, property type, and loan size limitations for reinvestment assets.
- *Mitigant:* New Reinvestment loans and companion participations of $1,000,000 or greater require a No Downgrade Confirmation from DBRS Morningstar. DBRS Morningstar will analyze these loans for potential impacts on ratings. Deal reporting also includes standard monthly CREFC reporting and quarterly updates. DBRS Morningstar will monitor this transaction on a regular basis.
- *Mitigant:* DBRS Morningstar performed a paydown analysis which simulated low expected loss loans paying off and increasing loan balances for high expected loss loans with future fundings (subject to the RAC dollar amount).

- **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 sampled a large portion of the loans, representing 78.5% of the pool cut-off date balance. Nine physical site inspections, all of which sites were in the top 10, were also performed, including meetings with management.
  - *Mitigant:* The transaction's WA DBRS Morningstar BPS of 2.06 is generally in the low end of the range of CRE CLO transactions recently rated by DBRS Morningstar.
  - *Mitigant:* DBRS Morningstar made relatively conservative stabilization assumptions and, in each instance, considered the business plan to be rational and the loan structure to be sufficient to execute such plans. In addition, DBRS Morningstar analyzes LGD based on the as-is credit metrics, assuming the loan is fully funded with no NCF or value upside.
  - *Mitigant:* Future Funding companion participations have been structured to provide the sponsor with sufficient funds to execute the business plan. The future funding companion participations will be held by affiliates of STWD and have the obligation to make future advances. STWD agrees to indemnify the Issuer against losses arising out of the failure to make future advances when required under the related participated loan. Furthermore, STWD will be required to meet certain segregated liquidity requirements on a quarterly basis.
- **Higher Leverage Eligibility Criteria:** The eligibility criteria allow for a maximum stabilized LTV of 80.0% on multifamily loans; 75.0% on loans for office, industrial, retail, and mixed-use properties; and 70.0% on loans for hospitality properties. The higher maximum leverage is considerably more aggressive than the current pool's as-stabilized WA LTV of 66.4%.
  - *Mitigant:* The current pool has favorable LTV metrics compared with previously rated STWD transactions. The WA as-is and stabilized LTVs in the STWD 2019-FL1 transaction were 76.8% and 65.3%, respectively.
  - *Mitigant:* Before the collateral manager can acquire new loans, those loans will be subject to a No Downgrade Confirmation by DBRS Morningstar.

  - *Mitigant:* DBRS Morningstar lowered the stabilized value on ten loans, representing 41.8% of the pool, for modeling purposes, further stressing the modeled LTVs.

- **Floating-Rate IO Loans:** All 24 loans have floating interest rates and original terms of 24 months to 66 months, which create interest rate risk. All loans are IO throughout the original term and through extension options.
  - *Mitigant:* All loans are short-term loans and, even with extension options, they have a fully extended maximum loan term of 36 to 76 months.
  - *Mitigant:* 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.
  - *Mitigant:* The borrowers of 12 of the loans in the pool, representing 52.9%, have purchased interest rate caps.

Legal and Structural Considerations

- **Libor Replacement:** The underlying mortgage loans for the transaction will pay the floating rate, which presents potential benchmark transition risk as the elimination of Libor has arrived. The transaction documents have been tailored to the alternative benchmark rate, which is the Term Secured Overnight Financing Rate (SOFR) plus the applicable Alternative Rate Spread Adjustment. There is no assurance that Term SOFR's development will be widely endorsed and adopted. This could lead to volatility in the interest rate on the mortgage assets and floating-rate notes.

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)	
DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	20.5
0.50x-0.75x	0.0
0.75x-1.00x	26.0
1.00x-1.25x	24.3
1.25x-1.50x	25.9
1.50x-1.75x	3.2
>1.75x	0.0
Wtd. Avg. (x)	0.95

DBRS Morningstar Stabillized DSCR (x)	
DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	3.2
0.50x-0.75x	0.0
0.75x-1.00x	28.1
1.00x-1.25x	33.2
1.25x-1.50x	27.1
1.50x-1.75x	8.4
>1.75x	0.0
Wtd. Avg. (x)	1.13

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%	38.6
70.0%-80.0%	48.4
80.0%-90.0%	13.1
90.0%-100.0%	0.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	72.9

DBRS Morningstar Stabilized Balloon LTV	
LTV	% of the Pool (Senior Note Balance[1,2])
0.0%-50.0%	0.0
50.0%-60.0%	15.3
60.0%-70.0%	45.0
70.0%-80.0%	39.7
80.0%-90.0%	0.0
90.0%-100.0%	0.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	66.4

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

Largest Loan Summary

Loan Detail

Loan Name	Trust Balance ($)	% of Pool	DBRS Morningstar Shadow Rating	DBRS Morningstar As-Is DSCR (x)	DBRS Morningstar Stabilized DSCR (x)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized Morningstar LTV (%)
The Buchanan	93,600,000	9.4	n/a	1.27	1.38	69.6	63.4
12 Metrotech Center	84,800,000	8.5	n/a	1.14	1.14	77.1	73.1
Hope & Flower	76,000,000	7.6	n/a	0.81	1.16	62.6	61.7
Vantage Apartments	72,000,000	7.2	n/a	1.31	1.31	66.3	65.8
Promenade Portfolio	62,000,000	6.2	n/a	1.05	1.11	79.1	72.2
The Julia	52,000,000	5.2	n/a	1.02	1.17	83.4	73.9
Dolce Living Twin Creeks	48,000,000	4.8	n/a	0.97	0.97	76.3	71.9
Harbor Sky	48,000,000	4.8	n/a	0.42	0.83	75.0	72.1
Thesis	44,000,000	4.4	n/a	0.25	0.93	70.5	64.7
Tysons Metro Center	40,000,000	4.0	n/a	1.33	1.33	69.3	62.0

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
The Buchanan	Multifamily	Arlington	VA	1971	455	326,022	326,022
12 Metrotech Center	Office	Brooklyn	NY	2005	189,620	559	559
Hope & Flower	Multifamily	Los Angeles	CA	2019	666	442,943	442,943
Vantage Apartments	Multifamily	Philadelphia	PA	2018	984	153,455	153,455
Promenade Portfolio	Multifamily	Irving	TX	1983	788	114,594	114,594
The Julia	Multifamily	Mesa	AZ	1986	320	235,219	235,219
Dolce Living Twin Creeks	Multifamily	Allen	TX	2017	374	189,553	189,553
Harbor Sky	Multifamily	Portland	OR	2020	256	257,813	257,813
Thesis	Mixed-Use	Coral Gables	FL	2020	639,264	235	235
Tysons Metro Center	Office	McLean	VA	1984	762,500	230	230

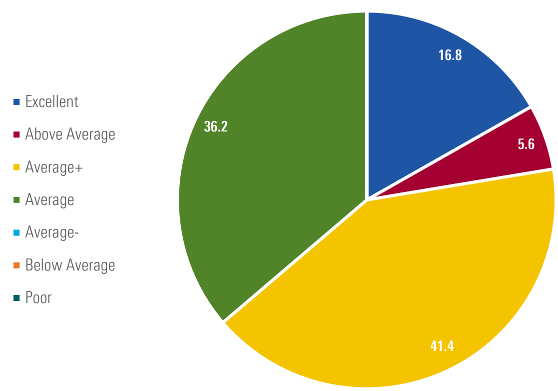
DBRS Morningstar Sample

Prospectus ID	Loan Name	% of Pool	DBRS Morningstar Stabilized NCF ($)	DBRS Morningstar Stabilized NCF Variance (%)	DBRS Morningstar Major Variance Drivers	DBRS Morningstar Property Quality
1	The Buchanan	9.4	6,861,371	-26.6	GPR, Retail Income, TI/LCs	Average
2	12 Metrotech Center	8.5	6,010,410	-16.8	Real Estate Taxes, Vacancy, GPR	Average+
3	Hope & Flower	7.6	19,154,463	-8.0	Operating Expenses, Real Estate Taxes, TI/LCs	Excellent
4	Vantage Apartments	7.2	10,281,435	-10.6	GPR, Other Income	Average+
5	Promenade Portfolio	6.2	4,698,129	-19.3	GPR, Real Estate Taxes	Average
6	The Julia	5.2	4,137,740	-18.7	GPR	Average
7	Dolce Living Twin Creeks	4.8	3,195,773	-19.0	GPR, Operating Expenses	Average+
8	Harbor Sky	4.8	3,095,064	-20.4	Operating Expenses, GPR, Vacancy	Average+
9	Thesis	4.4	8,493,706	-21.7	Hotel Occupancy, Hotel ADR, Real Estate Taxes, Operating Expenses	Above Average
10	Tysons Metro Center	4.0	9,331,160	-42.0	TI/LCs, GPR, Replacement Reserves	Average
11	700 Louisiana and 600 Prairie Street	3.7	10,598,849	-63.7	GRP, Recoveries, TI/LCs	Average
12	Anthem Row	3.6	15,047,705	-30.7	TI/LCs, Vacancy	Average+
13	Lakeshore Towers	3.6	11,258,526	-41.4	TI/LCS, GPR, Vacancy	Average+
15	The National	3.2	7,028,494	-61.9	Operating Expenses, Hotel ADR, Retail Vacancy, TI/LCs	Excellent
18	Life Time Coral Gables	2.4	14,857,485	-19.8	Real Estate Taxes, TI/LCs	Excellent

DBRS Morningstar Site Inspections

DBRS Morningstar sampled 15 loans, representing 78.5% of the initial pool cut-off date balance. Nine physical site inspections with a management representative were completed, representing 54.8% of the pool, all of which were loans in the top 10. The number of property site inspections was lower than the average number DBRS Morningstar would typically conduct because of the health and safety constraints associated with the ongoing coronavirus pandemic. As a result, DBRS Morningstar relied heavily on third-party reports, online data sources, and information from the Issuer to determine the overall DBRS Morningstar property quality score for each loan. The resulting DBRS Morningstar property quality scores are highlighted in the following chart.

DBRS Morningstar Sampled Property Quality

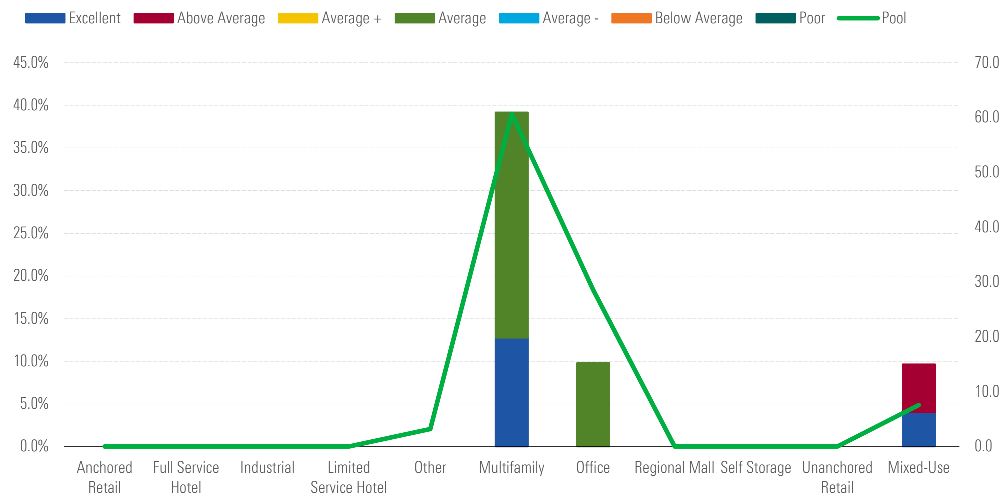


Source: DBRS Morningstar.

DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and a cash flow stability and structural review on 15 of the 24 loans, representing 78.5% of the pool by loan balance. Overall, the issuer's cash flows were generally recent, from mid-2021 to late 2021, and reflective of recent conditions. For the loans not subject to NCF review, DBRS Morningstar applied NCF variances of -18.9% and -27.8%, based on average sampled NCF variances, to the Issuer's as-is and stabilized NCFs, respectively.

DBRS Morningstar Sampled Property Type



Source: DBRS Morningstar.

As-Is NCF

The DBRS Morningstar As-Is NCF was based on the current performance of the properties, without giving any credit to future upside that may be realized by the sponsors executing their business plans. The DBRS Morningstar sample had an average in-place NCF variance of -18.9% from the Issuer's NCF and ranged from +7.0% to -52.4%.

Stabilized NCF

The DBRS Morningstar Stabilized NCF was derived by generally stabilizing the properties at market rent and/or recently executed leases and market expenses that DBRS Morningstar believed were reasonably achievable based on the individual loan sponsors' 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 completion. For commercial properties, upside typically involved higher than in-place occupancy rates. For all assumptions, DBRS Morningstar took a somewhat conservative view compared with the market to account for execution risk around the business plan. For loans with future funding for leasing costs, DBRS Morningstar estimated the total cost to stabilize the property at the assumed occupancy rate and gave credit in the cash flow to offset leasing costs if the future funding is not exhausted. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -27.8% from the Issuer's stabilized NCF and ranged from -8.0% to -63.7%.

Model Adjustments

- DBRS Morningstar made downward stabilized value adjustments to The Buchanan, Promenade Portfolio, The Julia, Dolce Living Twin Creeks, The National, Vue on Forest, and Towne Plaza. DBRS Morningstar made downward as-is and stabilized value adjustments to Harbor Sky, Kings Pointe and Kings Cross, and Trademark. DBRS Morningstar adjusted values to reflect its view of the respective markets and the inherent risk associated with the sponsor's business plan. The adjusted DBRS Morningstar's WA Stabilized LTV was 66.4% and higher than the Issuer's WA stabilized LTV of 63.4%.

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Eligibility Criteria Concentration Parameters		
Issuer Property Type	Issuance (%)	Limit (%)
Office	28.6	60.0
Industrial	0.0	60.0
Retail	0.0	7.5
Mixed-Use	7.6	15.0
Hospitality	3.2	15.0
Self Storage	0.0	10.0
Student Housing	0.0	7.5
Multifamily	60.6	N.A

Future Funding				
Loan Name	Cut-Off Date Whole Loan Amount ($)	Future Funding Amount[1] ($)	Whole Loan Amount[2] ($)	Future Funding Uses
The Buchanan	138,040,000	10,300,000	148,340,000	Capital Expenditures
Hope & Flower	280,000,000	15,000,000	295,000,000	Earnout
Promenade Portfolio	78,400,000	11,900,000	90,300,000	Capital Expenditures; Earnout
The Julia	70,590,000	4,680,000	75,270,000	Capital Expenditures
Dolce Living Twin Creeks	70,069,946	822,800	70,892,746	Capital Expenditures
Harbor Sky	60,507,754	5,492,246	66,000,000	Earnout; Shortfall
Thesis	140,372,025	9,627,975	150,000,000	Leasing Cost; Interest; Hotel Unit Work
700 Louisiana and 600 Prairie Street	248,894,175	3,105,825	252,000,000	Capital Expenditures
Anthem Row	299,109,062	25,213,782	324,322,843	Leasing Cost; Interest; Capital Expenditures
Lakeshore Towers	195,261,126	1,938,875	197,200,000	Capital Expenditures
The National	234,661,406	10,438,594	245,100,000	Leasing Cost; Interest; Capital Expenditures
Leon Creek	38,165,264	4,534,736	42,700,000	Capital Expenditures; Shortfall
Towers at West End	87,559,742	5,563,846	93,123,588	Leasing Cost; Capital Expenditures
Life Time Coral Gables	217,583,320	35,416,680	253,000,000	Capital Expenditures; Earnout; Interest; Junior Mezzanine Interest
Chase Tower Dallas	200,300,000	34,800,000	235,100,000	Leasing Cost; Capital Expenditures
Vue on Forest	29,000,000	3,500,000	32,500,000	Capital Expenditures
Towne Plaza	25,782,724	2,967,276	28,750,000	Capital Expenditures
Lincoln Medical Center Apartments	23,004,136	945,864	23,950,000	Capital Expenditures
Trademark	70,309,552	2,690,448	73,000,000	Debt Service

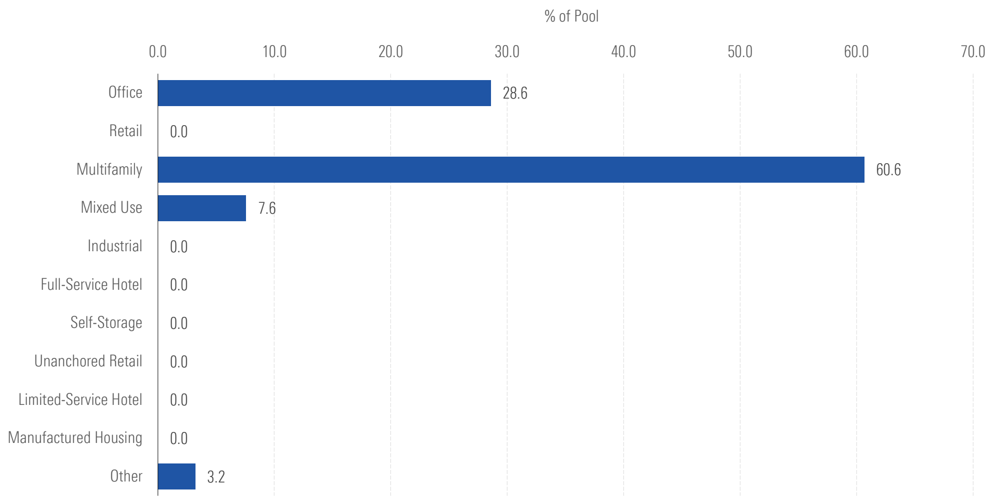
1. Cut-Off date unfunded future funding amount.
2. Whole loan amount including unfunded future funding.

Future Funding Commitment

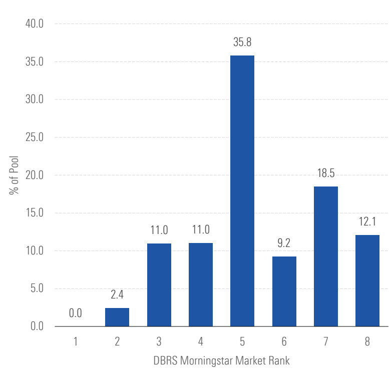
Loan Name	Total Future Funding ($)	Maximum Future Funding Allowed ($)	Total Future Funding Commitments Allowed (%)	Loan Closed (Y/N)
The Buchanan	10,300,000.00	10,300,000.00	100.0	Y
Hope & Flower	15,000,000.00	15,000,000.00	100.0	Y
Promenade Portfolio	11,900,000.00	11,900,000.00	100.0	Y
The Julia	4,680,000.00	4,680,000.00	100.0	Y
Dolce Living Twin Creeks	822,800.00	822,800.00	100.0	Y
Harbor Sky	5,492,245.71	5,492,245.71	100.0	Y
Thesis	9,627,975.16	9,627,975.16	100.0	Y
700 Louisiana and 600 Prairie Street	3,105,825.28	3,105,825.28	100.0	Y
Anthem Row	25,213,781.83	25,213,781.83	100.0	Y
Lakeshore Towers	1,938,874.50	1,938,874.50	100.0	Y
The National	10,438,593.89	10,438,593.89	100.0	Y
Leon Creek	4,534,736.35	4,534,736.35	100.0	Y
Towers at West End	5,563,845.77	5,563,845.77	100.0	Y
Life Time Coral Gables	35,416,679.61	35,416,679.61	100.0	Y
Chase Tower Dallas	34,800,000.00	34,800,000.00	100.0	Y
Vue on Forest	3,500,000.00	3,500,000.00	100.0	Y
Towne Plaza	2,967,275.84	2,967,275.84	100.0	Y
Lincoln Medical Center Apartments	945,863.99	945,863.99	100.0	Y
Trademark	2,690,448.20	2,690,448.20	100.0	Y

Transaction Concentrations

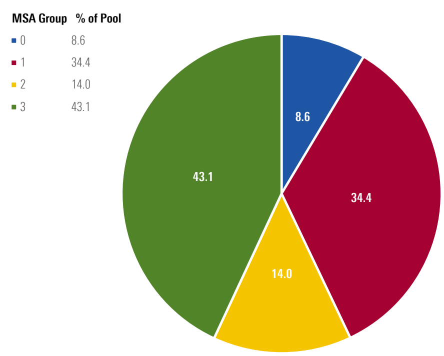
DBRS Morningstar Property Type



DBRS Morningstar Market Rank

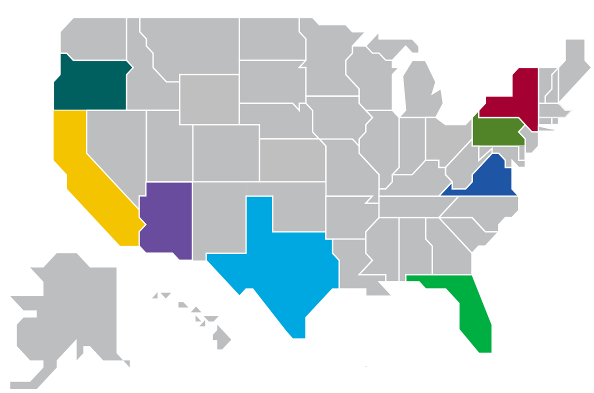


DBRS Morningstar MSA Group



Largest Property Location

Property Name	City	State
The Buchanan	Arlington	VA
12 Metrotech Center	Brooklyn	NY
Hope & Flower	Los Angeles	CA
Vantage Apartments	Philadelphia	PA
Promenade Portfolio	Irving	TX
The Julia	Mesa	AZ
Dolce Living Twin Creeks	Allen	TX
Harbor Sky	Portland	OR
Thesis	Coral Gables	FL
Tysons Metro Center	McLean	VA



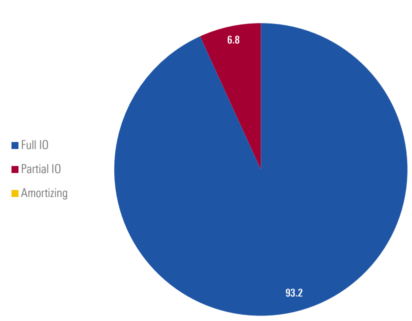
Source: DBRS Morningstar.

Loan Structural Features

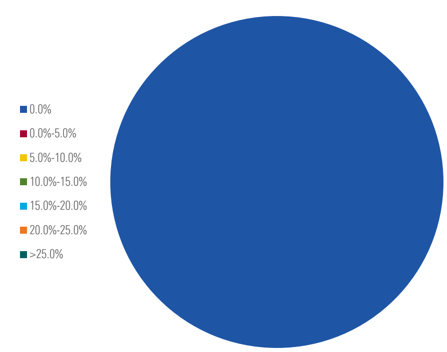
Loan Terms: All 24 loans in the pool are IO during the fully extended loan term. Original loan terms for all loans range from 24 months to 66 months. All loans have one, two, or three extension options, predominantly 12 months in duration.

Interest Rate: The interest rate is the greater of the floating rate referencing one-month USD Libor as the index plus the margin or the interest rate floor for all of the loans.

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	21	85.6	SPE with Independent Director and Non-Consolidation Opinion	23	96.4
Insurance Ongoing	16	64.4	SPE with Independent Director Only	1	3.6
CapEx Ongoing	15	60.4	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.

Interest Rate Protection: Only 12 of the 24 loans in the initial pool have purchased interest rate caps to protect against rising interest rates over the term of the loan. The remaining 12 loans have springing Libor caps. If the DBRS Morningstar stressed interest rate is less than the interest rate cap purchased by the borrower, DBRS Morningstar would default to the lower of the DBRS Morningstar stressed interest rate.

Pari Passu Loan Combinations: The 24 loans in the pool have a whole loan balance of approximately $3.0 billion and $1.0 billion is allocated to the subject transaction with the remaining $2.0 billion held as pari passu participations. The participations range in size between $4.7 million and $263.1 million.

Additional Debt: Eight loans in the pool have mezzanine debt. As noted in the structure of the transaction, all mezzanine pieces are treated as part of the combined whole loan to be securitized, with the exception of four loans: Vantage Apartments, Global G6 Portfolio, Life Time Coral Gables, and

Trademark. These four loans collectively represent 14.4% of the total pool balance and have additional mezzanine debt that is not included in the trust and is coterminous with the mortgage loan and subject to an intercreditor agreement with the mortgage lender.

Subordinate Debt

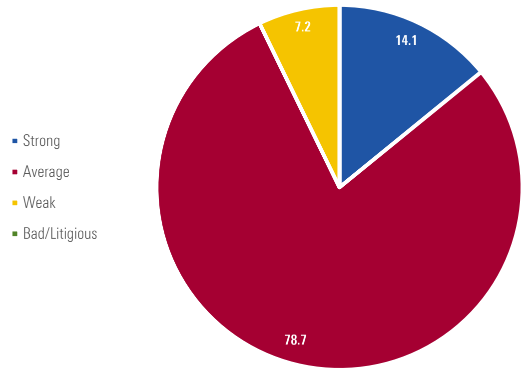
Loan Name	Trust Balance ($)	Pari Passu Balance ($)	B-Note Balance ($)	Mezz/Unsecured Debt Balance ($)	Future Mezz/Unsecured Debt (Y/N)	Total Debt Balance ($)
Hope & Flower	76,000,000	204,000,000	0	15,200,000	N	295,000,000
Harbor Sky	48,000,000	12,507,754	0	9,600,000	N	66,000,000
Thesis	44,000,000	96,372,025	0	9,900,000	N	150,000,000
Tysons Metro Center	40,000,000	135,000,000	0	8,000,000	N	175,000,000
Anthem Row	36,000,000	263,109,062	4,494,106	9,000,000	N	324,322,843
Global G6 Portfolio	32,000,000	8,000,000	0	6,400,000	N	40,000,000
Life Time Coral Gables	24,000,000	193,583,320	0	4,800,000	N	253,000,000
Chase Tower Dallas	24,000,000	176,300,000	0	4,800,000	N	235,100,000

Future Funding: Nineteen loans, representing 74.4% of the initial pool balance, have a future funding component. The aggregate amount of future funding remaining is $188.9 million with future funding amounts per loan ranging from $822,800 to $35.4 million. The future funding is an obligation of the future funding companion participation holder, initially the seller and sponsor. The future funding is generally to be used for property renovations and leasing costs. Each property has a business plan to execute that is expected to increase NCF. It is DBRS Morningstar's opinion that the business plans are generally achievable, given market conditions, recent property performance, and adequate available future funding (or upfront reserves) for planned renovations and leasing costs.

Leasehold: Two loans incorporate a leasehold structure. For Lakeshore Towers, the sponsor owns both the fee-simple interest and the leasehold interest, both of which will be securitized in the transaction. The G6 Global Portfolio incorporates eight properties, one of which is backed by a leasehold interest. All other loans are fee-simple ownership structures.

Sponsor Strength: DBRS Morningstar identified one loan, Vantage Apartments, comprising 7.2% of the cut-off date pool balance, with Weak sponsorship because the sponsor had inadequate financial wherewithal, prior default/foreclosure/DPO/deed in lieu, and/or negative credit events. DBRS Morningstar applied a POD penalty to mitigate this risk.

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

Delayed Close Mortgage Asset: All loans are closed.

Property Release: Three loans, The National, Life Time Coral Gables, and Kings Pointe and Kings Cross, representing 8.0% of the initial pool balance, allow for the release of one or more properties or a portion of the mortgaged property, subject to release prices exceeding the allocated loan amounts of the respective properties and/or certain leverage tests prescribed in the individual loan agreement.

Property Substitution: None of the loans in the pool allow for the substitution of properties.

Terrorism Insurance: All loans have terrorism insurance in place.

The Buchanan

Loan Snapshot

Seller
Starwood
Ownership Interest
Fee Simple
Trust Balance ($ million)
93.6
Trust Balance PSF/Unit ($)
205,714
Percentage of the Pool (%)
9.4
Fully Extended Loan Maturity/ARD
October 2026
Amortization
Interest Only
DBRS Morningstar As-Is DSCR (x)
1.27
DBRS Morningstar Stabilized DSCR (x)
1.38
DBRS Morningstar As-Is Issuance LTV (%)
69.6
DBRS Morningstar Stabilized Balloon LTV (%)
63.4
DBRS Morningstar Property Type
Multifamily

Debt Stack ($ millions)

Trust Balance
93.6
Pari Passu
44.4
Remaining Future Funding
10.3
Mortgage Loan Including Future Funding
148.3
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(2.7)
Trust Balance
93.6

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1971/2016
City, State	Arlington, VA	**Physical Occupancy (%)**	96.5
Units/SF	455	**Physical Occupancy Date**	October 2021

The loan is secured by the borrower's fee-simple interest in The Buchanan, a Class B, 455-unit multifamily property with approximately 82,000 sf of retail space in Arlington, Virginia. The sponsor acquired the property in 2012 for $175 million and has since invested approximately $16.7 million in capex. Initial loan proceeds of $138.0 million will refinance $131.6 million of existing debt, return equity of $2.7 million to the sponsor and cover the closing costs and fees associated with the transaction. The loan is structured with a $10.3 million future funding component that will fund 75% of borrower's capital improvements plan and $2.1 million TI/LC reserve. The remaining 25% of planned capital improvements, or $3.4 million is expected to be contributed by the sponsor. The five-year loan does not have any extension options and is IO throughout.

Originally constructed in 1971, the collateral consists of a 14-story building with 455 residential units and 81,681 sf of street level retail space. The subject's unit mix includes 65 studios and 169 one-bedroom, 156 two-bedroom, and 65 three-bedroom units. Over the past year, the sponsor has renovated 22 units, converted 13 laundry/storage rooms to micro studio units, and installed 138 in-unit washers/dryers. The renovated units have quartz countertops, new cabinets, stainless-steel appliances, and in-unit washers/dryers, and the sponsor plans to execute similar renovations in 88 units. The sponsor also plans to install in-unit washers/dryers in an additional 138 units. The August 29, 2021, rent roll showed that the unrenovated units with in-unit washer/dryers and the fully renovated units achieved premiums of $60 and $281, respectively. The overall physical occupancy at the property was 96.5% as of October 2021 and has averaged over 95% since 2017. The street level retail was 71.3% occupied as of the September 2021 rent roll. The largest tenant, Bowlero, operates a bowling alley, arcade, and sports bowl at this location and represents 67.4% of NRA and took occupancy in March 2020. The remaining vacant spaces vary in condition, with some space being left as-is from the previous tenant and other space in shell condition. Amenities at the property include a 24-hour concierge, a swimming pool, a sundeck with grilling stations, a dog run, on-site laundry facilities, a fitness center, a billiards room, on-site storage, and on-site Zipcars. There is a parking garage available with 781 spaces (1.72 spaces/unit).

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Unit Size (SF)	Avg. Rental Rate ($)	Avg. Rental Rate PSF ($)
Crystal Plaza	0.2	537	1967	97.0	1,144	2,574	2.25
Crystal House	0.3	828	1963	93.0	895	2,154	2.41
Crystal Towers	0.4	912	1967	94.0	1,123	2,353	2.10
Crystal Square	0.5	378	1975	94.0	1,077	2,334	2.17
The Paramount	0.5	135	1984	94.0	1,015	2,374	2.34
Aura Pentagon City	0.7	534	2000	93.0	846	2,249	2.66
The Point at Pentagon City	0.7	348	1982	97.0	798	2,113	2.65
Total/WA. Comp. Set	**Various**	**3,672**	**1974**	**94.4**	**995**	**2,301**	**2.34**
The Buchanan	**n/a**	**455**	**1971**	**96.5**	**1,136**	**2,072**	**1.82**

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

Sponsorship

The sponsor for this transaction is Dweck Properties. Established in 1970, Dweck Properties is a prominent local investor with 17 properties in the Washington, D.C. metro area. The guarantor for the transaction, Ralph Dweck, created Dweck Properties and has been responsible for the firm's investment strategy and activities. Dweck reports ownership in more than 7,000 multifamily units, of which 4,628 are in National Landing. The sponsor has executed a similar business plan at a nearby apartment complex, Crystal Square Apartments.

While the sponsor has owned the collateral since 2012, it started managing the property in Q4 2020. Dweck Property Management manages the property for a contractual management fee of 3.0% of EGI.

DBRS Morningstar NCF Summary

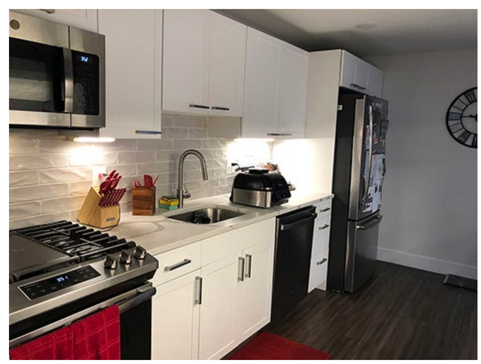
NCF Analysis

	2018	2019	2020	T-12 January September 2021	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	11,491,999	11,776,278	12,263,920	11,505,160	12,475,136	11,709,684	-6.14
Other Income ($)	2,313,405	2,182,683	2,676,207	2,396,849	4,272,768	3,348,811	-21.62
Vacancy & Concessions ($)	-744,795	-806,211	-1,778,151	-1,956,895	-777,600	-690,171	-11.24
EGI ($)	**13,060,609**	**13,152,749**	**13,161,975**	**11,945,113**	**15,970,304**	**14,368,324**	**-10.03**
Expenses ($)	5,496,064	5,618,597	5,655,188	6,161,508	6,502,664	7,113,200	9.39
NOI ($)	**7,564,545**	**7,534,152**	**7,506,787**	**5,783,605**	**9,467,640**	**7,255,124**	**-23.37**
Capex ($)	113,750	113,750	113,750	113,750	113,750	393,754	246.16
NCF ($)	**7,450,795**	**7,420,402**	**7,393,037**	**5,669,855**	**9,353,890**	**6,861,371**	**-26.65**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $6,861,371, representing in a -26.6% variance from the Issuer's Stabilized NCF of $9,353,890. The primary drivers of the variance are GPR, retail income, real estate taxes, and leasing costs. DBRS Morningstar generally based GPR on the appraiser's premiums for the renovated units over the rents currently achieved at the collateral. This results in premiums of $60/unit for units receiving in-unit washers/dryers only and premiums of $281 for fully renovated units. The Issuer's stabilized GPR figure is based on premiums of $100/month for the in-unit washer/dryer units and $325/unit premiums for the fully renovated units, and they also grew rents 1.5% per year. DBRS Morningstar based retail income on the September 2021 rent roll with all vacant space grossed up to the appraiser's market rent and targeted a 20.0% vacancy. DBRS Morningstar's real estate tax assumption is based on the appraiser's stabilized estimate, while the Issuer used the uninflated appraiser's estimate. In regards to leasing costs, DBRS Morningstar generally aligned with the appraiser's leasing assumptions, and gave credit to the loan's upfront $2.1 million TI/LC reserve.

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar toured the interior and exterior of The Buchanan on Tuesday, October 19, 2021, at 3:30 p.m. Based on the guided management tour, DBRS Morningstar found the property quality to be Average.

The collateral is located just off a well-trafficked local thoroughfare, Route 1, within the Crystal City area of Arlington. Demand for the area is primarily driven by the proximity to Ronald Reagan Washington National Airport (DCA), Pentagon City, and downtown Washington, D.C. Route 1 is a north/south thoroughfare that connects the collateral to Alexandria to the south and a greater network of highways to access Washington, D.C. and the surrounding metro area to the north. DCA is less than a five-minute drive from the collateral, and it is easily accessible via Route 1. The collateral also benefits from its proximity to the Crystal City Metro Station, which is only 0.5 miles away, and connects the collateral to the DC Metro lines. Additionally, investment in the area is on the rise since Amazon announced the location of its HQ2 in Arlington, and once completed, it will be within walking distance of the subject.

At the time of DBRS Morningstar's tour, management reported occupancy of 97.3% and no concessions were being offered. DBRS Morningstar toured one of the new micro studio units, unrenovated one- and two-bedroom units, and one fully renovated one-bedroom unit. The residential areas are dated in terms of appearances and finished but are generally well maintained. The 13 "new" studio units had quartz countertops, stainless-steel appliances, and in-unit washers/dryers, and were compact averaging only 372 sf. The units showed well and had finishes consistent with Class A properties. The majority of units have finishes primarily consisting of carpet or vinyl flooring throughout, laminate countertops, and white kitchen appliances; however, 22 units have been upgraded to quartz counter tops, stainless-steel appliances, and hardwood floors. Additionally, some units have received partial upgrades from the original finishes on an as-needed basis. The one-, two-, and three-bedroom units were particularly spacious with generous living spaces and large closets. Almost all the units have balconies, which vary in size depending on the unit type. Management disclosed that there was a fire in one unit on August 26, 2021, that put two units down and an additional unit with damages, and these units were still under construction at the time of DBRS Morningstar's tour. The subject offers an array of amenities including a swimming pool, sundeck, pet park, fitness center, billiards room, and 24-hour concierge. Management noted that it is interested in expanding the amenities by offering yoga classes on the sundeck and reconfiguring the mail and billiards rooms to offer a more open communal space for residents.

The retail space covers most of the ground floor on the collateral and is currently 71.3% occupied. The largest tenant, Bowlero, occupies 67.4% of NRA and offers 34 bowling lanes, a plethora of other interactive games, and a full bar and restaurant. There is also a nail salon and ABC store (liquor store) on site, that have been at the property since 2001 and 2006, respectively. The remaining vacant space varied in condition. The 5,480 sf suite that Bar Louie vacated in the spring of 2020, was left in as-is condition. The other vacant suites were primarily in shell condition or under construction for new tenants. There is an executed lease with Commonwealth Medical, occupying 3,050 sf, with plans for the tenant to take occupancy before the end of 2021. The property manager disclosed that the retail space is generally well-liked by tenants, but the vacant space would ideally be filled by a grocery store or more restaurants.

DBRS Morningstar Viewpoint

The collateral consists of a 455-unit multifamily property with 81,681 sf of street level retail in the Crystal City area of Arlington, Viriginia. The area has typically been a strong submarket in terms of vacancy with the Reis submarket of Pentagon City/Crystal City reporting a 5.0% vacancy rate. The immediate area is heavily influenced by Ronald Reagan National Airport (DCA) and the development of Amazon's HQ2, which is expected to deliver phase one in 2023. DCA is a five-minute drive from the collateral, and the subject has a history of capitalizing on that proximity. The Buchanan is engaged in two corporate contracts with Suite Solutions and Sirod Enterprises, which rent 16 and eight units, respectively. Suite Solutions is a corporate housing provider, and Sirod Enterprises provides "crash pad" housing for airline employees flying in and out of DCA. In November 2018, Amazon announced that its HQ2 would be in Arlington and has plans to employ 25,000 people and occupy 4 million sf of office space. The collateral is within walking distance of the site and stands to benefit from the development. While Arlington is expanding, Washington, D.C. remains the most prominent city in the area. The collateral is 0.5 miles away from the Crystal City Metro stop, which connects the subject to the DC Metro lines. In addition to the two corporate contracts, the subject has contracts with Youzihouse (which provides housing for Chinese students attending nearby universities) and Texas A&M University for six and five units, respectively. While these student-housing contracts account for 2.4% of units, the subject's property manager estimates that 45% of tenants are students, and DBRS Morningstar elected to model the collateral as student housing. George Mason University and Marymount University are in Arlington, and Washington, D.C. is home to 11 universities. The strong metropolitan area is reflected in the DBRS Morningstar MSA Group 3, but the collateral's specific location falls within a DBRS Morningstar Market Rank of 5. A Market Rank of 5 typically reflects a suburban market and has historically experienced higher rates of default compared to loans secured by assets located within the lowest or highest DBRS Morningstar Market Ranks.

As of the rent roll dated October 31, 2021, the subject's residential units were 96.5% occupied. In comparison with the appraiser's competitive set, the collateral is of a similar vintage and achieves similar rental rates on a psf basis. The subject's average unit size is considerably smaller at 888 sf, compared with the competitive set's weighted average of 995 sf. The sponsor's business plan to install in-unit washers/dryers in 226 units and fully renovate 88 units has proved successful based on the 35 units they renovated last year. Part of the plan is to convert 13 of the laundry/storage rooms, located on each floor, to micro studio units. The sponsor created 13 of these units as part of the renovations last year, and they were 100% occupied as of the rent roll dated August 29, 2021, and at the time of DBRS Morningstar's tour. In addition to in-unit renovations, the sponsor has allocated $2.1 million as a TI/LC reserve to bolster the 81,681 sf of retail space. The retail space was 71.3% occupied as of the September 2021 rent roll, and the sponsor reported an executed lease to Commonwealth Medical, which is supposed to take occupancy by YE2021. When considering this lease, occupancy increases to 75.0%. The subject falls within the Reis retail submarket of Arlington/Alexandria, and reported a vacancy rate of 6.4% for Q2 2021. DBRS Morningstar concluded to a stabilized vacancy of 20.0% for the retail space based on the subject's struggle to achieve occupancy rates in-line with the submarket, while still giving credence to the Commonwealth Medical lease and the loan's TI/LC reserve.

Fully funded loan proceeds of $148.3 million represent a moderate Issuance LTV of 69.6% based on the appraiser's September 2021 value estimate of $213 million. The appraiser estimated the value of the collateral to increase to $274 million, although DBRS Morningstar adjusted the implied cap rate based on comparable properties, which lowered the value and resulted in an adjusted LTV of 63.4%. The loan benefits from a low issuance LTV, high as-is occupancy, and strong DBRS Morningstar MSA Group 3, which results in a lower-than-deal-average expected loss.

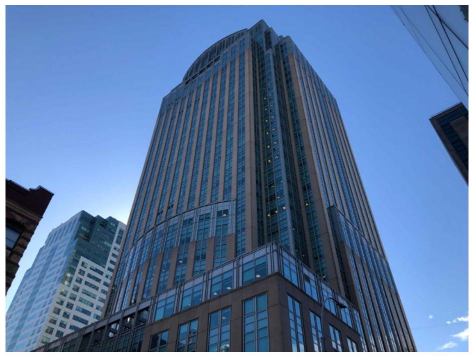
12 Metrotech Center

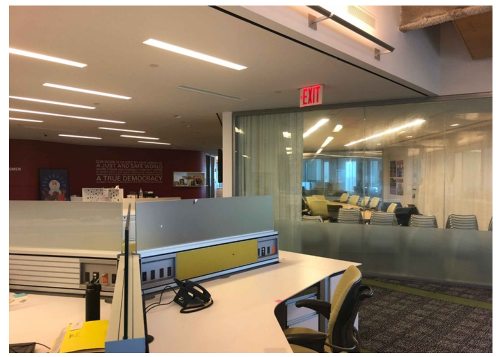
Loan Snapshot

Seller	Starwood
Ownership Interest	Fee Simple
Trust Balance ($ million)	84.8
Trust Balance PSF/Unit ($)	447.21
Percentage of the Pool (%)	8.5
Fully Extended Loan Maturity/ARD	September 2024
Amortization	Interest Only
DBRS Morningstar As-Is DSCR (x)	1.14
DBRS Morningstar Stabilized DSCR (x)	1.14
DBRS Morningstar As-Is Issuance LTV (%)	77.1
DBRS Morningstar Stabilized Balloon LTV (%)	73.1
DBRS Morningstar Property Type	Office

Debt Stack ($ millions)

Trust Balance	84.8
Pari Passu	21.2
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	106.0
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	30.2
Trust Balance	84.8





Collateral Summary

DBRS Morningstar Property Type	Office	**Year Built**	2005
City, State	Brooklyn, New York	**Physical Occupancy (%)**	100.0
Units/SF	189,620	**Physical Occupancy Date**	November 2021

The loan is secured by the borrower's fee-simple interest in the 189,620-sf condominium at 12 Metrotech Center in Downtown Brooklyn. Loan proceeds of $106.0 million, along with borrower cash equity of $30.2 million, went toward acquiring the property for $128.0 million and covering closing costs. The loan is IO throughout the initial three-year term and the loan's two 12-month extension options.

The collateral consists of a five-story office condominium within the broader Metrotech campus in Downtown Brooklyn. The condominium consists of the top five floors of a 30-story office tower, of which the bottom 25 floors are not collateral and occupied by the New York State Supreme Court and the Kings County Family Court. Constructed in 2005, the tower consists of approximately 1.4 million sf of office space. The 189,620-sf collateral portion has its own dedicated entrance on the southern side of the building that is separate from the entrance for the noncollateral space.

The collateral is 100% leased; however, the City of New York Administration for Children's Services (the City) leases approximately 73% of the space and rent has commenced. Although it is expected to begin occupying the space in December 2021, as of the date of this report, it has not taken occupancy yet. The City's rent has commenced. Since 2013, the collateral has been predominantly fully occupied, with occupancy only dipping below 94% in 2019 with the departure of New York University (NYU) and American International Group, Inc., which were significant tenants at the collateral. In addition to the strong current lease rate, the collateral will not experience a significant amount of rollover throughout the loan term. The only tenant whose lease expires during the loan term is Ms. Foundation for Women (Ms. Foundation), which notified management that it will not be renewing its lease. However, it only occupies approximately 8% of the NRA. The other two tenants, the City and HeartShare Human Services of New York (HeartShare), have leases that do not expire until 2041 and make up approximately 92% of the NRA. As a result, there is considerable lease term after the loan term and little exposure to tenant rollover. For more information on the rent roll, please see the table below.

Tenant Summary

Tenant	SF	% of Total NRA	DBRS Morningstar Base Rent PSF ($)	% of Total DBRS Morningstar Base Rent	Lease Expiry	Investment Grade? (Y/N)
City of New York - Admin. Children Svcs.	139,035	73.3	54.80	79.7	8/31/2041	Y
HeartShare	34,908	18.4	37.00	13.5	6/30/2041	N
Ms. Foundation	15,677	8.3	41.41	6.8	12/31/2022	N
Total/WA	**189,620**	**100.0**	**50.41**	**100.0**	**Various**	**Various**

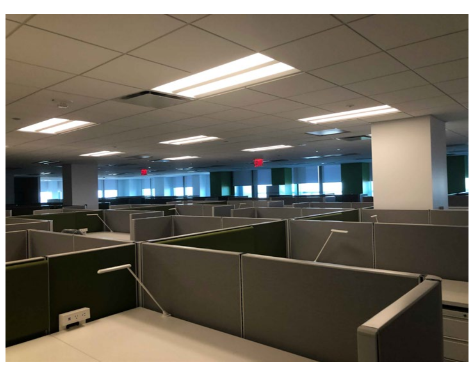
Sponsorship

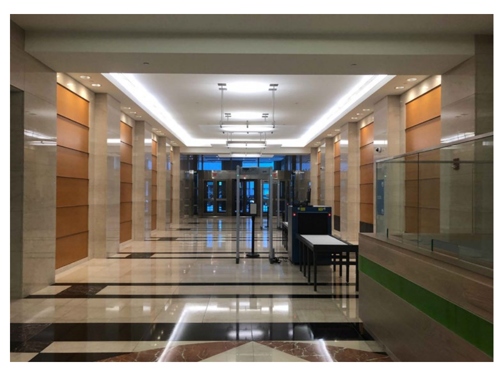
The key sponsors of the transaction are Davidson Kempner Capital Management LP (Davidson Kempner) and 60 Guilders, LLC (60 Guilders). Founded in 1983, Davidson Kempner is an asset management firm with more than $34 billion in assets under management with offices in New York City, London, Dublin, Hong Kong, and Philadelphia. Davidson Kempner has experience with various property types throughout different parts of New York City. Founded in 2013, 60 Guilders has a leadership team with 36 years of real estate investment experience. Since 2009, the two founders have invested in 39 assets in New York City, totaling more than 10 million sf. The company's current portfolio comprises more than $500 million of invested equity spread across 18 properties and totaling more than 4.5 million sf. The guarantors for the loan are a Davidson Kempner fund and two individuals. The loan requires the guarantors to maintain a minimum $100.0 million net worth and $7.5 million of liquidity.

The property manager will be a borrower-affiliated firm for a contractual rate of 3.0% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary





DBRS Morningstar toured the interior and exterior of the property on October 21, 2021, at 3:00 p.m. Based on the site inspection and management tour, DBRS Morningstar found the property quality to be Average +.

The 30-story high-rise office building is in the Metrotech development of Downtown Brooklyn. Situated between Jay Street and Brooklyn Bridge Boulevard, the property offers great access to various Metropolitan Transit Authority (MTA) subway lines and bus lines, all of which provide easy access to the rest of Brooklyn and Manhattan. The Jay St-MetroTech and Borough Hall subway hubs are all within walking distance and allow access to the A, C, F, R, 2, 3, 4, and 5 lines. The surrounding area consists of high-rise and mid-rise office and residential buildings, most of which also feature ground-floor retail. The office buildings in the immediately surrounding area appear to be of a similar construction vintage or older. The location’s high foot traffic provides steady business for many of the neighboring ground-floor retail tenants. There did appear to be many college students and children around the neighborhood at the time of the inspection, and there are several universities, colleges, and schools in the area, including NYU, Brooklyn Friends School, and New York City College of Technology. Additionally, there is a significant number of public parks in the nearby area, including Cadman Plaza Park, Columbus Park, McLaughlin Park, Trinity Park, and Walt Whitman Park.

The collateral has its own entrance on the southern side of the building facing Jay Street, while the New York State Supreme Court and Kings County Family Court have a separate entrance on the northern side of the building facing Jay Street. A moderate-size lobby with high ceilings and granite floor and walls leads to two reception desks, one of which is exclusively for the City. To the right is the security gates and the elevator lobby, which featured a bank of four elevators that reach floors 26 to 30. The elevators were adequately maintained and traveled quickly up to the collateral floors beginning at floor 26. Although the elevators in the collateral lobby only traveled to floors 26 to 30, management revealed tenants had access to the other elevator shafts and could reach the Kings County Family Court and New York State Supreme Court, which is a valuable amenity given that the tenants interact and work with the two courts.

DBRS Morningstar toured space leased by all tenants, although the space leased by the City was not yet occupied. DBRS Morningstar toured the Ms. Foundation space, which management indicated had not executed its renewal option and would be vacating the property at the end of December 2022. The space featured an open floorplan with offices lining the exterior walls and was of adequate quality. Next, DBRS Morningstar toured the 30th floor, which was leased by the City and featured many classrooms and conference rooms. Management indicated that the City would be using the space on the 30th floor for many child-facing services, while administrative personnel would be at the rest of its space at the property. DBRS Morningstar also inspected the space occupied by HeartShare, a firm that provides services to children and adults with intellectual and developmental disabilities. The space showed adequately, and management from HeartShare indicated that it had just completed repainting some parts and were planning to recarpet the suite, showing the tenant’s commitment to the property and the space. Finally, DBRS Morningstar toured the remaining space leased by the City that would be primarily used by back-office and administrative personnel. This space looked like more traditional office space with long rows of cubicles and offices lining the exterior of the space.

DBRS Morningstar NCF Summary

NCF Analysis	2018	2019	2020	T-12 May 2021	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	6,327,990	2,286,248	1,817,430	6,286,123	10,221,305	9,262,553	-9.4
Recoveries ($)	505,947	402,273	197,155	150,561	1,118,510	1,441,354	28.9
Other Income ($)	187,708	106,926	89,038	91,387	274,459	252,692	-7.9
Vacancy ($)	0	0	0	-5,006,815	-188,124	-146,687	-22.0
EGI ($)	**7,021,645**	**2,795,447**	**2,103,623**	**1,521,256**	**11,426,150**	**10,809,911**	**-5.4**
Expenses ($)	1,806,495	1,996,322	2,258,697	2,227,172	4,202,403	4,467,846	6.3
NOI ($)	**5,215,150**	**799,125**	**-155,074**	**-705,915**	**7,223,746**	**6,342,065**	**-12.2**
Capex ($)	0	0	0	0	0	47,405	0.0
TI/LC ($)	0	0	0	0	0	284,250	0.0
NCF ($)	**5,215,150**	**799,125**	**-155,074**	**-705,915**	**7,223,746**	**6,010,410**	**-16.8**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $6,010,410, representing a -16.8% variance from the Issuer's stabilized NCF of $7,223,746. The primary drivers of the variance include GPR, real estate taxes, TI/LC, and vacancy.

DBRS Morningstar estimated GPR based on in-place leases, gave credit to rent steps within 12 months of securitization, and gave straight-line rent-step credit for the City throughout the loan term. DBRS Morningstar set real estate taxes to the unabated real estate tax figure, while the Issuer set net taxes to $7.58 psf based on the real estate tax consultant's projection. DBRS Morningstar assumed ongoing TI costs to be $85.00 psf for new leases and $40.00 psf for renewal leases, while giving a 90% renewal probability for the City and a 65% renewal probability for all other space. Additionally, DBRS Morningstar assumed LCs to 4% and 2% for new and renewal leases, respectively. The Issuer did not contemplate any leasing costs in its Stabilized NCF. Finally, DBRS Morningstar utilized a blended vacancy rate of 3.9% based on a 10.0% minimum with LTCT status and a 2.0% vacancy factor for the City, while the Issuer set vacancy to 1.6%.

DBRS Morningstar Viewpoint

Built in 2005, the office collateral is in Downtown Brooklyn and is well located within the submarket. Overall, the tenant build-out and common areas appeared to be well maintained and showed little signs of deferred maintenance, which makes sense given the institutional nature of the prior owner, Brookfield Properties. The property is part of the larger Brooklyn Metrotech Center, a development that includes several high-rise properties and educational facilities that have jump-started additional development and growth of Downtown Brooklyn. Specifically, there is more than 4.5 million sf of space spread across the development, and significant tenants include JPMorgan Chase, the Brooklyn Nets, NYU Tandon School of Engineering, New York City Fire Department, New York City College of Technology, and Long Island University. Given the significant investment into Downtown Brooklyn over the past two decades, the growth of various submarkets of Brooklyn, and the potential for office tenants being priced out of Midtown Manhattan, DBRS Morningstar generally has a favorable view of the Downtown Brooklyn office market.

Over the fully extended, five-year loan term, DBRS Morningstar expects the collateral to perform in a generally stable manner given the two long-term leases signed by the City and HeartShare in addition to the minimal amount of rollover. Furthermore, the City is an investment-grade tenant and is engaged in a long-term lease, which DBRS Morningstar views as a strong positive credit metric. Ms. Foundation will be vacating the property at the end of its lease in December 2022; however, it only occupies approximately 8% of the NRA at the collateral. Even if the sponsors are unable to retenant the Ms. Foundation suite throughout the fully extended loan term, the property would still exhibit a vacancy rate below the Q2 2021 Downtown Brooklyn submarket vacancy rate of 15.4%, according to the appraisal.

The sponsors' business plan includes a cash equity injection of proceeds to cover the leasing costs associated with re-leasing the Ms. Foundation space. However, given the long-term stability at the property and the lack of future funding associated with the business plan, DBRS Morningstar elected to treat the property as stabilized as opposed to conducting both an as-is and as-stabilized NCF analysis. Furthermore, DBRS Morningstar treated the Ms. Foundation space as occupied, although its lease expires in December 2022 and it will vacate the space at the subject. As a result, DBRS Morningstar did not assume any upside in cash flow or value associated with the business plan or the re-leasing of the Ms. Foundation space. Additionally, if the business plan fails and the sponsors are not able to retenant the Ms. Foundation space, the sponsors still hold an asset that is performing well above the rest of the submarket and will have more than enough cash flow to service debt payments. As a result, DBRS Morningstar believes the downside risk pertaining to the business plan is not detrimental to overall loan performance.

The loan exhibits relatively high leverage as the fully funded loan amount of $106.0 million is approximately 77% of the as-is appraised value of $137.5 million. Furthermore, there is a fairly significant variance between the as-is appraised value and the purchase price of $128.0 million. As a result, DBRS Morningstar elected to utilize the purchase price as the value, which increased the overall leverage on the loan to approximately 80.0%. Loans, such as the subject, that exhibit elevated leverage generally exhibit higher probabilities of default and losses, which generally result in elevated expected loss figures in the DBRS Morningstar model.

However, despite the higher leverage point, the loan benefits from the collateral's location in a DBRS Morningstar Market Rank of 8 and MSA Group 3, both of which are indicative of areas with the historically lowest default and loss rates. The strength of the collateral's location offsets the high leverage points, and the loan still has an expected loss that is well below pool average.

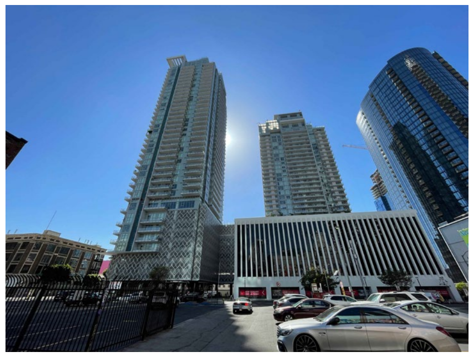
Hope & Flower

Loan Snapshot

Seller
Starwood
Ownership Interest
Fee Simple
Trust Balance ($ million)
76.0
Trust Balance PSF/Unit ($)
114,114
Percentage of the Pool (%)
7.6
Fully Extended Loan Maturity/ARD
April 2024
Amortization
Interest Only
DBRS Morningstar As-Is DSCR (x)
0.81
DBRS Morningstar Stabilized DSCR (x)
1.16
DBRS Morningstar As-Is Issuance LTV (%)
62.6
DBRS Morningstar Stabilized Balloon LTV (%)
61.7
DBRS Morningstar Property Type
Multifamily

Debt Stack ($ millions)

Trust Balance
76.0
Pari Passu
204.0
Remaining Future Funding
15.0
Mortgage Loan Including Future Funding
295.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(45.0)
Trust Balance
76.0



Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2016
City, State	Los Angeles, CA	**Physical Occupancy (%)**	93.5
Units/sf	666	**Physical Occupancy Date**	October 2021

The loan is secured by the borrower's fee simple interest in Hope & Flower, a 666-unit multifamily property in Los Angeles, California. Initial loan proceeds of $224.0 million, along with a $56.0 million mezzanine loan, were used to refinance existing debt of $177.0 million, fund a $51.0 million preferred equity interest, return equity to the borrower of $45.0 million and cover closing costs. The loan is structured with a $15.0 million earnout subject to a debt yield of 7.25% for two consecutive quarters. Based on the whole loan amount, inclusive of the mezzanine piece, the as-is and stabilized values of $471.3 million and $478.3 million reflect an as-is and stabilized LTV of 62.6% and 61.7%, respectively. The floating rate loan has a three-year initial term, with two one-year extension options. The loan is IO for the full term including the extension options.

The sponsor purchased the site in 2011 for only $18.8 million, which included a vacant parking lot and the 71,000 sf office building. The sponsor entitled the land before obtaining a $200.0 million construction loan and began construction on the two high-rise multifamily towers in September 2016. The total cost basis is $326.8 million and the sponsor has roughly $47.0 million of equity in the deal.

Unit Mix and Rents			
Unit Type	No. of Units	Avg. Units Size (sf)	In-place Rent/Mo. ($)
Studio	59	518	2,560
1 Bedroom	376	650	3,017
2 Bedroom	214	1,021	4,608
3 Bedroom	17	2,013	11,295
Total/WA	**666**	**792**	**3,699**

Source: Appraisal.

The property is composed of two multifamily towers and a 71,000 sf office building. The Flower building is 33 stories, includes 303 residential units, 3,278 sf of ground-floor retail, four levels of subterranean parking, and seven levels of podium parking. The 41-story Hope tower includes 363 residential units, 4,303 sf of ground-floor retail, and three levels of subterranean parking. As of October 2021, the multifamily component was 93.5% occupied while the office component was 99.0% occupied.

Common area amenities include a pool deck, hot tub, sauna, and outdoor barbecue area on the eighth floor; a game room; lounge; chef demonstration kitchen; and coworking spaces. Additionally, there is valet parking, another rooftop pool, sky deck, lounge, and chef kitchen on the 33rd floor, and a third rooftop pool with the same components on the 41st floor that is exclusive to the penthouse residents. Interior finishes include open-concept spaces with floor-to-ceiling windows and balconies, stainless-steel appliances and Caeserstone countertops, glass-encased showers, NEST thermostats, and washer/dryer units.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Circa LA	Los Angeles, CA	0.2	648	2018	68.0	3,300	1,117
1133 Hope	Los Angeles, CA	0.1	208	2020	12.0	2,801	1,683
825 South Hill	Los Angeles, CA	0.7	497	2019	89.0	2,591	887
Atelier	Los Angeles, CA	0.6	363	2017	93.0	3,210	829
Aven Apartments	Los Angeles, CA	0.2	536	2019	75.0	2,956	788
THEA at Metropolis	Los Angeles, CA	0.7	685	2019	10.0	3,310	1,037
Total/WA Comp. Set	**Los Angeles, CA**	**Various**	**2,937**	**Various**	**58.4**	**3,073**	**1,004**
Hope & Flower	**Los Angeles, CA**	**n/a**	**666**	**2016**	**93.5**	**3,017**	**792**

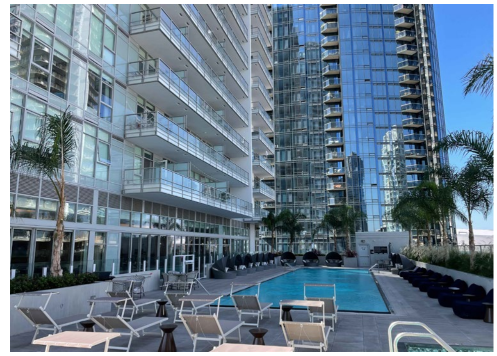
Source: Appraisal.

Sponsorship

The sponsor for this transaction is the Onni Group, a real estate development company that has been constructing, acquiring, and managing properties for 50 years. Onni Group has built 15,000 single family homes, currently owns and manages 7,000 apartment buildings, and has constructed over 11.5 million sf of office, retail, and industrial space. The sponsor has investments across North America in major cities including Los Angeles, New York, Seattle, Chicago, Phoenix, Toronto, and Vancouver. Given the sponsor's strong history, current holdings, and the guarantor's substantial net worth and liquidity, DBRS Morningstar modeled the with Strong sponsor strength. Additionally, the loan structure includes a 10.0% recourse to the sponsor in the form of a principal payment.

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar toured the interior and exterior of the property on October 18, 2021, at 1:00 p.m. Based on the site inspection and management tour, DBRS Morningstar found the property quality to be Excellent.

The subject benefits from its ideal location in the heart of downtown Los Angeles, just west of the Fashion District and only a few blocks east of the Staples Center. The property is less than a mile from both Highway 110 and Highway 10, providing easy access in all directions to the surrounding areas of Los Angeles. The immediate area is filled with large high-rise apartment buildings, local retailers, office buildings, and restaurants. The location is great for those working in the city, and management indicated that the property is largely occupied by young professionals.

The property quality was extremely impressive, as the sponsor had recently completed the $200.0 million construction of the two multifamily towers. As you approach the property, there is a large open entryway for cars and pedestrians, complete with valet parking and multiple subterranean parking garages. The entryway and lobbies for each of the multifamily towers are modern and reminiscent of a high-end hotel. The property has impressive branding, with the Hope & Flower logo located across the property in the amenity spaces, elevators, and even the pools. The amenity spaces were in perfect condition at the time of inspection, and management indicated that these spaces are frequently used by residents. The property features several pool decks that provide scenic views of the surrounding area, and include modern outdoor furniture, spas, saunas, and grilling areas. The subject also includes many large rooms dedicated to studying, lounging, gaming, and event hosting. Management indicated that reservations for events in the property’s many event spaces has begun to pick up in recent months.

Unit interiors were nice, including floor-to-ceiling windows, modern cabinetry, and stainless-steel appliances. The overall aesthetic of the units is very modern and sought after in the multifamily market. While the living spaces and kitchens were large, the bedrooms were small in the one- and two-bedroom units. Management indicated that there are several penthouse units available to rent for extremely wealthy individuals. These units feature large living and dining spaces, with private outdoor balconies including grilling equipment and hot tubs. Residents at these units also receive private access to a rooftop pool and other amenities on the top floors. Management indicated these units can range between $15,000 and $30,000 per month, and are often leased to athletes, celebrities, and wealthy individuals.

Management of the property is quite challenging, as there are over 1,000 residents living at the property and the service level is high. There are two management teams, with one dedicated towards the multifamily component, and another focused on the commercial space. The office component is nearly 100% occupied by the Los Angeles Clippers, but DBRS Morningstar was unable to tour the space. The retail component has struggled with leasing, but CVS Pharmacy is expected to be taking a large portion of the vacant space near the start of 2022. Given the prime location downtown, DBRS Morningstar believes retail tenants will begin to fill the space over the coming months and years.

DBRS Morningstar NCF Summary

NCF Analysis							
	2019	2020	T-12 September 2021	2021 Borrower Budget	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	2,077,566	27,695,331	28,618,685	30,279,595	32,455,202	31,719,773	-2.27
Other Income ($)	83,068	1,319,204	2,360,164	2,338,096	3,955,474	4,182,160	5.73
Vacancy & Concessions ($)	0	-17,838,520	-7,469,987	-4,147,328	-2,990,872	-3,690,199	23.38
EGI ($)	**2,160,634**	**11,176,015**	**23,508,862**	**28,470,364**	**33,419,805**	**32,211,734**	**-3.61**
Expenses ($)	701,133	9,706,629	10,931,676	11,538,694	12,354,898	13,759,306	11.37
NOI ($)	**1,459,501**	**1,469,386**	**12,577,186**	**16,931,670**	**21,064,906**	**18,452,429**	**-12.40**
Capex ($)	0	0	0	0	244,460	500,129	104.58
NCF ($)	**1,459,501**	**1,469,386**	**12,577,186**	**16,931,670**	**20,820,446**	**17,952,300**	**-13.78**

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 represents a -13.8% variance from the Issuer's Stabilized NCF. The primary drivers of the NCF variance were operating expenses and gross potential rent. Operating expenses were set to the T-12 ending September 2021 inflated by 3.0%. For gross potential rent, DBRS Morningstar concluded to the in-place figure. There are no future renovation plans to push rental rates.

Based on the mortgage amount, inclusive of future funding, the DBRS Morningstar Stabilized NCF reflects a debt yield of 7.5%, which meets the 7.25% debt yield threshold to receive the $15 million earnout. The 7.5% debt DBRS Morningstar debt yield is not inclusive of the mezzanine debt.

DBRS Morningstar Viewpoint

The loan has one of the lowest expected losses in the pool due to its premier location, excellent property quality, and strong sponsorship. Hope & Flower is a strong multifamily asset located in the heart of downtown Los Angeles, with an adjacent 71,000 sf office building that is nearly 100% occupied. The multifamily component, which accounts for roughly 95% of the total valuation, was 93.5% occupied as of

October 2021. Compared with similar properties identified by the appraiser, the subject is achieving higher occupancy rates at similar, if not slightly higher, rental rates.

While the loan is being securitized in a CRE CLO transaction, the subject is generally being treated as stabilized. Since construction completed in 2019, the property has stabilized relatively quickly given the challenging environment during the pandemic for urban assets. The property has demonstrated impressive leasing velocity during the coronavirus pandemic, averaging 36 new leases per month from April 2020 to January 2021. Additionally, the office space was leased up to 99% through 2021, primarily to the Clippers organization.

While the property has benefited from strong demand, the overall Los Angeles Class A multifamily market is struggling. The submarket was 12.4% vacant as of the Q3 2021 Reis report. In addition to the high vacancy, there are roughly 2,000 high-rise units under construction in the submarket.

The sponsor for this transaction is the Onni Group, a real estate investment company with 50 years of experience in development, acquisition, and management of trophy assets. The sponsor invests all over North America, with two Class A assets in the Los Angeles market: 825 S Hill and Level LA. Additionally, the three guarantors for this transaction have significant net worth and liquidity to cover and unforeseen costs that may arise.

The loan was modeled with a DBRS Morningstar Market Rank and MSA Group of 7 and 3, respectively. MSA Group 3 represents the strongest MSAs in the country based on historical default rates and Market Rank 7 represents the second strongest markets in country and also results in a lower probability of default. In addition to the positive modeling metrics, the site inspection revealed the quality of the location even further. The property is surrounded by local restaurants/retailers and large office towers, and the property is within walking distance to the Staples Center.

Overall the collateral is very impressive and the sponsor has successfully stabilized the majority of the asset in a submarket struggling with high vacancies. DBRS Morningstar believes the asset is primed for a successful refinance and/or sale at loan maturity.

Vantage Apartments

Loan Snapshot

Seller	Starwood
Ownership Interest	Fee Simple
Trust Balance ($ million)	72.0
Trust Balance PSF/Unit ($)	73,170
Percentage of the Pool (%)	7.2
Fully Extended Loan Maturity/ARD	September 2024
Amortization	Interest Only
DBRS Morningstar As-Is DSCR (x)	1.31
DBRS Morningstar Stabilized DSCR (x)	1.31
DBRS Morningstar As-Is Issuance LTV (%)	66.3
DBRS Morningstar Stabilized Balloon LTV (%)	65.8
DBRS Morningstar Property Type	Student Housing

Collateral Summary			
DBRS Morningstar Property Type	Student Housing	**Year Built/Renovated**	2019
City, State	Philadelphia, PA	**Physical Occupancy (%)**	99.8
Units/SF	368	**Physical Occupancy Date**	November 2021

The loan is secured by the borrower's fee-simple interest in a 984-bed, 368-unit student housing facility in Philadelphia, on the Temple University campus. Initial loan proceeds of $151.0 million, and mezzanine debt of $18.0 million will be used to refinance debt, return $500,000 of sponsor equity and cover closing costs. The 41-month floating-rate loan is structured with one 12-month extension and will remain IO throughout the fully extended loan term.

The property was built in 2019 and comprises 18 stories of student housing apartments, 92 parking spaces, and 32,330 sf of ground floor retail space. Propertywide amenities include a 24-hour study, a fitness center, an indoor and outdoor lounge with gaming consoles, an 18th-floor sky lounge, a coffee bar, wireless Internet, laundry facilities, concierge, and indoor bicycle storage. All units are fully furnished with light wood cabinetry, high ceilings, vanity stations, smart TVs, and large windows. The retail component is 67.0% occupied by four tenants including Chase Bank, Five Guys, Raising Canes, and CVS with a WA lease term of 15 years. Additional information regarding the property's unit mix, average unit sizes, and rental rates can be found in the table below.

Debt Stack ($ millions)

Trust Balance	72.0
Pari Passu	79.0
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	151.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	(0.5)
Trust Balance	72.0

Unit Mix & Rents - Vantage Apartments				
Unit type	Beds	Average size (sf)	Average rent ($/month)	Beds occupied
Studio	72	422	1,801	72
1 bedroom/1 bathroom	27	535	2,235	27
2 bedroom/1 bathroom	108	746	1,339	105
2 bedroom/2 bathroom	60	816	1,497	57
2 bedroom/ 2 bathroom (Double Occupancy)	444	853	857	428
3 bedroom/ 2 bathroom	69	999	1,234	63
4 bedroom/ 2 bath	204	1,185	1,185	196
Total/WA	**984**	**878**	**1,358**	**948**

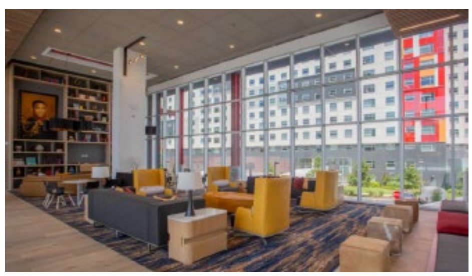
Sponsorship

Sponsorship for this transaction is provided by The Goldenberg Group, a real estate development specializing in multifamily, student housing, retail, and mixed-used projects. Founded in 1984, the Philadelphia-based company has developed more than 6.0 million sf in retail centers and 13 properties throughout Philadelphia and New Jersey.

Asset Living, a third party, will manage the property for a contractual rate of 3.0% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary



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 a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average +.

DBRS Morningstar NCF Summary

NCF Analysis

	2019	2020	T-12 September 2021	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	13,070,099	13,280,176	13,650,824	14,099,928	14,290,948	14,283,517	-0.05
Other Income ($)	228,353	408,245	481,510	361,500	387,978	0	-100.00
Vacancy & Concessions ($)	351,836	99,510	77,237	832,761	591,146	-187,895	-131.78
EGI ($)	**13,650,288**	**13,787,931**	**14,209,571**	**15,294,189**	**15,270,072**	**14,095,622**	**-7.69**
Expenses ($)	2,944,128	3,363,272	3,418,564	3,253,682	3,775,754	3,808,886	0.88
NOI ($)	**10,706,159**	**10,424,659**	**10,791,006**	**12,040,507**	**11,494,318**	**10,286,736**	**-10.51**
Capex ($)	0	0	0	0	0	5,301	0.0
NCF ($)	**10,706,159**	**10,424,659**	**10,791,006**	**12,040,507**	**11,494,318**	**10,281,435**	**-10.55**

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 $10,281,435, a variance of -10.6% from the Issuer's NCF of $11,494,318. The predominate drivers of the variance include bad debt and retail vacancy. DBRS Morningstar concluded bad debt to the T-12 ended September 2021 resulting in a $472,951 variance from the Issuer. Retail vacancy was concluded to 22.4%, which is based on actual in-place vacancy.

DBRS Morningstar Viewpoint

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
The View at Montgomery	Philadelphia, PA	0.5	238	2014	96.9	3,743	860
The Nest	Philadelphia, PA	0.5	137	2019	80.1	2,623	970
Morgan Hall	Philadelphia, PA	0.3	363	2013	80.0	5,378	617
Kardon/Atlantic Apartments	Philadelphia, PA	0.3	105	1911	89.0	2,024	1,107
University Village - Temple	Philadelphia, PA	0.2	220	2004	80.1	2,199	799
The Edge Apartments	Philadelphia, PA	0.5	607	2006	80.0	1,100	270
Total/WA Comp. Set	**Philadelphia, PA**	**Various**	**1,670**	**Various**	**83.0**	**2,734**	**609**
Vantage Apartments	**Philadelphia, PA**	**n/a**	**368**	**2019**	**99.8**	**3,094**	**781**

Source: Appraisal, except the subject figures are based on the rent roll dated November 14, 2021.

The collateral is a 984-bed highly amenitized luxury student housing complex on the Temple University campus in Philadelphia. Total enrollment at Temple University was 37,365 students as of Fall 2020, which is an increase since 2005 when 34,097 students were enrolled, and it is expected to remain stable. Temple University resumed in-person classes in March 2021, transitioning from a 95.0% online class model in 2020 as a result of the coronavirus pandemic with preleasing activity and enrollment rates returning to pre-pandemic levels. Surrounding land use is mostly composed of residential and mixed-use properties with retail uses along North Broad Street.

The appraisal identified six properties that directly compete with the subject located within a one-mile radius. The subject's strategy of providing high-class amenities with luxury interior furnishings gives the subject a competitive advantage evident in its outperformance in occupancy and average asking rental rates.

As per the business plan, the sponsor refinanced the Class A property through transitional financing in efforts to bridge the loan until they can sell the property or secure long-term, fixed-rate financing. In addition, the sponsor continues to seek opportunities to lease the vacant retail space. DBRS Morningstar assumes the property to be stabilized based on occupancy trends when looking at the current rent roll and preleasing activity and concluded no additional upside in the revenue.

The property's history suggests that it will remain stable through the loan term. As of the November 2021 rent roll, the property was 99.8% occupied for the Fall 2021 to Spring 2022 academic year, and, since the property opening in 2019, the occupancy rates averaged 97.4%. The property's occupancy remained strong for the 2020–21 academic year even though the university's enrollment dropped by nearly 2,000 students from the prior year. The drop was a temporary, coronavirus-related phenomenon and Temple saw an increase in applications for the 2021–22 school year to above pre-coronavirus levels. This included a 15% increase in out-of-state applicants, who would typically be users of student housing.

The total mortgage loan balance of $151.0 million represents a moderately low DBRS Morningstar Issuance LTV of 66.3%, based on the March 2021 as-is appraised value of $227.8 million. There is an additional $18 million in mezzanine financing on the loan that will increase the total debt LTV to 77% and additionally burden the available cash. As part of the financing, the borrower is recovering about $50 million in cash to complete the project.

The loan's resulting expected loss is lower than the pool average. The property is in a relatively dense urban area with a DBRS Morningstar Market Rank of 2 and is in an MSA Group of 3, which, combined, would suggest a lower probability of default and loss. The loan has demonstrated successful preleasing as mentioned and demand is expected to remain high in the immediate market area, based on its vintage compared with competitive products and its attractiveness in location and offered amenities.

Promenade Portfolio

Loan Snapshot

Seller
Starwood
Ownership Interest
Fee Simple
Trust Balance ($ million)
62.0
Trust Balance PSF/Unit ($)
78,680
Percentage of the Pool (%)
6.2
Fully Extended Loan Maturity/ARD
September 2025
Amortization
Interest Only
DBRS Morningstar As-Is DSCR (x)
1.05
DBRS Morningstar Stabilized DSCR (x)
1.11
DBRS Morningstar As-Is Issuance LTV (%)
79.1
DBRS Morningstar Stabilized Balloon LTV (%)
72.2
DBRS Morningstar Property Type
Multifamily

Debt Stack ($ millions)

Trust Balance
62.0
Pari Passu
16.4
Remaining Future Funding
11.9
Mortgage Loan Including Future Funding
90.3
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
43.7
Trust Balance
62.0

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1984 & 1985/2018/2022
City, State	Irving, TX	**Physical Occupancy (%)**	96.1
Units/SF	788	**Physical Occupancy Date**	November 2021

This loan is secured by the borrower's fee-simple interest in the Promenade Portfolio, a portfolio of two cross-collateralized low-rise garden-style apartment complexes totaling 788 units in Irving, Texas. Built in 1984 and 1985, the Valley Creek and Valley Ridge apartments were 96.1% physically occupied as of the November 2021 rent roll. The $90.3 million whole loan plus $43.7 million of borrower cash equity was used to purchase the two assets for $113.5 million ($144,036 per unit) and cover closing costs. The loan is structured with $78.4 million of initial funding and $11.9 million of future funding, of which $8.9 million ($11,294 per unit) is being used for a full-scope capex renovation plan and $3.0 million as a performance-based earn-out. Of the $90.3 million whole loan, $72.2 million is first-mortgage financing while the remaining $18.0 million is mezzanine financing. The five-year fully extended loan term consisted of an initial four-year period with one one-year extension option. The loan is IO in entirety throughout the loan term. The sponsor may release either property, subject to a 120% release price and minimum debt yield of not less than 7.0% on the remaining property. The earn-out will be available to the sponsor in $1.0 million increments based on achieving debt yield hurdles in years one, two, and three.

Promenade Valley Creek totals 380 units that are generally slightly larger unit sizes than Valley Ridge, which has 408 units. Communal amenities at both properties are considered Class B/C in nature and each complex features a clubhouse, a business center, two pools, a dog park, a playground, carports, a laundry room, and a grill area. Unit interiors at both properties for the classic units are mid-1980s in style and generally feature Formica counters, wood cabinets, and dishwashers. The previous sponsor partially renovated some apartments at both properties with updated vinyl floors, black appliances, and resurfaced counters. The sponsor plans to fully renovate approximately 474 units (approximately 60%) with uniform styling and finishes. Of the $90.3 million whole loan, the ALA contributed to Valley Creek is

$44.1 million (48.8%) and the ALA contributed to Valley Ridge is $46.2 million (51.2%). Capex, future funding, and earn-out contributed respective amounts of $38.0 million, $4.7 million, and $1.45 million to Valley Creek and $40.4 million, $4.3 million, and $1.55 million to Valley Ridge. As of the August 2021 rent roll, the subject's occupancy of 97.3% and average rent of $1,397 were roughly in line with the appraiser's competitive set. Additional information on the residential unit mix and comparable rental rates can be found in the tables below.

Unit Mix & Rents - Promenade Portfolio

Unit type	Units	Average size (sf)	Average rent ($/month)	Units occupied
Valley Creek	**380**	**855**	**917**	**360**
1 bedroom & 1 bathroom	196	706	786	185
2 bedroom & 1 bathroom	88	864	928	84
2 bedroom & 2 bathroom	72	1,100	1,106	70
3 bedroom & 2 bathroom	24	1,306	1,398	21
Valley Ridge	**408**	**773**	**886**	**394**
1 bedroom & 1 bathroom	252	629	769	244
2 bedroom & 1 bathroom	36	838	1,004	34
2 bedroom & 2 bathroom	120	1,055	1,097	116
Total/WA	**788**	**813**	**901**	**754**

Source: August 2021 Rent Roll.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Unit Size (SF)	Avg. Rental Rate ($)
3800 on Portland	Irving, TX	1.0	212	1972/2019	96.0	928	1,238
Huntington Ridge Apartments	Irving, TX	1.2	232	1984/2015	97.0	763	1,086
Brookstone	Irving, TX	0.8	202	1984/2016	99.0	720	1,129
Terrace	Irving, TX	0.7	236	1986	99.0	774	1,114
Woodmeade	Irving, TX	0.9	303	1983	97.0	816	1,159
Total/WA. Comp. Set	**Irving, TX**	**Various**	**1,185**	**Various**	**97.6**	**801**	**1,145**
Promenade Portfolio	Irving, TX	n/a	788	Various	96.1	813	901

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

Sponsorship

The sponsorship group for the transaction is a joint venture between Investcorp and BH Equities, with Investcorp serving as the general partner with 90% of the equity interests. Investcorp is a global real estate investment manager based in New York and London and focuses on targeting core-plus and light value-add projects. Since inception in 1996, the firm has acquired more than $21 billion across 925 properties and has a current portfolio of real estate assets in excess of $7.4 billion across the U.S. and Europe. Investcorp reports interests in multifamily, office, student housing, and industrial/cold storage assets. BH Equities was founded in Des Moines, Iowa, in 1993 and specializes in management, investment, architecture, and construction services. BH Equities comprises the remaining 10% of the equity interests in the transaction.

The individual nonrecourse carveout and carry guarantor, Investcorp US Real Estate LLC, currently meets the minimum net worth and liquidity figures of $50.0 million and $10.0 million, respectively. DBRS Morningstar assessed the sponsor strength as Average in its model.

BH Management will serve as the property manager and is affiliated with the sponsorship group. The firm is based in Des Moines and has more than 28 years of experience in all multifamily classes across the nation. It currently manages more than 95,000 units with 11,500 units across 35 assets within the Dallas-Fort Worth-Arlington, TX MSA.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the Valley Creek and Valley Ridge properties on Friday, October 22, 2021, at 10:00 a.m. and 11:00 a.m., respectively, with representatives from property management. Based on the site inspection and conversations with management, DBRS Morningstar determined the property quality for both properties to be Average.

Promenade Valley Creek is a 380-unit Class B low-rise multifamily community comprising 39 buildings with brick and hardiplank exterior walls and unit doors. Promenade Valley Ridge is a 408-unit Class B/C low-rise multifamily community comprising 26 buildings with similar brick and hardiplank exterior facades and red painted unit doors. They are essentially right next to each other, with the entrance to Valley Creek off of Northgate Drive and the entrance to Valley Ridge around the corner off of Valley View Lane. Estelle Creek runs north to south directly west of Valley Creek, and serves somewhat as a divider for the two properties. The immediate surrounding uses primarily consist of large industrial-like buildings, self-storage, gas stations, vacant land, and other multifamily properties. The surrounding neighborhood is suburban in nature.

DBRS Morningstar toured all the amenity and walkable spaces, along with three units: one vacant one-bedroom unit at each property and a two-bedroom model unit at Promenade Valley Creek. The unit interiors observed were decently large in size but have dated appliances and counter/cabinets reminiscent of their mid-1980s vintage. There were no overt signs of deferred maintenance at either property and both appeared to be in good condition in terms of curb appeal and walkable spaces. At the time of the site inspection, the reported occupancies for Valley Creek and Valley Ridge were 96% and 100%, respectively.

Management reported no concessions were currently being offered for either property, and there were plans to rename both properties under two distinct brands rather than the one Promenade umbrella in hopes to distinguish the two and improve marketing efforts. Management indicated that the tenant profile was not employer or industry concentrated and that there was a wide variety in age ranges that lived at the property, along with a fair number of pets. None of the capex renovations had been implemented as of the site visit date, but management indicated it had picked out the three units at each property that would kick off the renovations for November 2021 and December 2021. Management plans to do three units at each property every month over the 48-month renovation timeline. The property managers also confirmed the club lounge area at Valley Creek was going to be converted into a business center, and the smaller business center presently was going to be converted into a yoga room as part of the planned renovations.

DBRS Morningstar NCF Summary

NCF Analysis							
	2019	2020	T-12 October 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	8,240,299	8,456,211	7,493,941	10,408,752	10,283,340	9,539,038	-7.24
Other Income ($)	2,062,201	2,021,179	2,046,115	2,705,640	2,197,977	2,046,115	-6.91
Vacancy & Concessions ($)	-589,693	-624,465	0	-636,765	-617,000	-688,488	11.59
EGI ($)	**9,712,807**	**9,852,925**	**9,540,056**	**12,477,627**	**11,864,316**	**10,896,664**	**-8.16**
Expenses ($)	4,769,320	5,310,180	4,940,290	6,112,717	6,038,366	6,157,620	1.97
NOI ($)	**4,943,487**	**4,542,745**	**4,599,766**	**6,364,910**	**5,825,950**	**4,739,045**	**-18.66**
Capex ($)	197,000	197,000	197,000	197,000	197,000	197,000	0.00
NCF ($)	**4,746,487**	**4,345,745**	**4,402,766**	**6,167,910**	**5,628,950**	**4,542,045**	**-19.31**

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 $4,542,045, a variance of -19.3% from the Issuer's NCF of $5,628,950.

The primary drivers of the variance were GPR and Other Income. For stabilized GPR, the Issuer concluded to a WA premium of $129 per month for the renovated units and $75 per month above recent leasing levels for unrenovated units, noting improved curb appeal, resulting in a $1,087 WA rent across the portfolio or $187 above the in-place WA rent of $901. DBRS Morningstar concluded to an approximate WA monthly rent of $1,040, reflecting about 74.5% of the upside of the Issuer's projected premiums. The Issuer grew Other Income line items by 2% annually compared with the June T-12 figures, while DBRS Morningstar concluded to no growth to the T-12 because the current vacancy is lower than the projected stabilized vacancy.

DBRS Morningstar Viewpoint

The loan is being used to facilitate the acquisition of two low-rise apartment communities totaling 788 units in the Dallas suburb of Irving and fund future renovations at the property. As part of the acquisition, the sponsor is making a considerable equity contribution of $43.7 million. Primary access to the subjects is provided by West Northgate Drive, the George Bush Turnpike/Hwy. 161, and Hwy. 183. Hwy. 161 is just to the east of the properties (less than 0.3 miles), which gives drivers north/south access to the surrounding Dallas suburbs. The properties are a convenient 10-minute drive from Dallas Fort Worth International Airport and a 25-minute drive from the Dallas CBD and Dallas Love Field Airport. Population growth in a one-mile radius of the properties has been increasing at a rate lower than the county and the greater Dallas-Fort Worth-Arlington TX MSA, but increasing nonetheless. Future growth is projected to continue the upward trend and property values are anticipated to remain stable in the near future, as noted by the appraiser.

According to Reis, both properties are in the North Irving submarket, which has 46,619 market-rate rental apartments as of Q2 2021 (amounting to 8.4% of the total Dallas metropolitan area inventory). Inventory built in the 1980s comprise approximately 43.0% of the current inventory, so the mid-1980s vintage of the subjects is standard; however, timely renovations are important in order to stay competitive. New additions to the submarket since 2011 have contributed to an annualized growth rate (1.7%) less than the metro's (2.9%), but the threat of new supply threat does exist. Reis reported 570 units were expected to be added to the submarket by the end of 2021 and another 1,035 units by YE2023. However, demand is expected to outweigh new supply with Reis projecting the submarket's vacancy to fall to 4.7% by YE2023 from 6.1% as of Q2 2021, with asking rents anticipated to increase at a rate of 3.2% through YE2023. The subject properties do a good job of representing the positive data, with recently signed rents since April 2021 showing a 5.8% increase to the current in-place rents as of the August 2021 rent roll and economic occupancy averaging above 93% since 2018.

The $9.4 million capital budget allocates $5.2 million to interior renovations to approximately 60% of the units and $4.3 million for exterior and amenity space improvements over a 48-month stabilization time frame. DBRS Morningstar focuses on interior renovations as the most important when analyzing stabilized rent drivers, and the planned interior upgrades featuring vinyl flooring, upgraded fixtures, resurfaced countertops, fresh paint, tech packages, and washer/dryer additions are full scale in nature. While the sponsor's business plan is capital intensive and time intensive, the total interior budget of $6,558 per unit or $9,742 per renovated unit in capex is robust and will likely drive top-line growth. Additionally, the DBRS Morningstar stabilized WA monthly rent per unit of $1,009 or $1.24 psf is still under the appraiser's competitive set of $1.43 psf and Issuer competitive set of $1.33 psf for built-in conservatism.

The loan exhibits an expected loss higher than the pool average predominantly because of the underlying properties' location in the punitive DBRS Morningstar MSA Group 1 and Market Rank 4. Furthermore, DBRS Morningstar elected to lower the stabilized value to bring the implied capitalization rate more in line with comparable sales. As a result, the stabilized LTV increased to 72.2% from 64.3%.

However, the sponsor’s planned renovations of $11,992 per unit should retain its competitive position in the North Irving submarket.

The Julia

Loan Snapshot

Seller
Starwood
Ownership Interest
Fee Simple
Trust Balance ($ million)
52.0
Loan PSF/Unit ($)
162,500
Percentage of the Pool (%)
5.2
Fully Extended Loan Maturity/ARD
November 2024
Amortization
Interest Only
DBRS Morningstar As-Is DSCR (x)
1.02
DBRS Morningstar Stabilized DSCR (x)
1.17
DBRS Morningstar As-Is Issuance LTV (%)
83.4
DBRS Morningstar Stabilized Balloon LTV (%)
73.9
DBRS Morningstar Property Type
Multifamily

Debt Stack ($ millions)

Trust Balance
52.0
Pari Passu
18.6
Remaining Future Funding
4.7
Mortgage Loan Including Future Funding
75.3
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
23.3
Trust Balance
52.0

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1986/2019
City, State	Mesa, AZ	**Physical Occupancy (%)**	97.2
Units/SF	320	**Physical Occupancy Date**	September 2021

This loan is secured by the borrower's fee-simple interest in The Julia, a 320-unit apartment complex in Mesa, Arizona. Initial loan proceeds of $70.6 million, future funding of $4.7 million, and $23.3.0 million in borrower equity will finance the $91.6 million purchase price, fund a $4.7 million renovation budget, and cover closing costs. The three-year floating-rate loan is full-term IO and structured with two 12-month extension options.

Unit Mix and Rents

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
1 Bedroom - Classic	53	708	1,016
1 Bedroom - Renovated	39	708	1,152
2 Bedroom - Classic	114	949	1,212
2 Bedroom - Renovated	114	949	1,373
Total/WA	**320**	**880**	**1,230**

The collateral was constructed in 1986 and comprises 21 two- and three-story buildings. The collateral includes 306 surface parking spaces and 322 carport parking spaces. Common amenities include two swimming pools with barbecue stations, a hot tub, a fitness center, a dog park, a sport court/half soccer field, a covered playground, a clubhouse with arcade games, and two laundry rooms. The seller has invested $1.6 million into renovating 153 units since 2019, adding quartz countertops, stainless steel appliances, viny plank flooring, microwaves, and fresh paint. Additionally, the seller spent $1.2 million on exterior work including new paint and balcony/patio fence improvements. The current sponsor has allocated $2.7 million to renovate the remaining 167 units in line with the scope of the seller's renovations. The sponsor plans to add in-unit washers and dryers to the one-bedroom units. Currently, only two-bedroom units have in-unit washers and dryers. The sponsor's remaining $2.0 million in capex funding will be allocated toward pool and courtyard upgrades, roof and parking lot repairs, and exterior deferred maintenance. The collateral was 97.2% occupied as of September 2021. The sponsor also plans to renovate the remaining 167 units on a rolling basis over the next 24 months.

Sponsorship

The sponsor for this transaction is ZMR Capital, an opportunistic real estate firm that focuses on the acquisition of value-added multifamily assets in primary, secondary, and emerging markets across the United States. The firm was founded in 2013 by Zamir Kazi, also the guarantor for this transaction. ZMR Capital's portfolio comprises 12 properties totaling 3,204 units across Arizona, Georgia, Texas, and Florida. The guarantor must maintain a minimum net worth and liquidity of $50 million and $5 million, respectively.

Property management will be provided by a third-party management company, CAM Properties. CAM Properties manages 142 properties, the majority of which are in the Phoenix MSA. CAM Properties currently operates 10 properties in the Mesa area and has overseen 35 renovation projects over the past 24 months, representing $57.4 million in capital improvements across 4,500 units.

DBRS Morningstar NCF Summary

NCF Analysis

	2018	2019	2020	T-12 August 2021	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,121,190	4,264,373	4,350,794	5,309,120	6,545,690	6,624,734	1.21
Other Income ($)	1,085,990	1,083,344	426,709	551,771	585,544	564,778	-3.55
Vacancy & Concessions ($)	-310,892	-346,943	-999,512	-1,382,743	-392,741	-386,706	-1.54
EGI ($)	**4,896,288**	**5,000,774**	**3,777,990**	**4,478,148**	**6,738,493**	**6,802,806**	**0.95**
Expenses ($)	2,718,721	2,509,441	1,286,301	1,343,236	1,567,961	2,585,066	64.87
NOI ($)	**2,177,567**	**2,491,332**	**2,491,689**	**3,134,913**	**5,170,532**	**4,217,740**	**-18.43**
Capex ($)	80,000	80,000	80,000	80,000	80,000	80,000	0.00
NCF ($)	**2,097,567**	**2,411,332**	**2,411,689**	**3,054,913**	**5,090,532**	**4,137,740**	**-18.72**

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 represents a variance of -18.7% from the Issuer's Stabilized NCF. The primary drivers of the NCF variance were management fees and operating expenses. DBRS Morningstar concluded to a 4% management fee relative to the Issuer's 3% assumptions. For operating expenses, DBRS Morningstar concluded to the sponsor's stabilized budget, adding a $950,002 expense plug to bring the subject's expense ratio in line with internal expense comparables as well as the appraiser's expense comparables. The Issuer concluded to the sponsor's stabilized budget.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on Monday, October 18, 2021. Based on the guided management tour, DBRS Morningstar found the property quality to be Average.

The Class B mid-rise apartment complex is approximately one mile south of downtown Mesa and seven miles southeast of downtown Tempe, Arizona. When approaching the property, DBRS Morningstar noticed that there was a lack of frontage and signage. The property is on one of many land parcels within the southwest quadrant of the intersection of West Broadway Road and South Country Club Drive. Unfortunately, any significant frontage that the property could have along either of these main roadways is blocked by surrounding parcels, which house an auto repair shop, an auto battery store, a self-storage center, and a vacant lot. The subject's entryway is off of South Country Club Drive, where one sign is located. Given that the entryway is boxed in between a truck repair shop and a used truck dealership, it is easy to miss the sign and property altogether. Generally speaking, the area immediately surrounding the asset is developed for more industrial and retail uses, with another used car dealer across South Country Club Drive and a food distribution center and neighborhood strip mall across West Broadway Road. Despite there being single-family housing across the street to the west side and south side of the property, the area does not feel residential.

When asked about the surrounding area's impact on performance, management was in agreement that the subject lacks adequate visibility from surrounding roadways but highlighted the 98% in-place occupancy and noted that the property has benefited from its proximity to various new developments in the downtown Mesa area, which they believe has driven demand. One example highlighted by management was Arizona State University's new satellite campus at Mesa City Center. The campus is set to open in the spring semester of 2022 and will comprise 117,795 sf of education space that will be home to programs offered by the Herberger Institute for Design and the Arts.

The subject's exterior consisted of a mix of blue, white, gray, and orange stucco. Despite the lack of visibility from main roadways, the property's exterior presented well once on site with the exception of the parking lot, which had accumulated notable deferred maintenance. The common amenities were well kept and clean, and the grounds were well landscaped. The asset's cleanliness stood out relative to the single-family homes and commercial properties in the surrounding area.

DBRS Morningstar toured the interior of two units, one renovated two-bedroom model unit and one unrenovated one-bedroom vacant unit. Classic units had black appliances, original brown cabinetry, original vinyl plank flooring, white paint, and white laminate countertops. The renovated units were upgraded with white quartz countertops, stainless steel appliances, white shaker cabinets, tile backsplashes, new vinyl plank flooring, and gray/green interior paint. Only two-bedroom units included in-unit washers and dryers, though management noted the new sponsor's plans to upgrade one-bedroom units with washers and dryers as part of its renovation plan. Select units included wood-burning fireplaces, and all units included a patio or balcony. Patios in the ground-floor units were previously extended by the seller. Management highlighted the potential to charge a premium for these larger outdoor spaces; currently, the property does not charge a premium and management did not speculate on a dollar amount.

Overall, both the renovated and classic units showed well. Management estimated that the renovated units have achieved rent premiums of approximately $150 per month above classic units, though this amount has varied since the implementation of a lease-rent optimizer in May. When asked about the sponsor's $4.7 million planned renovation, management was unable to provide specifics beyond noting the sponsor's plans to complete the scope of the seller's renovations. Management highlighted that specifics of the renovation plan have been in flux because of supply chain issues and an increase in construction and supply costs caused by the coronavirus pandemic.

DBRS Morningstar Viewpoint

The subject benefits from proximity to the downtown Mesa area one mile to the north. The subject's immediate location is densely developed and the asset is close to demand drivers in the area, which include Banner Desert Medical Center, located 3.3 miles southwest, and the newly constructed Arizona State University Mesa City Center campus in downtown Mesa. Mesa Community College is also adjacent to Banner Desert Medical Center to the southwest. The property is at the intersection of two primary arterials: West Broadway Road running east/west and South Country Club Drive running north/south. West Broadway Road provides access to AZ-101 approximately three miles to the west while South Country Club Drive provides access to AZ-60 one mile to the south.

The subject's in-place occupancy rate of 97.2%, based on the September 2021 rent roll, is in line with the Reis-defined South Mesa submarket's 96.4% occupancy rate for August 2021, the most recent data available. The property was achieving an average rental rate of $1,213 per unit, which is above the Reis submarket's average rental rate of $1,105 per unit for properties of a similar 1980s vintage. The asset should benefit from a strong submarket going forward. Reis has forecast a 95.1% submarket occupancy rate at the loan's fully extended maturity in 2026. Additionally, rental rates are forecast to increase by an average of 4.2% per year through the loan's fully extended maturity.

The sponsor's $4.7 million renovation plan should allow the asset to capitalize on the strength of the submarket. The sponsor has allocated $2.7 million ($16,168 per unit) to renovate the remaining 167 classic units that were not renovated by the seller. Based on the October 8, 2021, rent roll, renovated units are currently achieving average rent premiums of $136 and $162 per unit for one-bedroom and two-bedroom units, respectively. As noted during DBRS Morningstar's site inspection, additional unlocked rental upside could be generated from ground-floor units that have been upgraded with extended patio space by the seller. Ground-floor units currently do not generate any additional rent premiums, but management believes there is further value to be added. The sponsor's relatively straightforward business plan is reflected with a modeled business plan score that is below the pool average.

Despite the strong submarket and favorable business plan, the loan is structured with a high level of leverage. The loan's 83.4% issuance LTV represents a level of leverage associated with some of the highest historical default rates. Additionally, per DBRS Viewpoint, the subject's initial loan per unit of $220,594 is well above the average loan per unit of $122,842 for the three multifamily CRE/CLO loans surrounding downtown Mesa that have been securitized since 2020. Additionally, as part of the modeling process, DBRS Morningstar applied a value adjustment to the loan's stabilized value, increasing the property's stabilized cap rate to be in line with comparable properties in the Phoenix MSA. Therefore, given the loan's elevated leverage, the loan's expected loss is nearly double the pool average expected loss.

Dolce Living Twin Creeks

Loan Snapshot

Seller	Starwood
Ownership Interest	Fee Simple
Trust Balance ($ million)	48.0
Trust Balance PSF/Unit ($)	139,037
Percentage of the Pool (%)	4.8
Fully Extended Loan Maturity/ARD	November 2024
Amortization	Interest Only
DBRS Morningstar As-Is DSCR (x)	0.97
DBRS Morningstar Stabilized DSCR (x)	0.97
DBRS Morningstar As-Is Issuance LTV (%)	76.3
DBRS Morningstar Stabilized Balloon LTV (%)	71.9
DBRS Morningstar Property Type	Multifamily

Debt Stack ($ millions)

Trust Balance	48.0
Pari Passu	22.1
Remaining Future Funding	0.8
Mortgage Loan Including Future Funding	70.9
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	23.4
Trust Balance	48.0

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2017
City, State	Allen, TX	**Physical Occupancy (%)**	97.6
Units/SF	374	**Physical Occupancy Date**	August 2021

This loan is secured by the borrower's fee-simple interest in Dolce Living Twin Creek, a 374-unit apartment community in Allen, Texas. Built in 2017, the property was 97.6% physically occupied as of the August 26, 2021, rent roll. The $70.9 million whole loan along with $23.6 million of borrower cash equity is being used to purchase the asset for $91.3 million ($243,984 per unit) and cover closing costs. The loan is structured with $70.1 million of initial funding and $822,800 ($2,200 per unit) allocated to future funding, which will be used to add automation technology packages to all units. The five-year fully extended loan term consists of an initial three-year period and two one-year extension options. The loan is IO in entirety through the loan term.

The property comprises eight four-story residential apartment buildings on a 10.9-acre site. Communal amenities are considered Class A and include a large resort-style swimming pool with cabanas, TVs, lounge chairs, a sitting area, and grills, along with a two-story fitness center, a clubhouse, a game room, a resident lounge with kitchen, controlled gate access, and a spinning studio. Unit interiors feature full stainless steel appliance packages with built in microwaves, dishwashers, solid surface counters, oversize walk-in closets, full-size washers/dryers, and patio/balconies. As of the August 26, 2021, rent roll, the subject's occupancy of 97.6% and average rent of $1,397 are roughly in line with the appraiser's competitive set. Additional information on the residential unit mix and comparable rental rates can be found in the tables below.

Unit Mix & Rents - Dolce Living Twin Creeks			
Unit type	Units	Average size (sf)	Average rent ($/month)
1 bedroom	209	794	1,221
2 bedroom	153	1,119	1,592
3 bedroom	12	1,439	2,007
Total/WA	**374**	**948**	**1,397**

Source: August 26, 2021 Rent Roll

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Unit Size (SF)	Avg. Rental Rate ($)
Twin Creek Crossings II	Allen, TX	1.2	330	2017	99.0	853	1,361
Reflection at Montgomery Ridge	Allen, TX	1.9	342	2018	97.0	951	Various
Magnolia on the Green	Allen, TX	1.8	326	2020	97.0	864	1,477
Vera Watters Creek	Allen, TX	0.6	266	2018	95.0	918	1,790
Cortland Allen Station	Allen, TX	2.1	445	2019	93.0	972	1,708
Colonial Grand at Fairview	Fairview, TX	3.3	256	2012	97.0	995	1,636
Total/WA. Comp. Set	**Various, TX**	**Various**	**1,965**	**2018**	**96.2**	**926**	**1,450**
Dolce Living Twin Creeks	**Allen, TX**	**n/a**	**374**	**2017**	**97.6**	**948**	**1,397**

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

Sponsorship

The sponsorship group for the transaction is a joint venture between S2 Capital and Pennybacker, with S2 Capital serving as the general partner and operator with 98% of the equity interests. S2 Capital is an experienced multifamily investment and development firm founded in 2012 by Scott Everett and Harold Bird and focused on acquiring, renovating, and in-house managing distressed assets in well-located markets. The firm has acquired more than $4.5 billion in multifamily communities (34,000 units) and has deployed more than $350 million in upgrades and renovations since inception. S2's current portfolio includes more than 18,000 units across Texas, North Carolina, Florida, and Arizona. Pennybacker is a real estate investment firm specializing in multifamily acquisitions and operations founded in 2006 and represents the remaining 2% of the equity interests in the transaction. The firm has invested and/or operates 90 multifamily assets and has developed more than $900 million in capital in Texas, Arizona, and Tennessee. This is the duo's second stint in Texas, having acquired a 250-unit property in Arlington, Texas, together in 2017.

The individual nonrecourse carveout and carry guarantor is, Scott Everett who is required to maintain a minimum net worth and liquidity of $50.0 million and $5.0 million, respectively. DBRS Morningstar assessed the sponsor strength as Average in its model.

S2 Residential, a borrower-affiliated firm, will serve as the property manager and has a contractual management fee equal to 2.5% of gross collections on top of a $1,000 per month allocation fee and a one-time fee of $20,000 to cover onboarding expenses. The firm has nearly 10 years of experience and currently manages nearly 700 units in the property's submarket, as well as over 12,000 units in the greater Dallas Fort Worth metro area.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the property on Friday, October 22, at 1:00 p.m., with representatives from property management. Based on the site inspection and conversations with management, DBRS Morningstar determined the property quality to be Average +.

The collateral is a 374-unit Class A multifamily community comprising eight buildings with brown stucco and stone exterior walls noted in good condition having been recently built in 2017. The property is 35 minutes north of the Dallas CBD in Allen, Texas, and directly west of U.S. Hwy. 75, which provides quick access to the interior of Dallas and its surrounding suburbs. The immediate surrounding area includes primarily retail, office, and multifamily developments. Access was easy exiting Hwy. 75 at Exchange Freeway, and the curb appeal and surrounding landscape was in good condition. Management alluded to a strong retail presence surrounding the property as well as exemplary rated school systems in Allen and bordering Plano as demand drivers nearby.

Management reported occupancy to be at 97.6% during the time of the inspection, and no concessions were currently being offered. DBRS Morningstar toured all the amenity and walkable spaces, the two-bedroom model unit, and one vacant one-bedroom unit on its site inspection. The unit interiors observed were large in size and had huge walk-in closets with modernized paint schemes, lighting fixtures, and stainless steel kitchen appliance packages that looked new in appearance. There were no signs of deferred maintenance, and the property's interiors and exteriors appeared in great condition.

Management indicated the tenant profile was not employer or industry concentrated and that there was a wide variety in age ranges that lived at the property along with a fair amount of pets. None of the smart technology package renovations had been implemented as of the site visit date, but management indicated the installers were on site planning to start soon.

Conversations with a leasing agent about demand indicated it was like "shooting fish in a barrel," meaning tenants were not hard to lure, as they know they want to live in the area. Then, the property is just competing against the ample supply in the near radius. New construction was notable along the drive into Allen from Dallas at one exit south in Watters Creek as well as the subject's Twin Creeks area, with wood frames in construction phases and leasing signs visible. The tour guide indicated new supply is abundant and there was going to be a new competitor directly behind the property in the coming years.

DBRS Morningstar NCF Summary

NCF Analysis

	2018	2019	2020	T-12 August 2021	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	6,308,175	6,313,200	6,343,400	6,349,440	7,097,945	6,608,148	-6.90
Other Income ($)	490,105	564,907	636,985	752,434	797,580	752,434	-5.66
Vacancy & Concessions ($)	-1,501,183	-1,331,195	-942,667	-677,543	-532,346	-561,693	5.51
EGI ($)	**5,297,097**	**5,546,912**	**6,037,719**	**6,424,331**	**7,363,179**	**6,798,890**	**-7.66**
Expenses ($)	2,693,932	2,863,625	2,914,589	3,050,351	3,326,146	3,509,617	5.52
NOI ($)	**2,603,165**	**2,683,287**	**3,123,130**	**3,373,980**	**4,037,033**	**3,289,273**	**-18.52**
Capex ($)	93,500	93,500	93,500	93,500	93,500	93,500	0.00
NCF ($)	**2,509,665**	**2,589,787**	**3,029,630**	**3,280,480**	**3,943,533**	**3,195,773**	**-18.96**

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 $3,195,773, a variance of -19.0% from the Issuer's NCF of $3,943,533.

The primary drivers of the variance are GPR and operating expenses. For stabilized GPR, the Issuer concluded to $1,582 weighted average monthly rent per unit, while DBRS Morningstar concluded to $1,472 or $1.55 psf, reflecting $75 premiums for all units due to the implementation of the automotive smart technology. The resulting average rents on a per square foot basis are slightly below the appraiser's concluded rents of $1.57 psf and the August 2021 T-3 rents of $1.59 psf, but higher than the future residents signed per the August 2021 rent roll figure of $$1.47 psf. DBRS Morningstar generally based operating expense line items on the T-12 August 2021 figures. While the resulting 52.4% DBRS Morningstar expense ratio is on the higher end compared with property historical and comparables, the resulting DBRS Morningstar controllable expenses per unit of $2,884 is lower than the property's historical average from 2018 to 2020 of $2,936 and recent post 2000 built multifamily agency comparables within a seven mile radius observed on DBRS Viewpoint.

DBRS Morningstar Viewpoint

The subject is a 374-unit apartment community on Junction Drive, with primary access via the primary east/west arterial roadway Exchange Pkwy which runs directly into U.S. Hwy. 75. The highway provides direct access to the Dallas CBD 25 miles south of the property and the Dallas Fort Worth International Airport 29 miles south. The neighborhood is characterized by several retail shopping hubs and multiple other multifamily developments. Watters Creek, a 52-acre mixed-use development, is two miles south of the subject and features a Market Street grocery store along with other major retail anchors such as Target, Lowe's, and Home Depot. Allen ranks as one of the fastest-growing submarkets in Texas, with its county population having grown 36% since 2010 compared with the Dallas-Fort Worth average of 11%, while still maintaining its reputation as the affordable alternative for market-rate rental apartments compared with the nearby suburbs of Plano and Frisco. Positive household population projections are forecast to continue according to demographic data.

The collateral is in the Reis Plano/Allen/McKinney submarket, the largest of 25 submarkets within the Dallas-Fort Worth-Arlington Texas MSA. According to Reis, the submarket contains approximately 71,239 market-rate rental apartments (amounting to 12.9% of the total metropolitan area inventory). Post 2010-built vintage apartments in line comprise approximately 41.0% of the current inventory, so the 2017 vintage of the subject does not stand out. Headwinds arise further in terms of competitive new supply added and forecast to be built in the property's area. Approximately 2,108 units have been delivered in the past two years within a five mile radius, with another 2,817 under construction and/or proposed to be developed. However, absorption has been fast-paced with Reis quoting a construction/absorption ratio of 0.7 in the past year and forecasting a ratio under 1.0 for four out of five years from 2022-2026. Reis predicts that 5,562 units of market-rate rental apartments will be introduced to the submarket between now and YE2023, but also predicts the submarket vacancy will finish at a declined 7.4% in 2022 and further improving to 7.0% by YE2023, down from the current Q2 2021 vacancy level of 8.5%. The data supports robust demand in continuing absorption levels in the near term with demand outpacing supply added for the submarket.

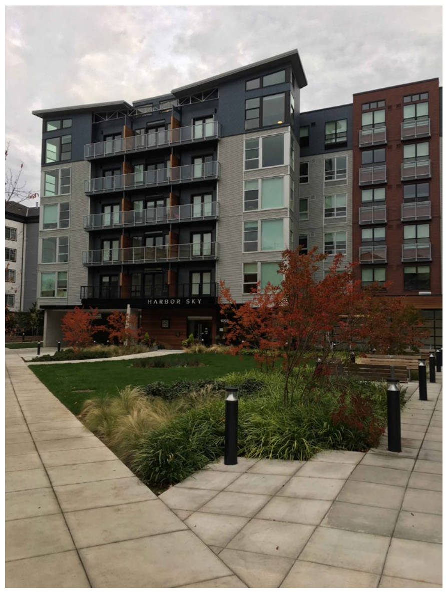
The sponsor's business plan is to conduct capital expenditures to renovate exterior signage and install smart technology systems in every unit over 36 months. The $822,800 capex budget ($2,200 per unit) allocates a majority for unit technology packages ($1,500 per unit), with the remaining allocated for exterior signage upgrades, and for contingency and construction management fees. The new technology features hardware that includes smart thermostats, locks, and a new security panel in units while software improvements will connect to the sponsor's CRM platform that will monitor move ins and move outs and maintenance work orders. DBRS Morningstar views the business plan as low in terms of execution risk, not necessarily top-line driven but more necessary to keep it in a competitive position to attract tenants against forecast new supply. However, the current in-place average rent of $1,397 per unit—based on the August 26, 2021, rent roll—is under on a per unit and per square foot basis, compared to the Reis Q2 2021 submarket's vintage average rental rate of $1,568, the appraiser's market rent of $1,450, and the property's 2021 leasing rental rate of 1,462, suggesting there is room for top-line growth. The DBRS Morningstar Stabilized WA rental rate of $1.55 psf is still on the conservative side compared with the appraiser's comparable set of $1.57 psf.

The loan exhibits an expected loss higher than the pool average. Despite higher leverage with an as-is LTV of 77.7%, presentable new supply risks, and a low DBRS Morningstar Debt Yield of 4.4%, the loan is backed by a sponsor with a good track record of value-added projects in the property's MSA, and the sponsors should be able to achieve higher than breakeven rents for the loan to perform post-renovations. The sponsor has securitized ten commercial real estate collateralized loan obligation (CRE CLO) multifamily loans since 2015, and all are performing or have paid in full according to DBRS Viewpoint. Planned renovations to implement automated technology to each unit should retain its competitive position in the Allen submarket. Additionally, given the subject's Average + property quality and Class A amenities, including granite countertops, stainless-steel appliances, and an abundance of common area amenities, the subject should remain extremely marketable even as more units come to the submarket.

Harbor Sky

Loan Snapshot

Seller	Starwood
Ownership Interest	Fee Simple
Trust Balance ($ million)	48.0
Trust Balance PSF/Unit ($)	187,500
Percentage of the Pool (%)	4.8
Fully Extended Loan Maturity/ARD	August 2024
Amortization	Interest Only
DBRS Morningstar As-Is DSCR (x)	0.42
DBRS Morningstar Stabilized DSCR (x)	0.83
DBRS Morningstar As-Is Issuance LTV (%)	75.0
DBRS Morningstar Stabilized Balloon LTV (%)	72.1
DBRS Morningstar Property Type	Multifamily



Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built**	2020
City, State	Portland, OR	**Physical Occupancy (%)**	69.1
Units/SF	257	**Physical Occupancy Date**	November 2021

Debt Stack ($ millions)

Trust Balance	48.0
Pari Passu	12.5
Remaining Future Funding	5.5
Mortgage Loan Including Future Funding	66.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	0.1
Trust Balance	48.0

This loan is secured by the borrower's fee-simple interest in Harbor Sky, a 256-unit mid-rise apartment complex with 7,000 sf of ground floor retail in Portland, Oregon. Initial loan proceeds of $60.1 million will be used to refinance $58.4 million of existing debt and cover $1.7 million of closing costs. The loan is structured with a future funding component consisting of a $5.0 million earnout to the sponsor once the property achieves certain performance hurdles, as well as an $892,000 interest future advance. The loan is IO throughout the initial three-year term and the loan's two 12-month extension options.

The property was acquired by the sponsor in 2014 and delivered in Q3 2020 after a lengthy approval and predevelopment process. The property was 69.1% occupied as of the November 1, 2021, rent roll and plans to reach a stabilized occupancy level of 95.0% by the summer of 2022. The subject's unit mix includes 82 studio units averaging 684 sf, 102 one-bedroom units averaging 687 sf, and 72 two-bedroom units averaging 1,159 sf. Per the rent roll dated September 1, 2021, the subject's studio, one-bedroom, and two-bedroom units averaged monthly rents of $1,402, $1,517, and $2,452, respectively.

Unit Mix and Rents - Harbor Sky			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	82	684	1,402
1 Bedroom	103	687	1,517
2 Bedroom	72	1,159	2,452
Total	**257**	**818**	**1,742**

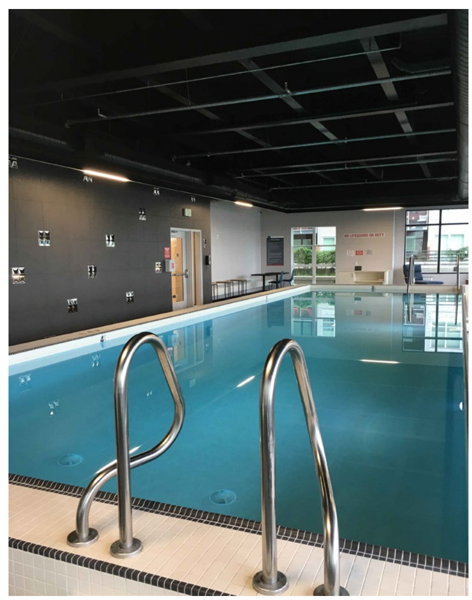
The property's recent performance is in line with Northeast Portland submarket rents according to Q2 2021 Reis data. The average monthly rental rate of $1,743 per unit according to the September 2021 rent roll was higher than the submarket's average rental rate of $1,385 per unit when looking at the submarket as a whole and in line with the submarket's average rental rate of $1,782 when looking at properties of similar vintage. The property's 69.1% occupancy rate is well below the submarket's overall occupancy rate of 86.6%.

Sponsorship

The key sponsor for this transaction is Eugene Labunsky, a Portland-based real estate developer with 17 years of experience who specializes in the construction of single family homes and multifamily properties across the Portland market. The property will be managed by a borrower-affiliated management company for a contractual rate of 4.5% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar toured the interior and exterior of the property on October 21, 2021, at 9:00 a.m. Based on the site inspection and management tour, DBRS Morningstar found the property quality to be Average +.

The six-story, 257-unit apartment complex is situated in a small development on the northeast intersection of I-5 and NE Martin Luther King Jr. Boulevard, in Portland, Oregon, approximately nine miles north of Downtown Portland and just three miles south of Vancouver, Washington. Located adjacent to the Columbia River, the property offers pleasant views of the river, Mount Adams, and Mount Hood from 70% of the units. While the subject is located 0.5 miles east of the Expo Center MAX Yellow Line Station and 0.6 miles from the nearest bus station, management noted that most tenants have cars and drive to work. The surrounding area consists of the Columbia River to the north, apartment complexes of lesser quality and older vintage to the east and south, and three Marriott branded hotels to the west. The ground floor retail at the property was occupied by a nail salon and was in the process of building out space for a café tenant. At the time of inspection, there was vacant retail space that was actively being marketed to prospective service-based tenants that would cater to the tenants in the surrounding area.

The building's exterior was visually appealing and consists of multi-toned gray and brown metal and brick siding with black and white windows. The ground floor contains the main entrance, lobby, leasing office, storage rooms, bike storage, nine commercial units, and the property's 266 space parking garage. Most spaces are covered but a few are exposed in the structure's two courtyards. The collateral's ground-floor retail frontage benefits from favorable visibility along the main road of the development. The common area amenity spaces were on the second and third floors at the northern part of the property, which looks out over the Columbia River, and consist of an indoor swimming pool and spa, a fitness center, a large tenant lounge that can be rented out for parties, and a large outdoor deck with fire pits and an outdoor kitchen. The amenities area featured high quality finishes and showed well during the inspection. DBRS Morningstar toured standard one-bedroom units, "urban" one-bedroom units (similar to the standard one-bedroom units but slightly smaller with alcove style bedroom walls), and two-bedroom units. Interiors featured white quartz countertops, stainless-steel appliances, two-tone white and light wood cabinets, white subway tile backsplashes, plank vinyl flooring, stainless-steel/chrome colored fixtures, in-unit washers/dyers, and packaged terminal air conditioning/heating units. While the floorplans were somewhat small in terms of square footage, they were practical and utilized the space well. Overall, the property showed well and exhibited favorable curb appeal, prominently underscoring its new vintage quality.

DBRS Morningstar NCF Summary

NCF Analysis					
	T-12 October 2021	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	1,959,076	5,523,771	5,531,100	5,320,415	-3.81
Other Income ($)	119,251	260,000	259,875	259,875	0.00
Vacancy & Concessions ($)	-576,996	-189,685	-183,723	-363,151	97.66
EGI ($)	**1,501,330**	**5,594,086**	**5,607,252**	**5,217,139**	**-6.96**
Expenses ($)	1,074,571	1,547,573	1,717,359	2,122,075	23.57
NOI ($)	**426,759**	**4,046,513**	**3,889,893**	**3,095,064**	**-20.43**
Capex ($)	0	0	0	0	0.0
NCF ($)	**426,759**	**4,046,513**	**3,889,893**	**3,095,064**	**-20.43**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $3,098,064, representing a variance of -20.43% from the Issuer's stabilized NCF of $3,889,893. The primary drivers of the variance were operating expenses, GPR, and vacancy. For operating expenses, DBRS Morningstar applied the borrower's stabilized budgeted figures inflated by 6.0% in addition to an expense plug to get the overall expense ratio to 40.5% which is generally in line with the appraiser's expense comparables. DBRS Morningstar calculated a GPR based on leases in place as of the September 1, 2021, rent roll with vacant units grossed up to average in-place rents based on unit types. DBRS Morningstar applied a 7.5% residential vacancy rate based on elevated submarket vacancy rates according to Reis Q2 2021 data. The Issuer is assuming a 4.8% stabilized vacancy rate.

DBRS Morningstar Viewpoint

The subject is a 257-unit mid-rise, Class A, luxury multifamily property in Portland, conveniently located between Downtown Portland and Vancouver, Washington, both of which are strong demand drivers for the property. It sits in the middle of a small development that contains multifamily properties and three Marriott branded hotels, which speak to the subject's beneficial location near the Portland International Airport and I-5. The sponsor acquired the site in 2014 prior to the rapid growth in Portland's housing market. Construction for the property began in 2018 and was delivered in Q3 of 2020. The collateral is not subject to the Inclusionary Housing Zoning program that was adopted in 2017, which requires all new developments to set aside 20.0% of units to be affordable units.

The sponsor's business plan is to complete the lease-up and stabilize the property. The subject was delivered in the midst of the pandemic and large wildfires that occurred in Portland in September of 2020, which slowed the initial lease-up of the property, according to management. Despite the pandemic shutdowns in Oregon, the property was able to lease about 11 units per month, which suggests a total of 24 months to complete leasing. The loan was structured with initial funding of $892,000 that will help cover debt service shortfalls until the property stabilizes. Per the site inspection on October 21, 2021, management indicated it planned to achieve stabilized occupancy by the summer of 2022. DBRS Morningstar believes the business plan of continuing to lease-up the property appears to be achievable based on the high quality of the units, competitive amenity package, strong location along the scenic Columbia River, and recent leasing at the property that has reported rents in line with submarket averages.

There are a large number of demand drivers in the immediate area including business parks along the Columbia and Willamette Rivers, Portland International Airport to the east, and the University of Portland to the south. Two hospitals are to the south along I-5, and the CBD is a short drive away. With the lease-up to 69.1% during the pandemic, the property has demonstrated good demand for the units and has about 84 units remaining to lease to achieve 95% occupancy.

The Reis Northeast submarket, which includes the Portland CBD, has seen high levels of new construction over the past few years. Consequently the submarket has an elevated vacancy rate of 13.2%. In a 1.5 mile radius, Reis reports the competitive set to have a vacancy rate of 5.9%. In addition, the high rate of in-migration to Portland should continue to help absorb the new supply that has been developed. Reis is forecasting a drop in the total submarket vacancy rate to 8.1% by 2026, which reflects positive absorption of about 3,700 over that period.

Portland is in a DBRS Morningstar MSA Group of 3, which suggest lower historical rates of default and losses. While the DBRS Market Rank of 4 is more suburban, a less favorable factor, the loan overall has an expected loss that is lower than the average of the pool. The property quality of Average +, also improves the loan in the ratings analysis. Based on the loan's as-is appraised value of $92.5 million, it exhibits an above-average 71.4% DBRS Morningstar Issuance LTV, which drops minimally to a 68.6% stabilized LTV when looking at the stabilized appraised value of $96.2 million.

Thesis

Loan Snapshot

Seller
Starwood
Ownership Interest
Fee Simple
Trust Balance ($ million)
44.0
Trust Balance PSF/Unit ($)
68.83
Percentage of the Pool (%)
4.4
Fully Extended Loan Maturity/ARD
May 2024
Amortization
Interest Only
DBRS Morningstar As-Is DSCR (x)
0.25
DBRS Morningstar Stabilized DSCR (x)
0.93
DBRS Morningstar As-Is Issuance LTV (%)
70.5
DBRS Morningstar Stabilized Balloon LTV (%)
64.7
DBRS Morningstar Property Type
Mixed Use

Debt Stack ($ millions)

Trust Balance
44.0
Pari Passu
96.4
Remaining Future Funding
9.6
Mortgage Loan Including Future Funding
150.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(2.4)
Trust Balance
44.0

Collateral Summary			
DBRS Morningstar Property Type	Mixed Use	**Year Built/Renovated**	2020
City, State	Coral Gables, FL	**Physical Occupancy (%)**	Various
Units/SF	639,264	**Physical Occupancy Date**	September 2021

This loan is secured by the borrower's fee-simple interest in Thesis, a mixed-use development consisting of a 204-unit Class A multifamily property with a high student concentration (approximately 75% of tenants), a 245-key independent hotel, 29,473 sf of ground-floor retail, and a 636-space parking garage. The collateral is located in Coral Gables, Florida, seven miles southwest of the Miami CBD, along U.S. Route 1, directly across the street from the University of Miami. The sponsor delivered the collateral between June 2020 and August 2020. The collateral's site was previously used for a Holiday Inn hotel. In November 2017, the borrower secured a $125.0 million total loan from Starwood for the demolition of the Holiday Inn and, in 2019, the borrower secured an additional $12 million for construction. The $138.8 million loan refinanced $134.1 million in existing construction debt, returned $2.4 million of sponsor equity and covered $2.3 million of closing costs. The loan is also structured with $11.2 million of future funding related to a capital improvement plan, accretive TI/LC, and interest/OpEx shortfalls. The three-year, floating-rate loan is full term IO and has two 12-month extension options.

The collateral's multifamily component was delivered in June 2020. Per the August 25, 2021, rent roll, the subject's physical occupancy was 98.5%. Despite the high student concentration, the multifamily component has Class A finishes and amenities in line with other Class A buildings in the collateral's market. Common area amenities at the subject include a fitness center, pool, courtyard, and study/lounge areas. Unit amenities include stainless steel appliances, in-unit washer dryer, and outdoor patios. The 204 units consist of 52 studios, 63 one-bedroom units, 42 two-bedroom units, and 47 three-bedroom units with an average in-place rental rate of $3,071/unit per month. The appraiser identified five multifamily properties in the local market that directly compete with the subject. The collateral outperforms it's competitive set in respect to occupancy and average in-place rent. For more information, please refer to 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)
Gables Ponce	Coral Gables	1.6	248	2013	94.0	2,495	981
The Henry	Coral Gables	1.8	121	2020	87.0	3,063	1,018
Gables Ponce- 2	Coral Gables	1.6	119	2014	94.0	2,027	818
The Reserve at the Plaza	Coral Gables	2.7	136	2020	23.0	2,918	998
Modera Metro Dadeland East	Miami, FL	2.3	422	2020	74.0	2,309	921
Total/WA Comp. Set	**Various, State**	**Various**	**1,046**	**Various**	**75.9**	**2,487**	**945**
Thesis - Subject	**Coral Gables**	**n/a**	**204**	**2020**	**98.5**	**3,072**	**974**

Source: Appraisal, except the Subject figures are based on the rent roll dated month August 25, 2021.

Attached to the collateral's multifamily tower is 29,473 sf of ground-floor commercial space. As of the most recent rent roll, the commercial component is 23.6% occupied. In August 2020, My Salon Suites, executed a 10-year lease for $30.00 psf. In June 2021, the sponsor executed a 10-year lease to occupy 2,5000 sf at a base rent of approximately $26.50 psf. In respect to the remaining vacant space, the sponsor is currently in conversation with the University of Miami to lease the space for office use.

The collateral's hotel component opened in August 2020. The hotel is independently operated with no franchise agreement. The borrower identified five properties in the local market that compete with the subject property. For more information, please refer to the table below.

Competitive Set						
Property	Keys	Year Built	Occupancy (%)	ADR ($)	RevPAR ($)	Date As Of
Hyatt Regency Coral Gables	254	1987	80.0	189.00	151.00	2019
Autograph Collection Hotel Colonnade Coral Gables	157	1988	85.0	197.00	167.00	2018
aloft Hotel Coral Gables	137	2018	78.0	150.00	117.00	2019
Biltmore Hotel Miami Coral Gables	271	1926	Not Available	Not Available	Not Available	Not Available
Four Points by Sheraton Coral Gables	103	2015	Not Available	Not Available	Not Available	Not Available
Total/WA Comp. Set	**922**	**1977.0**	**80.9**	**181.54**	**147.08**	**2019**
Thesis - Subject	**245**	**2020**	**58.8**	**163.92**	**96.43**	**August 2021**

Source: ASR.

Sponsorship

Sponsorship is a joint venture between 54 Madison Capital (80% owner) and Nolan Reynolds International (20% owner), two established, privately held real estate investment management firms with localized experience and strong financial backing. 54 Madison Capital specializes in opportunistic investments for hospitality, residential, and retail assets. Nolan Reynolds International focuses on the development and management of hospitality, mixed use, and retail properties in the U.S. and Latin America. The sponsor is a repeat Starwood borrower. In 2021, the sponsor received Starwood loan financing for a newly delivered mixed-use development adjacent to Merrick park, a retail center totaling approximately 747,000 sf, situated within two miles of the subject. The loan's guarantor, an entity affiliated with the joint venture, 54 Madison Capital, LLC, has a liquidity of $74.4 million.

Gables Residential, a third-party management company, manages the property for a contractual fee of 3.0% of EGI. Gables Residential has management interest in 31,000 units including five additional multifamily properties located in South Florida. Hersha Hospitality Management, a third-party management company, manages the hotel component for a contractual rate of 2.0% of total revenue throughout the initial term. Hersha Hospitality Management is an experienced hotel management company, as it operates 89 hotels across the United States. The management agreement has a 10-year initial term with four additional five-year renewal terms.

DBRS Morningstar NCF Summary

NCF Analysis

	Sponsor Stabilized	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	36,822,370	34,911,443	32,055,709	27,977,058	-12.7
Recoveries ($)	0	0	0	0	0.0
Other Income ($)	0	0	0	0	0.0
Vacancy ($)	-232,400	-376,037	-378,836	-635,390	67.7
EGI ($)	**36,589,970**	**34,535,406**	**31,676,872**	**27,341,668**	**-13.7**
Expenses ($)	21,761,617	22,193,234	20,872,684	18,887,244	-9.5
NOI ($)	**14,828,353**	**12,342,172**	**10,804,188**	**8,454,424**	**-21.7**
Capex ($)	0	0	0	0	0.0
TI/LC ($)	0	0	0	0	0.0
NCF ($)	**14,828,353**	**12,342,172**	**10,804,188**	**8,454,424**	**-21.7**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $8,454,424, a variance of -21.7% from the Issuer's stabilized NCF of $10,804,188. The primary drivers of the variance included hotel vacancy, hotel ADR, and hotel real estate taxes.

For the hotel component, DBRS Morningstar assumed a stabilized occupancy of 70.0%, which considers the T-3 vacancy of the collateral's competitive set for hotels overall and independent hotels. The Issuer assumed a hotel vacancy of 21.0%. DBRS Morningstar assumed an ADR of $174/key based on the average of the T-3 and T-12 from the competitive set; whereas the Issuer assumed an ADR of $185/key. DBRS Morningstar assumed hotel real estate taxes totaling $1.1 million based on the appraiser's stabilized estimate. The Issuer assumed real estate taxes totaling $620,000 based on the local competitive set.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of Thesis on Tuesday, October 19, at 1:00 PM. Based on the site inspection and management meeting, DBRS Morningstar found the property quality to be Above Average.

The collateral is a mixed-use development in Coral Gables that includes a 204-unit Class A multifamily tower, with an approximate 75% student rent roll concentration; a 245-key contemporary, luxury hotel; 29,473 sf of ground-floor commercial space, currently leased to My Salon Suites and a dentist; and a 636-space parking garage. The property is located on U.S. Route 1, an interstate highway that services 80,000+ vehicles per day, directly across the street from the University of Miami. The collateral is strategically positioned relative to competing student housing options and hotels. It represents the only student housing option with Class A amenities within one mile of the campus. Moreover, the collateral is the closest hotel to campus. Constructed in 2017, the collateral benefits from a more recent vintage relative to other competing hotels, as most hotels in Coral Gables are largely of older vintage and inferior quality.

The mixed-use development is composed of a north and south tower that are connected by a second floor connection bridge. The north tower includes the multifamily component (floors six through 11), the parking garage (floors two to five), and ground floor retail, which is currently 23.6% occupied by two tenants. The south tower includes the hotel (floors two to 10). On the ground floor of the south tower is the hotel lobby; two restaurants, which have a James Beard award winning chef; and a 90-seat bar/lounge. On the third floor of the south tower is a pool and additional bar for hotel guests. The collateral's exterior is composed of white stucco with attractive arches on the ground floor and white scaffolding on every level of the property. The hotel's lobby entrance is situated on Cabellero Boulevard. Guests are greeted by valet service. The hotel lobby includes an attractive chandelier, modern white and black tile flooring, hardwood walls, lounge areas with marble tables, and plants throughout. DBRS Morningstar toured the interior of two hotel rooms. The hotel rooms featured tiled flooring or carpeted flooring in addition to white walls. Units come equipped with televisions, desks, and mini bars. In addition to the pool and restaurant/bar space, communal amenities include a fitness area and a conference space, which all showed very well. DBRS Morningstar toured the interior of the multifamily component of the property as well the hotel. The residential lobby featured tile flooring, spacious lounge areas, a front desk, white walls, and modern art throughout. Overall, the residential lobby showed very well. DBRS Morningstar toured two multifamily units. The units' living rooms had tile flooring, white walls, and access to a patio. The kitchens featured modern stainless steel appliances and wood cabinetry. The bathrooms had marble flooring, marble countertops, and modern lighting. The bedrooms were spacious and benefit from closet space. Some of the bedrooms have tile flooring whereas other units have carpeted flooring. DBRS Morningstar toured the communal residential amenities, which include a pool, study/lounge areas, and fitness area, which all showed well.

DBRS Morningstar Viewpoint

The collateral was formerly the site of a 1962-built Holiday Inn hotel, which the sponsor demolished in 2017. The collateral was developed in time for the fall 2020 school year. The subject is very well located in Coral Gables, proximate to demand drivers and support facilities. The collateral is located adjacent to the University of Miami. With an enrollment of 18,000 students and teaching staff totaling 16,000, the University of Miami represents a major demand generator for the mixed-use property's retail, multifamily, hotel, and parking components. The subject is also well located on U.S. Route 1, which links the neighborhood to the greater MSA.

Moreover, the collateral is strategically positioned relative to competing student housing and hotel options. It represents the only student housing option with Class A amenities within one mile of the campus and has the closest hotel to campus. Furthermore, the collateral benefits from a more recent vintage relative to other competing hotels, as most hotels in Coral Gables are largely of older vintage and inferior quality. During the site inspection, DBRS Morningstar concluded that the property had an Above Average rating due to its high-quality finishes. DBRS Morningstar expects that the collateral's superior property quality and the lack of comparable supply will facilitate high occupancy during the loan term.

The success of the borrower's business plan will likely hinge on the performance of the hotel component going forward. The multifamily component leased to 99% occupancy from June 2021 to July 2021, which demonstrates the demand for high-end units among the students. The hotel averaged about 34% occupancy since its opening, but saw an increase to 58.8% by July 2021. However, with additional demand from the residential base and locals in Coral Gables, the F&B revenue was strong at $230 per occupied room. Moreover, the hotel will benefit from its experienced management by Hersha Hospitality Management, which operates 89 additional hotel assets. In fall 2021, the University of Miami began in-person classes and sporting events, which should further facilitate hotel and retail lease up. In aggregate, DBRS Morningstar expects the sponsor to achieve stabilized occupancy levels for the hotel component. Although the sponsor is projecting stabilized occupancy of 79%, DBRS Morningstar elected to express more uncertainty in the near-term recovery and stabilized the occupancy at 70% at a lower ADR of $174, which is below the competitive set and represents about a 15% increase in occupancy over the T-3 ending July 2021.

The student concentration could create some risk as student housing can produce more volatility in revenues than conventional multifamily. However, DBRS Morningstar is comforted by the property performance relative to its market. Despite only being delivered recently, the collateral generates high rents and occupancy of $3,072/unit and 99.5%, respectively. In comparison, the collateral's competitive set has an average rent and occupancy of $2,487/unit and 75.9%, respectively. Moreover, despite its high student concentration, DBRS Morningstar concluded that the collateral's finishes are in line with non-student housing, which can allow it to function as a conventional asset should the student demand wane. In addition, the University of Miami has had stable enrollment and is a high-quality option that attracts out-of-state and international students. Given the property's high occupancy, strategic location, and the lack of comparable student housing options, DBRS Morningstar expects the property's multifamily component to fare well during the loan term.

Although retail leasing has been slow because of the coronavirus shutdowns, the property's retail component makes up a relatively low share of the projected revenue. As of the most recent rent roll, the subject's retail component was 23.6% occupied, whereas the appraiser concluded a market occupancy of 95.0%. Give the location on the main road immediately facing the university, DBRS Morningstar expects more leasing to occur over time. While it may be challenging to reach the appraiser's stabilized occupancy of 95%, the location is very desirable with a good demand base. In addition, the sponsor's business plan includes $4.8 million TI/LC costs to facilitate the collateral's lease up.

Given the loan's credit metrics, sponsor strength and property quality, the expected loss is higher than the deal average. This is in part driven the by the mixed-use property type which results in a POD and LGD. In addition, the loan has a rather high issuance LTV at 70.5% and low combined occupancy across the various components.

Tysons Metro Center

Loan Snapshot

Seller
Starwood
Ownership Interest
Fee Simple
Trust Balance ($ million)
40.0
Trust Balance PSF/Unit ($)
5.25
Percentage of the Pool (%)
4.0
Fully Extended Loan Maturity/ARD
March 2022
Amortization
Interest Only
DBRS Morningstar As-Is DSCR (x)
1.33
DBRS Morningstar Stabilized DSCR (x)
1.33
DBRS Morningstar As-Is Issuance LTV (%)
69.3
DBRS Morningstar Stabilized Balloon LTV (%)
62.0
DBRS Morningstar Property Type
Office

Debt Stack ($ millions)

Trust Balance
40.0
Pari Passu
135.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
175.0
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
61.8
Trust Balance
40.0

Collateral Summary

DBRS Morningstar Property Type	Office	**Year Built/Renovated**	Various
City, State	McLean, VA	**Physical Occupancy (%)**	91.4
Units/SF	762,500	**Physical Occupancy Date**	September 2021

The loan is secured by the borrower's fee simple-interest in Tysons Metro Center, a four building, 762,500-sf office portfolio in Tysons Corner of McLean, Virginia. The sponsor is acquiring the portfolio for a purchase price of $203.1 million ($267 psf). Initial loan proceeds of $171.0 million along with borrower equity of $61.8 million (inclusive of $26.6 million of proration adjustments that were made to the purchase price) will fund the purchase price and cover closing costs. The loan allows for $4.0 million of future funding. The loan is IO throughout with an initial five-year term and one one-year extension option that is exercisable subject to the collateral's achievement of an 8.25% debt yield hurdle, among other criteria set forth in the loan agreement.

The collateral consists of four adjacent 11-story office buildings totaling 762,500 sf that are collectively 91.4% occupied. Originally constructed between 1984 and 2001, the subject buildings were previously entirely occupied by Booz Allen Hamilton. As of the rent roll dated September 30, 2021, Booz Allen Hamilton remains the largest tenant across the portfolio, occupying 208,221 sf (27.3% of portfolio NRA), including the entirety of Tysons IV. Tysons I and II have more granular rent rolls. FTI Consulting is the largest tenant at Tysons I, occupying 25,513 sf and representing 15.13% of the building's NRA. The largest tenant at Tysons II is Kettler, Inc. with 36,184 sf (28.1% of NRA). Tysons III is primarily occupied by Alarm.com, which occupies 70.0% of the building's NRA. Booz Allen Hamilton, Alarm.com, and Kettler Inc. all hold lease termination options, representing 55.6% of the portfolio's NRA. Additionally, two active subleases represent 5.3% of NRA. Rents across the four buildings are relatively stable with in-place rents at Tysons I, II, III, and IV averaging $39.91 psf, $32.91 psf, $37.40 psf, and $37.00 psf, respectively. Additionally, Tysons I, II, III, and IV are 63.1%, 88.9%, 90.5%, and 100.0% occupied, respectively.

Portfolio Summary

Property	Cut-Off Date Loan Amount	% of Loan Amount	City, State	Property Type	SF	% of NRA	Year Built/ Renovated	Occupancy (%)	Largest Tenant
Tyson's Metro I	$10,376,406	20.8	McClean, VA	Office	168,650	22.1	1984	63.0	FTI Consulting, Inc.
Tyson's Metro II	$7,923,476	15.8	McClean, VA	Office	128,782	16.9	2001	88.8	Kettler, Inc.
Tyson's Metro III	$17,119,244	34.2	McClean, VA	Office	256,847	33.7	2001	90.5	Alarm.Com Incorporated
Tyson's Metro IV	$14,580,874	29.2	McClean, VA	Office	208,221	27.3	1999	100.0	Booz Allen Hamilton, Inc.
Total/Wtd. Avg.	**$50,000,000**	**100.0**	**McClean, VA**	**Office**	**762,500**	**100.0**	**Various**	**94.1**	**Various**

Sponsorship

The sponsor for this transaction is The Meridian Group. Established in 1993, The Meridian Group is an experienced real estate investor, developer, and owner. The firm is based in Bethesda, Maryland, and has a portfolio of multifamily, office, mixed-use, and hotel properties concentrated in the Washington metropolitan area. The firm focuses on value-add opportunities and has acquired more than 13 million sf commercial real estate. The recourse carveout guarantor is Meridian Realty Partners Fund II. The fund was formed in 2014 and closed in 2016. Meridian is currently developing The Boro, a mixed-use phased project next to the subject properties, that will deliver space over the next several years. Phase one is complete and consists of about 650 luxury residential units and a 69,000 sf Whole Foods Market. The next phases will include office and retail properties.

The portfolio is managed by Meridian Realty Partners for a contractual fee of 3.0% of EGI.

DBRS Morningstar NCF Summary

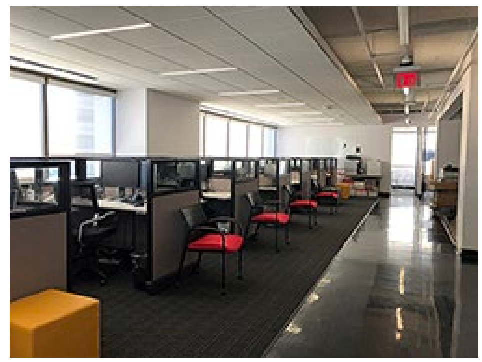
NCF Analysis

	2020	T-12 October 2021	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	24,179,302	24,303,318	27,528,606	25,695,482	26,750,578	4.1
Recoveries ($)	764,639	168,867	1,478,485	787,578	1,530,408	94.3
Other Income ($)	630,138	941,014	671,961	401,783	560,446	39.5
Vacancy ($)	-395,033	-525,915	-906,986	0	-4,007,473	0.0
EGI ($)	**25,179,046**	**24,887,283**	**28,772,066**	**26,884,843**	**24,833,959**	**-7.6**
Expenses ($)	9,636,688	9,267,972	10,557,233	9,931,904	9,546,655	-3.9
NOI ($)	**15,542,357**	**15,619,311**	**18,214,833**	**16,952,938**	**15,287,304**	**-9.8**
Capex ($)	0	0	0	152,500	1,031,309	576.3
TI/LC ($)	0	0	0	698,639	4,924,835	604.9
NCF ($)	**15,542,357**	**15,619,311**	**18,214,833**	**16,101,799**	**9,331,160**	**-42.0**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $9,331,160, representing a -42.0% variance from the Issuer's stabilized NCF of $16,101,799. The primary drivers of the variance included leasing costs, GPR, and replacement reserves. DBRS Morningstar generally based leasing costs on the appraiser's assumptions. DBRS Morningstar determined GPR by looking to the in-place rent roll with all vacant space grossed up to the appraiser's market rents. The Issuer grew rents by 3.0%. DBRS Morningstar included replacement reserves of $1.35 psf based on the PCA's inflated estimates for years 2021–26.

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar toured the interior and exterior of all four buildings on Tuesday, October 19, 2021, at 10:30 a.m. Based on the site inspection, DBRS Morningstar found the portfolio overall quality to be Average.

The buildings are in the same office development, known as East Boro, as part of the greater Boro development in McLean. The immediate surrounding area is developed with office, multifamily properties, hotels, and retail space. The collateral is just off the intersection of Route 123 and Route 7, which provides connectivity to the surrounding northern Virigina area and accessibility to Washington. Tysons Galleria, an 800,000-sf luxury mall, is across the street from the collateral. The Boro is a larger development, spearheaded by the sponsor, focused on creating a cohesive work and play community. As such, a recently constructed apartment building and separate condominium building are within walking distance of the subject buildings. Additionally, there is a Whole Foods Market, among other service providers and retailers, within The Boro. The collateral benefits from the demand driven by its proximity to Washington as most of its tenants are related to federal agencies or contractors. Washington is easily accessed by the Greensboro Metrorail station, which is less than a five-minute walk from the collateral.

Originally constructed in 1984, Tysons I is an 11-story office building with 168,650 sf of office space. The building's exterior is reflective of its vintage, but appears to be well maintained. Tysons I is 63.1% occupied and houses the collateral's primary management and leasing office as well as a fitness center and rooftop lounge shared by tenants of the other buildings, among other amenities. The largest tenant at Tysons I is FTI Consulting with a 25,513-sf lease expiring in May 2023. DBRS Morningstar toured a handful of tenant suites including FTI Consulting's space and several vacant suites. FTI Consulting's space had a modern reception area, small- and medium-size meeting spaces, and cubicle-style workstations. The vacant suites were generally in shell condition and looked to be in good condition. The common areas were clean with standard office finishes.

Tysons II was constructed in 2001 and encompasses 128,782 sf. The exterior of the building is brown brick with mirrored windows on the side facing Route 123, all of which appeared to be in good condition. Tysons II includes a tenant lounge with ample seating, an open-concept kitchen, and TVs, which is accessible to tenants of the other buildings. Per management, this is a highly used amenity. Tysons II has two prominent tenants, Kettler, Inc. and Salient Federal Solutions, Inc., occupying 36,184 sf and 33,606 sf, respectively. Kettler's lease expires in April 2028 and Salient's lease expires in August 2027. DBRS Morningstar toured both tenants' suites, which have similar build-outs with a reception area, private offices, and open-concept cubicle seating.

Constructed in 2001, Tysons III is an 11-story office building with an area of 256,847 sf. Tysons III has a round-about driveway in front of the main entrance, which opens up to the sleek reception area. Tysons III is primarily occupied by Alarm.com, which occupies six of the 11 floors. Alarm.com's lease expires in June 2026. DBRS Morningstar toured three of Alarm.com's floors, all of which were built-to-suit. While all three floors that DBRS Morningstar toured offered meeting rooms and individual workstations, each floor had space dedicated to its designated theme. Most notably, the 7th floor was fitted out to look like a cave, with a camp store, comfortable seating, and firepit, which Alarm.com uses as communal space. The costs associated with the build-out were not made available to DBRS Morningstar. Tysons III also includes a conference space that is available to rent by the tenants of Tysons I and II. The conference space has the capacity for 30 people and was recently upgraded to support video conferencing.

Tysons IV was built in 1999 and consists of an 11-story office building with an area of 208,221 sf. Tysons IV is 100.0% occupied by Booz Allen Hamilton. Booz Allen Hamilton also manages the atrium that connects Tysons III, IV, and another building that is part of the East Boro but which is not included in the collateral. DBRS Morningstar toured one of the office floors, which was fitted out with open-concept work-stations, a variety of conference rooms, and co-working spaces. In addition to working spaces, there was a beverage station with open seating. The exterior facade was of gray stone and it looked similar to the other buildings in the office park.

DBRS Morningstar Viewpoint

The collateral consists of four adjacent 11-story office buildings totaling 762,300 sf in Tysons Corner of McLean. The subject benefits from its proximity to both Washington and the Dulles Technology Corridor, which bring demand for office space from diverse industries. The government and technology sectors' influence can be seen in the subject's tenancy, which primarily consists of government contractors, consultants, and technology companies. Kettler Inc., Alarm.com, and Booz Allen Hamilton are all headquartered at the subject.

The portfolio is currently 94.1% occupied. DBRS Morningstar views the collateral to be stabilized because of its relatively high occupancy compared with the Reis submarket. The subject falls within the Reis submarket of Tysons Corner/Vienna, which reported a 21.5% vacancy rate in Q2 2021. According to

Reis, the Tysons Corner/Vienna submarket is the largest of the 22 unique suburban Virginia submarkets with an area of 26.3 million sf or 18.2% of the total metropolitan inventory. Meridian's long-term plan is to capitalize on rent growth from tenants seeking to be near the sponsor's new Boro development and its proximity to the rail station. Although new leasing has been slow recently given limited market demand because of the ongoing pandemic, rent collections have reportedly remained strong, with no material tenant delinquencies or rent deferral requests. During the first half of 2020, the borrower executed two lease expansions (FTI Consulting and Alarm.com) totaling 18,000 sf at an average rent of $40 psf, which back-filled space vacated by Digital Sandbox.

In addition to achieving above-market occupancy rates, the collateral's WA rental rate of $37.09 psf is in line with the Reis submarket rate of $36.95 psf and below the appraiser's assumption of $39.08 psf. The portfolio's rent roll presents minimal rollover risk with 2.8% of NRA rolling in 2022 when the loan initially matures and 4.8% of NRA rolling in 2023 at the fully extended maturity date. However, Booz Allen Hamilton's lease (27.3% of portfolio NRA) expires in 2025 and Alarm.com's lease (23.6% of portfolio NRA) expires in 2026, exposing the loan to a large amount of tenant rollover risk close to its maturity. While the office market in particular has experienced unprecedented obstacles over the past 18 months, the collateral has maintained above-market occupancy levels. Property management estimated that approximately 10% to 20% of tenants have people in the office on a daily basis. The Reis base-case forecast for the Tysons Corner/Vienna market over the next five years currently anticipates rents and vacancy remaining flat.

Based on the appraiser's stabilized value of $282.4 million, the fully-funded loan represents a moderate LTV of 62.0%. The collateral falls within a DBRS Market Rank of 5, which has historically experienced higher rates of default than loans secured by assets in areas with higher market ranks. The generally positive loan metrics, as reflected in the LTV, in tandem with the unfavorable market rank resulted in an expected loss just below pool average.

Transaction Structural Features

Credit Risk Retention: Under U.S. credit risk retention rules, SPT Real Estate Capital will be responsible for compliance with the U.S. credit risk retention requirements and intends to satisfy such requirements through the purchase and retention by a majority-owned affiliate of an eligible horizontal residual interest. As of the closing date, STWD 2022-FL3 Retention Holder, LLC (the retention holder), or another majority-owned affiliate of the sponsor, will acquire and retain 100.0% of the Class F Notes, Class G Notes, and Preferred Shares, collectively with any related MASCOT notes for which the Class F Notes or Class G Notes are exchanged, and 100.0% of the Issuer Ordinary Shares.

Preferred Shares: The sponsor will issue the preferred shares as part of its issued share capital and will not be secured by the collateral interests or the other collateral securing the offered notes. The Preferred Shares are subordinate to all classes of notes in all respects. Additionally, the Preferred Shares are not rated.

MASCOT Notes: The Class E, F, and G Notes are exchangeable notes, with the holder of such notes having the option to exchange all or a portion of each class for MASCOT notes that represent principal and interest notes and IO notes. The combined interest rate on the notes will be equal to the original note interest rate, with the interest rates of the MASCOT notes determined by the holder of the original notes being exchanged. The Class E Notes will only be exchangeable notes and be exchangeable for proportionate interests in MASCOT notes if such notes at the time of the exchange are owned by a wholly owned subsidiary of Starwood Property Trust. The Class E-X, F-X, and G-X Notes are IO notes that receive interest payments.

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

Future Funding Participations: With respect to each future funding participation, the holder thereof will have the sole obligation under the related future funding participation agreement to make future advances. As of the closing date, all of the future funding participations will be held by affiliates of the seller, and not by the Issuer. Once funded, such participation may be transferred in accordance with the terms of the related future funding participation agreement, and the Issuer may, but is not obligated to, acquire such funded participation interest as a reinvestment collateral interest. Pursuant to each future funding participation agreement, the holder of the related future funding participation or an affiliate of Starwood Property Mortgage, L.L.C. will be required to indemnify the Issuer, as the holder of each owned participation, against any losses, claims, damages, costs, expenses, and liabilities in connection with, arising out of, or as a result of, the failure of the holder of such future funding participation to make future advances when required under the related participated loan.

Reinvestment Period: During the reinvestment period, the collateral manager may, but is not required to, direct the reinvestment of principal proceeds and any cash contributed by the holder of the preferred shares to the Issuer in reinvestment collateral interests meeting the eligibility criteria, the acquisition criteria, and the acquisition and disposition requirements. The reinvestment period is 24 months in length, and, assuming no occurrence and continuation of an EOD has occurred, terminates on the payment date in July 2024.

The eligibility criteria provides that a no downgrade confirmation must be received from DBRS Morningstar with respect to the acquisition of collateral interests, except that confirmation will not be required with respect to the acquisition of a participation if (1) the Issuer already owns a participation in the same underlying participated loan and (2) the principal balance of the participation being acquired is $1.0 million or less.

Replenishment Period: During the period beginning on the first day after the end of the reinvestment period, the Issuer may acquire funded companion participations during the Replenishment Period meeting the eligibility criteria, the acquisition criteria and the acquisition and disposition requirements in an amount up to 10.0% of the aggregate collateral interest cut-off date balance. The replenishment period shall end on the earlier of (1) the date the Issuer has acquired funded companion participations in the amount equal to 10.0% of the aggregate collateral interest cut-off date balance, (2) the sixth payment date after the reinvestment period, (3) the end of the due period related to the payment date on which all of the notes are redeemed, or (4) the date on which principal and unpaid interest on all of the notes is accelerated following the occurrence and continuation of an EOD.

No Downgrade Confirmations: Certain events within the transaction require the Issuer to obtain confirmation that a proposed action or failure to act or other specified event will not, in and of itself, result in the downgrade or withdrawal of the current rating. The Issuer is not required to obtain a No Downgrade Confirmation for acquisitions of a participation if the Issuer already owns a participation in the same underlying participated loan and the principal balance of the participation being acquired is $1.0 million or less.

Note Protection Tests: The subject transaction features senior note protection tests in the form of the Par Value Tests and the Interest Coverage Test.

Reinvestment Par Value Test	116.32%
Distribution Par Value Test	112.76%
Minimum Interest Coverage	120.00%

If the Distribution Par Value Test and the Interest Coverage Test (collectively, the Distribution Note Protection Tests) are not satisfied, interest proceeds that would otherwise be available to the holder of the retained securities will be used to pay principal of the offered principal balance notes and the Class E-E Notes, if applicable, (in order of seniority) to cause the distribution note protection tests to be satisfied. Principal Proceeds from loan payments will be deposited (i) if the Reinvestment Par Value Test and Interest Coverage Test (collectively, the Reinvestment Note Protection Tests) are satisfied, into the reinvestment and replenishment account and (ii) if the Reinvestment Note Protection Tests are not satisfied, into the cash trap account. Amounts on deposit in the Reinvestment and Replenishment Account may be used by the Issuer to acquire Reinvestment Collateral Interests and Replenishment Collateral Interests as described above. Amounts on deposit in the Cash Trap Account will be deposited into (i) the Reinvestment and Replenishment Account to acquire Reinvestment Collateral Interests or Replenishment Collateral Interests if (x) at any time the Reinvestment Note Protection Tests are satisfied or (y) the Interest Coverage Test is satisfied and the Reinvestment Par Value Test will be satisfied or improved as a result of such acquisition.

Collateral Manager: STWD Investment Management, LLC, a wholly owned subsidiary of the sponsor, will serve as the collateral manager and provide certain advisory and administrative functions with respect to the collateral. The collateral manager is obligated to perform its duties according to the collateral manager agreement. The special servicer may be removed with or without cause, or a successor special servicer may be appointed, in each case at any time and at the direction of the collateral manager. The collateral manager may, but is not required to, direct and require the special servicer to effect any administrative modification or any criteria-based modification, subject to satisfaction of the conditions specified in the offering memorandum.

Administrative Modifications and Criteria-Based Modifications: The collateral manager may direct and require the special servicer to process administrative modifications and criteria-based modifications to the mortgage loans.

An administrative modification means any modification, waiver, or amendment to any loan related to (1) mismatch between the Benchmark Replacement on the Notes and the benchmark replacement on the mortgage loan, or (2) changes to exit fees, extension fees, default interest, financial covenants as to debt service coverage, debt yield, or LTV requirements; yield or spread maintenance provisions; reserve account minimum balance amount; and purposes, 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, modification of partial release provisions, benchmark floor waivers, deferrals of interest step ups, and the changes to guarantor covenants.

A criteria-based modification means any modification of significant economic terms of a mortgage loan, such as a change of the interest rate, a delay in the required timing of any payment of principal or an extension of the maturity, an incurrence of subordinate debt, or an increase in the principal balance of such commercial real estate loan.

Provided that multiple simultaneous modifications to a single collateral interest will be treated as a single criteria-based modification, a criteria-based modification will be permissible only if, immediately after giving effect to such modification, (1) not more than eight criteria-based modifications have been effectuated after the reinvestment period; (2) no EOD has occurred and is continuing, and the Note

Protection Tests are satisfied; (3) the related collateral interest complies with the Eligibility Criteria, as adjusted by the EC Modification Adjustments; and (4) an updated appraisal is obtained with respect to the loan for which the principal balance s increased or additional debt is allowed.

The effectuation of any administrative modification or criteria-based modification by the special servicer will not be subject to the servicing standard; however, the collateral manager's decision to direct any modification will be subject to the collateral management standard. The collateral management standard generally requires actions that show reasonable care and good faith, similar to how it manages assets for itself and for others, in a manner consistent with the practices and procedures followed by reasonable and prudent institutional managers without regard to conflicts of interest.

Advancing and Backup Advancing: The advancing agent, Starwood Property Mortgage, L.L.C., will be required to advance certain interest shortfalls to the extent that interest proceeds are insufficient to cover interest due on the Class A, Class X-A Notes, Class A-S and the Class B notes (Interest Advances). Interest Advances will be subject to a determination by the advancing party that the amount to be advanced, plus the interest expected to accrue thereon, will be recoverable. If the advancing agent fails to make a required interest advance, the backup advancing agent, Computershare Trust Company, National Association, will be required to make the Interest Advances, to the extent that the backup advancing agent deems such advances to be recoverable, and if the Backup Advancing Agent fails to make such Interest Advance, the Trustee will be required to make such Interest Advance. Neither the advancing agent, backup advancing agent nor the trustee will be responsible for advancing future funding obligations or principal payments.

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

Step-Up Coupon

On or after the payment date in October 2029, 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%.

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 *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 18, 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**	property in lieu of taxes
F&B	food & beverage	**PSA**	pooling and servicing agreement
FF&E	furniture, fixtures, and equipment	**psf**	per square foot
FS Hotel	full-service hotel	**R&M**	repairs and maintenance
G&A	general and administrative	**REIT**	real estate investment trust
GLA	gross leasable area	**REO**	real estate owned
GPR	gross potential rent	**RevPAR**	revenue per available room
HVAC	heating, ventilation, and air conditioning	**sf**	square foot/square feet
IO	interest only	**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.

About DBRS Morningstar

DBRS Morningstar is a full-service global credit ratings business with approximately 700 employees around the world. We're a market leader in Canada, and in multiple asset classes across the U.S. and Europe.

We rate more than 3,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

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