Presale Report
Asia Capital Real Estate 2021-FL1

DBRS Morningstar
September 23, 2021

Jack Donovan
Senior Analyst
+1 312 845 2278
jack.donovan@dbrsmorningstar.com

Dan Kastilahn
Senior Vice President
+1 312 332 9444
dan.kastilahn@dbrsmorningstar.com

Kurt Pollem
Managing Director
+1 646 993 7759
kurt.pollem@dbrsmorningstar.com

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

DBRS Morningstar Viewpoint
Click here to see this deal.

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

Capital Structure

Description	Rating Action	Balance ($)	Subordination (%)	DBRS Morningstar Rating	Trend
Class A	New Rating - Provisional	438,790,000	44.750	AAA (sf)	Stable
Class A-S	New Rating - Provisional	65,672,000	37.250	AAA (sf)	Stable
Class B	New Rating - Provisional	42,688,000	32.375	AA (low) (sf)	Stable
Class C	New Rating - Provisional	51,444,000	26.500	A (low) (sf)	Stable
Class D	New Rating - Provisional	60,200,000	19.625	BBB (sf)	Stable
Class E	New Rating - Provisional	17,512,000	17.625	BBB (low) (sf)	Stable
Class F	New Rating - Provisional	49,255,000	12.000	BB (low) (sf)	Stable
Class G	New Rating - Provisional	30,647,000	8.500	B (low) (sf)	Stable
Preferred Shares	NR	74,430,183	--	NR	n/a

Notes:
1. NR = not rated.
2. Classes F Notes, Class G Notes, and the Preferred Shares are not being offered.
3. The Class F and Class G Notes allow for deferred interest.

Table of Contents

Transaction Summary

Pool Characteristics			
Trust Amount ($)	875,638,183	**Participated Loan Commitment Amount ($)**	893,954,183
Number of Loans	23	**Average Loan Size ($)**	38,071,225
Number of Properties	23	**Top Ten Loan Concentration (%)**	60.7
Managed / Static	Managed	**Unfunded Companion Participation Amount ($)**	18,316,000
Delay-Close Loans	3 - $98,685,183 total	**No Downgrade Threshold for Acquisition of Companion Participation ($)**	500,000
Par Value Test (%)	120.4	**Reinvestment Period[5]**	18
Interest Coverage Test (%)	120.0		
WA Current Funded As-Is Appraised Issuance LTV (%)	74.5	**WA DBRS Morningstar As-Is Issuance LTV (%)**	76.2
WA Current Funded Stabilized Appraised LTV (%)	69.2	**WA DBRS Morningstar Stabilized Balloon LTV (%)**	70.6
WA Interest Rate Margin (%)	3.719	**DBRS Morningstar WA Interest Rate[4] (%)**	5.104
WA Remaining Term[1]	30.8	**WA Remaining Term - Fully Extended**	56.9
WA DBRS Morningstar As-Is DSCR[2]	0.80	**WA Issuer As-Is DSCR (x)[4]**	1.39
WA DBRS Morningstar Stabilized DSCR[3]	1.04	**WA Issuer Stabilized DSCR (x)[4]**	1.83
Avg. DBRS Morningstar As-Is NCF Variance[2] (%)	-9.2	**Avg. DBRS Morningstar Stabilized NCF Variance[3] (%)**	-26.2

Note: All DBRS Morningstar DSCR and LTV calculations in this table and throughout the report are based on the the DBRS Morningstar Stressed Interest Rate and the fully funded and extended mortgage loan commitment. The 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 Interest rate assumes one-month LIBOR stress based on the LIBOR strike rate of the interest rate cap, which is lower than the stressed rate from the DBRS Morningstar Interest Rate Stresses for U.S. Structured Finance Transactions methodology. All DBRS Morningstar DSCR figures are based on this stressed rate.

5 Reinvestment Period begins on the date of the deposit of Permitted Principal Proceeds and ending 60 days thereafter.

Participants	
Issuer	ACREC 2021-FL1 Ltd.
Co-Issuer	ACREC 2021-FL1 LLC
Mortgage Loan Seller	ACREC Loan Seller LLC
Servicer	Situs Asset Management LLC
Special Servicer	Situs Holdings, LLC
Collateral Administrator	Wells Fargo Bank, National Association
Trustee	ACREC 2021-FL1 LLC
Placement Agent	J.P. Morgan Securities LLC and Barclays Capital Inc.
Structuring Agent	J.P. Morgan Securities LLC
Advancing Agent	ACREC Loan Seller LLC

Coronavirus Overview

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

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

Transaction Overview

The initial collateral consists of 23 floating-rate mortgage loans secured by 23 transitional multifamily properties. The pool totals $875.6 million (98.0% of the fully funded balance), excluding $18.4 million of remaining future funding commitments. Each collateral interest is secured by a mortgage on a multifamily property or a portfolio of multifamily properties. The transaction is a managed vehicle, which includes an 18-month reinvestment period. During the reinvestment period, so long as the note protection tests are satisfied and no EOD has occurred or is continuing, the collateral manager may direct the reinvestment of principal proceeds to acquire reinvestment collateral interests, including funded companion participations, that meet the eligibility criteria. The eligibility criteria, among other things, have minimum DSCR, LTV, and loan size limitations. In addition, mortgages exclusively secured by multifamily properties are allowed as collateral interests during the reinvestment period. Lastly, the eligibility criteria stipulate a rating agency confirmation (RAC) on reinvestment loans, and pari passu participation acquisitions above $500,000 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 on the overall ratings. Of the 23 loans, there are three unclosed, delayed-close loans as of September 21, 2021 (Crawford at Grand Morton (#6), Yardz at West Cheyenne (#15), and Serene at Woodlake (#22), representing a total initial pool balance of 11.3%. The Issuer has 45 days after closing to acquire the delayed-close assets. If the Delayed Close Mortgage Assets are not acquired within 45 days of the closing date, up to $5.0 million will be deposited into the Reinvestment Account and any amount in excess of $5.0 million will be applied as principal proceeds in accordance with the priority of payments.

The loans are mostly secured by cash flowing assets, many of which are in a period of transition with plans to stabilize and improve the asset value. In total, nine loans, representing 39.6% of the pool, have remaining future funding participations totaling $18.4 million, which the Issuer may acquire in the future. Please see the chart below for the participations that the Issuer will be allowed to acquire.

For the floating-rate loans, DBRS Morningstar used the one-month Libor index, which is based on the lower of a DBRS Morningstar stressed rate that corresponded to the remaining fully extended term of the loans or the strike price of the interest rate cap with the respective contractual loan spread added to determine a stressed interest rate over the loan term. When the debt service payments were measured against the DBRS Morningstar As-Is NCF, 15 loans, comprising 62.0% of the pool, had a DBRS Morningstar As-Is DSCR below 1.00x, a threshold indicative of elevated default risk. However, the DBRS Morningstar Stabilized DSCRs for seven loans, representing 27.2% of the initial pool balance, are below 1.00x. The properties are often transitioning with potential upside in cash flow, however, DBRS Morningstar does not give full credit to the stabilization if there are no holdbacks or if other structural features in place are insufficient to support such treatment. Furthermore, even with the structure provided, DBRS Morningstar generally does not assume the assets to stabilize above market levels.

Eligibility Criteria Concentration Parameters		
Issuer Property Type	**Issuance (%)**	**Limit (%)**
Multifamily	100.0	100.0
Industrial	0.0	0.0
Retail	0.0	0.0
Mixed-Use	0.0	0.0
Hospitality	0.0	0.0
Self Storage	0.0	0.0
Student Housing	0.0	0.0
Manufactured Housing	0.0	0.0

State Concentration	Issuance (%)	Limit (%)
California	0.0	40.0
New York	0.0	40.0
Texas	26.5	40.0
Arizona	0.0	30.0
New Jersey	0.0	30.0
Illinois	8.8	30.0
Florida	9.8	30.0
Georgia	2.0	30.0
All Other States	12.3	25.0

Loan Name	Cut-Off Date Whole Loan Amount ($)	Future Funding Amount[1] ($)	Whole Loan Amount[2] ($)	Future Funding Uses
City Club Apartments - CBD Detroit	81,000,000	3,000,000	84,000,000	Earnout
Tessa at Katy	53,000,000	600,000	53,600,000	Capital Improvements
Crawford at Grand Morton	50,500,000	1,000,000	51,500,000	Capital Improvements
City Place	44,000,000	1,800,000	45,800,000	Earnout
Lakewood Greens	38,353,000	4,047,000	42,400,000	Capital Improvements
Yardz at West Cheyenne	30,705,183	3,669,000	34,374,183	Capital Improvements
Williamsburg North	21,000,000	2,400,000	23,400,000	Capital Improvements
Serene at Woodlake	17,480,000	500,000	17,980,000	Capital Improvements
The Madison	10,500,000	1,300,000	11,800,000	Capital Improvements

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

Rating Considerations

Strengths

- **100% Multifamily Property Type:** All loans in the pool are secured by multifamily properties across 13 states. Multifamily properties have historically seen lower PODs and typically see lower E/Ls within the DBRS Morningstar model. Multifamily properties benefit from staggered lease rollover and generally low expense ratios compared with other property types. While revenue is quick to decline in a downturn because of the short-term nature of the leases, it is also quick to respond when the market improves. Additionally, most loans in the pool are secured by traditional multifamily properties, such as garden-style communities or mid-rise/high-rise buildings, with no independent living/assisted-living/memory care facilities or student housing properties included in this pool. Furthermore, during the transaction's reinvestment period, only multifamily properties (excluding senior housing and student housing properties) are eligible to be brought into the trust.
- **High Quality Properties:** The loan collateral was generally in very good physical condition as evidenced by two loans, representing 14.0% of the initial pool balance, being secured by properties that DBRS

Morningstar deemed to be Above Average in quality. An additional 10 loans, representing 53.1% of the initial pool balance, are secured by properties with Average + quality. Furthermore, no loans in the pool are backed by a property that DBRS Morningstar considered to be of Average - or Below Average quality.

- **Lower Business Plan Execution Risk:** The DBRS Morningstar Business Plan Score (BPS) for the loans DBRS Morningstar analyzed was between 1.3 and 3.3, with an average of 2.02. On a scale of 1 to 5, a higher DBRS Morningstar BPS indicates more risk in the sponsor's business plan. DBRS Morningstar considers the anticipated lift at the property from current performance, planned property improvements, sponsor experience, projected time horizon, and overall complexity. Compared with similar transactions, this pool has a lower average DBRS Morningstar BPS, which is indicative of lower risk.
- **Low Leverage:** The WA DBRS Morningstar Stabilized LTV is lower than commercial real estate (CRE) collateralized loan obligation (CLO) transactions recently rated by DBRS Morningstar. Nine loans, representing 41.4% of the total trust balance, have a DBRS Morningstar Stabilized LTV less than 70.0%, which decreases refinance risk at maturity. Four of these loans are in the top 10 largest loans in the pool, including City Club Apartments – CBD Cincinnati (#2), Millenium Hometown (#3), Tessa at Katy (#4), and Crawford at Grand Morton (#6). Additionally, there are no loans in the pool with a DBRS Morningstar Stabilized LTV of 80.0% or greater
- **Recent Loan Originations:** Twenty loans, representing 76.4% of the pool, were originated in 2021, with the earliest loan in the pool having a note date of August 2020. The loan files are recent, including third-party reports that consider impacts from the coronavirus pandemic

Challenges and Considerations

- **Coronavirus Pandemic:** The ongoing coronavirus pandemic continues to pose challenges and risks to the CRE sector and, while DBRS Morningstar expects multifamily (100.0% of the pool) to fare better than most other property types, its long-term effects on the general economy and consumer sentiment are still unclear.
    - *Mitigant:* All loans in the pool were originated after March 2020, i.e., at the beginning of the pandemic in the U.S. Loans originated after the pandemic include timely property performance reports and recently completed third-party reports, including appraisals.
- **New Issuer:** The Sponsor for the transaction, ACREC REIT, is a new CRE CLO issuer and collateral manager, and the subject transaction is its first securitization.
    - *Mitigant:* ACREC REIT will purchase and retain the most subordinate portion of the capital structure totaling 17.625%, including Notes F and G; in addition to the Preferred Shares. This provides protection to the Offered Notes, as the Issuer will incur first losses up to 17.625%.
    - *Mitigant:* DBRS Morningstar met with the Sponsor and evaluated its investment strategy, organization structure, and origination practices. Based on this meeting, DBRS Morningstar found that ACREC REIT met its issuer standards. Furthermore, as of August 4, 2021, Asia Capital Real Estate (ACRE) had $2.9 billion of assets under management with strong institutional support.
- **Managed Transaction:** The transaction is managed and includes three delayed-close loans and a reinvestment period, which could result in negative credit migration and/or an increased concentration profile over the life of the transaction.

  - *Mitigant:* Eligibility criteria for reinvestment assets partially offsets the risk of negative credit migration. The criteria outlines DSCR, LTV, 14 HERF minimum and property type limitations.
  - *Mitigant:* A No Downgrade Confirmation (RAC) is required from DBRS Morningstar for reinvestment loans and companion participations above $500,000. Before loans are acquired and brought into the pool, DBRS Morningstar will analyze them for any potential ratings impact.
- **High Leverage Eligibility Criteria:** The eligibility criteria allow for a maximum Stabilized LTV of 80.0% and a minimum DSCR of 1.15x. This is considerably more aggressive than the current pool's Issuer Stabilized WA LTV of 70.6% and DSCR of 1.83x. Furthermore, the stabilized maximum LTV and minimum DSCR allowed for in the eligibility criteria are generally more aggressive than recent CRE CLO transactions.
  - *Mitigant:* Before the collateral manager can acquire new loans, the loans will be subject to a No Downgrade Confirmation by DBRS Morningstar.
- **Transitional Properties:** DBRS Morningstar has analyzed the loans to a stabilized cash flow that is, in some instances, above the as-is cash flow. It is possible that the sponsors will not successfully execute their business plans and that the higher stabilized cash flow will not materialize during the loan term, particularly with the ongoing coronavirus pandemic and its impact on the overall economy. A sponsor's failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance.
  - *Mitigant:* DBRS Morningstar made relatively conservative stabilization assumptions and, in each instance, considered the business plan to be rational and the loan structure to be sufficient to execute such plans. In addition, DBRS Morningstar analyzed LGD based on the as-is credit metrics, assuming the loan was fully funded with no NCF or value upside.
- **Sponsor Concentration:** The pool has seven related borrower groups, which represent 69.1% of the initial pool balance across 14 loans. The largest sponsor concentration is 17.4% and consists of City Club Apartments – CBD Detroit (#1) and City Club Apartments – CBD Cincinnati (#2), followed by the second largest concentration of 16.6% (#4 Tessa at Katy, #6 Crawford at Grand Morton, and #9 Verso).
  - *Mitigant:* The sponsors for these loans are repeat ACRE borrowers that are experienced in multifamily investment in their respective markets and both currently own more than 2,500 multifamily units worth over $500.0 million each.
- **Limited Site Inspections:** Because of the ongoing coronavirus pandemic, DBRS Morningstar was able to perform site inspections on only two loans in the pool: The Duncan (#5) and The Otis (#18). As a result, DBRS Morningstar relied more heavily on third-party reports, online data sources, and information from the Issuer to determine the overall DBRS Morningstar property quality score for each loan.
  - *Mitigant:* DBRS Morningstar made relatively conservative property quality adjustments with 11 loans, comprising 32.9% of the pool, having Average property quality.
- **Floating Rate Interest:** All loans have floating interest rates and are IO during the initial term, which ranges from 24 months to 49 months, creating interest rate risk.
  - *Mitigant:* The borrowers of all 23 loans have purchased Libor rate caps, ranging between 0.50% and 3.50%, to protect against rising interest rates over the term of the loan.

Legal and Structural Considerations

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 it is currently being developed. There is no assurance that Term SOFR development will be completed or that it will be widely endorsed and adopted. This could lead to volatility in the interest rate on the mortgage assets and floating-rate notes. The transaction could be exposed to a timing mismatch between the notes and the underlying mortgage assets as a result of the mortgage benchmark rates adjusting on different dates than the benchmark on the notes, or a mismatch between the benchmark and/or the benchmark replacement adjustment on the notes and the benchmark and/or the benchmark replacement adjustment (if any) applicable to the mortgage loans. In order to compensate for differences between the successor benchmark rate and the then-current benchmark rate, a benchmark replacement adjustment has been contemplated in the indenture as a way to compensate for the rate change. Currently, Wells Fargo, National Association in its capacity as Designated Transaction Representative will generally be responsible for handling any benchmark rate change, and will only be held to a gross negligence standard with regard to any liability for its actions.

Criteria-Based Modifications: Consistent with the ongoing evolution of Criteria-Based Modifications, the transaction permits the Collateral Manager to cause the special servicer to effectuate Criteria-Based Modifications subject to certain conditions. During the Reinvestment Period the number is not limited, and thereafter a maximum of eight modifications may be made. This is an expansion of the issuer accommodative rights, which previously have not been unconstrained during the Reinvestment Period. While the servicing standard does not apply to such changes, the Collateral Manager Standard does apply. In any event, the significant percentage of sponsor retained securities acts as a buffer to the negative implications of the expansive rights.

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	16.0
0.50x-0.75x	6.4
0.75x-1.00x	39.7
1.00x-1.25x	38.0
1.25x-1.50x	0.0
1.50x-1.75x	0.0
>1.75x	0.0
Wtd. Avg. (x)	0.80

DBRS Morningstar Stabillized DSCR (x)

DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	0.0
0.50x-0.75x	2.9
0.75x-1.00x	24.3
1.00x-1.25x	70.4
1.25x-1.50x	2.4
1.50x-1.75x	0.0
>1.75x	0.0
Wtd. Avg. (x)	1.04

DBRS Morningstar As-Is Issuance LTV

LTV	% of the Pool (Senior Note Balance[1])
0.0%-50.0%	0.0
50.0%-60.0%	0.0
60.0%-70.0%	23.3
70.0%-80.0%	51.8
80.0%-90.0%	17.0
90.0%-100.0%	7.9
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	76.2

DBRS Morningstar Stabilized Balloon LTV

LTV	% of the Pool (Senior Note Balance[1,2])
0.0%-50.0%	0.0
50.0%-60.0%	2.1
60.0%-70.0%	39.3
70.0%-80.0%	58.6
80.0%-90.0%	0.0
90.0%-100.0%	0.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	70.6

1 Includes pari passu debt, but excludes subordinate debt.

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

Largest Loan Summary

Loan Detail

Loan Name	Trust Balance ($)	% of Pool	DBRS Morningstar Shadow Rating	DBRS Morningstar As-Is DSCR (x)	DBRS Morningstar Stabilized DSCR (x)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized Morningstar LTV (%)
City Club Apartments - CBD Detroit	81,000,000	9.3	n/a	0.88	1.12	76.6	74.5
City Club Apartments - CBD Cincinnati	71,000,000	8.1	n/a	1.02	1.02	64.5	64.5
Millennium Hometown	55,000,000	6.3	n/a	0.00	1.11	68.5	65.0
Tessa at Katy	53,000,000	6.1	n/a	1.05	1.11	76.5	67.6
The Duncan	51,500,000	5.9	n/a	0.77	1.10	81.9	75.8
Crawford at Grand Morton	50,500,000	5.8	n/a	1.05	1.05	78.7	68.9
City Place	44,000,000	5.0	n/a	0.00	0.82	84.0	77.4
Main & Clay	43,000,000	4.9	n/a	0.99	0.99	70.6	70.6
Verso	41,750,000	4.8	n/a	1.13	1.13	70.2	70.2
Mill House	40,750,000	4.7	n/a	0.00	0.83	75.3	70.4

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
City Club Apartments - CBD Detroit	Multifamily	Detroit	MI	2020-2021	288	281,250	288
City Club Apartments - CBD Cincinnati	Multifamily	Cincinnati	OH	1927	294	241,497	294
Millennium Hometown	Multifamily	North Richland Hills	TX	2021	306	179,739	306
Tessa at Katy	Multifamily	Katy	TX	2020	312	169,872	312
The Duncan	Multifamily	Chicago	IL	1912; 1916	260	198,077	260
Crawford at Grand Morton	Multifamily	Katy	TX	2020	336	150,298	336
City Place	Multifamily	Gainesville	FL	2021	220	200,000	220
Main & Clay	Multifamily	Louisville	KY	2018	269	159,851	269
Verso	Multifamily	Davenport	FL	2020	251	166,335	251
Mill House	Multifamily	Fort Mill	SC	2020-2021	232	175,647	232

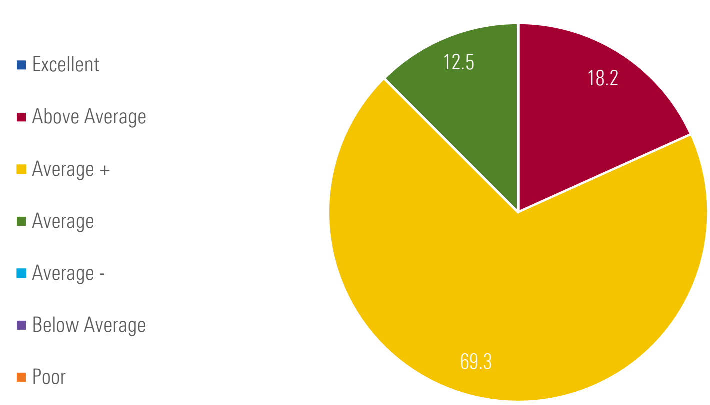
DBRS Morningstar Sample

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	City Club Apartments - CBD Detroit	9.3	5,065,222	-25.1	Expense Plug, GPR	Average +
2	City Club Apartments - CBD Cincinnati	8.1	3,080,341	-41.2	Other Income, GPR	Above Average
3	Millennium Hometown	6.3	3,567,919	-18.6	GPR, Concessions	Average +
4	Tessa at Katy	6.1	2,877,041	-15.0	GPR, Concessions	Average +
5	The Duncan	5.9	2,518,092	-20.3	GPR, Vacancy	Above Average
6	Crawford at Grand Morton	5.8	2,598,116	-24.6	GPR, Other Income, R&M	Average +
7	City Place	5.0	2,065,928	-23.0	Vacancy, GPR	Average +
8	Main & Clay	4.9	2,465,794	-34.9	GPR, Commercial Income	Average +
9	Verso	4.8	2,310,105	-31.6	GPR	Average +
10	Mill House	4.7	1,876,145	-17.7	GPR, Total Expenses	Average +
11	Lakewood Greens	4.4	1,829,509	-27.3	GPR	Average
12	Premier at Prestonwood	4.0	1,991,355	-20.7	GPR	Average
15	Yardz at West Cheyenne	3.5	1,868,580	-31.2	GPR, Other Income	Average +
18	The Otis	2.9	1,008,783	-34.1	GPR, Other Income	Average +
23	The Madison	1.2	610,687	-27.9	GPR, Operating Expenses	Average

DBRS Morningstar Site Inspections

DBRS Morningstar sampled 15 of the 23 loans, representing 76.7% of the initial pool by allocated cut-off date loan balance. DBRS Morningstar met with the on-site property manager, leasing agent, or representative of the borrowing entity for two of the 23 loans in the pool, representing 8.8% of the initial pool balance. The resulting DBRS Morningstar property quality scores are highlighted in the chart below.

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 of 15 of the 23 loans, representing 76.7% of the initial pool by loan balance. For the loans not subject to an NCF review, DBRS Morningstar applied an NCF variance of -15.0% and -25.0% to the Issuer's as-is and stabilized NCFs, respectively, which reflect the average sampled NCF variances (excluding certain outliers from the DBRS Morningstar As-Is NCF Analysis).

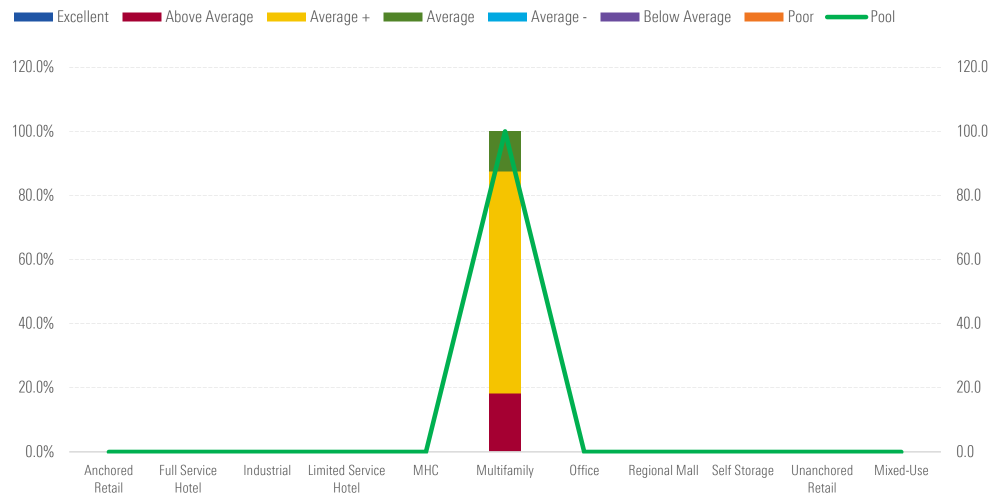
As-Is NCF

The DBRS Morningstar As-Is NCF was based on the current performance of the properties, without giving any credit to the future upside that may be realized upon the sponsors' completion of their business plans. The DBRS Morningstar As-Is sample had an average in-place NCF variance of -9.2% from the Issuer's NCF and ranged from -39.4% to 12.8%. The DBRS Morningstar As-Is NCFs resulted in higher-than-average haircuts compared with most recent CRE CLO transactions because DBRS Morningstar incorporated the most recent financial performance, which may have included disruptions and declines in occupancy and/or collections from the coronavirus pandemic. Additionally, the Issuer often included some stabilized line items in its as-is NCF analysis (e.g., occupancy, other income, operating expenses, etc.), resulting in higher-than-normal as-is haircuts.

Stabilized NCF

The DBRS Morningstar Stabilized NCF assumed the properties stabilized at market rent and/or recently executed leases and market expenses were reasonably achievable based on the sponsor's business plan and structural features of the respective loans. This often involved assuming higher-than-in-place rental rates for multifamily properties based on the significant ongoing renovations, with rents already achieved on renovated units providing the best guidance for market rent upon renovation. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -26.2% from the Issuer's stabilized NCF and ranged from -15.0% to -41.2%. DBRS Morningstar did not deem any of the variances to be outliers.

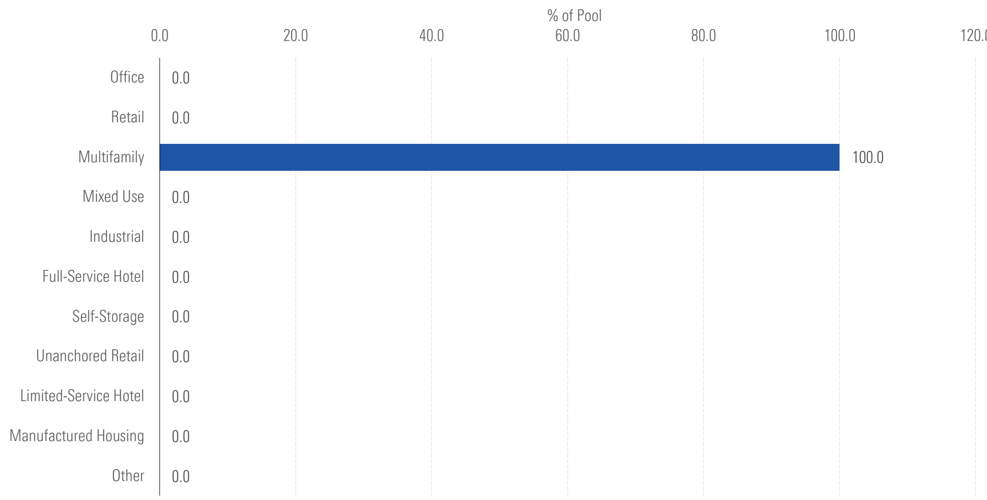
DBRS Morningstar Sampled Property Type



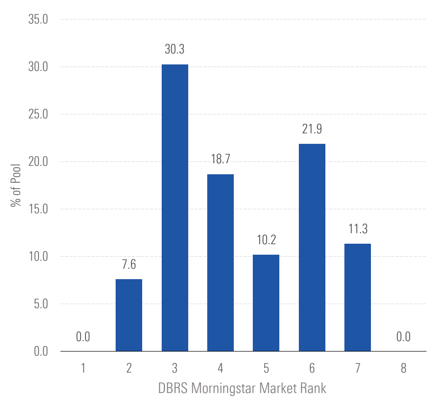
Source: DBRS Morningstar.

Transaction Concentrations

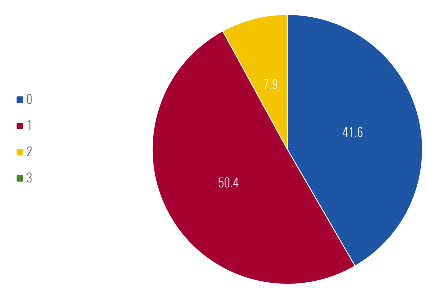
DBRS Morningstar Property Type



DBRS Morningstar Market Rank

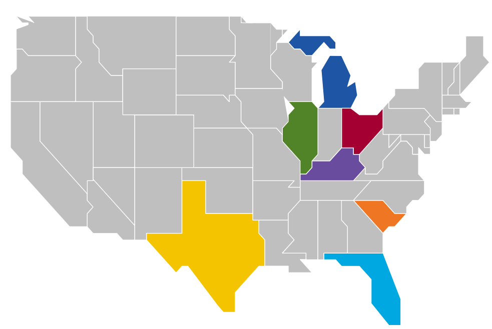


DBRS Morningstar MSA Group



Largest Property Location

Property Name	City	State
City Club Apartments - CBD Detroit	Detroit	MI
City Club Apartments - CBD Cincinnati	Cincinnati	OH
Millennium Hometown	North Richland Hills	TX
Tessa at Katy	Katy	TX
The Duncan	Chicago	IL
Crawford at Grand Morton	Katy	TX
City Place	Gainesville	FL
Main & Clay	Louisville	KY
Verso	Davenport	FL
Mill House	Fort Mill	SC



Source: DBRS Morningstar.

Loan Structural Features

Loan Terms: All 23 loans are IO during the initial loan term, ranging from 24 months to 49 months with two to three 12-month extension options.

Interest Rate: The interest rate is generally the greater of (1) the floating rate referencing one-month USD Libor as the index plus the margin and (2) the interest rate floor.

Interest Rate Protection: 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 DBRS Morningstar stressed rate.

Subordinate Debt: One loan, Heinz at 950, representing 3.3% of the initial pool balance, is subject to subordinate mezzanine financing. No loans are permitted additional future debt.

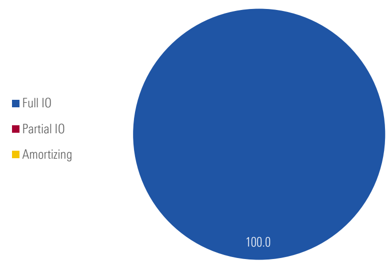
Subordinate Debt

Loan Name	Trust Balance ($)	Pari Passu Balance ($)	B-Note Balance ($)	Mezz/Unsecured Debt Balance ($)	Future Mezz/Unsecured Debt (Y/N)	Total Debt Balance ($)
950 Progress Street	28,800,000.0	0.0	0.0	4,920,299.0	N	33,720,299.0

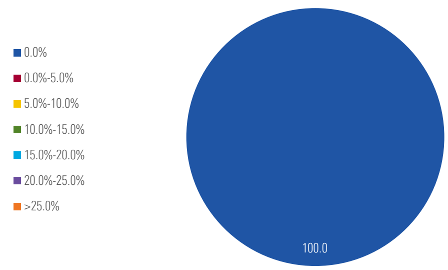
Future Funding: Nine loans, representing 39.6%, have a future funding component. The aggregate of future funding is $18.3.4 million, with future funding amounts per loan ranging from $500,000 to $4.0 million. The proceeds necessary to fulfill the future funding obligations will primarily come from a committed warehouse line and will initially be held outside the trust but will include pari passu with the trust participations. The future funding is generally for property renovations. Each property has a business plan to execute that the sponsor expects will increase the NCF. DBRS Morningstar believes the business plans are generally achievable, given the market conditions, recent property performance, and adequate available future funding (or upfront reserves) for planned renovations.

Leasehold: Two loans, City Club Apartments – CBD Cincinnati (8.1% of the initial pool balance) and Shoreline (3.0% of the initial pool balance), are secured by a leasehold interest. DBRS Morningstar considers the leasehold interest to be traditionally financeable as the ground lease extends decades beyond the loan maturity.

Interest Only



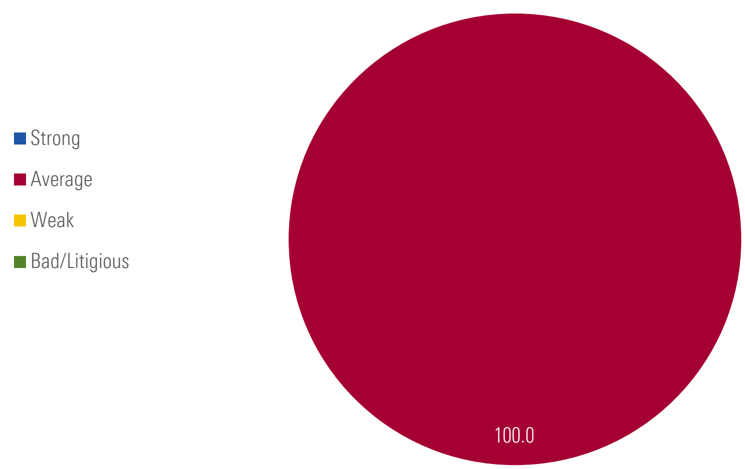
DBRS Morningstar Expected Amortization



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

Reserve Requirement			**Borrower Structure**		
Type	# of Loans	% of Pool	Type	# of Loans	% of Pool
Tax Ongoing	16	72.8	SPE with Independent Director and Non-Consolidation Opinion	21	96.8
Insurance Ongoing	11	47.5	SPE with Independent Director Only	0	0.0
CapEx Ongoing	18	74.6	SPE with Non-Consolidation Opinion Only	1	2.0
Leasing Costs Ongoing[1]	0	0.0	SPE Only	1	1.2

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

Property Release: None of the Cut-off Date Mortgage Assets permit, but Reinvestment Mortgage Assets and Exchange Mortgage Assets acquired in the future may permit, the release of one or more of the Mortgaged Properties or a portion of a single Mortgaged Property in connection with a partial prepayment of the related Mortgage Loan.

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

Terrorism Insurance: As of the cut-off date, all loans currently carry or, in the case of the delayed-close loans, are expected to carry terrorism insurance.

City Club Apartments - CBD Detroit

Loan Snapshot

Seller	ACRE
Ownership Interest	Fee Simple
Trust Balance ($ millions)	81.0
Loan PSF/Unit ($)	281,250
Percentage of the Pool (%)	9.3
Fully Extended Loan Maturity/ARD	August 2026
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.9
DBRS Morningstar Stabilized DSCR (x)	1.1
DBRS Morningstar As-Is Issuance LTV (%)	76.6
DBRS Morningstar Stabilized Balloon LTV (%)	74.5
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average+

Debt Stack ($ millions)

Trust Balance	81.0
Pari Passu	0.0
Remaining Future Funding	3.0
Mortgage Loan Including Future Funding	84.0
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ millions)	(0.0)

Collateral Summary

DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2021
City, State	Detroit, MI	**Physical Occupancy (%)**	85.4
Units	288	**Physical Occupancy Date**	September 2021

This loan is secured by the borrower's fee-simple interest in City Club Apartments – CBD Detroit, a 288-unit mid-rise apartment complex with 11,291 sf of ground floor retail in Detroit, Michigan. The loan is IO throughout the initial three-year loan term and two one-year extension options. Loan proceeds of $81.0 million will be used to refinance $78.5 million of existing debt, replenish $6.6 million into an interest reserve account, and cover $1.8 million of closing costs. The sponsor developed the property in 2021 for a total cost basis of $109.1 million and achieved a temporary certificate of occupancy (TCO) for the entire building as of July 8, 2021.

The collateral consists of a six-story residential building with high-end common area amenities that include a 24-hour fitness center, a business center/conference room, a clubroom, an indoor/outdoor pool with hot tub, an outdoor movie theater, a terrace club, and 320-space subterranean valet parking. Unit features include walk-in closets, granite countertops with island kitchens, oversized windows, modern fixtures, in-unit washers/dryers, and private balconies. As of September 2021, the property is 85.4% occupied including 28 units under a corporate master lease by Barsala, a company that offers short-term rentals using units in the host property. Excluding the Barsala leases, the property is 76.8% occupied.

Competitive Set							
Property	Location	Distance from Subject (Miles)	Units	Year Built	Avg. Rent/ Unit ($)	Avg. Unit Size (sf)	Occupancy (%)
The Griswold at Capitol Park	Detroit, MI	0.2	80	2017	2,326	881	95.0
Philip Houze	Detroit, MI	0.1	89	1901	1,449	658	96.0
DuCharme Place	Detroit, MI	1.4	182	2017	1,750	930	96.0
The Stott	Detroit, MI	0.2	72	1938	2,786	982	96.0
The Stott at Brush Park	Detroit, MI	1.2	143	2016	2,224	862	92.0
eXchange Detroit	Detroit, MI	0.4	153	2022	663	2,157	n/a
Total/WA	**Detroit, MI**	**Various**	**719**	**Various**	**1,744**	**1,144**	**94.8**
City Club Detroit	**Detroit, MI**	**n/a**	**288**	**2020**	**1,998**	**731**	**85.8**

*Per Appraisal with the exception of data for City Club Detroit, which is based on the September 2021 rent roll. eXchange Detroit is expected to deliver in Fall 2021 and Avg. Rent/Unit is based on the appraiser's estimates

Sponsorship

The sponsor for this loan is Jonathan Holtzman of City Club Apartments LLC, a commercial real estate company that specializes in the development and management of multifamily properties across the Midwest and East Coast. The company has developed and currently manages more than 30 multifamily properties worth more than $2.0 billion in seven states. City Club Apartments has operated in the Detroit market for more than 10 years with 10 other multifamily properties that have an average occupancy of 94.2%. The property will be managed by a sponsor affiliate for a contractual rate of 2.47% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary

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

DBRS Morningstar NCF Summary

NCF Analysis

	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	6,878,760	7,297,676	6,714,234	-8.0
Other Income ($)	1,729,318	1,834,633	1,710,200	-6.8
Vacancy & Concessions ($)	-311,137	-328,395	-371,699	13.2
EGI ($)	**8,296,941**	**8,803,915**	**8,052,736**	**-8.5**
Expenses ($)	3,061,644	1,970,483	2,915,514	48.0
NOI ($)	**5,235,297**	**6,833,432**	**5,137,222**	**-24.8**
Capex ($)	57,600	72,000	72,000	0.0
NCF ($)	**5,177,697**	**6,761,432**	**5,065,222**	**-25.1**

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 $5,065,222, representing a -25.1% variance from the Issuer's stabilized NCF of $6,761,432. The primary drivers of the variance include operating expenses, GPR, and other income. For operating expenses, DBRS Morningstar concluded to the appraiser's figure inflated by 10% and included a $775,000 expense plug to achieve an overall expense ratio of 36.8%. The Issuer applied the appraiser's operating expense figure inflated for annual growth, which resulted in an expense ratio of 22.4%. DBRS Morningstar used the September 2021 rent roll and grossed up vacant units at in-place rents of similar unit types to determine GPR, whereas the Issuer inflated the appraiser's concluded GPR over a three-year period. For other income, DBRS Morningstar applied the Issuer's stabilized figure, and the Issuer inflated that same figure over a three-year period.

DBRS Morningstar Viewpoint

This newly constructed property is well located in the Detroit CBD, being an approximate five-minute walk to Little Caesars Arena, Ford Field, Comerica Park, the Fox Theatre, the Detroit Opera House, Woodward Avenue retail, and multiple transit options including the Qline Campus Martius stop, Randolf and Macomb bus stop, I-75, and I-375. Major employers in the area include GM, Blue Cross Blue Shield, MGM Grand, and Quicken Loans. The subject is in a DBRS Morningstar Market Rank of 7 and MSA Group 1. DBRS Morningstar's concern with the property location in MSA Group 1, reflecting the MSA's historically high default rates, is mitigated by its position in a DBRS Morningstar Rank of 7, which indicates a liquid and urban market with lower historical default rates.

The sponsor's business plan is to stabilize occupancy and burn off concessions at the property. Two retail tenants, Statler Bistro and Pet Spa, have signed 10-year leases and are scheduled to open for business in late September 2021. DBRS Morningstar believes that there is minimal business plan risk given the property's relatively strong leasing pace and recent construction and the good market fundamentals. This is reflected by the low DBRS Morningstar Business Plan Score of 2.20, which includes an upward adjustment to account for ongoing lease-up risk from below 50%. This adjustment also considers early 2021 statistics from the Downtown Detroit Partnership that suggests some increase in vacancy and a drop in rents as an overhang from a lack of traffic during the coronavirus shutdowns in the area.

Since completing the property and receiving certificates of occupancy in July 2021, the sponsor has continued to lease up the subject. Although the rent roll shows occupancy of 85.4%, this includes master leases to Barsala, a company specializing in short-term leases. DBRS Morningstar did not include the Barsala revenue in its As-Is NCF and concluded to occupancy of 71.9%. However, given the recent construction, the leasing pace appears to have been brisk. Additionally, 100.0% of the ground floor retail has been leased up at 10-plus-year lease terms, and a parking agreement has been signed that brings 70.0% of the gross parking revenue back to the sponsor.

The Reis Downtown Detroit submarket has shown generally low vacancy with average rents on new properties that are greater than $2,000 per month. Reis data, as of Q2 2021, shows the submarket vacancy rate at 4.7% and slightly lower at 3.3% when comparing properties of similar vintage, which should allow the sponsor to continue to lease up the property to market levels. DBRS Morningstar concluded to stabilized rents of $1,998 per unit which is supported by Reis data that shows market rents of $2,111 per unit when looking at submarket rents of similar vintage properties as the subject.

The loan exhibits a moderately high DBRS Morningstar As-Is and Stabilized LTV of 76.6% and 74.5%, respectively, based on the loan balance of $81.0 million, as-is appraised value of $109.7 million, and stabilized appraised value of $112.8 million. DBRS Morningstar deemed the property quality to be Average +.

City Club Apartments - CBD Cincinnati

Loan Snapshot

Seller
ACRE
Ownership Interest
Fee Simple/Leasehold
Trust Balance ($ millions)
71.0
Loan PSF/Unit ($)
241,497
Percentage of the Pool (%)
8.1
Fully Extended Loan Maturity/ARD
September 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.0
DBRS Morningstar Stabilized DSCR (x)
1.0
DBRS Morningstar As-Is Issuance LTV (%)
64.5
DBRS Morningstar Stabilized Balloon LTV (%)
64.5
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Above Average

Debt Stack ($ millions)

Trust Balance
71.0
Pari Passu
0.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
71.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ millions)
(1.0)

Collateral Summary

DBRS Morningstar Property Type	Mixed Use	**Year Built/Renovated**	1927/2017
City, State	Cincinnati, OH	**Physical Occupancy (%)**	99.3
Units	294	**Physical Occupancy Date**	September 2021

The loan is secured by the borrower's sandwich leasehold interest in City Club Apartments Cincinnati, a mixed-use multifamily and commercial building in Cincinnati. The leasehold interest was created to facilitate the tax credits that in part financed the renovation of the property, and security for the loan is effectively the fee interest as the Port of Greater Cincinnati Development Authority has pledged the land as collateral for the loan as well. The property consists of 294 multifamily units, 31,928 sf of office space, 17,498 sf of retail space, and a 330-space parking garage. Initial loan proceeds of $71.0 million will be used to refinance an existing loan of $68.5 million, provide an equity distribution to the sponsor of $1.0 million, and pay for $1.5 million of closing costs. The borrower purchased the former vintage office building in 2017 and substantially renovated the property into a mixed-use multifamily and commercial building. The total cost including acquisition and renovation was $97.9 million. The multifamily component of the property has been leased up to a 99.3% occupancy rate as of September 2021, while the office and retail space has been leased up to 67.2% and 35.1%, respectively. The three-year initial loan term and the two 12-month extension options are IO throughout.

The property consists of an 11-story mixed-use building originally constructed in 1927. The property was operated as an office building until 2017, when the borrower purchased the building and implemented an adaptive reuse renovation program to transform the property into a mixed-use building. The ground floor and floor two consist of retail space, while floors three and four are built out as office space. The upper floors house the 294 multifamily units. The property also has a rooftop restaurant. The property has 90 studio units with an average size of 549 sf, 117 one-bedroom units with an average size of 714 sf, 73 two-bedroom units with an average size of 1,036 sf, and 14 three-bedroom units with an average size of 1,332 sf. Chase Design is the primary office space tenant, with 21,442 sf of space on the third and fourth floors. Shires Garden, the rooftop restaurant, is the major retail tenant, leasing 6,150 sf. The property sits within the Cincinnati CBD, close to employment, entertainment, and cultural opportunities. Access to I-71/I-75 is two blocks from the subject property. Overall, the immediate area is urban in character, as the Cincinnati CBD has evolved into a work/live/play neighborhood.

Sponsorship

The sponsor for this transaction is Jonathan Holtzman City Club Apartments (CCA), a Detroit-based real estate firm specializing in the development of multifamily properties in the Midwest region. The firm was founded by Jonathan Holtzman and Alan Greenberg, and has developed more than 30 multifamily properties in seven states with a value of more than $2.0 billion.

City Club Hospitality serves as property manager for all CCA-owned properties. A contractual management fee of 2.84% is charged at the subject property.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar did not conduct a site inspection of the property as a result of health and safety constraints associated with the ongoing coronavirus pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Above Average.

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 June 2021	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,911,818	7,386,684	6,444,628	5,867,370	-9.0
Other Income ($)	918,713	840,841	1,603,458	854,686	-46.7
Vacancy & Concessions ($)	-1,495,038	-298,701	-257,785	-754,634	192.7
EGI ($)	**5,335,493**	**7,928,824**	**7,790,301**	**5,967,423**	**-23.4**
Expenses ($)	2,559,879	3,758,525	2,474,318	2,813,582	13.7
NOI ($)	**2,775,614**	**4,170,299**	**5,315,983**	**3,153,841**	**-40.7**
Capex ($)	0	60,200	73,500	73,500	0.0
NCF ($)	**2,775,614**	**4,110,099**	**5,242,483**	**3,080,341**	**-41.2**

The DBRS Morningstar NCF is based on *the DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $3,080,341, representing a -41.2% variance from the Issuer's as-stabilized NCF of $5,242,483. The main drivers of the variance were GPR, vacancy, commercial/other income, and operating expenses. DBRS Morningstar estimated stabilized GPR to be based on the in-place rent per the September 2021 rent roll, whereas the Issuer assumed annual market rental rate growth. DBRS Morningstar generally estimated the multifamily vacancy rate based upon the Reis Downtown submarket five-year projected vacancy rate of 8.8%. DBRS Morningstar generally estimated operating expenses to be based on the T-12 expenses plus 3%. Commercial income was generally based upon the in-place rent per the August 2021 commercial rent roll. Other income, which is believed to largely consist of parking revenue, was based on the T-12 level, which is nearly 70% below the Issuer projection.

DBRS Morningstar Viewpoint

The sponsor's business plan is to lease the commercial space up to a stabilized vacancy. However, as there is no future funding for leasing costs, DBRS Morningstar did not recognize any future commercial leasing at the property. As the multifamily component is at a stabilized occupancy and no future commercial leasing is being recognized, the as-is cash flow was considered to be equal to the stabilized cash flow.

The DBRS Morningstar concluded stabilized vacancy rate is 8.8%, which is based on the Reis five-year average vacancy for the Downtown Cincinnati submarket. The concluded stabilized vacancy rate is lower than current Reis Q2 2021 Downtown submarket vacancy rate of 9.9% but is higher than current vacancy at the subject property. In determining GPR, DBRS Morningstar used the rent in place per the June 30, 2021, rent roll. The average in-place rent of $1,663 is generally lower than the average rent for the competitive set, which includes newer properties that command higher rents than renovated properties. The appraiser's comparable properties are presented in the following table.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Renaissance at the Power	Cincinnati, OH	0.8	117	1903/2002	NAV	1,836	1,067
4th and Race	Cincinnati, OH	0.2	318	2021	NAV	1,764	671
The Provident	Cincinnati, OH	0.3	161	1909/2020	NAV	1,200	529
Encore Urban Living	Cincinnati, OH	0.5	133	2017	NAV	2,264	1,002
Seven at Broadway	Cincinnati, OH	0.7	111	2015	NAV	2,326	866
Aqua on the Levee	Newport, KY	1.8	229	2017	NAV	1,849	942
Total/WA Comp. Set	**Various, Various**	**Various**	**1,069**	**Various**	**NAV**	**1,930**	**799**
CCA Cincinnati	**Cincinnati, OH**	**n/a**	**294**	**1927/2017**	**97.3**	**1,663**	**773**

Source: Appraisal, except the Subject figures are based on the rent roll dated June 30, 2021.

The fully funded mortgage loan balance of $71.0 million represents an LTV of 66.7% based on the as-is appraised value of $108 million. Based on a higher stabilized appraised value of $110 million, the loan will represent a balloon LTV of 64.5%. Overall, the property has one of the lower balloon LTV ratios in the pool and a low expected loss compared with the pool average because of both the modest leverage as well as its urban location. The debt yield based on the DBRS Morningstar Stabilized NCF is very low at 4.3%, but it is likely understated because of the lack of detail surrounding parking income. It is likely the case that parking income increases closer to the appraiser level at just over $150 per month per space, which would result in an increase of approximately $400,000 in NCF.

Millennium Hometown

Loan Snapshot

Seller
ACRE
Ownership Interest
Fee Simple
Trust Balance ($ millions)
55.0
Loan PSF/Unit ($)
179,739
Percentage of the Pool (%)
6.3
Fully Extended Loan Maturity/ARD
September 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
0.0
DBRS Morningstar Stabilized DSCR (x)
1.1
DBRS Morningstar As-Is Issuance LTV (%)
68.5
DBRS Morningstar Stabilized Balloon LTV (%)
65.0
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average+

Debt Stack ($ millions)

Trust Balance
55.0
Pari Passu
0.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
55.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ millions)
(2.0)

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2021
City, State	North Richland Hills, TX	**Physical Occupancy (%)**	34.6
Units	306	**Physical Occupancy Date**	September 2021

This loan is secured by the borrower's fee-simple interest in Millennium Hometown, a 306-unit Class A garden-style apartment complex in North Richland Hills, Texas. Initial loan proceeds of $55.0 million will be used to refinance a $49.1 million construction loan, return $2.0 million to the sponsor, fund a $7.2 million reserve, and cover $1.4 million of closing costs. The sponsor purchased the land in 2017 and developed the property in 2021 for a total cost basis of $74.8 million. The two-year initial loan term and the three one-year extension options are IO throughout.

As of August 2021, the property is 94.0% complete with four of the nine buildings still under construction, all of which are expected to be delivered by the end of 2021. The project has been experiencing paint and appliance delivery delays, which has resulted in only four of the nine buildings receiving temporary certificate of occupancy (TCO) with the remaining five buildings expected to receive TCO by mid-September 2021. The property has three types of one-bedroom one-bathroom units totaling 128 units with a WA size of 761 sf, six types of two-bedroom one-bathroom units totaling 162 units with a WA size of 1,097 sf, and one type of three-bedroom two-bathroom units totaling 16 units with a WA size of 1,300 sf. The subject sits roughly 12.5 miles northeast of the Fort Worth CBD. The property is just north of I-820, linking it to downtown Fort Worth and Dallas through connections to I-35E and I-30. In aggregate, the immediate area is suburban in nature with surrounding uses consisting of smaller retail centers, restaurants, and other multifamily properties.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Avg. Rent/ Unit ($)	Avg. Unit Size (sf)	Occupancy (%)
Venue at Hometown	North Richland Hills, TX	0.1	209	2008	1,430	918	98.1
Encore at Hometown	North Richland Hills, TX	0.2	316	2015	1,882	1,172	94.6
Enclave at Hometown	North Richland Hills, TX	0.7	260	2013	1,552	976	94.8
26 @ City Point	North Richland Hills, TX	2.4	270	2020	1,428	886	100.0
Total/WA	**North Richland Hills, TX**	**Various**	**1,055**	**Various**	**1,595**	**1,000**	**96.7**
Millenium Hometown	**North Richland Hills, TX**	**n/a**	**306**	**2021**	**n/a**	**967**	**34.6**

*Per Appraisal with the exception of data for Millenium, which is based on the September 2021 rent roll.

Sponsorship

The sponsor for this loan is Ruslan Krivoruchko of Sovereign Properties, a fully integrated property development firm that was founded in 2004 and specializes in the development of multifamily properties in high-growth sunbelt markets where population and job-growth have outpaced that of the broader United States. The company targets middle-class professionals by providing luxurious unit features and amenity packages at properties located in niche suburbs with quality school districts. As of 2021, Sovereign Properties has over $250 million in capital under management and over 4,000 multifamily units developed across five markets in the United States. The property will be managed by a third-party management company for a contractual rate of 3.0% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary

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

DBRS Morningstar NCF Summary

NCF Analysis

	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	6,269,258	6,838,075	6,384,550	-6.6
Other Income ($)	830,546	881,126	830,546	-5.7
Vacancy & Concessions ($)	-517,214	-358,999	-526,437	46.6
EGI ($)	**6,582,590**	**7,360,202**	**6,688,659**	**-9.1**
Expenses ($)	2,688,832	2,898,801	3,044,240	5.0
NOI ($)	**3,893,758**	**4,461,401**	**3,644,419**	**-18.3**
Capex ($)	45,900	76,500	76,500	0.0
NCF ($)	**3,847,858**	**4,384,901**	**3,567,919**	**-18.6**

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 $3,567,919, representing a -18.6% variance from the Issuer's stabilized NCF of $4,384,901. The primary drivers of the variance include GPR, concessions, and loss to lease. DBRS Morningstar utilized the September 2021 rent roll and grossed up vacant units at in-place rents of similar unit types or the borrower's market rent, where applicable, to determine GPR. The Issuer inflated the appraiser's concluded GPR over a three-year period. For concessions, DBRS Morningstar concluded to the appraiser's stabilized figure of 3.0% of GPR whereas the Issuer is not including concessions as the Issuer believes concessions will burn off after the initial lease-up period. DBRS Morningstar is applying a 2.5% loss to lease per the appraiser's stabilized conclusion while the Issuer applied a 1.0% loss to lease figure.

DBRS Morningstar Viewpoint

The sponsor purchased the land in 2017 and developed nine multifamily buildings, all of which are projected to receive their final certificate of occupancy in mid-September of 2021. The borrower's business plan is to complete construction, obtain the required certificates of occupancy, and lease both the multifamily and commercial components to stabilization. As of August 2021, the project is 94.0% complete with any remaining costs to complete being funded into a lender controlled account at closing. The subject was 64.4% vacant as of the September 13, 2021, rent roll, which is down from 74.7% vacancy as of July 2021.

DBRS Morningstar believes the property will lease-up well over the fully extended loan term given its position within the market and above-average amenities including a resort-style pool, a fitness center with spin room, a clubhouse with demonstrative kitchen, a business center, an event space, three parks, picnic areas, 11,697 sf of ground floor retail space, and 595 surface parking spaces. Units include stainless-steel appliances, an in-unit washer/dryer, a private yard or balcony, walk-in closets, 14-foot vaulted ceilings, and built-in home office workstations.

Based on the August 2021 rent roll, the property demonstrated an average rental rate of $1,770 per unit, which is generally in line with the average rent of properties with a similar vintage within the Northeast Fort Worth submarket of $1,613 per unit, according to Reis Q2 2021 data. Compared with the Northeast Fort Worth submarket overall, the property's rental rates are at a premium based on the average rent of

$1,088 per unit and $1,253 per unit based on comparable properties within a one mile radius. As the property continues its lease-up efforts, DBRS Morningstar believes that rental rates will remain consistent with in-place rents.

After closing, the sponsor will have a total cost basis of $78.6 million and approximately $23.6 million of cash equity remaining in the transaction. The total mortgage loan balance of $55.0 million represents a moderate issuance LTV of 68.5% based on the as-is appraised value of $80.3 million. Based on a higher stabilized appraised value of $84.6 million, the loan will represent a more favorable balloon LTV of 65.0%. While the lower balloon LTV presents limited risk, the stabilized value of $276,471 per unit is above the average of recent sales comparables as identified by the appraiser of $255,173 per unit (ranging from $237,365 to $283,764 per unit). However, based on the Issuer’s stabilized NCF of approximately $4.4 million, the subject loan represents an implied cap rate of 5.20%, which is above the average of comparable properties as identified by the appraiser of 4.43% (ranging from 3.75% to 4.91%), and the appraiser’s concluded cap rate of 4.25%. Additionally, the loan represents a favorable DSCR over 3.1x. While the property is located within a DBRS Morningstar Market Rank 4, which typically demonstrates higher loan PODs and LGDs, the loan’s overall strong credit metrics result in an expected loss that is in line with the deal average.

Tessa at Katy

Loan Snapshot

Seller
ACRE
Ownership Interest
Fee Simple
Trust Balance ($ millions)
53.0
Loan PSF/Unit ($)
169,872
Percentage of the Pool (%)
6.1
Fully Extended Loan Maturity/ARD
September 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.0
DBRS Morningstar Stabilized DSCR (x)
1.1
DBRS Morningstar As-Is Issuance LTV (%)
76.5
DBRS Morningstar Stabilized Balloon LTV (%)
67.6
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average+

Debt Stack ($ millions)

Trust Balance
53.0
Pari Passu
0.0
Remaining Future Funding
0.6
Mortgage Loan Including Future Funding
53.6
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ millions)
17.0

Collateral Summary

DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2020
City, State	Katy, TX	**Physical Occupancy (%)**	95.8
Units	312	**Physical Occupancy Date**	July 2021

This loan is secured by the borrower's fee-simple interest in Tessa at Katy, a 312-unit Class A midrise apartment complex in Katy, Texas. Loan proceeds of approximately $53.0 million, in addition to approximately $17.0 million of borrower equity, will be used to acquire the asset for a purchase price of $68.5 million, finance future capex of $600,000, fund the loan's origination fee, and cover closing costs. Lastly, the loan's structure includes a reserve that funds the first three months of taxes and insurance.

The property's as-is and stabilized appraised values of approximately $70.3 million and $79.5 million represent as-is and stabilized LTVs of 76.5% and 67.6%, respectively. Additionally, the three-year, floating-rate loan is structured with two 12-month extension options subject to extension requirements and is fully IO over the loan term.

The collateral was built in 2020 and consists of four four-story residential buildings with a combination of direct-access garages, breezeway garages, and carports. The unit mix consists of 179 one-bedroom units (averaging 779 sf), 113 two-bedroom units (averaging 1,175 sf), and 20 three-bedroom units (averaging 1,454 sf). Unit amenities include stainless steel appliances, granite countertops, in-unit washers and dryers, and spacious walk-in closets, among other amenities. Community amenities include a resort-style swimming pool, an outdoor cabana with dining and seating options, a fitness center, an entertainment room, and an expansive dog park, among others.

Competitive Set								
Property	Location	Distance from Subject (Miles)	Units	Year Built	Low end of Avg. Rent/Unit Range ($)	High end of Avg. Rent/Unit Range ($)	Avg. Unit Size (sf)	Occupancy (%)
Lenox Grand Crossing	Katy, TX	0.2	330	2020	1195	2600	921	93.6
Elation at Grandway West	Katy, TX	1.5	324	2019	1179	1739	870	97.5
Station at Mason Creek	Katy, TX	2.2	291	2001	1003	2345	772	93.8
Grand at LaCenterra	Katy, TX	2.7	271	2018	1145	2970	983	96.0
Total/WA	**Katy, TX**	**Various**	**1,216**	**Various**	**1,134**	**2,392**	**886**	**95.2**
Tessa at Katy	**Katy, TX**	**n/a**	**312**	**2020**	**1,269**	**2,233**	**966**	**95.8**

*Per Appraisal with the exception of data for Tessa at Katy, which is based on the August 2021 rent roll.

Sponsorship

The sponsors for this loan are Venu Gopal Llavala, Ravikiran Thummalapenta, Nipul Zalavadia and Alpesh Patel of TTI Capital, a real estate investment firm focused on real estate initiatives such as acquiring, managing, developing, and selling U.S. multifamily properties. The principals of the sponsor, Ravikiran Thummalapenta and Venugopal Ilavala, have over 50 years of combined experience in real estate investing and adequate net worth and liquidity. Since its inception, TTI Capital has sourced and controlled over $500 million in multifamily investments and currently owns over 2,000 units across the Carolinas, Georgia, Florida, and Texas, totaling over $400 million in assets under management.

The property is managed by Your Way Management Team, an affiliate of the sponsor, for a fee of 3% of EGI.

DBRS Morningstar Analysis

Site Inspection Summary

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

DBRS Morningstar NCF Summary

NCF Analysis

	T-12 July 2021	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,497,935	6,672,807	6,453,936	5,759,525	-10.8
Other Income ($)	356,814	715,557	509,890	480,620	-5.7
Vacancy & Concessions ($)	-1,865,474	-350,322	-338,872	-559,463	65.1
EGI ($)	**3,989,275**	**7,038,042**	**6,624,954**	**5,680,683**	**-14.3**
Expenses ($)	2,244,180	3,194,092	3,163,344	2,725,642	-13.8
NOI ($)	**1,745,095**	**3,843,950**	**3,461,610**	**2,955,041**	**-14.6**
Capex ($)	78,000	78,000	78,000	78,000	0.0
NCF ($)	**1,667,095**	**3,765,950**	**3,383,610**	**2,877,041**	**-15.0**

The DBRS Morningstar Stabilized NCF is based on the *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. The resulting DBRS Morningstar Stabilized NCF was $2,877,041, representing a -15.0% variance from the issuer's stabilized NCF of $3,383,610. The primary driver of the variance is GPR. DBRS Morningstar utilized the September 2021 rent roll and grossed up vacant and model units at in-place rents of similar unit types to determine the property's GPR. This compares with the issuer, which estimated market rents considerably higher than rents achieved at the property and included rental-rate inflation.

DBRS Morningstar Viewpoint

The collateral is a recently built Class-A, midrise multifamily property that has 312 units and is located in Katy, Texas, a city that has experienced an influx of various corporations in recent years. The collateral is located within two miles of major corporate expansions and relocations such as Amazon's new sorting center, making the property well positioned to capitalize on the stable demand for apartments that is being driven by the growth in corporations in the Katy area. The collateral can be accessed via Grand Parkway and I-10 from the greater Houston metro area, further adding to its favorable location. The property offers an impressive amenity set, which, along with its favorable location, were strong factors that led to a rapid lease-up from March 2020, when the property was built, to June 2021, when the property reached a stabilized occupancy level. While the property offered concessions as part of management's strategy to drive leasing velocity, concessions are no longer being offered. Based on the September 9, 2021, rent roll, the property's physical vacancy rate is 6.1% and is outperforming the submarket which reported an average vacancy of 7.8%. However, the lease-up velocity appears to have come at the cost of lower in-place rents. According to the appraisal, the subject's in-place rents are approximately 7.0% below market rates. In addition, the submarket is experiencing new supply and for new properties, constructed in 2019 or later, the average vacancy is elevated at 19.0%. Despite the new supply, Reis projects the overall submarket vacancy to remain relatively flat at 7.3% in its five-year forecast.

The loan exhibits an expected loss above the pool average. This is primarily based on the property's location in a DBRS Morningstar Market Rank of 3 and MSA Group of 1, which generally indicate higher-than-average rates of defaults and losses. The As-Is LTV of 76.5% and balloon As-Stabilized LTV of 67.6%

are also moderately high. The loan does benefit from the sponsor’s fresh equity of nearly $17.0 million to effectuate the acquisition of the property. In addition, the property has an Above Average property quality, high in-place occupancy, and a low Business Plan Score.

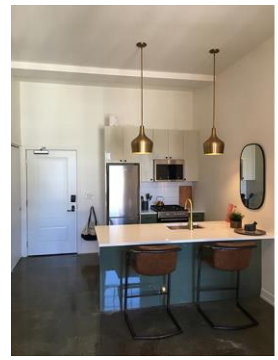
The Duncan

Loan Snapshot

Seller	ACRE
Ownership Interest	Fee Simple
Trust Balance ($ millions)	51.5
Loan PSF/Unit ($)	198,077
Percentage of the Pool (%)	5.9
Fully Extended Loan Maturity/ARD	December 2025
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.8
DBRS Morningstar Stabilized DSCR (x)	1.1
DBRS Morningstar As-Is Issuance LTV (%)	81.9
DBRS Morningstar Stabilized Balloon LTV (%)	75.8
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Above Average

Debt Stack ($ millions)

Trust Balance	51.5
Pari Passu	0.0
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	51.5
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ millions)	0.0



Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	1912/2020
City, State	Chicago, IL	**Physical Occupancy (%)**	87.7
Units/sf	260	**Physical Occupancy Date**	September 2021

The loan is secured by the borrower's fee-simple interest in the Duncan, a 260-unit multifamily property in Chicago, Illinois. Initial loan proceeds of $51.5 million were used to refinance existing debt of $49.2 million, cover closing costs of $1.1 million, and fund a $1.2 million interest reserve. Post-closing, the sponsor and its investors are expected to retain $15.3 million of cash equity in the transaction. As-is and stabilized values of $62.9 million and $67.9 million reflect an as-is and stabilized LTV of 81.9% and 75.8%, respectively. The floating rate loan has a 54 month fully extended term that is IO until maturity. The loan is nonrecourse with the exception of an interest reserve replenishment guaranty.

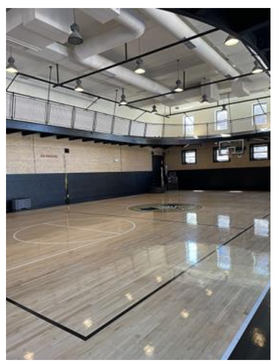
Built in 1912 and 1916, and completely rehabilitated and delivered in 2020, the property is a 260-unit multifamily apartment community located in the West Loop neighborhood of Chicago, approximately one mile west of the Chicago CBD. The property benefits from a central location near numerous demand drivers such as the corporate headquarters for McDonald's, Google's Midwest headquarters, and the Illinois Medical District. The initial project cost basis was $64.4 million ($247,618/unit). The scope of the renovation consisted of a complete, two-phase conversion of two buildings that formerly housed the Salvation Army's Freedom Center into a fully amenitized apartment community that features a mixture of studio and one-bedroom units, 8,384 sf of commercial space, and high-end features such as an indoor basketball/volleyball court, indoor running track, and indoor swimming pool.

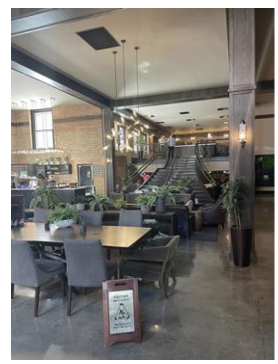
Sponsorship

The sponsor is Alexander Samoylovich, William Murphy, and Mark Heffron of CEDARst, with property management performed by FLATS, a sponsor-affiliated property management company. Headquartered in Chicago, CEDARst has over 50 years of combined experience, with more than 5,000 units and $2.0 billion of real estate developed, entitled, or in-process. CEDARst's holdings are strategically located in nearly every major Chicago submarket, including the city's north side, near west side, and CBD. CEDARst markets its entire portfolio under a single brand known as FLATS. All FLATS properties deliver a consistent resident experience, complete with thoughtfully designed, hospitality-driven, and community-oriented spaces, setting them apart from the competition. CEDARst principals Alex Samoylovich, Will Murphy, and Mark Heffron serve as the loan guarantors.

DBRS Morningstar Analysis

Site Inspection Summary





DBRS Morningstar toured the interior and exterior of the property on Wednesday, September 8, 2021, at 11:30 a.m. Based on the guided management tour, DBRS Morningstar found the property quality to be Above Average.

The collateral consists of a 260-unit, newly renovated apartment complex in the West Loop neighborhood of Chicago. The area was formerly a meatpacking district that has experienced considerable commercial and multifamily development over the past two decades. The area has become a trendy office market with several large companies moving their offices to the area, including Google and McDonald's, both of which recently developed 500,000-sf office buildings within a half-mile of the collateral. The area is also home to many of the city's most renowned restaurants as Chicago's "restaurant row" is just two blocks north of the subject. The building is three blocks north of I-290, which naturally leads to undesirable noise and traffic congestion but generally allows for good vehicle access. The immediate surrounding area primarily consists of multifamily and condominium properties of slightly older vintage to the north and south, Whitney Young Magnet High School and Skinner Park to the east, and retail properties along South Ashland Avenue to the west. A bus stop is located right outside of the property, the Ashland Pink Line Train station is three blocks north, and the Racine Blue Line Train station is four blocks southeast of the subject, providing easy access to the greater Chicagoland area.

Originally constructed in 1912 and 1916, the property consists of two brick buildings conjoined by a second floor bridge. The property was previously the Salvation Army's Freedom Center until the sponsor repurposed the building in 2020 to a 260-unit multifamily property with 8,351 sf of ground floor retail that is currently leased to a coffee shop, an underground bar, and an office tenant; each tenant has leases through June 2030. At the time of inspection, there was 2,210 sf (26.5% of total retail space) of vacant garden retail space available for lease. The coffee shop was open for business and quite busy during the inspection, with patrons utilizing both the indoor space and outdoor patio. According to the property manager, the underground bar was awaiting approval from the city before opening for business, although the space appeared to be completed and the tenant was reportedly paying rent. The property offers great curb appeal with recently renovated black windows, doors, and accents that work well with the property's classic brick facade and acknowledges the building's history while pointing to the luxurious adaptive residential reuse.

The building offers many amenities including an indoor basketball/volleyball court, indoor running track, and indoor swimming pool; a spacious gym with free weights, fitness machines, and a boxing ring; a private cocktail bar, which is available for rent to tenants; a rooftop terrace with gas grills; a courtyard with a projector screen and two gas fireplaces; a pet area; a sauna and a steam room; locker rooms; and a business center, all of which exhibited high-quality build-outs and finishes. DBRS Morningstar was able to tour studio and one-bedroom units during the inspection. The units have a very modern aesthetic with glazed concrete floors, high ceilings, large windows that provide excellent natural light, exposed brick walls, stainless-steel appliances, white quartz countertops in both the kitchens and bathrooms, white subway tile backsplashes, light gray cabinets, modern fixtures, and personal in-unit air-conditioning/heater systems. Generally, units are fairly small but have practical floorplans. Bedrooms are average-sized at best but have enough space to comfortably fit a queen-sized bed. All units come with washer/dryer units and select units offer a walk-in closet. Overall, the common area amenities and units exhibit a high quality throughout that will remain competitive with newly constructed, Class A assets in the area for the foreseeable future.

DBRS Morningstar NCF Summary

NCF Analysis					
	T-12 June 2021	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,094,705	5,099,160	5,330,348	4,802,214	-9.9
Other Income ($)	177,899	603,062	639,788	595,057	-7.0
Vacancy & Concessions ($)	-3,424,529	-262,930	-266,517	-432,199	62.2
EGI ($)	**1,848,075**	**5,439,292**	**5,703,619**	**4,965,072**	**-12.9**
Expenses ($)	2,164,054	2,319,129	2,478,809	2,381,980	-3.9
NOI ($)	**-315,979**	**3,120,163**	**3,224,810**	**2,583,092**	**-19.9**
Capex ($)	65,000	65,000	65,000	65,000	0.0
NCF ($)	**-380,979**	**3,055,163**	**3,159,810**	**2,518,092**	**-20.3**

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 $2,518,092, representing a -20.3% variance from the Issuer's Stabilized NCF.

The primary drivers of the variance were GPR and the vacancy rate. DBRS Morningstar concluded to a stabilized GPR based on occupied, vacant, and nonrevenue units grossed up by the September 2021 rent roll's average in-place lease rates, whereas the Issuer assumed annual market rent growth. DBRS Morningstar concluded to a stabilized vacancy of 8.0%, which is approximately Reis' five-year projection of vacancy rates for the City West Submarket.

DBRS Morningstar Viewpoint

The subject was 87.7% physically occupied as of September 2021. The sponsor intends to complete lease-up of the property and stabilize operations. There is a $1.2 million interest reserve to cover debt service shortfalls while operations are being stabilized, which DBRS Morningstar considers adequate given the leasing velocity since delivery. The replenishment of the interest reserve is a recourse obligation of the guarantors. DBRS Morningstar believes the high-quality 2020 rehabilitation and the level of amenities and finishes warrant an Above Average property score. While the property is in a weak DBRS Morningstar MSA Group 1, its urban location in a Market Rank Six offsets that somewhat. The property's relatively small units will allow the property to successfully compete in a growing submarket dominated by relatively high face rents. An interest reserve will ensure timely payments as property operations stabilize and the property is leased to market occupancy levels. The property's positive attributes are mitigated by the relatively high leverage (DBRS Morningstar As-Is and Stabilized LTV of 81.9% and 75.8%, respectively) leading to an average expected loss for this loan compared with the pool as a whole despite the strong curb appeal and urban location.

DBRS Morningstar applies a 8.0% stabilized vacancy rate to the property upon stabilization. Reis reports the Q2 2021 City West Submarket has an overall average rental rate and vacancy of $1,844 and 6.3%, respectively. Reis anticipates healthy new supply to be introduced over the next several years and forecasts an increase in the vacancy rate to 7.8% vacancy over the next five years.

Unit Mix and Rents - The Duncan

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	107	376	1,377
One Bedroom	153	505	1,653
Total/WA	**260**	**452**	**1,539**

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
The Mason	0.4	207	2019	88.0	1,916	702
Landmark West Loop	0.7	231	2017	95.0	1,641	627
1313 Randolph Street Lofts	0.4	47	1930/2012	91.0	1,532	561
Gateway West Loop	0.9	167	2015	92.0	2,060	773
The Jax	0.4	113	2019	86.0	1,405	536
Total/WA	**Various**	**765**	**2017**	**90.9**	**1,765**	**662**
The Duncan	**n/a**	**260**	**1912/2020**	**87.7**	**1,539**	**452**

Source: Appraisal, except the subject figures are based on the rent roll dated September 13, 2021.

At the time of the appraiser's report, the Duncan's competitive set had an occupancy rate ranging from 86.0% to 95.0% with a WA rate of 90.9%. The Mason and The Jax were both in lease-up at the time of the survey. The competitive set's average unit size range between 536 sf and 773 sf, with a WA size of 662 sf compared with the subject's much smaller average of 452 sf. Average rental rates for the competitive set range between $1,405 and $2,060, with a WA rate of $1,765 compared with the subject's average in-place rental rate of $1,539.

Crawford at Grand Morton

Loan Snapshot

Seller
ACRE
Ownership Interest
Fee Simple
Trust Balance ($ millions)
50.5
Loan PSF/Unit ($)
150,298
Percentage of the Pool (%)
5.8
Fully Extended Loan Maturity/ARD
October 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.0
DBRS Morningstar Stabilized DSCR (x)
1.0
DBRS Morningstar As-Is Issuance LTV (%)
78.7
DBRS Morningstar Stabilized Balloon LTV (%)
68.9
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average+

Debt Stack ($ millions)

Trust Balance
50.5
Pari Passu
0.0
Remaining Future Funding
1.0
Mortgage Loan Including Future Funding
51.5
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ millions)
16.0

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2020
City, State	Katy, TX	**Physical Occupancy (%)**	97.6
Units/SF	336	**Physical Occupancy Date**	September 2021

This loan is secured by the borrower's fee-simple interest in Crawford at Grand Morton, a 336-unit Class A mid-rise apartment complex in Katy, Texas. Total loan proceeds of approximately $51.5 million, composed of $50.5 million of initial funding and approximately $16.0 million of borrower equity, will be used to acquire the asset for a purchase price of $65.0 million, cover closing costs, fund the collateral's taxes and insurance for the first year, pay the loan's origination fee, and finance capital expenditures.

The property's approximately $65.4 million as-is value and $74.7 million stabilized value represent LTVs of 78.7% and 68.9%, respectively. Additionally, the three-year, floating-rate loan is structured with two 12-month extension options and is fully IO over the loan term.

The collateral was built in 2020 and consists of seven three-story residential buildings, detached garages, and covered parking. The unit mix consists of 204 one-bedroom units (averaging 689 sf), 120 two-bedroom units (averaging 1,045 sf), and 12 three-bedroom units (averaging 1,403 sf). Unit amenities include stainless-steel appliances, kitchen islands, granite countertops, and full-sized washers/dryers. Community amenities include a resort-style swimming pool, 24-hour fitness center, clubhouse, business center, fenced-in pet park, and package lockers.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Low end of Avg. Rent/Unit Range ($)	High end of Avg. Rent/Unit Range ($)	Avg. Unit Size (sf)	Occupancy (%)
Station at Mason Creek	Katy, TX	2.1	291	2001	1003	2345	772	93.8
Lenox Grand Crossing	Katy, TX	2.1	330	2020	1195	2600	921	93.6
Grand at LaCenterra	Katy, TX	4.7	271	2015	1145	2970	983	96
Elation at Grandway West	Katy, TX	0.7	324	2019	1179	1739	870	97.5
Total/WA	**Katy, TX**	**Various**	**1,216**	**Various**	**1,134**	**2,392**	**886**	**95.2**
Crawford at Grand Morton	**Katy, TX**	**n/a**	**336**	**2020**	**1171**	**2,184**	**841**	**97.6**

*Per appraisal with the exception of data for Crawford at Grand Morton, which is based on the September 2021 rent roll.

Sponsorship

The sponsors for this loan are Venu Gopal Llava and Ravikiran Thummalapenta of TTI Capital, a real estate investment firm focused on real estate initiatives such as acquiring, managing, developing, and selling U.S. multifamily properties. The principals of the sponsor, Ravi Thummalapenta and Venugopal Ilavala, have more than 50 years of combined experience in real estate investing and have average net worth and liquidity to support the property's operations. Since its inception, TTI Capital has sourced and controlled more than $500 million in multifamily investments and owns more than 2,000 units across the Carolinas, Georgia, Florida, and Texas, totaling more than $400 million in assets under management. Your Way Management Team, an affiliate of the sponsor, manages the property.

DBRS Morningstar Analysis

Site Inspection Summary

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

DBRS Morningstar NCF Summary

NCF Analysis	T-12 June 2021	Appriaser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	5,742,788	6,343,413	6,152,719	5,860,392	-4.8
Other Income ($)	278,224	711,793	713,776	459,754	-35.6
Vacancy & Concessions ($)	-3,196,001	-333,030	-323,018	-559,667	73.3
EGI ($)	**2,825,011**	**6,722,176**	**6,543,477**	**5,760,478**	**-12.0**
Expenses ($)	2,006,482	3,108,946	3,012,422	3,078,361	2.2
NOI ($)	**818,529**	**3,613,230**	**3,531,055**	**2,682,116**	**-24.0**
Capex ($)	84,000	84,000	84,000	84,000	0.0
NCF ($)	**734,529**	**3,529,230**	**3,447,055**	**2,598,116**	**-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 $2,598,116, representing a -24.6% variance from the Issuer's stabilized NCF of $3,447,055. The primary drivers of the variance include GPR, other income, and vacancy loss. The DBRS Morningstar GPR was based on the leases in place as of the September 15, 2021, rent roll with vacant units grossed up at the average in-place rental rates. The Issuer assumes several years of rental rate growth. DBRS Morningstar annualized the other income from the T-3 ended June 2021 financial statement. DBRS Morningstar relied upon the Reis submarket vacancy rate of 7.8%.

DBRS Morningstar Viewpoint

Crawford at Grand Morton is a recently built Class-A, mid-rise multifamily property that has 336 units in Katy, Texas. The collateral is located within two miles of major corporate expansions and relocations such as Amazon's new sorting center, SABIC's new regional head office, and Hoover Ferguson's new headquarters, making the property well positioned to capitalize on the stable demand for apartments that is being driven by the growth in corporations in the Katy area. In addition, the collateral can be accessed via Grand Parkway and I-10 from the greater Houston metro area.

The sponsor's business plan is to continue to stabilize occupancy and allow initial leasing concessions to burn off. Additionally, although recently built in 2020 and currently well maintained, the sponsor has indicated that they plan to invest approximately $1.0 million ($2,976 per unit) in renovations that consist of tech package upgrades and installations of new cameras in all units, among others. It's important to note that no detailed budget nor timeline has been provided regarding the plan renovations. These improvements, the property's impressive amenity set, and its favorable location led to strong leasing velocity that culminated in the property being 100% leased based on the August 2021 rent roll and 98.3% occupied as of the September 2021 rent roll.

While the property boasts exceptionally strong occupancy levels, especially when compared with the submarket's vacancy rate of 7.8%, the vacancy rate for properties in the "After 2019" vintage band of 19%, and Reis's five-year forecast for the submarket's vacancy rate of 7.3%, the high levels of and growth in concessions detract from this feat. The sustained vacancy rates reflect headwinds from a significant amount of Class A multifamily construction in the suburban Houston markets which, will put increasing pressure on the levels of concessions that management has to offer to compete. This risk is partially mitigated by increasing median income levels in the Houston MSA and more renters as proxied by net new household formations at the metro level, which Reis projects will average 2.3% annually during 2022 and 2023, an absorption rate of 4,260 units per year. Also, asking rents are expected to increase 1.7%, while effective rents will rise by 1.1% by year-end 2021. Furthermore, on an annualized basis, Reis projects a 2.6% increase in asking and effective rents by year-end 2023. Overall, vacancy rates and rental rates should see marginal improvement, which are reflected in the DBRS Morningstar NCF assumptions.

The loan’s credit profile reflects an expected loss that is slightly above the expected loss of the transaction. The loan exhibits a moderately high DBRS Morningstar As-Is LTV of 78.7% and a slightly improved Stabilized LTV of 68.9% based on the loan balance of $51.5 million. Furthermore, the loan has a low DBRS Morningstar As-is and Stabilized DSCR of 1.04x, reflecting elevated term risk.

City Place

Loan Snapshot

Seller	ACRE
Ownership Interest	Fee Simple
Trust Balance ($ millions)	44.0
Loan PSF/Unit ($)	200,000
Percentage of the Pool (%)	5.0
Fully Extended Loan Maturity/ARD	September 2026
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.0
DBRS Morningstar Stabilized DSCR (x)	0.8
DBRS Morningstar As-Is Issuance LTV (%)	84.0
DBRS Morningstar Stabilized Balloon LTV (%)	77.4
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average+

Debt Stack ($ millions)

Trust Balance	44.0
Pari Passu	0.0
Remaining Future Funding	1.8
Mortgage Loan Including Future Funding	45.8
Loan Purpose	Refinance
Equity Contribution/(Distribution) ($ millions)	(1.8)

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built**	2021
City, State	Gainesville, FL	**Physical Occupancy (%)**	49.5
Units	220	**Physical Occupancy Date**	September 2021

The loan will be secured by the fee-simple interest in City Place, a recently developed 220-unit apartment complex in Gainesville, Florida. The complex consists of two buildings, one of which received a temporary certificate of occupancy in May 2021, and both buildings are scheduled to receive a full certificate of occupancy by September 2021/October 2021. The initial three-year loan term and the two 12-month extension options are IO. Loan proceeds of $44.0 million will refinance existing debt of $36.1 million, fund $5.2 million of various construction and development costs, return $1.8 million of borrower equity, and cover closing costs.

The collateral consists of two four-story buildings, each containing 110 units. The subject is located within Celebration Pointe (also owned by the sponsor), a large-scale mixed-use project immediately off I-75, approximately 2.5 miles southwest of Gainesville and the University of Florida (the fifth-largest public university in the country). Celebration Pointe is a $500 million development that consists of 350,000 sf of retail, 350,000 sf of office, 1,000 units of multifamily, 166 units of assisted living, 107 for-sale units, 255 hospitality units, and 116,000 sf of county event center. Existing tenants include Bass Pro Shops, Regal Cinemas (a reserved-seating luxury theater), and Infotech, a software company that has its new headquarters at Celebration Pointe. Common area amenities consist of a 24/7 fitness center, access to the six-mile Archer Braid walking trail, a dog park with a pet playground and washing station, an Amazon Package Hub in each building, an outdoor swimming pool with cabanas with outdoor kitchens, a multimedia conference room, a social lounge with a billiards table, and 400 parking spaces (1.8 per unit). The interior amenity package includes modern kitchens with a full suite of stainless steel appliances, built-in food pantries, quartz countertops with kitchen islands, outdoor verandas, and mobile video intercom systems.

Subject Rental Information vs. Market

				Average Rental Rate		
Unit Type	No. of Units	Unit Size (sf)	Occupancy (%)	In-Place ($)	Asking ($)	Market ($)
1BR/1BA	120	750	50.0	1,621	1,621	1,611
2BR/2.5BA (2E)	8	1,357	50.0	2,246	2,246	2,246
2BR/2BA (2A)	48	1,150	47.9	1,857	1,859	1,853
2BR/2BA (2B)	32	1,100	50.0	1,796	1,796	1,793
3BR/2BA	12	1,380	50.0	2,368	2,401	2,357
Total/WA	220	945	49.5	1,761	1,764	1,750

Source: Appraisal, except Occupancy and In-Place, which came from September 2021 rent roll.

Sponsorship

The sponsors for this transaction are Patricia Ann Shively and Svein Dykolbotn of Viking Companies, a real estate investment firm based locally in Gainesville and run by Svein Dyrkolbotn and Dave Stockman. The sponsor currently has a portfolio of seven properties, with three under development and three owned and operated. Dyrkolbotn has more than 15 years of development experience and has managed and developed more than 2,000 multifamily units. Stockman has more than 15 years of design, development, and construction experience, including more than 400 luxury condo units and more than 1,000 student housing units.

Property management is provided by a third-party company, Contemporary Management Concepts. Founded in 1979, Contemporary Management Concepts manages residential communities in Gainesville, Orlando, Winter Park, Jacksonville, Tampa, and Lakeland, Florida.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar did not conduct a site inspection of the property as a result of health and safety constraints associated with the ongoing coronavirus pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average +.

DBRS Morningstar NCF Summary

NCF Analysis

	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,572,707	4,890,835	4,628,584	-5.4
Other Income ($)	286,040	303,460	255,004	-16.0
Vacancy & Concessions ($)	-272,515	-244,542	-527,427	115.7
EGI ($)	**4,586,232**	**4,949,754**	**4,356,161**	**-12.0**
Expenses ($)	2,081,914	2,211,229	2,235,233	1.1
NOI ($)	**2,504,318**	**2,738,524**	**2,120,928**	**-22.6**
Capex ($)	44,000	55,000	55,000	0.0
NCF ($)	**2,460,318**	**2,683,524**	**2,065,928**	**-23.0**

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 $2,065,928, representing a variance of -23.0% from the Issuer's as-stabilized NCF of $2,683,524. The main drivers of the variance were GPR, vacancy, and concessions. DBRS Morningstar estimated stabilized GPR to be based on leases in place according to the September 2021 rent roll, with vacant units grossed up by the same lease in-place amounts. Vacancy was estimated to be 8.0%, which is in line with the appraiser's market comparables that were no longer in their initial lease-up period (91.27%) but greater than Gainesville's average market vacancy of 6.0% as of Q2 2021, according to Reis. Concessions were projected at 2.5%, which is based on the appraiser's projection.

DBRS Morningstar Viewpoint

The sponsor recently completed the development of the two-building, 220-unit multifamily complex in 2021. The first building (110 units) received its Temporary Occupancy Certificate (TOC) in July and the second building (110 units) is expected to receive its TOC by the end of September 2021. Per the rent roll dated September 14, 2021, the property was 49.5% occupied (109 units) in approximately two months with an average in-place rental rate of $1,761/month, which compares favorably with the appraisal's market rent of $1,750/month. The business plan consists of continuing the initial lease-up efforts and stabilizing occupancy with hopes of burning off concessions.

The property is 2.5 miles southwest of Gainesville, which houses the University of Florida, the fifth-largest public university in the United States. The property lies within Celebration Pointe (also owned by the sponsor), a $500 million mixed-use development with more than 700,000 sf of office/retail, 1,000 units of multifamily, 166 units of assisted living, 107 for-sale units, and 255 hospitality units, with strong access to many restaurant and entertainment amenities, including a Regal Cinemas.

At loan closing, approximately $4.4 million of remaining construction costs will be funded with the subject loan. After closing, the sponsor will have a total cost basis of $55.5 million and approximately $11.5 million of cash equity remaining in the transaction.

Overall, DBRS Morningstar believes the property is well positioned to lease-up and stabilize over the fully extended loan term given its excellent location, position in the marketplace, and above-average unit and common amenities.

The total mortgage loan balance of $44 million represents an LTV of 87.8% based on the as-is appraised value of $50.1 million. Based on a higher stabilized appraised value of $59.2 million, the loan will represent a more favorable balloon LTV of 74.3%. While the lower balloon LTV presents somewhat lower risk, the stabilized value of $296,091 per unit remains well above the average of recent sales comparables as identified by the appraiser of $249,447 per unit (ranging from $242,914 to $264,962 per unit). In addition, based on the Issuer’s stabilized NCF of approximately $2.7 million, the subject loan represents an implied cap rate of 4.5%, which is generally in line with the average of comparable properties as identified by the appraiser of 4.49% (ranging from 3.8% to 5.4%) and slightly lower than the appraiser’s concluded cap rate of 5.0%. Although the loan is backed by a multifamily property, which DBRS Morningstar views as a more favorable property type compared with other asset types such as hospitality, retail, or office, the subject is within DBRS Morningstar Market Rank 3, which typically demonstrates higher loan PODs and LGDs. Given these leverage and market characteristics, the loan’s resulting expected loss is in excess of the deal average.

Main & Clay

Loan Snapshot

Seller
ACRE
Ownership Interest
Fee Simple
Trust Balance ($ millions)
43.0
Loan PSF/Unit ($)
159,851
Percentage of the Pool (%)
4.9
Fully Extended Loan Maturity/ARD
May 2026
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.0
DBRS Morningstar Stabilized DSCR (x)
1.0
DBRS Morningstar As-Is Issuance LTV (%)
70.6
DBRS Morningstar Stabilized Balloon LTV (%)
70.6
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average+

Debt Stack ($ millions)

Trust Balance
43.0
Pari Passu
0.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
43.0
Loan Purpose
Refinance
Equity Contribution/(Distribution) ($ millions)
(7.0)

Collateral Summary

DBRS Morningstar Property Type	Multifamily	**Year Built/Renovated**	2018
City, State	Louisville, KY	**Physical Occupancy (%)**	92.9
Units/SF	269	**Physical Occupancy Date**	September 2021

The loan is secured by the borrower's fee-simple interest in Main & Clay, a 269-unit multifamily property in Louisville, Kentucky. Loan proceeds of $43.0 million were used to refinance existing debt of $35.3 million, repatriate $6.9 million of sponsor equity, and cover closing costs of $805,450. Post-closing, the sponsor will retain $14.8 million of cash equity in the transaction, and the deal will have an issuance LTV of 70.6% based on the appraised value of $60.9 million. The floating-rate loan has a 60-month fully extended term that is IO until maturity. The going-in cost basis of the property is $57.0 million ($211,896/unit). The borrower's business plan is to stabilize property cash flow and sell the property thereafter.

Built in 2018, the property is a 269-unit multifamily apartment community in the Nulu neighborhood of Louisville, approximately one mile northeast of the Louisville CBD. The property is centrally located near various demand drivers, including employers in the Louisville CBD, UofL Hospital, and the Fourth Street Live! entertainment district. The recently built apartment community features 2,962 sf of commercial space, which is currently occupied by International Taphouse Restaurant and offers amenities such as a heated saltwater pool, bike storage, a clubhouse, and a fitness center. The property has 364 parking spaces in a controlled-access garage (1.3 spaces/unit).

The property was 92.9% physically occupied as of September 2021. DBRS Morningstar applied a 9.5% stabilized vacancy rate to the property in its analysis. As of Q2 2021, Reis reports that the West Central submarket has an overall average rental rate and vacancy rate of $929/month and 10.6%, respectively. For properties of a similar vintage, Reis reports an average rental rate of $1,622/month and a vacancy rate of 16.1%. Reis anticipates modest new supply to be introduced over the next several years and forecasts an overall submarket vacancy rate of 9.5% over the next five years.

Unit Mix and Rents - Main & Clay

Unit Type	Units	Avg. Unit Size (sf)	Rent/Month ($)
Studio	19	522	1,199
1 Bedroom	162	678	1,292
2 Bedroom	87	1,060	1,742
3 Bedroom	1	1,783	1,934
Total/WA	**269**	**795**	**1,434**

Competitive Set

Property	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Highland Station	0.9	197	2018	91.0	1,641	755
The Baxter	1.0	261	2019	89.0	1,366	762
The Edge on 4	1.0	234	2018	88.0	1,375	908
Axis on Lexington	1.0	300	2017	75.0	1,249	871
Total/WA	**Various**	**992**	**2018**	**84.9**	**1,387**	**828**
Main and Clay	**n/a**	**269**	**2018**	**92.9**	**1,434**	**795**

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

At the time of the appraiser's report, Main & Clay's competitive set had an occupancy rate ranging from 75.0% to 91.0% with a WA of 84.9%. The competitive set's unit size ranged from 755 sf to 908 sf with a WA of 828 sf, compared with the subject's average of 795 sf. Rental rates ranged from $1,249/month to $1,641/month, with a WA of $1,387/month compared with the subject's average in-place rental rate of $1,434/month.

Sponsorship

The sponsor is a joint venture between Bristol Development Group (Bristol) and Federated Mutual Insurance Company. Bristol principals Samuel Yeager and Ashlyn Meneguzzi serve as the loan's guarantors. Their reported net worth and liquidity appear adequate relative to the loan size.

Bristol was established in 1999 and specializes in developing amenity-rich multifamily communities in growing Sun Belt cities. Bristol is based in Nashville and has been the lead developer in 43 projects in seven states, amounting to more than 10,400 units and more than $1.7 billion in asset value. Bristol currently has a development pipeline in excess of $400 million. Headquartered in Minnesota, Federated Mutual Insurance Company transacts in 49 states and has locations in 47 states. The company currently employees 2,600 people.

The property is managed by Greystar Management Services (Greystar) for the greater of 2.75% of EGI or $8,250 per month.

DBRS Morningstar Analysis

Site Inspection Summary

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

DBRS Morningstar NCF Summary

NCF Analysis

	2020	T-12 June 2021	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,826,126	4,717,668	5,222,466	5,567,373	4,662,361	-16.3
Other Income ($)	506,012	542,557	843,775	895,161	580,135	-35.2
Vacancy & Concessions ($)	-872,213	-843,417	-600,583	-361,879	-538,732	48.9
EGI ($)	**4,459,925**	**4,416,808**	**5,465,658**	**6,100,655**	**4,703,764**	**-22.9**
Expenses ($)	2,112,494	1,961,936	2,369,173	2,245,352	2,165,006	-3.6
NOI ($)	**2,347,431**	**2,454,872**	**3,096,485**	**3,855,303**	**2,538,758**	**-34.1**
Capex ($)	67,250	67,250	47,425	67,250	72,963	8.5
NCF ($)	**2,280,181**	**2,387,622**	**3,049,060**	**3,788,053**	**2,465,794**	**-34.9**

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 $2,465,794, representing a variance of -34.9% from the Issuer's Stabilized NCF.

The primary drivers of the variance were GPR and commercial income. DBRS Morningstar concluded to a stabilized GPR based on the September 2021 rent roll's average in-place rents with vacant and nonrevenue units grossed up at in-place rates while the Issuer assumed several years of rent growth. Commercial income is based on Reis' estimates of retail market rent, reimbursements, and vacancy for the submarket.

DBRS Morningstar Viewpoint

The loan is secured by a newly constructed Class A multifamily property with 269 units and 2,962 sf of retail space in downtown Louisville. The sponsor, a joint venture between Bristol and Federated Mutual Insurance Company, is refinancing existing debt and repatriating $6.9 million of equity. The property was completed in 2018 and as of September 2021 was physically stabilized at 92.9% occupied. Despite the stabilized physical occupancy, the sponsor and appraiser believe that the in-place rents are below market. The lower rents are in part because of the coronavirus pandemic and the civil unrest surrounding the killing of Breonna Taylor; Louisville was largely shut down for a prolonged period and businesses were either closed or operating at low capacity, including the International Taphouse Restaurant at the subject. Despite the economic shutdown, the property was able to maintain occupancy of at least 85% through 2020, with the sponsor reporting only approximately $20,000 of aged receivables. The sponsor also reports that the city reopened on April 29, 2021, ahead of the Kentucky Derby. Greystar, the property manager, has been able to reduce concessions at the property and has commenced focusing on pushing lease rates. DBRS Morningstar views in-place rents as being largely in line with Reis estimates and the appraiser's comparable survey, and reflect a discount from the sponsor's estimated market rent. As a result, the DBRS Morningstar stabilized haircut is elevated at -34.9%.

The property benefits from a 21-year Tax Incremental Financing (TIF) agreement effective July 2015. The agreement terminates upon the earlier of 21 years from the activation date of the development or the date the aggregate amount paid to the developer equals $4.6 million. The Issuer notes that the activation date of this agreement was broadly in 2018. DBRS Morningstar incorporated the benefits of the TIF agreement into its estimate of NCFs.

The loan has an expected loss below the deal's WA expected loss. The lower expected loss is in part driven by the property's position in DBRS Morningstar Market Rank 6 and moderate LTV of 70.6%.

Verso

Loan Snapshot

Seller
ACRE
Ownership Interest
Fee Simple
Trust Balance ($ millions)
41.8
Loan PSF/Unit ($)
166,335
Percentage of the Pool (%)
4.8
Fully Extended Loan Maturity/ARD
April 2025
Amortization
Full IO
DBRS Morningstar As-Is DSCR (x)
1.1
DBRS Morningstar Stabilized DSCR (x)
1.1
DBRS Morningstar As-Is Issuance LTV (%)
70.2
DBRS Morningstar Stabilized Balloon LTV (%)
70.2
DBRS Morningstar Property Type
Multifamily
DBRS Morningstar Property Quality
Average+

Debt Stack ($ millions)

Trust Balance
41.8
Pari Passu
0.0
Remaining Future Funding
0.0
Mortgage Loan Including Future Funding
41.8
Loan Purpose
Acquisition
Equity Contribution/(Distribution) ($ millions)
8.7

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built**	2020
City, State	Davenport, FL	**Physical Occupancy (%)**	97.2
Units	251	**Physical Occupancy Date**	September 2021

The loan will be secured by the fee-simple interest in Verso, a 251-unit apartment complex developed in 2020 in Davenport, Florida. The two-year loan term and the two 12-month extension options are interest only. Loan proceeds of $41.0 million, in addition to preferred equity of $10.3 million and borrower equity of $8.7 million, will be used to acquire the property for $57.8 million, cover closing costs of $2.8 million, and fund the first year's taxes and insurance of $199,721.

The collateral is a recently built multifamily property with 251-units split among 23 buildings. The subject is located 27 miles southwest of Orlando, Florida. Central Florida's blue-chip US 27 Logistics Corridor is located 10 minutes from the subject, supplying thousands of employment opportunities. Three Fortune 500 companies—Amazon.com, Inc., Walmart Inc., and CVS Health Corporation—have a presence within three miles of the subject. Other employers include FedEx Corporation, UPS, and Ford. Within walking distance, residents will find Publix, Anytime Fitness, Hair Cuttery, Tropical Smoothie Cafe, Subway, and Papa John's. Common area amenities include an expansive clubhouse, resort-style swimming pool with private cabanas, spa, outdoor kitchen and grill area, outdoor fire pit, game room, full-circuit fitness center, yoga and fitness-on-demand studio, guest suite rental, and pet park. The interior amenity package includes curved archways, nine-to-10-foot ceilings, quartz countertops, and stainless steel appliances. Main living interiors are styled with wood plank flooring with carpeted bedrooms, which also feature walk-in closets with built-in shelving. There are 467 parking spaces (1.86/unit), which includes 132 private garages.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built/ Renovated	Occupancy (%)	Avg. Rental Rate Per Unit ($)			Avg. Unit Size (sf)
1 Legacy Union Square	Davenport, FL	0.8	318	2017	93.0	1,200	-	1,744	1,171
2 Thrive by Watermark	Davenport, FL	1.1	328	2020	15.0	1,305	-	2,165	1,105
3 The Gate Apartments	Champions Gate, FL	1.6	308	2017	97.0	1,075	-	1,755	1,024
4 Preserve at Champions Gate	Davenport, FL	1.9	307	2019	67.0	1,275	-	1,800	1,039
5 Portofino at Champions Gate	Champions Gate, FL	2.5	120	2018	93.0	1,450	-	1,925	1,217
6 Cortland Reunion	Kissimmee, FL	2.5	338	2019	89.0	1,239	-	2,013	989
Total/WA Comp. Set	**Various, State**	**Various**	**1,719**	**Various**	**73.4**	**1,236**	**-**	**1,902**	**1,076**
Verso Luxury Apartments	**Davenport, FL**	**n/a**	**250**	**2020**	**96.8**	**1,321**	**-**	**1,814**	**1,088**

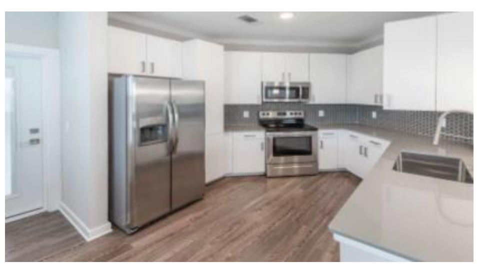
Source: Appraisal, except the Subject figures are based on the rent roll dated July 2021.

Sponsorship

The sponsors for this transaction are Venu Gopal Llavala, Ravikiran Thummalapenta, and Svein Dyrkolbotn of Viking Companies and TTI Capital. Viking Companies is a real estate investment firm based in Gainesville, Florida, and is run by Svein Dyrokolbotn and Dave Stockman. They currently have a portfolio of seven properties, with three more under development. Mr. Dyrokolbotn has more than 15 years of development experience and has managed and developed over 2,000 multifamily units. Mr. Stockman has more than 15 years of design, development, and construction experience with over 400 luxury condo units and over 1,000 student housing units. TTI Capital is a real estate investment and private equity firm focused on middle market companies and commercial real estate in the southeast (>2,500 units). Property management is provided by third-party company YWMT, LLC. (Your Way Management Team).

DBRS Morningstar Analysis

Site Inspection Summary



DBRS Morningstar did not conduct a site inspection of the property as a result of health and safety constraints associated with the ongoing coronavirus pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average+.

DBRS Morningstar NCF Summary

NCF Analysis

	T-3 June 2021	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,589,444	4,580,936	5,250,027	4,646,700	-11.5
Other Income ($)	303,196	413,000	425,390	319,885	-24.8
Vacancy & Concessions ($)	-486,102	-469,546	-275,626	-672,330	143.9
EGI ($)	**4,406,538**	**4,524,390**	**5,399,791**	**4,294,255**	**-20.5**
Expenses ($)	1,806,775	1,792,857	1,959,266	1,921,650	-1.9
NOI ($)	**2,599,762**	**2,731,533**	**3,440,525**	**2,372,605**	**-31.0**
Capex ($)	62,750	43,750	62,750	62,500	-0.4
NCF ($)	**2,537,012**	**2,687,783**	**3,377,775**	**2,310,105**	**-31.6**

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 $2,310,105, representing a -31.6% variance from the Issuer's Stabilized NCF of $3,377,755. The main drivers of the variance were GPR vacancy loss, bad debt, and concessions. DBRS Morningstar estimated GPR is based on leases in place according to the September 14, 2021, rent roll with vacant units grossed up at market rent. Vacancy is equal 8.5% and reflects Reis market data. The Issuer assumed rent growth over several years. Bad debt and concessions were based on the annualized T-12 figures.

DBRS Morningstar Viewpoint

The sponsor will be acquiring this recently developed 251-unit multifamily property for $57.8 million ($231,000/unit). The sponsor's business plan consists of maintaining its stabilized leasing status while burning off concessions.

According to Reis, the subject is located in the Kissimmee/Osceola submarket of Orlando. The submarket has a current vacancy rate of 8.7% with Class A properties showing a 12.4% vacancy rate. Reis projects about 4,750 units being delivered in the submarket through 2023 with an absorption rate that exceeds these deliveries, thus the overall vacancy rate is projected to reduce to 7.2% by 2026. DBRS Morningstar has estimated stabilized vacancy to be 8.5%, which factors in the historical and estimated future performance of the submarket.

Based on the September 2021 rent roll, the property demonstrated an average rental rate of $1,552 per unit, which is generally in line with the average rent of properties of a similar vintage within the Kissimmee/Osceola submarket of $1,577per unit, according to Reis Q2 2021 data. DBRS Morningstar believes that rental rates will remain consistent with current in-place rents.

Overall, DBRS Morningstar believes the property will continue to stay leased up over the fully extended loan term given its position within the market and its above-average amenities. Unit interiors include market standard Class A finishes and amenities.

The total mortgage loan balance of $41.8 million represents a moderate issuance LTV of 70.2% based on the as-is appraised value of $59.5 million ($238,000/unit). The as-is appraised value of $238,000 per unit is within the range of adjusted recent sales comparables as identified by the appraiser (ranging from $222,973 to $240,977 per unit). While the property is located within a DBRS Morningstar Market Rank 2, which typically demonstrates higher loan PODs and LGDs, the loan's overall strong credit metrics result in an expected loss that is comparable to the deal average.

Mill House

Loan Snapshot

Seller	ACRE
Ownership Interest	Fee Simple
Trust Balance ($ millions)	40.8
Loan PSF/Unit ($)	175,647
Percentage of the Pool (%)	4.7
Fully Extended Loan Maturity/ARD	September 2026
Amortization	Full IO
DBRS Morningstar As-Is DSCR (x)	0.0
DBRS Morningstar Stabilized DSCR (x)	0.8
DBRS Morningstar As-Is Issuance LTV (%)	75.3
DBRS Morningstar Stabilized Balloon LTV (%)	70.4
DBRS Morningstar Property Type	Multifamily
DBRS Morningstar Property Quality	Average+

Debt Stack ($ millions)

Trust Balance	40.8
Pari Passu	0.0
Remaining Future Funding	0.0
Mortgage Loan Including Future Funding	40.8
Loan Purpose	Recapitalization
Equity Contribution/(Distribution) ($ millions)	(14.4)

Collateral Summary			
DBRS Morningstar Property Type	Multifamily	**Year Built**	2021
City, State	Fort Mill, SC	**Physical Occupancy (%)**	31.0
Units	232	**Physical Occupancy Date**	September 2021

The loan is secured by the borrower's fee-simple interest in Mill House, a 232-unit apartment complex in Fort Mill, South Carolina. Initial loan proceeds of $40.8 million will recapitalize the property at an agreed upon price of $54.0 million, net of costs to complete. The initial loan proceeds will return $14.4 million of equity to the borrower, finance $6.5 million of reserves, and cover $1.6 million of closing costs. The borrower developed the property, with the first building receiving a Certificate of Occupancy in May 2021. Initial leasing of the property commenced in May 2021, with occupancy at 31.0% as of September 2021. Construction is expected to be completed by September 30, 2021. The two-year initial loan term and the three 12-month extension options are IO throughout.

The property consists of seven three-story buildings situated on a 21.3 acre site. The buildings are wood frame construction, built over a ground level concrete slab. The property has 164 one-bedroom units with an average size of 926 sf, 38 two-bedroom units with an average size of 1,130 sf, and 30 three-bedroom units with an average size of 1,367 sf. Apartment features include chef-inspired kitchens, quartz countertops, stainless-steel appliances, and a balcony or patio. Community amenities include a resort-style swimming pool, business center, dog park, fitness center, and clubhouse with kitchen. The subject is located in York County, SC, approximately 15 miles southeast of the Charlotte, North Carolina, CBD. The property is less than one mile east of I-77, a major north-south highway providing access to Charlotte. Overall, the immediate area is suburban in character, with surrounding uses primarily residential including single-family and multifamily uses.

Sponsorship

The sponsor for this transaction is Ryan Hanks of Madison Capital Group, a full-service private equity real estate development and investment firm headquartered in Charlotte. The sponsor was founded by Ray Hanks in 2009 and currently owns 13 multifamily properties with a total of 2,619 units. Madison Capital Group has developed or invested in 11 properties in South Carolina and seven properties in North Carolina. The sponsor also has a self-storage subsidiary that currently owns 53 facilities across the southeastern U.S.

A borrower-affiliated company, Madison Communities, provides property management for a contractual management fee of 3.0% of EGI. Madison Communities provides management and leasing services for all Madison Capital Group multifamily developments and investments.

DBRS Morningstar Analysis

Site Inspection Summary

DBRS Morningstar did not conduct a site inspection of the property as a result of health and safety constraints associated with the ongoing coronavirus pandemic. Based on a review of third-party reports, documents provided by the Issuer, and online information, DBRS Morningstar found the property quality to be Average +.

DBRS Morningstar NCF Analysis

NCF Analysis

	Appraiser Stabilized	Issuer Stabilized NCF	DBRS Morningstar Stabilized NCF ($)	NCF Variance (%)
GPR ($)	4,338,491	4,387,120	4,150,332	-5.4
Other Income ($)	291,197	299,933	291,197	-2.9
Vacancy & Concessions ($)	-238,617	-241,292	-229,209	-5.0
EGI ($)	**4,391,071**	**4,445,761**	**4,212,320**	**-5.3**
Expenses ($)	2,027,670	2,108,803	2,278,175	8.0
NOI ($)	**2,363,401**	**2,336,959**	**1,934,145**	**-17.2**
Capex ($)	48,504	58,000	58,000	0.0
NCF ($)	**2,314,897**	**2,278,959**	**1,876,145**	**-17.7**

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 $1,876,145, representing a -17.7% variance from the Issuer's as-stabilized NCF of $2,278,959. The main drivers of the variance were GPR and operating expenses. DBRS Morningstar estimated stabilized GPR to be based on the market rent conclusions presented in the appraisal. DBRS Morningstar generally estimated operating expenses to be based on the appraisal conclusions inflated by 10.0%. The property is newly constructed; hence, actual operating history is generally unavailable.

Competitive Set

Property	Location	Distance from Subject (Miles)	Units	Year Built	Occupancy (%)	Avg. Rental Rate Per Unit ($)	Avg. Unit Size (sf)
Beckett Farms	Fort Mill, SC	0.1	280	2017	95.0	1,660	1,025
Willows at Fort Mill	Fort Mill, SC	1.0	318	2015	96.0	1,557	1,074
Haven at Regent Park	Fort Mill, SC	2.1	288	2018	97.0	1,486	991
Legacy Fort Mill	Fort Mill, SC	1.0	350	2013	96.0	1,525	1,097
Fox Hunt Farms	Fort Mill, SC	2.4	276	2017	99.0	1,363	1,009
Berkshire Fort Mill	Fort Mill, SC	3.3	248	2011	96.0	1,338	910
Total/WA Comp Set	**Fort Mill, SC**	**Various**	**1,760**	**Various**	**96.5**	**1,494**	**1,024**
Mill House	**Fort Mill, SC**	**n/a**	**232**	**2021**	**31.0**	**1,464**	**1,014**

Source: Appraisal, except the Subject figures are based on the rent roll dated September 13, 2021.

DBRS Morningstar Viewpoint

The sponsor's business plan consists of completing construction and leasing the property up to a stabilized level. The property has had steady leasing traffic since delivering in May 2021. As of August, the property had leased 52 units, or about 14 units per month, and a September 2021 rent roll showed 74 units leased. If the property is able to maintain this pace of leasing, it would lease to 95% occupancy in about 15 months. Therefore, DBRS Morningstar concludes that the business plan is achievable, but certainly will require some time, which increases some of the execution risk. DBRS Morningstar increased its modeled business plan score to account for this additional risk.

The market fundamentals generally support the ultimate achievement of the plan. The DBRS Morningstar concluded stabilized vacancy rate is 5%, which is slightly higher than the Reis Q2 2021 York County submarket vacancy rate of 4.8%. However, the stabilized vacancy rate conclusion is directly in line with the Reis projected five-year submarket vacancy rate of 5.0%. York County has emerged as a growth area in the Charlotte MSA with a short commute to employment centers south of the city such as SouthPark. According to the county, population growth from 2010 to 2019 was 23.9% and major employers in Fort Mill include Ross Stores, LPL Financial, and Lash Group.

In determining GPR, DBRS Morningstar used the appraisal market rent conclusions, with consideration given to the initial leasing at the property. The appraiser's market rent conclusions for the property evidenced an average rental rate of $1,491 per unit, which is higher than the average rent of properties within the York County submarket of $1,153 per unit, and is generally consistent with the average rent for the appraiser's comparable properties presented in the above table.

Give the subject property's new construction and high-level amenities, average rent should exceed the average apartment rent in the submarket. The comparable properties generally have similar amenity packages and are the newest properties in the submarket; hence, market rents for the subject property should generally be consistent with the comparable properties. The average rents for the initial leasing at the property are slightly below DBRS Morningstar market rent conclusion. However, the property is in its early lease-up stages and could begin to push closer to the market rent as construction is completed and the common area amenities are opened for use by the tenants.

The fully funded mortgage loan balance of $40.75 million represents a LTV of 75.3% based on the as-is appraised value of $44.2 million. Based on a higher stabilized appraised value of $57.9 million, the loan will represent a more favorable balloon LTV of 70.4%. The stabilized value of $249,569 per unit is within the range of recent comparable sales as identified by the appraiser of $187,487 per unit to $263,682 per unit. The property is within a light suburban area and has a DBRS Morningstar Market Rank of 3, which is generally correlated with higher rates of default over time. However, the Average + property quality score is beneficial and, overall, the expected loss is less than the pool average.

Transaction Structural Features

Delayed-Close Mortgage Assets: Three loans (Crawford at Grand Morton, Yardz at West Cheyenne, and Serene at Woodlake, representing 11.3% of the initial Cut-Off Date pool balance) have not yet closed but are expected to close on or before the day after the Closing Date. If a Delayed-Close Mortgage Asset closes or funds, as applicable, after the Closing Date but on or prior to the Purchase Termination Date (forty-five (45) days after the Closing Date), amounts on deposit in the Unused Proceeds Account may be applied by the Issuer to acquire such Delayed-Close Mortgage Asset, when and to the extent the Delayed-Close Mortgage Asset closes or funds, as applicable, subject to the Delayed-Close Acquisition Conditions.

On the first Payment Date after the Purchase Termination Date, any amounts remaining in the Unused Proceeds Account up to and including $5,000,000 will be deposited into the Reinvestment Account in accordance with the Indenture. Any amounts in excess of $5,000,000 will be transferred to the Payment Account and applied as Principal Proceeds on such first Payment Date in accordance with the Priority of Payments.

If the Delayed-Close Acquisition Conditions are not satisfied with respect to a Delayed-Close Mortgage Asset on the Purchase Termination Date, the Issuer may acquire such Delayed-Close Mortgage Asset at any time during the Reinvestment Period using Principal Proceeds on deposit in the Reinvestment Account, subject to satisfying the Eligibility Criteria, the Acquisition Criteria, and the Acquisition and Disposition Requirements.

Preferred Shares: The Sponsor will issue the Preferred Shares as part of its issued share capital, and they will not be secured. The Preferred Shares are subordinate to all classes of notes in all respects. The Preferred Shares are not rated.

Collateral Manager: ACRE 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 Manager Standard. The special servicer may be removed with or without cause or a successor special servicer may be appointed, in each case at any time and at the direction of the Collateral Manager.

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 Mortgage Asset or Exchange Mortgage Asset. Pursuant to each Future Funding Participation Agreement, the holder of the related Future Funding Companion Participation (or a qualified transferee) and ACRE Credit Fund I REIT LLC (ACREC REIT) (or such qualified transferee) will be required to indemnify the Issuer, as the holder of the related Collateral Interest, against any losses, claims, damages, costs, expense, 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.

Reinvestment Period: During the Reinvestment Period, the Collateral Manager may, but is not required to, direct the reinvestment of Principal Proceeds and any cash contributed by the holder of the Preferred Shares to the Issuer in Reinvestment Mortgage Assets meeting the Eligibility Criteria, the Acquisition Criteria, and the Acquisition and Disposition Requirements. The Reinvestment Period, assuming no EOD has occurred, terminates at the end of the Due Period related to the Payment Date in April 2023.

The Eligibility Criteria provides that a No Downgrade Confirmation must be received from DBRS Morningstar with respect to the acquisition of Mortgage Assets, except that confirmation will not be required with respect to the acquisition of a Participation if (1) the Issuer already owns a Participation in the same underlying Partitioned Loan and (2) the principal balance of the Participation being acquired is less than $500,000.

No Downgrade Confirmations: Certain events within the transaction require the Issuer to obtain a No Downgrade Confirmation as to the proposed action. DBRS Morningstar will confirm that a proposed action or failure to act or other specified event will not, in and of itself, result in the downgrade or withdrawal of the current rating. The Issuer is not required to obtain a No Downgrade Confirmation for acquisitions of companion participations less than $500,000.

Credit Risk Retention: Under U.S. credit risk retention rules, ACREC REIT will be responsible for compliance with the U.S. credit risk retention requirements and intends to satisfy such requirements through the purchase and retention by a majority-owned affiliate of an eligible horizontal residual interest. In addition, for purposes of EU securitization laws and UK securitization laws, it will retain a material net economic interest of not less than 5% in the securitization indirectly through its 100% membership interests in ACREC 2021-FL1 Retention Holder LLC (the Retention Holder), which will in turn acquire on the Closing Date and directly retain on an ongoing basis a material net economic interest in the form of the Preferred Shares of the Issuer. As of the closing date, the Retention Holder, which is a majority-owned affiliate of ACREC REIT, will acquire 100.0% of the Preferred Shares.

Non-Serviced Loans: As of the Closing Date, each of the Mortgage Loans will be a Serviced Mortgage Loan. However, the Issuer may acquire Reinvestment Mortgage Assets and Exchange Mortgage Assets, which are related to Non-Serviced Mortgage Loans.

Note Protection Tests: Like most commercial real estate collateralized loan obligation 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 the IC or OC tests are not satisfied on any measurement date, Interest Proceeds that would otherwise be used to pay interest on the Class F Notes and the Class G Notes and pay dividends to the Preferred Shares and make certain other payments on the following Payment Date must instead be used to pay principal of first, the Class A Notes, second, the Class A-S

Notes, third, the Class B Notes, fourth, the Class C Notes, fifth, the Class D Notes, and sixth, the Class E Notes, in each case to the extent necessary to cause the Note Protection Tests to be satisfied. If interest proceeds are not sufficient to rebalance the vehicle and satisfy both the IC and the OC tests or pay down the applicable classes, any principal proceeds will be diverted for the same purpose and the Issuer will not be permitted to use principal proceeds for Reinvestment Collateral Interests. The Par Value Test will be satisfied if the Par Value Ratio is equal to or greater than 120.4%. The IC Test will be satisfied if the IC Ratio is equal to or greater than 120.0%.

Administrative Modifications and Criteria-Based Modifications: The Collateral Manager may direct and require the special servicer to process administrative modifications and criteria-based modifications to the mortgage loans, subject to the criteria-based modification conditions. A criteria-based modification may be a modification of significant economic terms of a mortgage loan, such as a reduction of the interest rate, a delay in the required timing of any payment of principal or an extension of the maturity, an incurrence of mezzanine debt or preferred equity, or an increase in the principal balance of such commercial real estate loan that will be allocated solely to the related Companion Participation or Companion Note. An administrative modification may result in changes to borrower financial covenants as to debt service coverage, debt yield, or LTV requirements; yield or spread maintenance provisions; reserve account minimum balance amounts; purposes or waivers of a borrower being required to obtain an interest rate cap agreement in connection with an extension when the extension is for 90 days or less; and also certain changes in the case of a mismatch between the Benchmark Replacement on the Notes and the Benchmark Replacement applicable to such Mortgage Loan.

The criteria-based modification conditions include, among other requirements, that immediately after giving effect to such modification (1) not more than eight criteria-based modifications have been effectuated after the end of the Reinvestment Period; (2) with respect to any criteria-based modification effectuated after the Reinvestment Period, such criteria-based modification does not include an increase in the principal balance of such Mortgage Loan; and (3) no EOD has occurred and is continuing and no Note Protection Test failure exists.

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

Advancing and Backup Advancing: The advancing agent, ACREC Loan Seller LLC, which is a subsidiary of ACREC REIT, will be required to advance interest payments to the extent that interest proceeds are insufficient to cover interest due on the Class A, Class A-S, Class B, Class C, Class D, and Class E Notes (the Offered Notes) subject to a recoverability determination. If the advancing agent fails to make a required interest advance, the backup advancing agent, Wells Fargo Bank, N.A. (rated AA with a Negative trend by DBRS Morningstar), will be required to advance interest payments to the extent that the advancing agent or backup advancing agent deems such advances to be recoverable. Neither the advancing agent nor backup advancing agent will be responsible for advancing future funding obligations or principal payments.

Deferrable Notes: Any interest due on the Class F and Class G Notes that is not paid as a result of the Priority of Payments will be deferred, and failure to pay such interest will not be an EOD. Deferred interest will be added to the outstanding principal balance of such class of notes and will accrue interest.

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

Methodologies

The following are the methodologies DBRS Morningstar applied to assign ratings to this transaction. These methodologies 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.

- *North American CMBS Multi-Borrower Rating Methodology*
- *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*
- *Rating North American CMBS Interest-Only Certificates*
- *Interest Rate Stresses for U.S. Structured Finance Transactions*

Surveillance

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

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

This report is based on information as of September 21, 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.