Presale Report
Shelter Growth CRE 2021-FL3 Issuer Ltd

DBRS Morningstar
September 13, 2021

Matthew Simmons
Senior Analyst
+1 312 845-2280
matthew.simmons@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	$258,699,000	43.000%	AAA (sf)	Stable
Class A-S Notes	New Rating - Provisional	$45,386,000	33.000%	AAA (sf)	Stable
Class B Notes	New Rating - Provisional	$22,693,000	28.000%	AA (low) (sf)	Stable
Class C Notes	New Rating - Provisional	$27,232,000	22.000%	A (low) (sf)	Stable
Class D Notes	New Rating - Provisional	$19,289,000	17.750%	BBB (high) (sf)	Stable
Class E Notes	New Rating - Provisional	$5,105,000	16.625%	BBB (sf)	Stable
Class F Notes	New Rating - Provisional	$5,674,000	15.375%	BBB (low) (sf)	Stable
Class G Notes	New Rating - Provisional	$22,125,000	10.500%	BB (low) (sf)	Stable
Class H Notes	New Rating - Provisional	$14,751,000	7.250%	B (low) (sf)	Stable
Preferred Shares	NR	$32,904,990	0.000%	NR	n/a

Notes:
1. NR = Not Rated.
2. The Class G Notes, Class H Notes, and the Preferred Shares are not offered. Shelter Growth Term Fund III CRE 2021-FL3 Holder LLC ("SGCP Holder"), a Delaware limited liability company, which is a wholly-owned subsidiary of Shelter Growth Master Term Fund B III LP ("Term Fund B Seller"), will purchase 100% of the Class G Notes, Class H Notes, and the Preferred Shares issued on the Closing Date.

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Transaction Summary

Pool Characteristics			
Trust Amount ($)	453,858,990	Participated Loan Commitment Amount ($)	486,129,343
Number of Loans	20	Average Loan Size ($)	22,692,950
Number of Properties	26	Top Ten Loan Concentration (%)	41.9
Managed / Static	Static	Unfunded Companion Participation Amount ($)	32,270,353
Delayed-Close Loans	n/a	Funded Companion Participation Acquisition Allowed	Y
Par Value Trigger (%)	113.17	Reinvestment Period	N
Initial Par Value Ratio (%)	124.94	IC Ratio: Trigger (X)	1.20
Wtd. Avg. Current Funded As-Is Appraised Issuance LTV (%)	71.7	Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)	77.6
Wtd. Avg. Current Funded Stabilized Appraised LTV (%)	61.9	Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)	68.3
Wtd. Avg. Interest Rate Margin (%)	4.191	DBRS Morningstar Wtd. Avg. Interest Rate[4] (%)	5.44
Wtd. Avg. Remaining Term[1]	27.3	Wtd. Avg. Remaining Term - Fully Extended	49.0
Wtd. Avg. DBRS Morningstar As-Is DSCR[2]	0.51	Wtd. Avg. Issuer As-Is DSCR (x)[4]	1.13
Wtd. Avg. DBRS Morningstar Stabilized DSCR[3]	1.27	Wtd. Avg. Issuer Stabilized DSCR (x)[4]	1.82
Avg. DBRS Morningstar As-Is NCF Variance[2] (%)	-34.9	Avg. DBRS Morningstar Stabilized NCF Variance[3] (%)	-13.9

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

1. Assumes that the initial term to maturity of each loan is not extended.
2. Based on DBRS Morningstar As-Is NCF.
3. Based on DBRS Morningstar Stabilized NCF.
4. Interest rate assumes 0.1000% 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.

Issuer	Shelter Growth CRE 2021-FL3 Ltd.
Co-Issuer	Shelter Growth CRE 2021-FL3 LLC
Mortgage Loan Seller	Shelter Growth Master Term Fund A III LP
	Shelter Growth Master Term Fund B III LP
Servicer	Situs Asset Management Limited
Special Servicer	Situs Holdings LLC
Custodian & Note Administrator	Wells Fargo Bank, National Association
Trustee	Wilmington Trust, National Association
Placement Agent	J.P. Morgan Securities LLC
Operating Advisor	Park Bridge Lender Services LLC

Coronavirus Overview

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

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

Transaction Overview

The collateral pool consists of 20 short-term, floating-rate mortgage assets with an aggregate cutoff date balance of $453.9 million secured by 26 properties. The aggregate unfunded future funding commitment of the future funding participations as of the cutoff date is approximately $32.3 million. The holder of the future funding companion participations, Shelter Growth Master Term Fund B III LP, has full responsibility to fund the future funding companion participations. The collateral pool for the transaction is static with no ramp-up period or reinvestment period. However, the Issuer has the right to use principal proceeds to acquire fully funded future funding participations subject to stated criteria during the Permitted Funded Companion Participation Acquisition period, which ends on the payment date in September 2023. Acquisition of future funding participations of $1.0 million or greater will require rating agency confirmation (RAC).

Of the 26 properties, 24 are predominantly multifamily assets (94.7% of the mortgage asset cutoff date balance). One of the remaining loans (Russell Commerce Center) is secured by an industrial asset (3.1% of the mortgage asset cutoff date balance) and the other remaining loan (31-75 23rd Street) is secured by an office asset (2.2% of the mortgage asset cutoff date balance).

The loans are mostly secured by cash flowing assets, most of which are in a period of transition with plans to stabilize and improve the asset's value. Five loans are whole loans (32.4% of the mortgage asset cutoff date balance), while the other 15 loans (67.6% of the mortgage asset cutoff date balance) are participations with companion participations that have remaining future funding commitments totaling $32.3 million. The future funding for each loan is generally to be used for capex to renovate the property or build out space for new tenants. Please see the chart below for loans with future funding companion commitments and their uses.

All of the loans in the pool have floating interest rates initially indexed to Libor. All 20 loans are IO through their initial terms; 17 loans are IO through all extension options (88.6% of the mortgage asset cutoff date balance), while the remaining three loans (11.4% of the mortgage asset cutoff date balance) exhibit some form of amortization during an extension option. As such, to determine a stressed interest rate over the loan term, DBRS Morningstar used the one-month Libor index, which was 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 with the respective contractual loan spread added. The properties are often transitioning with potential upside in cash flow; however, DBRS Morningstar does not give full credit to the stabilization if there are no holdbacks or if the other loan structural features are insufficient to support such treatment. Furthermore, even if the structure is acceptable, DBRS Morningstar generally does not assume the assets will stabilize above market levels.

Rating Considerations

Strengths

- **Multifamily Concentration:** The pool is mostly composed of multifamily assets (94.7% of the mortgage asset cutoff date balance). Historically, multifamily properties have defaulted at much lower rates than other property types in the overall CMBS universe.
- **Post-Pandemic Originations:** Only one loan in the pool (Cantebria Crossing; Prospectus ID#20) was originated prior to the onset of the coronavirus pandemic, resulting in the pool's WA remaining fully extended term of 49 months, which gives the sponsors enough time to execute their respective business plans without risk of imminent maturity. In addition, the appraisal and financial data provided are reflective of conditions after the onset of the pandemic.
- **Strong DBRS Morningstar Market Rank:** The pool exhibits a relatively high WA DBRS Morningstar Market Rank of 4.8. Additionally, 55.77% of the mortgage asset cutoff date balance is in a DBRS Morningstar Market Rank between 5 and 8, which are generally indicative of lower POD and LGD.
- **Strong DBRS Morningstar MSA Groups:** Five loans, comprising approximately 39.2% of the mortgage asset cutoff date balance, are in DBRS Morningstar MSA Group 3. Additionally, only three loans, comprising approximately 9.1% of the mortgage asset cutoff date balance, are in DBRS Morningstar MSA Group 1, which is the most punitive group and exhibits the highest POD and LGD of all the DBRS Morningstar MSA Groups.
- **Property Quality and Year Built:** There are nine properties, comprising 54.9% of the mortgage asset cutoff date balance, that were built after 2016 and five properties, comprising 36.3% of the mortgage asset cutoff date balance, that were built in 2021. Because many of the loans are backed by recently built collateral, approximately 46.9% of the pool received a property quality score of either Above Average or Average +.

Challenges

- **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 a related loan sponsor will not successfully execute its business plan 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. The loan sponsor's failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance.
    - *DBRS Morningstar sampled a large portion of the loans, representing 82.4% of the mortgage asset cutoff date balance.*

  - *DBRS Morningstar made relatively conservative stabilization assumptions and, in each instance, considered the business plans to be rational and the loan structure to be sufficient to substantially implement 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.*
  - *Future funding companion participations will be held by affiliates of Shelter Growth Master Term Fund B III LP and have the obligation to make future advances. Shelter Growth Master Term Fund B III LP agrees to indemnify the Issuer against losses arising out of the failure to make future advances when required under the related participated loan. Furthermore, Shelter Growth Master Term Fund B III LP will be required to meet certain liquidity requirements on a quarterly basis.*
- **Loan Concentration:** The top 10 largest loans in the pool make up a significant portion of the entire pool at approximately 71.6% of the mortgage asset. Additionally, the loan has a relatively low Herfindahl score of 13.9 which is below recent CRE CLO transactions.
  - *The two largest loans in the pool, 45-57 Davis Street and Fulton & Ralph, make up approximately 27.1% of the mortgage asset cutoff date balance and exhibit two of the lowest expected loss levels in the pool. Additionally, the properties securing both loans are in New York City and exhibit DBRS Morningstar Market Ranks of 6 and 7, respectively.*
- **Lack of Loan Amortization:** All 20 loans have floating interest rates, and all loans are IO during the original term with remaining initial terms ranging from 14 months to 47 months.
  - *All loans are short-term loans and, even with extension options, they have a fully extended maximum loan term of five years.*
  - *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.*
  - *The borrowers of all 20 floating-rate loans have purchased Libor rate caps that result in mortgage rate caps ranging from 4.30% to 8.75% to protect against rising interest rates through the duration of the loan term. In addition to the fulfillment of certain minimum performance requirements, exercise of any extension options would also require the repurchase of interest rate cap protection through the duration of the respectively exercised option.*
- **Lack of Site Inspections:** DBRS Morningstar conducted minimal management tours because of 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 provided by the Issuer to determine the overall DBRS Morningstar property quality assigned to each loan.
  - *Recent third-party reports were provided for all loans and contained property quality commentary and photos.*
  - *DBRS Morningstar did conduct site inspections on several loans in the broader New York City and Philadelphia markets, totaling 39.8% of the mortgage asset cutoff date balance.*

Legal and Structural Considerations

- **Benchmark Rate Replacement:** The transaction will likely be subject to a benchmark rate replacement, which will depend on the availability of various alternative benchmarks. The current selected benchmark is the Secured Overnight Financing Rate (SOFR). Term SOFR, which is expected to be a similar forward-looking term rate compared with Libor, is the first alternative benchmark replacement rate but is currently being developed. There is no assurance Term SOFR development will be completed or that it will be widely endorsed and adopted. This could lead to volatility in the interest rate on the mortgage assets and floating-rate notes. The transaction could be exposed to a timing mismatch between the notes and the underlying mortgage assets as a result of the mortgage benchmark rates adjusting on different dates than the benchmark on the notes, or a mismatch between the benchmark and/or the benchmark replacement adjustment on the notes and the benchmark and/or the benchmark replacement adjustment (if any) applicable to the mortgage loans. In order to compensate for differences between the successor benchmark rate and then-current benchmark rate, a benchmark replacement adjustment has been contemplated in the indenture as a way to compensate for the rate change. Currently, Wells Fargo, National Association, in its' capacity as Designated Transaction Representative, will generally be responsible for handling any benchmark rate change and will be held only to a gross negligence standard with regard to any liability for its' actions.
- **Criteria-Based Modifications:** Consistent with the ongoing evolution of Criteria-Based Modifications, the transaction permits the Directing Holder to cause the special servicer to effectuate Criteria-Based Modifications subject to certain conditions. The number of Criteria-Based Modifications that can be made is limited to five (5) and the Servicing Standard does not apply to such Criteria-Based Modifications. The five (5) Criteria-Based Modifications allowed in this transaction is generally less than the number allowed in recent CRE CLO transactions.
- **Par Value Trigger:** The par value trigger for this transaction is 113.17%, which is lower than the par value trigger in recent CRE CLO transactions. The par value ratio is a measurement of the net outstanding portfolio balance compared to the aggregate balance of the Offered Notes. A lower minimum par value provides less protection against losses to the Offered Notes. DBRS Morningstar did not make an adjustment to account for the lower par value trigger, however, it is noted that as of the date of this report the par value ratio is much higher at 124.94%. Furthermore, the sponsor will retain the most subordinate 15.375% of the capital structure which acts as a buffer to the negative implications of the lower par value trigger.

Loan Name	Cut-Off Date Whole Loan Amount ($)	Future Funding Amount[1] ($)	Whole Loan Amount[2] ($)	Future Funding Uses
Mountainview Gardens	33,800,000	2,400,000	36,200,000	Capital Expenditures
Vesta OKC Portfolio	33,500,000	5,530,000	39,030,000	Capital Expenditures
Bay One Apartments	25,241,336	3,758,665	29,000,000	Capital Expenditures; TI/LCs
Center Place Apartments	24,257,000	1,940,000	26,197,000	Capital Expenditures
Skye Luxury	20,500,000	4,150,000	24,650,000	Capital Expenditures
Pico Apartments	19,500,000	750,000	20,250,000	Debt Service and Operating Expense; TI/LCs
Phoenix Point and Bluff Gardens	17,000,000	3,420,000	20,420,000	Capital Expenditures
Valley Portfolio	15,341,000	2,074,000	17,415,000	Capital Expenditures
Russell Commerce Center	14,070,000	2,240,000	16,310,000	Capital Expenditures; TI/LCs
Westwood Walnut	13,375,262	1,624,738	15,000,000	Capital Expenditures
31-75 23rd Street	10,157,000	825,000	10,982,000	TI/LCs
Swiss Chalet	9,895,000	1,855,000	11,750,000	Capital Expenditures
Arbor Creek	9,360,018	639,982	10,000,000	Capital Expenditures
Cantebria Crossing	7,627,375	1,062,968	15,800,000	Capital Expenditures

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)
Mountainview Gardens	2,400,000	2,400,000	100.0	Y
Vesta OKC Portfolio	5,530,000	5,530,000	100.0	Y
Bay One Apartments	3,758,665	3,758,665	100.0	Y
Center Place Apartments	1,940,000	1,940,000	100.0	Y
Skye Luxury	4,150,000	4,150,000	100.0	Y
Pico Apartments	750,000	750,000	100.0	Y
Phoenix Point and Bluff Gardens	3,420,000	3,420,000	100.0	Y
Valley Portfolio	2,074,000	2,074,000	100.0	Y
Russell Commerce Center	2,240,000	2,240,000	100.0	Y
Westwood Walnut	1,624,738	1,624,738	100.0	Y
31-75 23rd Street	825,000	825,000	100.0	Y
Swiss Chalet	1,855,000	1,855,000	100.0	Y
Arbor Creek	639,982	639,982	100.0	Y
Cantebria Crossing	1,062,968	1,062,968	100.0	Y

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	49.9
0.50x-0.75x	4.4
0.75x-1.00x	23.8
1.00x-1.25x	21.9
1.25x-1.50x	0.0
1.50x-1.75x	0.0
>1.75x	0.0
Wtd. Avg. (x)	0.51

DBRS Morningstar Stabilized DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	0.0
0.50x-0.75x	4.3
0.75x-1.00x	9.9
1.00x-1.25x	31.6
1.25x-1.50x	35.1
1.50x-1.75x	19.1
>1.75x	0.0
Wtd. Avg. (x)	1.27

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%	24.3
s70.0%-80.0%	31.8
80.0%-90.0%	29.7
90.0%-100.0%	14.1
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	77.6

DBRS Morningstar Stabilized Balloon LTV

LTV	% of the Pool (Senior Note Balance [1,2])
0.0%-50.0%	0.0
50.0%-60.0%	11.7
60.0%-70.0%	45.7
70.0%-80.0%	37.6
80.0%-90.0%	5.0
90.0%-100.0%	0.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	68.3

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 As-Is DSCR (x)	DBRS Morningstar Stabilized DSCR (x)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized Morningstar LTV (%)
45-57 Davis Street	70,000,000	15.4	0.00	1.04	70.9	64.2
Fulton & Ralph	53,000,000	11.7	0.00	1.74	61.1	57.9
Mountainview Gardens	33,800,000	7.4	1.11	1.38	92.3	75.4
Vesta OKC Portfolio	33,500,000	7.4	1.07	1.69	87.3	70.7
Bay One Apartments	25,241,336	5.6	0.28	1.39	64.8	64.8
Center Place Apartments	24,257,000	5.3	1.18	1.26	82.9	74.0
Breakwater Apartments	22,785,000	5.0	0.83	0.89	89.4	80.5
Dior	22,200,000	4.9	0.00	0.89	78.2	73.8
Skye Luxury	20,500,000	4.5	0.00	1.10	78.8	72.1
Pico Apartments	19,500,000	4.3	0.00	0.69	81.3	72.1

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/ Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
45-57 Davis Street	Multifamily	Long Island City	NY	2021	158	443,038	158
Fulton & Ralph	Multifamily	Brooklyn	NY	2021	152	348,684	152
Mountainview Gardens	Multifamily	Fishkill	NY	1968	261	129,502	280
Vesta OKC Portfolio	Multifamily	Oklahoma City	OK	1974	549	61,020	640
Bay One Apartments	Multifamily	Bayonne	NJ	2020	91	277,377	105
Center Place Apartments	Multifamily	Arlington	TX	1984	194	125,036	210
Breakwater Apartments	Multifamily	Traverse City	MI	2020	78	292,115	78
Dior	Multifamily	Dedham	MA	2021	48	462,500	48
Skye Luxury	Limited Service Hotel	Leander	TX	2017	156	131,410	188
Pico Apartments	Multifamily	Los Angeles	CA	2021	79	246,835	82

Note: Skye Luxury is an independent living facility; however, DBRS Morningstar modeled the loan as a Limited Service Hotel.

DBRS Morningstar Sample

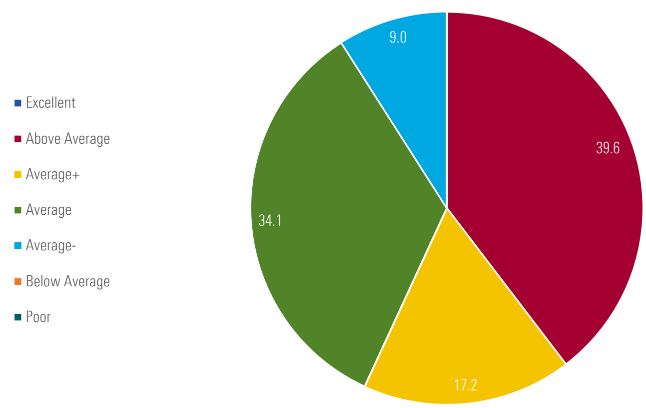
DBRS Morningstar Sample Results

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	45-57 Davis Street	15.4	4,721,131	-8.9	GPR, R&M, Concessions	Above Average
2	Fulton & Ralph	11.7	3,928,552	-3.6	Operating Expenses, Concessions	Above Average
3	Mountainview Gardens	7.4	2,376,560	-14.2	GPR, Other Income, Management Fee	Average-
4	Vesta OKC Portfolio	7.4	2,843,342	-8.2	GPR	Average
5	Bay One Apartments	5.6	1,757,925	-17.3	GPR, Parking Income, Concessions	Above Average
6	Center Place Apartments	5.3	1,503,679	-11.5	GPR, Bad Debt, Concessions, RUBS	Average
7	Breakwater Apartments	5.0	1,090,113	-26.8	Real Estate Taxes, GPR, Parking Income	Average+
8	Dior	4.9	1,370,051	-4.1	Vacancy, TI/LCs	Average+
9	Skye Luxury	4.5	1,676,080	-32.4	Vacancy, GPR	Average
10	Pico Apartments	4.3	1,208,510	-3.8	Bad Debt, GPR, Payroll	Average+
11	Phoenix Point and Bluff Gardens	3.7	1,211,720	-28.5	GPR, R&M	Average
12	University City Portfolio	3.6	1,305,610	-10.3	Vacancy, Operating Expenses, CapEx	Average
13	Monica Apartments	3.5	1,114,116	-10.9	GPR, Operating Expenses, Bad Debt	Average

DBRS Morningstar Site Inspections

The DBRS Morningstar sample included 13 loans and a site inspection was performed at seven properties in the pool, representing 82.4% of the pool by mortgage asset cutoff date balance. The photos and content in the site inspection summaries refer to the property and market conditions at the time of the inspection. The resulting DBRS Morningstar property quality scores are highlighted in the following chart.

DBRS Morningstar Sampled Property Quality

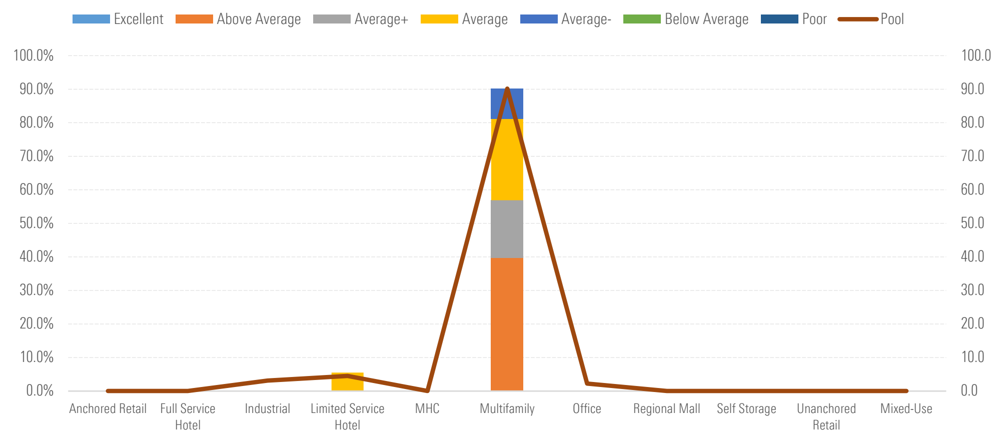


Source: DBRS Morningstar.

DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and cash flow stability and structural review on 13 of the 20 loans, representing 82.4% of the pool by mortgage asset cutoff date balance. Overall, the Issuer's cash flows were generally recent, from early or mid-2021 and reflective of recent conditions. For the loans not subject to the NCF review, DBRS Morningstar applied NCF variances of -16.9% and -13.1% to the Issuer's As-Is and Stabilized NCFs, respectively.

DBRS Morningstar Sampled Property Type



Source: DBRS Morningstar.

Note: Skye Luxury is an independent living facility; however, DBRS Morningstar modeled the loan as a Limited Service Hotel.

DBRS Morningstar As-Is NCF

The DBRS Morningstar As-Is NCF was based on the current performance of the property, without giving any credit to future upside that may be realized by the sponsor upon execution of its business plans. The DBRS Morningstar sample had an average in-place NCF variance of -39.9% from the Issuer's NCF and ranged from -100% to +12.0%.

DBRS Morningstar Stabilized NCF

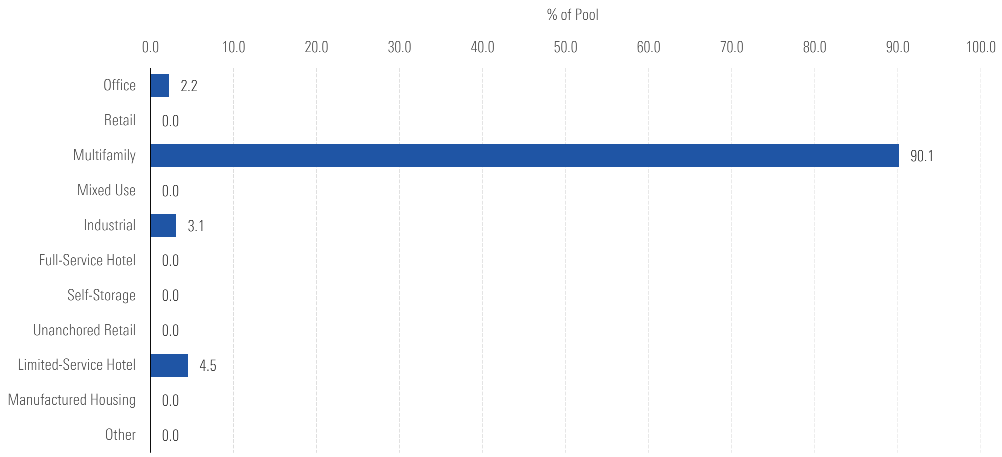
The DBRS Morningstar Stabilized NCF was derived by generally stabilizing the properties at market rent and/or recently executed leases and market expenses that DBRS Morningstar believed were reasonably achievable based on the individual loan sponsors' business plans and structural features of the respective loan. This often involved assuming higher than in-place rental rates for multifamily properties based on the significant ongoing renovations, with rents already achieved on renovated units providing the best guidance on market rent upon renovation completion. For all assumptions, DBRS Morningstar took a somewhat conservative view compared with the market to account for execution risk around the business plans. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -13.9% from the Issuer's Stabilized NCF and ranged from -32.4% to -3.6%.

Model Adjustments

Value Adjustments: DBRS Morningstar applied a downward stabilized value adjustment to six loans—Bay One Apartments, Dior, Skye Luxury, University City Portfolio, Monica Apartments, and Cantebria Crossing—comprising 23.8% of the cutoff date pool balance. DBRS Morningstar adjusted values to reflect its view of the respective markets and the inherent risk associated with the sponsors' business plans.

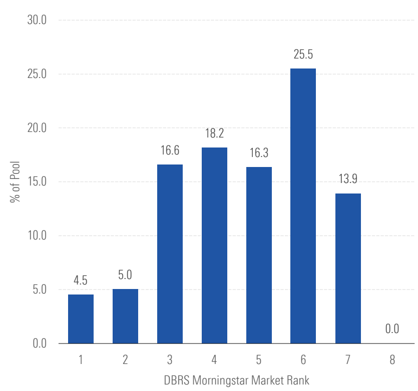
Transaction Concentrations

DBRS Morningstar Property Type

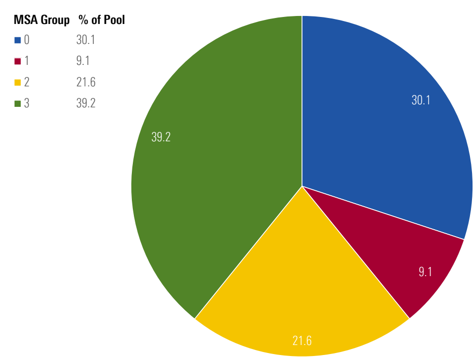


Note: Skye Luxury is an independent living facility; however, DBRS Morningstar modeled the loan as a Limited Service Hotel.

DBRS Morningstar Market Rank

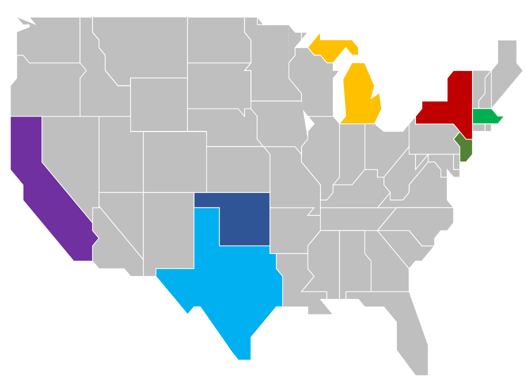


DBRS Morningstar MSA Group



Largest Property Location

Property Name	City	State
45-57 Davis Street	Long Island City	NY
Fulton & Ralph	Brooklyn	NY
Mountainview Gardens	Fishkill	NY
Vesta OKC Portfolio	Oklahoma City	OK
Bay One Apartments	Bayonne	NJ
Center Place Apartments	Arlington	TX
Breakwater Apartments	Traverse City	MI
Dior	Dedham	MA
Skye Luxury	Leander	TX
Pico Apartments	Los Angeles	CA



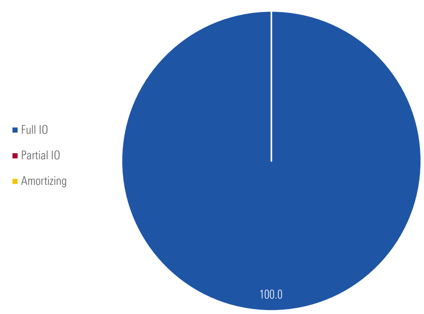
Source: DBRS Morningstar.

Loan Structural Features

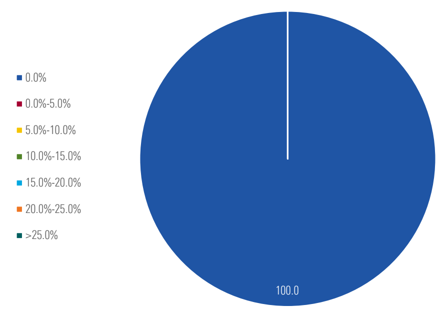
Loan Terms: All 20 loans in the pool are IO during the initial term, and three loans amortize during one or more extension options. Fully extended loan terms for all loans range from 36 months to 60 months.

Interest Rate: The interest rate is the greater of the floating rate referencing the 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		
Type	# of Loans	% of Pool
Tax Ongoing	20	100.0
Insurance Ongoing	20	100.0
CapEx Ongoing	14	69.2
Leasing Costs Ongoing[1]	0	0.0

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

Borrower Structure		
Type	# of Loans	% of Pool
SPE with Independent Director and Non-Consolidation Opinion	7	57.1
SPE with Independent Director Only	10	35.5
SPE with Non-Consolidation Opinion Only	0	0.0
SPE Only	3	7.4

Interest Rate Protection: All 20 loans have purchased interest rate caps over the term of the loan. If the DBRS Morningstar stressed interest rate is less than the interest rate cap purchased by the borrower, DBRS Morningstar would default to the lower rate.

Additional Debt: Three loans, representing 16.7% of the initial pool, have additional debt. Fulton & Ralph has $6.1 million of mezzanine debt, held by an Issuer-related entity, and Valley Portfolio has approximately $3.6 million of mezzanine debt. Additionally, Cantebria Crossing has 1.7% of initial funding, pari passu debt that will not be included as collateral for this transaction.

Future Funding: Fourteen loans, representing 55.9% of the initial pool balance, have a future funding component. The aggregate amount of future funding remaining is $32.4 million, with future funding amounts per loan ranging from $639,982 to $5.5 million. The proceeds necessary to fulfill the future funding obligations will primarily be drawn from a committed warehouse line and will be initially held outside the trust but will be pari passu with the trust participations. The future funding is generally to be used for property renovations and leasing costs. 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.

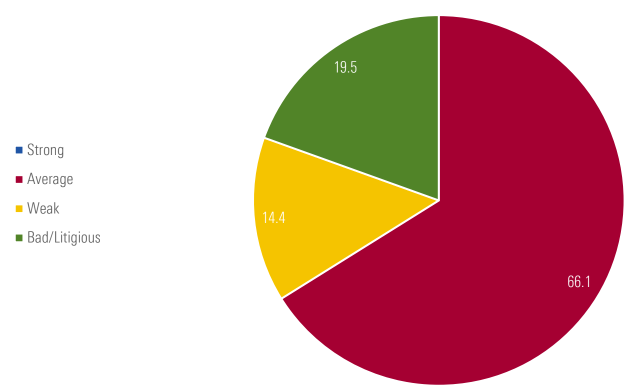
Leasehold: There are no leasehold loans in the pool.

Property Release: Four loans—Vesta OKC Portfolio, Bay One Apartments, University City Portfolio, and Valley Portfolio—allow for the release of a specific portion of the mortgage property, subject to the payment of a release price that varies across the loans. For Vesta OKC, University City Portfolio, and Valley Portfolio, the release price varies between 125% and 130% of allocated loan amount in connection with the sale or 100% of the net sale proceeds if greater. For Bay One Apartments, a vacant lot (Lot 15) may be released for a payment of $100,000 plus any expenses related to the release.

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

Terrorism Insurance: All loans have terrorism insurance in place.

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

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 ($)
Fulton & Ralph	53,000,000.0	0.0	0.0	6,100,000.0	N	59,100,000.0
Valley Portfolio	17,415,000.0	0.0	0.0	3,585,000.0	N	21,000,000.0

45-57 Davis Street

Loan Snapshot

Seller	SGCP
Ownership Interest	Fee Simple
Trust Balance ($ million)	70.0
Loan PSF/Unit ($)	443,038
Percentage of the Pool (%)	15.4
Fully Extended Loan Maturity/ARD	May 2025
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.0
DBRS Morningstar Stabilized DSCR (x)	1.0
DBRS Morningstar As-Is Issuance LTV (%)	70.9
DBRS Morningstar Stabilized Balloon LTV (%)	64.2
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Above Average

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built**	2021
City, State	Long Island City, NY	**Physical Occupancy (%)**	0.0
Units/SF	158	**Physical Occupancy Date**	July 2021

The loan is secured by the borrower's fee-simple interest in 45-57 Davis Street, a 158-unit mid-rise apartment complex in Long Island City, New York. In addition to the multifamily units, the property features a retail component totaling 12,746 sf. The $70.0 million loan was used to refinance approximately $55.3 million of existing debt, cover $3.4 million of cost overages, fund a debt service reserve of $3.6 million, return approximately $4.6 million of borrower cash equity, and cover closing costs and remaining cost to complete. The loan is structured with an initial two-year term, two 12-month extension options, and is fully IO. The in-place and stabilized appraised values of $98.8 million and $109.0 million, respectively, result in a DBRS Morningstar As-Is and Stabilized LTV of 70.9% and 64.2%, respectively.

Built in 2021, the property has nine stories and features 110 market-rate units and 48 units designated as affordable housing. The affordable housing component allows the property to benefit from a 35-year 421A tax abatement that exempts any increases in the assessed value over the first 25 years and exempts 30% of increases over the 10 years thereafter. The property is just east of Midtown Manhattan, New York, and provides easy accessibility to Midtown. Additionally, the property is 0.2 miles from Court Square subway station on the 7 line, which provides direct accessibility to Grand Central Station, Bryant Park, Times Square, and Hudson Yards.

Debt Stack ($ millions)

Trust Balance	70.0
Pari Passu	0.0
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	70.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	(4.6)

Sponsorship

The borrower is subject to a TIC structure as the property is owned by two separate entities: 45 Davis St LLC, owns 90% and BP Cooper Hillside LLC owns the remaining 10%. The sponsorship for this transaction is three individuals who together hold approximately 72.5% ownership interest in 45 Davis St LLC. All three individuals have experience in the development and operation of commercial real estate in New York since the mid-2000s. Collectively, the three sponsors exhibit a combined net worth and liquidity in excess of $450 million and $26 million, respectively.

A borrower-affiliated company, Sol Equities LLC, provides property management for a contractual management fee of 3.0% of EGI. The management company has a portfolio of predominantly multifamily properties located in New York totaling more than 1,600 units spread across 26 assets.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of the property on Thursday, August 19, 2021, at 11:00 a.m. Based on the site inspection and management meeting, DBRS Morningstar found the property quality to be Above Average.

The mid-rise multifamily property sits at the end of a cul-de-sac near the intersection of Davis Street and Jackson Avenue, a major thoroughfare that runs through Long Island City and Hunters Point and provides access to I-495. The subject is well located within Long Island City as the Court Square subway station is less than a five-minute walk away and provides accessibility to the G and 7 trains. Specifically, the 7 train provides for easy transport to Midtown Manhattan and stops at Grand Central, Bryant Park/5th Avenue, Times Square-42nd Street, and Hudson Yards-34th Street. The area surrounding the subject consists of mid-rise buildings that generally feature retail space on the ground floor and residential space on all upper floors. Across the street from the subject was a high-rise apartment complex featuring two towers that appeared to be nearly complete and adjacent to the subject was a building whose structure was still being erected. At the intersection of Jackson Avenue and Davis Street was a Trader Joe’s, and there were several coffee shops and delis scattered along Jackson Avenue. Given the growth of the Long Island City neighborhood, there is a significant amount of ongoing construction in the area. Davis Street in particular had a significant amount of construction equipment and materials scattered throughout the street and the end of the cul-de-sac was flooded with rain water.

The entrance to the lobby had modern decor but was untidy, which was not unexpected given that there was still some ongoing construction on some aspects of the building. The lobby area featured a reception desk, several couches, mailboxes, and stairs leading up to the second floor. Immediately after ascending to the second floor, there was a fitness center to the right and a lounge to the left, both of which were being used by tenants at the time of inspection. The finished rooftop was accessed via the elevator and featured several additional amenities, including a barbecue grilling area, table tennis, foosball, and several outdoor couches. The retail space was partially subterranean. Management indicated that they were in early discussions with a daycare to occupy the space but had not been engaged in advanced discussions and did not have a timeline on when a potential lease would be signed. Per management, the leasing team was focused on leasing up the market-rate multifamily component, which they were able to fully lease in a span of six weeks

DBRS Morningstar toured one studio unit, one one-bedroom unit, and one two-bedroom unit, all of which were furnished and operating as model units. The kitchens featured stainless-steel appliances, solid countertops, and wood cabinetry. The bathroom featured modern finishes with a large mirror and vanity, tile flooring, and a spacious bathtub shower. Overall, the units were quite small and the studio unit was especially cramped as the bed was situated at one end of the unit and the kitchen at the other end. Units in line with the elevated train line are not fully sound proofed, as the train passed by while DBRS Morningstar was inspecting the unit and was audible even though all windows and the balcony door were closed.

DBRS Morningstar NCF Summary

NCF Analysis				
	Borrower's Budget	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	6,446,608	6,773,094	6,596,668	-2.6
Other Income ($)	37,920	39,058	37,920	-2.9
Vacancy & Concessions ($)	-361,378	-439,805	-514,158	16.9
EGI ($)	**6,123,150**	**6,372,347**	**6,120,430**	**-4.0**
Expenses ($)	780,056	1,156,676	1,320,414	14.2
NOI ($)	**5,343,094**	**5,215,671**	**4,800,016**	**-8.0**
Capex ($)	31,600	34,149	78,885	131.0
NCF ($)	**5,311,494**	**5,181,521**	**4,721,131**	**-8.9**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $4,721,131, representing a -8.9% variance from the Issuer's stabilized NCF of $5,181,521. The main drivers of the variance were GPR, R&M, and concessions. DBRS Morningstar estimated stabilized GPR using the in-place budgeted asking rents while the Issuer grossed budgeted asking rents using an inflationary factor. DBRS Morningstar estimated R&M expenses to be approximately $1,300 per unit while the Issuer accepted the appraiser's estimate with a 2% inflationary factor. Finally, DBRS Morningstar assumed a 1.5% concession rate on all market-rate units while the Issuer assumed no concessions.

DBRS Morningstar Viewpoint

The subject is a 158-unit mid-rise multifamily property in Long Island City neighborhood of Queens and was recently constructed in 2021. The sponsor's original business plan consists of finishing construction, leasing up the property, and bringing the property to a stabilized level of operation. The property recently obtained its certificate of occupancy and leased up all market-rate units. Because the affordable housing component is subject to a lottery conducted by a city agency, management was not sure how quickly they would be able to bring the affordable component up to a stabilized occupancy. Approximately 70% of the units at the property are market rate, while the remaining 30% of units are designated as affordable housing. At the time of inspection, management informed DBRS Morningstar that the market-rate component of the property was 100% leased with a majority of the leases having move-in dates on or before September 15. Given the timing of the property's construction and lease-up start, management revealed that they offered no concessions during the initial lease-up period. The property's leasing period coincided with significant movement back into New York after a decline in coronavirus cases in the early summer and significantly aided in the speed at which management was able to lease up the market-rate units. The construction of the property is complete and there is minimal work remaining before the development will be considered complete. There was still some garbage and leftover materials from contractors around the property, and laundry machines were in the final processes of being installed during the site inspection. Given the leasing progress thus far and minimal remaining work, DBRS Morningstar views the sponsor's business plan as achievable.

However, there is a high amount of new supply in the Long Island City submarket. The appraisal notes that at the end of Q4 2020, there were more than 5,000 units under construction. In addition to the significant amount of supply currently under construction, the appraisal notes that 7,000 units have been delivered since the start of 2017. The submarket data for Long Island City in the appraisal estimates that the submarket will exhibit a 10-year high vacancy rate of nearly 16% at the end of 2021. This is likely due to both significant new supply coming online and lagged demand from the pandemic in the New York apartment market. Although there has been anecdotal evidence that residents are coming back to the city in droves, demand for apartment units vary greatly neighborhood to neighborhood and street to street. Despite the significant new supply coming into the market, DBRS Morningstar believes the demand drivers for the submarket, including affordability and proximity to Manhattan, are still strong and DBRS Morningstar is not concerned about the long-term health of the submarket.

The appraiser identified several properties in the Long Island City submarket that are expected to compete with the subject. Generally, the properties identified are well occupied and achieve high rental rates as the competitive set's average rental rate is approximately $3,635. Given the property is still in lease-up and was only recently constructed, it is uncertain what rental rates management would be able to achieve and impact of the pandemic has only complicated that estimate. In its NCF analysis, DBRS Morningstar estimated a GPR that resulted in an average rental rate of $3,143, which is considerably lower than the competitive set average. This, along with the quick lease-up of market-rate units, helped

DBRS Morningstar get comfortable with the business plan and the likelihood of success around the lease-up of the property. Please see the table below for more information on the competitive properties identified by the appraiser.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
4550 Pearson Street	Long Island City, NY	0.3	197	2014	99.0	2,818	608
2222 Jackson Avenue	Long Island City, NY	0.2	175	2016	97.0	3,746	669
1155 49th Avenue	Long Island City, NY	0.5	194	2018	98.0	4,823	1,073
5-11 47th Avenue	Long Island City, NY	0.7	188	2012	88.0	3,356	719
44-72 11th Street	Long Island City, NY	0.5	105	2016	95.0	3,284	659
Total/WA Comp. Set	**Long Island City, NY**	**Various**	**859**	**Various**	**95.5**	**3,635**	**756**
45-57 Davis Street - Subject	**Long Island City, NY**	**n/a**	**158**	**2021**	**0.0**	**0**	**732**

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

Based on the property's as-is and stabilized values of $98.8 million and $109.0 million and the fully funded loan amount of $70.0 million, the loan exhibits moderate leverage at issuance of approximately 70.9% and as-stabilized of approximately 64.2%. The as-is appraised value of $98.8 million seems reasonable based on the property's cost of approximately $89.0 million, which results in a loan-to-cost ratio of 78.7%. The cost basis of approximately $563,209 per unit is well within range of the sales comparables listed in the appraisal, which ranged from $451,923 to $719,683, while the stabilized value of $689,873 does approach the high end of the comparable range.

Despite the significant new supply in the submarket, the property exhibits strong market characteristics as they relate to DBRS Morningstar's Market Rank and MSA Group. The property is in a DBRS Morningstar Market Rank of 6, which is generally indicative of an urban neighborhood as well as loans with lower POD and LGD. Additionally, the New York City MSA is assigned a DBRS Morningstar MSA Group of 3, which are also generally indicative of lower POD and LGD.

DBRS Morningstar assigned a property quality of Above Average because of the recent construction and strong amenity package. The common area amenities were high end, including a fitness center, several resident lounges, and an accessible rooftop with barbecue grilling area and a 360-degree view of New York. Additionally, the interior amenities are strong, including stainless-steel kitchen appliances, solid countertops, large tile bathroom vanities, and balconies. The Above Average property quality, in addition to the strong DBRS Morningstar Market Rank and MSA Group, cause the loan to exhibit an expected loss that is lower than the deal's average expected loss.

Fulton & Ralph

Loan Snapshot

Seller
SGCP
Ownership Interest
Fee Simple
Trust Balance ($ million)
53.0
Loan PSF/Unit ($)
348,684
Percentage of the Pool (%)
11.7
Fully Extended Loan Maturity/ARD
October 2023
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.0
DBRS Morningstar Stabilized DSCR (x)
1.7
DBRS Morningstar As-Is Issuance LTV (%)
61.1
DBRS Morningstar Stabilized Balloon LTV (%)
57.9
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
53.0
Pari Passu
0.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
53.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
2.1

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2021
City, State	Brooklyn, NY	**Physical Occupancy (%)**	29.6
Units/SF	152	**Physical Occupancy Date**	August 2021

Portfolio Summary

Property	City, State	Units	Year Built/Renovated	Occupancy (%)
1428 Fulton Street	Brooklyn, NY	132	2021	34
343 Ralph Avenue	Brooklyn, NY	20	2021	0
Total/Wtd. Avg.	**n/a**	**152**	**2021**	**29.6**

Source: August 2021 rent roll.

The loan is secured by the borrower's fee-simple interest in Fulton & Ralph, a portfolio of 152 newly built, class A units in Brooklyn, New York. Loan proceeds of $53.0 million, a mezzanine loan of $6.1 million, and sponsor's equity of $2.1 million were used to refinance existing debt of $54.8 million and cover a debt reserve of $2.5 million, closing costs, and various fees. The 18-month floating rate loan is IO throughout, features one 12-month extension option, and has 13 months remaining until initial loan maturity.

The underlying collateral consists of 1428 Fulton Street and 343 Ralph Avenue, which are located within one mile of each other. Leasing efforts began in March 2021 at 1428 Fulton, the larger of the two properties, which contains 132 units, including 39 affordable housing units, as well as 11,790 sf of ground floor retail space. Propertywide amenities include a laundry room, gym, parking, and rooftop deck with barbecue grills. The second property, 343 Ralph, offers generally smaller units at a lower price point with minimal amenities. 343 Ralph has not yet reached the leasing stage and, as of July 2021, the final 421a documentation was still pending. The combined unit mix with average rental rates and unit sizes is detailed in the table below. Because 30% of the units have been set aside for affordable housing tied to 130% of the area median income, the portfolio is expected to benefit from an eligible 35-year 421a tax abatement outlined under the Affordable New York Housing Program.

Unit Type	Units	Avg Unit Size (SF)	Rent/Month ($)
Studio Free Market	38	406	1,980
Studio Affordable Housing	16	420	1,633
1BR/1BA Free Market	45	580	2,300
1BR/1BA Affordable Housing	19	595	1,702
2BR/1BA Free Market	11	713	2,900
2BR/1BA Affordable Housing	3	957	2,190
2BR/2BA Free Market	12	812	3,500
2BR/2BA Affordable Housing	5	886	2,550
3BR/2BA Free Market	2	1035	3,800
3BR/2BA Affordable Housing	1	1035	2,105
Totals/Average	**152**	**743.9**	**2,466**

Source: August 2021 rent roll.

Sponsorship

Sponsorship for the loan is provided by Bruman Real Estate, a privately owned real estate company with more than 20 years of experience in the industry. The firm focuses on acquiring multifamily, mixed-use, class A office, industrial, and retail properties. The guarantors, who are the owners of Bruman Real Estate, have significant combined net worth and liquidity. The loan will be full recourse to the guarantors until receipt of the TCO and 421a tax abatement certificate.

The sponsor is the defendant in ongoing real estate litigation. DBRS Morningstar reviewed these cases in relation to the risk of the loan and concluded the sponsor strength as Bad (Litigious).

A sponsor-affiliated entity has been commissioned to manage the properties for a contractual fee of 3.0% of EGI. The company is a local operator with management interest in 2,500 units in the tri-state area.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of 1428 Fulton and 343 Ralph on Tuesday, August 17, 2021. Based on the guided management tour, DBRS Morningstar found the properties' quality to be Above Average.

The collateral comprises two separate buildings located 1.4 miles apart in the Bedford-Stuyvesant area in Brooklyn. Both properties are in close proximity to the A and C subway lines, which can provide access to the downtown financial district of Manhattan in approximately 20 minutes and Midtown Manhattan in approximately 40 minutes. Surrounding land use in the area is a mix of small retail shops, restaurants, and medical centers as well as a range of single family homes and mid- to high-rise residential buildings. Construction of new high-rise residential properties can be seen on Fulton Street and around Ralph Avenue. Within a walkable distance there are various public and private elementary and high schools.

1430 Fulton Street

The main entrance to the property is on Fulton Street with a separate entrance to two connected buildings on Herkimer Street. Signage is visible, with one standalone sign on the canopy of the front entrance. Surrounding the main entrance on the ground floor is a large retail space with entrances on under both sides of the main canopy. Although the retail space was vacant and under construction, the build is spacious and features extra-tall ceilings. The building manager noted that several parties, including one grocer, were interested in leasing the space, however, nothing has solidified yet.

The front entrance lobby is well designed with space for seating, a front desk, package delivery, and a mailroom. The design throughout the building is modern, featuring black walls, gray carpeting, and copper finishes and lighting. DBRS Morningstar toured the second-floor outdoor space, children's room, gym, bike room, laundry room, subterranean parking garage, lounge room, and rooftop lounge complete with barbecue grills. All common space was clean, fully furnished, and well maintained. The manager noted that there was no charge for the amenities. Concessions offered at the building currently amount to two months free rent on a 14-month lease.

Interior units types toured included studio, one-bedroom, two-bedroom, and three-bedroom units. All units feature large windows, a new stainless steel appliance package, and vinyl wood flooring. Bedrooms are spacious enough for a queen-sized bed, nightstand, and dresser while select rooms have built-in closets and personal bathrooms. The manager noted that apartments were leasing at the rate of about 20 per month. Overall, the property exhibited encouraging signs of high demand in a competitive market.

343 Ralph Avenue

The subject is a standalone building located on a fairly quiet block across the street from a McDonalds restaurant. The front entrance is located on Ralph Avenue and has clear silver-lettered signage. The exterior facade features a staggered pattern of gray, black, and white panels with exposed air conditioning vents. The manager noted that the building was 100% vacant and still in the process of final cosmetic construction. Work on the property has been reduced because of delays over affordable housing paperwork.

Finishes at this property appear to be inferior to those at the 1430 Fulton Street property. Minimal amenities are installed and include a bike, laundry, and storage room. The manager noted that discussions about converting the storage room to an alternative use had begun.

DBRS Morningstar toured one studio and one two-bedroom unit. Unit interiors feature tiled flooring throughout and wall-pinned lighting fixtures with lamp shades. Kitchen appliances are new but white and basic. While the building is brand new, the interior designs and finishes seem average.

DBRS Morningstar NCF Summary

NCF Analysis

	Borrower's Budget	Appraisal Yr 2	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,993,002	5,047,688	4,928,412	5,409,660	9.8
Other Income ($)	208,000	181,898	176,600	176,600	0.0
Vacancy & Concessions ($)	-186,819	-258,872	-314,569	-461,986	46.9
EGI ($)	**5,014,183**	**4,970,714**	**4,790,443**	**5,124,274**	**7.0**
Expenses ($)	632,255	712,404	676,899	1,123,996	66.1
NOI ($)	**4,381,928**	**4,258,310**	**4,113,544**	**4,000,277**	**-2.8**
Capex ($)	30,400	31,312	40,358	71,725	77.7
NCF ($)	**4,351,528**	**4,226,998**	**4,073,186**	**3,928,552**	**-3.6**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $3,928,552, representing a -3.6% variance from the Issuer’s stabilized NCF of $4,073,186. The main drivers of the variance are residential concessions and commercial vacancy. DBRS Morningstar concluded residential concessions at 2.0% of EGI and commercial vacancy at -15.0%. In comparison, the Issuer concluded commercial vacancy at 10.0%, which was based on appraisal estimates.

DBRS Morningstar Viewpoint

The borrower's business plan is to complete construction of the two assets and lease them up. 343 Ralph is in the final stages of construction and is awaiting additional 421a paperwork. Residential construction is complete at 1428 Fulton and leasing efforts began in March 2021. The remaining construction at the property consists of the ground floor retail space. The appraisal indicates that the properties have the potential to reach approximately 95% occupancy within 24 months.

The properties benefit from being in a strong submarket, with a DBRS Morningstar Market Rank of 7 and in MSA Group 3. Loans secured by properties in such areas have historically demonstrated lower losses compared with loans secured by assets in less densely populated and less financially liquid markets. Per Reis, between now and YE2021, approximately 762 units of competitive apartment units will be introduced to the market. During 2022 and 2023, developers are expected to deliver an additional 5,858 market-rate rental apartments to the submarket. The market vacancy rate is predicted to finish at 4.6% by YE2023 while average monthly asking rents are expected to finish at $2,021 by YE2023.

DBRS Morningstar has a generally favorable outlook of the properties because of their geographic profile in Brooklyn, and believes that both the market rate and the affordable rate units should lease-up according to borrower projections. Additionally, the loan is structured with a $2.5 million interest reserve that covers 12 months of fully funded debt. The modeled expected loss is the lowest in the pool, based on the low DBRS Morningstar As-Is and Stabilized LTV, strong market location, and supportable lease-up assumptions.

Mountain View Gardens

Loan Snapshot

Seller
SGCP
Ownership Interest
Fee Simple
Trust Balance ($ million)
33.8
Loan PSF/Unit ($)
129,502
Percentage of the Pool (%)
7.4
Fully Extended Loan Maturity/ARD
June 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
1.1
DBRS Morningstar Stabilized DSCR (x)
1.4
DBRS Morningstar As-Is Issuance LTV (%)
92.3
DBRS Morningstar Stabilized Balloon LTV (%)
75.4
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average-

Debt Stack ($ millions)

Trust Balance
33.8
Pari Passu
0.0
Remaining Future Funding
2.4
Mortgage Loan Including Future Funding
36.2
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
7.6

Source: ASR.

Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1968
City, State	Fishkill, NY	**Physical Occupancy (%)**	97.3
Units/sf	261	**Physical Occupancy Date**	May 2021

The loan is secured by the borrower's fee-simple interest in Mountainview Gardens, a 261-unit multifamily property in Fishkill, New York. Initial loan proceeds of $33.8 million, along with $7.1 million of sponsor equity, were used to acquire the property for a purchase price of $39.2 million, fund minimal immediate repair costs, and cover broker/origination fees and closing costs. The loan is structured with an additional $2.4 million of future funding component for the business plan. Based on the whole loan amount, the as-is and stabilized values of $39.2 million and $48.0 million reflect an as-is and stabilized LTV of 92.3% and 75.4%, respectively. The floating-rate loan has a five-year fully extended term that is IO until maturity.

Built in 1968, the property is a 12-building garden-style community, inclusive of a swimming pool, a playground, grilling areas, horseshoe pits, a volleyball court, walking trails, and laundry facilities. The property is located roughly 50 miles north of Midtown Manhattan, to the east of the Hudson River. Currently, 38 units have been renovated by the seller and do not require additional improvement. The sponsor plans to use the $2.4 million of future funding to bring 196 outdated units up to market standards and improve exterior fixtures and amenities.

Sponsorship

The sponsor for this transaction is made up of the principals of Oak Tree Capital, a private investment company that owns and self-manages multifamily properties in New York and New Jersey. In recent years, Oak Tree Capital has acquired eight local properties, all of which are self-managed and incorporate significant capital improvement plans.

The three borrowers are TIC controlled by one of the three guarantors. Each TIC borrower is required to have two independent directors. Combined, the three guarantors have a real estate portfolio worth over $1.0 billion, including over 12,000 units of multifamily assets in New York, New Jersey, Maryland, and California.

One of the guarantors has previously filed for personal bankruptcy and been foreclosed upon. The bankruptcy and foreclosure occurred over 30 years ago, and the guarantor has since been financed by Fannie Mae and Freddie Mac, meeting all obligations to his lenders since. This guarantor will have no control over the borrowers.

DBRS Morningstar Analysis

Site Inspection Summary

Source: ASR.

Source: PCA.

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

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 April 2021	Budget Yr 3	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	3,664,979	4,479,081	4,828,039	4,760,460	4,420,560	-7.1
Other Income ($)	68,423	90,531	93,261	90,483	68,423	-24.4
Vacancy & Concessions ($)	0	-250,041	-196,852	-283,247	-266,065	-6.1
EGI ($)	**3,733,402**	**4,631,571**	**4,724,448**	**4,567,695**	**4,222,918**	**-7.5**
Expenses ($)	3,186,192	1,615,917	1,809,127	1,732,808	1,781,108	2.8
NOI ($)	**547,210**	**3,015,654**	**2,915,321**	**2,834,887**	**2,441,810**	**-13.9**
Capex ($)	0	62,250	71,300	65,250	65,250	0.0
NCF ($)	**547,210**	**2,953,404**	**2,844,021**	**2,769,637**	**2,376,560**	**-14.2**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,376,560, representing a -14.2% variance from the Issuer's Stabilized NCF.

The primary drivers of the variance were GPR and operating expenses. DBRS Morningstar is accepting the sponsor's post-renovation rental rates for each unit type, and the Issuer is accepting the appraiser's slightly higher post-renovation rental rates. The final rental rate of $1,411 per unit is supported by comparable properties identified by Reis. DBRS Morningstar generally concluded to the appraiser's stabilized assumptions for operating expenses, equating to a total stabilized expense ratio of 42.2%.

DBRS Morningstar Viewpoint

Whole loan proceeds of $36.2 million, along with $7.1 million of sponsor equity, were used to acquire Mountainview Gardens for a purchase price of $39.2 million. The loan includes a $2.4 million future funding piece that will be used to renovate the property. Based on the whole loan amount, the as-is and stabilized values of $39.2 million and $48.0 million reflect an as-is and stabilized LTV of 92.3% and 75.4%, respectively. The floating-rate loan has a five-year fully extended term that is IO until maturity.

Built in 1968, the subject was 97.3% occupied as of May 2021. The borrower acquired the property in June 2021 and plans to complete a propertywide renovation using the $2.4 million of future funding. There are 38 units that have already been renovated by the seller that achieve roughly $50–$200 per month higher rental rates. Over the next three years, the sponsor plans to renovate 196 units with updated cabinets, granite countertops, stainless-steel appliances, and general improvements to the bathrooms, flooring, lighting, and painting. The sponsor also plans to make general exterior improvements as well as add a new fitness center. Given the property has not had an upgrade this significant since 1968, DBRS Morningstar believes the sponsor should achieve a similar premium already achieved on the 38 previously renovated units.

As the sponsor's primary focus is multifamily rehabilitation within New York and New Jersey, it has completed several similar projects in the area and will able to leverage existing relationships with its management team and local contractors. Its prior history, experience, and relationships in the submarket will increase the success rate of the business plan.

As of May 2021, the property was 97.3% occupied. There were only six vacant units, which were formerly occupied by the seller and the seller's family members. These units were part of the original 38 that had been renovated and had not been receiving rent while the seller and family were in occupancy. Inclusive of these six units, the property had been operating at 100% occupancy, indicating a strong demand for the subject. The seller and family vacated at closing, leaving six fully renovated units ready to be leased.

Unit Mix and Rents

Unit Type	No. of Units	Avg. Unit Size (sf)	In-place Rent/Mo. ($)
Studio	61	340	856
1 Bedroom	105	772	1,191
2 Bedroom	92	976	1,489
3 Bedroom	3	1,167	-
Total/WA	**261**	**747**	**1,204**

Source: Rent roll dated April 2021.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Olde Post Mall Apartments	Fishkill, NY	2.0	280	1976	95.0	1,250	791
Tompkins Terrace	Beacon, NY	3.9	193	1974	96.0	1,056	981
Riverbend at Wappingers Falls	Wappingers Falls, NY	6.1	124	2007	98.0	1,700	1227
Vista Point Apartment Homes	Wappingers Falls, NY	4.0	288	1993	98.0	1,900	1137
Chelsea Ridge	Wappingers Falls, NY	3.7	835	1966	96.0	1,570	979
Hudson View Park	Beacon, NY	4.5	510	1966	95.0	1,330	794
Total/WA Comp. Set	**Various**	**Various**	**2,230**	**Various**	**96.0**	**1,480**	**947**
Mountainview Gardens	**Fishkill, NY**	**n/a**	**261**	**1968**	**97.3**	**1,191**	**829**

Source: Appraisal.
Avg. Rental Rate Per Unit based on 1 Bedroom/1 Bath units.

As seen in the appraiser's competitive set above, the property achieves rental rates that are below market, which range between $1,056 and $1,900 per unit. However, the property achieves a superior occupancy at 97.3% compared to the competitive set's. Given the subject's vintage and lack of recent renovations, the property has been unable to achieve rental rates in line with competitors. The sponsor's planned renovations will likely bring the property's rental rates back to market levels.

Overall, the property has been owned and managed by a noninstitutional owner for the last 30 years, and while the subject has maintained a strong occupancy, the sponsor will implement necessary upgrades to keep the property competitive with others in the submarket.

Vesta OKC Portfolio

Loan Snapshot

Seller
SGCP
Ownership Interest
Fee Simple
Trust Balance ($ million)
33.5
Loan PSF/Unit ($)
61,020
Percentage of the Pool (%)
7.4
Fully Extended Loan Maturity/ARD
August 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
1.1
DBRS Morningstar Stabilized DSCR (x)
1.7
DBRS Morningstar As-Is Issuance LTV (%)
87.3
DBRS Morningstar Stabilized Balloon LTV (%)
70.7
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
33.5
Pari Passu
0.0
Remaining Future Funding
5.5
Mortgage Loan Including Future Funding
39.0
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
10.8

Source: ASR.

Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	Various
City, State	Oklahoma City, OK	**Physical Occupancy (%)**	96.5
Units/SF	549	**Physical Occupancy Date**	June 2021

The loan is secured by the borrower's fee-simple interest in Vesta OKC Portfolio, a 549-unit multifamily portfolio in Oklahoma City. Initial loan proceeds of $33.5 million, along with $10.8 million of sponsor equity, were used to acquire the property for a purchase price of $42.5 million, fund minimal immediate repair costs, and cover a capex reserve and closing costs. The loan is structured with an additional $5.5 million future funding component for the business plan, equating to a whole-loan amount of $39.0 million. Based on the whole-loan amount, the as-is and stabilized values of $44.7 million and $55.2 million, respectively, reflect as-is and stabilized LTVs of 87.4% and 70.7%, respectively. The floating-rate loan has a five-year fully extended term that is IO until maturity.

Portfolio Summary

Property	City, State	Units	Year Built/ Renovated	Cut-Off Date Loan Amount ($)	% of Cut-Off Date Loan Amount	Occupancy (%)
Wedgewood Village	Oklahoma City, OK	301	1974	18,907,054	56.4	94.7
Esplanade by the Lake	Oklahoma City, OK	136	1970	7,952,968	23.7	99.3
Mansion West	Oklahoma City, OK	78	1984	4,501,680	13.4	98.7
Salem West	Oklahoma City, OK	34	1970	2,138,298	6.4	97.1
Total/WA	**Oklahoma City, OK**	**549**	**1975**	**33,500,000**	**100.0**	**96.5**

Unit Mix and Rents			
Unit Type	No. of Units	Avg. Units Size (sf)	In-place Rent/Mo. ($)
1 Bedroom	189	752	783
2 Bedroom	315	1,026	909
3 Bedroom	44	1,242	1,017
4 Bedroom	1	2,688	1,350
Total/WA	**549**	**952**	**875**

Source: Rent roll dated June 2021.

Built between 1970 and 1984, the portfolio comprises four garden-style, Class B multifamily properties that range between 34 and 301 units. All properties are within a 2-mile radius in suburban northwest Oklahoma City, approximately 5 miles northwest of the Oklahoma City CBD. In total the properties include 84 total buildings with either one or two stories. Post-closing, the sponsor will begin the business plan to renovate each property. The portfolio was 96.5% occupied as of June 2021.

Sponsorship

The three sponsors for this transaction are individuals with significant multifamily experience across the country, including the chief executive officer of Vesta Capital and Vesta Realty. Each sponsor either currently manages or has managed a portfolio of assets ranging from $308 million to $2.0 billion. Collectively, the sponsors have decades of experience in the multifamily industry, focusing on asset management, property acquisition, deal structure, and brokerage. To date, the sponsors have acquired five multifamily properties in the Oklahoma City market. The four guarantors for the transaction meet the $20.0 million net worth and $3.8 million liquidity requirements.

No bankruptcy, foreclosure, or current litigation issues were noted for any of the guarantors. One sponsor/guarantor noted prior defaults during the Great Recession. These issues were settled and fully satisfied by the sponsor/guarantor.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

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

DBRS Morningstar NCF Summary

NCF Analysis

	2019	2020	T-12 May 2021	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,213,234	5,288,636	5,382,276	6,389,371	6,036,600	-5.5
Other Income ($)	417,866	434,027	493,020	524,511	493,020	-6.0
Vacancy & Concessions ($)	-603,130	-876,669	-1,034,237	-572,767	-564,012	-1.5
EGI ($)	**5,027,970**	**4,845,994**	**4,841,059**	**6,341,116**	**5,965,607**	**-5.9**
Expenses ($)	2,824,953	2,834,885	3,059,017	3,107,476	2,985,015	-3.9
NOI ($)	**2,203,017**	**2,011,109**	**1,782,042**	**3,233,640**	**2,980,592**	**-7.8**
Capex ($)	0	0	0	137,250	137,250	0.0
NCF ($)	**2,203,017**	**2,011,109**	**1,782,042**	**3,096,390**	**2,843,342**	**-8.2**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria.* The resulting DBRS Morningstar Stabilized NCF was $2,843,342, representing a -8.2% variance from the Issuer's stabilized NCF.

The primary driver of the variance was GPR. DBRS Morningstar assumed a 30.0% return on investment based on the interior renovation budget purposed in the sponsor's business plan. The final rental rate of $916 per unit is supported by comparable properties identified by Reis and the appraiser.

DBRS Morningstar Viewpoint

The seller for this transaction, an Alabama-based real estate investment company, has decided to withdraw from the Oklahoma market. The seller's assets have historically been poorly managed with significant write-offs, below-market rents, and economic vacancies above the submarket. The seller was unable or unwilling to invest the necessary capital needed to maintain the properties. The sponsor was able to capitalize and receive a discount on the four properties by acquiring them together, allowing the seller to pull out of the market. The discounted purchase price and history of mismanagement should provide the sponsor an excellent opportunity for growth.

The sponsor has prior experience in the Oklahoma City market completing similar business plans. To date, the sponsor has acquired five properties (1,600 units) in Oklahoma City with the intention of increasing occupancy and NOI. The sponsor successfully achieved its goal at all five properties by implementing a similar capital improvement scheduled for the subject portfolio.

The renovation plan includes a mix of immediate repairs and interior/exterior improvements. For unit interiors, the renovations call for black appliances, resurfaced or new kitchen countertops, upgraded cabinets, updated bathrooms, new faux-wood flooring, and paint. Based on the interior renovation budget, the sponsor will be spending roughly $5,519 per unit. In addition, a substantial sum will be spent on exterior items, some of which are cosmetic in nature and would be expected to drive rents higher while some are more in the category of base building improvements and will not increase rents (e.g., roofs). While this will certainly be enough to improve the units and the overall appeal of the property, DBRS Morningstar does not believe this will push the property to above-market levels in regard to rental rates. The Issuer estimates an increase in rental rates by roughly $192 per unit, while DBRS Morningstar concluded to an increase in rental rates by approximately $138 per unit.

The borrower will have the option of releasing only Mansion West Apartments and Salem West Apartments from the collateral subject to a release price of 125% of each property's allocated loan amount. This release would also be subject to the remaining collateral reflecting a post-release debt yield of no less than 8.0% and an LTV of no more than 70.0%. Given these are the two smallest properties in the portfolio and the substantial release price of 125%, DBRS Morningstar is comfortable with the structure of these release provisions.

Overall, the property has been owned and mismanaged by a seller trying to withdraw from the market. The sponsor has capitalized on a discounted opportunity to implement a proven business plan that the sponsor has successfully completed on five other properties in the market. While the repairs and business plan are necessary to bring the subject to a competitive level within the market, DBRS Morningstar does not believe the subject will outperform the market after the business plan is complete. The modeled expected loss is relatively high compared with the overall pool, driven largely by the high DBRS Morningstar As-Is LTV of 87.4% and suburban location within a relatively small market. However, based on the DBRS Morningstar Stabilized NCF, the exit debt yield of the loan at 7.3% is in line with recently securitized Freddie Mac loans in the Oklahoma City MSA and speaks well to the likelihood of refinance.

Bay One Apartments

Loan Snapshot

Seller
SGCP
Ownership Interest
Fee Simple
Trust Balance ($ million)
25.2
Loan PSF/Unit ($)
277,377
Percentage of the Pool (%)
5.6
Fully Extended Loan Maturity/ARD
July 2024
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.3
DBRS Morningstar Stabilized DSCR (x)
1.4
DBRS Morningstar As-Is Issuance LTV (%)
64.8
DBRS Morningstar Stabilized Balloon LTV (%)
64.8
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
25.2
Pari Passu
0.0
Remaining Future Funding
3.8
Mortgage Loan Including Future Funding
29.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(1.5)

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2020/n/a
City, State	Bayonne, NJ	**Physical Occupancy (%)**	49.5
Units	91	**Physical Occupancy Date**	June 2021

The loan is secured by the borrower's fee-simple interest in Bay One, a 91-unit apartment complex in Bayonne, New Jersey. Initial loan proceeds of $25.0 million and future loan proceeds of $4.0 million will refinance existing debt of approximately $22.6 million, fund future TI/LC costs of $2.5 million, return approximately $1.5 million of cash equity to the borrower, and cover closing costs. Recently built in 2020, the collateral is a Class A multifamily property with ground floor retail space over a structured parking garage. The subject property was built for a total cost of $52.9 million through a $29.0 million construction loan and $23.9 million of borrower equity. The two-year initial loan term and the one 12-month extension option are IO throughout.

The subject sits roughly five miles southwest of Jersey City and about 0.5 miles south of the New Jersey Turnpike, linking the property to Newark and surrounding cities. In aggregate, the immediate area is suburban with surrounding uses consisting of smaller retail centers, restaurants, and other multifamily properties.

Unit Mix and Rents - Bay One

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	6	491	1,733
Studio (Den)	6	667	2,043
I BR	41	685	2,151
1BR (Den)	14	914	2,559
2 BR	24	1094	3,077
Total/WA	91	814	2,423

Source: June 2021 rent roll.

Collateral Summary

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
Woodmont Bay Club at Bayonne	Bayonne, NJ	0.6	220	2019	97.0	2,429	938
19 East 19th Street	Bayonne, NJ	1.6	138	2018	95.0	2,305	899
B22 - 477 Broadway	Bayonne, NJ	1.4	72	2020	92.0	2,118	846
Park Bayonne	Bayonne, NJ	0.4	60	2015	97.0	2,505	984
Bay 151	Bayonne, NJ	0.3	200	2020	98.0	2,310	835
Lofts 222	Bayonne, NJ	1.5	70	2019	95.0	2,699	1,011
Total/WA Comp Set	**Bayonne, NJ**	**Various**	**690**	**2019**	**96.4**	**2,344**	**895**
Bay One	**Bayonne, NJ**	**n/a**	**91**	**2020/n/a**	**49.5**	**2,423**	**814**

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

Sponsorship

The sponsor for this transaction is 957 Broadway Manager, LLC, a new entity formed by three experienced real estate executives. The members have varying degrees of multifamily, self-storage and other commercial real estate experience. Additionally, the sponsorship has development experience in the submarket with the construction of Bay 151, a 200-unit multifamily property. A third-party management company, Greystar Investment Management (Greystar), provides property management for a contractual management fee of 3.0%. As of June 30, 2021, the management company has a portfolio of over 181,000 units under management across the world, equating to approximately $45.1 billion. Additionally, the management company has more than $18.0 billion of assets under development.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar toured the interior and exterior of Bay One on Wednesday, August 25, 2021. Based on the guided management tour, DBRS Morningstar found the property quality to be Above Average.

Bay One is on the corner of Broadway and 46th Street in Bayonne, New Jersey, one block from the Hudson-Bergen Light Rail (HBLR) 45th Street Station and two blocks from N.J. Route 440, which connects to I-78 and the New Jersey Turnpike. As such, the property has excellent accessibility to Manhattan, 15 miles to the northeast, to Hudson County towns serviced by the HBLR, and to points south in New Jersey. Newark Liberty International Airport, eight miles east of the property, is a 15 minute drive.

The property is one of the tallest buildings on Broadway and has excellent visibility and curb appeal. Broadway is one of the main thoroughfares running north-south through the length of Bayonne and has significant commercial and retail developments. Two power centers, Bayonne Crossing and South Cove Commons, are within two miles of the property, as are two hospitals, the Bayonne Medical Center and a branch of the Jersey City Medical Center. The neighborhoods to the east and west of Broadway are largely residential mostly consisting of single family homes interspersed with some multifamily developments. Broadway has seen significant recent development with a number of new retail stores and restaurants opening along the street. The east side of Broadway across the street from the property is an Opportunity Zone and is likely to see future development, which should benefit the property.

The property was very well appointed and, being newly built, there were no deferred maintenance issues observed. DBRS Morningstar toured several vacant units, the common amenity areas, the retail space, and the parking garage. All units have floor-to-ceiling windows, allowing for ample light. They have faux-wood vinyl flooring, stainless steel appliances, and full-size washers/dryers. All units have in-unit HVAC systems, connected to a building-wide system. Amenities include a well-equipped fitness center, a screening room, meeting rooms for tenant use, a children's playroom, and lounges with a pool table, foosball table, and a coffee bar. There are also outdoor amenity spaces, including a rooftop deck equipped with grills and outdoor seating. Additional outdoor amenities include a dog-park and a pet-grooming area. The property has a back-up generator that can power all in-unit appliances and two outlets in the event of a power-outage. The lobby has secure lockers to facilitate online deliveries. Finally, an underground garage provides 150 parking spaces and is accessible from the street level by two car elevators.

According to management, 60 units were leased and occupied as of the day of the DBRS Morningstar property inspection, and it expected to reach stabilized occupancy by the end of October 2021. Build-out work for the retail space, leased to an Italian restaurant, was in final stages of permitting and approval per management, and it expected to deliver the space by the end of Q2 2022. The sponsor is building out a small public park adjacent to the property as part of the development agreement with the city and, when complete, it would not only be an amenity to the residents but would also increase the visual appeal of the asset. Although not within the scope of the current financing, management indicated that it planned to develop an additional 70-unit property as phase II of this development.

DBRS Morningstar NCF Summary

NCF Analysis

	T-3 May 2021	Sponsor Yr 1	Appraisal Yr 2	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	2,689,780	2,628,934	2,772,187	2,842,101	2,646,037	-6.9
Other Income ($)	82,916	240,164	748,811	652,785	478,780	-26.7
Vacancy & Concessions ($)	-2,065,741	-697,837	-7,800	-263,790	-323,895	22.8
EGI ($)	**706,955**	**2,171,261**	**3,513,198**	**3,231,096**	**2,800,921**	**-13.3**
Expenses ($)	1,112,567	1,111,635	1,529,517	1,083,255	1,018,728	-6.0
NOI ($)	**-405,613**	**1,059,626**	**1,983,681**	**2,147,841**	**1,782,193**	**-17.0**
Capex ($)	0	22,750	18,746	22,750	24,268	6.7
NCF ($)	**-405,613**	**1,036,876**	**1,964,935**	**2,125,091**	**1,757,925**	**-17.3**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,757,925, representing a -17.3% variance from the Issuer's as-stabilized NCF of $2,125,091. The main drivers of the variance were GPR, parking income, vacancy, and concessions. DBRS Morningstar estimated stabilized GPR to be based on leases in place according to the June 2021 rent roll with vacant units grossed up at the average of in-place rents. Parking income was set to $100 per month across 115 spaces allocated to the residential units. Additionally, the appraiser estimated that the property could achieve $100 to $135 per month per stall. Vacancy was set to the Northern New Jersey submarket average of 7.9%. Furthermore, within a three-mile radius, the submarket has averaged a higher vacancy of 9.3%. Lastly, DBRS Morningstar estimated concessions to be based on one month free and 50.0% renewal probability. According to issuer provided data, the subject property is currently offering up to three months of free rent.

DBRS Morningstar Viewpoint

The sponsor's business plan consists of continuing the lease-up efforts to reach a stabilized occupancy while burning off concessions. As of June 2021, concessions of up to three months were being offered at the subject property with six to 12 months of free parking being offered to new tenants on a 15-motnh lease. Recently completed in October 2020, the property has achieved 49.5% occupancy as of the June 2021 rent roll, in under a year of operation and despite opening during the coronavirus pandemic. As of the DBRS Morningstar site inspection in August, the occupancy level had risen to approximately 52%

Based on the June 2021 rent roll, the property demonstrated an average rental rate of $2,423 per unit, which is in line with comparable properties as identified by the appraiser but at a discount compared with the average of properties within the Hudson County submarket of $3,151 per unit. Properties of a similar vintage as the subject have an even higher average rental rate of $3,143 per unit, demonstrating the future opportunity for upside potential. With consideration to the collateral's 2020 vintage, unit interiors and amenities are upscale, consisting of quartz or granite countertops, stainless steel appliances, and in-unit washers/dryers. With no capital improvements planned over the loan term, DBRS Morningstar believes that it is unlikely that the property will achieve higher rental rates than are being achieved by comparable properties in the market. Overall, DBRS Morningstar conservatively assumed a stabilized NCF 10.5% below the appraiser's year 2 NCF.

The fully funded mortgage loan balance of $29.0 million represents a moderate DBRS Morningstar LTV of 64.8%. The stabilized appraised value of $545,055 per unit is above the average of recent sales comparables as identified by the appraiser of $494,392 per unit but within the wider range of $409,483 to $699,735 per unit. While the property's elevated valuation against recent sales comparables demonstrates an increased level of credit risk, the property is within a DBRS Morningstar Market Rank 5 and MSA Group 3, both of which have historically demonstrated lower loan PODs and LGDs. In aggregate, the loan's credit metrics and MSA result in an expected loss that is below the deal average.

Center Place Apartments

Loan Snapshot

Seller
SGCP
Ownership Interest
Fee Simple
Trust Balance ($ million)
24.3
Loan PSF/Unit ($)
125,036
Percentage of the Pool (%)
5.3
Fully Extended Loan Maturity/ARD
July 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
1.2
DBRS Morningstar Stabilized DSCR (x)
1.3
DBRS Morningstar As-Is Issuance LTV (%)
82.9
DBRS Morningstar Stabilized Balloon LTV (%)
74.0
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
24.3
Pari Passu
0.0
Remaining Future Funding
1.9
Mortgage Loan Including Future Funding
26.2
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
8.6

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
Property Type	Multifamily	**Year Built/Renovated**	1984/2020
City, State	Arlington, TX	**Physical Occupancy (%)**	97.4
Units	194	**Physical Occupancy Date**	June 2021

The loan is secured by the borrower's fee-simple interest in Center Place Apartments, a 194-unit apartment complex in Arlington, Texas. Initial loan proceeds of $24.3 million, future loan proceeds of $ 1.9 million, and approximately $8.6 million of borrower cash equity will facilitate the acquisition of the subject property for $31.5 million, complete $1.9 million of capital improvements, and cover closing costs. The three-year initial loan term and the two 12-month extension options are IO throughout.

The property was built in two phases with the first phase of 100 units being completed in 1984 while the remaining 94 units were built in 2014. Located in Arlington, the subject sits roughly 18 miles southeast of downtown Fort Worth and about 27 miles southwest of the Dallas CBD. More specifically, the collateral is located less than two miles north of I-20 (Ronald Reagan Memorial Hwy), linking the subject to downtown Dallas, Fort Worth, and other cities though connections to I-820 and I-35E. In aggregate, the immediate area is suburban in nature with surrounding uses consisting of smaller retail centers, restaurants, and other multifamily properties.

Unit Mix and Rents - Center Place Apartments			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
One Bedroom	80	750	1,013
Two Bedroom	114	991	1,317
Total/WA	**194**	**891**	**1,192**

Source: June 2021 rent roll.

Collateral Summary

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
Arlington Hills	Arlington, TX	0.4	171	1985	98.0	1,222	987
Arbrook Park	Arlington, TX	2.0	444	1998	96.0	1,405	1,019
Springfield Crossing	Arlington, TX	2.6	252	1984	98.0	1,072	816
Bardin Greene	Arlington, TX	2.1	285	2001	97.0	1,210	852
The Park at Ashford	Arlington, TX	2.2	144	1984	98.0	1,368	849
Total/WA Comp Set	**Arlington, TX**	**Various**	**1,296**	**1990**	**97.1**	**1,269**	**920**
Center Place Apartments	**Arlington, TX**	**n/a**	**194**	**1984/2020**	**97.4**	**1,192**	**891**

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

Sponsorship

The sponsor for this transaction is Civitas Capital Management, LLC. Founded in late 2008, this company manages private investment funds. As of YE2020, the company owned more than 18 assets—six of which are multifamily with the largest focus on hotels. The sponsorship is controlled by Dan Healy and G. Brint Ryan who contribute more than 20 years of real estate experience.

A third-party management company, Valiant Residential, provides property management for a contractual management fee of 3.0%. The Dallas-based company was formed in 1987 and currently manages more than 80 multifamily properties comprising more than 200,000 units in Texas, Oklahoma, and Florida.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar did not conduct a site inspection of the property as a result of health and safety constraints associated with the ongoing 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 May 2021	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	2,571,064	2,671,712	2,733,593	3,207,503	2,935,020	-8.5
Other Income ($)	307,756	280,399	284,131	381,580	362,374	-5.0
Vacancy & Concessions ($)	-161,762	-137,124	-141,347	-240,562	-235,648	-2.0
EGI ($)	**2,717,058**	**2,814,987**	**2,876,377**	**3,348,521**	**3,061,746**	**-8.6**
Expenses ($)	1,285,798	1,304,700	1,311,093	1,600,496	1,509,567	-5.7
NOI ($)	**1,431,260**	**1,510,287**	**1,565,284**	**1,748,025**	**1,552,179**	**-11.2**
Capex ($)	0	0	0	48,500	48,500	0.0
NCF ($)	**1,431,260**	**1,510,287**	**1,565,284**	**1,699,525**	**1,503,679**	**-11.5**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,503,679, representing a -11.5% variance from the Issuer's as-stabilized NCF of $1,699,525. The main drivers of the variance were GPR, vacancy, and operating expenses. DBRS Morningstar estimated stabilized GPR to be based on leases in place according to the June 2021 rent roll, with vacant units grossed up at market rent and credit for the premiums expected to be achieved (as outlined by the sponsor) for the 132 units to be renovated. The WA premium for the 132 renovated units is expected to be approximately $100 per unit. Vacancy was set at 5.0%, which is more conservative when compared with the South East submarket average of 3.8%, according to Reis Q1 2021 data. Additionally, the vacancy rate at the property was already above this level with its occupancy rate of 97.4% as of the June 2021 rent roll. Lastly, DBRS Morningstar generally estimated operating expenses to be based on the T-12 ended May 31, 2021, inflated by 10.0%.

DBRS Morningstar Viewpoint

The sponsor's business plan consists of using future loan proceeds of approximately $1.9 million for interior and exterior improvements. Of this amount, approximately $1.1 million will be allocated to the interior renovations of 132 units (68.0% of the total units), representing $8,352 per renovated unit. Unit interior improvements will consist of new stainless steel kitchen appliances and washers/dryers as well as faux wood flooring. The remaining $837,190 will be used to make exterior improvements, with the majority of funds being allocated to covered parking and parking lot repairs. Based on the June 2021 rent roll, the property demonstrated an average rental rate of $1,192 per unit, which is at a slight discount compared with the average rent of $1,269 per unit for the comparable properties identified by the appraiser. With consideration given to the sponsor's business plan and after accounting for the rental premium following unit renovations, DBRS Morningstar estimated the subject property could achieve an average rent of $1,261 per unit, which is directly in line with the appraiser's competitive set. This shows that the sponsor's business plan is feasible and that rental growth can be achieved. According to the June 2021 rent roll, the subject was 97.4% occupied, which is directly in line with the market. With the increase in asking rents upon completion of the capital improvement plan, DBRS Morningstar believes that the property will continue to be well occupied over the fully extended loan term, given its current position within the market and the small overall premium on in-place rents.

The fully funded mortgage loan balance of $26.2 million represents a highly elevated issuance LTV of 82.9%, based on the as-is appraised value of $31.6 million. Based on a higher stabilized appraised value of $35.4 million, the loan will represent a more favorable, but still elevated, balloon LTV of 74.0%. The stabilized value of $182,474 per unit is above the average of $150,581 per unit of recent sales comparables identified by the appraiser and above the recent sales range of $125,490 to $181,641 per unit. While the Issuer's stabilized implied cap rate of 4.8% is slightly lower than the appraiser's concluded cap rate of 5.0%, the Issuer's implied cap rate sits within the range of 4.6% to 5.4% (average of 4.9%) for comparable sales. The property is within the DBRS Morningstar Market Rank 4, which typically demonstrates higher loan PODs and LGDs, and also within the less favorable MSA Group 1. In aggregate, the sponsor's business plan appears achievable, but the loan's credit metrics and market rankings result in an expected loss above the deal average.

Breakwater Apartments

Loan Snapshot

Seller	SGCP
Ownership Interest	Fee Simple
Trust Balance ($ million)	22.8
Loan PSF/Unit ($)	292,115
Percentage of the Pool (%)	5.0
Fully Extended Loan Maturity/ARD	September 2026
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.8
DBRS Morningstar Stabilized DSCR (x)	0.9
DBRS Morningstar As-Is Issuance LTV (%)	89.4
DBRS Morningstar Stabilized Balloon LTV (%)	80.5
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average+

Debt Stack ($ millions)

Trust Balance	22.8
Pari Passu	0.0
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	22.8
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	(3.8)

Source: ASR.

Source: PCA.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2020
City, State	Traverse City, MI	**Physical Occupancy (%)**	95.1
Units/SF	78	**Physical Occupancy Date**	July 2021

This loan is secured by the borrower's fee-simple interest in Breakwater Apartments, a 78-unit, Class A multifamily mid-rise with 9,805 sf of ground-floor retail space located across the street from Duncan L. Clinch Marina and Clinch Park Beach in Traverse City, Michigan. The collateral was developed by the transaction sponsor for a reported cost basis of approximately $31.2 million and was delivered to market in 2020. Despite being delivered during the height of the ongoing coronavirus pandemic, the collateral achieved 96.2% occupancy as of the May 2021 rent roll with only one vacant multifamily unit and one vacant retail suite. The transaction sponsor also reported consistent rental collections through May 2021. The transaction sponsor plans to continue to drive residential rental rates, lease the single remaining retail vacancy, and contest the in-place real estate tax assessment to reduce the collateral's expense load through stabilization. Mortgage loan proceeds of $22.8 million refinanced nearly $17.1 million of existing debt on the property, returned more than $3.8 million of cash equity to the transaction sponsor, paid leasing costs of $49,769, covered construction costs of $107,077, paid real estate taxes due of $412,061, covered $471,372 of closing costs and lender fees associated with the transaction, and funded tax, insurance, and construction escrows totaling $556,374. The three-year, full-term IO floating-rate loan is structured with two 12-month extension options that are exercisable subject to, among other criteria, the collateral's satisfaction of a certain minimum debt yield, a minimum DSCR, and maximum LTV hurdles set forth in the initial loan agreement.

Unit Mix and Rents - Breakwater Apartments			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	24	450	1,145
1 Bed	35	670	1,551
2 Bed	16	1,047	2,165
3 Bed	3	2,115	4,320
Total/WA	**78**	**735**	**1,659**

The collateral comprises a single three-story multifamily building with 130 garage parking spaces and 9,805 sf of ground-floor retail space divided among three retail suites. Propertywide amenities generally include keyless entry, a dog run, a pet wash, a bike room, a tenant clubhouse, storage, and outdoor grilling areas. Unit amenities generally include stainless-steel kitchen appliances, quartz kitchen countertops, in-unit washer and dryer units, balconies, polished and stained concrete floors, fiber internet, and fireplaces in select units. As of securitization, two of the collateral's three ground-floor retail suites were occupied. Retail tenants include The Tasting Room, a bar and restaurant with a distillery, and Christie's International Real Estate, a realtor's office. The occupied retail space totals 7,405 sf with a single 1,400-sf suite still vacant at the time of securitization.

Competitive Set					
Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)
Traverse City Lofts	Traverse City, MI	0.6	39	2018	100.0
East Bay Flats	Traverse City, MI	2.3	67	1978	100.0
Lake View Lofts	Muskegon, MI	129.0	20	2019	100.0
Springs at Knapps Crossing	Grand Rapids, MI	132.0	248	2018	94.4
The Vista at The Heights	Lansing, MI	173.0	124	2015	92.7
Total/WA Comp. Set	**Various**	**114.3**	**498**	**2010**	**95.4**
Breakwater Apartments	**Traverse City, MI**	**n/a**	**78**	**2020**	**95.1**

Source: Appraisal, except the subject figures are based on the rent roll dated May 11, 2021.

Sponsorship

The sponsor for this loan is Innovo Development Group, a Michigan-based development group. The sponsor is backed by Jay Gudebski, who also serves as the nonrecourse carveout guarantor for this transaction. Gudebski must maintain a minimum net worth equal to $50.0 million and minimum liquidity of $5.0 million throughout the loan term. DBRS Morningstar assessed the sponsor strength as Average in its model. The sponsor's cost basis in the collateral totals nearly $31.2 million, with approximately $9.0 million of cash equity remaining in the transaction as of loan closing.

Innovo Property Management, LLC, an affiliated management company, provides management services for the transaction collateral for a contractual rate equal to 3.0% of EGI. Innovo Property Management, LLC reported management interests in a variety of industrial, retail, and multifamily assets generally located across the Midwest and Florida.

DBRS Morningstar Analysis

Site Inspection Summary

Source: PCA.

Source: PCA.

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

DBRS Morningstar NCF Summary

NCF Analysis

	2020	T-12 July 2021	Budget Yr 1	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	367,383	1,284,447	1,923,924	1,935,973	1,818,766	-6.1
Other Income ($)	90,108	186,032	202,020	251,528	202,020	-19.7
Vacancy & Concessions ($)	0	0	-80,047	-106,479	-119,900	12.6
EGI ($)	**457,491**	**1,470,479**	**2,045,897**	**2,081,022**	**1,900,886**	**-8.7**
Expenses ($)	365,914	783,398	541,417	575,608	769,311	33.7
NOI ($)	**91,577**	**687,082**	**1,504,480**	**1,505,414**	**1,131,575**	**-24.8**
Capex ($)	0	0	0	15,600	41,462	165.8
NCF ($)	**91,577**	**687,082**	**1,504,480**	**1,489,814**	**1,090,113**	**-26.8**

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 $1,090,113, representing a -26.8% variance from the Issuer's stabilized NCF of $1,489,814. The primary drivers of the variance included real estate taxes, GPR derived from residential units, parking income, commercial leasing costs, and commercial vacancy.

DBRS Morningstar generally estimated real estate taxes based on the collateral's actual tax liability. By contrast, the Issuer estimated real estate taxes based on the borrower's budget, which reflected a tax reduction resulting from the borrower's successful appeal of the collateral's in-place tax assessment. As of securitization a successful appeal and reassessment in line with the borrower's projected budget could not be confirmed, nor was a timeline available to establish timing for the proposed reassessment. DBRS Morningstar estimated GPR from residential units based on leases in place per the May 2021 rent roll provided with vacant units grossed-up to the average of in-place rents achieved by their corresponding respective unit types. The resulting DBRS Morningstar residential GPR reflects a stabilized average monthly rent per unit of $1,658 compared with the Issuer's stabilized estimate of $1,775. DBRS Morningstar generally estimated parking, utility reimbursement, and other income line items based on the borrower's budgeted amount, which was generally consistent with the income achieved by the collateral over the T-12 period ended July 31, 2021. By contrast, the Isser generally inflated parking and other income line items 3.0% annually over the appraiser's Year 1 estimate. Based on the historical operating financials provided, the collateral did not achieve any parking income through 2020 nor the T-12 period ended July 31, 2021. DBRS Morningstar estimated commercial leasing costs of approximately $2.00 per commercial sf, while the Issuer did not estimate any commercial leasing costs. DBRS Morningstar lastly estimated commercial vacancy of 10.0% compared with the Issuer's commercial vacancy loss estimate of 5.0%.

DBRS Morningstar Viewpoint

The collateral is generally well located and within walking distance of Traverse City's dining and nightlife district downtown and just across West Grandview Parkway from Duncan L. Clinch Marina, Clinch Park, and Clinch Park Beach. Nonetheless, Traverse City is generally not considered to be a top MSA, and the collateral's surrounding area is, at best, suburban infill density. The area is in a DBRS Morningstar MSA Group of 0 and a DBRS Morningstar Market Rank of 2. Loans secured by properties in such areas have historically demonstrated elevated losses compared with loans secured by assets in more densely populated and more financially liquid markets. Fortunately, the collateral offers favorable new-build asset quality, evidenced by a DBRS Morningstar property quality score of Average +. Additionally, strong demand for the collateral's product offering is clearly supported by the collateral's expedited lease-up and its achievement of strong, stabilized residential occupancy rates in less than a year during the height of the ongoing coronavirus pandemic. The transaction sponsor reported consistent rental collections through May 2021, which is largely reflective of the collateral's generally above-average income tenant base.

Loan proceeds of nearly $22.8 million represent a relatively high LTV ratio of 89.4% based on the appraiser's July 2021 value estimate of $25.5 million. The appraiser estimates the value of the collateral to improve to $28.3 million through stabilization, representing an LTV ratio of 80.5% that is still generally indicative of high-leverage financing. The DBRS Morningstar Stabilized NCF represents a concerningly low DSCR of 0.93x based on the DBRS Morningstar stressed annual debt service payment of approximately $1.2 million, providing insufficient cash flow to cover to support ongoing debt service payments and zero buffer for ongoing debt service maintenance in the event of a market downturn. The transaction sponsor's ability to improve the DSCR through stabilization largely relies on a successful appeal of the collateral's in-place tax assessment, and the loan is structured with $412,061 of reserves to cover 2021 real estate tax expenses.

The transaction represents cash-out refinancing, returning approximately $3.8 million of cash equity to the transaction sponsor at closing and reducing the sponsor's overall basis in the underlying collateral. The transaction's sponsorship team is locally experienced and will retain nearly $9.1 million of equity in the transaction at closing, demonstrating a significant capital commitment from the sponsor to the successful execution of the collateral's proposed stabilization plan. In terms of ability to refinance upon stabilization, the debt yield based on the DBRS Morningstar Stabilized NCF is 4.8%, which is significantly below the 10.9% average debt yield of properties securitized in Freddie Mac transactions within a 15.0-mile radius of the collateral, indicating a reasonable challenge to refinancing without the sponsor injecting additional equity. Holding all else constant but assuming the sponsor is successful in appealing and reducing the collateral's in-place tax assessment, the DBRS Morningstar debt yield would improve to 5.5% (assuming the revised tax assessment is in line with the appraiser's estimated market tax assessment).

Dior

Loan Snapshot

Seller	SGCP
Ownership Interest	Fee Simple
Trust Balance ($ million)	22.2
Loan PSF/Unit ($)	462,500
Percentage of the Pool (%)	4.9
Fully Extended Loan Maturity/ARD	March 2024
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.0
DBRS Morningstar Stabilized DSCR (x)	0.9
DBRS Morningstar As-Is Issuance LTV (%)	78.2
DBRS Morningstar Stabilized Balloon LTV (%)	73.8
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average+

Debt Stack ($ millions)

Trust Balance	22.2
Pari Passu	0.0
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	22.2
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	0.0

Source: PCA.

Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2021
City, State	Dedham, MA	**Physical Occupancy (%)**	20.8
Units/SF	48	**Physical Occupancy Date**	July 2021

This loan is secured by the borrower's fee-simple interest in Dior, a 48-unit multifamily property in Dedham, Massachusetts. Initial loan proceeds of $22.2 million will refinance approximately $17.7 million of existing debt, fund remaining construction costs estimated at $2.4 million, fund an operating and debt service reserve of approximately $1.1 million, fund TI/LC reserve of $400,000, and cover closing costs. There will be no cash returned to the borrower. The loan is fully IO throughout with an initial 24-month term with one one-year extension option. The appraiser concluded an as-is value of $28.4 million, which equates to an as-is LTV of 78.2%.

The collateral is a four-story multifamily property with 9,200 sf of retail space, and construction of the improvements has been completed as of July 2021. The sponsor broke ground in 2018, but the site work became too challenging and caused delays. As a result, the sponsor brought in Essex Builders to serve as general contractor and help complete the construction process. The current financing refinanced a construction loan from a lender that was unwilling to fund more than $1 million in cost overruns. The collateral is adjacent to the Legacy Place shopping center, which includes Whole Foods, Apple, and Lululemon, and sits less than 12 miles southeast of Boston CBD. The collateral's common amenities include an on-site manager, a common roof deck, a lobby, a fireplace, 24/7 video surveillance, key fob access, and common area Wi-Fi. Unit amenities include garage parking, an in-unit washer/dryer, and garbage disposal. The immediate area is suburban in nature with a high median income of $107,000 within a one-mile radius.

Unit Mix and Rents - Dior			
Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
1 Bed/1 Bathroom	35	791	2,950
1 Bed/1.5 Bathroom	1	1,013	2,850
2 Bed/1 Bathroom	3	1,264	3,725
2 Bed/2 Bathroom	9	1,232	3,109
Total/WA	**48**	**908**	**3,026**

Sponsorship

The sponsor and guarantor for this transaction is a merchant builder who has built thousands of homes over the past two decades. He has 100% control over the borrower entity, ACP Properties, LLC. Also, he has recently completed another 46-unit apartment project in Massachusetts, which was successfully leased at similar rents to the subject property. In addition, he owns and operates eight multifamily properties in the Boston MSA.

A third-party company, Musto Grady Management, provides property management for a contractual fee of 4.0%. Two principals of Musto Grady Management currently manage a portfolio of 11 properties in Massachusetts. They currently manage another 46-unit multifamily property for the sponsor.

DBRS Morningstar Analysis

Site Inspection Summary

Source: PCA.

Source: PCA.

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

DBRS Morningstar NCF Summary

NCF Analysis

	Budget Yr 1	Budget Yr 3	Appraisal Yr 2	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	1,607,040	1,771,762	1,610,199	1,594,992	1,582,526	-0.8
Other Income ($)	524,400	608,580	495,121	437,000	429,810	-1.6
Vacancy & Concessions ($)	-80,352	-119,017	-127,883	-110,054	-120,050	9.1
EGI ($)	**2,051,088**	**2,261,325**	**1,977,437**	**1,921,938**	**1,892,285**	**-1.5**
Expenses ($)	360,544	383,052	460,304	480,682	480,243	-0.1
NOI ($)	**1,690,544**	**1,878,273**	**1,517,133**	**1,441,256**	**1,412,043**	**-2.0**
Capex ($)	9,600	9,600	12,000	12,000	41,992	249.9
NCF ($)	**1,680,944**	**1,868,673**	**1,505,133**	**1,429,256**	**1,370,051**	**-4.1**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar NCF was $1,370,051, representing a -4.1% variance from the Issuer's Stabilized NCF of $1,429,256. The main drivers of the variance were TI/LC, retail vacancy, and GPR. DBRS Morningstar estimated stabilized TI/LC expenses based on TI expenses of $40 psf for new and $10 for renewal spaces, and LC expenses based on 4.0% for new and 2.0% for renewal spaces. DBRS Morningstar gave credit to an upfront leasing reserve of $400,000 during its stabilized TI/LC analysis. DBRS Morningstar estimated retail vacancy to be 10.0% while the Issuer estimated it at 5.0%. Finally, DBRS Morningstar estimated GPR based on the Issuer's uninflated rental rates for three units types with minimal leasing and one unit type based on signed leases from the July 2021 rent roll.

DBRS Morningstar Viewpoint

The subject is a 48-unit mid-rise multifamily property in Dedham, Massachusetts, which is located on Boston's southwest border. It was recently constructed in 2021, began leasing in July 2021, and received a temporary certificate of occupancy in July 2021 as well. The sponsor's original business plan consisted of finishing construction, leasing up the collateral, and bringing the property to a stabilized level. Since loan origination in March 2021, the construction of the property has been completed, the collateral has received a TCO, and the sponsor is currently leasing up the property. The sponsor executed 10 residential leases by July 29, 2021, demonstrating a strong interest and leasing momentum for the property. Given the leasing progress thus far and minimal remaining work, DBRS Morningstar views the sponsor's business plan to be achievable.

According to Reis, multifamily market conditions appear to be favorable to the sponsor's business plan. The subject current average in-place rent of $3,026 is substantially higher than the Reis South Shore/Route 128 South submarket rent of $1,999, but Reis submarket average rent by vintage is closer to the subject rent at $2,591 as of Q2 2021. There is a limited number of Class A multifamily comparable properties from Reis, but it identified three Class A comparable properties within a three-mile radius of the subject. The Reis comparable average rent is $3,066 per unit, which is in line with the subject's current average in-place rent per unit. Also, the average vacancy of the three identified comparables from Reis is 5.7%. Reis' South Shore/Route 128 South submarket vacancy is 5.4% as of Q2 2021, and

Reis projects the submarket vacancy will gradually decrease from 2022 to 2026, resulting in 4.8% vacancy in the year 2026. Similarly, the overall Boston multifamily market vacancy is projected to decrease from 6.6% in Q2 2021 to 5.0% in 2026. The supply in the submarket is projected to be increasing at 297 units based on Reis' five-year forecast ending 2025, but Reis also projects that the submarket will absorb 324 units, resulting in a stable construction to absorption ratio of 0.9.

The appraiser identified five competitive multifamily properties with an average year built of 2012; therefore the subject is newer than the identified competitive set. With an occupancy of 20.8%, the subject is currently achieving a lower occupancy compared to the competitive set, which ranges from 93.0% to 100%, with a WA of 95.4%. Given the property is still in lease-up and was only recently constructed, it remains uncertain what rental rates the sponsor would be able to achieve at full occupancy, and the spread of the coronavirus only complicated that estimate. In its NCF analysis, DBRS Morningstar estimated a GPR that resulted in an average rental rate of $2,747, which is slightly lower than the competitive set average of $2,875 per unit. DBRS Morningstar estimated a lower GPR per unit than the average of in-place rents as of the July 29, 2021, rent roll. DBRS Morningstar estimated its GPR based on the Issuer's uninflated rental rates for three unit types and the average of signed leases for one unit type. Because three unit types have large variances compared with the appraiser's market rent conclusions per unit type that range from $375 to $425 and have only one signed lease each, DBRS Morningstar estimated its GPR based on the Issuer's uninflated rental rates for those three unit types, which is in line with the appraiser's market rent conclusion per unit type. As the two-bedroom/two-bathroom unit type has seven executed leases as of the July 29, 2021, rent roll, DBRS Morningstar used the average of in-place rents for two-bedroom/two-bathroom unit type. Please see the table below for additional information on the competitive properties identified by the appraiser.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Jefferson at Dedham Station	Dedham, MA	0.4	300	2006	97.0	2,539	989
Avalon Station 250	Dedham, MA	0.4	273	2007	96.0	2,523	1,085
Gables University Station	Westwood, MA	2.2	350	2015	95.0	3,509	1,041
One Upland	Norwood, MA	2.3	262	2015	93.0	2,890	1,080
Dedham Square Multifamily	Dedham, MA	1.2	27	2015	100.0	1,783	731
Total/WA	**Various**	**Various**	**1,212**	**2012**	**95.4**	**2,875**	**1,040**
Dior	**Dedham, MA**	**n/a**	**48**	**2021**	**20.8**	**3,026**	**908**

Source: Appraisal, except the subject figures are based on the rent roll dated July 29, 2021.

Based on the property's as-is and stabilized values of $28.4 million and $32.4 million and the fully funded loan amount of $22.2 million, the loan exhibits relatively moderate leverage for a bridge loan at issuance of approximately 78.2% and as-stabilized of approximately 68.5%. The as-is appraised value of $28.4 million seems reasonable based on the total project cost for the subject at approximately $27.7 million, which results in a loan-to-cost ratio of 80.3%. The cost basis per unit of approximately $576,060 per unit is well within the range of sales comparables listed in the appraisal, which ranged from $395,420 per unit to $806,452, with an average of $557,535 per unit. The stabilized value per unit of $675,000 does approach the high end of the sale comparables range, so DBRS Morningstar applied a value adjustment to an as-stabilized value of $32.4 million and concluded an adjusted stabilized value of approximately $30.1 million based on a stabilized capitalization rate of 4.75%. Based on the adjusted stabilized value, the as-stabilized LTV increases to approximately 73.8% from the previous 68.5% as-stabilized LTV.

The property is located in a DBRS Morningstar Market Rank of 3, which has historically had higher POD and LGD than more urban market ranks. Despite DBRS Morningstar assigning Average + property quality because of the recent construction and high-end finishes, the weak Market Rank is elevating the expected loss to a level that is higher than the deal average expected loss but is still fairly modest for a transitional multifamily property.

Skye Luxury

Loan Snapshot

Seller	SGCP
Ownership Interest	Fee Simple
Trust Balance ($ million)	20.5
Loan PSF/Unit ($)	131,410
Percentage of the Pool (%)	4.5
Fully Extended Loan Maturity/ARD	April 2026
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	0.0
DBRS Morningstar Stabilized DSCR (x)	1.1
DBRS Morningstar As-Is Issuance LTV (%)	78.8
DBRS Morningstar Stabilized Balloon LTV (%)	72.1
DBRS Morningstar Property Type	Limited Service Hotel
DBRS Morningstar Property Quality	Average

Debt Stack ($ millions)

Trust Balance	20.5
Pari Passu	0.0
Remaining Future Funding	4.2
Mortgage Loan Including Future Funding	24.7
Loan Purpose	Recapitalization
Equity Contribution/(Distribution) ($ million)	11.6

Source: ASR.


Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2017
City, State	Leander, TX	**Physical Occupancy (%)**	50.0
Units/SF	156	**Physical Occupancy Date**	February 2021

The loan is secured by the borrower's fee-simple interest in a 156-unit mid-rise independent-living facility in Leander, Texas, approximately 25 miles north of Austin. Loan proceeds of $20.5 million along with the sponsor's equity of $11.6 million were used to recapitalize funds to pay off existing liability associated with the sponsor's subscription line of $29.8 million, fund reserves of $1.5 million, and cover closing costs and related fees. The three-year loan will remain IO throughout the term and features two 12-month extension options.

Originally built in 2017, the five-story property spans 4.57 acres, including 229 garage and carport parking spaces. Propertywide amenities are intended to be extensive and include fitness, cardio, and art studios; a movie theater; fine dining areas; wine bars; gaming areas; a wellness clinic; salons; a dog park; laundry facilities; a swimming pool; a hot tub; landscaped areas; and various social spaces. Professional staff assist with housekeeping, wellness instruction, meal preparation, and general guidance. Additionally, local transportation, daily meals including lunch and dinner, maintenance, housekeeping, and life alert monitoring are included in the rent. Interior amenities consist of composite wood cabinetry, kitchen islands, stainless-steel appliances, granite countertops, walk-in closets, washer/dryer units, and balconies in select units. There are 15 different unit layouts suited for different tenant needs including a portion of the unit mix with accessibility features. The full unit mix with average monthly rents are detailed in the table below.

Unit Mix			
Unit Type	Units	Avg. Unit Size (SF)	Rent/Month ($)
Studio	6	520	2,559
1BR/1BA	95	776	3,342
2BR/1BA	19	999	4,105
2BR/2BA	36	993	3,897

Sponsorship

Sponsorship for this loan is provided by Verena Leander Titleholder, LLC, which is a single-purpose, bankruptcy-remote joint venture among three entities managed by Green Court Partners, LLC. Green Court Partners, LLC was formed in 2002 and specializes in senior living facilities in the United States and Canada. The manager has a portfolio of more than $1.3 billion in manufactured housing facilities, senior housing, and mixed-used properties.

Skye Luxury is managed by True Connection Communities, LLC, a borrower-affiliated company, for a contractual rate of 3.0% of EGI. True Connection Communities, LLC has management interest in more than 1,800 units.

DBRS Morningstar Analysis

Site Inspection Summary

Source: ASR.

Source: ASR.

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

DBRS Morningstar NCF Summary

NCF Analysis

	2019	2020	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	7,252,540	7,249,576	7,420,748	6,721,200	-9.4
Other Income ($)	393,212	300,174	459,360	492,104	7.1
Vacancy & Concessions ($)	-4,239,901	-3,946,306	-1,099,194	-1,842,573	67.6
EGI ($)	**3,405,851**	**3,603,444**	**6,780,914**	**5,370,730**	**-20.8**
Expenses ($)	3,354,077	3,042,249	4,223,806	3,640,051	-13.8
NOI ($)	**51,774**	**561,195**	**2,557,108**	**1,730,680**	**-32.3**
Capex ($)	0	0	78,000	54,600	-30.0
NCF ($)	**51,774**	**561,195**	**2,479,108**	**1,676,080**	**-32.4**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,676,080, representing a -32.4% variance from the Issuer's stabilized NCF of $2,479,108. The main drivers of the variance were GPR and vacancy. DBRS Morningstar concluded the stabilized GPR based on appraisal estimated rental rates, which were lower than current in-place rents. Under the previous ownership, the property was imposing higher average monthly rents that contributed to its low occupancy. The borrower intends to reduce average rents to increase leasing momentum and boost occupancy. The DBRS Morningstar stabilized vacancy assumption of 22.0% was based on the appraisal estimated vacancy rate for the third year of stabilization, whereas the Issuer assumed a vacancy rate of 10% based on a five-year stabilization period.

DBRS Morningstar Viewpoint

The sponsor acquired the property in January 2021 for a total purchase price of $29.8 million ($190,705 per unit) as a distressed asset at 50.0% occupancy levels. According to the Issuer, the previous sponsor developed the property back in 2017 but struggled to lease units because it lacked experience building and operating market rate independent-living facilities. According to the appraiser, since opening in 2017, the property leased an average of only two leases per month, reaching 54% occupancy by January 2020. As of February 2021, the property was 50% occupied. The sponsor noted that although the property was highly amenitized, various design deficiencies barred the property from reaching its full potential. The sponsor's business plan incorporates $4.15 million in future funding for improvements that include installing accessibility and modifications in regard to the Americans with Disabilities Act, installing sliding doors, improving lighting, and updating furniture in all common areas while also adding system upgrades such as WiFi and security. In addition, the sponsor incorporated plans to reduce expenses by decreasing meal plans to two meals from three meals daily. To address the low vacancy, the sponsor indicated that average rental rates will decrease to allow for higher leasing momentum. While the majority of the planned improvements will be complete during the first year, the time needed to reach market-level occupancy is projected to take as long as five years. DBRS Morningstar foresees that the business plan could be achievable; however, typical commercial real estate collateralized loan obligation business plans take place within a three-year period and plans that are prolonged further decrease the predictability of borrower business plans reaching fruition.

The subject property is a 100% private pay 55+ senior retirement facility with demographics in the surrounding area that favor continued demand, according to the appraiser. Senior housing in the United States is one of the fastest growing segments due to an aging generation of Baby Boomers. Independent-living facilities such as the subject offer unique line of luxury amenities, on-site staffing support, and convenience that is increasing in demand for those aged 75+ with sufficient income to cover monthly fees. Within a 5.0-mile radius there are four medical facilities, including a general hospital located 3.6 miles away from the subject. All buildings on site are equipped with elevators, and residents can request life alert monitoring upon lease-up.

Within the model, the loan has a higher expected loss compared with the pool average, which can be attributed to a number of risks. Because the appraisal stabilized value relies upon an extended five-year lease-up period, a significant upward adjustment was made to the DBRS Morningstar Stabilized LTV for the mismatch to the initial loan term. The property lies within a more suburban area with a DBRS Morningstar Market Rank 1 and MSA Group 3, which increases the loan POD and LGD compared with better ranked urban markets. Additionally, because of the volatile nature of independent/assisted-living facilities, DBRS Morningstar categorizes them the same as a limited-stay hotel property type. Somewhat mitigating this are the property’s age and quality, which garnered an Average + property quality score in the model.

Pico Apartments

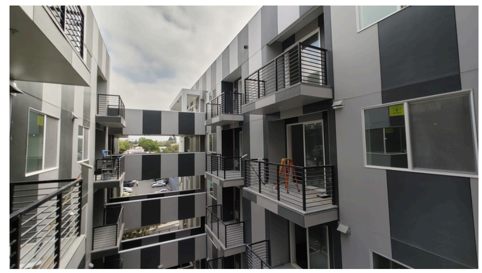
Loan Snapshot

Seller	SGCP
Ownership Interest	Fee Simple
Trust Balance ($ million)	19.5
Loan PSF/Unit ($)	246,835
Percentage of the Pool (%)	4.3
Fully Extended Loan Maturity/ARD	June 2026
Amortization	30 Years
DBRS Morningstar As-Is DSCR (x)	0.0
DBRS Morningstar Stabilized DSCR (x)	0.7
DBRS Morningstar As-Is Issuance LTV (%)	81.3
DBRS Morningstar Stabilized Balloon LTV (%)	72.1
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average+

Debt Stack ($ millions)

Trust Balance	19.5
Pari Passu	0.0
Remaining Future Funding	0.8
Mortgage Loan Including Future Funding	20.3
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ million)	(1.7)


Source: PCA.


Source: PCA.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2021
City, State	Los Angeles, CA	**Physical Occupancy (%)**	0.0
Units/SF	79	**Physical Occupancy Date**	n/a

The loan is secured by the borrower's fee-simple interest in Pico Apartments, a recently constructed Class A-, mid-rise apartment community in the Mid-City neighborhood of Los Angeles. According to the appraisal, the subject property is in the Wilshire Community Plan Area, with Melrose Avenue and Rosewood Avenue to the north; 18th St, Venice Boulevard, and Pico Boulevard to the south; Hoover Street to the east; and West Hollywood and Beverly Hills to the west.

Initial loan proceeds of $19.5 million will be used to refinance the $16.2 million existing loan, fund $500,000 of interest reserves, cover $479,416 of construction costs, return $1.7 million of equity to the sponsor, and fund other fees and closing costs. The $750,000 of future funding is allocated to cover $250,000 for leasing reserves and $500,000 in interest reserves, both of which are associated with the commercial space. The total cost basis in the property at stabilization will be $23,487,500. The borrower received an unsolicited bid to sell the property for $35.0 million. If the sale falls through, the borrower's business plan is to lease-up the property and place the property for sale in seven to eight months after closing. The loan is structured with an initial three-year IO period and amortizes on a 30-year schedule thereafter.

The collateral comprises 79 units including eight extremely low-income (ELI) units, 2,121 sf of ground-floor retail, and 67 parking spaces. The property has a base density of 48 units; however, it is designated as a Tier 2 site by the Transit Oriented Communities (TOC) plan, which allows a 60% bonus density as it provides 9% ELI rental units for 55 years. According to the appraisal, development approval applications were submitted in October 2016, but were terminated in October 2017. Construction began in 2019 after the TOC Affordable Housing Form dated December 2017 confirmed the subject as a Tier 2 site. On August 13, 2021, the property received its Temporary Certificate of Occupancy (TCO) and is currently 0% occupied.

The subject unit mix includes one ELI studio unit, five market-rate studio units, seven ELI one-bedroom units, and 66 market-rate one-bedroom units averaging 387 sf, 434, sf, 601 sf, and 616 sf, respectively. The concluded market rent for each unit type is $348, $1,800, $397, and $2,100 per month, respectively.

Common space amenities include secured access, subterranean parking, two elevators, a recreation room on the sixth floor, a landscaped podium courtyard with a play area, two landscaped rooftops, bike storage, and a storage area. Unit amenities include stainless-steel kitchen appliances, shaker cabinets, quartz countertops, and chrome fixtures. Units have vinyl plank flooring, in-unit stacked washers/dryers, and white porcelain tile in the bathrooms.

Unit Mix and Rents – Pico Apartments

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	5	434	1,800
Studio – ELI	1	387	348
One Bedroom	66	616	2,200
One Bedroom – ELI	7	601	397

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/Renovated	Occupancy (%)	Avg. Rental Rate Per One-Bed Unit ($)	Avg. One-Bed Unit Size (SF)
Urbanpolitan at Urban Lights	Los Angeles, CA		45	2015	80.0	2,695	780
Boulevard on Wilshire	Los Angeles, CA		95	2005	97.0	2,235	742
Vinz on Fairfax	Los Angeles, CA		144	2018	67.0	622	2,650
Wilshire La Brea	Los Angeles, CA		478	2013	96.0	681	2,726
8590 Pico	Los Angeles, CA		35	2019	97.0	698	2,475
Pico Gateway	Los Angeles, CA		39	2010	98.0	990	2,595
Total/WA Comp. Set	**Los Angeles, CA**	**Various**	**836**	**Various**	**90.4**	**971**	**2,366**
Pico Apartments	**Los Angeles, CA**	**n/a**	**79**	**2021**	**0.0**	**616**	**2,200**

Source: Appraisal

Sponsorship

The sponsor is Gagandeep Lakhmna, a multifamily developer with more than 20 years of experience. However, Lakhmna filed for Chapter 7 bankruptcy in 2011 and has four current liabilities for a total of $281,736. Lakhmna's construction company, Greenpointe Construction Inc., has five liabilities for a total of $353,979. Lakhmna has ownership in one other Los Angeles-based property and a total of 10 assets throughout Pennsylvania, Tennessee, and Florida. DBRS Morningstar marked this sponsor strength as bad (litigious), resulting in an increased POD for this loan.

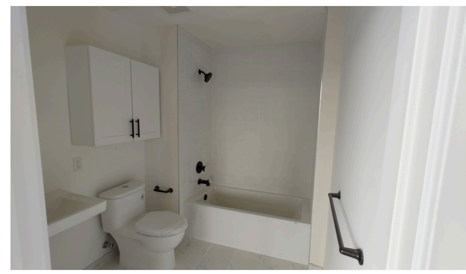
Property management will be provided by a borrower-affiliated firm, but no information was made available regarding the firm's experience or fee structure.

DBRS Morningstar Analysis

Site Inspection Summary

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

Source: PCA.



Source: PCA.

DBRS Morningstar NCF Summary

NCF Analysis

	Budget Yr 1	Budget Stabilized	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	2,177,484	2,242,809	1,967,115	1,967,115	1,965,780	-0.1
Other Income ($)	0	0	80,520	80,520	80,520	0.0
Vacancy & Concessions ($)	-68,925	-70,992	-94,632	-102,080	-128,789	26.2
EGI ($)	**2,108,559**	**2,171,816**	**1,953,003**	**1,945,556**	**1,917,512**	**-1.4**
Expenses ($)	484,152	491,134	669,348	669,125	688,033	2.8
NOI ($)	**1,624,407**	**1,680,682**	**1,283,655**	**1,276,431**	**1,229,478**	**-3.7**
Capex ($)	19,750	20,000	19,750	20,250	20,968	3.5
NCF ($)	**1,604,657**	**1,660,682**	**1,263,905**	**1,256,181**	**1,208,510**	**-3.8**

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 $1,208,510, representing a -3.8% variance from the Issuer's stabilized NCF of $1,256,181. The primary driver of the variance was bad debt. DBRS Morningstar assumed bad debt equal to the appraiser's stabilized ratio of 1.0% of GPR. The Issuer did not assume any bad debt.

DBRS Morningstar Viewpoint

The property benefits from the property's recent construction with higher-end finishes; its location in a densely populated neighborhood in Los Angeles; and a 60% density increase by adding eight ELI units, which increases the total unit count to 79 and increases the commercial space to 2,121 sf.

The owner received an unsolicited bid of $35.0 million to sell the property. If this sale does not materialize, the owner's business plan is to lease-up the property and sell approximately seven to eight months after the closing date. The property just received its TCO on August 13, 2021. Based on the most recent information provided, the property is 0% occupied. Reis projects a Class A submarket vacancy of 5.4% with the overall submarket vacancy of 2.9% and trending to 2.8% by 2026, suggesting the subject's Mid-City/West Adams/Pico Heights submarket should remain strong for the near term. The appraiser's concluded monthly rent of $1,996 per unit contemplates the subject's smaller average unit size of 601 sf and the build-out quality of the units.

Based on the appraiser's rental rates, the DBRS Morningstar stabilized DSCR is 0.69x, indicating a higher default risk. The margin on the loan is 7.25%, well in excess of the pool average loan margin of 4.12%. However, upon achieving a three-month debt yield of 6.0%, the margin will decrease to 4.25%. The loan is structured with $1,000,000 of interest reserves but that amount will only cover seven months of debt service, excluding any operating costs, real estate taxes or insurance, or income generated from leased units. Additionally, DBRS Morningstar assigned a sponsor strength of bad (litigious) because of the ongoing litigations and previous bankruptcy, stressing the POD for this loan. Based on the whole-loan amount, the as-is and stabilized values for $24.9 million and $28.1 million reflect elevated as-is and stabilized LTVs of 81.3% and 72.1%, respectively. These risks are somewhat mitigated by its DBRS Morningstar Market Rank of 5 and MSA Group of 3, which are indicative of markets that have historically been less volatile and are generally more liquid.

Transaction Structural Features

Credit Risk Retention: Under U.S. credit risk retention rules, Shelter Growth Master Term Fund B III LP (Term Fund B Seller) will be responsible for compliance with the U.S. credit risk retention requirements and intends to satisfy such requirements through the purchase and retention of an eligible horizontal residual interest. As of the closing date, Shelter Growth Term Fund III CRE 2021-FL3 Holder LLC (SGCP Holder or the retention holder), which is a majority-owned affiliate of Term Fund B Seller, will acquire 100.0% of the Class G, Class H, and Preferred Shares, collectively representing 15.375% of the initial credit support to the offered notes. In addition, Term Fund B Seller (in its capacity as the EU/UK Retention Holder) will covenant and represent to the Issuer, the Co-Issuer, the Placement Agents, and the Trustee that it will retain a material net economic interest in the securitization for the purposes of the EU Risk Retention Laws and the UK Risk Retention Laws. It is expected that as of the closing date, the Preferred Shares will equal at least 5.0% of the fair value of all of the securities in the transaction, thereby qualifying as an eligible horizontal residual interest for purposes of the U.S. credit risk retention rules.

Acquisitions of Related Funded Companion Participations: During the period beginning on the Closing Date and ending on the payment date in September 2023 (the Permitted Funded Companion Participation Acquisition Period), the retention holder may direct the Issuer to cause all or a portion of the permitted principal proceeds to be deposited into the Permitted Funded Companion Participation Acquisition Account for the acquisition (as directed by the SGCP Holder) of all or a portion of a Future Funding Participation, subject to the satisfaction of the Future Funding Acquisition Criteria. These Permitted Funded Companion Participation Acquisition account funds may be available for a period not to exceed the earlier of 120 days from the date of deposit or the end of the Permitted Funded Companion Participation Acquisition period. The Issuer will not be permitted to use any permitted principal proceeds to acquire any Funded Companion Participations after the termination of the Permitted Funded Companion Participation Acquisition period and, in such case, unused principal proceeds will be deposited into the payment account and applied in accordance with the priority of payments.

If the acquisition by the Issuer of all or a portion of a Future Funding Participation results, in and of itself, in a downgrade of the ratings of any Class of Notes by Moody's or DBRS Morningstar, then the Seller will be required to promptly repurchase such Funded Companion Participation at the same price as the Issuer paid to acquire it. The Issuer will provide written notice of such acquisition to each rating agency at least five business days prior to the related acquisition date.

Future Funding Acquisition Criteria

The following criteria will be required to be satisfied with respect to the acquisition of each Funded Companion Participation as of the related acquisition date:

1. The underlying Mortgage Loan is not a Defaulted Loan or a Specially Serviced Mortgage Loan;
2. Upon acquisition, the Funded Companion Participation will not be a Credit Risk Mortgage Asset;
3. No EOD has occurred and is continuing;

4. The requirements set forth in the Indenture regarding the representations and warranties with respect to such Funded Companion Participation and the related Mortgaged Property have been met (subject to such exceptions as are reasonably acceptable to the Special Servicer);
5. No Control Termination Event has occurred and is continuing;
6. The Note Protection Tests are satisfied as of the most recent Measurement Date;
7. A No-Downgrade Confirmation has been received from DBRS Morningstar with respect to the acquisition of such Mortgage Asset, except that such confirmation will not be required with respect to the acquisition of a Funded Companion Participation if (A) the Issuer already owns a Participation in the same underlying Participated Loan and (B) the principal balance of the Funded Companion Participation being acquired is less than $1,000,000; and
8. The acquisition of such Funded Companion Participation will be at a price no greater than the outstanding principal balance of such Funded Companion Participation.

Administrative Modifications and Criteria-Based Modifications

The Directing Holder may direct the Special Servicer to effect any Administrative Modification or, subject to satisfaction of the Criteria-Based Modification Conditions, any Criteria-Based Modification.

Administrative Modification means any modification, waiver, or amendment directed by the Directing Holder that relates exclusively to (1) Loan-Level Benchmark Replacement Conforming Changes or (2) exit fees; extension fees; default interest; financial covenants (including cash management triggers) relating to debt yield; debt service coverage or LTV; prepayment fees (including in connection with lockouts); yield or spread maintenance provisions; reserve account minimum balance amounts; repair, maintenance, and capex completion dates; interest rate cap strikes; or waivers of a borrower being required to obtain an interest rate cap agreement in connection with an extension when the extension is for 90 days or less.

Criteria-Based Modification means any modification, waiver, or amendment directed by the Directing Holder that would result in (1) an extension of the fully extended maturity date, (2) a change in the loan spread, or (3) permitting indirect owners of the related borrower to incur additional indebtedness in the form of a mezzanine loan or preferred equity.

The Criteria-Based Modification Conditions will be satisfied only if, immediately after giving effect to a Criteria-Based Modification, (1) not more than five Criteria-Based Modifications have been effectuated in the aggregate; (2) the Note Protection Tests are satisfied; (3) with respect to any Criteria-Based Modification resulting in the extension of the maturity date of a Mortgage Loan, such extended maturity date is not more than two years from the initial fully extended maturity date of such Mortgage Loan; (4) no EOD has occurred and is continuing; (5) if the modification involves mezzanine debt or preferred equity, the as-stabilized LTV ratio of the related Mortgage Loan, and any additional indebtedness is not higher than the as-stabilized LTV ratio of such Mortgage Loan as of the Closing Date, as determined based on an Updated Appraisal; (6) the modified spread of the related mortgage loan is not below 2.25%; and (7) a No-Downgrade Confirmation from DBRS Morningstar has been received, together with certain other conditions.

The Special Servicer's processing and effectuation of any Administrative Modification or Criteria-Based Modification will not be subject to the Servicing Standard.

Note Protection Tests: Like most commercial real estate collateralized loan obligation (CRE CLO) transactions, the subject transaction features senior note protection tests in the form of an interest coverage (IC) test and a par value test. If either of the IC or par value tests is not satisfied on any measurement date, interest proceeds that would otherwise be used to pay interest on the Class G and the Class H Notes and pay dividends to the Preferred Shares must instead be used to pay principal of first, the Class A Notes; second, the Class A-S Notes; third, the Class B Notes; fourth, the Class C Notes; fifth, the Class D Notes; sixth, the Class E Notes; and seventh, the Class F Notes; in each case, to the extent necessary to cause the Note Protection Tests to be satisfied. To the extent that any Note Protection Test is not satisfied following the application of Interest Proceeds in the manner described above, Principal Proceeds also will be applied in the order of priority described above, to the extent necessary to cause each of the Note Protection Tests to be satisfied.

The Par Value Test will be satisfied if the Par Value Ratio is equal to or greater than 113.17%. The Interest Coverage Test will be satisfied if the Interest Coverage Ratio is equal to or great than 120.0%.

Advancing and Backup Advancing: The advancing agent, Term Fund B Seller, will be required to make, subject to a recoverability determination, Interest Advances in respect to interest due on the Class A, Class A-S, Class B, Class C, Class D, Class E, and Class F Notes in the event that Interest Proceeds are insufficient to pay in full interest due. The Advancing Agent shall determine if the amount to be advanced, plus the interest expected to accrue, will be recoverable. If the advancing agent fails to make a required interest advance, the backup advancing agent, Wells Fargo Bank, N.A. (rated AA with a Negative trend by DBRS Morningstar), will be required to make such Interest Advances, subject to its determination as to recoverability. Neither the advancing nor backup advancing agent will be responsible for advancing future funding obligations or principal payments.

Deferrable Notes: Any interest due on Class G and Class H Notes that is not paid as a result of the priority of payments will be deferred and failure to pay such interest will not be an EOD. Deferred interest will be added to the outstanding principal balance of such Class of Notes and will accrue 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 maintenance.

Controlling Class Rights: 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.

The Directing Holder: The Directing Holder will be the Majority of Preferred Shareholders until a Control Shift Event has occurred and is continuing, and thereafter the holder of a majority in principal balance of the Class H Notes until a Control Shift Event has occurred and is continuing, and thereafter the holder of a majority in principal balance of the Class G Notes until a Control Shift Event has occurred and is continuing. As of the Closing Date, SGCP Holder, which will acquire 100.0% of the Preferred Shares, will be the initial Directing Holder with respect to each Mortgage Asset. The Directing Holder may direct and require the Special Servicer to enter into Administrative Modifications or, subject to satisfaction of the conditions specified in the Servicing Agreement, any Criteria-Based Modification. In addition, for so long as no Control Termination Event has occurred and is continuing, the Directing Holder will have the right to (1) remove the Special Servicer without cause and replace the Special Servicer with a replacement special servicer that satisfies the requirements set forth in the Servicing Agreement (including the Rating Agency Condition), (2) consent to any Major Decisions to be carried out by the Servicer or Special Servicer with respect to the servicing of such Mortgage Asset and the related underlying Mortgage Loan, subject to compliance with the Servicing Standard, and (3) consult with and direct the Servicer and Special Servicer with respect to any other actions to be taken or not taken with respect to such Mortgage Asset and the related underlying Mortgage Loan, subject to compliance with the Servicing Standard.

No-Downgrade Confirmation: Certain events within the transaction require the Issuer to obtain a No-Downgrade Confirmation. DBRS Morningstar will confirm that a proposed action or failure to act or other specified event will not, in and of itself, result in the downgrade or withdrawal of the current rating. The Issuer is not required to obtain a No-Downgrade Confirmation for acquisitions of companion participations in an amount less than $1.0 million, although as noted above if the Issuer acquires a companion participation that in and of itself results in a downgrade, then the seller will be required to repurchase such companion participation. DBRS Morningstar will review all loan-level changes as part of its surveillance and will not waive No-Downgrade Confirmations that affect any party involved in the operational risk of the transaction (i.e., replacement of the Special Servicer, Master Servicer, etc.).

Preferred Shares: The Preferred Shares are equity in the Issuer and are not secured by any of the mortgage assets or the other collateral securing the offered notes. The Preferred Shares are subordinate to all Classes of Notes in all respects.

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

Glossary

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

Definitions

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

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

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

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

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

Issuer UW
Issuer underwritten from Annex A or servicer reports.

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

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

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

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

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

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

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

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

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

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.

DBRS Morningstar is empowering investor success as the go-to source for independent credit ratings. And we are bringing transparency, responsiveness, and leading-edge technology to the industry.

That's why DBRS Morningstar is the next generation of credit ratings.

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