

Advisory Startup Continues Expansion

MCube Financial, an outsourcing shop serving the commercial real estate sector, recently hired an industry veteran and plans to continue beefing up its ranks.

The latest addition to the year-old firm is **Joseph Kastrup**, who joined this week as an executive managing director. The former **Situs Cos.** executive will play a lead role in the firm's efforts to build up its operations in the U.S. and Europe. Kastrup will work in MCube's Charlotte headquarters for the first month or so and then set up an office in New York or near his home in Hartford, Conn.

MCube hopes to add up to 10 more U.S. employees to its 30-person worldwide staff by yearend, said **Sudhanshu Khandelwal**, who co-founded the operation with **Manish Parwani** in June 2011. Both are managing partners, with Khandelwal in Charlotte and Parwani in Gurgaon, India. Most of the current employees are in Gurgaon, with the rest in Charlotte or Singapore.

The firm offers advisory and analytical services, such as helping clients assess and manage investments in commercial real estate debt and equity. Its outsourcing platform also provides staffers to help with due diligence, loan workouts, risk-advisory work and various administrative duties.

Recruits for the U.S. team would report to Khandelwal and work in Charlotte or at clients' offices. Applicants should have accounting experience in real estate finance or a background in commercial real estate underwriting, preferably with a focus on analyzing or conducting due diligence on properties.

Kastrup was previously head of European mortgage servicing at **Situs**, working in London and Frankfurt. He left the Houston real estate services company in November, after it was acquired by **Helios**, a San Francisco servicer owned by **Deutsche Bank** and **Ranieri Partners** of Uniondale, N.Y.

Before joining Situs in 2009, Kastrup spent seven years at **Wachovia** as a senior executive focusing on real estate-related risk management, investment banking and commercial-mortgage servicing. He started in Charlotte and moved to the bank's Dublin outpost in 2006. From 1990 to 2002, Kastrup was chief executive of **New Century Capital**, a commercial real estate consulting and brokerage firm that he founded in Madison, Conn.

MCube pitches its business as an evolution of the services provided by **Helix**, which Parwani co-founded in 2004. Parwani later became president of Beekman Helix India Partners, an investment-advisory shop targeting real estate in India. Khandelwal was also a senior executive at that firm, a joint venture between Helix and **Beekman Advisors** of McLean, Va.

Helix was acquired in January 2010 by New York fund shop **BlackRock**. ♦

Lexington ... From Page 1

carve it up and sell some or all of it.

The financing package isn't connected to a now-concluded

joint venture that CIBC and Blackstone formed in 2010 to securitize conduit mortgages. That operation, called **CIBX Commercial Mortgage**, contributed \$682.2 million of mortgages to a \$1.3 billion securitization that priced in June.

The building at 575 Lexington Avenue is 84% occupied. Tenants include **Cornell University** (130,000 sf until 2019), law firm **Boies Schiller** (94,000 sf until 2019) and film company **Palestrini Post Production** (42,000 sf until 2017).

CalSTRS and Silverstein bought the property for \$416 million in 2006, financing the deal with a \$325 million fixed-rate mortgage from **Bank of America**. The bank securitized the seven-year loan via two pooled transactions (Bank of America Commercial Mortgage Trust, 2007-1 and 2007-2).

At the time, the building's occupancy rate was 94% and the underwritten net operating income was \$21.6 million. But performance suffered during the downturn, and the net operating income amounted to just \$9.4 million last year. By June 2011, the appraised value had plunged to \$281 million.

The CalSTRS team won a loan modification last September after agreeing to pump in \$75 million of equity to pay down the principal balance. The maturity was extended by three years, to October 2016, and the payment rate was reduced to 5% from 5.7% for two years. The current balance of the loan is \$257.1 million. It will be retired upon the completion of the sale. ♦



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