

Presale Report

Barclays Commercial Mortgage Pass-Through Certificates, Series 2021-1818

DBRS Morningstar

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Capital Structure

Description	Rating Action	Balance (\$)	BLTV (%)	DBRS Morningstar Rating	Trend
Class A	New Rating - Provisional	75,440,000	66.16	AAA (sf)	Stable
Class X-CP	New Rating - Provisional	75,440,000	n/a	AAA (sf)	Stable
Class X-EXT	New Rating - Provisional	75,440,000	n/a	AAA (sf)	Stable
Class B	New Rating - Provisional	16,760,000	58.64	AA (sf)	Stable
Class C	New Rating - Provisional	12,580,000	52.99	A (high) (sf)	Stable
Class D	New Rating - Provisional	32,720,000	38.31	BBB (low)	Stable
Class E	New Rating - Provisional	18,500,000	30.01	BB (low)	Stable
Class E	New Rating - Provisional	19,250,000	21.38	B (low)	Stable
Class G	NR	26,650,000	9.42	NR	n/a
Class H	NR	9,800,000	5.03	NR	n/a
Class JRR	NR	11,200,000	0	NR	n/a
Class R	NR	n/a	n/a	n/a	n/a



DBRS Viewpoint

[Click here to see this deal.](#)

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

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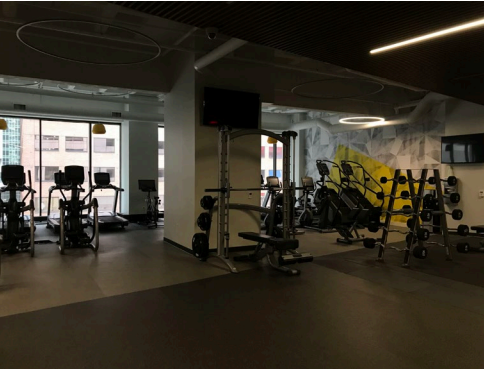
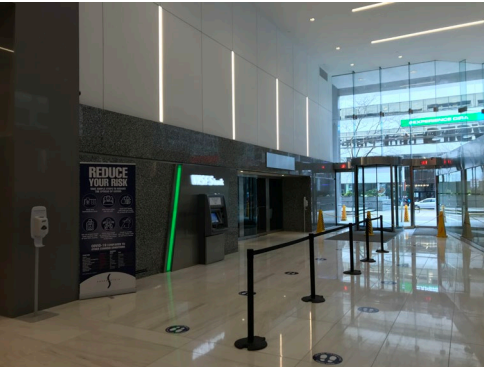
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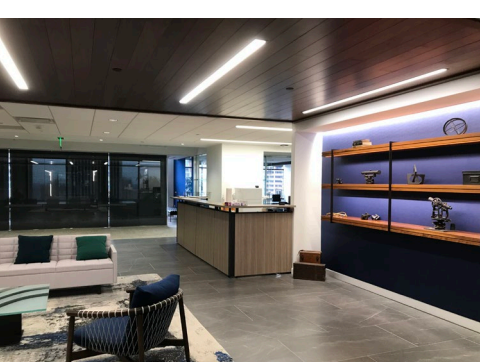
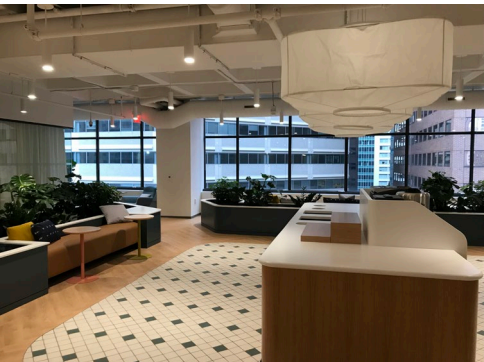
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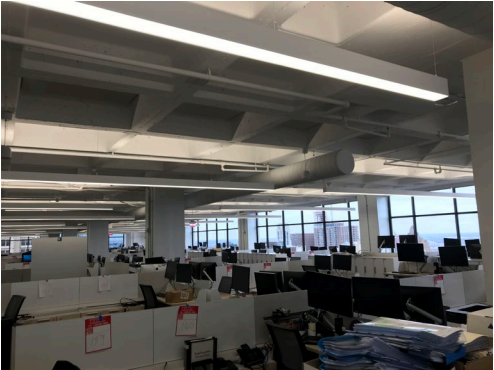
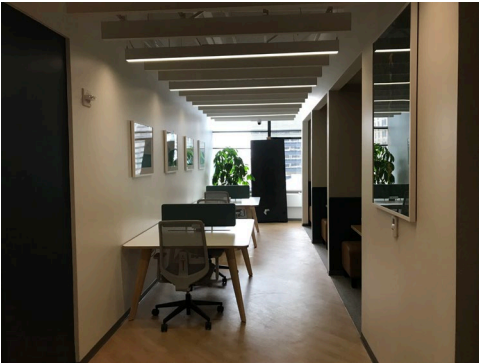
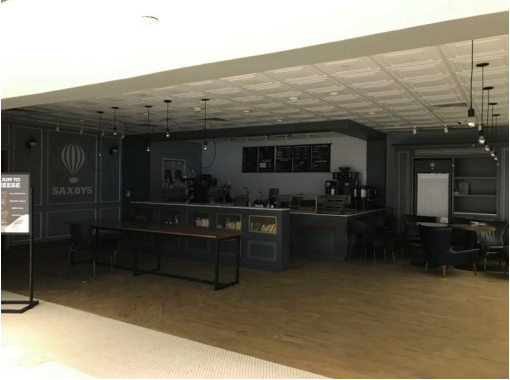
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Collateral Spotlight







Transaction Summary

Trust Characteristics			
Trust Loan Notional Balance (\$)	222,900,000	No. Properties	1
Structure	REMIC	Property Type	Office
Rated Final Distribution Date	March 2036	Location(s)	Philadelphia, PA
DBRS Morningstar BLTV (%)	117.86	DBRS Morningstar Cap Rate (%)	7.00
DBRS Morningstar ELTV (%)	117.86	DBRS Morningstar Value (\$)	189,127,451
DBRS Morningstar Debt Yield (%)	7.96	DBRS Morningstar Value PSF (\$)	189.16
DBRS Morningstar DSCR (x)¹	1.91x	Quality/Volatility Adjustment (%)	2.25
Appraised LTV (%)	79.0	Herfindahl Adjustment (%)	n/a
Issuer UW DSCR (x)²	1.91x	DBRS Morningstar NCF Variance (%)	-15.9

1. Based on a Libor rate of 0.25%. The DBRS Morningstar DSCR is 0.85x when utilizing the 3.50% strike rate in the Libor rate cap agreement.

2. Based on a Libor rate of 0.25%. The issuer DSCR drops to 1.02x when utilizing the 3.50% strike rate based on the rate cap.

Participants	
Depositor	Barclays Commercial Mortgage Securities LLC
Seller/Originator(s)	Barclays Capital Real Estate Inc
Trustee	Wells Fargo Bank, National Association
Servicer	KeyBank National Association
Special Servicer	Rialto Capital Advisors, LLC
Certificate Administrator	Wells Fargo Bank, National Association
Operating Advisor	Pentalpha Surveillance LLC

Rating Considerations

The Barclays Commercial Mortgage Pass-Through Certificates, Series 2021-1818 (BSST 2021-1818) single-asset/single-borrower transaction is collateralized by the borrower's fee-simple and leasehold interest in a Class A office and retail building, 1818 Market Street, in the Market Street West submarket of Philadelphia. DBRS Morningstar takes a generally positive view on the credit characteristics of the collateral based on the property's desirable location and the recent improvements and capital that has been applied by the sponsor.

The building benefits from its recently completed renovations and its strong leasing performance before the Coronavirus Disease (COVID-19) pandemic. The property has seen a rise in occupancy since the sponsor, Shorenstein Realty Investors Eleven L.P, acquired it in 2015. The property also benefits from a desirable office location in Center City, Philadelphia, with below-market rents and strong historical occupancy, which makes it a potentially attractive option for a variety of tenants.

Strengths

- Location and Market** – The property is in the Market Street West submarket of Center City Philadelphia. It has good highway access to I-676, I-76, and I-95 and is near Dilworth Plaza, which offers commuter and subway access to Center City. The Market Street West submarket remains one of the most desirable office submarkets in Philadelphia thanks to its high-quality office buildings and increasing demand with limited new supply. According to CBRE Econometric Advisors (CBRE EA), the Market West submarket vacancy rate is about 1.0% lower than the Philadelphia downtown vacancy rate, and the submarket is expected to outperform the broader metro area over the next several years.

- **Capital Improvements** – The property's sponsor, Shorenstein Realty Investors Eleven L.P, spent more than \$94.1 million (\$94.10 psf) in capital expenditures, tenant improvements, and leasing costs since 2015. These improvements included upgrades to the lobby, elevator, and facade, and the addition of a new tenant-only fitness center and conference center.
- **Occupancy** – Since the sponsor acquired the property in 2015, it has been able to increase occupancy from 79% at the time of acquisition to 86% as of March 2020. Furthermore, since the completion of renovations in 2018, the sponsor has executed approximately 585,000 sf of new or renewal leases at the subject.
- **Below-Market Rents** – The property benefits from below-market rents and flexible extension options for tenants. The WSFS Bank lease contains two five-year extension options. It has been at the property since 2019, after acquiring the former “Beneficial Bank,” which was at the property since the acquisition in 2015. In comparison to the other nearby office properties, 1818 has a lower asking rent, which can attract tenants in the future.
- **Limited Rollover** – The property benefits from having a low lease rollover during the loan term. In the five years of the fully extended loan term, the property is set to have about 29.9% of the NRA and 34.2% of the base rent expiring.

Concerns

- **Coronavirus-Related Risks** – The ongoing coronavirus pandemic continues to pose challenges and risks to virtually all major commercial real estate (CRE) property types and has created uncertainty about future demand for office space, even in gateway markets that have historically been highly liquid. Despite the disruptions and uncertainty, the collateral has been largely unaffected. Collections have averaged more than 97% at the property since April 2020 and the sponsor has offered de minimis coronavirus-related lease amendments at the property. Regardless, leasing velocity at the subject and in the broader submarket has slowed significantly since the onset of the pandemic.
- **Leasehold** – A portion of the property is subject to a leasehold, which will extend 45 years beyond the fully extended loan term. The term of the lease runs through May 2081, at which point the leasehold tenant is obligated to purchase the land at a value determined on a later date by an appraiser.
- **Cash-Out Refinancing** – The sponsor is using loan proceeds to refinance existing debt and is withdrawing approximately \$43.9 million in equity as a part of this transaction. DBRS Morningstar typically views cash-out refinancing transactions less favorably given the reduced alignment of sponsor and certificateholder incentives.
- **High Leverage** – The loan has a DBRS Morningstar LTV of 117.9% on the mortgage loan, which is higher than other recently-analyzed transactions collateralized by office properties in primary markets. The high leverage nature of the transaction, combined with the lack of amortization, could result in elevated refinance risk and/or loss severities in an EOD.
- **Legal and Structural Considerations** –
 - *Certificates Issued in Series:* The subject transaction is the first in a series of issuances based on a novel transaction structure whereby the issuer may periodically offer commercial mortgage pass-through certificates in separate series under one master TSA and offering circular. Each series will have an offering circular supplement and a series supplement to the

TSA. Further, each series will be rated independently of the others, each will have its own priority of payments, and there will be no pooling of risk

- *Libor Elimination and Benchmark Transition* – The underlying mortgage loan for the transaction will pay a floating rate indexed to the one month Libor, which presents potential benchmark transition risk as the deadline approaches for the elimination of Libor. The transaction documents provide for the transition to an alternative benchmark rate, which is primarily contemplated to be either Term Secured Overnight Financing Rate (SOFR) plus the applicable Alternative Rate Spread Adjustment or Compounded SOFR plus the Alternative Rate Spread Adjustment.

Summary of the Debt Capital Structure

Barclays Capital Real Estate, Inc. originated the \$222.9 million floating rate mortgage loan that pays interest of Libor plus 3.440% on an IO basis through the fully extended term of the loan. The loan is structured with an initial term of two years with three one-year extension options.

Debt Structure					
Tier	Debt Amount (\$)	Interest Rate (%)	Payment Terms	DBRS Morningstar DSCR (x) ¹	DBRS Morningstar LTV (%)
Mortgage Loan	222,900,000	Libor + 3.44%	IO	0.85	117.86
Total/WA	222,900,000	Libor + 3.44%		0.85	117.86

1. For floating-rate loans, DBRS Morningstar estimates the interest rate based on the one-month Libor index, which is based on the lower of a DBRS Morningstar stressed rate that corresponded with the remaining fully extended loan 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.

This securitization transaction will be subject to the credit risk retention requirements under Section 15G of the Securities Exchange Act of 1934, as added by Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. An economic interest in the mortgage loan's credit risk is expected to be retained as an "eligible horizontal residual interest" in the form of the Class JRR Certificates. RREF IV-D AIV RR H, LLC, a Delaware limited liability company, is expected to purchase the Class HRR Certificates and will be contractually obligated to retain these classes of certificates for a minimum of five years after the closing date.

Sources and Uses

The sponsor will use the loan proceeds to pay off the existing debt of \$174.1 million, with a return of \$43.9 million of equity, and fund closing costs and ground rent reserves.

Source	Amount (\$)	% of Total	Uses	Amount (\$)	% of Total
Mortgage Loan	222,900,000	100.0	Pay Off Existing Debt	174,136,658	78.1
			Return of Equity	43,913,370	19.7
			Closing Costs	4,774,437	2.1
			Ground Rent Reserve	75,535	0.0
Totals	222,900,000	100.0		222,900,000	100.0

Analytical Metrics

The table below presents DBRS Morningstar's key NCF and valuation metrics compared with the issuer's/arranger's assumptions:

Metric	DBRS Morningstar	Issuer/Arranger
GPR (\$)	32,691,044	32,501,941
NOI (\$)	17,410,682	17,631,458
Replacement Reserves (\$)	249,957	199,966
NCF (\$)	13,400,449	15,931,751
Variance to Arranger NCF (%)	-15.9	n/a
Capitalization Rate (%) ²	7.00	5.65
Concluded Value/Appraised Value (\$) ¹	189,127,451	282,100,000
Value PSF (\$)	189.16	282.15
Mortgage Loan DSCR on NCF (x)	0.85x	1.91x
Mortgage LTV (%)	117.86	79.0

1. The DBRS Morningstar Value is net of a \$2,307,531 deduction for unfunded landlord obligations

2. The Issuer/ Arranger Cap Rate is based on the the issuer's NCF and the appraised value.

Collateral Summary

1818 Market Street is a 37-story, Class A office building on the corner of Market Street and 19th Street in the Market Street West submarket of Philadelphia. The subject, which totals 999,828 sf, was built in 1972 and is 84.2% occupied. The sponsor for the subject transaction, Shorenstein Realty Investors Eleven L.P., acquired the property in April 2015 for \$184.75 million. It has since spent \$94.1 million in capital expenditures, tenant improvements, and leasing costs.



The property, originally designed by Ewing Cole, features premium window lining and setbacks with unobstructed views and allows for natural light and views from all sides. The property also includes a 408-space parking garage on floors two through six, and also includes a large plaza on the corner of Market Street and 19th Street. The building features center-core floor plates and 12'6" ceiling heights. The property amenities feature a fitness center equipped with locker rooms and showers, and a conference room that is available to tenants. The capital improvements made by Shorenstein since 2015 include a \$2.0 million lobby renovation, \$4.5 million in facade repairs, a roof replacement, some light restorations of the hallways, restrooms, elevators, and parking garage. The also spent \$1.3 million to add the fitness center and \$650,000 for the conference center. In addition to these renovations, Shorenstein has spent \$60.6 million since the acquisition on tenant improvements, leasing commissions, and capital expenditures.

Tenant Summary and Lease Terms

The property is 84.2% occupied and benefits from credible tenancy with the top five tenants having a WA lease term of 10.7 years. The property as a whole has a WA lease expiration of 7.5 years. No tenant at the property occupies more than 10% of total NRA. The largest tenant at the property is WSFS Bank, which occupies 9.7% of the total NRA and accounts for 8.9% of the DBRS Morningstar total base rent. WSFS acquired the space following its merger with Beneficial Bank.

Tenant Summary

Rank	Tenant Name	Lease Start	Lease Expiration	Remaining Term (yrs)	NRA (sf)	% of NRA	Base Rent (\$)	Base Rent (\$psf)	Gross Rent (\$)	Gross Rent (\$psf)	% of Gross Rent
1	WSFS Bank	1/1/2014	12/31/2028	7.8	96,807	9.7	2,406,616	24.86	2,909,311	30.05	9.4
2	eResearch Technology	2/15/2020	2/29/2032	11.0	59,376	5.9	2,018,784	34.00	2,080,934	35.05	7.1
3	McCormick Taylor	10/1/2019	12/31/2033	12.9	59,218	5.9	2,187,407	36.94	2,275,095	38.42	7.4
4	Hana	11/1/2020	10/31/2031	10.7	50,745	5.1	1,725,330	34.00	1,783,766	35.15	6.1
5	Berger & Montague	8/13/2018	8/31/2034	13.5	44,165	4.4	1,350,499	30.58	1,402,932	31.77	4.7
6	Medical Guardian	Various	3/31/2026	5.1	35,433	3.5	1,118,620	31.57	1,144,267	32.29	3.8
7	Market Resource Partners	6/1/2018	7/31/2029	8.4	30,234	3.0	1,090,825	36.08	1,153,874	38.16	3.5
8	Coalition of Cancer Cooperative	2/1/2018	1/31/2030	9.0	30,003	3.0	967,669	32.25	1,080,680	36.02	3.5
9	Penn Interactive	11/23/2020	3/31/2028	7.1	29,609	3.0	1,006,706	34.00	1,040,847	35.15	3.5
10	Simon and Simon	5/1/2018	9/30/2023	2.6	29,609	3.0	903,075	30.50	960,935	32.45	3.2
Top 10 Total					465,199		14,775,530		15,832,641		
Total Occupied					852,398	84.2	27,433,476		29,503,657		
Total Vacant					147,430	14.7					
Total/WA Occupied					11.8	999,828	100.0	27,433,476	32.48	29,503,657	34.45

Note: NRA square footage doesn't include 3,244 sf of rooftop amenity space. Lease expirations represent scheduled expirations, exclusive of termination options.

Rollover Schedule

None of the major leases are scheduled to expire through the fully extended five-year loan term. The table below shows the rollover schedule in more detail.

Expiry Year	Expiring SF	% of NRA	Cumulative % of Total SF Expiring	Total Base Rent Expiring (\$)	Cumulative % of Base Rent
2021	40,858	4.09	18.80	925,764.00	3.30
2022	17,258	1.73	20.60	611,688.00	5.50
2023	69,409	6.94	27.50	2,508,561.00	14.40
2024	67,240	6.73	34.20	2,222,807.00	22.40
2025	45,287	4.53	38.80	1,441,453.00	27.50
2026	57,988	5.80	44.60	1,869,382.00	34.20
2027	34,617	3.46	48.00	1,163,541.00	38.30
2028	126,416	12.64	60.70	3,486,372.00	50.80
2029	47,320	4.73	65.40	1,705,131.00	56.90
2030	92,023	9.20	74.60	3,145,595.00	68.10
2031	0	0.00	74.60	0.00	68.10
2032 & Thereafter	253,982	25.40	100.00	8,941,178.00	100.00
Vacant	147,430	14.75	14.70	-	-
Total/WA	999,828	100.00		28,021,472.00	100



WSFS Bank

WSFS Bank is the longest-standing locally managed bank and trust company headquartered in Delaware and the Greater Delaware Valley. It is the primary subsidiary of WSFS Financial Corporation. WSFS operates from 115 offices, located in Pennsylvania, Delaware, New Jersey, Virginia, and Nevada. WSFS provides comprehensive financial services including commercial banking, retail banking, cash management, and wealth management.



eResearch Technology (ERT)

Based in Philadelphia, ERT is a global company specializing in providing clinical services and medical devices to biopharmaceutical and healthcare organizations. The office in 1818 is the headquarters for ERT; it also has nine additional offices in the U.S. and seven offices throughout Europe and Asia.



McCormick Taylor

Based in Philadelphia, McCormick Taylor is a professional consulting firm that specializes in energy services, water resources, civil design, planning, environmental studies, and communications for transportation development projects. It has more than 500 professionals on staff in 20 offices, and it is headquartered out of 1818.

Market Overview

The property is located on the southeast corner of Market Street and 19th Street in the Market West submarket in Philadelphia, Pennsylvania. The Philadelphia central business district is equipped with a diversified economy that is positioned to expand and grow. The Center City market is one of the stronger CBDs in the Philadelphia area as it is responsible for over a third of the jobs in the entire city. Currently, the market's inventory comprises 109.3 million sf of office space, 45.9 million of which is located within the CBD. However, because of the coronavirus pandemic, Center City has experienced an expansive loss, facing a net absorption loss of about 550,000 sf.

The property is in a strong office submarket, however, there is increasing competition from incoming new supply in the area. There are a few build-to-suit projects that are breaking ground within the year, one of which was signed by Morgan, Lewis & Bockius (a Washington, D.C.-based law firm), which is building at 2222 Market Street. Brandywine Realty Trust will break ground in 2021 on 3025 John F.

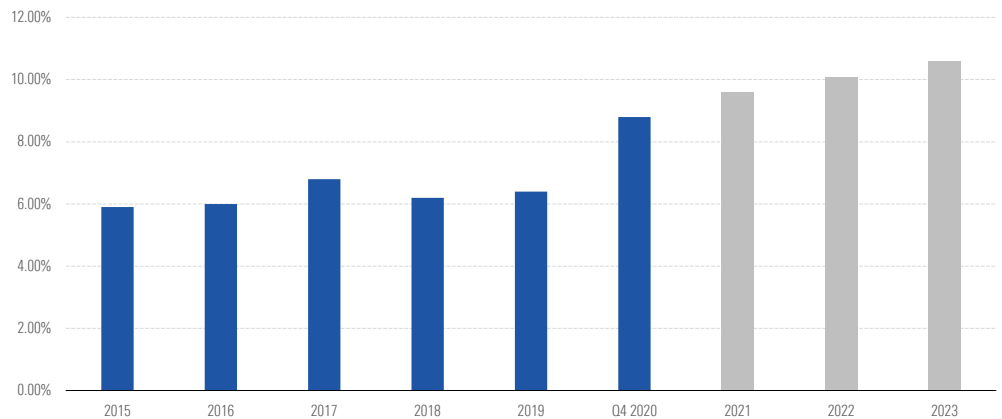
Kennedy Boulevard, which will be a mixed-use residential and office tower. According to Reis, vacancy rates have been somewhat consistent as the current submarket vacancy rate of 14.7% is comparable to the previous three-year historical average of around 14%. Asking rents are projected to decline in the market over the next year from their current position of \$29.90 psf. However, when previous asking rents were increasing by approximately 1.0% per quarter, the growth slowed over the following year.

The property is conveniently located on the southeast corner of Market Street and 19th Street. This location provides ease of access to Philadelphia's City Hall and Rittenhouse Square. The property also is close in proximity to the I-676, I-95, and I-76 highways that offer access to the greater Philadelphia area.

Submarket Trends

According to Reis, the Center City submarket has 38,064,000 sf of inventory, with an 8.8% vacancy rate. The total YTD absorption is -291,359 sf. Although the submarket displayed negative absorption, it is the most desirable office submarket of the Philadelphia CBD, and rental rate averages are now comparable to the rest of the CBD. The asking rent for Class A properties is currently \$29.20 psf. These rent increases are due to limited supply and an increase in demand top quality office space. Some of the older office stock in the city has been converted to residential uses, which has decreased the total supply, while the new office buildings have primarily been build-to-suit projects for tenants such as Comcast Corp. and Morgan, Lewis.

Center City Office Submarket Vacancy (%)



Source: Reis Q4 2020 Submarket Report.

Lease and Rent Comparables

The appraiser identified a variety of competitive buildings and comparable leases in addition to rent comparables, all of which are shown below:

Property	SF	Year Built	% Occupancy	Asking Rent (\$ PSF)
1700 Market Street	841,172	1969	94.6	35.00
2000 Market Street	665,649	1972	91.5	29.00
1601 Market Street	685,852	1968	91.6	29.00
Duane Morris Plaza	617,476	1975	93.8	35.00
1835 Market Street	686,503	1975	83.8	30.00
Total/Weighted Average	699,330	1972	91.2	31.70
1818 Market Street	999,828	1972	83.8	27.44

Source: Appraisal.

Sales Comparables

The appraiser also identified a variety of comparable sale transactions as shown below:

Property	Date Closed	NRA (SF)	Occupancy (%)	Price (\$ million)	\$ PSF	Cap Rate (%)
Independence Blue Cross	Jun-20	800,695	100.0	360.0	449.61	4.85
BNY Mellon Center	Mar-19	1,286,936	83.0	455.0	353.55	6.20
PNC Bank Building	Feb-18	825,968	82.0	160.0	193.71	6.00
2000 Market Street	Jun-18	665,274	98.0	141.1	212.09	6.98
1760 Market Street	Mar-18	126,689	85.0	31.5	248.64	5.40
Total/WA	n/a	741,112	89.2	297.9	309.69	5.98
1818 Market Street	n/a	999,828	83.8	184.7	184.78	7.00

Source: Appraisal.

DBRS Morningstar NCF Analysis

DBRS Morningstar analyzed the property's historical cash flow, occupancy levels, operating expenses, fixed expenses, and capital costs. DBRS Morningstar's revenue and expense estimates, as well as its analytical approach, are discussed below.

EGI – DBRS Morningstar concluded its EGI and all income line items to the actual rent roll provided, including 12 months of contractual rent steps. DBRS Morningstar concluded a 16.1% vacancy rate based on the in-place economic vacancy.

Expenses – DBRS Morningstar concluded most expense line items to the sponsor's budgeted figure.

Management Fee and Fixed Expenses – DBRS Morningstar concluded management fees to the higher of \$1 million or a floor of 1.5% of EGI.

DBRS Morningstar concluded real estate taxes to appraiser's tax estimated. DBRS Morningstar generally concluded insurance expenses based on the actual premiums.

Replacement Reserves and TI/LCs – DBRS Morningstar concluded capex/replacement reserves of \$0.25 psf across all square footage.

DBRS Morningstar based its TI/LC assumptions on a WA \$60.00 psf for new leases and \$20.00 psf for renewals on a 10-year term with a renewal probability of 65% across all office spaces and a WA \$80.00 psf for new leases and \$20.00 psf for renewals on a 10-year term with a renewal probability of 65% across all retail spaces. LCs were generally based on 5.0% for new leases and 2.5% for renewals.

OFFICE				
NCF Analysis				
	Budget - Year 1	Issuer NCF	DBRS Morningstar NCF (\$)	NCF Variance (%)
GPR (\$)	26,997,859	32,501,941	32,691,044	0.6
Recoveries (\$)	1,211,546	1,482,187	1,433,962	-3.3
Vacancy (\$)	0	-4,480,471	-5,111,054	0.0
Other Income (\$)	2,676,787	2,433,677	2,785,568	14.5
EGI (\$)	30,886,192	31,937,334	31,799,520	-0.4
Expenses (\$)	14,063,028	14,305,876	14,388,838	0.6
NOI (\$)	16,823,164	17,631,458	17,410,682	-1.3
Capex (\$)	0	199,966	249,957	25.0
TI/LC (\$)	0	1,499,742	3,760,276	150.7
NCF (\$)	16,823,164	15,931,751	13,400,449	-15.9

DBRS Morningstar Valuation

DBRS Morningstar's concluded capitalization rate for the property was 7.00%. The DBRS Morningstar Value is of \$189.13 million or \$189.16 psf is net of a \$2,307,531 deduction for unfunded landlord obligations.

Appraisal

As part of its analysis, DBRS Morningstar reviewed the appraisal report that Cushman & Wakefield prepared for the property. According to the report, the as-is market appraised value as of January 21, 2021, was \$282 million. The appraiser also concluded a prospective as-stabilized market value of \$314 million as of February 1, 2023. Finally, the appraiser determined a hypothetical market value appraised value of \$279 million, including the ground lease, as of January 21, 2020.

The subject has an appraised land value of \$33 million and a concluded insurable value of \$400 million.

Site Inspection

DBRS Morningstar conducted a site inspection and management tour on March 1, 2021, at 1:00 p.m. Based on the inspection, DBRS Morningstar considers the property quality to be Average.

The property is a Class A office tower on Market Street at 19th Street in Center City Philadelphia. The area is the primary office district in the city and surrounding uses consist of other high-rise office towers and an adjacent hotel. Suburban Station, which serves the regional rail lines into the city, has access points within one block of the property. Other public transit, including the subways, are no more than two blocks from the property. Although built in 1972, the property features well in Center City, which includes a mix of similar vintage office buildings and newer trophy-quality assets such as the Comcast Technology Center.

The building exterior is light colored steel and glass with prominent signage at the roof level for WSFS Bank, the anchor tenant. There is a small plaza on the western end of the building with the main entrance on Market Street. The ground floor retail consists of two banks: Republic Bank and WSFS Bank. Saxby's Coffee, inside the lobby, has been closed during the coronavirus shutdown with no firm reopening date.

The property is in good condition with no obvious deferred maintenance. The lobby is small, but functional. There are no controlled access gates leading to the elevators; however, management noted that employees must scan identification cards near the security desk.

DBRS Morningstar visited the majority of the office suites as well as the amenity floors. Most of the offices were in good condition and reflected the high levels of capex and TI invested at the property. On several floors, the building's management removed old, dated drop ceilings, which provide nearly 12 feet of ceiling height and allowed for more natural light as previously covered windows were opened. Three tenants have interior staircases between their floors. According to their leases, if any of those tenants vacate, the floors must be restored at the tenants' expense. The 31st floor was in the process of buildout for a tenant that had recently signed a lease and the manager reported that the number of tours of vacant space were beginning to increase.

The fitness center is well equipped with free weights, machines, lockers, and showers. Employees in the building could join the gym for \$20.00 per month, a significant discount from private gyms in the area. The conference room is well equipped and available free of charge to all tenants. The garage is at the base of the building, from the second to the sixth floor and is in good condition.

The property has been successful in attracting tenants from other properties in Center City; however, it had also relied on organic growth of its own tenants to grow occupancy. Several tenants have renewed multiple times, with expansions. Management noted that one tenant, Mitchell & Titus, may be vacating but remained in negotiations for a smaller amount of space. In addition, management reported that The Bancorp Inc is subleasing some of its space and that a second tenant had discussed subleasing space, but had not yet proceeded. That second tenant was in the midst of a merger and is now considering retaining the space in order to consolidate its staff at the property.

WSFS Bank, the largest tenant, had space on three floors. WSFS, which is headquartered in Wilmington, Delaware, inherited the space after its acquisition of Beneficial Bank, which had been in

the building since 2014. Management reported that, although the bank had reduced some redundant staff following the acquisition, it consolidated several other Philadelphia-area offices into the subject, and fully uses its space. In addition, the bank's lease requires it to maintain 60,000 sf at the property in order to retain the signage rights. WSFS installed its signage in 2019 at its own expense.

Actual usage of the building during the coronavirus pandemic has been light. Management reported that, at one point, about 10% of the employees had returned to work. However, over the winter, usage has been less than 5% of the staff. The manager reported that during the shutdown, there were occasional requests for rent relief; however, collections have remained at over 95% and the ownership has worked out arrangements with tenants that have been in need of relief.

Please note that DBRS Morningstar published a press release on March 12, 2020, titled "DBRS Morningstar Provides Update on Rating Methodologies in Light of Measures to Contain Coronavirus Disease (COVID-19)" that outlined certain temporary changes to the ratings process, excerpted below, including the suspension of on-site inspections in certain cases:

Where on-site property visits are supporting the ratings process, DBRS Morningstar may rely on a review of other sources to assess a property's physical attributes and position in its respective market, such as the appraisal, property condition report, or other third-party leasing sources; rely on average qualitative adjustments made for past comparable real estate assets; and/or make conservative property quality adjustments in absence of other information.

Rating Rationale

The provisional ratings for BSST 2021-1818 reflect DBRS Morningstar's analysis of the sustainable cash flow and value for the property securing the loan held by the trust; the presence of loan structural features, such as the lack of amortization, and qualitative factors, such as DBRS Morningstar's opinion on the quality of the underlying collateral property, the current and expected performance of the real estate markets in which the property is located, as well as the current and future state of the macroeconomic environment and its potential impact on the performance of commercial properties.

BSST 2021-1818 is supported by the payment stream from the borrower's fee-simple and leasehold interests in 1818 Market Street, a 999,828-sf Class A office building in Philadelphia's CBD. DBRS Morningstar determined the provisional ratings for each class of certificates by analyzing the cash flow generated by the property, giving consideration to the quality and location of the property, fundamentals of the property's real estate market, and legal and structural features of the mortgage loan. DBRS Morningstar's analysis of the property's operations, based on information provided on the arranger's website as of March 12, 2021, yielded a NCF of \$13.4 million. DBRS Morningstar's concluded NCF is 15.9% less than the issuer's underwritten NCF. The DBRS Morningstar NCF resulted in an IO DSCR of 0.85x on the mortgage loan, assuming an interest rate of 6.940% based on a Libor rate of 3.5% plus a spread of 3.44%. DBRS Morningstar valued the collateral at \$189.13 million based on the concluded NCF and a capitalization rate of 7.00%. DBRS Morningstar's valuation resulted in an LTV of 117.86% on the \$222.90 million first-mortgage loan.

DBRS Morningstar determined the ratings on each class of certificates by performing quantitative and qualitative collateral, structural, and legal analysis. This analysis incorporates DBRS Morningstar's *North American Single-Asset/Single-Borrower Ratings Methodology* and the DBRS Morningstar LTV Benchmark Sizing tool.

DBRS Morningstar determined its concluded sustainable NCF and sustainable value of the underlying property by applying its *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*. DBRS Morningstar's maximum LTV thresholds at each rating category were based on the transaction's sequential-pay waterfall, underlying property type, lack of amortization (full-term IO), borrower, trust LTV, mezzanine debt, limited property type and geographic diversity, and other factors relevant to the credit analysis. DBRS Morningstar determined its provisional ratings on the IO certificates based on the lowest rating of the applicable reference obligation, which DBRS Morningstar may or may not elect to notch up one rating, as per its approach to rating IO certificates. Please refer to the updated DBRS Morningstar combined methodology *Rating North American CMBS Interest-Only Certificates* at dbrsmorningstar.com.

DBRS Morningstar adjusted its maximum LTV thresholds (the Quality/Volatility Adjustment) to account for the following factors:

1. **Cash Flow Volatility:** The sponsor derives its in-place base rent from a diverse rent roll of 61 tenants with a general mix of finance, tech, legal, and consulting businesses. The largest tenant, WSFS Financial Corp. occupies 9.7% of the NRA and accounts for 9.2% of the base rent. No other tenant exceeds 6.0% of the NRA or 7.8% of the base rent. Approximately 29.9% (NRA) of the tenants rollover during the extended term of the loan; however, the rollover in any one year doesn't exceed 7.0%. The rent roll has a WA scheduled remaining lease term of approximately 7.5 years, which is beyond the fully extended loan term although there might be some concern when this loan has to be refinanced. As a result of these factors, DBRS Morningstar elected to increase its LTV thresholds by 1.0% to account for the relatively low cash flow volatility.
2. **Property Quality:** Originally built in 1972, the property was acquired by the sponsor in 2015 and has since undergone a \$94.1 million renovation between 2016 and 2018, including common area upgrades, elevator modernization, lobby improvements, and a new fitness center and conference center as amenity spaces. The property is LEED Silver certified. As a result, DBRS Morningstar elected to increase its LTV thresholds by 1.25% to account for the improved property quality.
3. **Market/Location:** The property is located in the Market West submarket of Philadelphia. It benefits from proximity to major highways such as I-95, I-76, and I-676, which offer access to the greater Philadelphia metro area. The property also has good access to public transport being close to the Amtrak 30th Street Station as well the 19th Street trolley station. However, DBRS Morningstar is concerned about incoming new supply in the area. There are a few build-to-suit projects that are breaking ground within the year, one of which was signed by Morgan, Lewis & Bockius (a Washington, D.C.-based law firm), which is building at 2222 Market Street. Market

vacancy rates have consistently ranged between 14% & 15% and Reis projects a decline in market asking rents in the near term. DBRS Morningstar did not make any adjustments to its LTV thresholds based on the property's location.

Priority of Payments

The Sequential Pay Certificates will be paid based on the following priority: First, Class A; second, Class B; third, Class C; fourth, Class D; fifth, Class E; sixth, Class F; seventh, Class G; eighth, Class H; and ninth, Class JRR. On each distribution date, funds available for distribution will be distributed in the following amounts (in each case to the extent of remaining available funds):

1. Class A, Class X-CP, and Class X-EXT Certificates then outstanding: (A) first, to interest on such certificates, up to, and pro rata in accordance with, their respective interest entitlements; (B) next, to the Class A Certificates then outstanding, up to the principal distribution amount for such class and for such distribution date until their certificate balance is reduced to zero, and then (C) to reimburse Class A Certificates then outstanding for any previously unreimbursed losses previously allocated to such classes of certificates.
2. After the Class A, Class X-CP, and Class X-EXT Certificates are paid all amounts to which they are entitled, the remaining funds available for distribution will be used to pay interest and principal to the Class B, Class C, Class D, Class E, Class F, Class G, Class H, and Class JRR Certificates sequentially, in that order, in a manner analogous to the Class A Certificates in (1) above until the certificate balance of each such class is reduced to zero.

Loan-Level Legal and Structural Features

Security: The loan is secured by a first lien mortgage on the Borrower's fee and leasehold interests in the property, including the parcel of real property, the improvements thereon, and all personal property owned by the Borrower encumbered by the mortgage, together with certain rights pertaining to the property and the improvements.

Borrower, Sponsor, and Guarantor: The borrower is SRI Eleven 1818 Market, L.P., a Delaware limited partnership. The Borrower is indirectly wholly-owned and managed by Shorenstein Realty Investors Eleven, L.P. (Shorenstein). Shorenstein executed a nonrecourse guaranty guaranteeing certain obligations and liabilities of the Borrower to the lender under the mortgage loan agreement. In lieu of an upfront reserve, the Guarantor executed an unfunded obligations guaranty guaranteeing all of outstanding tenant improvements, leasing commissions, free/gap rent owed to tenants and any other outstanding tenant allowances. As of the origination the total unfunded obligations amounted to approximately \$2.31 million.

Cash Sweep Period: A cash sweep period will commence upon the occurrence of (1) an EOD or (2) a debt yield of less than 7.0% for two consecutive calendar quarters. During a cash sweep period, all revenue from the property remaining after payment of debt service, making reserve and escrow

deposits, and funding budgeted operating expenses will be retained in a lender controlled cash management account as additional collateral for the loan.

Reserves: As part of the mortgage loan, the borrower deposited \$75,534.87 of upfront reserves to fund three months of ground rent. Additionally, the loan agreement stipulates ongoing reserves in the amount of \$0.20 psf per year for replacement reserves and \$1.50 psf per year for tenant rollover costs, subject to the cash management sweep period. Furthermore, the loan agreement stipulates monthly deposits to cover annual real estate tax payments (estimated at origination to be \$27,627.78 per month) and annual ground rent payments (estimated at origination to be \$25,178.29 per month).

Recourse Carveouts: Recourse on the mortgage loan is generally limited to the property and other assets that have been pledged as collateral for the loan. Standard nonrecourse carveout liabilities for actual losses incurred, fraud, willful misconduct which results in material physical waste, removal, or disposal of any portion of any property after an EOD, misappropriation of funds, and voluntary encumbering of the property for secured debt without lender consent are all included in the carveout guaranty.

Prepayment Provisions: The mortgage loan is prepayable in whole or in part at any time, subject to a spread maintenance premium if prepaid prior to the March 2022 payment date for prepayments related to casualty/condemnation, so long as no event of default is continuing. All prepayments are subject to borrower reimbursing the lender for Libor breakage costs.

Permitted Transfers: The borrower is generally permitted to transfer ownership interest so long as (1) no EOD has occurred; (2) the transferee has is a Qualified Transferee; (3) is able to remake the borrowers' representations and comply with the borrowers' covenants; and (4) within seven years of the transfer, the transferee has not been party to any bankruptcy proceedings, made an assignment for the benefit of creditors, or taken advantage of any insolvency act, or any act for the benefit of debtors or the subject of any material governmental or regulatory investigation which resulted in a final, nonappealable conviction for criminal activity involving moral turpitude or a civil proceeding and found liable in a final nonappealable judgment for attempting to hinder, delay, or defraud creditors.

A Qualified Transferee is (1) an entity approved by the lender subject to a Rating Agency Confirmation, or (2) any bank, investment bank, insurance company, pension plan, pension fund, pension advisory fund, university endowment, sovereign wealth fund or similar entity that has (i) total assets (owned or under management) in excess of \$750,000,000 (except with respect to a pension advisory firm or similar fiduciary), and capital/statutory surplus or shareholder's equity in excess of \$325,000,000, excluding the property, and (ii) owns not less than five Class A office buildings having an aggregate square footage of not less than 2,000,000 sf, excluding the property.

Property Management: The initial property manager is Shorenstein Realty Services, L.P. and the property is required to be managed by an affiliate of the borrower or a lender approved manager. If the property manager becomes insolvent, in the event of a material default by the property manager, or in the event of default under the loan agreement, the lender has the right to terminate the management agreement

and appoint a replacement manager. The management agreement commenced on April 21, 2015, and the initial term expired on April 20, 2018; however, the property management agreement renews automatically annually unless either party to the agreement provides 30 days' notice to terminate the management agreement. The annual fee per the agreement is 3.00% of the EGI, subject to a minimum of \$1.01 psf.

Insurance: The Property is insured pursuant to a blanket insurance policy. The all-risk insurance policy currently insuring the Property includes an \$650,000,000 limit per occurrence and reinstating after every loss, with a deductible of \$100,000 per occurrence. In addition, the borrower is required to obtain for the mutual benefit of the ground lessor and the borrower, personal injury and property damage liability insurance for the leasehold property and improvements of not less than \$1,000,000 in respect of bodily injury or death to any one person and not less than \$3,000,000 in respect of any one occurrence, and of not less than \$25,000 for any property damage.

Casualty and/or Condemnation Proceeds: The threshold for any casualty or condemnation insurance proceeds to be deposited into a lender-controlled account is greater than 5% of the outstanding mortgage loan principal balance. Net insurance proceeds in the case of a casualty will be made available to the borrower if less than 30% of the total floor area of the property improvements has been damaged, destroyed, or rendered unusable. Net insurance proceeds in the case of a condemnation will be dispersed to the borrower if less than 10% of the land constituting any property is taken and (1) such land is located along the perimeter or periphery of such property, (2) no portion of the improvements is located on such land, and (3) the individual property continues to comply with all applicable legal requirements. For both a casualty and condemnation, restoration is required if the net insurance proceeds equal or exceed the cost to rebuild. Disbursement of net insurance proceeds requires that leases demising in the aggregate equal to or greater than 90% of the total rentable space in the demised individual property be in effect as of the date of the occurrence and remain in full force and effect during and after the restoration completion.

If at any time, in the lender's reasonable opinion in consultation with the casualty consultant, the net insurance proceeds are determined to be insufficient to pay the full balance of the costs estimated to be incurred in connection with the restoration completion, the borrowers will deposit the deficiency before any further disbursement of the net insurance proceeds are dispersed.

Rating Agency Confirmation (RAC): RAC may have certain timing restrictions and/or not be required over certain material loan amendments, modifications, borrower requests, and/or material amendments to the TSA or mortgage loan purchase agreement. In addition, RAC may be requested and/or notice of such items may be provided to the rating agency after such items are effectuated. Because the rating agency may obtain knowledge of these various items later, surveillance activities and any related rating adjustments may occur later than if RAC and/or prior notice of such items was provided.

Floating Rate: The loans have a floating rate initially based on Libor. To mitigate the borrower's exposure to increases in Libor, the loan documents for each loan require borrower to enter into a rate cap

agreement with a Libor strike rate of 3.50% for the initial term of the loan and a Libor strike rate that would result in at least a 1.10x Issuer DSCR for the extension terms.

Libor Benchmark Transition: The mortgage loan pays floating-rate interest, initially based on a spread to Libor, which is anticipated to be phased out by the June 2023. The offering documents include a mechanism for a replacement index and the orderly conversion to such index in the order described below, based on what can be determined by the mortgage lender on the Benchmark Replacement Date (as defined in the offering documents), provided that the alternate rate index rate cannot be less than the rate index floor:

1. The sum of: (1) Term SOFR and (2) the Alternate Rate Spread Adjustment.
2. The sum of: (1) Compounded SOFR and (2) the Alternate Rate Spread Adjustment.
3. The sum of (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body for the applicable Corresponding Tenor as the replacement for the then-current Benchmark and (b) the applicable Alternate Rate Spread Adjustment;
4. The sum of (a) the ISDA Fallback Rate and (b) the applicable Alternate Rate Spread Adjustment;
or
5. The sum of (a) the alternate rate of interest that has been selected by the lender as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to the then-prevailing market convention for determining a rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated stand-alone floating rate CMBS loans at such time and (b) the applicable Alternate Rate Spread Adjustment;

Transaction Legal and Structural Features

Certificates Issued in Series: The issuer will periodically offer commercial mortgage pass-through certificates in separate series under one master TSA and offering circular. Each series will have an offering circular supplement and a series supplement to the TSA. Each series. Further, each series will be rated independently of others, will have its own priority of payment, and there will be no pooling of risk.

Realized Losses: On each distribution date, any realized losses on the trust loan will be allocated to the Class JRR, Class H, Class G, Class F, Class E, Class D, Class C, Class B, and Class A Certificates, in that order, in each case until the certificate balance of that class has been reduced to zero. The notional amount of the Class X-CP and Class X-EXT Certificates will be reduced by the amount of realized losses allocated to the Class A Certificates.

Appraisal Reductions: Following the date on which either (1) the trust loan is 60 days delinquent (90 days with respect to a balloon payment unless a refinancing is anticipated within 120 days of the loan maturity) or (2) certain other adverse events affecting the trust loan (as detailed in the offering circular) have occurred, such as borrower bankruptcy or the property becoming REO, the special servicer will be required to obtain a new appraisal for the property. Based on the new appraisal, the amount of delinquent trust loan interest payments on the trust loan subsequently advanced to certificateholders

and the Class JRR interest owner may be reduced, the identity of the controlling class representative may change, and the voting rights of certain classes of certificates may be reduced.

Control Rights: Prior to the occurrence and continuance of a control termination event, the controlling class representative will have the right to replace the special servicer at any time with or without cause, and will have certain consent rights regarding major decisions with respect to the trust loan. After the occurrence and during the continuance of a control termination event, these consent rights will terminate and the controlling class representative will instead have certain consultation rights until the occurrence of a consultation termination event. After the occurrence and during the continuance of a consultation termination event, no class of certificates will be entitled to appoint a controlling class representative or have rights under the TSA to consent to or consult on actions of the servicer or special servicer. Additionally, if appraisals performed in accordance with the TSA would result in a control termination event, the controlling class holder has the right to challenge the value concluded in those appraisals.

The directing certificateholder will be the controlling class certificateholder (or its representative) selected by holders of more than 50% of the controlling class by certificate balance. No borrower affiliate may be appointed as or act as the directing certificateholder. It is anticipated that the initial directing certificateholder will be RREF IV-D AIV RR H, LLC. The controlling class will be the Class JRR Certificates until the occurrence of a consultation termination event.

A control event will occur, with respect to any date of determination, if the certificate balance of the Class JRR Certificates is reduced to less than 25% of the initial certificate balance of such class. If a control event no longer exists, then the controlling class will regain all the consent and direction rights of the controlling class as described in the offering circular. The certificate administrator will be required to post a "special notice" of the occurrence or cessation of a control event or a consultation termination event on the certificate administrator's website.

Replacement of the Special Servicer: The special servicer under the TSA may be removed, with or without cause, and a successor special servicer appointed, from time to time, as follows: (1) for so long as no control termination event has occurred and is continuing, the special servicer may be replaced by the controlling class representative with or without cause at any time; or (2) after the occurrence and during the continuance of a control termination event, the holders of at least 25% of the voting rights of the principal balance certificates may request a vote to replace the special servicer. The subsequent vote may result in the termination and replacement of the special servicer if the holders of at least 66 2/3% of the voting rights of the sequential pay certificates and any Class VRR certificates that so vote to replace.

Amount of Workout, Liquidation, and Special Servicing Fees: The workout fees and liquidation fees payable to the special servicer, if any, will be limited to 0.375% of each collection of interest and principal following a workout and 0.375% of liquidation proceeds, subject to a cap of \$1,200,000 per workout or liquidation. Special-servicing fees during the continuance of a special servicing event are limited to 0.25% per annum, payable monthly.

The special servicer will not be entitled to any liquidation with respect to the whole loan if it becomes specially serviced because of a balloon default and is paid off within 90 days of the initial maturity date as a result of a refinancing or other final payment (other than a discounted payoff) obtained by the borrowers.

Obligation of Borrower to Pay Fees: The borrower is obligated to pay liquidation, workout, and special-servicing fees. The special servicer is required to take reasonable efforts to collect such fees from the borrower.

Offsetting of Modification Fees: Modification fees are fees with respect to a modification, extension, waiver, or amendment that modifies, extends, amends, or waives any term of the loan documents, other than (1) any assumption fees, loan service transaction fees, consent fees, or assumption application fees; and (2) liquidation, workout, and special servicing fees. All modification fees actually paid to the special servicer in connection with a workout or liquidation or in connection with any prior workout or partial liquidation that occurred within the prior 18 months will be deducted from the total workout and/or liquidation fees payable, other than modification fees earned while the whole loan was not in special servicing).

Credit Risk Retention: This securitization transaction will be subject to the credit risk retention requirements of Regulation 15G of the Securities Exchange Act of 1934, as amended. An economic interest in the credit risk of the trust loan is expected to be retained as an "eligible horizontal interest" in the form of the Class JRR Certificates. RREF IV-D AIV RR H, LLC, a Delaware liability company, will be contractually obligated to retain these classes of certificates for a minimum of five years after the closing date, subject to certain permitted exceptions provided for under the credit risk retention rules. Rialto Capital Advisors, LLC, the expected special servicer for this transaction is an affiliate of RREF IV-D AIV RR H, LLC. During this time, RREF IV-D AIV RR H, LLC will agree to comply with hedging, transfer and financing restrictions that are applicable to third-party purchasers under the credit risk retention rules.

Forbearance Related to the Coronavirus: The master servicer or the special servicer, as applicable, may grant a forbearance on the whole loan related to the global coronavirus pandemic only if (1) prior to March 25, 2021, the period of forbearance granted, when added to any prior periods of forbearance granted before or after the trust acquired the whole loan (whether or not such prior grants of forbearance were specifically covered by Revenue Procedure 2020-26), does not exceed three months (or such longer period of time as may be allowed by future guidance that is binding on federal income tax authorities) and such forbearance is specifically covered by Revenue Procedure 2020-26; (2) such forbearance is permitted under another provision of the TSA and the requirements under such provision are satisfied; or (3) an opinion of counsel is delivered to the effect that such forbearance will not result in an Adverse REMIC Event.

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 Single-Asset/Single-Borrower Ratings Methodology*
- *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*
- *Rating North American CMBS Interest-Only Certificates*

Surveillance

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

Notes:

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

This report is based on information as of March 18, 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](https://www.dbrsmorningstar.com).



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