

European CMBS Special Notices Summary Q1 2024

April 16, 2024

This report does not constitute a rating action



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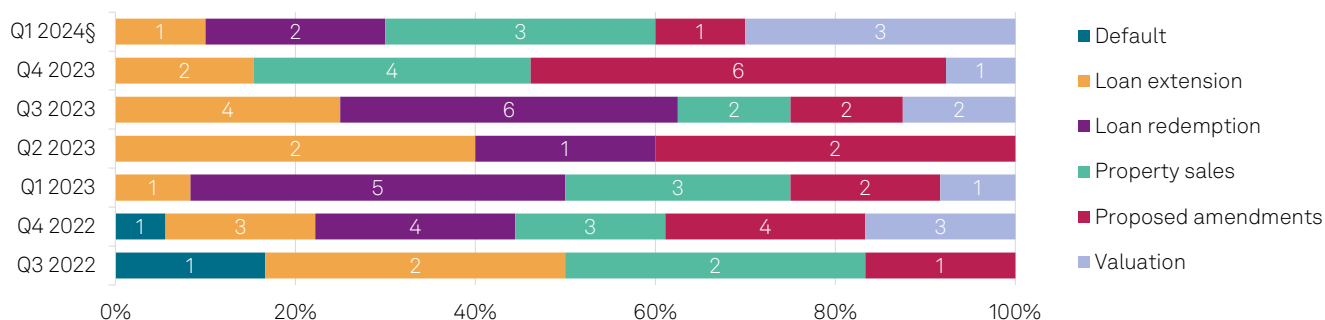
S&P Global Ratings' new publication, "European CMBS Special Notices Summary," provides a comprehensive overview of European commercial mortgage-backed securities (CMBS) updates at the transaction level, offering analysts' summaries. These are derived from analyzing special notices, reported quarterly reports data, and the latest market developments. We provide additional insights--through our reporting on the special notices--to enhance transparency and understanding for investors to see the impact of changing market dynamics on European CMBS transactions.

During the fourth quarter of 2023 and early 2024, we received 20-plus special notices. Within this report, we focus on a subset of these notices, specifically on the ones that have a significant impact on the transactions. Of these notices, 25.7% relate to loan redemptions, while 23% involve proposed amendments such as loan extensions, new interest rate cap agreements, and extensions of the liquidity commitment. In addition, 9.5% pertain to property valuation or property sales. Over the last two years, 18.9% of reports received were for loan extensions, and 20.3% were for property sales.

Chart 1

Types of special notices by quarter

2022-2024*



*We receive notices in other categories (this is not an exhaustive list), including extraordinary resolutions; tender offer; form of notice of cancellation of listing; and certificate of negative confirmations, noteholder meeting, note calculation, and quarterly report release. These are not included in this report as these notifications do not have any impact on the transaction and are primarily for notification purposes.

Summary Of CMBS Special Notices We've Received

Deal name	Published date	Type of special notice
Berg Finance 2021 DAC	March 14, 2024	Loan extension
Taurus 2021-5 UK DAC	March 8, 2024	Valuation
Highways 2021 PLC	March 1, 2024	Valuation
Starz Mortgage Securities 2021-1 DAC	Feb. 20, 2024	Proposed amendments
Taurus 2019-4 FIN DAC	Feb. 14, 2024	Property sales
Oranje (European Loan Conduit No. 32) DAC	Feb. 12, 2024	Property sales
Magenta 2020 PLC	Jan. 18, 2024	Valuation
Canary Wharf Finance II PLC	Jan. 4, 2024	Loan redemption--full
Canary Wharf Finance II PLC	Jan. 4, 2024	Property sales
Highways 2021 PLC	Dec. 19, 2023	Proposed amendments--loan extension
Salus (European Loan Conduit No. 33) DAC	Oct. 17, 2023	Proposed amendments--extension of the liquidity commitment
Oranje (European Loan Conduit No. 32) DAC	Oct. 5, 2023	Proposed amendments--new interest rate cap agreement

Berg Finance 2021 DAC

Notice summary--loan extension

On March 14, 2024, we received a special notice regarding a loan extension granted to the last remaining loan of the pool. Upon satisfaction of agreed conditions, Sirocco loan has been granted a 12 -month extension, now maturing on April 15, 2025.

We last reviewed the transaction in November 2023 when we affirmed the class A rating and raised our ratings on the class B to E notes.

Transaction overview: Berg Finance 2021 DAC

	Closing	Current
As of date	May 2021	January 2024
Type	True sale	True sale
Deal status		Current
Last review date		Nov. 10, 2023
Sum of securitized loan balance (eop)		
Loan balance (€)	150,800,000	49,744,039
Whole loan balance (eop)		
Loan balance (€)	150,800,000	49,744,039
Number of loans	2	1
Number of properties	4	1
Market value		
Market value (€)	237,500,000	108,700,000

Taurus 2021-5 UK DAC

Notice summary--valuation

On March 8, 2024, we received a special notice regarding an updated valuation of the portfolio. An updated valuation was received on Oct. 31, 2023, based on a special assumption of a portfolio sale, which now stands at £3,893,422,500 (inclusive of the 8.23% portfolio premium). compared to £3,965,730,831 as of October 2022.

Transaction overview: Taurus 2021-5 UK DAC

	Closing	Current
As of date	November 2021	February 2024
Type	True sale	True sale
Deal status	Current	
Last review date	May 4, 2023	
Sum of securitized loan balance (eop)		
Loan balance (£)	2,196,000,000*	2,354,258,058
Whole loan balance (eop)		
Loan balance (£)	2,196,000,000*	2,354,258,058
Number of loans	1	1
Number of properties	43	43
Market value		
Market value (£)	3,293,255,000	3,893,422,500

*Represents only a portion of the £169 million capex loan drawn. Our rating assumes the capex loan to be fully drawn which equates to £2.359 billion.

Highways 2021 PLC

Notice summary--proposed amendment: loan extension

On Dec. 19, 2023, we received a special notice for a proposed amendment to extend the loan. As per the special notice, on Sept. 15, 2023, CBRE Loan Services Ltd. received a formal request from Freehold Bidco Ltd. to push back the loan initial repayment date as per their senior facility agreement. Concurrently, CBRE also got confirmation that the hedging agreement is renewed until Dec. 16, 2024, aligning with the extended repayment date. Importantly, no defaults exist currently or would arise due to this extension. Thus, meeting all required conditions, the loan initial repayment date is now set for Dec. 16, 2024.

Since closing, the loan is hedged via a swap with Goldman Sachs International with a swap rate of 1%.

Notice summary--valuation

On March 1, 2024, we received another special notice highlighting the new valuation of the portfolio. CBRE Loan Services Ltd. (the servicer) has received an updated valuation report from Knight Frank LLP, dated Dec. 31, 2023.

According to Knight Frank LLP, considering certain assumptions and disclaimers, the total market value of the properties is £429,060,000, representing a decrease of £15,640,000 (3.52%) since the 2022 valuation.

Transaction overview: Highways 2021 PLC

	Closing	Current
As of date	December 2021	December 2023
Type	True sale	True sale
Deal status	Current	
Last review date	April 27, 2023	
Sum of securitized loan balance (eop)		
Loan balance (£)	264,500,000	264,500,000
Whole loan balance (eop)		
Loan balance (£)	264,500,000	264,500,000
Number of loans	1	1
Number of properties	8	8
Market value		
Market value (£)	466,500,000	429,060,000

Starz Mortgage Securities 2021-1 DAC

Notice summary--proposed amendments--waivers granted

On Feb. 20, 2024, we received a special notice regarding a proposed amendment.

On Feb. 15, 2024, the node borrower, and the collateral loan facility agent, among others, entered a waiver letter concerning the node collateral loan agreement. The key proposed waivers include specific conditions outlined in column B of the agreement, which must be met by the dates specified in column C.

These conditions involve milestones related to the loan refinancing process and require the delivery of various documents by specific deadlines. Failure to meet these conditions may result in the repayment of the loan or waiver of a €50,000 repayment requirement. The milestones and associated requirements are detailed in the agreement.

Transaction overview: Starz Mortgage Securities 2021-1 DAC

	Closing	Current
As of date	November 2021	February 2024
Type	True sale	True sale
Deal status	Current	
Last review date	Oct. 19, 2023	
Sum of securitized loan balance (eop)		
Loan balance (£)	185,404,330	50,864,482
Loan balance (€)	39,112,206	11,991,577
Whole loan balance (eop)		
Loan balance (£)	185,404,330	50,864,482
Loan balance (€)	39,112,206	11,991,577
Number of loans	9	3
Number of properties	20	6
Market value		
Market value (£)	287,888,600	77,990,000
Market value (€)	65,135,000	17,150,000

Taurus 2019-4 FIN DAC

Notice summary--property sales

On Feb. 14, 2024, we received a special notice regarding the disposal of an asset from the present portfolio.

We received the following information:

- a) The property Kiinteistö Oy Tampereen Vuolteenkatu 2, backing the senior loan supporting the notes, was sold on Feb. 12, 2024, as a permitted property disposal.
- b) Pursuant to Clause 7.6 of the senior facility agreement, €30,687,912.20 will be prepaid on the interest payment date following the disposal, with an equivalent amount of principal outstanding on the notes prepaid on Feb. 19, 2024.

Transaction overview: Taurus 2019-4 FIN DAC

	Closing	Current
As of date	September 2019	February 2024
Type	True sale	True sale
Deal status	Current	
Last review date	May 23, 2023	
Sum of securitized loan balance (eop)		
Loan balance (€)	204,276,935	148,047,023
Whole loan balance (eop)		
Loan balance (€)	204,276,935	148,047,023
Number of loans	1	1
Number of properties	3	1
Market value		
Market value (€)	302,554,000	215,000,000

Oranje (European Loan Conduit No. 32) DAC

Notice summary--proposed amendment: new interest rate cap agreement

On Oct. 5, 2023, we received a special notice for a proposed amendment, in the form of a new interest rate cap agreement. In accordance with the various amendments and conditions relating to the extension of the termination date and other changes to the Phoenix facility agreement, the Phoenix borrower and Bank of America Europe Designated Activity Co. (as cap provider) entered into an interest rate cap agreement on Aug. 15, 2023.

The newly agreed upon cap strike rate is 3.5% for a notional amount of €72,500,000 and the termination date of the interest rate cap agreement is Aug. 15, 2024. The strike rate before this was 2.5%.

Notice summary--property sales

On Feb. 12, 2024, we received another special notice where the issuer confirmed the sale of De Bordewijk property in Den Haag on Dec. 28, 2023, generating €5,157,726.14 in net proceeds.

These proceeds will be used to offset the balance of the Phoenix Loan on the loan interest payment date in February 2024. Additionally, this amount will be utilized to offset the notes on the February 2024 note payment date following the relevant issuer priority payments

Transaction overview: Oranje (European Loan Conduit No. 32) DAC

	Closing	Current
As of date	December 2018	February 2024
Type	True sale	True sale
Deal status	Current	
Last review date	Oct. 17, 2023	
Sum of securitized loan balance (eop)		
Loan balance (€)	207,300,000	67,342,274
Whole loan balance (eop)		
Loan balance (€)	207,300,000	67,342,274
Number of loans	5	1
Number of properties	78	11
Market value		
Market value (€)	343,900,000	140,740,000

Magenta 2020 PLC

Notice summary--valuation

On Jan. 18, 2024, we received a special notice regarding an updated valuation of the portfolio securing the senior loan from the senior loan facility agent.

The valuation, conducted by Savills, considered two bases (MV1-MV2) and excluded cladding costs due to the completed and compliant cladding project. Savills' opinion under basis MV2 is £399,200,000, reflecting a 0.42% increase from the previous valuation. This results in a senior loan-to-value ratio of 60.71%, below the senior financial covenant and cash trap thresholds. Additional details can be found in section 4.3 of the updated valuation.

Transaction overview: Magenta 2020 PLC

	Closing	Current
As of date	March 2020	December 2023
Type	True sale	True sale
Deal status	Current	
Last review date	March 22, 2024	
Sum of securitized loan balance (eop)		
Loan balance (£)	270,900,000	242,353,214
Whole loan balance (eop)		
Loan balance (£)	270,900,000	242,353,214
Number of loans	1	1
Number of properties	17	17
Market value		
Market value (£)	435,550,000	397,550,000

Canary Wharf Finance II PLC

Notice summary--full loan redemption and property sales

On Jan. 4, 2024, we received a special notice of a full loan redemption and a property sale. The property at 10 Cabot Square, London, previously a mortgaged property, has been released due to requests from the issuer and CW Lending II Ltd. This release will have a financial outcome comparable to specific clauses in the intercompany loan agreement. Funds from refinancing this property will be used for the redemption.

Details of the redemption include:

- On Jan. 22, 2024, the issuer will redeem: £71,500,000 of class A1 notes and £192,000,000 of class A3 notes.
- The redemption price will equal the funds from the property's refinancing plus accrued interest until the redemption date.
- This action will not negatively affect the current ratings on the notes. This notice fulfills requirements under the trust deed for redemption.

Amortization adjustments include:

- Post-redemption, the amortization amounts for both the class A1 and A3 notes will be reduced for specific periods, as detailed in the notice's schedule.

Transaction overview: Canary Wharf Finance II PLC

	Closing	Current
As of date	April 2007	December 2023
Type	True sale	True sale
Deal status	Current	
Last review date	Jan. 15, 2024	
Sum of securitized loan balance (eop)		
Loan balance (£)	2,563,900,000	1,055,400,000
Whole loan balance (eop)		
Loan balance (£)	2,563,900,000	1,055,400,000
Number of loans	1	1
Number of properties	7	5
Market value		
Market value (£)	4,105,500,000	2,069,400,000

Salus (European Loan Conduit No. 33) DAC

Notice summary--proposed amendment: extension of the liquidity commitment

Oct. 17, 2023, we received a special notice for a proposed amendment that confirms the issuer's intent to extend the liquidity commitment under the liquidity facility agreement for a further period of about 12 months, until Dec. 12, 2024, the date on which the liquidity commitment period will end.

Transaction overview: Salus (European Loan Conduit No. 33) DAC

	Closing	Current
As of date	December 2018	January 2024
Type	True sale	True sale
Deal status	Current	
Last review date	Oct. 2, 2023	
Sum of securitized loan balance (eop)		
Loan balance (£)	367,500,000	367,500,000
Whole loan balance (eop)		
Loan balance (£)	367,500,000	367,500,000
Number of loans	1	1
Number of properties	1	1
Market value		
Market value (£)	600,000,000	670,000,000

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