

Palace Intrigue On East 72nd: Two Pools, 16 Bathrooms and a Million Rumors

By [Kim Velsey](#) | 02/12/13 9:26pm

[Comment](#)



The exteriors of the two townhouses, under wraps.

Some people have heard that the townhouse at 12 East 72nd Street is being renovated for a Russian oligarch. Others say the man behind the massive construction project is the emir of Qatar. Or is it the Qatari prime minister? He was rumored to be the buyer of Aby Rosen's \$50 million mansion on East 71st Street, but really, who knows? The sale has yet to close, and the Middle Eastern mogul has been desperate to lay his hands on something in the neighborhood ever since the board of 907 Fifth Avenue rejected his bid to combine two co-ops belonging to the late copper heiress Huguette Clark.

As for the building itself, sheathed in construction scaffolding and plastic sheeting, they say that there will be a basketball court on the roof and three swimming pools, one for each of the emir's wives. That the elevator shaft for the building is 10 stories high, far in excess of the six-story structure approved by the Landmarks Commission. That the townhouse will be the largest private residence in Manhattan and will cost \$100 million. That workers are drilling down 40 feet into the bedrock for unknown, possibly nefarious purposes. That there are a lot of highly suspicious goings-on that might be stopped if a shady billionaire were not "greasing the palms of city officials."

The notion that the building is being constructed by and for Steven Croman, the man whose name is actually on the deed and the DOB documents plastered all over the sidewalk shed, seems to be the only theory that is roundly dismissed as highly improbable. In their minds, the 46-year-old founder of Croman Real Estate and 9300 Realty, who owns a sizable but undistinguished portfolio of downtown rental buildings, is not the kind of real estate titan who builds himself an enormous uptown mansion.

“It just doesn’t seem true that [he] is building this mansion for himself,” said one neighbor, who referred to Mr. Croman using a pejorative for a bad landlord. “This seems like a project for someone with billions of dollars.” The neighbor conceded that the emir might not be behind the construction. Maybe it was being renovated to house “multiple Qatari families.”



Harriet and Steven Croman at the 92nd St. Y Gala last spring. (Patrick McMullen)

Whether it is deserved or not, there are few landlords who inspire such intense dislike as Mr. Croman. The first Google hit that comes up when you search his name is a one-star Yelp review for Croman Real Estate that begins “SCUM of the earth.” Still, in the eyes of many of the neighbors, it seems that Mr. Croman’s most objectionable real estate practices have nothing to do with how he manages his large portfolio of Manhattan properties, but rather, with the fact that he bought two townhouses on *their* block and had the gall to try and combine them into an opulent mansion for himself and his family.

Rather of a ceremonial plate of cookies, Mr. Croman’s introduction to the neighborhood was marked by a bitter legal battle with the tenants living in the two townhouses slated to become his mansion. In 2002, he paid \$5.5 million for 12 and 14 East 72nd Street, which had a total of 23 apartments between them, and quickly started proceedings to evict their rent-stabilized residents.

Mr. Croman invoked a clause in the city’s rent-stabilization law that allows the owner of a rental building to claim “one or more dwelling units for his or her own personal use.” He said that he intended to build a quadruplex for himself and a duplex for his sister-in-law. It was a gambit that left many incredulous, not only because of the buildings’ combined size—more than 18,000 square feet—but because of Mr. Croman’s real estate background and reputation: in 1998, *The Village Voice* named him one of the city’s 10 worst landlords.

The tenants challenged Mr. Croman in court; the case was eventually settled. Samuel Himmelstein, the lawyer who represented the tenants, declined to discuss any specifics of the case because of a confidentiality agreement. He said that the owner-occupation law stipulates that an owner must move in within a year and stay for at least three, although “a loophole so big you could drive a truck through it” allows the owner to skirt these requirements by citing changed circumstances. In any event, Mr. Croman’s subsequent adherence to the terms is irrelevant in the case of 12 East 72nd, as the settlement precluded further lawsuits.

To say that such maneuverings did not endear Mr. Croman to the neighbors is to put it mildly. A person

with some eyebrow-raising business in his past buying into an elite enclave is one thing—dragging that eyebrow-raising business into the elite enclave is quite another. The block of East 72nd between Fifth and Madison avenues may have its faults (it is wider and has more street traffic than is considered desirable), but it is not the kind of place where tenants are yanked from domiciles, à la the Lower East Side.

Besides, one woman asked *The Observer* pointedly, isn't it true that he lives in New Jersey? And that he has young children? Is he really going to haul them out of school to move to the Upper East Side? (In fact, Mr. Croman, who is from New Jersey, has lived on the Upper East Side with his wife Harriet and their three sons for some time.)

One broker chortled when we mentioned the address. "Oh, I've heard all sorts of stupid rumors about that place," he said. "Like the city has allowed to government of Qatar to buy it and they're going to tunnel beneath 72nd Street."

Pages: 1 [2](#) [3](#)

[Comment](#)

Filed under: [12 East 72nd Street](#), [14 East 72nd Street](#), [9300 Realty](#), [Battle For the Upper East Sid](#)

Palace Intrigue On East 72nd: Two Pools, 16 Bathrooms and a Million Rumors

By [Kim Velsey](#) | 02/12/13 9:26pm

[Comment](#)



A photo of 12 and 14 East 72nd taken in 2009 when the townhouses were still two distinct buildings.

As for the size of the proposed single-family townhouse, at 19,329-square-feet, it is not only within the realm of possibility, but established fact. The limestone townhouse at 22 East 71st Street—the one that is said to be in contract to the Qatari prime minister—is 22,000 square feet. The Woolworth Mansion at 4 East 80th is 19,950 and the Harkness, at 4 East 75th, is 21,700 square feet.

The real question, of course, is whether such a house—a showplace rumored to have *three* swimming pools—is within the realm of possibility for a man like Mr. Croman.

In truth, the 19,329-square-foot house doesn't have three pools. It will have two (one indoor, one outdoor) and a koi pond. There is a basketball court, but it's not on the roof. Nor is the building 10

stories high; it is six stories above ground (with a basement and sub-basement below), topped by a copper-clad penthouse addition with a skylight and two rooftop terraces shaded by an open pergola.

Besides the pools and the penthouse addition, the architectural plans filed with the Department of Buildings show extensive wine storage, a dumbwaiter, six wet bars, nine full and seven half baths, a library, a 1,055-square-foot family room, and a master bedroom suite with two fireplaces, a study, five closets and a dressing room. For the record, workers are drilling 25 feet into the bedrock, not 40. In short, it is, in the words of Mr. Croman's next-door neighbor Jim Baumann—one of the few who was willing to give his name—"quite elaborate."

"I'm happy. It increases property values," Mr. Baumann said of the townhouse combination. He allowed that the construction had been noisy, but added that this was to be expected for a massive project and that Mr. Croman seemed to be doing everything correctly.

As for the rumors, he'd heard a million different ones, all of them outlandish. "People have a lot of time on their hands and they begin to fantasize," Mr. Baumann said.

Mr. Croman has tried to keep a low profile, with limited success. He came to New York when he was in his early 20s and started working as a rental broker. Within a few years he had incorporated Croman Real Estate and bought his first building. Over the last two decades, he has amassed a sizable portfolio of rental buildings and more than a few enemies, generating not only a fair amount of antipathy, but a Facebook page—the now-defunct "I hate slumlords Steve and Harriet Croman"—and a tenant advocacy group, the Stop Croman Coalition.

Residents have, among other things, accused him of purging rent-stabilized tenants from his new acquisitions by mixing classic eviction tactics—aggressively challenging succession rights and making constant calls to prod tenants into a buyout—with unnerving chumminess like asking them to coffee and sending holiday packages of chocolates and blue-corn tortilla chips, according to a 2000 Village Voice article. Nearly all of Mr. Croman's detractors take issue with his management practices and policies, rather than the apartments themselves, which are often renovated and rented to those willing or able to pay higher prices.

For his part, Mr. Croman has always denied that his methods were overly aggressive, untoward or illegal. "That's not what we're about," he said. "We restore older buildings and make them beautiful."

Pages: [1](#) [2](#) [3](#)

Battle For the Upper East Side

Palace Intrigue On East 72nd: Two Pools, 16 Bathrooms and a Million Rumors

By [Kim Velsey](#) | 02/12/13 9:26pm

Comment

Two things, at least, are certain about his techniques: they have continued to alienate tenants, and they have been lucrative. At the same time that Mr. Croman was busy with his massive renovation project on East 72nd, he continued to buy properties throughout Manhattan, including, in 2008, the multi-unit townhouse at 7 East 75th Street whose façade was made famous in *The Nanny*, for \$14.5 million. (The property, still owned by Mr. Croman, remains an apartment building.)

“He’s always looking for a deal,” said one broker. “He used the law and got a good deal on 12 East 72nd. I wouldn’t be surprised if there was an investor in the background.”

Others would be shocked if there weren’t. The emir of Qatar is undoubtedly the favorite, despite having failed to conceal his identity when he purchased a 44,000-square-foot Beaux-Arts mansion across the street at 7-9 East 72nd Street in 2003. One woman, who asked to be identified only as someone “familiar with the situation” because she finds Mr. Croman’s behavior and construction practices “very thuggish,” opined that it was “just crazy that any foreigner can glance into New York and do whatever they want.”

The emir did not return a request for comment.

It doesn’t help that construction has taken so long and been so loud that customers in the Ralph Lauren store on the corner of Madison and 72nd used to ask the employees if the store itself was in the midst of an excavation project. Or that the house has been wrapped up like an enormous present for more than a year. Or that the block invites intrigue, being home not only to the emir, but also to Huguette Clark’s formerly doll-filled apartments at 907 Fifth and both the Spanish and the Vatican Embassies.

“Everyone seems to think that the emir is the owner,” Mr. Croman said when *The Observer* finally reached him on his cellphone. “They also say that Ron Perelman is the man behind it.”

Both, he told us, were incorrect. “It’s just a single-family home,” he continued. “We weren’t looking for something that size, but that’s the building we found. We have a dog, kids. It’s just a private home. We like the block.”

He admitted, a little sheepishly, that there would be two pools and a basketball court, and that plans for the sister-in-law’s duplex had been dropped. The house would be occupied by him, his wife, their three sons and the dog. He had no intention of selling it once the work was completed, which he hoped would be some time this spring. He didn’t want to say what the renovation would cost, as the finish work, which has yet to be completed, “would be the bulk of it.”

Finishes such as...?

“Oh, just you know, nice high-end finishes,” he replied. “What you would expect in a townhouse like this. Tasteful. Just nice, nice finishes.”

And what did he think of the neighbors?

“People have been great,” said Mr. Croman. “We love the neighbors.”

kvelsey@observer.com

Pages: [1](#) [2](#) [3](#)