Presale Report
ACRES 2021-FL1

DBRS Morningstar
April 30, 2021

Audrey Lee
Vice President
+1 646 560-4522
audreychew-pei.lee@dbrsmorningstar.com

Andrew Merrill
Analyst
+1 312 244-7568
andrew.merrill@dbrsmorningstar.com

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

Kevin Mammoser
Managing Director
+1 312 332-0136
kevin.mammoser@dbrsmorningstar.com

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

DBRS Viewpoint
Click here to see this deal.

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

Capital Structure

Description	Rating Action	Balance ($)	Subordination (%)	DBRS Morningstar Rating	Trend
Class A Notes	New Rating - Provisional	431,420,000	46.250	AAA (sf)	Stable
Class A-S Notes	New Rating - Provisional	100,331,000	33.750	AAA (sf)	Stable
Class B Notes	New Rating - Provisional	37,122,000	29.125	AA (low) (sf)	Stable
Class C Notes	New Rating - Provisional	43,142,000	23.750	A (low) (sf)	Stable
Class D Notes	New Rating - Provisional	50,165,000	17.500	BBB (sf)	Stable
Class E Notes	New Rating - Provisional	13,043,000	15.875	BBB (low) (sf)	Stable
Class F Notes	New Rating - Provisional	42,139,000	10.625	BB (low) (sf)	Stable
Class G Notes	New Rating - Provisional	25,082,000	7.500	B (low) (sf)	Stable
Preferred Shares	NR	60,199,096	0.000	NR	NR

Notes:
1. NR = not rated.
2. The Class F Notes, the Class G Notes, and the Preferred Shares are not offered certificates.
3. ACRES Commercial Realty 2021-FL1 Holder, LLC, the Retention Holder, will acquire on the Closing Date 100% of the Class F Notes, the Class G Notes, and the Preferred Shares.
4. Class F Notes and the Class G Notes are Deferrable Notes. For so long as any class of notes with a higher priority is outstanding, any interest due on the Class F Notes or the Class G Notes can be deferred and interest deferral will not result in an EOD.

Table of Contents

Transaction Summary

Pool Characteristics			
Cut-Off Date Balance ($)	802,643,097	**Future Funding Obligations**	50,141,546
Number of Loans	33	**Average Mortgage Asset Size ($)**	24,322,518
Number of Properties	37	**Top Ten Loan Concentration (%)**	48.7
Managed/Static	Managed	**Unfunded Companion Participation Amount ($)**	0.0
Delayed Close Collateral Interest	Y	**Reinvestment Period**	24 months
Par Value Ratio Test (%)	117.8	**Interest Coverage Ratio Test (%)**	120.0
WA Current Funded As-Is Appraised Issuance LTV (%)	69.1	**WA DBRS Morningstar As-Is Issuance LTV (%)**	77.6
WA Current Funded Stabilized Appraised LTV (%)	64.6	**WA DBRS Morningstar Stabilized Balloon LTV (%)**	69.1
WA Interest Rate Margin (%)	3.61	**DBRS Morningstar WA Interest Rate[4] (%)**	4.750
WA Remaining Term[1]	22.6	**WA Remaining Term - Fully Extended**	44.1
WA DBRS Morningstar As-Is DSCR[2]	0.76	**WA Issuer As-Is DSCR (x)[4]**	1.30
WA DBRS Morningstar Stabilized DSCR[3]	1.00	**WA Issuer Stabilized DSCR (x) [4]**	1.67
Avg. DBRS Morningstar As-Is NCF Variance[2] (%)	-15.0	**Avg. DBRS Morningstar Stabilized NCF Variance[3] (%)**	-22.5

Note: All DBRS Morningstar DSCR and LTV calculations in this table and throughout the report are based on the DBRS Morningstar Stressed Interest Rate and the fully funded and extended mortgage loan commitment. The WA metrics presented in the table and the report exclude DBRS Morningstar Ramp loan assumptions, if applicable.
1. Assumes that the initial term to maturity of each loan is not extended.
2. Based on DBRS Morningstar As-Is NCF.
3. Based on DBRS Morningstar Stabilized NCF.
4. Based on DBRS Morningstar Stressed Interest Rate.

Participants	
Issuer	ACRES Commercial Realty 2021-FL1 Issuer, Ltd.
Co-Issuer	ACRES Commercial Realty 2021-FL1 Co-Issuer, Ltd.
Mortgage Loan Seller	ACRES Realty Funding, Inc.
Trustee	Wilmington Trust, National Association
Note Administrator	Wells Fargo Bank, National Association
Master Servicer	Greystone Servicing Company LLC
Special Servicer	ACRES Capital Servicing LLC
Placement Agents	J.P. Morgan Securities LLC
	Barclays Capital Inc.
	Wells Fargo Securities, LLC
	Raymond James & Associates, Inc.
Collateral Manager	ACRES Collateral Manager
Advancing Agent	ACRES Realty Funding, Inc.

Coronavirus Overview

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

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

Rating Considerations

DBRS, Inc. (DBRS Morningstar) analyzed the pool to determine the provisional ratings, reflecting the long-term risk that the Issuer will default and fail to satisfy its financial obligations in accordance with the terms of the transaction. The initial collateral consists of 33 floating-rate mortgage loans secured by 37 mostly transitional real estate properties, with a cut-off pool balance totaling approximately $802.6 million, excluding approximately $50.1 million of future funding commitments. The initial pool is composed of 19 whole loans and 14 participations. Most loans are in a period of transition with plans to stabilize and improve the asset value. The transaction is a managed vehicle with a 24-month reinvestment period. During the reinvestment period, so long as the note protection tests are satisfied and no EOD has occurred and is continuing, the Issuer may acquire future funding commitments and additional eligible loans subject to the eligibility criteria, which among other things, has a minimum DSCR and LTV, a 16.0 Herfindahl score, and loan size limitations. The eligibility criteria stipulate rating agency confirmation (RAC) on reinvestment loans (except in the case of acquisitions of up to a $5.0 million pari passu participation interest if a portion of the underlying loan is already included in the pool) thereby allowing DBRS Morningstar the ability to review the new collateral interest and any potential impacts to the overall ratings. There is no ramp period; however, there is one delayed close asset, representing 4.3% of the cut-off balance, which is expected to close prior to or within 90 days of the closing date. The transaction will have a sequential-pay structure. For so long as any class of notes with a higher priority is outstanding, any interest due on the Class F Notes or the Class G Notes can be deferred and interest deferral will not result in an EOD.

All the loans in the pool have floating interest rates initially indexed to Libor and are IO (except for one loan) through their initial terms. As such, to determine a stressed interest rate over the loan term, DBRS Morningstar used the one-month Libor rate, which was the lower of DBRS Morningstar’s stressed rates that corresponded to the remaining fully extended term of the loans and the strike price of the interest rate cap with the respective contractual loan spread added. The pool exhibited a relatively high WA DBRS Morningstar Issuance LTV of 77.6%, though it is estimated to improve to 69.1% through stabilization. When the cut-off date balances were measured against the DBRS Morningstar As-Is NCF, 26 loans, representing 78.9% of the cut-off date pool balance, had a DBRS Morningstar As-Is DSCR below 1.00x, a threshold indicative of high default risk. Additionally, the DBRS Morningstar Stabilized DSCR for 18 loans, representing 56.6% of the initial pool balance, was below 1.00x, a threshold indicative of elevated refinance risk. The properties are often transitioned with potential upside in cash flow. However, DBRS Morningstar does not give full credit to the stabilization if there are no holdbacks of if other loan structural features are insufficient to support such treatment. Furthermore, even with the structure provided, DBRS Morningstar generally does not assume the assets will stabilize above market levels.

Strengths

- **Sponsorship:** The Sponsor is ACRES Commercial Realty Corp. (NYSE:ACR). In July 2020, ACRES Capital Corp. (ACRES) through its subsidiary, ACRES Capital, LLC, acquired the management agreement of ACRES Commercial Realty Corp (formerly known as ExantasCapital Corp). ACRES is a publicly traded commercial mortgage REIT focused on self-originated commercial mortgage loans and other CRE debt investments. It provides nationwide, middle-market commercial real estate lending with a focus on multifamily, student-housing, hospitality, office, and independent senior living properties in the U.S.. The Sponsor has been an Issuer on 11 securitized CRE financings totaling approximately $4.6 billion.
- **Risk Retention:** An affiliate of the sponsor, Retention Holder, will be acquiring and holding 100% the first-loss position (including Class F Notes, Class G Notes, and the Preferred Shares) on this transaction as an eligible horizontal residual interest (EHRI). The Retention Holder will retain the EHRI in accordance with the U.S. Credit Risk Retention Rules. The Sponsor and the Retention Holder will both agree and undertake in the EU/UK Risk Retention Letter to comply with the EU/UK Risk Retention Requirements in accordance with the terms of the EU/UK Risk Retention Letter. Collectively, the retained notes and membership interests represent 15.9% of the trust balance.
- **Favorable Property Type:** Twenty-three loans, representing 75.2% of the initial pool, are backed by multifamily properties (65.7%), excluding student housing, and self-storage properties (9.4%). These property types have historically shown lower defaults and losses. Multifamily properties benefit from staggered lease rollover and generally low expense ratios compared with other property types. While revenue is quick to decline in a downturn because of the short-term nature of the leases, it is also quick to respond when the market improves. Furthermore, the pool has limited office, retail, mixed-used, and hospitality exposure with only eight loans, representing 17.7% of the pool, backed by such property types. These property types have experienced considerable disruption as a result of the coronavirus pandemic with mandatory closures, stay-at-home orders, travel restrictions, retail bankruptcies, and consumer shifts to online purchasing.
- **Low Business Plan Execution Risk:** The DBRS Morningstar Business Plan Scores (BPS) for loans DBRS Morningstar analyzed ranged from 1.15 to 2.53, with an average of 1.90. On a scale of 1 to 5, a higher DBRS Morningstar BPS is indicative of more risk in the sponsor's business plan. Consideration is given to the anticipated lift at the property from current performance, planned property improvements, sponsor experience, projected time horizon, and overall complexity. Compared with similar transactions, the subject has a relatively low average DBRS Morningstar BPS, which is indicative of lower risk. In addition, the WA remaining fully extended term for the pool is 44 months, which allows the sponsors time to execute their business plans without risk of imminent maturity.
- **Favorable Financing Type:** Twenty-two loans, comprising 73.7% of the initial trust balance, represent acquisition financing wherein sponsors contributed cash equity as a source of funding in conjunction with the mortgage loan. The cash equity in the deal will incentivize the sponsors to perform on the loan and protect their equity.
- **Interest Rate Protection:** The majority of the floating-rate loans have purchased Libor rate caps that range from 0.25% to 4.0% to protect against rising interest rates through the duration of the loan term. In addition to the fulfillment of certain minimum performance requirements, exercise of any extension options would also require the repurchase of interest rate cap protection through the duration of the respectively exercised option.

Challenges and Considerations

- **Coronavirus Pandemic:** The ongoing coronavirus pandemic continues to pose challenges and risks to the CRE sector. While DBRS Morningstar expects multifamily (65.7% of the pool) to fare better than most other property types, the long-term effects on the general economy and consumer sentiment are still unclear.
    - *Mitigant:* DBRS Morningstar received coronavirus and business plan updates for all loans in the pool, confirming that all debt service payments have been received in full for the months of January 2021, February 2021, March 2021, and April 2021. Furthermore, no loans are in forbearance or other debt service relief except for 16 Penn property and Cypress Crossing property, which, combined, represent 4.08% of the initial trust balance.
    - *Mitigant:* More than half of the loans in the pool were originated after December 2020. Loans originated during the pandemic have, in general, taken into consideration the risks associated with the pandemic into their cash flow analyses. In addition, the majority of the loans in this pool have recently completed appraisal reports reflecting the appropriate values of properties during the pandemic.
- **Managed Transaction:** The transaction is a managed collateralized loan obligation (CLO) and includes one delayed-close loan and a 24-month reinvestment period, which could result in negative credit migration and/or an increased concentration profile over the life of the transaction.
    - *Mitigant:* The risk of negative migration is partially offset by the eligibility criteria that outlines the DSCR, LTV, 16.0 Herfindahl score minimum, property type, and loan size limitations for the reinvestment assets.
    - *Mitigant:* DBRS Morningstar has the ability to provide a no-downgrade confirmation for new reinvestment loans and for participation interests in loans the Issuer already owns a participation interest if the interest to be acquired exceeds $5.0 million. DBRS Morningstar will analyze these loans before they come into the pool and review them for potential ratings impact.
- **Seasoned Loans:** Sixteen loans, representing 46.8% of the pool, consist of loans originated in 2018 and 2019. In some cases, the original business plans have not materialized as expected, significantly increasing the loans' risk profile.
    - *Mitigant:* Given the nature of the assets, DBRS Morningstar sampled a large portion of the pool at 79.4% of the cut-off date balance, or 21 of the 34 loans. This sample size is higher than the typical sample for traditional conduit CMBS transactions. In addition, DBRS Morningstar also sampled 11 of the 16 seasoned loans, representing 36.4% of the pool balance, to evaluate the current performance on these properties.
    - *Mitigant:* Five of the seasoned loans sampled have yet to reach stability but are maturing over the next 12 months and are at risk of not being able to meet the extension requirements. For these loans, DBRS Morningstar applied minimal upside credit and treated the as-stabilized NCF the same as the as-is NCF to these loans (Westwood & Audobon, GoodFriend NY Self Storage, Advenir at Park Boulevard, West Eleven Apartments, and Stonelake 1-5). Some of these loans may receive short-term loan extensions from the Issuer to facilitate the sale or refinance of the properties.

  - *Mitigant:* All seasoned loans were provided with updated business plans and appraisal reports.
- **Transitional Properties:** DBRS Morningstar has analyzed the loans 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, particularly with the ongoing coronavirus pandemic and its impact on the overall economy. Failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance.
  - *Mitigant:* DBRS Morningstar made relatively conservative stabilization assumptions and, in each instance, considered the business plan to be rational and the future funding amounts to be sufficient to execute such plans. In addition, DBRS Morningstar analyzes LGD based on the DBRS Morningstar As-Is LTV assuming the loan is fully funded.
- **Leveraged Pool Metrics:** The overall WA DBRS Morningstar As-Is DSCR of 0.76x and WA As-Is LTV of 77.6% are generally reflective of high-leverage financing.
  - *Mitigant:* The DBRS Morningstar As-Is DSCR is based on the DBRS Morningstar In-Place NCF and debt service calculated using a stressed interest rate. The WA stressed rate used is 4.75%, which is greater than the current WA interest rate of 3.61% (based on WA mortgage spread and an assumed 0.11% one-month Libor index).
  - *Mitigant:* When measured against the DBRS Morningstar Stabilized NCF, the WA DBRS Morningstar As-Stabilized DSCR is estimated to improve to 1.00x, suggesting the properties are likely to have improved NCFs assuming completion of the sponsor's business plan.
  - *Mitigant:* DBRS Morningstar associates its LGD based on the assets' as-is LTV and does not assume that the stabilization plan and cash flow growth will ever materialize but does account for the loan having been fully funded. DBRS Morningstar's As-Stabilized LTV is expected to decrease to 69.1%.
- **Floating-Rate Loans:** All loans have floating interest rates and all but one loans are IO during the initial loan term, creating interest rate risk should interest rates increase.
  - *Mitigant:* For the floating-rate loans, DBRS Morningstar used the one-month Libor index, which is based on the lower of a DBRS Morningstar stressed rate that corresponded to the remaining fully extended term of the loans or the strike price of the interest rate cap with the respective contractual loan spread added to determine a stressed interest rate over the loan term.
  - *Mitigant:* Most loans have extension options, and, in order to qualify for these options, the loans must meet minimum DSCR and LTV requirements.
  - *Mitigant:* All loans are short-term and, even with extension options, have a fully extended loan term of five years maximum.
  - *Mitigant:* The majority of the floating-rate loans have purchased Libor rate caps that range from 0.25% to 4.0% to protect against rising interest rates through the duration of the loan term.
- **No Site Inspections:** Because of the ongoing coronavirus pandemic, DBRS Morningstar was unable to perform site inspections on any of the properties in the pool. As a result, DBRS Morningstar relied more

heavily on third-party reports, online data sources, and information provided by the Issuer to determine the overall DBRS Morningstar property quality assigned for each loan.

- *Mitigant:* Recent appraisal reports were provided for all loans and contained property quality commentary and photos.
- *Mitigant:* DBRS Morningstar made relatively conservative property quality adjustments with only four loans (Skygarden, Advenir at Park Boulevard, Chapel Hill Apartments, and 16 Penn), representing a combined 14.3% of the pool balance, being modeled with Average + property quality. These properties were recently built or renovated. No loans received a property quality distinction of Excellent.

Legal and Structural Considerations

- The underlying mortgage loans for the transaction will pay the floating rate, which presents potential benchmark transition risk as the deadline approaches for the elimination of Libor. The transaction will likely be subject to a benchmark rate replacement, which will depend on the availability of various alternative benchmarks. The current selected benchmark is the Secured Overnight Financing Rate (SOFR). Term SOFR, which is expected to be a similar forward-looking term rate compared with Libor, is the first alternative benchmark replacement rate but is currently being developed. There is no assurance that the Term SOFR development will be completed or that it will be widely endorsed and adopted. This could lead to volatility in the interest rate on the mortgage assets and floating-rate notes. The transaction could be exposed to a timing mismatch between the notes and the underlying mortgage assets as a result of the mortgage benchmark rates adjusting on different dates than the benchmark on the note, or a mismatch between the benchmark and/or the benchmark replacement adjustment (if any) applicable to the mortgage loans. In order to compensate for differences between the successor benchmark rate and then-current benchmark rate, a benchmark replacement adjustment has been contemplated in the indenture as a way to compensate for the rate change.
- There is an inherent conflict of interest between the special servicer and the seller as they are related entities. Given that the special servicer is typically responsible for pursuing remedies from the seller for breaches of the representations and warranties, this conflict could be disadvantageous to the noteholders. Similarly, the Collateral Manager is an affiliate of both the seller and the special servicer, and it has rights to approve reinvestment mortgage asset purchases and make administrative modifications and criteria-based modifications.
    - *Mitigant:* While the special servicer is an affiliate of the seller, it is still bound to follow customary provisions in the servicing agreement for resolution of rep breaches and defaulted loan matters in accordance with the Servicing Standard. As part of DBRS Morningstar's transaction review, the special servicer is evaluated for its servicing procedures, protocols, and personnel. The collateral manager is also bound to act in accordance with the Collateral Management Agreement, including the collateral manager standard.
    - *Mitigant:* The sponsor retains 15.9% risk in the transaction holding the first-loss piece via the Class F, Class G, and Preferred Shares.

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	17.3
0.50x-0.75x	22.3
0.75x-1.00x	39.3
1.00x-1.25x	20.3
1.25x-1.50x	0.0
1.50x-1.75x	0.7
>1.75x	0.0
WA (x)	0.76

DBRS Morningstar Stabilized DSCR (x)

DSCR	% of the Pool (Senior Note Balance)
0.00x-0.50x	0.0
0.50x-0.75x	9.4
0.75x-1.00x	47.2
1.00x-1.25x	33.3
1.25x-1.50x	1.1
1.50x-1.75x	7.0
>1.75x	1.9
WA (x)	1.00

DBRS Morningstar As-Is Issuance LTV (%)

LTV	% of the Pool (Senior Note Balance)
0.0–50.0	1.9
50.0–60.0	4.0
60.0–70.0	23.4
70.0–80.0	23.4
80.0–90.0	31.6
90.0–100.0	13.2
100.0–110.0	2.6
110.0–125.0	0.0
>125.0	0.0
WA	77.6

DBRS Morningstar Stabilized Balloon LTV (%)

LTV	% of the Pool (Senior Note Balance[1])
0.0–50.0	1.9
50.0–60.0	5.9
60.0–70.0	45.8
70.0–80.0	36.4
80.0–90.0	6.9
90.0–100.0	3.1
100.0–110.0	0.0
110.0–125.0	0.0
>125.0	0.0
WA	69.1

1. The senior note balloon balance assumes the DBRS Morningstar Stressed Interest Rate and the fully extended loan term.

Largest Loan Summary

Loan Detail

Loan Name	Trust Balance ($)	% of Pool	DBRS Morningstar Shadow Rating	DBRS Morningstar As-Is DSCR (x)	DBRS Morningstar Stabilized DSCR (x)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized Morningstar LTV (%)
Lantana Apartments	65,113,000	8.1	n/a	0.89	1.03	89.6	66.8
Latham Square	44,669,991	5.6	n/a	0.85	0.88	66.5	62.3
Green Tree Apartments (Village at Eastpointe)	43,440,000	5.4	n/a	0.71	0.78	80.2	66.3
Century Skyline	42,046,955	5.2	n/a	0.53	0.63	84.8	66.3
SkyGarden	34,200,000	4.3	n/a	1.17	1.17	84.2	84.2
Westwood & Audubon	33,585,000	4.2	n/a	0.92	0.92	63.0	63.0
The Ambassador	32,784,404	4.1	n/a	0.00	0.99	65.8	64.1
Chapel Hill Apartments	32,100,000	4.0	n/a	1.00	1.15	57.3	53.5
GoodFriend NY Self Storage	31,800,000	4.0	n/a	0.78	0.78	71.7	71.7
Columns at Allen's Creek	31,250,000	3.9	n/a	1.24	1.61	87.1	68.6

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
Lantana Apartments	Multifamily	Las Vegas	NV	1980	516	134,012	134,012
Latham Square	Office	Oakland	CA	1927	118,043	391	391
Green Tree Apartments (Village at Eastpointe)	Multifamily	Oakland Park	FL	1974	296	158,784	158,784
Century Skyline	Multifamily	Atlanta	GA	2009	225	205,089	205,089
SkyGarden	Student Housing	Charleston	SC	2017	309	110,680	110,680
Westwood & Audubon	Multifamily	Austin	TX	1983	316	106,282	106,282
The Ambassador	Multifamily	Palm Beach	FL	1946	86	468,605	468,605
Chapel Hill Apartments	Multifamily	Las Vegas	NV	2001	238	134,874	134,874
GoodFriend NY Self Storage	Self-Storage	Various	NY	2016	112,333	283	283
Columns at Allen's Creek	Multifamily	Largo	FL	1973	252	135,198	135,198

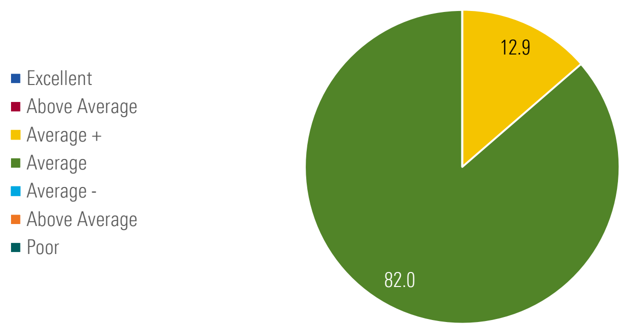
DBRS Morningstar Sample

Prospectus ID	Loan Name	% of Pool	DBRS Morningstar Stabilized NCF ($)	DBRS Morningstar Stabilized NCF Variance (%)	DBRS Morningstar Major Variance Drivers	DBRS Morningstar Property Quality
1	Lantana Apartments	8.1	3,861,665	-21.5	GPR, Payroll	Average
2	Latham Square	5.6	2,857,988	-24.6	Commercial Vacancy	Average
3	Green Tree Apartments (Village at Eastpointe)	5.4	2,451,187	-24.6	GPR, Vacancy, Management Fee	Average
4	Century Skyline	5.2	1,906,391	-38.6	GPR, Vacancy, Other Income	Average
5	SkyGarden	4.3	2,144,126	-18.8	GPR, OpEx	Average +
6	Westwood & Audubon	4.2	2,219,153	-7.1	Management Fee	Average
7	The Ambassador	4.1	3,224,000	-1.6	Minimal Variance	Average
8	Chapel Hill Apartments	4.0	2,385,012	-11.8	GPR, Expenses	Average +
9	GoodFriend NY Self Storage	4.0	1,435,222	-36.3	Vacancy, Other Income	Average
10	Columns at Allen's Creek	3.9	1,989,935	-16.8	GPR, OpEx	Average
11	Bitterwood and Fifth Avenue	3.8	2,066,213	-15.8	GPR, Vacancy	Average
12	Serrano North & South	3.4	1,760,676	-27.1	GPR, Other Income, Management Fee	Average
14	Cary Pines Apartments & Townhomes	3.1	1,601,473	-5.1	GPR, Vacancy, Management Fee	Average
15	Advenir at Park Boulevard	3.1	1,409,521	-8.6	Utilities, Management Fee, GPR	Average +
16	West Eleven Apartments	3.1	1,287,857	-30.4	GPR, Management Fee	Average
17	16 Penn	2.9	1,092,806	-22.6	Vacancy, GPR, Operating expenses	Average +
18	2818 Place & Parkway Place	2.9	1,894,569	-26.7	Vacancy, OpEx	Average
19	Stonelake 1-5	2.7	1,251,212	-31.8	Vacancy, TI/LC	Average
20	Mesa Tower	2.6	1,677,074	-30.6	TI/LC, GPR	Average
25	Sawmill Plaza Shopping Center	2.0	1,475,533	-22.3	Vacancy, TI/LC	Average
29	Cypresswood Crossing	1.1	1,105,057	-10.9	Vacancy	Average

DBRS Morningstar Site Inspections

DBRS Morningstar did not conduct interior or exterior tours of the underlying properties because of health and safety constraints associated with the ongoing coronavirus pandemic. An assessment of the property quality was made by DBRS Morningstar based on a review of third-party reports, documents provided by the Issuer, and online information. A few properties were on the XAN 2019-RSO7 deal, which DBRS Morningstar rated in 2019 and site visit were performed on some of them.

DBRS Morningstar Sampled Property Quality



Source: DBRS Morningstar.

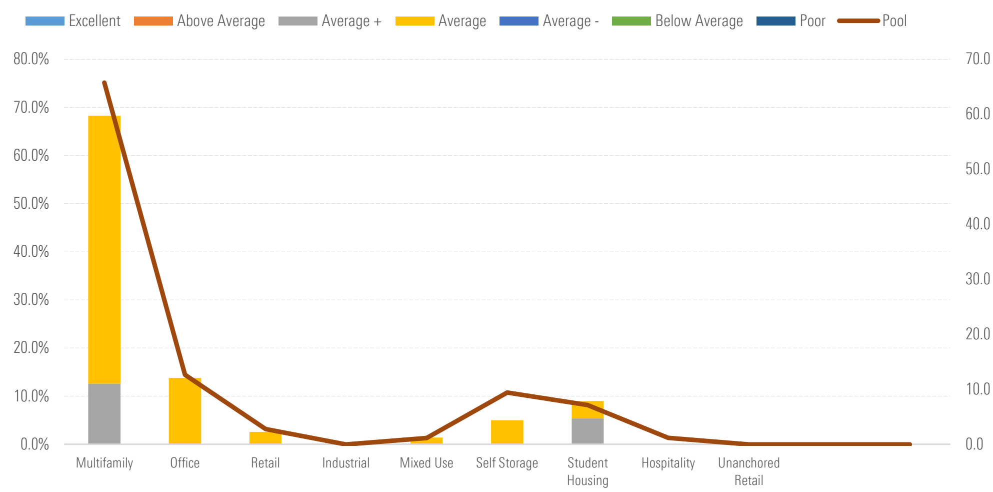
DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and a cash flow stability and structural review on 21 of the 33 loans in the pool, representing 79.4% of the cut-off date pool balance. For the loans not subject to NCF review, DBRS Morningstar applied an NCF variance of -20.0% to the Issuer's As-Is and Stabilized NCFs, which was based on the average NCF variances exhibited across the DBRS Morningstar sampled loans.

The DBRS Morningstar As-Is NCF was estimated based on current performance of the property, without giving any credit to future upside that may be realized by the sponsors upon execution of their respective business plan. The DBRS Morningstar sample had an average in-place variance of -20.3% from the Issuer's NCF.

The DBRS Morningstar Stabilized NCF was derived by generally stabilizing the properties at market rent and/or recently executed leases and market expenses that DBRS Morningstar believed were reasonably achievable based on the individual loan sponsors' business plan and structural features of the respective loan. This often involved assuming higher than in-place rental rates for multifamily properties based on significant ongoing renovations, with rents already achieved on renovated units/spaces providing the best guidance on achievable market rent/rate upon completion. For commercial properties, the largest source of upside was typically higher than in-place occupancy rates. For all assumptions, DBRS Morningstar took a somewhat conservative view compared with the market to account for execution risk around the business plan. For loans with future funding for leasing costs, DBRS Morningstar estimated the total cost to stabilize the property at the assumed occupancy rate and gave credit in the cash flow to offset leasing costs if the future funding is not exhausted. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -23.8% from the Issuer's Stabilized NCF.

DBRS Morningstar Sampled Property Type



Source: DBRS Morningstar.

Model Adjustments

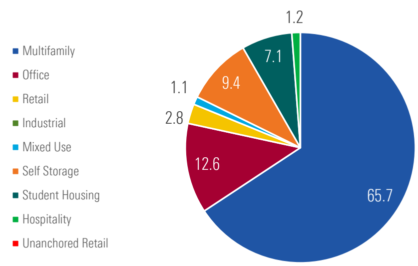
DBRS Morningstar applied value adjustments to 11 loans, comprising 36.7% of the cut-off date balance, to reflect compiled data by market based on WA cap rates, DBRS Morningstar's view of the specific asset or market, and additional risks caused by increased business-plan execution risk as a result of the coronavirus, among other factors. All 11 loans received upward cap rate adjustments.

DBRS Morningstar Model Adjustments

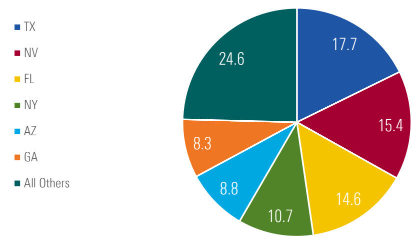
Prospectus ID	Loan	Implied Cap Rate (%)	Stabilized LTV (%)	Stabilized Balloon LTV (%)	DBRS Morningstar Adjusted Cap Rate (%)	DBRS Morningstar Stabilized LTV (%)	DBRS Morningstar Stabilized Balloon LTV (%)
1	Lantana Apartments	4.5	63.7	63.7	4.8	66.8	66.8
5	SkyGarden	4.9	62.9	62.9	6.5	84.2	84.2
9	GoodFriend NY Self Storage	4.4	62.2	62.2	5.0	71.7	71.7
11	Bitterwood and Fifth Avenue	5.3	64.8	62.1	6.3	76.9	73.7
12	Serrano North & South	5.0	66.6	64.7	5.5	73.0	71.0
15	Advenir at Park Boulevard	4.5	71.8	68.8	5.8	91.8	88.0
18	2818 Place & Parkway Place	5.6	60.7	60.7	6.5	70.8	70.8
20	Mesa Tower	6.2	64.4	63.1	8.3	85.4	83.6
23	Plata 47	4.9	53.7	51.4	6.5	71.8	68.8
30	Cypresswood Crossing	7.3	63.2	60.9	8.3	71.4	68.7
31	Urban 128	4.2	44.0	42.9	5.0	52.8	51.4

Transaction Concentrations

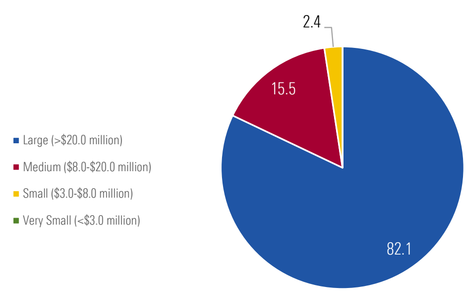
DBRS Morningstar Property Type



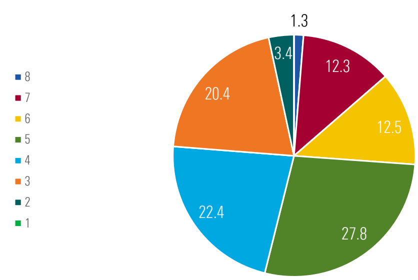
Geography



Loan Size

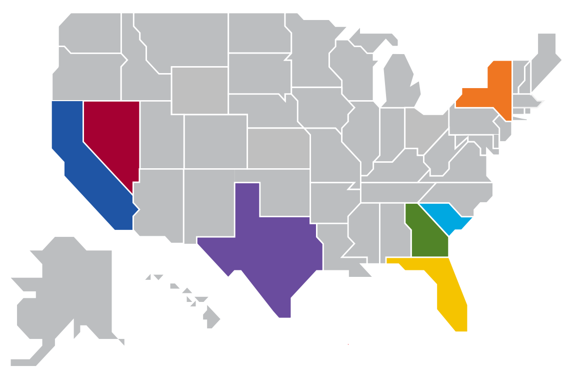


DBRS Morningstar Market Types



Largest Property Location

Property Name	City	State
Lantana Apartments	Las Vegas	NV
Latham Square	Oakland	CA
Village at Eastpointe	Oakland Park	FL
Century Skyline	Atlanta	GA
SkyGarden	Charleston	SC
Westwood & Audubon	Austin	TX
The Ambassador	Palm Beach	FL
Chapel Hill Apartments	Las Vegas	NV
Goodfriend NY Self Storage	Various	NY
Columns at Allen's Creek	Largo	FL

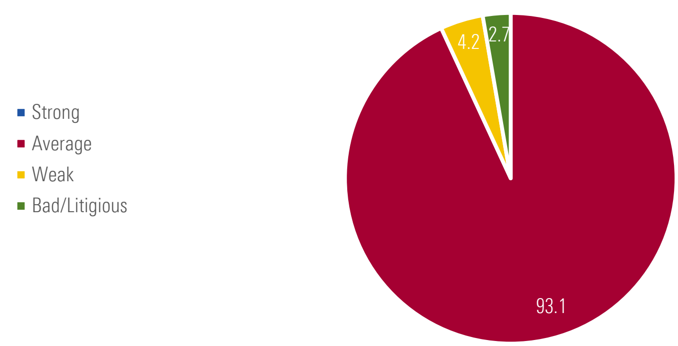


Source: DBRS Morningstar.

Reserve Requirement			**Borrower Structure**		
Type	# of Loans	% of Pool	Type	# of Loans	% of Pool
Tax Ongoing	33	100.0	SPE With Independent Director and Nonconsolidation Opinion	20	78.0
Insurance Ongoing	33	100.0	SPE With Independent Director Only	0	0.0
Capex Ongoing	17	42.8	SPE With Nonconsolidation Opinion Only	0	0.0
Leasing Costs Ongoing[1]	6	15.8	SPE Only	13	22.0

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

DBRS Morningstar Sponsor Strength

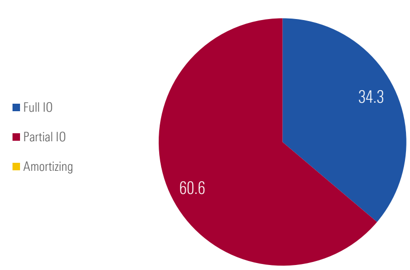


Source: DBRS Morningstar.

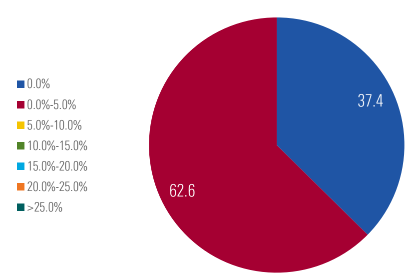
Loan Structural Features

Loan Terms: During the initial loan terms, 32 loans (98.0% of the pool balance) are IO. One loan, comprising the remaining 2.0% of the pool balance, is IO during the first 24 months and then amortizes for the remainder of the loan term. Of those with fully extended loan terms, nine loans (34.3% of pool balance) are IO and 22 loans (60.6% of pool balance) are partial IO whereby after the initial IO periods, the loans are structured with fixed amortization payments based on either a 25- or 30-year amortization schedule.

Interest Only



DBRS Morningstar Expected Amortization



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

Interest Rate Protection: All floating-rate loans in the initial pool have purchased interest rate caps to protect against rising interest rates over the term of the loan. If the DBRS Morningstar Stressed Interest Rate is less than the interest rate cap purchased by the borrower, DBRS Morningstar would default to the lower of the two.

Additional Debt: The mortgage loans generally prohibit the related borrowers from encumbering the mortgaged property with additional secured debt or require the consent of the lender prior to so encumbering such property. In addition, the mortgage loans generally restrict the transfer or pledging of controlling general partnership and managing member interests in a borrower subject to certain exceptions. However, the mortgage loans generally permit the related borrowers to incur limited indebtedness in the ordinary course of business that is not secured by the related mortgaged property. The companion participations are additional debt secured by the related mortgaged property but will not be held by the Issuer and, unless such companion participation is later acquired in whole or in part by the Issuer, as described in the PPM, will not be part of the collateral.

Future Funding: There are 14 loans, representing 48.3% of the initial pool balance, that have some form of future funding component. The aggregate amount of future funding remaining is $50.1 million, with future funding amounts per loan ranging from $1.3 million to $7.5 million. The future funding is an obligation of the future funding companion participation holder, initially the seller and sponsor. The future funding is generally to be used for property renovations and leasing costs. Each property has a business plan to execute that is expected to increase NCF. DBRS Morningstar believes 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.

COLLATERAL INTERESTS

Loan Name	Cut-Off Date Whole Loan Amount ($)	Future Funding Amount[1] ($)	Whole Loan Amount[2] ($)	Future Funding Uses
Lantana Apartments	65,113,000	4,037,000	69,150,000	Capex
Latham Square	44,669,991	1,500,000	46,169,991	Leasing; Capex
Green Tree Apartments (Village at Eastpointe)	43,440,000	3,560,000	47,000,000	Capex
Century Skyline	42,046,955	4,098,045	46,145,000	Capex
SkyGarden	34,200,000	0	34,200,000	n/a
Westwood & Audubon	33,585,000	0	33,585,000	n/a
The Ambassador	32,784,404	7,515,596	40,300,000	Holdback; Capex
Chapel Hill Apartments	32,100,000	0	32,100,000	n/a
GoodFriend NY Self Storage	31,800,000	0	31,800,000	n/a
Columns at Allen's Creek	31,250,000	2,820,000	34,070,000	Capex
Bitterwood and Fifth Avenue	30,183,528	0	30,183,528	n/a
Serrano North & South	27,050,000	5,000,000	32,050,000	Capex
Metro Self Storage-Knapp	26,700,000	0	26,700,000	n/a
Cary Pines Apartments & Townhomes	24,810,000	2,340,690	27,150,690	Capex
Advenir at Park Boulevard	24,625,000	0	24,625,000	n/a
West Eleven Apartments	24,500,000	0	24,500,000	n/a
16 Penn	23,599,999	0	23,599,999	n/a
2818 Place & Parkway Place	23,030,000	5,125,000	28,155,000	Capex
Stonelake 1-5	21,750,000	0	21,750,000	n/a
Mesa Tower	21,250,000	3,750,000	25,000,000	Leasing
Grove on Glendale	20,400,000	0	20,400,000	n/a
Novella at Biltmore	20,000,000	0	20,000,000	n/a
Plata 47	19,804,930	0	19,804,930	n/a
GoodFriend Self Storage Zerega	17,000,000	0	17,000,000	n/a
Sawmill Plaza Shopping Center	16,450,474	0	16,450,474	n/a
225 E. Colorado	13,850,000	0	13,850,000	n/a
241-243 West 75th Street	10,100,000	0	10,100,000	n/a
Wyndham Orlando Resort & Conference Area	9,468,849	2,331,151	11,800,000	Capex, Holdback
Cypresswood Crossing	9,124,101	1,600,899	10,725,000	Capex, Holdback, Leasing
Urban 128	8,760,000	0	8,760,000	n/a
Terrace Towers	7,048,835	1,351,165	8,400,000	Capex
Colony Inn	6,488,000	5,112,000	11,600,000	Capex
Pinnacle Village	5,660,031	0	5,660,031	n/a

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

Future Funding Commitment

Loan Name	Total Future Funding ($)	Maximum Future Funding Allowed ($)	Total Future Funding Commitments Allowed (%)	Loan Closed (Y/N)
Lantana Apartments	4,037,000	4,037,000	100.0	Y
Latham Square	1,500,000	1,500,000	100.0	Y
Green Tree Apartments (Village at Eastpointe)	3,560,000	3,560,000	100.0	Y
Century Skyline	4,098,045	4,098,045	100.0	Y
SkyGarden	0	0	0.0	N
Westwood & Audubon	0	0	0.0	Y
The Ambassador	7,515,596	7,515,596	100.0	Y
Chapel Hill Apartments	0	0	0.0	Y
GoodFriend NY Self Storage	0	0	0.0	Y
Columns at Allen's Creek	2,820,000	2,820,000	100.0	Y
Bitterwood and Fifth Avenue	0	0	0.0	Y
Serrano North & South	5,000,000	5,000,000	100.0	Y
Metro Self Storage-Knapp	0	0	0.0	Y
Cary Pines Apartments & Townhomes	2,340,690	2,340,690	100.0	Y
Advenir at Park Boulevard	0	0	0.0	Y
West Eleven Apartments	0	0	0.0	Y
16 Penn	0	0	0.0	Y
2818 Place & Parkway Place	5,125,000	5,125,000	100.0	Y
Stonelake 1-5	0	0	0.0	Y
Mesa Tower	3,750,000	3,750,000	100.0	Y
Grove on Glendale	0	0	0.0	Y
Novella at Biltmore	0	0	0.0	Y
Plata 47	0	0	0.0	Y
GoodFriend Self Storage Zerega	0	0	0.0	Y
Sawmill Plaza Shopping Center	0	0	0.0	Y
225 E. Colorado	0	0	0.0	Y
241-243 West 75th Street	0	0	0.0	Y
Wyndham Orlando Resort & Conference Area	2,331,151	2,331,151	100.0	Y
Cypresswood Crossing	1,600,899	1,600,899	100.0	Y
Urban 128	0	0	0.0	Y
Terrace Towers	1,351,165	1,351,165	100.0	Y
Colony Inn	5,112,000	5,112,000	100.0	Y
Pinnacle Village	0	0	0.0	Y

Leasehold: Two loans, Mesa Tower and Wyndham Orlando Resort & Conference Center, which, combined, represent 3.8% of the pool, are secured by the borrowers' leasehold interests. The Mesa Tower loan is for the acquisition of a leasehold interest in an office building in Mesa, Arizona. There is a new 99-year term on a ground lease for the underlying 265,219 sf of land area of the property. Annual ground rent will be $850,000 (about 30% of the Issuer as-stabilized NCF) on an absolute net expense structure. Annual rent increases 2.78% per year for the first 35 years of the lease and then is flat for the remainder of the term. There is also a buy-back option giving the ground lease tenant the right to purchase the property for $10.0 million in Year 35. The Wyndham Orlando Resort & Conference Center loan was used to refinance a newly built 434-room full-service hotel. The borrower is selling the underlying land of the property to Kawa Capital Partners, LLC, which is subsequently leasing the land back to the borrower on a 99-year ground lease. The ground rent for the first year is $900,000 (about 32% of the Issuer as-stabilized NCF), which escalates by 2.0% per annum. Upon commencement of the

36th lease year, the borrower will have a one-time right to purchase the fee-simple interest at 125% of the purchase price, plus additional costs incurred by the landlord.

Delayed Close Mortgage Asset: One multifamily mortgage asset, SkyGarden, has not yet closed but is expected to close prior to or within 90 days of the closing date.

Property Release: Three portfolio loans (Westwood & Audubon, GoodFriend NY Self Storage, and 2818 Place & Parkway Place) representing 11.0% of the pool balance allow for the release of one or more properties or a portion of the mortgaged property, subject to certain leverage tests prescribed in the respective loan agreements and/or specified release price provisions.

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

Terrorism Insurance: All loans have terrorism insurance in place.

Lantana Apartments

Loan Snapshot

Seller
ACRES Realty Funding, Inc.
Ownership Interest
Fee Simple
Trust Balance ($ million)
65.1
Loan PSF/Unit ($)
$134,012
Percentage of the Pool (%)
8.1
Fully Extended Loan Maturity/ARD
May 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.89
DBRS Morningstar Stabilized DSCR (x)
1.03
DBRS Morningstar As-Is Issuance LTV (%)
89.6
DBRS Morningstar Stabilized Balloon LTV (%)
66.8
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
65.1
Pari Passu
0.0
Remaining Future Funding ($ million)
4.0
Mortgage Loan Including Future Funding
69.2
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
17.9
Units
516

Source: ASR.

Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1980
City, State	Las Vegas, NV	**Physical Occupancy (%)**	94.0
Units	516	**Physical Occupancy Date**	February 2021

The subject loan has approximately $65.1 million in initial funding and an additional $4.0 million in future funding ($7,823.6 per unit). The three-year loan has two one-year extension options and is secured by the borrower's fee-simple interest in Lantana Apartments, a 516-unit, Class B, garden-style, multifamily property located 3.5 miles southwest of the Las Vegas CBD. Loan proceeds along with borrower's cash equity of $17.9 million are being used to purchase the property for $80.0 million ($155,039 per unit), pay closing costs, and fund reserves. The property is highly leveraged with a DBRS Morningstar As-Is LTV and Stabilized LTV of 89.6% and 66.8%, respectively.

The planned capital improvements include the renovation of 304 units at $8,618 per unit, with 144 units receiving the upper-tier renovation which includes stainless-steel kitchen appliances, flooring, kitchen and bathroom cabinet door replacement, counter-top replacements, kitchen backsplash, interior paint, and fixture replacements. The remaining 160 units are expected to receive the lower-tier renovation which includes black kitchen appliances, flooring, kitchen and bathroom cabinet door paint only, and interior paint.

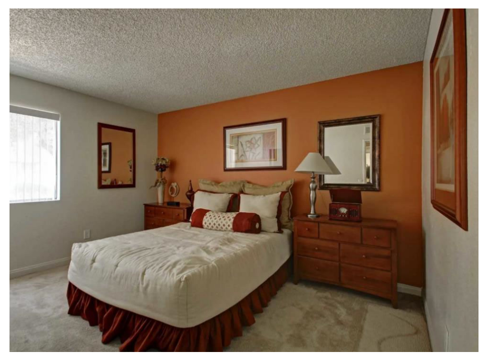
Competitive Set						
Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)
Oasis Sierra	Las Vegas, NV	0.6	208	1998	95.0	1,239
Tiffany Place Apartments	Las Vegas, NV	0.8	182	1990	97.0	1,177
West Edge Apartments	Las Vegas, NV	1.5	324	1977	91.0	1,000
Bella Vida Apartments	Las Vegas, NV	1.9	72	1996	95.0	1,288
Element	Las Vegas, NV	2.2	200	1995	97.0	1,386
Emory Apartments	Las Vegas, NV	1.6	148	1977	98.0	1,007
Total/WA Comp. Set	**Las Vegas, NV**	**1.4**	**1,134**	**1987**	**94.9**	**1,160**
Lantana Apartments - Subject	**Las Vegas, NV**	**n/a**	**516**	**1984**	**94.0**	**894**

Source: Appraisal, except the subject figures are based on the rent roll dated February 8, 2021.

DBRS Morningstar Analysis

Site Inspection Summary

Source: ASR.



Source: ASR.

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

DBRS Morningstar NCF Summary

NCF Analysis							
	YE2019	T-12 Dec 2020	Appraisal Stabilized	Borrower Budget Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	4,845,864	4,918,025	7,150,631	7,154,191	7,096,799	6,190,662	-12.8
Other Income ($)	986,899	1,005,370	1,120,047	1,243,313	1,099,656	1,105,907	0.6
Vacancy & Concessions ($)	0	0	-507,480	-589,928	-509,834	-569,157	11.6
EGI ($)	**5,832,763**	**5,923,395**	**7,763,198**	**7,807,577**	**7,686,620**	**6,727,413**	**-12.5**
Expenses ($)	2,391,852	2,356,560	2,444,731	2,512,319	2,641,031	2,736,748	3.6
NOI ($)	**3,440,911**	**3,566,835**	**5,318,467**	**5,295,257**	**5,045,589**	**3,990,665**	**-20.9**
Capex ($)	0	0	169,154	129,000	129,000	129,000	0.0
NCF ($)	**3,440,911**	**3,566,835**	**5,149,313**	**5,166,257**	**4,916,589**	**3,861,665**	**-21.5**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar NCF for the subject was $3,861,665, representing a variance of -21.5% from the Issuer's NCF of $4,916,589. The primary drivers of the variance were vacancy and GPR, credit loss/bad debt, and operating expenses. DBRS Morningstar assumed a GPR value of $6,190,662, lower than the Issuer's assumption of $7,096,799. DBRS Morningstar assumed a WA premium of $181 for renovated units, while the Issuer assumed a WA value of $190 per unit. Additionally, DBRS Morningstar did not inflate the GPR by 3% annually like the Issuer. DBRS Morningstar assumed a credit loss/bad debt value equal to the borrower's budget year three ratio of -2.0% of the GPR. The Issuer assumed -1.0% of GPR, equal to the appraiser's stabilized value. DBRS Morningstar generally assumed an expense value equal to the T-12 ended December 31, 2020, value, inflated by 10%. The Issuer assumed its as-is value, inflated by 3% annually. Additionally, DBRS Morningstar assumed a value equal to the appraiser's stabilized value for utilities.

Coronavirus Update

With regard to the coronavirus pandemic, the magnitude and extent of performance stress posed to global structured finance transactions remain highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. Overall, the subject property experienced a decline in collections to between 77.7% and 87.0% from August 2020 to March 2021, which is a direct result of the Coronavirus Aid, Relief, and Economic Security Act eviction moratorium that has been extended through June 30, 2021. There are currently 40 tenants who have received notices to evict compared with the 64 total evictions in 2019. As of February 2021, the property was 94.0% physically occupied, which was slightly lower than the competitive set's demonstrated occupancy rate of 95.5%.

DBRS Morningstar Viewpoint

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

The collateral is a Class B, garden-style, apartment complex comprising 61 two-story residential buildings for a total of 516 units, a single-story clubhouse/leasing office building, and one single-story maintenance building. The property is in the North Central submarket, which is four miles southwest of the Las Vegas CBD, and is accessible by three freeways: IH-15, Beltway 215, and IH-515. The immediate area consists of small retail centers, single-family homes, and multifamily properties. The property is in close proximity to Mountain View Hospital, Sierra Health Medical Center, and College of Southern Nevada Charleston.

The property benefits from its location in a stable submarket that has enjoyed low vacancy for several years. However, there are some headwinds to achieve the business plan. Although vacancy for Class B apartments in the North Central submarket have rarely risen above 5.0%, the market experienced an downturn during 2020 as job losses from the coronavirus-related shutdowns in Las Vegas mounted. The property had a vacancy rate of 6.2% at the end of 2020. While Las Vegas casinos and hotels have begun to open, operations may take time to return to full capacity. Reis forecast an increase in vacancy to more than 6.0% by 2022 from 3.5% at the end of 2020.

An eviction moratorium likely prevented a sharper rise in vacancy; however, it also contributed to a reduction in rent collections, which ranged between 83% and 87% during 2020. The sponsor has a queue of 40 evictions that must be addressed once the moratorium is lifted. Given the current environment, renovations may take place more slowly than planned as the borrower manages the rent roll over the next 12 months. In February 2020, a fire destroyed one of the 61 two-story buildings. To date, construction has not commenced to rebuild the eight-unit building, but the seller has settled a claim with its insurance carrier for a total of $854,525. These funds will be in escrow at closing; if the borrower does not rebuild the building, the escrowed funds will be used to pay down the loan.

The sponsor is an experienced owner and manager of commercial real estate and owns and manages approximately $2.0 billion in real estate assets including Class A student housing, one million sf of office space, hundreds of single-family homes, 400,000 sf of retail and mixed-use space, and 20,000 multifamily units. The sponsor's holdings include Plata 47, a 218-unit, garden-style multifamily property 3.5 miles southeast of Lantana Apartments, which the sponsor purchased in Q1 2019 for $108,716 per unit.

The seller purchased this property in 2015 for $36.0 million; the variance from the current purchase price is due to the compression of capitalization rates and a steady year-over-year increase in rents since 2015. The sponsor's business plan includes the renovation of 304 units with expected premiums of about $278 per month, of which 144 will receive an upper-tier renovation and 160 will have a lower-tier renovation package. The property's effective rent as of the February 2021 rent roll was $894 per unit, less than both the appraiser's estimated value of $1,016 per unit and Reis' Q4 2020 value of $923 per unit. Post-renovation, the appraiser assumes the property will receive an average premium of $182 per unit per month for the lower-tier renovations and $253 unit per month. However, DBRS Morningstar's assumed rent premiums are $165 per month for the lower-tier units and $200 per month for the upper-tier units. The seller completed renovations on six units prior to the sale, including a black appliance package and laminate countertops along with flooring upgrades in the kitchen area and received premiums ranging from $144 per unit per month to $171 per unit per month. The sponsor also owns Plata 47, a 218-unit garden-style apartment 3.5 miles southeast of Lantana Apartment. Plata 47 is achieving monthly rent premiums ranging from $58 to $233 per unit.

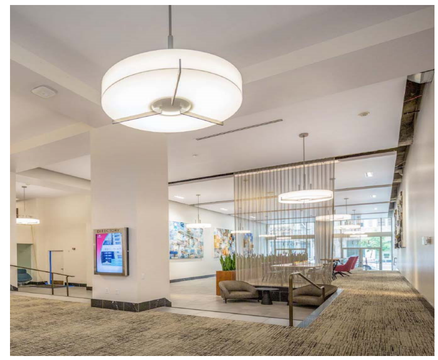
The borrower also plans to complete $1.1 million in exterior renovations including a boiler/water heater, replacement of old air conditioning units, updated signage patio/balcony landings, a pool deck, fence and furniture cleaning, installation of exterior lighting, repair of carports, and repair of roofs and exterior walls.

Latham Square

Loan Snapshot

Seller	ACRES Realty Funding, Inc.
Ownership Interest	Fee Simple
Trust Balance ($ million)	44.7
Loan PSF/Unit ($)	$391
Percentage of the Pool (%)	5.6
Fully Extended Loan Maturity/ARD	December 2023
Amortization	30 Years/25 Years
DBRS Morningstar As-Is DSCR (x)	0.85
DBRS Morningstar Stabilized DSCR (x)	0.88
DBRS Morningstar As-Is Issuance LTV (%)	66.5
DBRS Morningstar Stabilized Balloon LTV (%)	59.7
DBRS Morningstar Property Type	Office
DBRS Morningstar Property Quality	Average

Source: ASR.



Source: ASR.

Collateral Summary

DBRS Morningstar Property Type	Office	**Year Built/Renovated**	1927/2016
City, State	Oakland, CA	**Physical Occupancy (%)**	78.1
Units/sf	118,043	**Physical Occupancy Date**	January 2021

The loan is secured by the borrower's fee-simple interest in Latham Square, a 118,043-sf office property in Oakland, California. The loan is full-term IO over its three-year initial loan term, followed by 30-year amortization schedule during the first one-year extension period and 25-year amortization schedule for the second one-year extension period. Initial loan proceeds of $44.7 million, $11.4 million of future funding, and $25.5 million of sponsor cash equity will be used to purchase the property for $61.5 million, fund approximately $11.4 million of future TI/LC and capital expenditure costs, and pay closing costs. Originated in December 2018 and securitized in XAN 2019-RSO7, the loan the loan is set to mature in December 2023 if the two extension options are exercised.

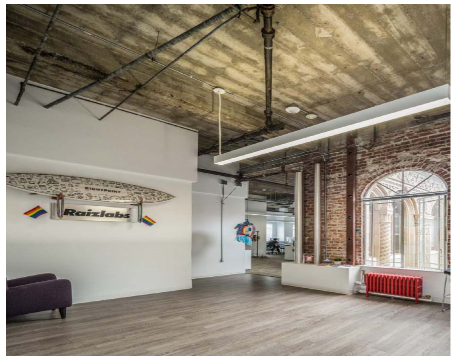
Debt Stack ($ millions)

Trust Balance	44.7
Pari Passu	0.0
Remaining Future Funding ($ million)	1.5
Mortgage Loan Including Future Funding	46.2
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	25.5
Units	118,043

Tenant Summary

Tenant	Square Feet	% of Total NRA	DBRS Morningstar Base Rent psf ($)	% of Total DBRS Morningstar Base Rent	Lease Expiry	Investment Grade? (Y/N)
Fluid	16,456	13.9	43.8	11.9	5/31/2023	N
MYND	16,490	12.9	62.3	15.6	11/30/2022	N
Pyatok Architects	9,584	8.1	27.2	4.3	2/29/2024	N
Ditto	8,237	7.0	59.1	8.0	10/31/2023	N
Fabric Genomics	8,228	7.0	55.8	7.6	10/6/2021	N
Subtotal/WA	**58,995**	**48.9**	**52.9**	**47.4**	**Various**	**Various**
Other Tenants	33,165	28.1	52.0	28.5	Various	Various
Vacant Space	25,883	21.9	n/a	n/a	n/a	n/a
Total/WA	**118,043**	**100.0**	**51.3**	**100.0**	**Various**	**Various**

Source: January 2021 rent roll.



Source: ASR.

Source: ASR.

DBRS Morningstar NCF Analysis

NCF Analysis

	2019	TTM Jan 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	4,273,154	4,687,993	6,280,428	6,280,428	6,608,974	5.2
Recoveries ($)	661,610	613,856	756,005	756,005	751,972	-0.5
Other Income ($)	0	400	77,250	77,250	77,250	0.0
Vacancy ($)	-51,262	-125,303	-532,990	-532,990	-1,402,410	163.1
EGI ($)	**4,883,502**	**5,176,946**	**6,580,693**	**6,580,693**	**6,035,786**	**-8.3**
Expenses ($)	2,337,173	2,254,197	2,520,499	2,520,499	2,399,602	-4.8
NOI ($)	**2,546,329**	**2,922,749**	**4,060,194**	**4,060,194**	**3,636,184**	**-10.4**
Capex ($)	0	0	0	23,189	23,609	1.8
TI/LC ($)	0	0	0	245,033	754,588	208.0
NCF ($)	**2,546,329**	**2,922,749**	**4,060,194**	**3,791,972**	**2,857,987**	**-24.6**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,857,987, representing a -24.6% variance from the Issuer's as-stabilized NCF of $3,791,972. The main drivers of the variance are vacancy, TI/LCs, and operating expenses. DBRS Morningstar estimated stabilized vacancy to be 16.3% and concessions of 2.7%. The 16.3% stabilized vacancy assumption is based on maximum occupancy that can be achieved based on the upfront TI/LC reserve of $5.25 million. This estimate is in line with Oakland-East Bay CBD submarket vacancy of 17.2% and by vintage of 17.4% according to Reis Q4 2020 data. DBRS Morningstar estimated TIs of $50 psf for new leases and $25 psf for renewal leases on full floor office space and $30 psf for new leases and $15 psf for renewal leases for partial floor office space and retail space. LCs were set to 6.0% for new leases and 3.0% for renewal leases. Lastly, DBRS Morningstar set operating expenses to T-12 ended January 31, 2021, inflated by 10.0%.

Coronavirus Update

With regard to the coronavirus pandemic, the magnitude and extent of performance stress posed to global structured finance transactions remain highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. Overall, the subject property has experienced minimal impact as a result of the coronavirus pandemic. Debt service payments have been received from December 2020 through April 2021 and there has been no formal request of forbearance or any other accommodations. The property has demonstrated an average of 97.0% collections from August 2020 through March 2021. While the pandemic has not affected many tenants currently at the subject property, it has slowed the overall lease-up timing. This may delay the overall execution of the sponsor's business plan.

DBRS Morningstar Viewpoint

The collateral is a 118,043-sf office property in Oakland, originally built in 1927. The subject sits within downtown Oakland, just north of the Civic Center and north east of Old Oakland. More specifically, the property is less than one mile north of the I-980/I-880 interchange and roughly 2.5 miles south of I-580, linking the property to various nearby cities. Additionally, the property is connected to I-80 via I-880 and I-980, which directly links the subject to downtown San Francisco across the San Francisco Bay. The immediate area is urban in nature with surrounding uses consisting of other office properties and several local and national retailers and restaurants.

Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average. Loan proceeds facilitated the December 2018 acquisition of the subject property for $61.5 million. The sponsor's business plan includes investing approximately $5.25 million toward future leasing and $3.1 million toward capital improvements. Prior to the sponsor's acquisition, the property had received approximately $21.8 million of capital improvements since 2014. A significant amount of this was allocated toward lobby renovations and TI costs to convert approximately 60% of the space to creative office space. As of April 13, 2021, the sponsor had completed almost all of the capital improvements throughout the property in conjunction with the current business plan and has approximately $300,000 remaining to upgrade the building's fire protection system. As a result of the coronavirus pandemic, the overall leasing efforts were delayed. Since the loan's prior securitization in the XAN 2019-RSO7 transaction, the property's occupancy has declined from approximately 86.0% to 78.1% as of January 2021. DBRS Morningstar believes that the property may continue to see slow leasing activity through the fully extended loan term of December 2023 as demonstrated by the Oakland-East Bay CBD submarket's high vacancy trend. According to Reis Q4 2020 data, the property's submarket reflected a high vacancy rate of 17.2%, which is also in line with the average vacancy rate over the past five years of 17.4%. Furthermore, the subject represents rental rates that are consistent with overall submarket trends at $51.29 psf compared with the submarket's average of $51.03 psf.

The total mortgage loan balance of $46.2 million represents a high issuance LTV of 72.6% based on the March 2021 as-is appraised value of $69.4 million. Based on a higher stabilized appraised value of $74.1 million, the loan will represent a more favorable balloon LTV of 66.0% at maturity. While the stabilized appraised value of $639 psf is inflated when looking at the average of the appraiser's recent sales comparables of $491 psf (ranging from $395 psf to $560 psf), the stabilized implied cap rate of 5.1% is generally consistent with the appraiser's conclusion of 5.5%. Furthermore, the property is located within a DBRS Morningstar Market Rank 7 and MSA 3, which have historically shown lower loan PODs and LGDs. Given the location of the subject property and the moderate credit metrics, the loan demonstrates an expected loss that is below the deal average.

Green Tree Apartments (Village at Eastpointe)

Loan Snapshot

Seller
ACRES Realty Funding, Inc.
Ownership Interest
Fee Simple
Trust Balance ($ million)
43.4
Loan PSF/Unit ($)
$158,784
Percentage of the Pool (%)
5.4
Fully Extended Loan Maturity/ARD
May 2026
Amortization
30 Years
DBRS Morningstar As-Is DSCR (x)
0.71
DBRS Morningstar Stabilized DSCR (x)
0.78
DBRS Morningstar As-Is Issuance LTV (%)
80.2
DBRS Morningstar Stabilized Balloon LTV (%)
65.4
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
43.4
Pari Passu
0.0
Remaining Future Funding ($ million)
3.6
Mortgage Loan Including Future Funding
47.0
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
17.3
Units
296

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1974/2019-2021
City, State	Oakland Park, FL	**Physical Occupancy (%)**	94.6
Units	296	**Physical Occupancy Date**	March 2021

The loan is secured by the borrower's fee-simple interest in Green Tree Apartments (Village at Eastpointe), a 296-unit garden-style apartment complex in Oakland Park, Florida. The loan is IO over its three-year initial loan term and first one-year extension period, followed by a 30-year amortization schedule during the second one-year extension period. Loan proceeds of $47.0 million ($43.4 million of initial funding and $3.6 million of future funding) and sponsor cash equity of $17.3 million will be used to acquire the property for $58.5 million, fund a renovation reserve of $3.6 million, and cover closing costs and various fees.

Competitive Sets							
Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
Competitive Set - As-Is							
Oakwood Apartments	Oakland Park, FL	1.3	126	1974	100.0	1,480	784
Set Point Apartments	Oakland Park, FL	1.4	230	1975	98.3	1,243	644
Villa Teresa Apartments	Wilton Manors, FL	2.0	38	1973	89.5	1,387	767
The Oakmont	Fort Lauderdale, FL	1.5	32	1968	96.9	1,319	713
Parkcrest Apartments	Oakland Park, FL	1.5	129	1968	97.7	1,362	814
Total/WA Comp. Set	**Oakland Park, FL**	**1.3**	**555**	**Various**	**97.9**	**1,339**	**n/a**
Competitive Set - As Renovated							
Wilton House	Wilton Manors, FL	2.3	156	1972	99.0	1,492	803
Wilton Tower	Fort Lauderdale, FL	2.8	150	1975	93.3	1,718	785
Port Royal	Fort Lauderdale, FL	2.1	553	1988	96.4	1,745	804
Oakwood Apartments	Oakland Park, FL	1.3	126	1974	100.0	1,480	784
Villa Teresa Apartments	Wilton Manors, FL	2.0	38	1973	89.7	1,387	767
Total/WA Comp. Set	**Oakland Park, FL**	**2.4**	**1,023**	**Various**	**94.4**	**1,578**	**n/a**
Green Tree Apartments - Subject	**Oakland Park, FL**	**n/a**	**296**	**1974**	**94.6**	**1,269**	**825**

Source: Appraisal, except the subject figures are based on the rent roll dated March 18, 2021.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar NCF Summary

NCF Analysis						
	YE 2019	YE 2020	T-12 Feb 2021	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	4,242,636	4,421,766	4,447,734	5,713,710	5,130,360	-10.2
Other Income ($)	517,459	495,230	497,427	572,887	509,187	-11.1
Vacancy & Concessions ($)	-321,758	-467,955	-482,432	-334,854	-444,317	32.7
EGI ($)	**4,438,337**	**4,449,041**	**4,462,729**	**5,951,743**	**5,195,230**	**-12.7**
Expenses ($)	1,731,861	1,911,610	1,923,915	2,625,171	2,670,043	1.7
NOI ($)	**2,706,476**	**2,537,431**	**2,538,814**	**3,326,572**	**2,525,187**	**-24.1**
Capex ($)	0	0	0	74,000	74,000	0.00
NCF ($)	**2,706,476**	**2,537,431**	**2,538,814**	**3,252,572**	**2,451,187**	**-24.6**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,451,187, representing a variance of -24.6% from the Issuer's Stabilized NCF of $3,252,572. The primary drivers of the variance included GPR, vacancy, and management fee.

DBRS Morningstar concluded the stabilized GPR to reflect an average of $150 per unit rent premium over the March 2021 in-place rents. By comparison, the Issuer estimated an average of $314 per unit rent increase over in-place rents. DBRS Morningstar estimated stabilized economic vacancy to be 8.7%, including a 7.8% market vacancy, which reflects Reis-reported Oakland Park submarket vacancy as of Q4 2020, and concession/collection loss of 0.9%, which mirrors the appraisal stabilized estimates. DBRS Morningstar applied 4.0% of EGI for management fee as compared with the Issuer's 3.0%.

Coronavirus Update

It has been reported that, as of February 23, 2021, the total outstanding receivable balance at the property was $69,362. There were nine tenants who had balances outstanding of greater than $2,000 and collectively accounted for 65.0% of the total outstanding receivable balance. The borrower is working to collect the past due amounts. The outstanding arrears are approximately 1.5% of the property's as-is revenue and do not represent a material level of credit loss should it prove to be uncollectable.

DBRS Morningstar Viewpoint

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

The property is located just north of Downtown Fort Lauderdale approximately one mile east of I-95 from Commercial Boulevard on N. Dixie Highway. The subject benefits from close proximity to various retail facilities including Northridge Shopping Center, which is anchored by Publix, Ross Dress for Less, Youfit Health Club, Petco and Dollar Tree. There is a business park about three miles north along I-95 and three miles to the west surrounding Fort Lauderdale Executive Airport, both of which provide nearby employment centers for residents. I-95 is about two miles west, while U.S. Route 1 is three miles east.

The business plan calls for the investment of $3.6 million ($12,031 per unit) in capital improvements over the next 36 months in order to achieve rent premiums of $231 to $257 per unit per month. Of this budgeted amount, about $1.5 million ($5,159 per unit) in planned for interior improvements. While the interior renovations include the installation of all new appliances, new countertops and backsplashes, new ceiling fans, replacing existing carpet flooring with vinyl flooring, and new vanities and flooring in the bathrooms, DBRS Morningstar considered the planned investment to be more consistent with premiums of about $150.

The property's occupancy has generally been consistent with the market, ranging from 91% to 95% over the past few years. The vacancy rate in the submarket is somewhat elevated at 7.8% at the end of 2020 and, with few exceptions, has rarely tracked below 6.0%. However, Class B vacancy rates have tended

to fare much better, with a YE2020 vacancy rate of 2.5%. According to Reis, the rent spread between Class A and Class B units is about $800 per month, which likely accounts for the strong demand in the moderately priced segment. DBRS Morningstar concluded to a 7.8% vacancy rate in deference to the overall market, but also to account for the increased cost of the units to prospective tenants.
DBRS Morningstar noted that the fully funded loan represents a relatively high loan-to-purchase price ratio of 80.3%; however, this is improved at the loan-to-stabilized value ratio of 68.0% based on the appraiser’s stabilized value estimate of $69.1 million. The high initial LTV does present some risk should the borrower be unable to execute on the business plan.

The transaction benefits from a substantial equity contribution by the sponsor of approximately $16.3 million, accounting for 25.7% of the fully funded capital stack. The sponsors, R.O.I Capital Group, have experience in the market with about 1,100 multifamily units in Florida in addition to single-family rentals.

Century Skyline

Loan Snapshot

Seller
ACRES Realty Funding, Inc.
Ownership Interest
Fee Simple
Trust Balance ($ million)
42.0
Loan PSF/Unit ($)
$205,089
Percentage of the Pool (%)
5.2
Fully Extended Loan Maturity/ARD
April 2026
Amortization
30 Years
DBRS Morningstar As-Is DSCR (x)
0.53
DBRS Morningstar Stabilized DSCR (x)
0.63
DBRS Morningstar As-Is Issuance LTV (%)
84.8
DBRS Morningstar Stabilized Balloon LTV (%)
64.4
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
42.0
Pari Passu
0.0
Remaining Future Funding ($ million)
4.1
Mortgage Loan Including Future Funding
46.1
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
14.4
Units
225

Source: ASR.

Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2009/n/a
City, State	Atlanta, GA	**Physical Occupancy (%)**	92.4
Units/SF	225	**Physical Occupancy Date**	February 2021

The loan is secured by the borrower's fee-simple interest in Century Skyline, a 225-unit mid-rise multifamily property in Atlanta, Georgia. The loan is IO for its three-year initial term. It is structured with two one-year extension options, subject to no event of default and certain LTV and debt yield tests, and will amortize on a 30-year schedule during the extension terms. Loan proceeds of $46.1 million ($42.0 million in initial funding and $4.1 million in future funding) and sponsor cash equity of $14.4 million will be used to acquire the property for a purchase price of $53.5 million and cover capital expenditures of $4.1 million and other costs and fees related to closing and origination of the loan. The DBRS Morningstar LTV at issuance is relatively high at 84.8% but will decline to a moderate level of 66.3% upon stabilization. The subject property was built in 2009 and has an occupancy rate of 92.4% as of February 2, 2021.

Competitive Set							
Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
West Inman Lofts	Atlanta, GA	1.2	205	2007	96.1	1,501	909
The Waterford on Piedmont	Atlanta, GA	0.3	153	2005	90.2	1,871	1,210
Savannah Midtown	Atlanta, GA	0.4	322	2001	95.1	1,443	977
Camden Midtown Atlanta	Atlanta, GA	0.6	296	2001	97.3	1,662	975
Camden Vantage	Atlanta, GA	0.6	592	2010	93.7	1,409	901
Block Lofts	Atlanta, GA	1.2	244	2005	94.3	1,692	972
Total/WA Comp. Set	**Atlanta, GA**	**Various**	**1,812**	**Various**	**94.6**	**1,544**	**963**
Century Skyline - Subject	**Atlanta, GA**	**n/a**	**225**	**2009**	**92.4**	**1,560**	**1,021**

Source: Appraisal, except the subject figures are based on the rent roll dated February 2, 2021.

DBRS Morningstar Analysis

Site Inspection Summary

Source: ASR.

Source: ASR

DBRS Morningstar NCF Summary

NCF Analysis							
	2019	2020	Year 1 Budget	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	4,299,852	4,371,849	4,376,274	5,448,009	5,448,009	4,767,320	-12.5
Other Income ($)	404,051	512,586	464,108	508,119	499,221	337,961	-32.3
Vacancy & Concessions ($)	-264,023	-567,642	-448,118	-354,120	-354,120	-524,405	48.1
EGI ($)	**4,439,880**	**4,316,793**	**4,392,264**	**5,602,008**	**5,593,110**	**4,580,876**	**-18.1**
Expenses ($)	1,939,849	2,059,914	2,005,424	2,407,841	2,432,742	2,618,234	7.6
NOI ($)	**2,500,031**	**2,256,879**	**2,386,840**	**3,194,167**	**3,160,368**	**1,962,642**	**-37.9**
Capex ($)	0	0	56,250	61,466	56,250	56,250	0.00
NCF ($)	**2,500,031**	**2,256,879**	**2,330,590**	**3,132,701**	**3,104,118**	**1,906,391**	**-38.6**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,906,391, representing a -38.6% variance from the Issuer's as-stabilized NCF of $3,104,118. The main drivers of the variance were GPR, vacancy, and expenses. DBRS Morningstar accepted a rental premium of $200 per month per unit for all units at the property upon stabilization, based on the $3.0 million ($13,350 per unit) in-unit renovations planned as part of the sponsor's business plan. DBRS Morningstar assumed a vacancy rate of 9.5% in line with the Reis Q4 2020 submarket vacancy. Operating expenses were generally based on the T-12 ended December 31, 2020, inflated by 10.0%.

Coronavirus Update

The property experienced an increase in vacancy in mid-2020, rising to 12.9% in June, up from 4.3% in December 2019. The overall decline in occupancy in 2020 was reportedly related to the pandemic but recent months show that the property has largely recovered from its lowest point in 2020 and occupancy was at 93.1% as of December 2020. The property averaged an occupancy rate of 94.2% between 2018 and 2020.

The pandemic also affected collections at the collateral property. In 2020, the property had a some significant one-time write-offs related to uncollected rent and uncollected other income from three corporate tenants. Nuovo Properties, Stay Alfred, and Gharaana leased a combined 39 units at the property and vacated in September 2020. These three corporate tenants had a total of $125,000 in rent write-offs and $39,000 in other income write-offs. In all, coronavirus-related rent write-offs totaled $205,000 and other income write-offs totaled $115,000. However, collections have improved in recent months and averaged 95.3% over the last six months as of January 2021. The sponsors reported receipt of approximately 95.0% of total rent due from tenants in January 2021, 83.7% of total rent due from tenants in February 2021, and 89.0% of total rent due from tenants in March 2021.

Currently, there are 12 tenants under an eviction notice at the property; their eviction dates will be determined by the Sherriff's Department/Courts and are subject to the term of the federally mandated eviction moratoria. DBRS Morningstar included the annual average rent collected from these tenants in its vacancy assumption for the NCF analysis.

DBRS Morningstar Viewpoint

The collateral is a 225-unit mid-rise multifamily property built in 2009. The property comprises one five-story residential building and one six-story parking garage. The property has 129 one-bedroom and 96 two-bedroom units with an average unit size of 1,021 sf. The property is located in Atlanta, in the southern portion of Midtown, just east of I-75/85 and just north of downtown. The property is in an urban neighborhood and is primarily developed with a mix of office, retail, and multifamily uses. The property is surrounded by multifamily residential to the north and west, retail developments to the south, and the Atlanta Civic Center to the east.

Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average. Unit amenities at the property include a complete appliance package, washer/dryer hookups, granite countertops, and balconies. Property wide amenities include a coffee shop, rooftop deck, swimming pool, clubhouse, computer lounge, parking deck, and fitness center. The property offers 375 parking spaces, which implies a parking ratio of 1.67 spaces per unit.

The borrower plans to spend $4,098,045 in capital improvements at the property, which includes $3,003,750 ($13,350 per unit) for interior renovations and $749,150 for exterior renovations. Planned interior renovations include the replacement of dated appliances with a stainless steel appliance package, new granite countertops for the kitchen and bathroom vanities, a new tile backsplash in the kitchen, and faux wood vinyl tile in the common areas of each unit. At closing, ACRES will hold back an additional $500,000 for immediate repair work related to a leaking pool deck area.

Based on the rent roll dated February 2, 2021, the average rental rate per occupied unit at the property is $1,560 per month, which is slightly higher than the WA of $1,544 per month at comparable properties, as identified by the appraiser. However, the property's average rent is lower than the submarket average of $1,883 as of Q4 2020, according to Reis. As the units go under renovation, DBRS Morningstar believes some of this difference can be bridged via rental premiums achieved by renovated units. As a result, DBRS Morningstar assumed an average rent of $1,766 per unit in the DBRS Morningstar Stabilized NCF analysis, an increase of $200 per unit from the in-place average rent. DBRS Morningstar also concluded a stabilized vacancy of 9.5%, in line with the Q4 2020 submarket vacancy rate per Reis. This is a conservative estimate compared with the WA occupancy rate of 94.6% of the competitive set, as identified by the appraiser. In addition, the property's average vacancy rate did not increase above the concluded 9.5% vacancy rate in the past three years on an annual basis. Based on Reis data, comparable properties, and the collateral's historical performance, DBRS Morningstar does not expect the vacancy rate to climb beyond this level upon stabilization.

The total loan balance of $46.1 million represents an elevated DBRS Morningstar issuance LTV of 84.8% based on the as-is appraised value of $54.4 million. Based on a higher stabilized appraised value of $69.6 million as of February 2024, the loan will represent a more moderate leverage at loan maturity with a DBRS Morningstar LTV of 64.4%. The stabilized appraised value of $309,333 per unit falls within the range of values of $263,529 per unit to $334,572 per unit of recent sales comparables, as identified by the appraiser. As a result, the high LTV at issuance is somewhat mitigated by the lower LTV upon stabilization. The transaction also benefits from a substantial equity contribution of approximately $14.4 million from the sponsor, accounting for 23.7% of the fully funded capital stack.

SkyGarden

Loan Snapshot

Seller	ACRES Realty Funding, Inc.
Ownership Interest	Fee Simple
Trust Balance ($ million)	34.2
Loan PSF/Unit ($)	$110,680
Percentage of the Pool (%)	4.3
Fully Extended Loan Maturity/ARD	June 2026
Amortization	n/a
DBRS Morningstar As-Is DSCR (x)	1.17
DBRS Morningstar Stabilized DSCR (x)	1.17
DBRS Morningstar As-Is Issuance LTV (%)	84.2
DBRS Morningstar Stabilized Balloon LTV (%)	84.2
DBRS Morningstar Property Type	Student Housing
DBRS Morningstar Property Quality	Average+

Debt Stack ($ millions)

Trust Balance	34.2
Pari Passu	0.0
Remaining Future Funding ($ million)	0.0
Mortgage Loan Including Future Funding	34.2
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	18.4
Units	309

Source: ASR.

Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Student Housing	**Year Built/Renovated**	2017/n/a
City, State	Charleston, SC	**Physical Occupancy (%)**	99.4
Beds	309	**Physical Occupancy Date**	March 2021

The loan is secured by the borrower's fee-simple interest in SkyGarden Apartments, a 94-unit/309-bed student housing property in Charleston, South Carolina. The loan is full-term IO over its three-year initial loan term and two one-year extension options. Initial loan proceeds of $34.2 million and $18.4 million of sponsor cash equity will be used to purchase the property for $52.0 million and pay fees and closing costs of $0.6 million. The property was built in 2017 and comprises nine floors of student housing apartments, a two-story parking garage, and a 1,600-sf ground-floor retail space occupied by Chatime Tea & Pastries on a 10-year lease until 2028. The unit mix features 16 one-bedroom units, four two-bedroom units, 13 three-bedroom units, 59 four-bedroom units, and two five-bedroom units. The subject's rents per month, per bed, and per unit are above average in comparison with its student housing rent comparables, but are in line on a psf basis for the overall market. Please see the appraiser's competitive set information below:

Competitive Set

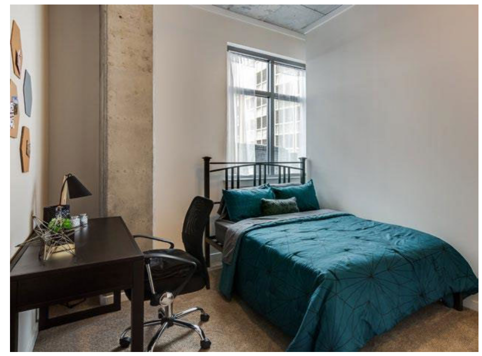
Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
930NoMo Student Housing	Charleston, SC	1.1	151	2015	97.5	2,564	1,140
Sterling Campus Center	Charleston, SC	0.8	191	2013	97.0	2,204	662
Hoffler Place	Charleston, SC	0.2	74	2019	96.0	3,747	1,072
Total/WA Comp. Set	**Charleston, SC**	**Various**	**416**	**Various**	**97.0**	**2,609**	**908**
SkyGarden	**Charleston, SC**	**n/a**	**309**	**2017**	**99.4**	**3,937**	**1,297**

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

DBRS Morningstar Analysis

Site Inspection Summary

Source: ASR.



Source: ASR.

DBRS Morningstar NCF Analysis

NCF Analysis

	2019	2020	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Stabilized Morningstar NCF	NCF Variance (%)
GPR ($)	4,801,655	4,812,217	4,788,703	4,787,169	4,722,348	-1.4
Other Income ($)	401,469	375,575	492,680	458,704	457,488	-0.3
Vacancy & Concessions ($)	-378,622	-547,596	-244,933	-265,601	-360,872	35.9
EGI ($)	**4,824,502**	**4,640,196**	**5,036,450**	**4,980,272**	**4,818,964**	**-3.2**
Expenses ($)	1,945,043	2,091,317	2,141,023	2,292,583	2,566,688	12.1
NOI ($)	**2,879,459**	**2,548,879**	**2,895,427**	**2,687,689**	**2,252,276**	**-16.2**
Capex ($)	0	0	37,600	47,277	108,150	128.8
NCF ($)	**2,879,459**	**2,548,879**	**2,857,827**	**2,640,412**	**2,144,126**	**-18.8**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,144,126, representing a -18.8% variance from the Issuer's as-stabilized NCF of $2,640,412. The main drivers of the variance were vacancy, operating expenses, and replacement reserves. DBRS Morningstar estimated stabilized vacancy to be 5.0% for the multifamily portion, 10% for the retail space, 0.5% for employee/model units, and 1.0% each for credit loss/bad debt and concessions. DBRS Morningstar estimated controllable operating expenses based on the T-12 ended February 28, 2021, inflated by an additional 10%. For replacement reserves, DBRS Morningstar assumed $350 per bed, in line with the student housing comparables that are furnished.

Coronavirus Update

With regard to the coronavirus pandemic, the magnitude and extent of performance stress posed to global structured finance transactions remain highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. Overall, the subject property has experienced minimal impact as a result of the pandemic. Collections have been 100% over the past several months and there has been no formal request of forbearance or any other accommodation. The borrower states that in-place rents at the property are depressed as lease-up took place during the pandemic, and thus it believes there is room to further push rental rates.

DBRS Morningstar Viewpoint

The collateral is a 309-bed student housing complex in Charleston originally built in 2017. The subject sits on Woolfe Street within one mile of I-26 and U.S. Route 17 and a six-minute walk from the north edge of College of Charleston campus. Total enrollment at the College of Charleston was 10,556 students as of Fall 2020, little changed since 2011, and it is expected to remain stable through 2024. The property has immediate access to Charleston's touristy King Street, which also encompasses student social life with trendy bars, restaurants, art galleries, hotels, and shopping. The primary surrounding areas are mixed use in nature but predominantly residential, with various retail and commercial uses along primary arterials.

The sponsor's business plan includes pushing rental rates and streamlining operations with an institutional property manager that focuses on student housing acquired by the borrower. The borrower believes there is room to improve on the rental rates because the College of Charleston is reducing its footprint of on-campus beds for the construction of buildings for other uses and the supply of student housing in the submarket's pipeline is low. No student housing properties are currently under construction or planned in the property's submarket, per Issuer data.

Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average +. The property benefits from being in reportedly good condition and having been built in 2017, whereas the majority of the existing student housing supply in the immediate area was built in the 2000s, according to the appraiser. The submarket vacancy for multifamily properties was 6.2% with the competitive set vacancy average at 2.8%, according to the appraiser. The Reis Q4 2020 Hanahan/North Charleston submarket apartment vacancy rate was less attractive at 14.9%, which may be somewhat related to the coronavirus pandemic as the Q4 2019 vacancy rate was 8.9%. Reis projects the vacancy rate to fall to 12.0% in 2023, at the end of the loan's initial term. Despite recent supply additions, the appraisal competitive set demonstrates a low vacancy rate and, as of March 2021, the subject was already 93.9% preleased for next school year, achieving a reported $70 increase in monthly rent per bed over the current in-place rents. The subject continues to attract tenants by its strong location being walkable to campus and by providing Class A communal amenity spaces, such as an elevated pool deck, outdoor pergola lounge, grilling stations, and a rooftop sun terrace on the eighth floor featuring more lounging space and a fire pit. DBRS Morningstar believes that the property is positioned to perform in the near term as new supply of similar products is low and preleasing premium figures support the borrower's story in its ability to increase rental rates.

The total mortgage loan balance of $34.2 million represents a moderately low Issuance LTV of 63.2%, based on the March 2021 as-is appraised value of $53.8 million. However, DBRS Morningstar adjusted the Stabilized LTV and Balloon LTV to reflect a 6.50% cap rate adjustment, higher than the implied cap rate of 4.91%, and approximately 125 basis points higher than the appraiser's concluded cap rate of

5.25%. This approach is consistent with approaches to securitized student housing collateral in CRE CLO transactions. Based on the adjusted value, the loan has an elevated DBRS Morningstar LTV of 84.4%. The loan's resulting expected loss is higher than the pool average. While the stabilized appraised value of $177,022 per bed is elevated when looking at the average of the appraiser's recent sales comparables at $172,559 per bed (ranging from $155,481 to $180,952), the increase may be warranted given the location of the subject property compared with current competitive supply. Despite the loan's expected loss being higher than the pool average, the loan has demonstrated successful preleasing as mentioned and demand is expected to remain high in the immediate market area, based on its vintage compared with competitive products and its attractiveness in location and offered amenities.

Westwood & Audubon

Loan Snapshot

Seller	ACRES Realty Funding, Inc.
Ownership Interest	Fee Simple
Trust Balance ($ million)	33.6
Loan PSF/Unit ($)	$106,282
Percentage of the Pool (%)	4.2
Fully Extended Loan Maturity/ARD	July 2023
Amortization	30 Years/25 Years
DBRS Morningstar As-Is DSCR (x)	0.92
DBRS Morningstar Stabilized DSCR (x)	0.92
DBRS Morningstar As-Is Issuance LTV (%)	63.0
DBRS Morningstar Stabilized Balloon LTV (%)	60.4
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average

Debt Stack ($ millions)

Trust Balance	33.6
Pari Passu	0.0
Remaining Future Funding ($ million)	0.0
Mortgage Loan Including Future Funding	33.6
Loan Purpose	Acquisition
Equity Contribution/(Distribution) ($ million)	9.5
Units	316

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1983/2018
City, State	Austin, TX	**Physical Occupancy (%)**	92.7
Units/SF	316	**Physical Occupancy Date**	March 2021

The loan is secured by the borrower's fee-simple interests in two cross-collateralized, garden-style multifamily properties, Westwood Apartments and Audubon Square Apartments, which are adjacent to one another in Austin, Texas. The loan is IO for its three-year initial term and will amortize on a 30-year schedule during the first of two one-year extension options and on a 25-year schedule during the second extension term. Loan proceeds of $33.6 million ($29.8 million in initial funding and $3.8 million in future funding) and sponsor cash equity of $9.5 million were used to acquire the property for a purchase price of $37.0 million. The financing is also being used to cover capex of $4.1 million and closing costs of 1.4 million. The LTV at issuance is a relatively moderate 63.0% based on an appraised value of $53.3 million. Both properties were built in 1983 and have 316 units in total. As of the rent roll dated March 16, 2021, the portfolio's combined WA occupancy was 92.7%.

Portfolio Summary

Property	City, State	Property Type	Year Built	Units	Cut-Off Date Loan Amount ($)	% of Loan Amount
Audubon Square Apartments	Austin, TX	Multifamily	1983	164	17,991,964	53.6
Westwood Apartments	Austin, TX	Multifamily	1983	152	15,593,036	46.4
Total/WA	**Austin, TX**	**Multifamily**	**1983**	**316**	**33,585,000**	**100.0**

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar NCF Summary

NCF Analysis							
	2019	T-12 February 2021	Year 1 Budget	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	4,427,709	4,495,735	4,566,620	4,493,640	4,493,640	4,396,090	2.2
Other Income ($)	774,462	861,267	828,993	840,700	840,700	861,267	2.4
Vacancy & Concessions ($)	-896,285	-642,036	-444,287	-449,364	-480,091	-547,949	14.1
EGI ($)	**4,305,886**	**4,714,966**	**4,951,326**	**4,884,976**	**4,854,249**	**4,709,408**	**-3.0**
Expenses ($)	2,055,924	2,164,117	2,277,616	2,374,504	2,373,481	2,397,539	1.0
NOI ($)	**2,249,962**	**2,550,849**	**2,673,710**	**2,510,472**	**2,480,768**	**2,311,869**	**-6.8**
Capex ($)	0	0	0	79,000	92,588	92,716	0.1
NCF ($)	**2,249,962**	**2,550,849**	**2,673,710**	**2,431,472**	**2,388,180**	**2,219,153**	**-7.1**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,219,153, representing a variance of -7.1% from the Issuer's stabilized NCF of $2,388,180. The main drivers of the variance are GPR and economic vacancy. DBRS Morningstar did not inflate the in-place GPR and concluded to in-place rental rates for the stabilized analysis. DBRS Morningstar assumed physical vacancy of 7.3% in line with the rent roll dated March 16, 2021. DBRS Morningstar also assumed bad debt and concessions equal to the levels for the T-12 period ended February 28, 2021, resulting in a 5.0% economic loss.

Coronavirus Update

There was a coronavirus-related decline in occupancy and collections at the beginning of summer 2020. As a result, occupancy declined to 88% in September 2020. However, property performance has improved since then, and occupancy was 92.7% as of March 16, 2021. The borrower has also started to increase rents, and collections returned to pre-coronavirus levels at 97.0% in February 2021 from an average of 95% in September 2020. Collections averaged 95.9% in March 2021. There are no state or local eviction moratoria affecting the collateral.

DBRS Morningstar Viewpoint

The collateral comprises two garden-style multifamily properties that are adjacent to one another in the northwestern portion of Austin, roughly 13 miles outside the Austin CBD. Westwood Apartments comprises nine two- and three-story garden-style buildings, a two-story clubhouse building, and a one-story laundry facility. Westwood Apartments has a unit mix of 24 one-bedroom units, 106 two-bedroom units, and 22 three-bedroom units, for a total of 152 units with an average unit size of 906 sf. Audubon Square Apartments consists of nine two- and three-story garden-style buildings, a single-story leasing office/clubhouse, and a single-story mail building of similar design. It has a unit mix of 36 one-bedroom units and 128 two-bedroom units, with an average unit size of 850 sf.

The subject area is well supported by retail and entertainment, primarily in Cedar Park, Texas. Lakeline Mall, anchored by Dillard's, JCPenney, Macy's, and Sears, serves as the central draw of retail in the market. The subject also has access to retail at The Arboretum, The Domain, and Tech Ridge. Major employers in the area include Apple, IBM, Charles Schwab, Samsung, and Tech Ridge. Apart from Samsung and Tech Ridge, which are approximately 11 miles away from the subject, all the listed employers are within a six-mile radius.

A major demand driver for the collateral is its location in the coveted Round Rock Independent School District, which has a rating of A+ according to Niche, a school-ranking service. Located adjacent to the subject, Westwood High School is ranked 43 within the state of Texas and 221 in national rankings. Westwood High School is consistently ranked as one of the top three high schools in Austin. Property managers for the subject properties reported that they lease units to families that do not move in; these tenants rent units just to have an address in the district.

Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average. Property-wide amenities at Westwood Apartments include two large swimming pools, perimeter metal fencing, a business center for residents, a mail kiosk, barbecue/picnic areas, and ample space for pets. Audubon Square Apartments' common amenities include a swimming pool, barbecues, a picnic area, a dog park, a playground, a laundry facility, a clubhouse, and a business center.

The borrower's business plan is to achieve economies of scale by operating the properties as one community, with expected savings in payroll, advertising, and administrative expenses. The borrower's plan also includes spending $4.08 million, or $12,911 per unit, in capital improvements that focus on addressing deferred maintenance, improving the exterior of the buildings, common area additions and improvements, and renovations to the interiors. A total of 296 units have been upgraded so far with new black or stainless-steel appliances, resurfaced or granite countertops, new flooring, and new hardware/fixtures. The borrower plans to renovate the remaining 20 units upon unit turns.

DBRS Morningstar analyzed this collateral as part of the Exantas Capital Corp. 2019-RSO7 deal and concluded to a DBRS Morningstar As-Is NCF of $1,451,892 and a DBRS Morningstar Stabilized NCF of $2,083,779. Because NCF for the T-12 period ended February 28, 2021, was $2,550,849 and because most of the units have been renovated already, DBRS Morningstar considered the collateral to be stabilized and conducted one NCF analysis as opposed to separate as-is and stabilized analyses. As of the rent roll dated March 16, 2021, overall in-place rents had increased by $165 per unit or 17% since the loan closed in June 2018, and DBRS Morningstar believes the property largely achieved the planned rental premiums. DBRS Morningstar's concluded average monthly rent of $1,163 per unit is somewhat lower than the submarket's average rental rate of $1,255 as of Q4 2020, according to Reis, but higher than the competitive set's WA rental rate of $1,074 as identified by the appraiser. DBRS Morningstar's concluded physical vacancy of 7.3%, which is the in-place vacancy as of March 16, 2021, is in line with the submarket's average vacancy for the property's vintage, which is 7.1% according to Reis. DBRS Morningstar does not expect vacancy to increase significantly from its current level, as it is also more conservative than the average vacancy of 6% of the appraiser's competitive set.

The Ambassador

Loan Snapshot

Seller
ACRES Realty Funding, Inc.
Ownership Interest
Fee Simple
Trust Balance ($ million)
32.8
Loan PSF/Unit ($)
$468,605
Percentage of the Pool (%)
4.1
Fully Extended Loan Maturity/ARD
February 2024
Amortization
30 Years
DBRS Morningstar As-Is DSCR (x)
0.00
DBRS Morningstar Stabilized DSCR (x)
0.99
DBRS Morningstar As-Is Issuance LTV (%)
65.8
DBRS Morningstar Stabilized Balloon LTV (%)
63.4
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
32.8
Pari Passu
0.0
Remaining Future Funding ($ million)
7.5
Mortgage Loan Including Future Funding
40.3
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(5.7)
Units
86

Source: ASR.


Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1946/2020
City, State	Palm Beach, FL	**Physical Occupancy (%)**	9.3
Units	86	**Physical Occupancy Date**	January 2021

The loan is secured by the borrower's ownership interest in 86 co-operative residential units in The Ambassador, an 88-unit co-operative multifamily property in Palm Beach, Florida. The loan is IO over its two-year initial loan term, followed by 30-year amortization schedule during the one-year extension. Loan proceeds of $40.3 million ($32.8 million of initial funding and $7.5 million of future funding) was used to refinance the existing mortgage for $23.4 million; fund a renovation reserve of $2.4 million, an earn-out reserve of $6.1 million, cover closing costs, an interest reserve and various fees.

DBRS Morningstar NCF Summary

NCF Analysis

	Budget Stabilized	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	5,318,073	5,655,930	5,686,284	5,686,284	0.00
Other Income ($)	32,949	250,000	32,949	0	-100.0
Vacancy & Concessions ($)	-406,952	-454,748	-454,864	-835,884	83.8
EGI ($)	**4,944,071**	**5,451,182**	**5,264,369**	**4,850,400**	**-7.9**
Expenses ($)	1,775,493	1,964,343	1,967,389	2,068,000	5.1
NOI ($)	**3,168,578**	**3,486,839**	**3,296,981**	**2,782,401**	**-15.6**
Capex ($)	0	25,800	22,000	25,800	17.3
NCF Before Credit($)	**3,168,578**	**3,461,039**	**3,274,981**	**2,756,601**	**-15.8**
Earnout Credit ($)	0	0	0	467,399	100.0
NCF after Credit ($)	**3,168,578**	**3,461,039**	**3,274,981**	**3,224,000**	**-1.6**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF before the earn-out credit was $2,756,601, representing a variance of -15.8% from the Issuer's stabilized NCF of $3,274,981. The primary drivers of the variance included vacancy and retail income.

DBRS Morningstar estimated stabilized economic vacancy to be 14.7%, which reflects Reis' reported average vacancy for the 13 comparative properties within a 2.5-mile radius of the subject as of Q4 2020. DBRS Morningstar did not accept the Issuer's projected retail income because there are currently no in-place retail tenants and/or executed retail leases. Finally, DBRS Morningstar gave credit to the $6.1 million earn-out reserve which will be available to the borrower subject to an 8.0% debt yield threshold calculated based on the fully funded loan amount. The resulting DBRS Morningstar Stabilized NCF after the earn-out credit was $3,224,000, representing a variance of -1.6% from the Issuer's stabilized NCF of $3,274,981.

Coronavirus Update

The coronavirus pandemic has had no obvious impact on the subject given the property is mostly vacant and lease-up recently commenced. However, the ongoing pandemic will inevitably slow down the lease-up process, which may take longer than the appraiser's estimated seven months to achieve a stabilized occupancy.

DBRS Morningstar Viewpoint

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

The loan collateral comprises 86 of the total 88 co-operative residential units in two seven-story multifamily buildings that were originally built in 1946 containing 100 co-operative units. In addition to typical multifamily uses, the subject is also permitted to be operated as a hospitality property based on nightly rentals. The sponsor acquired 98 of the 100 co-operative units from October 14, 2019, to July 25, 2020, for an aggregate price of approximately $42.0 million. Following the acquisition, the sponsor reconfigured and converted the 98 co-operative units into 86 rental apartment units, in which some smaller units were combined in order to better meet market demands for larger units. The sponsor is in the process of purchasing the remaining two co-operative units that are not included in the loan collateral. The subject 86 residential units consist of 26 studio units averaging 620 sf, 26 one-bedroom units averaging 743 sf, 30 two-bedroom units averaging 1,250 sf, and four three-bedroom units averaging 1,764 sf. Unit amenities include an upgraded stainless-steel appliance package, plank flooring or tile, ceiling fans, stone countertops, and fully furnished units. Most units also include either an ocean or intracoastal view. Common amenities include a swimming pool, a fitness center, a yoga studio, an onsite full-service restaurant/bar (currently vacant), and beachfront amenity. Most units do not include a washer and dryer, so the property offers common area laundry facilities. Additionally, the complex includes central commercial laundry, and each lease will include laundry service twice per week.

The subject is in a growing area of Palm Beach that is dominated by luxury residences, condominiums with beach and/or intracoastal views, and hospitality-oriented properties. According to the appraisal, over the past 10 years, within a 0.5-mile radius and a 1.0-mile radius the annual population growth of the subject averaged 0.8% and 1.2%, respectively, with current average household incomes of approximately $258,000 and $129,000, respectively, and average home values of $1.3 million and $0.6 million, respectively. The property further benefits from its beachfront position and short drive to various shopping and fine dining venues, nightlife, and recreational facilities such as golf courses. Additionally, downtown West Palm Beach is only six miles to the north.

The sponsor's business plan is to complete the unit renovation and conversion that was started following the acquisition and to lease-up the property to a stabilized occupancy of 94.0% during the initial loan term. Reportedly, the renovation is near completion and approximately $2.3 million of the $2.5 million renovation budget has been spent and funded from the future funding portion of the loan. Lease-up recently commenced and, as of the January 1, 2021, rent roll, eight units were leased and occupied, representing a physical occupancy level of 9.3%. An additional seven units were rented on a short-term basis that were not included in the rent roll. The sponsor projects lease-up at 15 units per month, higher than the appraisal estimate of 10 units per month. The market vacancy was reported at 7.6% as at Q4 2020 based on the Reis data for the Boca Raton East submarket where the subject is located; however, the average vacancy from the 13 comparable properties within a 2.5-mile radius of the subject was 14.7%. The appraisal concluded a general vacancy of 6.0% for the subject taking into consideration of the subject's unique beachfront location. To determine comparable market rents, the appraisal identified nine comparable properties most similar to the subject based on locational characteristics and property amenities. By comparing quoted rents for each unit type, the appraisal concluded the market rents for furnished units at the subject averaged $3,458 per unit for studio units, $4,418 per unit for one-bedroom units, $7,443 per unit for two-bedroom units, and $11,450 per unit for three-bedroom units. These rents appear achievable as evidenced by the comparative in-place rents achieved from the eight leased units at the subject.

Copperline Partners (Copperline), a multifamily- and hospitality-focused real estate investment company with a core portfolio on the East Coast of the United States, provides sponsorship for the loan.

Copperline has more than 50 years of experience in acquisition and transformation of aging assets in desirable urban and suburban locations and has successfully repositioned more than 25,000 residential units over the years. The carveout guarantors for the loan are Richard Schlesinger and Robert Schlesinger of Copperline, who are high-net-worth real estate investors with significant experience. The guarantors are required to maintain a combined $40.0 million net worth and on hand cash and marketable securities of at least $4.0 million. An affiliate of Copperline Partners manages the subject.

DBRS Morningstar noted the sponsor cashed out $5.7 million in this refinance transaction, but the sponsor reportedly invested cash equity of approximately $21.2 million into the project since the acquisition, which represents $15.2 million cash equity remained in the project. The fully funded loan balance of $40.3 million represents a moderate DBRS Morningstar Issuance LTV of 65.8% based on the as-is appraised value of $61.2 million, and further improved to the loan-to-stabilized value ratio of 64.1% based on the appraiser’s stabilized value estimate of $62.9 million. Additionally, the loan is structured with $6.1 million earn-out reserve, which will be made available to borrower subject to an 8.00% debt yield based on the fully funded loan amount. Such debt yield will be calculated based on pro forma income over the next 12 months from signed leases that have a maturity date of 12 months or longer from inception.

Chapel Hill Apartments

Loan Snapshot

Seller
ACRES Realty Funding, Inc.
Ownership Interest
Fee Simple
Trust Balance ($ million)
33.8
Loan PSF/Unit ($)
$134,874
Percentage of the Pool (%)
4.0
Fully Extended Loan Maturity/ARD
February 2024
Amortization
30 Years
DBRS Morningstar As-Is DSCR (x)
1.00
DBRS Morningstar Stabilized DSCR (x)
1.15
DBRS Morningstar As-Is Issuance LTV (%)
57.3
DBRS Morningstar Stabilized Balloon LTV (%)
51.9
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average+

Debt Stack ($ millions)

Trust Balance
33.8
Pari Passu
0.0
Remaining Future Funding ($ million)
0.0
Mortgage Loan Including Future Funding
32.1
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
12.8
Units
238

Source: ASR.

Source: ASR.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2001/2014-16;2019
City, State	Las Vegas, NV	**Physical Occupancy (%)**	97.9
Units/SF	238	**Physical Occupancy Date**	April 2021

The loan is secured by the borrower's fee-simple interest in Chapel Hill Apartments, a 20-building, 238-unit apartment complex in Las Vegas. The three-year loan has two 12-month extension options and will remain IO throughout. Loan proceeds of $33.8 million along with the sponsor's cash equity of $12.8 million were used to acquire the property for a total purchase price of $44.7 million, fund a capex reserve, and cover closing costs and fees. Since loan origination, the sponsor has used the capex reserve to perform property and unit renovations in the amount of $1.2 million and $1.9 million remains and is reserved to complete renovations. As part of the loan agreement, the borrower was allowed to make a partial prepayment in an amount equal to or greater than $5.0 million, which brought the cut-off date balance to $32.1 million. Built in 2001, the property has 238 units that reported a physical occupancy of 97.9% as of the April rent roll. Average unit sizes range from 796 sf to 1,290 sf.

Property amenities at each location include a gated entry, clubhouse with a great room, resort-style pool and spa with waterfall, cyber lounge, business services, 24-hour fitness center, play area with climbing wall, putting green, and detached garages. According to Reis, the subject is one of 56 properties constructed since 2000 that account for 52.2% of the submarket's total inventory of market-rate rentals. However, as the property has seen extensive renovations, it is well positioned in the market.

Competitive Set						
Property	Location	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
Viviani	Las Vegas, NV	270	2002	96.0	1,340	944
Spectrum Apartments	Las Vegas, NV	252	2010	94.0	1,427	971
Tesora Apartments	Las Vegas, NV	231	2004	95.0	1,437	1,049
St. Clair Apartments	Las Vegas, NV	186	2003	95.0	1,423	1,138
San Tropez	Las Vegas, NV	336	1997	100.0	1,304	1,069
Rancho Destino	Las Vegas, NV	184	1998	96.0	1,283	891
Total/WA Comp. Set	**Las Vegas, NV**	**1,459**	**Various**	**96.3**	**1,365**	**1,012**
Chapel Hill Apartments - Subject	**Las Vegas, NV**	**238**	**2001**	**97.9**	**1,213**	**1,004**

Source: Appraisal, except the subject figures are based on the rent roll dated April 6, 2021.

DBRS Morningstar Analysis

Site Inspection Summary

Source: ASR.

Source: Appraisal.

DBRS Morningstar NCF Summary

NCF Analysis							
	2018	2019	2020	T-12 February 2021	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	2,887,255	3,234,551	3,512,547	3,525,288	4,011,157	3,781,344	-5.7
Other Income ($)	433,275	372,890	440,503	399,846	424,197	399,846	-5.7
Vacancy & Concessions ($)	-158,852	-343,604	-525,305	-454,083	-300,580	-313,263	4.2
EGI ($)	**3,161,678**	**3,263,837**	**3,427,745**	**3,471,051**	**4,134,774**	**3,867,928**	**-6.5**
Expenses ($)	1,240,390	1,198,867	1,273,404	1,275,601	1,372,108	1,423,415	3.7
NOI ($)	**1,921,288**	**2,064,970**	**2,154,341**	**2,195,450**	**2,762,667**	**2,444,512**	**-11.5**
Capex ($)	0	0	0	0	59,500	59,500	0.0
NCF ($)	**1,921,288**	**2,064,970**	**2,154,341**	**2,195,450**	**2,703,167**	**2,385,012**	**-11.8**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,385,012, representing a -11.8% variance from the Issuer's as-stabilized NCF of $2,703,167. The main drivers of the variance were GPR and operating expenses. DBRS Morningstar estimated a stabilized GPR 9.1% above the April 2021 in-place rents for renovated units. By comparison, the Issuer estimated a 14.8% increase over in-place rents. DBRS Morningstar estimated operating expenses based on the T-12 ended February 28, 2021, inflated by 10.0%, compared with the Issuer's assumption of inflating the T-12 ended February 28, 2021, by 6.0%

Coronavirus Update

With regard to the coronavirus pandemic, the magnitude and extent of performance stress posted to global structured finance transactions remain highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. Overall, the property has experienced minimal impact from the coronavirus pandemic. The property has maintained a strong occupancy throughout the pandemic and, as of April 6, 2021, is operating at 97.9% occupancy.

DBRS Morningstar Viewpoint

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

The borrower and guarantor is Watt Multifamily Companies, a firm that focuses on developing and managing real estate properties primarily on the West Coast. Its platform includes commercial development, homebuilding, asset management, and the sponsorship of capital improvements. Over its 60 years of operation, the firm has developed homes for more than 100,000 families, built more than 8 million sf of industrial and office space, developed more than 50 shopping centers, three hotels, and six master-planned communities. While DBRS Morningstar recognized the sponsor's many strengths in terms of its experience in operating and developing properties, because of the firm's low net worth and liquidity, DBRS Morningstar found the sponsor strength to be Weak.

The property is currently managed by Pinnacle, whose portfolio has more than 165,000 units, with 16,327 of them in the Las Vegas market. Nine properties in its Las Vegas portfolio are located within a five-mile radius of the subject. Despite the experienced sponsor and management company, in 2016 and 2017, there were on-site shootings at the property. The individuals involved suffered non-life-threatening injuries during the incidents.

Chapel Hill Apartments is located in the West submarket of Las Vegas, as defined by Reis. The property was constructed in 2001 and the average in-place rent was $1,213 per the rent roll dated April 6, 2021, which is significantly below the Reis submarket average rental rate of $1,516. However, as unit renovations continue, DBRS Morningstar expects the property's average rental rates will track close to market rates. The area surrounding the property primarily consists of commercial and residential developments approximately 10 miles west of the Las Vegas CBD.

The business plan is to increase rents at the property as the sponsor continues to fully renovate the remaining units. The sponsor purchased the 238-unit property in 2019 for approximately $44.74 million. During the previous ownership, 164 units, representing 69% of the collateral, were partially renovated. These renovations included painting cabinets, replacing carpet with vinyl flooring, and replacing older white appliances with black ones to give the units a more modern appearance. However, as the appraiser noted, aside from the different-colored appliances, there were no notable differences between non-renovated and renovated units. Therefore, the sponsor planned to fully renovate all 238 units. Since acquiring the property in 2019, the sponsor has renovated approximately 136 units. According to the rent roll dated April 6, 2021, there are 39 classic units (nonrenovated), 81 partially renovated units (by previous owner), and 118 fully renovated units. According to the borrower, the cost to renovate the remaining units is approximately $1.15 million or $11,358 per unit. The full renovation of the remaining units is expected to be completed over the next 24 months. These renovations will include upgrading the counter tops with quartz; refinishing the cabinets; installing new lighting fixtures, flooring, appliances, plumbing fixtures, paving, and signage; and upgrading the landscaping, the pool/spa, and the fitness center. The 136 renovated units generate monthly rent premiums of $100 to $250 per month over the unrenovated units.

Overall, DBRS Morningstar expects the business plan to carry little risk in execution as the fully renovated units are achieving rent premiums compared with the classic units. The sponsor has begun to raise rents, with a 3% increase since January and hopes for a 7% to 11% increase in May. DBRS Morningstar has assumed modest premiums of $110 per month for the renovated units. In addition, the expected loss for this loan came out rather favorably compared with the rest of the pool. The loan benefits from a low DBRS Morningstar Issuance LTV of 57.3% and a low DBRS Morningstar Balloon LTV of 53.5%. The property was built in 2001 and, as mentioned in the business plan, is seeing extensive renovations. The property currently is operating at a strong occupancy of 96%, which is line with the Reis submarket statistics for properties of similar age as well as the newer supply.

GoodFriend NY Self Storage

Loan Snapshot

Seller
ACRES Realty Funding, Inc.
Ownership Interest
Fee Simple
Trust Balance ($ million)
31.8
Loan PSF/Unit ($)
$283
Percentage of the Pool (%)
4.0
Fully Extended Loan Maturity/ARD
April 2024
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
0.78
DBRS Morningstar Stabilized DSCR (x)
0.78
DBRS Morningstar As-Is Issuance LTV (%)
71.7
DBRS Morningstar Stabilized Balloon LTV (%)
71.7
DBRS Morningstar Property Type
Self-Storage
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
31.8
Pari Passu
0.0
Remaining Future Funding ($ million)
0.0
Mortgage Loan Including Future Funding
31.8
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ million)
(11.7)
Units
112,333

Source: ASR.


Source: ASR

Collateral Summary			
DBRS Morningstar Property Type	Self-Storage	**Year Built/Renovated**	2016
City, State	Mt. Vernon, NY	**Physical Occupancy (%)**	89.9
Units/SF	2,124	**Physical Occupancy Date**	April 2021

The loan is secured by the borrower's fee-simple interest in GoodFriend NY Self Storage, a two-property self-storage portfolio in Mt. Vernon and New Rochelle, New York, that contains a combined 2,124 units. The $31.8 million, floating-rate loan was used to refinance $18.1 million of existing debt, return $11.7 million to the sponsor, fund a $900,000 debt service reserve, and cover remaining closing costs. The loan has an initial term of three years with two one-year extension options. The loan will be interest only for the full term. It has a stabilized LTV of 62.3% based on the stabilized appraised value of $51.1 million.

Portfolio Summary

Property	Cut-Off Date Loan Amount ($)	% of Loan Amount	City, State	Property Type	Units	% of NRA	Year Built	Occupancy (%)
GoodFriend - Mt. Vernon	17,200,000	54.1	Mt. Vernon, NY	Self-Storage	1,170	55.1	2016	89.6
GoodFriend - New Rochelle	14,600,000	45.9	New Rochelle, NY	Self-Storage	954	44.9	2016	90.2
Total/WA	**31,800,000**	**100.0**	**Various**	**Self-Storage**	**2,124**	**100.0**	**2016**	**89.9**

DBRS Morningstar Analysis

Site Inspection Summary

Source: ASR.

Source: ASR.

DBRS Morningstar NCF Summary

NCF Analysis						
	2019	TTM 2021	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar As-Is NCF	NCF Variance (%)
GPR ($)	2,362,531	2,498,630	3,572,714	3,572,714	3,514,860	-1.6
Other Income ($)	307,301	279,132	364,013	343,782	279,132	-18.8
Vacancy & Concessions ($)	-120,161	-113,287	-321,544	-392,998	-1,014,860	158.2
EGI ($)	**2,549,671**	**2,664,475**	**3,615,183**	**3,523,498**	**2,779,132**	**-21.1**
Expenses ($)	1,222,486	1,250,611	1,261,929	1,257,411	1,327,053	5.5
NOI ($)	**1,327,185**	**1,413,864**	**2,353,254**	**2,266,087**	**1,452,079**	**-35.9**
Capex ($)	0	0	11,873	11,238	16,857	50.0
NCF ($)	**1,327,185**	**1,413,864**	**2,341,381**	**2,254,849**	**1,435,222**	**-36.4**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,435,222 representing a -36.4% variance from the Issuer's Stabilized NCF. The primary driver of the variance is vacancy. DBRS Morningstar concluded to a stabilized vacancy of 19.5% based on the T-3 net rental income ended in December 2020.

Coronavirus Update

With regard to the coronavirus pandemic, the magnitude and extent of performance stress posed to global structured finance transactions remain highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. DBRS Morningstar received and analyzed updates regarding the property's performance related to the pandemic. The property is currently 89.9% occupied and the sponsor is continuing to lease-up vacant units. As of April 2021, there have been no issues regarding rent collection from tenants. The borrower has not requested any form of forbearance and is current on loan payments as of April 2021.

DBRS Morningstar Viewpoint

Initial loan proceeds of $31.8 million were used to refinance existing debt of $18.1 million, cash out $11.7 million to the sponsor, fund a $900,000 debt service reserve, and cover closing costs. The three-year, full term IO loan has two one-year extension options. The as-is and stabilized values of $48.1 million and $51.1 million reflect moderate to low as-is and stabilized LTVs of 66.1% and 62.3%, respectively. However, based on the DBRS Morningstar adjusted value, the loan has an elevated DBRS Morningstar LTV of 71.7%.

The two properties are only four miles apart and share a similar competitive set. The information provided in the competitive sets below are based on information in the appraisals.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)
Extra Space - 102	Mt. Vernon, NY	0.6	906	2003	91.0	117.0
Extra Space - 30	Mt. Vernon, NY	0.5	878	1978	97.5	64.0
Life Storage - 320	Mt. Vernon, NY	1.3	919	2012	93.0	65.0
Safeguard - 4301	Bronx, NY	0.9	1,400	2004	95.0	125.0
Storage Post - 858	Pelham, NY	1.8	838	2008	92.0	91.0
Total/WA Comp. Set	**Various**	**1.0**	**4,941**	**2001**	**93.8**	**95.8**
GoodFriend - Mt. Vernon - Subject	**Mt. Vernon, NY**	**n/a**	**1,169**	**2016**	**89.6**	**102.0**

Source: Appraisal, average rental rate per unit ($) is based on 5x5 climate-controlled units.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)
CubeSmart - 111	New Rochelle, NY	0.3	1,013	1917	91.4	90.0
Storage Post - 363	New Rochelle, NY	0.4	795	1950	89.0	71.0
CubeSmart - 35	New Rochelle, NY	0.6	545	1998	95.2	101.0
Safeguard - 85	New Rochelle, NY	1.1	723	2003	94.2	118.0
Life Storage - 320	Mt. Vernon, NY	2.2	919	2012	93.0	65.0
Storage Post - 858	Pelham, NY	2.4	838	2008	92.0	91.0
Total/WA Comp. Set	**Various**	**1.2**	**4,833**	**1978**	**92.3**	**87.7**
GoodFriend - New Rochelle - Subject	**New Rochelle, NY**	**n/a**	**918**	**2016**	**90.2**	**86.0**

Source: Appraisal, average rental rate per unit ($) is based on 5x5 climate-controlled units.

Based on properties identified by the appraiser, the Mt. Vernon property performs slightly above market with regard to rental rates but slightly below market for occupancy. Market occupancy ranges from 91.0% to 97.5%, while the Mt. Vernon property is currently 89.6%. The New Rochelle property has an occupancy of 90.2%, which is within competitive set range from 89% to 95.2% but is slightly below the competitive set average of 92.3%. Rents at the New Rochelle property are also just below the competitive set average but are well within the range. The combined portfolio is 89.9% occupied, which is slightly more in line with the market, but still below average.

The self-storage properties were constructed in 2016 and have continued to lease-up to stabilization. The portfolio was previously securitized in the XAN 2019-RSO7 transaction, at which point the portfolio was 75.8% occupied. While leasing has slowed since 2019, the portfolio is 89.9% physically occupied as of April 2021, which DBRS Morningstar considers stabilized. As part of the business plan, the sponsor anticipates pushing rental rates as occupancy rises, but as illustrated from the appraisal data above, the subject properties are already operating at rent and occupancy levels within their respective competitive sets. Therefore, DBRS Morningstar considered these assets stabilized and any additional rent growth would reflect inflationary forces within the submarkets.

That said, based on the DBRS Morningstar Stabilized NCF and Stressed Interest Rate, the DBRS Morningstar Stabilized DSCR is 0.78x, which does reflect high risk during the loan term. The $900,000 debt service reserve provides a cushion. Based on the DBRS Morningstar stabilized figures, this debt service reserve will last 27 months, which is just short of the 36 months of remaining loan term, inclusive of the two 12-month option periods.

The loan does benefit from local ownership and management. The sponsor for this transaction is the president of a New York City-based self-storage company that develops, acquires, and manages properties in the New York MSA. The organization has operated more than 70 facilities in Chicago, Connecticut, New Jersey, New York, and Washington, D.C., over the last 20 years. The properties in the portfolio operate under the GoodFriend Self-Storage brand, which was created by the sponsor after selling his prior self-storage portfolio.

Columns at Allen's Creek

Loan Snapshot

Seller
ACRES Realty Funding, Inc.
Ownership Interest
Fee Simple
Trust Balance ($ million)
31.3
Loan PSF/Unit ($)
$135,198
Percentage of the Pool (%)
3.9
Fully Extended Loan Maturity/ARD
May 2026
Amortization
n/a
DBRS Morningstar As-Is DSCR (x)
1.24
DBRS Morningstar Stabilized DSCR (x)
1.61
DBRS Morningstar As-Is Issuance LTV (%)
87.1
DBRS Morningstar Stabilized Balloon LTV (%)
68.6
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average

Debt Stack ($ millions)

Trust Balance
31.3
Pari Passu
0.0
Remaining Future Funding ($ million)
2.8
Mortgage Loan Including Future Funding
34.1
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ million)
11.8
Units
252

Source: Appraisal.

Source: Appraisal.

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1973/2021
City, State	Largo, Florida	**Physical Occupancy (%)**	98.8
Units/SF	252	**Physical Occupancy Date**	February 2021

Collateral Summary

The loan is secured by the borrower's fee-simple interest in a 252-unit garden-style apartment complex in Largo, Florida. The four-year loan has one 12-month extension option and will remain IO throughout. Loan proceeds of $31.3 million, along with sponsor cash equity of $11.8 million, were used to acquire the property for a $39.0 million total purchase price and to cover closing costs and fees. The borrower's business plan is to invest more than $4.3 million ($17,212 per unit) in renovations, including $2.8 million in interior renovations, with a WA premium of $238 per month.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (SF)
Bal Harbour	Largo, FL	1.6	250	1980	98.0	1,161	787
Madison at Roosevelt	Clearwater, FL	0.9	224	1974	95.0	1,656	833
Anthem Clearwater	Clearwater, FL	1.0	416	1975	94.0	1,656	772
Bay Cove	Clearwater, FL	1.2	336	1971	93.0	1,408	1133
Melrose on the Bay	Clearwater, FL	1.8	358	1986	96.4	1,014	884
Winding Lane	Largo, FL	1.2	272	1972	99.0	1,074	679
Total/WA Comp. Set	**Various**	**Various**	**1,856**	**Various**	**95.7**	**1,335**	**855**
Columns at Allen's Creek	**Clearwater, FL**	**n/a**	**252**	**1973**	**98.4**	**1,098**	**848**

Source: Appraisal, except the subject figures are based on the rent roll dated February 8, 2021.

DBRS Morningstar Analysis

Site Inspection Summary

Source: Appraisal.

Source: Appraisal.

DBRS Morningstar NCF Summary

NCF Analysis

	2018	2019	2020	Appraisal Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF	NCF Variance (%)
GPR ($)	2,711,483	2,938,727	3,114,930	4,416,365	4,366,060	3,999,270	-8.4
Other Income ($)	351,635	335,462	324,920	305,509	349,673	324,346	-7.2
Vacancy & Concessions ($)	0	0	0	-256,668	-277,915	-252,980	-9.0
EGI ($)	**3,063,118**	**3,274,189**	**3,439,850**	**4,465,206**	**4,437,818**	**4,070,637**	**-8.3**
Expenses ($)	1,317,038	1,418,228	1,456,229	1,967,258	1,976,750	2,017,613	2.1
NOI ($)	**1,746,080**	**1,855,961**	**1,983,621**	**2,497,948**	**2,461,068**	**2,053,024**	**-16.6**
Capex ($)	93,533	68,818	67,802	63,000	70,559	63,087	-10.6
NCF ($)	**1,652,547**	**1,787,143**	**1,915,819**	**2,434,948**	**2,390,509**	**1,989,937**	**-16.8**

The DBRS Morningstar NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $1,989,937 resulting in a -16.8% variance from the Issuer's stabilized NCF of $2,390,509. The primary drivers of the variance included GPR and operating expenses. DBRS Morningstar concluded the stabilized GPR to reflect an 18.0% increase over February 2021 in-place rents for renovated units, which reflects an average renovation premium of $200 per unit compared with the $238 projected by the borrower. By comparison, the Issuer estimated a 21.0% increase over in-place rents. Operating expenses were based on figures for the T-12 period ended December 31, 2020, inflated by 10.0% of EGI.

Coronavirus Update

The magnitude and extent of performance stress the coronavirus pandemic posed to global structured finance transactions remain highly uncertain, even considering the fiscal and monetary policy measures and statutory law changes that have already been implemented, or will be implemented, to soften the impact of the crisis on global economies. Overall, the property has experienced minimal impacts from the coronavirus pandemic. The property did not experience a decline in occupancy and maintained more than 97.0% of average rental collections.

DBRS Morningstar Viewpoint

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

The property benefits from a strong submarket that has low vacancy rates, steady rent growth, and the resiliency it showed during the pandemic. With the borrower's planned investment of more than $17,200 per unit in renovations, including $11,100 in interior upgrades, DBRS Morningstar expects the borrower to increase rents over the four-year initial loan term.

The property is in Largo, Florida, about four miles northwest of St. Pete-Clearwater International Airport. The property is along U.S. Route 19, a major highway in Pinellas County, and is generally surrounded by residential and commercial uses. The immediate area consists of mostly office, retail, mixed-use, and industrial sites and is home to more than 2,700 businesses providing 60,000 jobs, according to the appraiser. Around the airport are industrial and office clusters. Three miles north is Courtney Campbell Causeway, one of several bridges that cross Tampa Bay, offering access to the Westshore Business District and Downtown Tampa.

The Largo submarket exhibits good market fundamentals, with a 2.8% average in-place vacancy in Q4 2020, according to Reis. And the vacancy rate over time has remained at 6% or below since 2012, illustrating the stability of demand in the area. The Reis forecast for the submarket suggests that vacancy will remain in check over the next five years, with new construction planned in the area between now and 2022 that is likely to increase the supply by only about 180 units.

Upon acquisition of the property, the sponsor plans to implement a roughly $4.3 million ($17,212 per unit) capital improvement plan to address deferred maintenance issues across the exterior and shared amenities and to complete essential in-unit repairs and upgrades to all units on the premise. Unit renovations are scheduled to be completed upon turnover at a modest pace of six units per month over the next four years, which should not require the sponsor to force additional vacancy to complete the renovations. The renovation program should improve the curb appeal and the look and feel of the dated units and, upon completion, DBRS Morningstar believes that a premium over in-place rent would be achievable of up to $200 per unit. Moreover, average in-place rental rates of $1,104 reflect slightly lower than the $1,270 weighted average rental rate in the submarket, supporting a higher likelihood of upside after renovations. During the construction phase, fluctuations in occupancy rates are bound to occur, but the property benefits from strong historical performance, having achieved an above 97.0% average occupancy rate for the past three years. As of the February 2021 rent roll, the property reported a 98.4% occupancy rate.

The total mortgage loan balance of approximately $34.1 million represents an elevated DBRS Morningstar Issuance LTV of 87.1% based on the $39.1 million as-is appraised value. Based on a higher stabilized appraised value of $49.7 million, the loan subsequently drops to a moderate leverage at loan maturity with a 62.9% DBRS Morningstar Balloon LTV. Nonetheless, the stabilized appraised value of $197,222 per unit is much higher than recent sales comparables that the appraiser identified, ranging from $134,014 to $177,188 per unit. The property has a DBRS Morningstar Market Rank 4 and is in an MSA group 0, where loans have historically experienced high PODs and LGDs. As a result of the DBRS Morningstar Market Rank and elevated Issuance LTV, the loan exhibits characteristics associated with higher refinance risk.

Transaction Structural Features

Credit Risk Retention: The Sponsor, ACRES Commercial Realty Corp., will be responsible for compliance with the U.S. credit risk retention requirements and intends to satisfy such requirement through the purchase and retention by the ACRES Commercial Realty 2021-FL1 Holder, LLC, a Delaware limited liability company, a majority-owned affiliate of the Sponsor, of an eligible horizontal residual interest. Additionally, the Sponsor and the Retention Holder will both agree and undertake in the EU/UK Risk Retention Letter to comply with the EU/UK Risk Retention Requirements in accordance with the terms of the EU/UK Risk Retention Letter. The Retention Holder will agree and undertake in the EU/UK Risk Retention Letter that it will continue to own, directly or indirectly, 100% of the membership interests in the Retention Holder, which will, in turn, retain a material net economic interest in the securitization for purposes of EU Securitization Laws and UK Securitization Laws.

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

Reinvestment Period: During the reinvestment period, the collateral manager may direct the Issuer to reinvest principal proceeds (and any cash contributed by the holder of the Preferred Shares) for the acquisition of all or a portion of the related future funding participation, funded companion participations, or additional loans that meet the Eligibility Criteria and Reinvestment Criteria. The Eligibility Criteria requires a No Downgrade Confirmation from DBRS Morningstar, unless the Issuer already owns a participation interest in the same loan and the participation balance being acquired is $5 million or less. The Reinvestment Criteria requires that the underlying mortgage loan not to be a defaulted mortgage loan or specially serviced and that both Note Protection Tests are satisfied.

Future Funding Companion Participations: With respect to each Future Funding Companion Participation, the holder thereof will have the sole obligation under the related Future Funding Participation Agreement to make future advances. Once funded, such Future Funding Companion Participation (or a portion thereof) may be transferred in accordance with the terms of the related Future Funding Participation Agreement and the Issuer may, but is not obligated to, acquire such funded Future Funding Companion Participation (or a portion thereof) as a Reinvestment Collateral Interest. Pursuant to each Future Funding Participation Agreement, the holder of the related Future Funding Companion Participation (or a qualified transferee) and ACRES (or such qualified transferee) will be required to indemnify the Issuer, as the holder of the related mortgage asset, against any losses, claims, damages, costs, expenses, and liabilities in connection with, arising out of, or as a result of, the failure of the holder of such Future Funding Companion Participation to make future advances when required under the related Participated Loan.

Administrative Modifications and Criteria-Based Modifications: The collateral manager may, but is not required to, direct and require the special servicer to administratively process any Administrative Modification or any Criteria-Based Modification in accordance with the Collateral Management Standard.

Note Protection Tests: Like most CRE CLO transactions, the subject transaction features senior note protection tests in the form of an interest coverage (IC) test and a par value or overcollateralization (OC) test. If either of the IC or OC tests is not satisfied on any measurement date, interest proceeds remaining after interest is paid to the Class E Notes will be diverted to deleverage and pay down Classes A through E in senior sequential order until the tests are brought back into compliance or until the notes have been paid in full. The par value test will be satisfied if the par value ratio is equal to or greater than 117.9%. The interest coverage test will be satisfied if the interest coverage ratio is equal to or greater than 120.0%.

Advancing and Backup Advancing: The Advancing Agent, ACRES Realty Funding, Inc., or, if the Advancing Agent fails to do so, the Backup Advancing Agent, Wells Fargo Bank, National Association, will be required to advance certain delinquent scheduled interest payments, as applicable, to the extent that each deems such advances to be recoverable.

Controlling Class: The Class A Notes are considered control eligible certificates so long as any Class A Notes are outstanding. If the Class A Notes are no longer outstanding, then the Class A-S Notes will be considered the control eligible class, or if the Class A-S Notes are no longer outstanding, the Class B Notes, or if the Class B Notes are no longer outstanding, the Class C Notes, or if the Class C Notes are no longer outstanding, the Class D Notes, or if the Class D Notes are no longer outstanding, the Class E Notes, or if the Class E Notes are no longer outstanding, the Class F Notes, or if the Class F Notes are no longer outstanding, the Class G Notes, so long as any Class G Notes are outstanding. If an EOD under the indenture has occurred and is continuing, the holders of the Controlling Class will be entitled to determine the remedies to be exercised under the indenture and in certain circumstances, without regard to whether there are sufficient proceeds to pay in full the amounts then due and unpaid on the Notes. The Controlling Class will be the most senior class of notes outstanding. Any remedies pursued by the holders of the Controlling Class upon an EOD could be adverse to the interests of the holders of more subordinated classes of notes.

Collateral Manager: ACRES Collateral Manager LLC, an affiliate of the sponsor, will serve as the Collateral Manager and provide certain advisory and administrative functions with respect to the collateral. The Collateral Manager is obligated to perform its duties according to the Collateral Management Standard. The special servicer may be removed with or without cause, and a successor special servicer may be appointed, in each case at any time and at the direction of the Collateral Manager.

Retention Holder: ACRES Commercial Realty 2021-FL1 Holder, LLC, a Delaware limited liability company, a majority-owned affiliate of the Sponsor, will purchase 100.0% of the Class F Notes, the Class G Notes, and the Preferred Shares issued on the closing date and therefore will be the initial Retention Holder. ACRES Commercial Realty 2021-FL1 Holder, LLC is expected to continue to be the holder of the Class F Notes, the Class G Notes, and the Preferred Shares through the stated maturity date.

Preferred Shares: The Preferred Shares are equity of the Issuer and will not be secured by any of the mortgage loans. The Preferred Shares are subordinate to all classes of notes in all respects and have no promised dividend or coupon. The Preferred Shares are not rated.

No-Downgrade Confirmation: Certain events within the transaction, including the acquisition of loans into the pool, require the Issuer to obtain a RAC. However, the transaction stipulates a $5.0 million threshold on pari passu participation acquisitions before a RAC is required if there is already a participation of the underlying loan owned by the Issuer. It is not the intent of DBRS Morningstar to waive these RACs, and its analysis will be included in ongoing monitoring of the ratings.

Delayed Close Mortgage Assets: One multifamily mortgage asset, SkyGarden, has not yet closed but is expected to close prior to or within 90 days of the closing date. The Issuer may acquire the Delayed Close Mortgage Asset without regard to the Eligibility Criteria, but subject to the Reinvestment Criteria, on either the closing date or at any time on or prior to the Purchase Termination Date, but in each case only so long as the terms of such Delayed Close Mortgage Asset are not materially different from the terms described in the Offering Memorandum.

Methodologies

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

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

Surveillance

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

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

This report is based on information as of April 30, 2021. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Glossary

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

Definitions

Capital Expenditure (Capex)	Costs incurred in the improvement of a property that will have a life of more than one year.
DBRS Morningstar Refi DSCR	A measure that divides the DBRS Morningstar stabilized NCF by the product of the loan's maturity balance and a stressed refinance debt constant.
DBRS Morningstar Term DSCR	A measure that divides the DBRS Morningstar stabilized NCF by the actual debt service payment
Debt Service Coverage Ratio (DSCR)	A measure of a mortgaged property's ability to cover monthly debt service payments, defined as the ratio of net operating income or net cash flow to the debt service payments.
Effective Gross Income (EGI)	Rental revenue minus vacancies plus miscellaneous income.
Issuer UW	Issuer underwritten from Annex A or servicer reports.
Loan-to-Value (LTV)	The ratio between the principal amount of the mortgage balance, at origination or thereafter, and the most recent appraised value of the underlying real estate collateral, generally from origination.
Net Cash Flow (NCF)	The revenues earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions and capital expenditures (or reserves). Moreover, NCF is net operating income less tenant improvements, leasing commissions and capital expenditures.
NNN (Triple Net)	A lease that requires the tenant to pay operating expenses such as property taxes, insurance and maintenance, in addition to the rent.
Net Operating Income (NOI)	The revenues earned by a property's ongoing operations less the expenses associated with such operations but before mortgage payments, tenant improvements, replacement reserves and leasing commissions.
Net Rentable Area (NRA)	The area (sf) for which rent can be charged. NRA includes the tenant's premises plus an allocation of the common area directly benefiting the tenant, such as common corridors and restrooms.
Revenue Per Available Room (RevPAR)	A measure that divides revenue by the number of available rooms, not the number of occupied rooms. It is a measure of how well the hotel has been able to fill rooms in the off-season, when demand is low even if rates are also low, and how well it fills the rooms and maximizes the rate in the high season, when there is high demand for hotel rooms.
Tenant Improvements (TIs)	The expense to physically improve the property or space, such as new improvements or remodeling, paid by the borrower.
Weighted Average (WA)	Calculation is weighted by the size of each mortgage in the pool.
Weighted-Average Coupon (WAC)	The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool.

About DBRS Morningstar

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

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

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

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

Learn more at dbrsmorningstar.com.

MORNINGSTAR | DBRS

The DBRS Morningstar group of companies consists of DBRS, Inc. (Delaware, U.S.)(NRSRO, DRO affiliate); DBRS Limited (Ontario, Canada)(DRO, NRSRO affiliate); DBRS Ratings GmbH (Frankfurt, Germany)(EU CRA, NRSRO affiliate, DRO affiliate); and DBRS Ratings Limited (England and Wales)(UK CRA, NRSRO affiliate, DRO affiliate). For more information on regulatory registrations, recognitions and approvals of the DBRS Morningstar group of companies, please see: https://www.dbrsmorningstar.com/research/225752/highlights.pdf.

The DBRS Morningstar group of companies are wholly-owned subsidiaries of Morningstar, Inc.