

To: International Stock Exchange Limited

Date: 12 December 2024

LONDON OFFICE 2021 DAC

**(a designated activity company limited by shares incorporated under the laws of Ireland having its registered office at 3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland and registered with company number 675764)
(the 'Issuer')**

**£31,207,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2026
(the 'Class B Notes')**

**£100,000 Class XB Commercial Mortgage Backed Fixed Rate Notes due 2026
(the 'Class XB Notes' and, together with the Class B Notes, the 'Notes').**

The Notes are admitted to trading on The International Stock Exchange (the 'Exchange').

We refer to the master definitions and construction schedule dated 16 December 2021 (the '**Master Definitions and Construction Schedule**'). Capitalised terms used herein and not specifically defined will have the same meaning as given to that term in the Master Definitions and Construction Schedule.

Asset Status Report:

Following the Loan becoming a Specially Serviced Loan as of 21 October 2024, the Special Servicer has prepared an Asset Status Report with respect to the Loan and the Property.

A summary of this Asset Status Report is scheduled to this notice.

The Special Servicer will provide further updates in the coming weeks.

Contact name and e-mail address for queries:

Email: CMBSInvestors@situsamc.com

This notice is given by

LONDON OFFICE 2021 DAC

as Issuer

Date of notification: 12 December 2024

Schedule
Summary of Asset Status Report



12th December 2024

London Office 2021 DAC – Milton Gate Loan

Summary of Asset Status Report

With reference to:

- (a) a loan agreement dated 18th August 2021 of £164,250,000 ("**Securitised Senior Loan**") advanced by J.P. MORGAN SECURITIES PLC to AMBER MILTON GATE BIDCO LIMITED ("**Borrower**") which was subsequently transferred to London Office 2021 DAC on 16th December 2021; and
- (b) a Servicing Agreement dated 16 December 2021 entered amongst others between – LONDON OFFICE 2021 DAC (as "**Issuer**"), U.S. BANK TRUSTEES LIMITED (as "**Issuer Security Trustee**" and "**Trustee**") and Situs Asset Management Limited (as "**Senior Facility Agent**", "**Senior Facility Security Agent**", "**Servicer**" and "**Special Servicer**") ("**Servicing Agreement**") pursuant to which the Milton Gate Loan was serviced.

Terms not defined in this summary shall have the meaning given to them in the Servicing Agreement and the Securitised Senior Loan.

- A Special Servicing Transfer Event occurred in respect of the Securitised Senior Loan on 21st October 2024.
- As per Clause 12.3 of the Servicing Agreement, if a Special Servicer Transfer Event occurs, the Special Servicer shall prepare an **Asset Status Report** with respect to the Securitised Senior Loan and the Property no later than 60 days after the occurrence of such Special Servicer Transfer Event.
- As per Clause 12.5(a) of the Servicing Agreement, the Special Servicer shall deliver to the Issuer and the Trustee a draft form of a proposed notice to the Debt Holders that will include a summary of the current Asset Status Report prepared in accordance with the provisions of Clause 12 of the Servicing Agreement (which, in summary shall be a brief summary of the current status of the Property and current strategy with respect to the Securitised Senior Loan) (the "**Summary**").
- As per Clause 12.5(b) of the Servicing Agreement, the Issuer is required to publish such notice with a Regulatory Information Service filing or equivalent filing, if any, that complies with the requirements of the relevant exchange on which the Notes are listed and applicable law.
- This document is the Summary.
- Property Status:
 - At the time of the transfer of the Securitised Senior Loan to special servicing on 21st October 2024 the Securitised Senior Loan was secured by a single office asset located in the City of London (the "**Property**").
 - 201,666 sq ft. of the Property was let to a single tenant, for one year (the "**Lease**") with an option to terminate the Lease on or around 30th May 2025 (the "**Break Option**").
 - The tenant has now served notice to terminate the Lease under the Break Option and the Lease will therefore terminate on 30th May 2025.

- The full amount of the rent due up to and including 30th May 2025 was paid at the most recent Interest Payment Date and no further rent will be received between now and 30th May 2025.
- The Sponsor has also been in discussions with the City of London for many months with regards to obtaining full planning permission for the wholesale re-development of the asset (the “**Planning Permission**”). The Planning Permission has yet been obtained.

Strategy:

- The Special Servicer has discussed Loan extension options with the Operating Advisor and the Sponsor. No agreement has been reached.
- Discussions have also been had around the injection of additional equity however, nothing was determined and agreed, and this was not pursued any further.
- The Special Servicer has investigated various exit strategies to maximise recoveries to the Debt Holders including (a) consensual sale of the Property, (b) enforcement of the Loan Security (including, enforcement of the mortgage over the Property and sale of the Property and enforcement of the Loan Security over the Obligors and sale of the units in the Property owner and/or shares in the Borrower), (c) appointment of receivers to manage the Property and to execute any of (a) or (b) above, and (d) a sale of the Securitised Senior Loan).
- In connection with the above, the Special Servicer instructed external legal counsels (A&O Sherman for English Law and Ogier for Jersey Law) to carry out a security review and to assess various enforcement options and advise the Special Servicer accordingly.
- We set out below a brief summary of the Special Servicer’s conclusions with regard to each potential course of action:

Consensual Sale – (Estimated recovery - £100m - £105m) (“**Property Sale**”)

- Given the Sponsor has not yet obtained the Planning Permission, the view of the Valuer is that a consensual sale would provide circa GBP 100m for the asset and GBP 105m for the SPV (assuming that £7,000,000 is spent on capex which is not available).

Loan Security Enforcement – (Estimated recovery between £75m - £90m) (“**Enforcement**”)

- The Special Servicer’s legal advisers have concluded that the Security Agent may enforce the Mortgage over the Property (and sell the Property or appoint a Receiver to sell the Property) or enforce the Loan Security over the units in the Property Owner and sell it. However, any enforcement of the Loan Security would be a costly exercise (the Special Servicer understands that a typical receiver’s sales fee could be anywhere between 50 bps and 100 bps of the sale proceeds and legal fees can be significant) and would be typically taken only if a willing buyer was found. Noting, if the process is seen as a forced sale, rather than enforcement of security, it may result in reduced sales proceeds.

Loan Sale - £131,400,000 (“**Loan Sale**”)

- JPM as Controlling Class and Class A Lender, have submitted a non-binding offer to purchase the Securitised Senior Loan by way of a "credit bid in the amount of GBP 131,400,000, representing a portion of the Class A Loan and the Issuer Loan". This includes "the forgiveness by the Class A Lender and the Issuer Lender of all additional amounts payable by the Issuer in respect of the Class A Loan and the Issuer Loan respectively". This also includes the payment of "reasonable" pre-agreed costs of the Parties in relation to the orderly liquidation of the transaction constituted in the Issuer Transaction Documents. No competing bid has been received from the Class B Noteholder.

Conclusion and Recommendation

- The Special Servicer (acting in accordance with the Servicing Standard) having considered all options open to the Special Servicer, including the Property Sale, the Enforcement and the Loan Sale, is of the opinion that on the basis that the recoveries on Property Sale or Enforcement will be substantially lower than that achieved on a Loan Sale and such processes will take significantly longer to implement and are open to significantly greater risks and wider real estate market dynamics, the maximum return to the Debt Holders is represented by the Loan Sale.