NOVEMBER 2017

STRUCTURED FINANCE: CMBS

PRESALE REPORT

RAIT 2017-FL8 Trust

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Capital Structure

Description	Rating Action	Balance	Subordination	DBRS Rating	Trend
Class A	New Rating - Provisional	$141,577,000	45.500%	AAA (sf)	Stable
Class A-S	New Rating - Provisional	$31,823,000	33.250%	AAA (sf)	Stable
Class B	New Rating - Provisional	$13,314,000	28.125%	AA (low) (sf)	Stable
Class C	New Rating - Provisional	$12,664,000	23.250%	A (low) (sf)	Stable
Class D	New Rating - Provisional	$16,236,000	17.000%	BBB (low) (sf)	Stable
Class E	New Rating - Provisional	$10,391,000	13.000%	BB (sf)	Stable
Class F	New Rating - Provisional	$10,391,000	9.000%	B (sf)	Stable
Class G	New Rating - Provisional	$9,092,000	5.500%	NR	Stable
Class H	New Rating - Provisional	$14,288,000	--	NR	Stable

Notes:
1. NR = not rated.
2. Classes E, F, G, and H will be privately placed.

Transaction Summary

POOL CHARACTERISTICS			
Cut-Off Loan Balance	$259,776,000	**Wtd. Avg. Remaining Term[2]**	23
Remaining Future Funding Commitment	$3,068,000	**Wtd. Avg. Remaining Term - Fully Extended**	46
Maximum Mortgage Loan Commitment	$262,844,000	**Wtd. Avg. DBRS Term DSCR[3,4]**	1.11x
Number of Loans	23	**Wtd. Avg. DBRS Refi DSCR[3,5]**	0.93x
Number of Properties	26	**Wtd. Avg. DBRS Debt Yield[3,6]**	7.1%
Average Loan Size	$11,428,000	**Wtd. Avg. DBRS Exit Debt Yield[3,5]**	8.2%
Top Ten Loan Concentration	66.4%	**Avg. DBRS In-Place NCF Variance[7,9]**	-8.2%
Wtd. Avg. DBRS Stressed Interest Rate[1]	6.321%	**Avg. DBRS Stablized NCF Variance[8]**	-16.2%

Note: All DSCR and Debt Yield calculations in this table and throughout the report are based on the maximum mortgage loan commitment for each loan.
1. Based on a WA of the gross margin and LIBOR floor.
2. Assumes that the initial term to maturity of each loan is not extended.
3. Includes pari passu debt, but excludes subordinate debt.
4. Based on DBRS In-Place NCF and stressed interest rates.
5. Based on DBRS Stabilized NCF.
6. Based on DBRS In-Place NCF.
7. As measured against the Issuer UW NCF.
8. As measured agsint the Issuer UW Stabilized NCF.
9. In-place average NCF variance for sampled loans excluding 227 Fayetteville and 3603 Haven Avenue

PARTICIPANTS	
Issuer	RAIT 2017-FL8 Trust
Trust Depositor	RAIT 2017-FL8, LLC
Mortgage Loan Seller	RAIT Partnership, L.P. (23 loans, 100% of pool)
Stucturing Agent	Barclays Capital Inc.
Co-Lead Managers and Joint Bookrunners	Barclays Capital Inc. Citigroup Global Markets Inc. UBS Securities LLC
Servicer, Special Servicer, Advancing Agent, and Trust Administrator	RAIT Partnership, L.P.
Operating Advisor	Trimont Real Estate Advisors, LLC
Indenture Trustee and Backup Advancing Agent	Wells Fargo Bank, National Association
Owner Trustee	Wells Fargo Delware Trust Company, N.A.
Trust Administrator	RAIT Partnership, L.P.

Transaction Overview

The collateral for the transaction consists of 23 recently (or soon to be) originated floating-rate mortgages secured by 26 transitional commercial real estate properties totaling $259.8 million based on current cut-off balances and $262.8 million based on the fully funded loan amount. The loans are secured by currently cash flowing assets, some of which are in a period of transition, with plans to stabilize and improve the asset value. The floating-rate mortgages were analyzed to determine the probability of loan default over the term of the loan and its refinance risk at maturity based on a fully extended loan term. Because of the floating-rate nature of the loans, the index (one-month LIBOR) was applied at the lower of a DBRS stressed rate 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 to determine a stressed interest rate over the loan term. When the cut-off balances were measured against the DBRS In-Place NCF and their respective stressed constants, there were 13 loans, representing 39.2% of the pool, with term DSCRs below 1.15x, a threshold indicative of a higher likelihood of term default. Additionally, to assess refinance risk, DBRS applied its refinance constants to the balloon amounts, resulting in 18 loans, or 74.0% of the pool, having refinance DSCRs below 1.00x relative to the DBRS Stabilized NCF. The properties are frequently transitioning, with potential upside in the cash flow; however, DBRS does not give full credit to the stabilization if there are no holdbacks or if other loan structural features in place are insufficient to support such treatment. Furthermore, even with structural features provided, DBRS generally does not assume the assets will stabilize above market levels.

The transaction is of sequential-pay structure.

For the purposes of this report, DBRS included both closed and Delayed Closing Mortgage Loans. At the time of this presale report, the pool had three Delayed Closing Mortgage Loans expected to close in December 2017.

Rating Considerations

STRENGTHS

- The loans were all sourced by a commercial mortgage originator with strong origination practices. Classes E, F, G and H will be retained by the Issuer. Classes E, F, G and H represent 17.0% of the transaction balance.
- The loans are secured by traditional property types (i.e., multifamily, retail and office), with no exposure to higher-volatility property types or those with short-term leases such as hotels or self-storage.
- The properties are located in primarily core (urban and suburban) markets, which benefit from greater liquidity. Only four loans, representing 8.9% of the pool, are located in tertiary markets.
- Twenty-two loans totaling 93.1% of the deal balance represent acquisition financing, with borrowers contributing equity to the transaction.
- All loans are structured with cash management in place from origination. Twenty-two loans, representing 93.4% of the pool, are structured with springing cash management in the form of soft lockboxes for all tenants at the property. One additional loan, representing 6.6% of the pool, is entirely structured with springing cash management in the form of a hard lockbox. Additionally, all loans are structured with reserves for future capital improvements or leasing costs.
- The borrowers of each loan have purchase LIBOR rate caps that have a range of 1.10% to 4.75% to protect against a rise in interest rates over the term of the loan.

CHALLENGES AND CONSIDERATIONS

- The pool is relatively concentrated based on loan size, as there are only 23 loans in the pool and it has a concentration profile similar to a pool of 18 equally sized loans. The ten largest loans represent 66.4% of the pool, and the largest three loans represent 24.7% of the pool. Furthermore, the pool is relatively geographically non-diverse. The top five states, Texas, Georgia, California, Florida and Minnesota, account for 15 loans and 18 properties, representing 72.4% of the pool.
  - *Although the concentration profile is similar to a pool of 18 equally sized loans, which is typically worse than most fixed-rate conduit transactions, the concentration profile is superior compared with many floating-rate transactions that generally have fewer than 20 loans and a concentration profile more similar to a pool of ten to 15 loans.*
- The loans have been analyzed by DBRS to a stabilized cash flow that is, in some instances, above the current in-place cash flow. There is a possibility that the sponsors will not execute their business plans as expected and that the higher stabilized cash flow will not materialize during the loan term. Failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance.
  - *DBRS made relatively conservative stabilization assumptions and, in each instance, considered the business plan to be rational and the future funding amounts to be sufficient to execute such plans. In addition, the WA DBRS Debt Yield is based on the DBRS In-Place NCF, and the fully funded loan amount (including the junior participation structures) is 7.2%, which is significantly lower than the WA DBRS Exit Debt Yield, based on the DBRS Stabilized NCF of 8.2%. This indicates that a fair amount of upside is being considered.*
- The Issuer, Servicer, Special Servicer, Mortgage Loan Seller, Advancing Agent and Trust Administrator are the same party, a non-rated entity.
  - *RAIT Financial Trust was established in 1998 and has a proven track record of originating and servicing commercial mortgage loans. Within the servicing agreement, the Indenture Trustee has been enlisted as backup Servicer and Advancing Agent to step in should there be an un-remedied Servicer event of default. Wells Fargo Bank National Association, as Indenture Trustee, is considered a large, highly experienced commercial mortgage servicer. Wells Fargo Bank, N.A. is currently rated AA with a Stable trend by DBRS, which meets the Advancing Requirement.*
- The loans have future funding commitments residing outside the trust with the junior participations. The failure of the holder of the junior participations (an affiliate of the trust asset seller and sponsor) to make future advances as required by the loan documents could result in liability to the trust.
  - *The future funding commitments will be first and foremost funded by a committed warehouse line. RAIT 2017-FL8 A-2 Holdings, LLC and RAIT Partnership LP (RAIT) have indemnified the trust against any liability relating to funding the future commitments. Additionally, the parent of the obligor, RAIT Financial Trust, owns and currently manages a portfolio of commercial real estate assets totaling approximately $1.7 billion, comprising over 220 multifamily units and 4.3 million sf of office and retail space as of September 30, 2017. As of the same period, RAIT Financial Trust had $2.9 billion of assets under management across both equity and debt platforms, which is considered sufficient to advance the future funds.*
- The overall WA DBRS Term and Refi DSCRs of 1.12x and 0.93x, respectively, and corresponding DBRS Debt and Exit Debt Yields of 7.2% and 8.2%, respectively, are considered high-leverage financing.
  - *The DBRS Term and Refi DSCRs are based on the DBRS In-Place NCF and debt service calculated using a stressed interest rate. The WA DBRS stressed rate used is 6.3%, which is greater than the current WA LIBOR floor and WA loan gross margin combined rate of 5.3%. Regarding the significant refinance risk indicated by the DBRS Refi DSCR of 0.93x, the credit enhancement levels are reflective of the increased leverage, which are substantially higher than recent fixed-rate transactions.*
  - *The DBRS Refi DSCR of 0.93x is calculated using a WA risk-free interest rate of 6.3%, which is conservative relative to the current U.S. ten-year treasury of approximately 2.4%.*
  - *The assets are generally well positioned to stabilize, and any realized cash flow growth would help to offset a rise in interest rates and improve the overall debt yield of the loans. DBRS associates its POD based on the assets' in-place cash*

flow, which does not assume that the stabilization plan and cash flow growth will ever materialize.

- All loans in the pool are two- to three-year floating-rate loans, with 24- to 36-month extension options out to a fully extended term of five years, creating interest rate risk.
  - *The borrowers of all loans have purchased interest rate caps to protect against a rise in interest rates over the term of the loan. Given that the interest rate caps had relatively low LIBOR strike rates, ranging from 1.1% to 4.75%, the WA DBRS stressed interest rate for the pool is only 1.0% higher than the pool's WA interest rate.*
- DBRS considered five loans, representing 32.2% of the pool, to have Weak sponsorship quality resulting from limited net worth and liquidity or past credit issues.
  - *Loans with Weak sponsors were assigned an with increased POD levels to mitigate increased risk.*

DBRS Credit Characteristics

DBRS TERM DSCR

DSCR	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.00x-0.90x	21.3%	21.3%
0.90x-1.00x	9.8%	9.8%
1.00x-1.15x	8.1%	8.1%
1.15x-1.30x	38.4%	38.4%
1.30x-1.45x	14.1%	14.1%
1.45x-1.60x	0.0%	0.0%
1.60x-1.75x	0.0%	0.0%
>1.75x	8.4%	8.4%
Wtd. Avg.	1.11x	1.11x

DBRS REFI DSCR

DSCR	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.00x-0.90x	56.1%	56.1%
0.90x-1.00x	17.9%	17.9%
1.00x-1.15x	4.5%	4.5%
1.15x-1.30x	13.1%	13.1%
1.30x-1.45x	0.0%	0.0%
1.45x-1.60x	8.4%	8.4%
1.60x-1.75x	0.0%	0.0%
>1.75x	0.0%	0.0%
Wtd. Avg.	0.93x	0.93x

DBRS DEBT YIELD

Debt Yield	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.0%-6.0%	28.1%	28.1%
6.0%-8.0%	30.9%	30.9%
8.0%-10.0%	32.6%	32.6%
10.0%-12.0%	0.0%	0.0%
12.0%-14.0%	8.4%	8.4%
14.0%-16.0%	0.0%	0.0%
>16.0%	0.0%	0.0%
Wtd. Avg.	7.1%	7.1%

DBRS EXIT DEBT YIELD

Debt Yield	% of the Pool (Trust Balance)[1]	% of the Pool (Whole Loan)
0.0%-6.0%	2.1%	2.1%
6.0%-8.0%	54.0%	54.0%
8.0%-10.0%	35.5%	35.5%
10.0%-12.0%	0.0%	0.0%
12.0%-14.0%	8.4%	8.4%
14.0%-16.0%	0.0%	0.0%
>16.0%	0.0%	0.0%
Wtd. Avg.	8.2%	8.2%

1. Includes pari passu debt, but excludes subordinate debt.

Largest Loan Summary

LOAN DETAIL

Loan Name	Whole Loan Amount	% of Pool	DBRS Shadow Rating	DBRS Term DSCR (x)	DBRS Refi DSCR (x)	DBRS Debt Yield	DBRS Exit Debt Yield
Winding Trails Apartments	$22,100,000	8.4%	n/a	1.25	0.94	8.2%	8.5%
Monarch Portfolio	$22,054,000	8.4%	n/a	1.76	1.46	12.5%	12.5%
Woodlake Center Portfolio	$19,995,000	7.6%	n/a	1.36	1.18	9.3%	9.4%
The View at Lake Highlands	$18,750,000	7.1%	n/a	1.20	0.77	6.5%	7.5%
227 Fayetteville	$18,000,000	6.8%	n/a	1.22	0.83	7.0%	7.6%
The Arbors Office Park	$17,200,000	6.5%	n/a	1.22	0.93	8.0%	8.0%
Kearny & Clay	$15,400,000	5.9%	n/a	0.39	0.80	2.3%	7.3%
550 Pharr Road	$15,400,000	5.9%	n/a	1.20	0.83	7.6%	7.6%
Barrington Apartments	$13,150,000	5.0%	n/a	0.99	0.72	6.6%	6.6%
West Village Student Housing	$12,585,000	4.8%	n/a	0.93	0.70	5.3%	6.4%
Mount Houston Square	$11,900,000	4.5%	n/a	1.32	1.06	9.0%	9.0%
The Village Apartments	$10,750,000	4.1%	n/a	0.87	0.80	5.1%	7.2%
Promenade Montgomery Center	$9,400,000	3.6%	n/a	1.29	1.18	8.9%	9.3%
3603 Haven Avenue	$7,800,000	3.0%	n/a	0.16	0.85	1.0%	7.8%
The Convoy Retail Center	$7,700,000	2.9%	n/a	0.89	0.90	5.7%	8.3%

PROPERTY DETAIL

Loan Name	DBRS Property Type	City	State	Year Built	SF/ Units	Loan per SF/ Units	Balloon Loan per SF/ Units
Winding Trails Apartments	Multifamily	Houston	TX	1979	438	$50,457	$50,457
Monarch Portfolio	Unanchored Retail	Various	GA	1989	370,047	$60	$60
Woodlake Center Portfolio	Office	Richfield	MN	Various	190,714	$105	$105
The View at Lake Highlands	Multifamily	Dallas	TX	1979	292	$64,212	$64,212
227 Fayetteville	Office	Raleigh	NC	1964	101,165	$178	$178
The Arbors Office Park	Office	Delray Beach	FL	1981	173,787	$99	$99
Kearny & Clay	Unanchored Retail	San Francisco	CA	1912	34,771	$443	$443
550 Pharr Road	Office	Atlanta	GA	1973	108,495	$142	$142
Barrington Apartments	Multifamily	Houston	TX	1981	308	$42,695	$42,695
West Village Student Housing	Multifamily	Philadelphia	PA	1948-1958	144	$87,396	$87,396
Mount Houston Square	Multifamily	Houston	TX	1960	175,136	$68	$68
The Village Apartments	Multifamily	Lakewood	CO	1973	90	$119,444	$119,444
Promenade Montgomery Center	Anchored Retail	Montgomery	AL	1990	165,112	$57	$57
3603 Haven Avenue	Office	Menlo Park	CA	1985	21,162	$369	$369
The Convoy Retail Center	Unanchored Retail	San Diego	CA	1973	51,584	$149	$149

1. Note: Loan metrics are based on whole-loan balances.

DBRS Sample

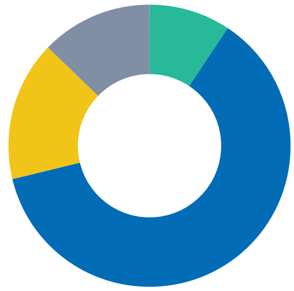
DBRS SAMPLE RESULTS

Prospectus ID	Loan Name	% of Pool	DBRS NCF	DBRS NCF Variance	DBRS Major Variance Drivers	DBRS Property Quality
1	Winding Trails Apartments	8.4%	$1,884,214	-5.5%	Vacancy	Average (-)
2	Monarch Portfolio	8.4%	$2,750,805	7.3%	Positive Variance	Average
3	Woodlake Center Portfolio	7.6%	$1,882,062	-25.3%	TI/LC; Vacancy	Average
4	The View at Lake Highlands	7.1%	$1,397,224	-23.5%	Vacancy; Expenses	Average
5	227 Fayetteville	6.8%	$1,366,937	-15.9%	TI/LC; Vacancy; Reimburse-ments	Average
6	The Arbors Office Park	6.5%	$1,377,653	-23.9%	TI/LC; Base Rent; Expenses	Average
7	Kearny & Clay	5.9%	$1,118,846	-17.3%	Minimal Variance	Below Average
8	550 Pharr Road	5.9%	$1,174,079	-16.5%	GPR; TI/LC	Average (+)
9	Barrington Apartments	5.0%	$862,732	-35.3%	Vacancy; Reimbursements; Expenses	Average (-)
10	West Village Student Housing	4.8%	$799,360	-30.2%	GPR; Bad Debt	Below Average
11	Mount Houston Square	4.5%	$1,076,239	-1.7%	Minimal Variance	Average
12	The Village Apartments	4.1%	$775,708	-17.9%	Vacancy	Average
14	3603 Haven Avenue	3.0%	$606,014	-11.8%	TI/LC; GPR	Average
18	400 North Elizabeth	2.1%	$316,183	-11.5%	Vacancy	Average
20	Buford Village	1.9%	$507,120	-1.3%	Minimal Variance	Average (+)
23	Lakeshore Club	1.5%	$259,302	-28.7%	GPR	Average

DBRS SITE INSPECTIONS

DBRS performed site inspections and conducted meetings with the on-site property manager, leasing agent or representative of the borrowing entity for 14 loans, representing 79.2% of the pool. The resulting DBRS property quality scores are highlighted in the chart to the right.

DBRS Sampled Property Quality



Property Quality	% of Sample	# of Loans
Excellent	0.0%	0
Above Average	0.0%	0
Average +	9.3%	2
Average	61.9%	10
Average -	16.1%	2
Below Average	12.7%	2
Poor	0.0%	0

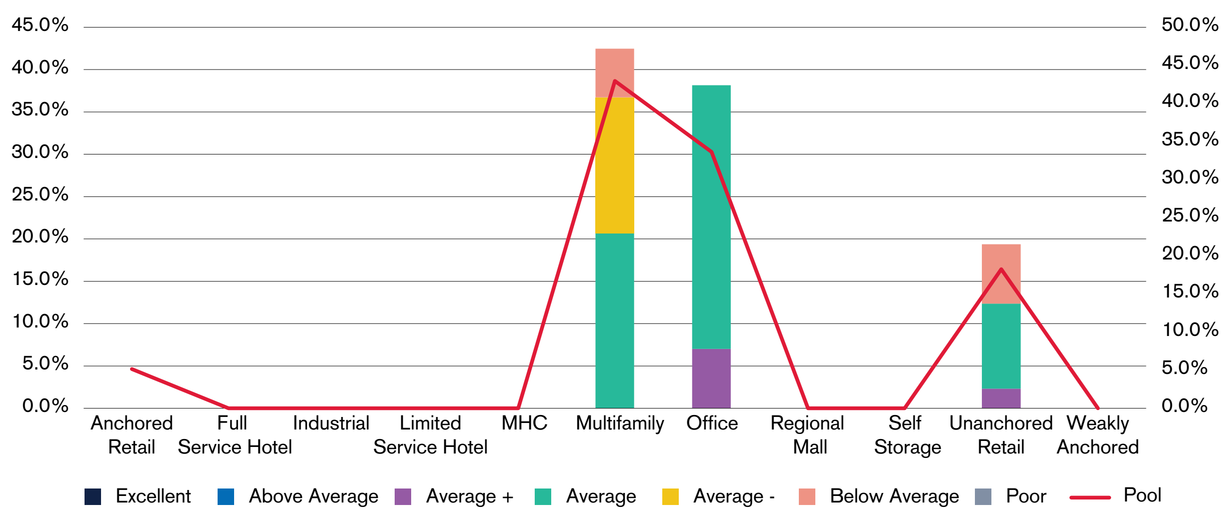
DBRS CASH FLOW ANALYSIS

A cash flow review and a cash flow stability and structural review were completed on 16 of the loans, representing 83.5% of the pool by loan balance. For the loans not subject to review, DBRS applied the average NCF variance.

The DBRS In-Place NCF was estimated based on the current performance of the property, without giving any credit to future upside that may be realized by the sponsors upon execution of their business plan. The DBRS sample had an average In-Place NCF variance of -8.2% from the Issuer UW NCF and ranged from -56.0% to +42.6%. DBRS excluded two loans that had unique situations where haircuts were excluded, as their NCFs were not indicative of averages.

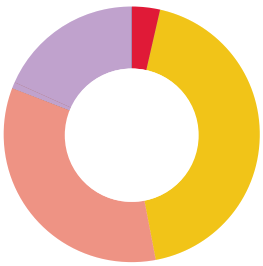
The DBRS Stabilized NCF was derived by generally stabilizing the properties at market rent and/or recently executed leases and market expenses that were believed by DBRS to be reasonably achievable based on the sponsor's business plan. This often involved estimating higher than in-place rental rates for multifamily properties based on significant renovations being performed, with rents already being achieved on renovated units providing the best guidance as to the market rent upon renovation. For commercial properties, the largest source of upside was typically in higher than in-place occupancy rates. For all assumptions, DBRS took a somewhat conservative view compared with the market in order to account for execution risk around the business plan. For those loans with future funding for leasing costs, DBRS estimated the total cost to stabilize the property at the estimated occupancy rate and gave credit in the cash flow to offset estimated leasing costs if the future funding was not exhausted. The DBRS sample had an average DBRS Stabilized NCF variance of -16.2% and ranged from -35.3% to +7.3%.

DBRS Sampled Property Type



Transaction Concentrations

DBRS Property Type

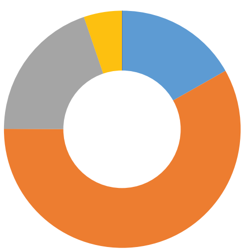


Property Type	% of Pool	# of Loans
Anchored Retail	3.6%	1
Full Service Hotel	0.0%	0
Industrial	0.0%	0
Limited Service Hotel	0.0%	0
MHC	0.0%	0
Multifamily	43.4%	11
Office	33.9%	7
Regional Mall	0.0%	0
Self Storage	0.0%	0
Unanchored Retail	19.1%	4
Weakly Anchored	0.0%	0

Geography

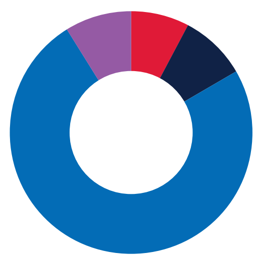
State	% of Pool	# of Properties
TX	25.1%	4
GA	18.0%	4
CA	13.7%	4
FL	8.1%	2
MN	7.6%	1
NC	6.8%	1
All others	20.7%	10

Loan Size



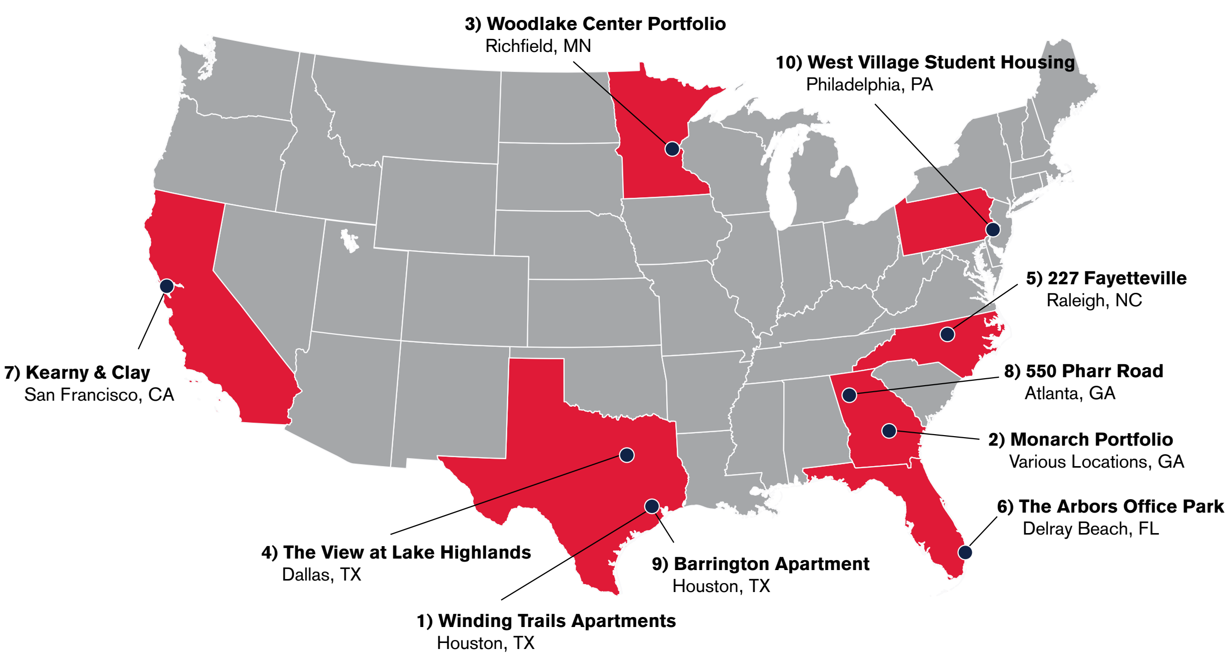
Loan Size	% of Pool	# of Loans
Very Large (>$20.0 million)	16.8%	2
Large ($10.0-$20.0 million)	58.3%	10
Medium ($5.0-$10.0 million)	19.7%	8
Small ($2.0-$5.0 million)	5.3%	3
Very Small (<$2.0 million)	0.0%	0

DBRS Market Type



Market Type	% of Pool	# of Loans
Super Dense Urban	7.8%	2
Urban	8.8%	3
Suburban	74.5%	14
Tertiary	8.9%	4
Rural	0.0%	0

Largest Property Locations



Loan Structural Features

Loan Terms: All interest-only loans, typically with three-year initial terms and two one-year extension options at the borrower's option.

Interest Rate: Floating rate referencing one-month U.S.-dollar LIBOR as the index, plus the margin or the interest rate floor.

Interest Rate Protection: To ensure the borrower's ability to make debt service payments, all of the loans have an interest rate cap in place, with an interest rate cap provider currently carrying a rating from DBRS of "A" or better. Rate caps vary for each loan and can range from 1.1% to 4.75%. If the DBRS stressed interest rate was less than the interest rate cap purchased by the borrower, the DBRS analysis would default to the lower of the DBRS stressed interest rate or the rate cap for the loan.

Subordinate Debt: 227 Fayetteville, representing 6.8% of the pool, has existing unsecured debt held outside of the trust, is subject to a partner loan and is functionally subordinate pursuant to its structure and terms of the applicable documents, which RAIT Financial Trust has the right to enforce as a third-party beneficiary. The subordinate lender signed the subordinate note acknowledging and agreeing to its terms, including that the senior lender is a third-party beneficiary of the document and is entitled to enforce it against the subordinate lender. While this structure is acceptable to DBRS, an executed standstill agreement between the senior and junior lenders would have been preferred. No loans in the pool are allowed to take on mezzanine or unsecured debt in the future.

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
227 Fayetteville	$18,000,000	$0	$0	$1,950,000	N	$19,950,000

Future Funding: Two loans, representing 13.0% of the pool, have a future funding component. As of the cut-off date, the aggregate remaining future funding participations totaled nearly $3.1 million and ranged from approximately $2.1 million to $968,000. The proceeds necessary to fulfill the future obligations will be drawn on primarily from a committed warehouse line and will be held outside the trust but be pari passu with the trust participations. The vast majority of these future funding participations will be utilized by the borrowers to fund property renovations and cover leasing costs. Each property has a business plan to execute that is expected to increase net cash flow. It is DBRS's opinion that the business plans were generally achievable given market conditions, recent property performance and adequate available future funding (or upfront reserves) for planned renovations and leasing costs.

During the period beginning on the closing date and ending on the payment date in December 2019, the Issuer may (at the direction of the Directing Holder) allow certain principal proceeds to be deposited into a future funding acquisition account for the acquisition of all or a portion of the related future funding participations. Funds in the acquisition account will be made available for a period not to exceed the earlier of (1) 120 days from the date of deposit and (2) the end of the ending of the payment date in December 2019. The acquisition criteria requires that the underlying mortgage loan is not a defaulted mortgage loan or specially serviced and no event of default has occurred and is continuing.

FUTURE FUNDING NOTES

Property Name	% of Pool	Trust Amount	Future Funding Amount	Whole Loan Amount	Future Funding Uses
The View at Lake Highlands	7.1%	$17,782,000	$968,000	$18,750,000	Capital Improvements
Kearny & Clay	5.9%	$13,300,000	$2,100,000	$15,400,000	Leasing Costs; Capital Improvements

Property Release: Five loans (Monarch Portfolio, Woodlake Center Portfolio, Kearny & Clay, Mount Houston Square and Buford Village), representing 28.3% of the pool, allow for the release of various improved and unimproved portions of the collateral for release prices generally at 125.0% of the allocated loan amount. The release of the parcel is subject to the absence of default and the lender's determination that a portion of the collateral is substantially unimproved. Furthermore, the release will not have a material adverse effect on the subject's value, will be in compliance will applicable laws and will be transferred to an unaffiliated third party. No cash flow or value was attributed to any such unimproved release parcel.

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

Terrorism Insurance: Terrorism insurance is in place for each loan in the pool, and each loan requires the borrower to maintain insurance against acts of terrorism insurance subject to a test of commercial reasonableness.

RESERVE REQUIREMENT

Type	Loans	% of Pool
Tax Ongoing	22	97.9%
Insurance Ongoing	23	100.0%
CapEx Ongoing	9	43.7%
Leasing Costs Ongoing[1]	4	28.3%

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

BORROWER STRUCTURE

Type	Loans	% of Pool
SPE with Independent Director and Non-Consolidation Opinion	2	16.8%
SPE with Independent Director Only	1	7.6%
SPE with Non-Consolidation Opinion Only	0	0.0%
SPE Only	20	75.6%

Sponsor Strength: DBRS identified five loans, representing 32.2% of the pool, associated with a borrowing structure that DBRS deemed to be weak or where the sponsors have inadequate commercial real estate experience and/or other negative credit events. DBRS analyzed these loans with elevated POD levels to mitigate this risk. Four of the loans, Winding Trails Apartments, Monarch Portfolio, Kearny & Clay and Barrington Apartments, are in the top 10. The remaining sponsors were considered average with adequate commercial real estate experience.

DBRS Sponsor Strength

Sponsor Strength	% of Pool	# of Loans
Strong	0.0%	0
Average	67.8%	18
Weak	32.2%	5
Bad (Litigious)	0.0%	0

Transaction Structural Features

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

Future Funding: Certain unfunded future funding participations (which will not be part of the initial collateral pool) that are funded after the closing date may be acquired by the Issuer up until December 2019, with such purchases made using proceeds held in the permitted funded companion participation acquisition account. This account will have a zero-dollar balance at securitization and will be funded from optional prepayment proceeds. Once prepayment proceeds are deposited into this account, they must be used to acquire future funding participations within 120 days. DBRS accounted for the potential change in pool composition, and these assumptions are reflected in the credit enhancement levels.

Advancing: RAIT — an affiliate of the seller and an indirect qualified REIT subsidiary of RAIT Financial Trust — is the Advancing Agent and will be required to make interest advances only on Classes A, A-S and B. No interest advancing is required on the Class C, Class D, Class E, Class F, Class G and the Class H Notes. The servicer, currently RAIT, will be required to make property protection advances pursuant to the terms of the servicing agreement upon determination that such advances are needed. Wells Fargo Bank, N.A. is the backup Advancing Agent for both interest and property protection advances.

Backup Advancing Agent and Backup Servicer: The servicing agreement provides for the Indenture Trustee to provide advancing in the event the Servicer does not. The servicing agreement also provides that the Indenture Trustee will act as the successor Servicer or Special Servicer in the event that the Servicer resigns or is terminated. If the Indenture Trustee is unwilling to step into that role, it may appoint a successor Servicer and/or Special Servicer.

Control Rights of the Directing Holder: The Directing Holder is the holder of the majority of the most subordinate of the Class E, F, G or H Notes outstanding. The Directing Holder will have the right to replace the Special Servicer with or without cause, and the Directing Holder may also advise and direct the Servicer and Special Servicer with respect to any actions taken or not taken with respect to the mortgage loans. Initially, Classes E, F, G and H will be retained by an affiliate of RAIT Financial Trust, and therefore the Directing Holder rights will be retained by an affiliate of RAIT Financial Trust until a Control Shift Event has occurred to Class E.

Control Shift Event: A Control Shift Event will occur with respect to any of the Class H Notes, the Class G Notes, the Class F Notes and the Class E Notes if, and for so long as, there is 25.0% of the class remaining. This calculation excludes any Deferred Interest that may be due on the notes. If control passes to the Class D Notes, the operating advisor will be able to advise on selection of the Servicer and/or Special Servicer.

Controlling Class: The Controlling Class will initially be the Class A Notes or the most senior class of notes outstanding. The Controlling Class has the ability to direct the Indenture Trustee if an Indenture event of default of the transaction has occurred and continues to occur, such as non-payment of interest to Classes A, A-S and B; non-payment of principal; a breach of any covenants within the Indenture; or the Issuer failing to be a qualified REIT, among others.

Delayed Closing Mortgage Loans: As of the date of the DBRS analysis, there are three loans — The View at Lake Highlands, The Convoy Retail Center and Valore at Southern Park — that represented 12.2% of the pool and have not yet been funded but are anticipated to be funded within 90 days of the closing date of the transaction. Proceeds will be distributed per the waterfall in order to achieve target credit enhancement levels if some or all of the loans are not funded. The target credit enhancement reflects both the strength of the loans and concentration of the remaining loan pool if not funded.

Servicing Standard: The servicing agreement contains the typical servicing standard and obligation for that to prevail over Directing Holder instruction.

Rating Agency Confirmation (RAC) or No-Downgrade Confirmation: Certain events within the transaction, including a change of Servicer(s), require the Issuer to obtain an RAC. It is not the intent for DBRS to waive these RACs, and its analysis will be included within its surveillance reports.

Originator

RAIT is the originator of the loans in the pool. DBRS met with RAIT origination employees in the company's Philadelphia office on June 4, 2013, to perform an originator evaluation. Additionally, RAIT owns and currently manages a portfolio of commercial real estate assets totaling approximately $1.7 billion, comprising over 220 multifamily units and 4.3 million sf of office and retail space as of September 30, 2017. As of the same period, RAIT had $2.9 billion of assets under management across both equity and debt platforms, which is considered sufficient to advance the future funds.

Because of the transitional nature of the properties, loan analysis is intensive. Loan documents are standardized, and certain terms are non-negotiable. All loans are reviewed by an outside loan committee and require unanimous approval in order to close.

RAIT has provided a copy of its analysis guidelines and forms library for DBRS review. Overall, the company's origination practice is organized and quality-control/loan-approval processes are sufficient.

Servicer and Special Servicer

RAIT participates in DBRS's CMBS servicer evaluation program. DBRS most recently met with RAIT in their office on October 8, 2015, to perform the periodic evaluation of the company's primary and special servicing capabilities. Servicing functions at RAIT are handled by two groups: servicing and asset management, each headed by an experienced and tenured manager. Servicing handles administrative functions, such as new loan setup, payment processing, cash management and escrow administration. The asset management group is responsible for all real estate–related matters as well as special servicing. Both groups have been stable and have exhibited minimal turnover.

The servicing group consists of a manager and three full-time employees and is assisted by an experienced insurance professional with more than 25 years of experience. Since its implementation in 2007, RAIT continues to use Midland Loan Services, Inc.'s Enterprise! loan-servicing system as its system of record. All cash transactions are posted on Enterprise!, and key loan document images are stored in the system. The majority of RAIT's loans have cash management agreements in place that are administered by the servicing team. All investor reporting is reviewed and approved by senior management, and all investor accounts are reconciled on a monthly basis. RAIT uses vendors for certain functions, such as real estate taxes, insurance compliance and Unified Commercial Code filings and maintains adequate control over its vendors.

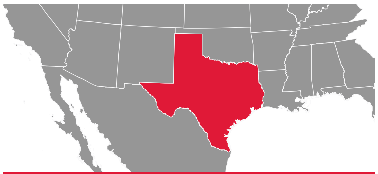
The ten-person asset management team continues to be responsible for financial statement analysis, periodic site inspections and loan covenant and trigger monitoring. All loan triggers are input into the servicing system for easy tracking. Customer requests, such as lease approvals, assumptions or modifications, are also handled by asset management. The collection process is initially handled by the servicing group, with active involvement by the asset management team as necessary.

The company continues to maintain its internal risk rating program as part of its surveillance process. Loans are risk rated on a scale of one to five, taking into account items such as payment delinquency, cash flow performance and LTV ratios, among others.

Special servicing is handled by a subset of the asset management team. Upon a loan being designated as specially serviced, the asset manager immediately works to prepare an asset status report and engages legal counsel, if necessary. Once the asset status report is completed, the asset manager develops an action plan to resolve the existing default. The action plan considers net present value calculations of the various resolution alternatives, borrower financial status and local market conditions, among other factors. Action plans are presented to a credit committee for approval. RAIT and its asset managers have significant experience with foreclosures and borrower bankruptcies and have access to the company legal team to assist in the resolution process. During the servicer evaluation, RAIT presented several special servicing case studies to DBRS analysts.

Quality control in the servicing and asset management functions is typical of a small servicing shop, with separation of duties and designated review and approval processes. The company is subjected to both internal and external audits, including Regulation AB and Uniform Single Attestation Program reviews.

As of September 30, 2017, RAIT actively serviced 185 loans totaling $1.77 billion, including securitized loans and loans owned by RAIT or its affiliates.



Winding Trails Apartments

Houston, TX

Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$22.1

Loan psf/Unit
$50,457

Percentage of the Pool
8.4%

Loan Maturity/ARD
August 2022

Amortization
n/a

DBRS Term DSCR
1.25x

DBRS Refi DSCR
0.94x

DBRS Debt Yield
8.2%

DBRS Exit Debt Yield
8.5%

Competitive Set

Multifamily, Large, Zipcode Prefix: 770

Median Debt Yield
9.2%

Median Loan PSF/Unit
$31,086

Debt Stack ($ million)

Trust Balance
$22.1

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$22.1

Loan Purpose

Acquisition

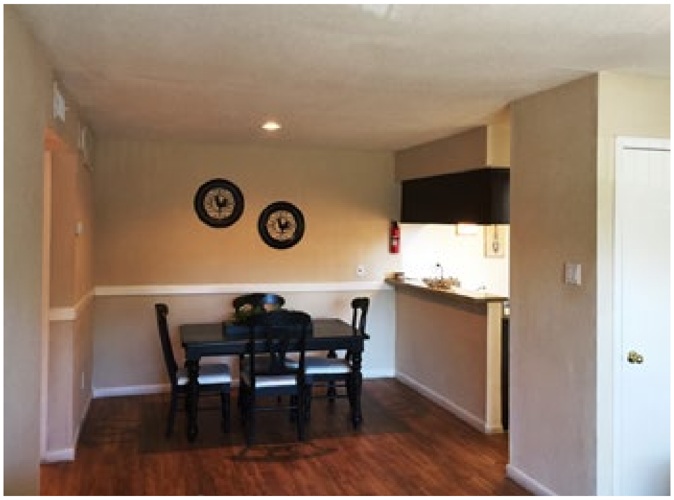
Equity Contribution/ (Distribution) ($ million)
$8.9

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 26, 2017, DBRS found the property quality to be Average (-).

The collateral is located in a densely developed suburban market approximately 14.0 miles southwest of the Houston CBD. Specifically, the collateral is situated along Wilcrest Drive, a four-lane arterial that runs parallel to Sam Houston Tollway and connects to I-69. The commute to the Houston CBD is approximately 30 minutes, providing residents with convenient access to major employment and commercial centers throughout the MSA. The property's accessibility is further enhanced by a comprehensive network of arterial streets that provide access to nearby offices, schools, manufacturing plants, hospitals and retailers. Land use in the surrounding area comprises a mix of office, retail and industrial development along primary thoroughfares, with single- and multifamily properties generally found on secondary streets. Most of the residential properties in the local market were built during the 1970s and 1980s. The subject is a 20-minute drive from The Galleria, an upscale mixed-use development located in the Uptown District of Houston. The sprawling development includes a 2.4 million sf super-regional mall featuring over 375 stores, including Neiman Marcus, Nordstrom, Saks Fifth Avenue and Macy's. Other prominent developments and employment in the area include the Southwest Memorial Hospital, Houston Baptist University, Westwood Technology Center and the PlazAmericas Mall. Local area demographics are indicative of a working-class populace, with 202,970 residents in a three-mile radius reporting a median household income of $37,559 per annum. DBRS calculated annual rent at the subject at $8,822, which is equal to 23.5% of the median household income.

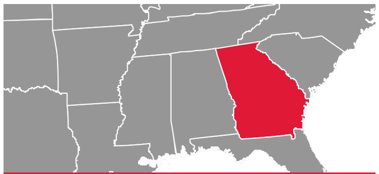



The property manager, who has been at the subject since August 2017, facilitated the site tour. Although new to the property, management appeared to be knowledgeable about the collateral and the market. Occupancy for the property was confirmed at around 85.0%, consistent with the 86.3% reported as of the July 10, 2017, rent roll. The property manager was expecting 26 move-ins by the first week of November, which would increase occupancy closer to around 90%. Although the previous owner invested some capital into exterior and interior renovations, the sponsor believes that the property's elevated vacancy has been a direct result of ineffective marketing and tenant services. Overall, the property has average curb appeal, but several buildings show significant exterior deferred maintenance, including worn-out paint and panels. The facades of the 29 two-story buildings are comprised of a combination of beige siding panel and painted brick veneer, with exposed balconies on the upper floors. A portion of the $790,000 ($1,840 per unit) upfront capex reserve will be utilized for exterior carpentry and paint, which should help enhance the collateral's overall appearance. In fact, there was a construction crew conducting work on the leasing office at the time of the DBRS site inspection. The leasing office would be converted into a more modern, open space by removing several walls and adding new flooring, decor, furniture and a redesigned color scheme. However, since the exterior upgrades will be minimal in scope, they will not completely address the building's dated appearance. The swimming pool is located adjacent to the leasing office, which added an attractive look to the entire property. DBRS had the opportunity to inspect three apartment units, including two one-bedroom units and a two-bedroom unit. The subject also offers eight three-bedroom units, none of which were vacant at the time of the DBRS site inspection. One of the one-bedroom units was undergoing renovations and would serve as the property's new model unit. The other observed units had not been renovated; however, the manager expects to have about 20 renovated units by YE2017. An additional 24 units would be renovated in the first half of 2018, bringing the total number of renovated units to 44, or 10.0% of the property's 438 units. Unit interiors appeared clean and in overall good condition, although certain aspects looked dated and not overly attractive. Renovations are being made as units become vacant in order to minimize any major disruptions to the property's operations, with the expectation that the sponsor's capital improvement plan will be completed within six months of loan closing. Upgrades to the interiors will include new flooring, lighting fixtures, ceiling fans, resurfacing or replacement of counters, painting and new appliance packages. Although no renovated units have been leased, property management estimated rent premiums of approximately $75.00 to $100.00 per month, depending on the unit configuration.

DBRS VIEWPOINT

The subject property is located in an established suburban market that benefits from convenient access to Downtown Houston and surrounding communities. Primary access to the local area is provided by I-69 and Sam Houston Tollway, which connect residents to major employment and recreation centers throughout the Houston MSA. The sponsorship group acquired the asset for $28.47 million ($65,000 per unit) and contributed $8.9 million of cash equity into the transaction. The previous owner had invested $2.1 million ($4,795 per unit) in capital improvements since 2015, maintaining the subject in adequate condition. However, according to the borrower, the property suffered from high vacancy and concessions because of ineffective marketing and poor service. The loan is structured with a $790,000 upfront capex reserve that will be utilized by the sponsor to complete interior and exterior upgrades. Interior upgrades will be completed as units turn, with the goal of renovating 44 units within six months of loan closing at a projected cost of $3,550 per unit. The improvements were in average condition at the time of the DBRS inspection; however, the sponsor's capital improvement plan should help enhanced the property's appearance and improve its overall operations. Exterior renovations and repairs will include landscaping improvements, new sealcoat and striping in the parking lot, new signage, pool repairs and an updated leasing office. Ultimately, exterior upgrades will be cosmetic in nature and will not completely eliminate the property's dated appearance. Interior renovations will include new flooring and carpet, lighting fixtures, ceiling fans, resurfacing or replacing of counters and cabinets, painting and new appliance packages. Given the limited capex budget associated with the unit interiors, renovations will not be comprehensive in nature, which will likely put a cap on the rental premiums management can successfully charge. The sponsorship group has successfully repositioned seven multifamily properties in Houston, five of which were part of a portfolio that was sold for a profit in May 2016. The sponsor currently owns two Houston multifamily properties totaling 882 units. Both properties have received capital improvements, which have helped the sponsor increase rental rates.

For its stabilized NCF analysis, DBRS assumed a GPR based on in-place leases per the July 10, 2017, rent roll, with 50.0% credit given to the appraiser's estimated rent premiums associated with the 44 units the sponsor plans to renovate. DBRS considers the 50.0% premium credit to be appropriate because the proposed unit renovations are quite limited in scope and to account for inherent execution risk associated with the business plan. The resulting DBRS WA monthly rental premium of $22.71 per unit is much lower than the property manager's estimate of $75.00 to $100.00 per unit. Based on the DBRS Stabilized NCF, the DBRS Exit Debt Yield and the DBRS Refi DSCR of 8.5% and 0.94x, respectively, are indicative of elevated refinance risk. However, the loan's exposure at maturity of $50,457 per unit is quite reasonable compared with the average sales price of $68,462 per unit across six properties comprising 1,911 units within the area over the past two years, according to the appraisal.



Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$22.1

Loan psf/Unit
$60

Percentage of the Pool
8.4%

Loan Maturity/ARD
June 2020

Amortization
n/a

DBRS Term DSCR
1.76x

DBRS Refi DSCR
1.46x

DBRS Debt Yield
12.5%

DBRS Exit Debt Yield
12.5%

Competitive Set

Unanchored Retail, Large, Suburban

Median Debt Yield
10.6%

Median Loan PSF/Unit
$74

Debt Stack ($ million)

Trust Balance
$22.1

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$22.1

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ million)
$12.1

Monarch Portfolio

Alpharetta and Lawrenceville, GA

DBRS ANALYSIS

SITE INSPECTION SUMMARY

DBRS toured the interior and exterior of North Bridges Shopping Center and River Exchange Shopping Center on October 27, 2017, at 1:00 p.m. Based on the site inspection, DBRS found the property quality of both anchored retail centers to be Average.

RIVER EXCHANGE SHOPPING CENTER

The subject is a 263,651 sf anchored retail center located in Lawrenceville, GA, approximately 30.0 miles northeast of the Atlanta, Georgia CBD. The grocery-anchored center runs parallel to Riverside Parkway, lies within the I-85 corridor and is in close proximity to Georgia State Route 316. The Kroger Company (Kroger; 63,986 sf) and Goodwill Industries International Inc. (Goodwill; 36,540 sf) account for 38.1% of the property's NRA, while the remaining 163,125 sf is divided among junior anchor (29.2% of NRA), large in-line (12.4% of NRA), and in-line spaces (20.3% of NRA). As of the October 31, 2017, rent roll, the property was 89.3% occupied by a total of 27 tenants. The property is comprised of eight one-story buildings that have brick exteriors, green aluminum roofing and typical covered breezeways in front of retail storefronts. The parking lot in front of the strip center is large and has an adequate amount of space for the foot traffic observed during the time of the inspection. The site had a few benches and some light shrubbery in front of retail storefronts, meanwhile unit interiors were equipped with standard acoustical tiles and standard retail build-outs. The front section of Kroger looks updated with floors that resemble hardwood flooring in the produce section, probably a result of the renovations that took place in 2012 and 2013. Further into the interior, some signs of deferred maintenance were noted in the form of stained or cracking linoleum floor tiles.

Throughout the store, signs in the aisles were relatively updated. Also part of Kroger's operations is a fuel station that was added to the parking lot in 2007, for a total of $1.0 million. The second anchor, Goodwill, was also in standard condition. The eight vacant spaces at the property have an average of 3,000 sf and are scattered throughout the center, not necessarily concentrated in one area. DBRS toured the vacant spaces during the site inspection, observing one vacant cellular store with several customer counters and display racks along the walls. During the inspection, Cato Corporation (3,935 sf) commented that their location is doing well and they would happily expand into a larger space in the center if provided with the opportunity. Overall, the property is a typical retail center.

NORTH BRIDGES SHOPPING CENTER

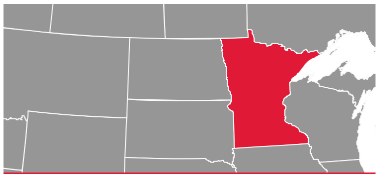
The subject is a 106,396 sf anchored retail center located in Johns Creek, GA, approximately 30.0 miles northeast of the Atlanta CBD. The grocery-anchored center has primary frontage onto Jones Bridge Road and secondary frontage onto State Bridge Road. The Goodwill (35,922 sf) and Aldi (15,657) occupy 48.5% of the property's NRA, while the remaining 54,799 sf are divided among large in-line (17,089 sf) and in-line spaces (37,710 sf). As of the October 31, 2017, rent roll, the property was 85.4% occupied by 17 tenants. The property is comprised of three single-story buildings and features several aesthetic accents that provide for a more pleasant atmosphere for a retail center. Adjacent to the Outback Steakhouse is a small tower with a walkway through it, light shrubbery and landscaping, as well as quaint lampposts scattered throughout. In terms of exterior quality, the North Bridges asset was more aesthetically pleasing than River Exchange, mostly because of the fact that the property has exterior masonry accents and is located in a more affluent neighborhood, but despite this the tenants at both properties are of similar quality. The largest tenant space, Goodwill, was in standard condition and similar to the River Exchange property. Meanwhile, the second-largest tenant space, Aldi, appeared small for a typical grocery store, noting that they only occupy 15,657 sf. The interior of the grocery store appeared updated with colorful photographs of fresh fruit and other wall decor throughout. Across Jones Bridge Road is another similar shopping center, anchored by a Kroger, with a few outparcels occupied by McDonald's, Papa John's Pizza and Bank of America Corporation.

DBRS VIEWPOINT

The two subject properties, River Exchange Shopping Center and North Bridges Shopping Center, are both grocery-anchored retail centers located in suburban markets of Atlanta. Both properties were previously securitized in RAIT 2015-FL4, in a three-property portfolio, which included a third retail asset known as Prado Exchange (85,513 sf) in Duluth, GA. This asset was sold and is not part of collateral for this loan. The borrower's current business plan is to lease up the properties to a vacancy rate more in line with market vacancy rates. Per CoStar, as of September 25, 2017, the Gwinnett Place Mall/Duluth retail submarket is strong and exhibited retail vacancy rates of 6.5%, which is less than the subject's (River Exchange) vacancy rate of 9.2%. Additionally, the Gwinnett Place Mall/Duluth retail submarket has improved from a vacancy of 8.7%, since the property was last analyzed in April 2015. The prior DBRS analysis noted moderately downward trending NNN rental rates for the submarket, but rental rates have increased to $13.06 as of September 2017, from $11.96 in 2015. Per the property manager, the area near the River Exchange asset has a concentration of low-income housing, but per the appraisal the median household income within a one-mile radius is $54,765. Meanwhile, the market statistics for North Bridges within the Roswell/Alpharetta retail submarket also exhibited a low vacancy rate of 6.1%, which is less than the subject's (North Bridges) current vacancy rate of 14.6%. The Roswell/Alpharetta retail submarket has also improved since April 2015, when the vacancy rate was 6.9%. Since April 2015, NNN rental rates have increased to $16.09 psf from $14.35 psf.

The loan is adequately structured with $1.9 million of upfront TI/LC reserves that will be used for general leasing. Although there are no planned capital improvements in the future, the loan also has a replacement reserve balance of $193,420 as of October 2017. Per the DBRS site inspection, most vacant spaces will need to be white-boxed for future tenant usage, because they still have build-outs from prior tenants. Since the properties were acquired in May 2015, portfolio occupancy has increased to 89.3% as of October 2017, from 72.8% at acquisition in May 2015. Across both properties, 51,364 sf of new and renewal leases have been signed since 2015. A notable new lease at River Exchange includes the Books By The Pound tenant (15,418 sf), which signed a lease for a gross rent of $9.00 psf and expires in October 2020. After two and a half years of seasoning, the loan has 30 months remaining. Based on the original fully-extended maturity date of June 2020, 39.2% of the NRA will expire through 2020. Despite some rollover risk, all of the grocery anchor (Kroger and Aldi) and anchor (Goodwill) spaces expire after the extended maturity date of June 2020. Kroger's sales in 2016 were $353 psf and updated sales figures were not provided. Although the tenant is investment grade, Kroger's stock price dropped by almost 30.0% after disappointing Q1 2017 earnings were announced on June 15, 2017, which raises some concerns about the company from a national standpoint. During the time of the site inspection, the grocery center had a decent amount of foot traffic and customers in the store. In 2007, the tenant invested approximately $1.0 million of their own capital to add a fuel station in the parking lot in front of the store.

With an overall portfolio occupancy of 89.3%, the DBRS analysis assumes that the properties are stabilized. Since 2015, the loan psf has decreased to $60 psf, from $64 psf (adjusted for the Prado Exchange asset that was the third property in the original portfolio). As done previously in the RAIT 2015-FL4 transaction, DBRS also increased POD for the loan as a result of the sponsor's unfavorable credit history and prior SEC charges. The sponsor agreed to a settlement and the matter was considered satisfied. The DBRS Debt Yield and Exit Debt Yield are both high at 12.5% and the Term DSCR of 1.76x and Refi DSCR of 1.46x are also favorable.



Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$20.0

Loan psf/Unit
$105

Percentage of the Pool
7.6%

Loan Maturity/ARD
February 2019

Amortization
n/a

DBRS Term DSCR
1.36x

DBRS Refi DSCR
1.18x

DBRS Debt Yield
9.3%

DBRS Exit Debt Yield
9.4%

Competitive Set

Office, Large, Zipcode Prefix: 554

Median Debt Yield
9.8%

Median Loan PSF/Unit
$102

Debt Stack ($ million)

Trust Balance
$20.0

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$20.0

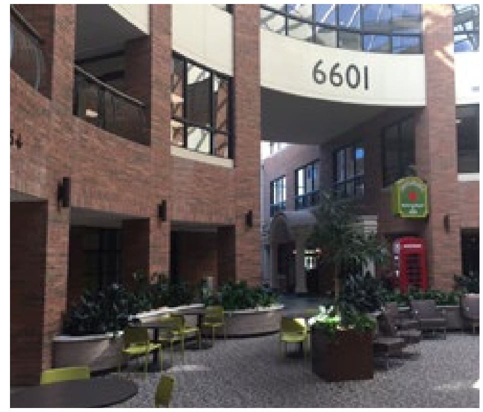
Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ million)
$7.9

Woodlake Center Portfolio

Richfield, MN



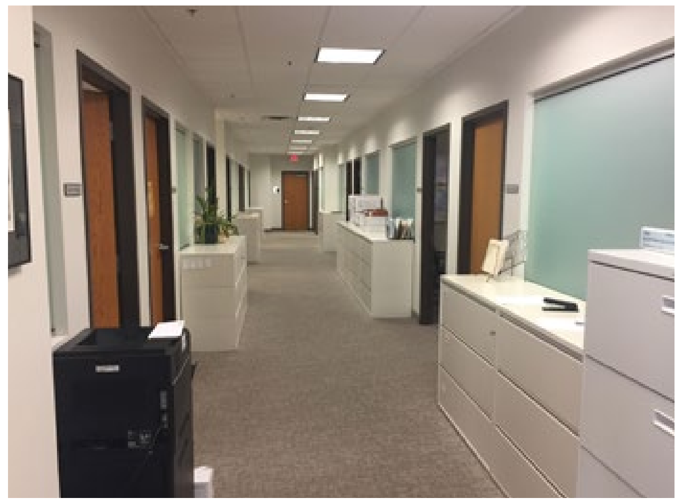
DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 23, 2017, DBRS found the property quality to be Average.

The collateral has a prominent location at the southeast corner of the intersection of Lyndale Avenue South and West 66th Street in Richfield, Minnesota. The collateral has frontage along both streets, with very good visibility and an abundance of tenant signage scattered around the building exterior. As the property is just 0.5 miles from both I-35 W. and Hwy. 62 (commonly referred to as the Crosstown Highway), the subject is easily accessible from the Minneapolis-St. Paul International Airport as well as the Minneapolis CBD, just eight miles directly north of the subject. The surrounding area is relatively dense, being a first-ring suburb of Minneapolis and predominantly built out with middle-class, single-family homes with a concentration of retail and large senior living developments near the intersection of these two thoroughfares. There is a large private high school (Academy of Holy Angels) two blocks east along West 66th Street and an LA Fitness gym directly across the street from the subject, which according to management, tenants can use at a reduced membership rate.

The collateral includes three interconnected buildings, referred to as the Medical Building, Commercial Building and Bank Building, as well as a large seven-story attached parking garage. The 22,000 sf Medical Building was built-to-suit for its current tenant, Allina Health System (Allina), in 1994, with a current lease expiration in December 2019. The Bank Building, which has expanded multiple times since its original construction as the headquarters for Richfield Bank & Trust in 1955, now stands five stories and comprises 84,053 sf. The building is approximately 80.2% occupied by 14 tenants and also features multiple drive-thru lanes for BMO Harris Bank. The three-story, 84,661 sf Commercial Building was constructed in 2001 and acts as the focal point for the property, connecting all three buildings together and featuring a large rotunda at the center. The attached parking garage, also built in 2001, contains 657 stalls and has a mix of open public parking as well as reserved spaces for tenants. There is also an 85-space parking garage under the Commercial Building with additional reserved parking for the property. Although the three buildings are of different vintages, the exteriors are all brown brick and similar in appearance to each other and fit in well with the surrounding area. Landscaping is minimal but appropriate and includes mostly grass, trees and shrubs along the front and back sides of the property. Management noted that the city will be tearing up the large intersection in front of the property later this year to put in a roundabout, which will likely be disruptive for a while, but will ultimately add some curbed street parking for the subject's tenants and be a positive to the area.



Although there are multiple entrances to the various buildings, the main lobby for the entire property is the rotunda of the Commercial Building, which is accessed both from the front and back of the property as well as from the attached parking garage. The large, three-story atrium is the focal point of the property and includes many seating options and planter boxes. While there is no security desk, there are numerous tables and chairs available for tenants and guests, with the second and third floors having walkways and offices that overlook the rotunda. There is a Houlihan's Restaurant & Bar directly off the main entryway/lobby, which according to management is quite popular with the elderly population in the neighborhood when they are coming to Allina for appointments. From the atrium there is large signage above the walkways to each of the other two buildings. According to management, approximately $1 million was spent over the past couple of years renovating this lobby area and adding the adjacent conference facilities that connect the Commercial Building to the Bank Building, both of which show very nicely.

Tenant interior finishes throughout all three buildings are generally consistent with Class B space, though the Commercial Building, being the newest building, is the nicest and commands a higher rent then the other multi-tenant building. According to management, rental rates at the Bank Building are generally in the $12 psf range, while rental rates for the newer Commercial Building are generally between $14 to $16 psf, in part because of the medical office concentration within this building. Additionally, with Allina as the largest tenant, coupled with the demand stemming from the large concentration of senior living developments in the immediate area, almost 50% of the occupied space is leased to medical-related tenants, which generally receive higher TI packages than standard office product. Management reported that typical TI packages range from $25.00 to $35.00 psf, with a few tenants getting upward of $50.00 psf, which is above market at $25.00 psf. DBRS was able to tour various occupied spaces within each building, as well as a few vacant spaces. The occupied suites were in good overall condition and generally laid out with longer hallways lined with either private offices or exam rooms, with very few tenants having the more modern open-concept design that is prevalent in today's office product. The two-story Medical Building, fully leased to Allina, had a standard medical office layout nearly identical on each floor and was in average condition, with a decent amount of patients in the waiting room at the time of inspection. DBRS toured three vacant spaces between the two multi-tenant buildings, two of which were in raw condition and one that had an open layout just as the prior tenant had left it. Management indicated they were in discussions with potential tenants for two of these spaces; however, this discussion was in very preliminary stages.

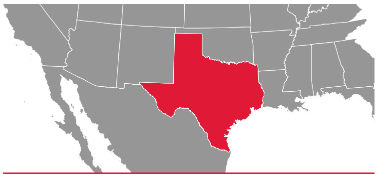
DBRS VIEWPOINT

The collateral is located in a first-ring suburb of Minneapolis within close proximity of major thoroughfares that connect the area to downtown, the airport and greater MSA. The subject fits in well with the surrounding neighborhood, with an abundance of senior living development in the immediate area driving demand for all the medical office space within the subject. The submarket for both office and medical office space has remained relatively stable over the past five years. Per CoStar, Class B office vacancy rates for the overall submarket and three-mile radius are 8.2% and 7.2%, respectively. That said, the availability rate is considerably higher at 14.5% and 11.7%, respectively. When looking specifically at Class B medical office space within the submarket and three-mile radius, metrics improve for the overall submarket to 6.1%/10.8%, but get slightly worse within the three-mile radius at 7.6%/13.3% for vacancy and availability rates, respectively. In all scenarios, the five-year average vacancy is within 1.0% of the current vacancy, indicating the market has remained relatively stable. The subject is currently at 80.2% occupancy, indicating some room for additional lease-up based on the CoStar submarket metrics, with the largest tenant, Allina, having a lease expiration nine months after the fully extended loan term.

The sponsor acquired the subject for $20.3 million in early 2014, just after BMO Harris Bank had downsized its space, dropping overall occupancy by 17.5% to a low of 61.5%. Since then, the sponsor's business plan was to spend $2.1 million on capital improvements and another $3.0 million on TI/LCs in order to attain a stabilized occupancy of 84% by the end of the initial three-year loan term. As part of the plan, the sponsor would offer above market TIs, which have averaged $35 psf to spur leasing, resulting in over 55,000 sf in new or renewal leasing and almost $2.6 million funded to date from the initial TI/LC reserve. Almost all capex has been completed, which primarily included a lobby renovation and the addition of the conference area connecting the Commercial and Bank buildings. There is approximately $495,000 remaining in the TI/LC reserve in order to bring the property to stabilization, with the loan currently in its first of two 12-month renewal options. The loan balance of $105 psf, is supported by Real Capital Analytics averages sales price of $180 psf for 16 office sales within five miles of the subject over the past two years. In its stabilized NCF analysis, accounting for the remaining TI/LC reserve, DBRS assumed an EGI, which is based on an 85.0% stabilized occupancy rate, a level that is still higher than the submarket vacancy rates per CoStar, and which results in a moderately strong DBRS Refi DSCR and DBRS Exit Debt Yield of 1.18x and 9.4%, respectively.

The View at Lake Highlands

Dallas, TX



Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$17.8

Loan psf/Unit
$64,212

Percentage of the Pool
7.1%

Loan Maturity/ARD
January 2023

Amortization
n/a

DBRS Term DSCR
1.20x

DBRS Refi DSCR
0.77x

DBRS Debt Yield
6.5%

DBRS Exit Debt Yield
7.5%

Competitive Set

Multifamily, Large, 75243

Median Debt Yield
9.0%

Median Loan PSF/Unit
$38,760

Debt Stack ($ million)

Trust Balance
$17.8

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$1.0

Total Debt
$18.8

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ million)
$8.1

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on November 2, 2017, DBRS found the property quality to be Average.

The subject property is located in a densely developed suburban market approximately 15.0 miles northwest of the Dallas, Texas CBD. Specifically, the collateral is situated on Shadow Way near the intersection of Audelia Road and in close proximity to I-635 in the northeast quadrant of Dallas. This area along I-635 and east of Hwy. 75 is commonly referred to as the Telecom Corridor as it is home to a significant concentration of high-technology businesses, including Texas Instruments Inc., AT&T Inc. and the University of Texas at Dallas, to name a few. The property's accessibility is further enhanced by an abundance of arterial streets that provide access to nearby offices, schools, hospitals and shopping centers. Land use in the surrounding area is composed of a mix of single-family homes, competing multifamily complexes, schools and retail developments along primary thoroughfares. The subject's immediate area consists of competing multifamily complexes of similar vintage and design and are also undergoing renovations similar to the subject. The new sponsor noted that the area has recently experienced new life and many of the neighboring assets have been successful in renovating and as a result average rents have been rising. Nearby amenities include two schools, Forest Lane Academy and Aikin Elementary School, as well as an Aldi-anchored shopping center at the intersection. Additionally, Richland College, a large employment center, is just a few miles northwest. According to management, there is a large concentration of residents at the subject employed in the education, construction and retail industries nearby.

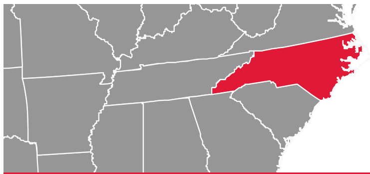
The community has 34 two-story residential buildings, playgrounds, dog runs and six gated entrances all located along Shadow Way, as well as a leasing office, which contains the fitness center and outdoor swimming pool. The seller renovated the leasing office and clubhouse with new floors, tan painted walls and granite countertops in the clubhouse. While on the site inspection, the new sponsor noted that previous renovations were good but they are planning additional upgrades to the clubhouse and pool area, such as a new paint scheme, adding a billiards table, replacing and expanding the concrete deck surrounding the pool and adding a second pergola and grill station. The sponsor anticipates the planned upgrades to be finished in the first quarter of 2018.

At the time of the DBRS site inspection, management indicated that the subject was approximately 95.0% occupied. DBRS inspected three different units throughout the property. All units observed were in different conditions and stages as one had been renovated, one was in the process of being renovated by the seller and the other was in non-renovated condition. The renovated unit was considerably nicer than the non-renovated unit, particularly concerning the kitchens and countertops. The seller renovated 190 units with granite counter tops, new appliances, and vinyl wood floors throughout the common space, updated bathtub and shower combinations as well as new kitchen and bathroom cabinets. The new sponsor noted that the previous owner was not able to push rental premiums as high for renovated units and estimated that the previously renovated units are currently $100/month under market. The sponsor plans to do minor upgrades to the previously renovated units as well as renovate the remaining units to the same standard with minor differences, such as putting in faux granite countertops instead of real granite, removing carpet throughout all the units, replacing them with vinyl floors. Furthermore, the new sponsor will continue to upgrade the appliance packages and add new light fixtures. Management expects to bring in an additional $200/month rent premium following renovations. Furthermore, units with granite countertops will bring in an additional rental premium.

Overall, the buildings' exteriors appeared to be dated, but are in fair condition with limited deferred maintenance observed, most of which was related to the driveways, parking spaces and walkways. The property is encircled by a perimeter fence with six points of entry and exit, all located to the south along Shadow Way. Building exteriors are wood framed, finished with a mixture of stucco and wood siding. The parking areas and driveways had extensive cracking and sections with broken concrete; however, the sponsor noted an extensive budget to remediate any deferred maintenance, as well as re-do the siding and balconies with a new color scheme and exposed hardwood on the balconies, which should bring a more modern feel to the subject.

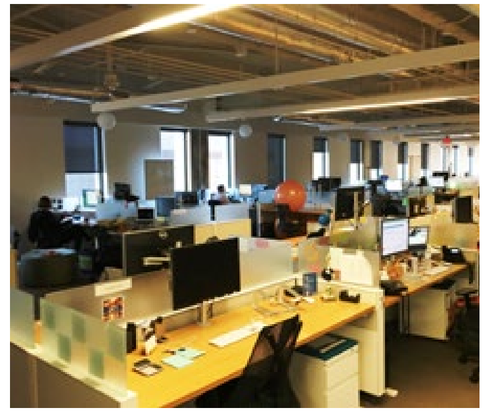
DBRS VIEWPOINT

The subject property is located in an established suburban market that benefits from convenient access to the Dallas CBD and surrounding communities. Primary access to the local area is provided by I-635, which connects residents to major employment and recreation centers throughout the Dallas MSA. The sponsorship group will acquire the asset in December 2017 for $23.5 million ($80,479 per unit) and invest $8.1 million of cash equity into the transaction. According to the borrower, the previous owner mismanaged the asset, resulting in rents at the subject lagging behind other renovated properties in the market. This is evident from 190 units that were renovated by the seller over the past year, but these units were leased up at rents that remained below market. The loan is structured with a $2.1 million ($7,660 per unit) upfront capex reserve that will be utilized by the sponsor to complete interior and exterior upgrades. The borrower plans to complete the exterior upgrades within the next six months, while interior improvements will be completed as units turn with the goal of finishing in the next two years. Overall, the improvements were in average condition at the time of the DBRS inspection; however, the sponsor's capital improvement plan aims to increase current below-market rents, maintain occupancy and improve property operations. Exterior renovations and repairs will include new exterior painting, new siding, new signage and pool upgrades. Ultimately, exterior upgrades will be cosmetic in nature and should completely address the property's dated appearance, the finished product will certainly be an improvement and will bring the subject in line with the surrounding competition. Interior renovations will include new flooring, lighting fixtures, bathroom hardware, resurfacing or replacing counters, painting and new appliance packages. Given the renovation budget associated with unit interiors along with the previous renovations, the overall property renovations will be comprehensive in nature. For its stabilized NCF analysis, DBRS assumed a GPR based on in-place leases per the September 26, 2017, rent roll, with vacant units grossed up to the average in-place rental rate for each respective unit type. DBRS also assumed an upside in GPR related to rent premiums expected on units to be renovated using the $2.1 million upfront capex reserve. Considering that the proposed unit renovations are quite extensive in scope and accounting for inherent execution risk associated with the business plan, DBRS accepted a rental increase achieved by the previous renovated units and an additional 50% of rental premiums estimated by the appraiser. The resulting DBRS WA monthly rental premium of $81.59 per unit is much lower than the property manager's estimate of $200 per unit. Furthermore, based on the DBRS Stabilized NCF, the DBRS Exit Debt Yield and DBRS Refi DSCR of 7.5% and 0.77x, respectively, are indicative of elevated refinance risk. However, the loan's exposure at maturity of $64,212 per unit is quite reasonable compared with the average sales price of $86,343 per unit across four properties comprising 1,182 units within the area over the past two years, according to the appraisal.



227 Fayetteville

Raleigh, NC



Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$18.0

Loan psf/Unit
$178

Percentage of the Pool
6.8%

Loan Maturity/ARD
November 2022

Amortization
n/a

DBRS Term DSCR
1.22x

DBRS Refi DSCR
0.83x

DBRS Debt Yield
7.0%

DBRS Exit Debt Yield
7.6%

Competitive Set

Office, Medium, Zipcode Prefix: 276

Median Debt Yield
9.2%

Median Loan PSF/Unit
$104

Debt Stack ($ million)

Trust Balance
$18.0

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$18.0

Loan Purpose

Refinance

Equity Contribution/ (Distribution) ($ million)
$0.1

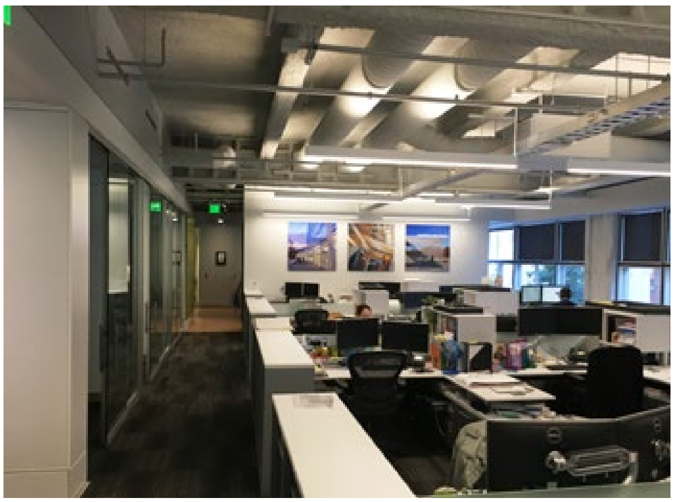
DBRS ANALYSIS

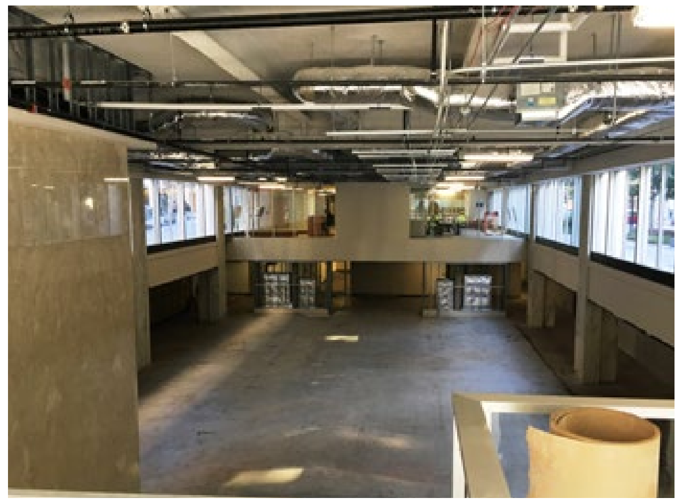
SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 25, 2017, DBRS found the property quality to be Average.

The office building is located mid-block along Fayetteville Street in downtown Raleigh, North Carolina, between Hargett Street to the north and Martin Street to the south. Additionally, the collateral also has good visibility and frontage along South Wilmington Street to the east. The property is well located being a few blocks from the Wake County Courthouse and the North Carolina State Capitol building. The surrounding area is predominately built out with government and office buildings with ground floor retail allowing tenants access to numerous food and shopping offerings. There are also numerous residential developments scattered throughout the downtown area. The region is highlighted by the Research Triangle, one of the largest and most proficient research centers in the nation for high-tech and biotech research and advanced textile development with more than 200 companies employing more than 50,000 people. Furthermore, companies are also attracted to the region's young talent pool at North Caroline State University, Duke University and the University of North Carolina at Chapel Hill, which are the three major research universities that anchor the Research Triangle. While downtown Raleigh does not have the prestige of the Research Triangle Park, the CBD is still a desirable area for law firms as Raleigh is the state capitol, as well as accounting, financial, architecture firms and software companies, per management.

Improvements consist of a nine-story, 101,165 sf Class B office building situated on a 0.26 acre site that was built in 1964. Although the property has received extensive interior renovations, the exterior has not been touched and is unassuming with pre-cast concrete wall panels and non-continuous windows. That being said, the property does fit in well with the surrounding area as the developments are of older vintage and appear to be of similar quality to the majority of the office buildings, but inferior to the newer developments. The main entrance to the lobby is located on a promenade along the north end of the building, while the entrance along Fayetteville Street will be the main entrance into the YMCA gym. The main lobby is small and contains only a two-chair sitting area and a small security desk. Zip Indy is the only office tenant with an entrance from the lobby as of the date of the site inspection, but if management is able to execute a lease for the small first floor vacant retail space, a future tenant will have a similar entrance. While tenant interior finishes are reminiscent of Class A office buildings, the overall amenities at the property are minimal with access to only a non-collateral, municipal parking garage. Although the amenities at the property are minimal, the YMCA gym operating at the collateral is likely to be a significant advantage over other Class B comparables and will be unique to the property as the YMCA will be the only gym in the downtown area.



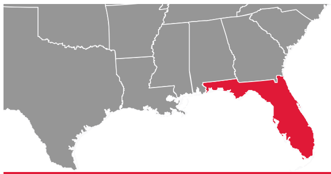


At the time of the DBRS site inspection, the build out to the YMCA had yet to begin, but construction was anticipated to start within a week or two of the site inspection. The space will have a unique layout as it previously was the bank branch of Wachovia, while the higher floors were of more traditional office space. Once entering the YMCA, one will enter a small lobby, which will feature a juice bar and a welcome desk and then must walk downstairs to a below-ground level concourse. The concourse will feature two levels (C1 and C2), which will feature free-weight, cardiovascular machines, locker rooms and meeting rooms on level C1 and pilates, yoga and cycling studios on the lower C2 level. As a result of the uniqueness of the space, the YMCA is an ideal tenant as it would be very difficult and expensive to lease to a traditional office tenant as it is subterranean space. In addition to the $1.0 million in TIs received as part of its lease, management reported the YMCA was adding between $3.1 million and $3.2 million of its own equity. Per management, the YMCA was expected to open in late January or early February of 2018, and management noted that the YMCA did not have any outs in the lease. DBRS also observed interior space occupied by all in-place tenants. The suites had a modern yet industrial concept with exposed ductwork, high ceilings and support beams. The suites had a typical configuration with small office spaces and small cubicles located along the exterior walls or in the middle of the floor and break-out and conference rooms also located in the center of the building. All tenant spaces were nicely built out with similar high quality finishes. It appeared that the majority of tenants added equity into their spaces, particularly Cohera Medical, Inc. as their space featured a lab for testing medical equipment. All vacant units were down to the studs and need significant TIs prior to a tenant taking occupancy. Management reported TIs being offered for these spaces between $40 psf and $50 psf depending on the loan terms with gross rents ranging between $30 psf and $35 psf.

DBRS VIEWPOINT

The collateral has a centralized location in downtown Raleigh within blocks of numerous demand drivers in the CBD including Wake County Courthouse, the North Carolina State Capitol building and the Raleigh Convention Center. Although the asset is not located in the more desirable Research Triangle, the downtown Raleigh market has remained stable with a vacancy of 5.2% per Costar, which has averaged 6.3% since 2005. The Class B office building metrics are even tighter with a vacancy rate of 2.3% and an average of 4.3% over the same period. While the market has remained stable, the asset was unable to backfill any of the building once Wachovia vacated the property in 2007 until late in 2014, when the sponsor spent approximately $11.9 million in renovations after acquiring the asset in 2012 for $5.2 million. The loan sponsors continued the gut rehab project, spending an additional $2.8 million from 2015 to September 2017, and have collectively spent $2.2 million in TI/LC costs. As a result, the property was 80.8% leased at the time of the DBRS site inspection. While the property is currently only 54.9% occupied, the loan is structured with upfront reserves to cover all outstanding TI/LCs and rent abatements associated with the YMCA lease, as well as a reserve to cover debt service shortfalls. When excluding obligations and abatements associated with the YMCA and Vital leases from the $2.3 million upfront reserve, the loan has approximately $901,000 remaining for future leasing to bring the property to a stabilized level. In addition to the property benefiting from leasing momentum, the property has minimal tenant rollover with only 6.2% of the NRA rolling during the fully extended loan term. Although the YMCA (25.9% of the NRA) is a non-traditional anchor tenant for an office property, the tenant provides the building with a distinct advantage over comparable Class B office properties in the downtown Raleigh market as the YMCA will be the only gym in the CBD, per property management, particularly since the property has minimal amenities. Furthermore, it has been reported the YMCA will be putting in between $3.1 million and $3.2 million of equity into their space in addition to the $1.0 million in TIs received as part of their lease, demonstrating their desire to be in the downtown Raleigh market for the foreseeable future.

The loan balance of $178 psf, is significantly lower than comparable office sales within the Raleigh CBD, which has averaged $297 psf since 2016 across six transactions, according to Real Capital Analytics, Inc. In its stabilized NCF analysis, DBRS assumed an upside in EGI that is based on a 90.0% stabilized occupancy rate, which is above the vacancy reported by the overall downtown Raleigh submarket per CoStar. While the loan balance is reasonable and supported based on recent market sales, the DBRS Exit Debt Yield and DBRS Refi DSCR of 7.6% and 0.83x, respectively, is reflective of substantial term and refinance risk unless stabilized occupancy is higher than the DBRS NCF level.



The Arbors Office Park

Delray Beach, FL

Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$17.2

Loan psf/Unit
$99

Percentage of the Pool
6.5%

Loan Maturity/ARD
April 2020

Amortization
n/a

DBRS Term DSCR
1.22x

DBRS Refi DSCR
0.93x

DBRS Debt Yield
8.0%

DBRS Exit Debt Yield
8.0%

Competitive Set

Office, Large, Zipcode Prefix: 334

Median Debt Yield
10.0%

Median Loan PSF/Unit
$118

Debt Stack ($ million)

Trust Balance
$17.2

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$17.2

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ million)
$6.3

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 25, 2017, DBRS found the property quality to be Average.

The subject is located near the intersection of two major thoroughfares, Congress Avenue and Linton Boulevard, and has almost immediate access to I-95. The surrounding area is primarily composed of residential developments consisting of single-family homes, multifamily complexes and offices and retail developments located along Congress Avenue and Linton Boulevard. The Delray Beach, Florida, submarket had, in recent years, undergone a revitalization, which began in a retail corridor along Linton Boulevard to the east of the subject, where several big-box tenants came into the area, including Trader Joe's, The Fresh Market, LA Fitness and Walmart Neighborhood Market. Additional projects in Delray Beach include several mix-use developments, residential complexes and an entertainment complex.

The two buildings are similar in appearance, with newly painted white-concrete exteriors and uninterrupted windows delineating each floor. Aside from the number of stories, the largest difference in appearance is the front entrance to the lobby, with one property displaying large pillars and another featuring a flowered pathway to the entrance, which is set back from the parking lot. Each property is surrounded by well-manicured landscaping consisting of mature palm trees, flower beds and groomed shrubs and bushes. Although the properties are adjacent to each other, they both have separate entrances and do not share a parking lot. Each entrance has small signage along South Congress Avenue that features the address and a couple of tenants per building. Regus utilizes the facade at the back of the property for mounted signage visible from I-95. No other tenant has signage affixed to the building. Previously, when DBRS saw the property in conjunction with the RAIT 2015-FL4 transaction, DBRS noted that deferred maintenance was prevalent at both sites and included rust-colored stains located on portions of the facade, sidewalks and parking lots. As of the most recent site inspection, most of the deferred maintenance has been remediated:

The two buildings have been recently painted white, the sidewalks are well maintained and the parking lot appears to have recently been re-striped. However, areas around the subject are sun-bleached and appear worn.

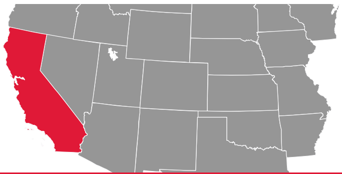
The lobbies are very attractive, with a two-story atrium, marble flooring, wood finishes and potted plants. The two-story structure is grander, with a larger atrium, two seating areas flanking the entrance to the lobby and a water feature underneath the staircase on the left side of the lobby. The common areas are in good overall condition at the time of the inspection. Management noted that the elevators were recently replaced, and they showed very well with wood and steel finishes. The new elevator system also displays what floor the elevator is on as well as the direction it is headed. A few months before the inspection, Alfred Angelo Inc., which occupied the entire fourth floor (21,947 sf), went bankrupt and immediately vacated its entire space. Management noted that the company left everything for the bank to appraise and clear out. The space is now bare, but remnants of Alfred Angelo Inc. remain, with some wall decorations, lighting, signage and several computer monitors. The space appears in fair condition, but would potentially need a significant amount of TI dollars prior to turnover in order to transform it from a single-tenant space to a multi-tenant space. The remaining vacant units toured by DBRS are in good overall condition, with only minor items of deferred maintenance. The occupied units, except for the Regus space, are in good condition and consist of standard, traditional office layouts with a combination of cubicles, perimeter offices and conference rooms. Depending on the tenant, some offices appear more dated than others and will require higher TIs in order to bring those spaces up to date. The Regus space reflects a more modern design, with an open-concept front office, but the rest of the space comprises long hallways lined with individual offices of various sizes and dimensions. DBRS was able to walk through the ReliaBill Solutions space, which features short cubicles in the center with individual offices around the perimeter. The space appears dated and significantly under-utilized, with an entire section of the space having cubicles and offices but no employees.

DBRS VIEWPOINT

The two suburban office buildings are located in a secondary city but are well situated with close proximity to major thoroughfares that connect the neighborhood to the surrounding area. The submarket is fairly soft, as evidenced by the availability rate of 14.0% across 59 Class B office buildings, as reported by CoStar. The submarket was hit hard by the recession, with vacancy rates reaching as high as 33.0% in 2009; however, vacancy rates have steadily decreased every year since, with direct vacancy in the submarket at 8.4% — well below the availability rate. The property historically has performed well below market levels, with occupancy being as low as 40.0% in 2011; however, the subject was able to capitalize on the revitalization of the city and raise leasing to as high as 95.8% occupancy until recently when Alfred Angelo Inc. went bankrupt and vacated its space. The subject is currently at 82.6% occupancy, and the vacancy and availability rates displayed in the submarket indicate the property is close to stabilization. The property is in an unfortunate situation, because the submarket statictics suggest some room to improve; however, upfront TI/LC reserves have been depleted to only $130,270.

THE ARBORS OFFICE PARK — DELRAY BEACH, FL

The sponsor purchased the subject in 2015 when the asset was 77.9% occupied and planned to inject $500,000 in TI/LCs in order to bring the subject up to 95.0% occupancy. The sponsor was successful in achieving the desired occupancy; however, recently, Alfred Angelo Inc. went bankrupt and vacated the subject. Current occupancy at the subject is down to 82.6% as a result, with a depleted TI/LC reserve of approximately $130,000. Consequently, DBRS did not include any upside in its NCF analysis. Based on the DBRS Stabilized NCF figure, the DBRS Exit Debt Yield and DBRS Refi DSCR are 8.0% and 0.93x, respectively. Office loans in this part of Florida have generally been originated at debt yields between 8.0% and 9.0%, implying that the sponsor may need to contribute additional equity to refinance the property. Although these figures suggest higher leverage and elevated refinance risk, the fully funded exposure of $99.00 psf compares favorably with the Real Capital Analytics average sales price of $183.00 psf for 19 office sales within the last two years. Rollover is considered manageable, with 17.3% of the NRA scheduled to expire through 2019, and the improving submarket and the property's desirable location should aid leasing momentum if the sponsor comes out of pocket to assist with TI/LC costs, despite DBRS not giving any upside credit because of the lack of remaining reserves.



Kearny & Clay

San Francisco, CA

Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$13.3

Loan psf/Unit
$443

Percentage of the Pool
5.9%

Loan Maturity/ARD
October 2022

Amortization
n/a

DBRS Term DSCR
0.39x

DBRS Refi DSCR
0.80x

DBRS Debt Yield
2.3%

DBRS Exit Debt Yield
7.3%

Competitive Set

Unanchored Retail, Medium

Median Debt Yield
10.1%

Median Loan PSF/Unit
$116

Debt Stack ($ million)

Trust Balance
$13.3

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$2.1

Total Debt
$15.4

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ million)
$9.0

DBRS ANALYSIS

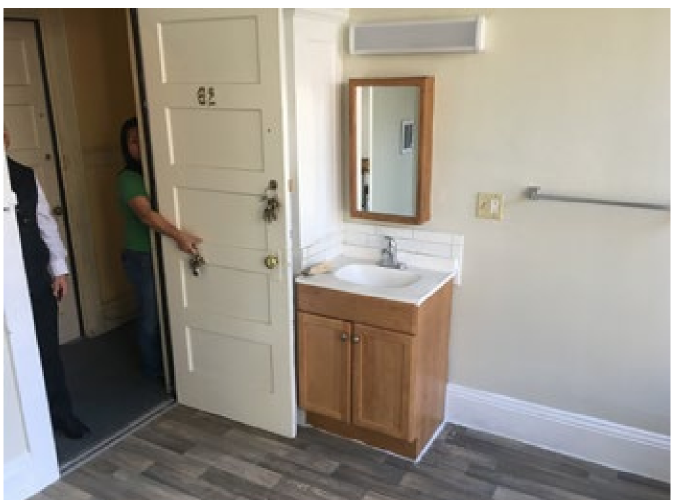
SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 23, 2017, DBRS found the property quality to be Below Average.

The subject property is a mixed-use building comprising ground floor retail with upper floor single room occupancy (SRO) residential space located in downtown San Francisco, California. The 0.35-acre site is situated on the east side of Kearny Street, a north-south thoroughfare that is located on the eastern border of Chinatown and the northern border of the Financial District and on the north side of Clay Street, an east-west thoroughfare. The subject is located in a mature, dense location with no land available for future development and the immediate area surrounding the subject is primarily older vintage commercial properties in addition to the Hilton San Francisco Financial District located on the north side of the subject. The area is highly accessible via public transportation with numerous Muni Transit lines in the immediate vicinity and there is a Bay Area Rapid Transit stop less than half of a mile from the subject. The corner location also experiences a decent amount of foot traffic given the tourist destination near Chinatown.

The collateral includes two two-to-three story mixed-use buildings that consist of 17,203 sf of ground floor retail and 144 SRO units that are generally concentrated on the second and third floors of the improvements. The collateral also includes 9,226 sf of basement space that is a relatively common offering in the market and not included in the total square footage in regards to retail space. SRO units are small residential units in which the tenants share common areas such as kitchens and bathrooms but have a private bedroom space and are required to be rented out for a minimum of 32 days. Currently, the SRO component of the collateral is 49.3% occupied as the seller has been vacating the units in order to offer potential buyers more units that could potentially be leased at market rents. The sponsor plans on keeping the SRO component ~50% occupied while working to update common areas and vacant rooms. DBRS was unable to inspect any occupied units at the time of the inspection however, vacant units appeared to be in average condition and consisted of a small, 122 sf square unfurnished room with a vanity sink and mirror.

Constructed between 1912 and 1922, the building's exterior appeared weathered but is comparable in age and appearance to many of the buildings in the neighborhood. The facade consists of a gray masonry concrete exterior with single-pane windows in metal frames. The property appeared to have a significant amount of deferred maintenance and much of the retail space was neglected by prior ownership. All of the storefronts along Kearny Street had adequate signage and visibility however, several spaces were not open given the morning inspection and looked dark at the time, with the restaurant on the corner still having their metal security gate closed. While on the site inspection, the new owner explained that as part of the business plan, ownership wants to bring existing vacancies to shell, refurbish new storefronts, expose the historic exteriors as well as the original brick and timber interiors and repair all the deferred maintenance at the property. There is currently a vacant 3,627 sf restaurant space with the main exterior entrance along Clay Street that the sponsor hopes to utilize as an anchor restaurant. The sponsor explained there are ongoing conversations with a few Michelin Star chefs that are currently located in Chinatown and considering relocating to the subject. Currently, the restaurant space is extremely outdated, sporting tile flooring and red paint on the first floor/entryway with bright red carpet and dark wood paneling on the mezzanine level of the space. The cellar is currently unimproved with concrete flooring and walls that the sponsor plans to clean up. The individual suites all have separate exterior access including a separate entrance for the residential component of the collateral.

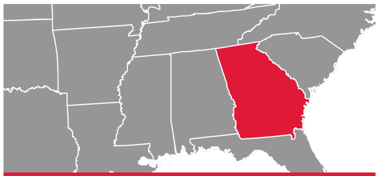


DBRS VIEWPOINT

Overall, the subject property is situated in a highly desirable neighborhood in a mature, densely populated market with limited land available for future development. The tight CoStar retail submarket data further supports the strength of the market with an average vacancy rate of 3.3% within the submarket and 5.0% vacancy rate within one mile of the subject. While the property has substantial potential to benefit from the corner location in a highly trafficked area, the improvements have been poorly maintained, lack curb appeal and suffer from a great deal of deferred maintenance. Given the significant amount of deferred maintenance at the property, the sponsor deemed it necessary to focus on capital improvements and tackling deferred maintenance in the retail units before committing to leasing up the space. The sponsor believes that once the exterior facade is cleaned up and vacant suites are in vanilla condition, the subject will successfully attract a restaurant operator to act as an anchor tenant and achieve rents more aligned with market rents. The sponsor is purchasing the property for $18.5 million and estimates the cost to renovate and refurbish the retail space to be $1.9 million (this figure is inclusive of $68,800 of deferred maintenance) with a total retail and SRO combined capital improvement budget of $3.4 million. The retail component of the subject property has lacked capital investment and was not only underutilized at the time of the inspection, but in extremely deprived condition and will benefit from overall investment.

Based on conversations with the sponsor, Cannae Partners, they do not have any experience in the SRO market and are planning on subdividing the retail and SRO units into separate legal parcels with hopes of eventually selling the residential component. The borrower is expecting this part of the process to take anywhere from eight to 12 months and is already in negotiations with several prospective buyers including Chinatown Community Development Center. If the sponsor's initial plan to sell off the SROs upon completion of the legal parcel subdivision for approximately $15.0 million falls through, there is a budgeted $1.5 million ($10,647 per unit) to renovate common areas and vacant units. Comparable SRO properties in the immediate area generate monthly rent ranging from $800 per unit to $1,300 per unit, resulting in an assumed market rental rate of $1,100 per unit. After capex on the SRO units is complete, the sponsor is expecting to achieve market rents on the renovated units compared to the current in-place average rental rate of $609 per month.

For the stabilized NCF analysis, DBRS assumed a GPR that is based on in-place rents per the August 31, 2017, rent roll with vacant units grossed up at the appraiser's estimated market rent. DBRS assumed upside potential in the lease up at the property with an assumed 5.0% vacancy loss associated with the SRO component and a 10.0% vacancy loss associated with the retail component given the strength of the market and the location of the asset in addition to new ownership dedicated to investing capital. Additionally, DBRS is accepting 50% of the appraiser's expected rental rate premium on renovated units. The loan psf of $383 is significantly lower than comparable retail property sales within a one-mile radius of the subject, which has average $831 psf over the past 24 months. While the loan psf is low, the DBRS In-Place NCF implies a DBRS Term DSCR of 0.39x, which is indicative of high term default risk. Refinance risk is considered moderate, as evidenced by a DBRS Stabilized NCF that implies a DBRS Exit Debt Yield and DBRS Refi DSCR of 7.3% and 0.80x, respectively, which would be very low for most markets but are considered modest in the San Francisco CBD in such a low cap rate environment.



Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$15.4

Loan psf/Unit
$142

Percentage of the Pool
5.9%

Loan Maturity/ARD
August 2022

Amortization
n/a

DBRS Term DSCR
1.20x

DBRS Refi DSCR
0.83x

DBRS Debt Yield
7.6%

DBRS Exit Debt Yield
7.6%

Competitive Set
Office, Medium, Zipcode Prefix: 303

Median Debt Yield
10.5%

Median Loan PSF/Unit
$105

Debt Stack ($ million)

Trust Balance
$15.4

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$15.4

Loan Purpose
Acquisition

Equity Contribution/ (Distribution) ($ million)
$6.7

550 Pharr Road

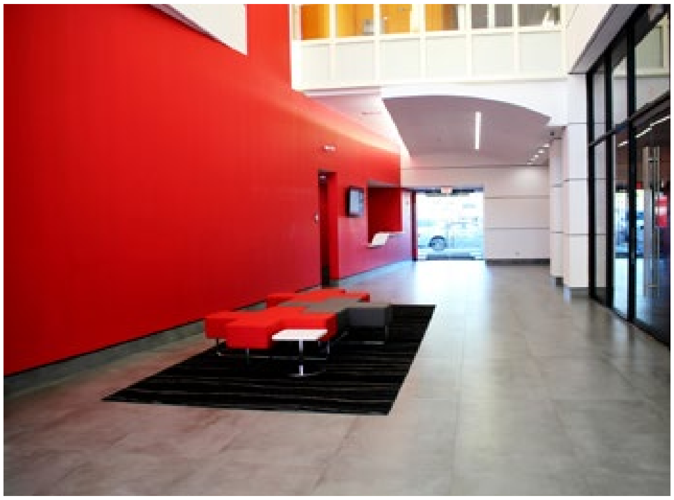
Atlanta, GA

DBRS ANALYSIS

SITE INSPECTION SUMMARY

DBRS toured the interior and exterior of the property on October 27, 2017, at 10:30 a.m. Based on the site inspection, DBRS found the property quality to be Average (+).

The subject is a nine-story 108,495 sf Class B+ office building located in the affluent district of Buckhead, Atlanta. As of the date of the site inspection, the property was 96.0% occupied by 36 tenants (104,113 sf) and has four vacant spaces (4,382 sf). The collateral is situated with convenient access to Piedmont Road, which leads to I-85. The surrounding area is comprised of residential establishments as well as upscale dining and nightlife for young professionals. The building has a rectangular footprint with a central cube of blue glass panels, with two concrete columns on either end. The exterior concrete columns feature floor-to-ceiling windows leading to balconies and show signs of discoloration. While the symmetrically-placed concrete columns create more of a multifamily development aesthetic, the central glass portion resembles a standard office structure, with the overall look being unusual but not unappealing. The entrance to the building is provided by a series of steps that lead up to the covered doorway, which lies beneath the glass cube that dominates the structure. There are bright red accents throughout the property, such as the red covered archway, rooftop patio structures and various signs. The building's lobby is bright and expansive because of the tall ceilings and modern hanging lamps. The lobby entrance leads to a check-in desk, the elevator bank, a small conference room, the valet area and rear parking lot.



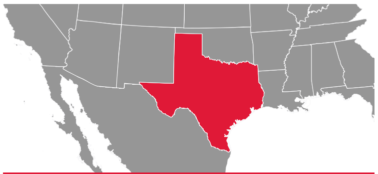
The ground floor also has two retail establishments: Bangkok Station, an upscale Thai restaurant which has interior access through the lobby and frontage onto Pharr Road, as well as Anytime Fitness which has large storefront windows and occupies the other corner of the building. Both retail spaces have patio seating, although the restaurant has significantly more seating with a bocce ball court and outdoor lamps. The patio areas are technically common areas, but the owner has allowed the restaurant to utilize the space for their own guests. Aside from the ground floor retail suites, the building's remaining eight floors are occupied by office users. The top three floors have smaller floorplates and function as private floors for Three Atlanta and Peachtree Capital Corporation (Peachtree). The top floor provides a wide private balcony that circles the entire office space and has patio seating and outdoor putting greens. The space has excellent views of the Atlanta skyline, the surrounding forested terrain and downtown Buckhead. The top two floors are occupied by Three Atlanta, an advertising and public relations firm that has their space equipped with large glass windows, an elegant conference center, wooden accents and other natural-colored elements. The third private floor is occupied by Peachtree Capital Corp., a tax and financial investment advisory firm. This space does not have a wrap-around balcony but does have access to its own large patio. The remaining floors are occupied by a variety of smaller tenants with good quality spaces and amenities such as a side-room kitchen or conference room. Generally, the spaces all show very well and facilitate a modern and entrepreneurial environment.

DBRS VIEWPOINT

The subject consists of a well-situated office property in Buckhead Village, a small district within the larger Buckhead market, within walking distance of Piedmont Road and with easy access to I-85. Although the property is not located in downtown Atlanta or downtown Buckhead, citizens are largely dependent upon vehicular transportation and management noted that some tenants prefer this location rather than driving through traffic into the downtown areas. The property benefits from free parking (a two-story underground parking garage with 310 spaces and 68 spaces in an adjacent parking garage), which is unusual for the submarket and offers the opportunity for potentially charging tenants in the future. Even though the property is unassuming from the outside, the interior benefits from a wide-open lobby, office suites with a fresh feel, modern finishes and plenty of glass divisions that further open up the space and provide for a start-up culture catering towards a young professional demographic. The property has a variety of unique tenant amenities which include private rooftop patio areas, ground floor patio areas and bocce ball courts. Overall, the subject has relatively small office suites, with the largest two spaces taking up approximately 8,000 sf each and the average space taking up only 2,782 sf. This creates some challenges when tenants want to expand into larger spaces and necessitates shuffling and reorganization in order to accommodate tenant demands. Although the property was previously exposed to one tenant occupying 30.0% of NRA, the subject does not currently have a tenant occupying more than 7.6% of NRA.

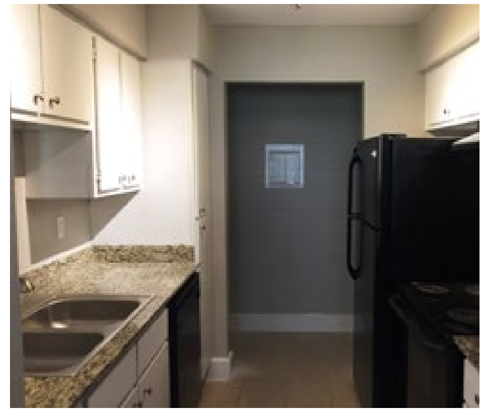
The loan is adequately structured with $1.5 million of reserves, of which $200,000 will be used for future leasing, $707,000 for HVAC modernization, $225,000 for outstanding free rent and $35,000 for roof repair. The sponsor's initial business plan focuses on HVAC repair and management believes that they can potentially find less expensive bids for job completion and ideally would invest remaining funds in cosmetic upgrades of the property. Property management also identified a recent roof leak which will need reparations for an estimated cost of $35,000. The roof leak is preventing the transformation of a rooftop patio that is in raw condition. The property has several under-utilized areas that have potential for value-add common areas. The large undeveloped patio space has great views of downtown Buckhead and downtown Atlanta and is equipped with outdoor WiFi could increase tenant retention. Additionally, the ground floor patio in front of the Anytime Fitness retail tenant is not being utilized at full capacity. An office tenant already in occupancy has expressed interest in expanding into the 5,678 sf space and utilizing the patio after installing outdoor WiFi. Management also mentioned that the space would be a good fit for a WeWork-type of space for entrepreneurs and start-ups. Although there is potential for capturing a higher rental rate for this ground floor space, it is currently occupied by Anytime Fitness on a lease that does not expire until 2025. The current rent for this space is $29.65 psf, while the market rental rate is $33.00 psf. Management believes that increasing the property's street presence could be a good way of increasing rental rates overall at the property. The subject is within the Class B office category in the Upper Buckhead submarket, which per CoStar demonstrates a much lower vacancy rate of 6.8% than Class A, which has a current vacancy rate of 13.4%.Overall, the building's plain exterior downplays the attractive nature of the interior spaces and tenant amenities. The property has unique suite configurations and multiple patio spaces, including a private wrap-around patio balcony with golf putting areas on top floors.

Currently, the subject has a granular rent roll and no tenant occupies more than 7.6% of NRA, but previously the subject was 30.0% occupied by the consulting firm North Highland. The tenant vacated their 50,000 sf of space in order to lease 70,000 sf in a new building for their headquarters. This resulted in the property's foreclosure in 2012 and subsequently, Arenda Capital Management (the owner at the time) attempted to convert the building into condo usage by emptying the building. The plan was not executed as a result of an oversaturated condo market in Buckhead and the property was foreclosed upon. Joeland Granot Real Estate (JGRE) purchased the asset fully vacant in December 2013 for $6.3 million ($58 psf), which represents a 60% discount to the current loan basis of $15.4 million ($142 psf) and leased the property back up to 96.0% occupancy. After spending $2.5 million on capital improvements, JGRE is selling the asset for $20.0 million ($184 psf). DBRS considers the loan exposure reasonable given the appraiser's comparable sales transactions since July 2015 ranging between $167 psf and $220 psf, with a weighted average of $187 psf. The subject's purchase price of $20.0 million ($184 psf) is also within this range. The loan has a DBRS Term DSCR of 1.20x and DBRS Refi DSCR of 0.83x, which are both relatively low. The DBRS Exit Debt Yield is quite low at 7.6%, reflecting elevated refinance risk and despite in-place rents being slightly below market, there is minimal near-term upside in the asset given that all leases were signed within the past few years, resulting in low rollover in the coming years.



Barrington Apartments

Houston, TX



Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$13.2

Loan psf/Unit
$42,695

Percentage of the Pool
5.0%

Loan Maturity/ARD
October 2022

Amortization
n/a

DBRS Term DSCR
0.99x

DBRS Refi DSCR
0.72x

DBRS Debt Yield
6.6%

DBRS Exit Debt Yield
6.6%

Competitive Set

Multifamily, Large, 77036

Median Debt Yield
10.2%

Median Loan PSF/Unit
$22,108

Debt Stack ($ million)

Trust Balance
$13.2

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$13.2

Loan Purpose

Acquisition

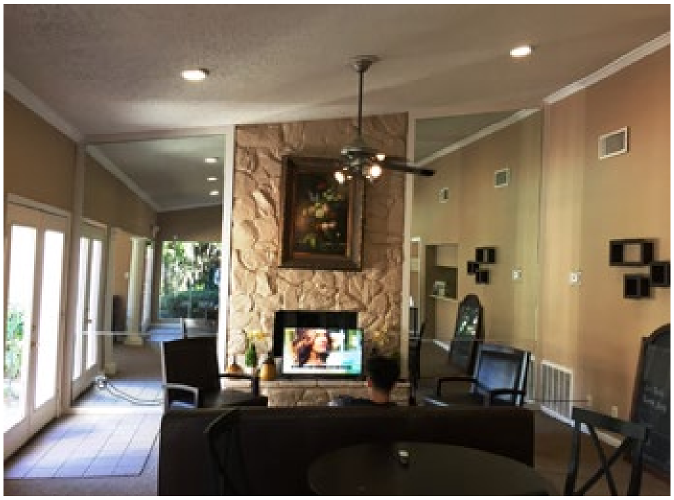
Equity Contribution/ (Distribution) ($ million)
$4.9

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 26, 2017, DBRS found the property quality to be Average (-).

The subject property is located in a densely developed suburban market approximately 12 miles southwest of the Houston, Texas CBD. Specifically, the collateral is situated along Bonhomme Road, a small arterial street that lies in between Westpark Tollway and I-69 in the Sharpstown area. The commute to the Houston CBD is approximately 20 minutes, providing residents with convenient access to major employment and commercial centers. The property's accessibility is further enhanced by an abundance of arterial streets that provide access to nearby offices, schools, hospitals and shopping centers. Land use in the surrounding area is composed of a mix of office, retail and industrial development along primary thoroughfares, with single- and multifamily residential properties generally found on secondary streets. The subject is within a 15-minute drive from The Galleria, an upscale mixed-use development located in the Uptown district of Houston. The sprawling development includes a 2.4 million sf, super-regional mall featuring over 375 stores, including Neiman Marcus, Nordstrom, Saks Fifth Avenue and Macy's. Other area demand generators includes large employers such as Westchase Business Park, Houston Baptist University and the Southwest Memorial Hospital. Local area demographics are indicative of a working class populace, with 256,001 residents within a three-mile radius reporting a median household income of $41,387 per annum. DBRS calculated annual rent at the subject of $8,716, which is equal to 21.1% of the median household income.

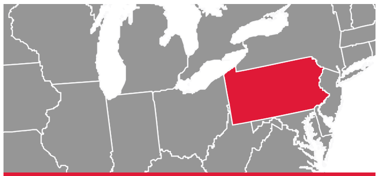


The property manager, who has been at the subject since September 2017, facilitated the site tour. Although new, management appeared to be knowledgeable about the property and the market. Occupancy for the property was confirmed at around 90%, which is consistent with the 91.9% reported as of the July 31, 2017 rent roll. The property manager was expecting four move-ins by the end of the week, which would have increased occupancy even further. Reportedly, the subject achieves favorable tenant retention rates, as evidenced by the fact that many residents have been at the property for several years. Overall, the property had average curb appeal. The exteriors of the 13 three-story buildings are comprised of a combination of beige siding panel and stucco, with exposed balconies on the upper floors. Several buildings showed significant exterior deferred maintenance, including worn-out paint and panels. Fortunately, a portion of the $1.5 million upfront capex reserve will be utilized for exterior carpentry and paint that should help enhance the collateral's overall appearance. There was a construction crew conducting work on the exterior of the leasing office at the time of the DBRS site inspection. However, since the exterior upgrades are minimal in scope, they will not completely eliminate the building's dated appearance. The leasing office showed quite well and featured a functional layout with well-maintained furniture and fixtures. The swimming pool is located directly behind the leasing office, which added an attractive look to the entire building. DBRS had the opportunity to inspect four apartment units, including a townhouse unit, two studios and a one-bedroom unit. The two studios were undergoing renovations, while the townhouse had been recently renovated, but not yet leased. Unit interiors appeared clean and in overall good condition, although certain aspects looked dated and not overly attractive. Renovations are being made as units become vacant in order to minimize any major disruptions to the property's operations, with the expectation that the majority of units would be renovated within two years. Upgrades to the interiors will include new flooring, lighting fixtures, bathroom hardware, resurfacing or replacing counters, painting and new appliance packages. Although no renovated units had been leased, property management estimated rent premiums of approximately $150 per month, which is consistent with the appraiser's Year 1 estimate.

DBRS VIEWPOINT

The subject property is located in an established suburban market that benefits from convenient access to downtown Houston and surrounding communities. Primary access to the local area is provided by I-69, which connects residents to major employment and recreation centers throughout the Houston MSA. The sponsorship group acquired the asset in September 2017, for $15.5 million ($50,325 per unit) and invested $4.9 million of cash equity into the transaction. According to the borrower, the previous owner mismanaged the asset, resulting in rents at the subject lagging behind other renovated properties in the market. The loan is structured with a $1.5 million ($4,870 per unit) upfront capex reserve that will be utilized by the sponsor to complete interior and exterior upgrades. The borrower plans to complete the exterior upgrades within the next 12 months, while interior improvements will be completed as units turn with the goal of finishing in the next two years. Overall, the improvements were in average condition at the time of the DBRS inspection; however, the sponsor's capital improvement plan aims to increase current below-market rents, maintain occupancy and improve property operations. Exterior renovations and repairs will include new exterior painting, new signage, pool upgrades, installation of solar screens and new exterior lighting. Ultimately, exterior upgrades will be cosmetic in nature and will not completely address the property's dated appearance, but the finished product will certainly be an improvement. Interior renovations will include new flooring, lighting fixtures, bathroom hardware, resurfacing or replacing counters, painting and new appliance packages. Given the renovation budget associated with unit interiors, the renovations will not be comprehensive in nature. Five units were being renovated at the time of the DBRS site inspection, none of which had been leased. Property management expects to renovate an additional 36 units by early 2018. Unit renovations are expected to ramp up during the spring and summer months when unit turnover increases.

For its stabilized NCF analysis, DBRS assumed a GPR based on in-place leases per the July 1, 2017, rent roll, with vacant units grossed up to the average in-place rental rate for each respective unit type. DBRS also assumed an upside in GPR related to rent premiums expected on units to be renovated using the $1.5 million upfront capex reserve. Considering that the proposed unit renovations are quite limited in scope and accounting for inherent execution risk associated with the business plan, DBRS accepted 50.0% of the appraiser's assumed rental premiums on all units. The resulting DBRS WA monthly rental premium of $79.21 per unit is much lower than the property manager's estimate of $150 per unit. Based on the DBRS Stabilized NCF, the DBRS Exit Debt Yield and DBRS Refi DSCR of 6.6% and 0.72x, respectively, are indicative of elevated refinance risk. However, the loan's exposure at maturity of $42,695 per unit is quite reasonable compared with the average sales price of $61,351 per unit across six properties comprising 1,791 units within the area over the past two years, according to the appraisal.



Loan Snapshot

Seller
RAIT

Ownership Interest
Fee

Trust Balance ($ million)
$12.6

Loan psf/Unit
$87,396

Percentage of the Pool
4.8%

Loan Maturity/ARD
September 2022

Amortization
n/a

DBRS Term DSCR
0.93x

DBRS Refi DSCR
0.70x

DBRS Debt Yield
5.3%

DBRS Exit Debt Yield
6.4%

Competitive Set

Multifamily, Medium, Zipcode Prefix: 191

Median Debt Yield
10.2%

Median Loan PSF/Unit
$43,441

Debt Stack ($ million)

Trust Balance
$12.6

Pari Passu
$0.0

B-Note
$0.0

Mezz/Other Secured Debt
$0.0

Total Debt
$12.6

Loan Purpose

Acquisition

Equity Contribution/ (Distribution) ($ million)
$4.1

West Village Student Housing

Philadelphia, PA

DBRS ANALYSIS

SITE INSPECTION SUMMARY

Based on the DBRS site inspection and management meeting conducted on October 31, 2017, DBRS found the property quality to be Below Average.

The subject consists of 20 apartment buildings housing 83 units, including 144 beds, located within one block of each other in an infill area of Philadelphia, immediately north of the Drexel University campus. The properties, which are entirely occupied by students, are spread across nearly one acre of land and comprise the vast majority of development on the block bounded by Powelton Avenue to the south, North 32nd Street to the east, Pearl Street to the north and North 33rd Street to the west. Surrounding land use consists of other student-tenanted residential buildings of similar vintage and quality to the collateral as well as additional academic structures affiliated with Drexel University. Directly east of the collateral is Drexel Park, which provides nice greenspace and delivers attractive city views, given the immediate topography overlooks downtown Philadelphia. The subject has a very strong location as there is no land available for new development and very limited sites available for redevelopment located between the subject buildings and the school campus.

Property exteriors are generally homogenous and consist of dark-colored brick. The buildings were built in the 1940s and 1950s, except for one property that was redeveloped within the past decade, and exhibit very low curb appeal, appearing very antiquated and in need of exterior updates. A substantial amount of deferred maintenance was noted outside all assets, generally consisting of cracked concrete, chipped paint and damaged railings. DBRS inspected several different unit types across various buildings, all of which had functional layouts. Interiors are somewhat dated but appeared to have been lightly updated over the years and were in better condition than the exteriors. According to management, the sponsor's upcoming renovations will replace all kitchen and bathroom finishes as well as flooring throughout all units. Given how much wear and tear student housing undergoes, the new finishes and fixtures will still be simple and economical, such as laminate countertops and flooring, per the property manager. During the acquisition process, the loan sponsor requested that the seller keep units offline for the current school year in order to immediately commence renovations. At the time of inspection, there were seven vacant units undergoing work, but all other units were occupied. DBRS inspected one vacant apartment which was completely gutted, as it had not been updated since the building's original construction. Management indicated this was somewhat atypical, as most other unit updates are expected to be cosmetic and less invasive.

DBRS walked the assets with a property manager that was new to the position given the recent acquisition, but was very knowledgeable about the local market and student housing sector. She stated her expectation that all unit renovations will be completed within two years. The sponsor reportedly has plans to construct two additional apartment units, comprising another eight beds, where there is currently a small parking lot directly behind one of the buildings on North 33rd Street. At the time of inspection the property manager was not aware of any new development in the market occurring over the near term. While the properties are old and have a considerable amount of deferred maintenance, they still fit in with the surrounding neighborhood and such items are projected to be resolved over the near term with the sponsor's business plan, which will significantly enhance the subject's curb appeal and overall quality.

DBRS VIEWPOINT

The loan is backed by a collection of student housing buildings that have an excellent location almost adjacent to the Drexel University campus, just west of downtown Philadelphia. Barriers to entry are very high given the infill nature of the area, and according to management there is no new off-campus student housing stock expected to come online over the near term. Reportedly, the assets have been fully occupied for a number of years, which speaks to the desirable location. However, they are old, have low curb appeal and a considerable amount of deferred maintenance was noted during the DBRS site inspection. Surprisingly, the engineer did not identify much in immediate repairs. Higher initial and ongoing capex will be required given the fact that prior ownership did not regularly invest in capex and that the buildings are predominantly occupied by undergraduate students, who cause high amounts of wear and tear, as well as given the general age of the buildings. That being said, the properties are of similar vintage and seem to be in the same general condition as their surroundings. Historically, the assets were owned by a local real estate investor that began acquiring the buildings in the 1980s and allegedly did not have the financial wherewithal or expertise to keep them well-maintained. The loan benefits from new ownership, which contributed over $4.1 million of cash equity to acquire the property. Although this is the sponsor's first student housing venture, the group has extensive experience in the general multifamily sector, with the majority of its portfolio located in the local MSA. Additionally, a third-party leasing firm that specializes in student housing was hired for consultation purposes, which should aid in operating efficiencies of the buildings. Total enrollment at Drexel University is around 24,000 students, which has reportedly been stable if not slightly increasing. Demand will likely remain strong over the near and long term for the collateral, given the irreplaceable location with respect to campus and the affordable price point, which is not expected to diminish following the sponsor's renovations.

In its stabilized NCF analysis, DBRS calculated GPR by giving 50.0% credit to the borrower's projected market rent after completing the planned renovations. This resulted in a WA DBRS stabilized rental rate of $803.00 per bed, which represents a premium of approximately $72.00 per bed over the in-place rental rate as of the September 1, 2017, rent roll. Although the sponsor has not yet completed any work, and thus no premiums have yet been realized, DBRS assumed stabilized market rent of approximately 8.5% below the appraiser's concluded market rent for the subject post-renovations. The appraiser estimates the post-renovation comparable lease at approximately $962 per bed, $159 per bed greater than the DBRS concluded stabilized rental rate. The subject is in dire need of updates and the sponsor's investment of $12,153 per bed should be an adequate amount to update various cosmetic items and achieve modest rental rate growth. DBRS did not give credit to the eight beds the sponsor may potentially add to the collateral, as construction has not commenced and it seemed to be a lofty goal based on the prospective location of the new units.

The resulting DBRS Refi DSCR of 0.70x and DBRS Exit Debt Yield of 6.4% are indicative of elevated refinance risk and very high-leverage. However, the loan's exposure of $151,627 per unit is below the appraiser's four sales comparables of other student housing properties in the local West Philadelphia market. Such transactions ranged from $168,000 per unit to $209,790 per unit, for an average of $193,295 per unit, and occurred over the past two years. Additionally, the sponsor contributed over $4.1 million of equity to acquire the collateral, which represents 29.4% of the purchase price, and has a $1.0 million ($12,153 per bed) reserve to enhance its overall quality, which should serve to achieve moderate rent growth over the loan term. An additional $750,000 was reserved at closing to construct an additional two units, comprising eight additional beds, which is not reflected in the DBRS stabilized NCF. If such construction comes to fruition, it would further boost the subject's cash flow.

Surveillance

Given the transitional nature of these loans and the portfolio, DBRS anticipates that the pool will be reviewed as part of its monthly surveillance process, with regular updates from the servicer with respect to loan performance. DBRS will work with Benefit Street to take in a monthly feed to produce monthly reports that will be available to investors upon request from the Issuer. In addition, the ratings will be subject to, at minimum, an annual review.

CMBS Rating Methodology – Highlights

The *North American CMBS Multi-borrower Rating Methodology* (the CMBS methodology) was employed to rate this transaction. In order to establish a probability of default DBRS uses in-place cash flow. However, because of the transitional nature of the loans that are underperforming or have no cash flow, DBRS looks to a stabilized NCF to determine severity of loss using the structure in place for the borrower to execute on its business plan through the transition. The following paragraphs highlight this approach. In addition, because many of the underlying loan obligations are floating-rate with a maximum five-year fully extended term, DBRS employed its *Unified Interest Rate Model for Rating U.S. Structured Finance Transactions* to stress the interest rate for these loans based on the three-month LIBOR and the full remaining loan (with all extension options) at a base-case forward rate stress.

As consistent with the CMBS methodology, DBRS begins the rating process by picking a statistically relevant sample for diversified pools by property type, loan originator and geographic location. In the case of this transaction, DBRS performs reviews of all sample loans in the pool and reviews all third-party reports, including engineering and environmental reports, to ensure no significant contingencies exist, such as environmental contamination, structural faults or deferred maintenance. The appraisal is reviewed for historical usages, market dynamics and competitive property statistics, in addition to a relative as-is and as-stabilized value. Consistent with the CMBS methodology, DBRS looks at in-place NCF to derive the DSCR that will be used to measure the risk of default. DBRS then determines a Stabilized NCF for each asset to determine severity of loss. When calculating the DBRS Stabilized NCF, because these properties are not stabilized, DBRS assesses the structure put in place by the originator (i.e., future funding or holdbacks) then deducts reasonable costs associated with TIs, LCs and other structural enhancements to get a level of stabilization no greater than what is indicated by the current market and provided for with the structure of the loan.

DSCR

DSCR is used to measure the default risk of a loan, as it incorporates the current operating performance of the property (NCF) and its capacity to service debt.

SUBORDINATION LEVELS

DBRS sizes diversified pooled transactions (defined as those with greater than 20 loans with multiple borrowers) on a POD and loss-given-default (LGD) basis using the DBRS Large Pool Multi-borrower Parameters. The rating of a diversified pooled CMBS transaction is the sum of the weighted-average loan-level credit enhancement (or expected losses) at the respective rating categories. DBRS determines the expected loss of an individual loan by multiplying its assigned POD by its assigned loss severity for each of the rating categories.

Loan Credit Enhancement = POD x LGD

Transaction Credit Enhancement = $\sum$ of [Loan Credit Enhancement x Current Percent of Pool]

POD

Using the As-Is NCF, a loan's POD is primarily driven by the more conservative/constraining of its DBRS Refi DSCR and its DBRS Term DSCR. The constraining DSCR is used to reference the DBRS POD curve, which assigns a POD for any given DSCR. The POD curve used by DBRS is based on a combination of jurisdictional studies of cash flow volatility where available and publicly available data for commercial mortgage defaults.

POD ADJUSTMENT FACTORS

The POD is adjusted for several different factors, some quantitative and others that reflect an analyst's assessment of property qualities. Adjustment factors include concentration risk, recourse, property quality, sponsorship strength and single tenancy.

LGD

DBRS determines a Stabilized NCF for each asset to determine severity of loss. When calculating the DBRS Stabilized NCF, because these properties are not stabilized, DBRS assesses the structure put in place by the originator (i.e. future funding or holdbacks) then deducts reasonable costs associated with TIs, LCs and other structural enhancements to get to a level of stabilization no greater than what is indicated by the current market and provided for with the structure of the loan.

Recoverable Proceeds = Cash Flow/Debt Yield Benchmark + €/£/$ Equity Requirement

Loss % Given Default = 1 - [Loan's Applicable Debt Yield/(Debt Yield Benchmark * (1 - Equity Requirement as % of Value))]

SEVERITY OF LOSS ADJUSTMENT FACTORS

Loss given default is adjusted for several different factors, some quantitative and others that reflect an analyst's assessment of certain property qualities. Adjustment factors include market, owner occupancy and loan size.

OPERATIONAL RISK REVIEWS

DBRS reviews loan originators, servicers and operating advisors apart from transaction analytics and determines whether they are acceptable parties.

RATINGS

DBRS CMBS ratings address the likelihood of timely payment of interest and ultimate payment of principal to the certificates by the final rated maturity date. DBRS does not rate to an expected or scheduled maturity date set forth by the Issuer; therefore, while DBRS will identify transactions and certificates that have considerable extension risk, the ratings are not affected as loans extend.

DBRS's *North American CMBS Multi-borrower Rating Methodology* provides DBRS's processes and criteria and is available by contacting us at info@dbrs.com or by clicking on Methodologies at www.dbrs.com.

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

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

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Glossary

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

DBRS Term DSCR
A measure that divides DBRS 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 (NOI) or net cash flow (NCF) 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 (NOI) 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 remodelling, 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.

DBRS