

Steve Croman used “three-prong strategy” to remove rent-stabilized tenants: report

Disgraced landlord allegedly filed frivolous suits and followed up with intimidation tactics to oust renters

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Manhattan landlord Steve Croman deregulated 390 apartments in the last five years and commonly used a “three-pronged strategy” to remove rent-stabilized tenants from his buildings, according to a new report from Bloomberg.

Croman was arrested in May and charged with 20 felonies including grand larceny and scheme to defraud his lenders. According to Bloomberg, Croman’s strategy involved filing frivolous lawsuits against tenants to sap their monetary strength; then hiring a bruising ex-cop to harass and intimidate them; and finally, creating conditions so squalid and unsafe that tenants would leave.

Although those tactics are not necessarily uncommon in the real estate industry, New York State Attorney General Eric Schneiderman sued Croman in May for allegedly resorting to those illegal methods at his properties, which tally 140 buildings in Manhattan. An analysis from Stabilizing NYC, a pro-tenant housing group, found that Croman deregulated 390 units in the last five years.

Even the renovated apartments are fraught with problems, tenants in Croman’s buildings told Bloomberg. “The joke is: Everything is pretty, but nothing actually works,” one renter at a \$5,200-a-month apartment said.

A [analysis of public finance records](#) by *The Real Deal* found that in 2014, Croman took in at least \$63 million in gross income from his rental buildings. His highest-earning building was a 74-unit rental building located at 252 Mott Street in Nolita, which brought in a net operating income of \$1.5 million that year.

Croman — who by 2010 owned more than 100 buildings and regularly appeared in Page Six for ostentatious displays of wealth — is currently out on a \$500,000 cash bail and facing up to 25 years in prison.

In June, [TRD explored some of the controversial techniques](#) landlords employ to evict rent-stabilized tenants from buildings. [\[Bloomberg\]](#) — *Kyna Doles*

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From left: Eric Schneiderman and Steve Croman