

# Steve Croman, in rare sale, cashes in on hot multifamily market

*Landlord sheds 8 properties for \$61 million*

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Even multifamily's biggest holdout can't resist a hot market.

Steve Croman, a Manhattan landlord known for harassing tenants

(<https://therealdeal.com/2019/09/19/inside-steve-cromans-dealings-and-legal-battles-post-prison/>) but also for rarely selling, parted with seven East Village walk-ups and one on the Lower East Side for about \$61 million.



*Joseph Koicim (Marcus & Millichap)*

The buildings have 61 apartments, all free market. At just over \$1 million per unit, the sale price was nearly double the Manhattan average as of March, according to Ariel Property Advisors' most recent quarterly market report (<https://arielpa.com/report/report-MFMIR-Apr-2022>).

That premium reflects the apartments' market-rate status as well as their quality: Most are freshly renovated. And those updates are also a large part of why Croman was inclined to sell, according to Joseph Koicim, a senior managing director at Marcus & Millichap.



*Seth Glasser (Marcus & Millichap)*

Koicim, along with Marcus & Millichap's Seth Glasser, Logan Markley and Matt Berger, brokered the deal.

“Centennial Properties rarely sells any properties,” Koicim said, referring to Croman’s firm.

“However, they decided to sell their most mature assets in their portfolio to capitalize on a strong rental market.”

For the portfolio’s majority buyer, ABJ Properties

(<https://therealdeal.com/2020/01/03/rent-stabilized-portfolio-in-harlem-trades-for-118m/>), there’s still upside. New York City rents continue to rise and despite growing fears, the economy has yet to show signs (<https://therealdeal.com/2022/07/11/strong-jobs-report-brings-warning-signs-for-housing-market/>) of going into recession.

## Read more

- Steve Croman, accused of stiffing own landlord, resolves case (<https://therealdeal.com/2022/04/11/steve-croman-accused-of-stiffing-own-landlord-resolves-case/>)
- In rare move, Steve Croman looks to sell large apartment portfolio (<https://therealdeal.com/2021/12/06/in-rare-move-steve-croman-looks-to-sell-large-apartment-portfolio/>)
- Inside Steve Croman’s dealings and legal battles post-prison (<https://therealdeal.com/2019/09/19/inside-steve-cromans-dealings-and-legal-battles-post-prison/>)

As of June, Manhattan rents are up 27 percent compared to the same time last year, according to a recent MNS Real Estate report (<https://www.mns.com/>). Non-doorman buildings, such as those in the Croman portfolio, have seen even larger price jumps than amenity-laden properties.



*Logan Markley (Marcus & Millichap)*

“If rents continue on the trajectory they are, that’s obviously a big positive for the buyer,” Koicim said, adding that the brokerage team managed to lock in financing for ABJ before interest rates rose drastically.

“This deal was a real win for both parties,” Koicim said.

Neither Croman nor ABJ Properties returned requests for comment.



*Matt Berger (Marcus & Millichap)*

Despite those mutual benefits, the sale wasn't all roses for Croman. The landlord had initially listed 14 of his buildings (<https://therealdeal.com/2021/12/06/in-rare-move-steve-croman-looks-to-sell-large-apartment-portfolio/>) for \$121 million in December.

After ABJ picked up eight, Koicim said, Croman took the remaining six off the market.

In December, the landlord took a slight loss on a Lower East Side listing, which records show to be his first sale in a few years. Croman initially asked for \$23.5 million for 182 Stanton Street, according to a post by Avison Young, which handled the deal. Ultimately he sold to Targo Capital Partners for \$21.3 million.

Over the spring, the landlord hit a rough spot when his office landlord GFP Real Estate sued him for months of unpaid rent (<https://therealdeal.com/2021/12/06/in-rare-move-steve-croman-looks-to-sell-large-apartment-portfolio/>), taxes and utilities totaling \$370,485.

That suit, which named the Croman firm M&E Mott as defendant, was settled out of court, according to an executive at GFP.

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