



NEW YORK STATE SENATOR

Adriano Espallat

Senator Espallat and DHCR Probe Rent Hikes in Washington Heights

ADRIANO ESPALLAT January 14, 2014



Simone Weichselbaum, New York Daily News

State investigators are probing an uptown real estate mogul for hiking tenants' rent — by double digits rates — sparking a fierce housing battle in Washington Heights.

The Division of Housing and Community Renewal, the state agency that monitors New York's rent regulation rules, is trying to determine whether Doug Eisenberg and his building management company, A & E Real Estate Holdings, can demand the exorbitant increases.

Rents at 217 Haven Ave. — a beautiful limestone pre-war building that overlooks the Hudson River — have skyrocketed. Some tenants griped they were facing increases between 30% and nearly 100% in less than a year.

“They are evil,” said one tenant, Magda Sheridan, 40, holding a copy of a newly issued lease that states her family’s two-bedroom home will now cost \$4,035 instead of the previous \$2,095 per month. “This is all illegal.”

The owner would give Sheridan a “preferential rate” \$3,380 a month, an amount she refuses to pay.

Her neighbor, Judy Carvey, 44, said she now has to pay \$2,593 a month, for two years, in order to keep the two-bedroom apartment she shares with her husband and 15-year-old son. An increase of \$593 — or 30% — over what she had previously doled out.

Residents reported their woes to state Sen. Adriano Espaillat (D-Washington Heights), who then contacted the state agency.

“I’m excited that the state housing agency will be taking action in the near future,” said Espaillat, who noted that 19 families were affected by the rent hike.

A Division of Housing and Community Renewal spokeswoman declined to discuss an ongoing investigation.

Tenants contend that their building is protected by a little-known city tax abatement that gives landlords a break on property taxes in exchange for stabilizing rents.

The building received the so-called J-51 status in 2005 under its previous landlord, city records show. A & E Real Estate Holdings bought the six-floor, 49-unit residence in 2012 for \$19.8 million, according to city real estate records.

Eisenburg insisted in several combative phone conversations that he is adhering to the state rent regulation laws.

“A&E, during its brief period of management of the buildings, has operated and offered lease renewals in accordance with the Rent Guidelines Board and DHCR regulations, and will continue to work with residents to ensure that any issues created by the previous owners and management company are resolved as quickly as possible,” Eisenberg said in a statement issued by attorney Jonathan Wachtel.

Housing law experts, however, said the hike didn't smell legit.

“A landlord can't just double the rent without a legal basis to do so. Especially with existing tenants,” said Harvey Epstein, associate director of the Urban Justice Center.

Ariel Property Advisors named A & E one of the top real estate buyers in 2012, when the company acquired a reported 15 buildings in 2012, totaling some 720 units.

Harlem tenants are also mobilizing to battle Eisenberg. Residents in 730 Riverside Dr. said they too are facing excessive rent hikes and are in talks with a lawyer planning to sue to stop the increase.