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Tourists get taken in fake-hotel scam

Room shortage
sparks apartment
use for short stays

BY JULIE SATOW

WHEN EDUARDO KURMAN went online from his home in Argentina to book room reservations for a nine-day trip to a Manhattan hotel, he was satisfied with the three-star establishment he found. It wasn't until he got to town and discovered that the hotel he had been promised was actually an apartment building and his

comfortable quarters were a roach-infested unit with no heat that he realized he had been had.

Mr. Kurman is not alone. As New York's busiest tourist season gets under way, unsuspecting visitors from around the world are showing up at their "hotels" only to find they are apartment buildings, with rooms that frequently lack even the barest essentials.

They are victims of an overheated tourism market and unscrupulous landlords. With hotel occupancy rates in New York City at 89% and the average cost of a New York hotel room nearing \$250 a night, more and

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MIDTOWN
buildings cited
as illegal hotels

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more landlords are taking advantage of the situation. They are illegally marketing their rental apartments as hotel rooms for stays as short as one night.

On online travel forums such as TripAdvisor.com, the number of complaints from outraged tourists is soaring. Meanwhile, residents of as many as 70 Manhattan apartment towers have complained about a tide of tourists invading their buildings. Since January, the Department of Buildings has given 19 citations for illegal hotel use in midtown alone.

"This is a boroughwide epidemic," says Assemblyman Richard Gottfried. Early this year he formed an illegal hotels working group with state Sen. Liz Krueger and City Council member Gale Brewer to seek ways to combat the practice.

Properties doubling as hotels range from luxury rental buildings undergoing condominium conversions to downmarket single-room-occupancy establishments. The units most commonly used are rent-

controlled or rent-stabilized apartments where the gap between what landlords can earn by renting them to tenants versus tourists is greatest.

Prime candidates

BUILDINGS UNDERGOING a condominium conversion are vulnerable for a different reason. Typically, there is a period of several months when tenants' leases are expiring and the building has yet to convert. Rather than re-rent the apartments and risk delaying the conversion, some landlords are hiring short-term stay operators to find tourists who will pay for brief periods.

"Tenants are being harassed, tourists are upset and the landlords are making money," says John Raskin, a community organizer at Housing Conservation Coordinators, a community group. "The problem is growing."

The attorney general's office, which must approve any condo conversion, is investigating illegal hotels at the Herald Towers on West 34th Street, according to court documents. Recently, Mr. Gottfried's



THE WOOGONE SITE shows the real room (top) versus what WooGo advertised.

group has written to the attorney general requesting a similar investigation of a condo conversion of The Sheffield on West 57th Street. The AG's office declined to comment.

The Department of Buildings ramped up its campaign against the illegal hotels by forming a special in-

vestigative group in September. To date, the group has conducted 30 inspections.

One of the problems faced by enforcement agencies is that the legal issues in some cases are open to interpretation, especially in midtown, where zoning permits hotel use.

The city, however, points out that the buildings' certificates of occupancy state they are to be used as apartment buildings. Using apartments as hotel rooms "is definitely illegal," says Assistant Commissioner Robert Iulo. Still, in cases where units are rented out for several months at a time, it is harder to determine if the law is being violated.

In fact, some landlords insist that their use of apartments for short-term visitors is not a violation at all. "This is not a hotel; it is an extended-stay [building]. We do not offer any services," says Chaim Babad, who owns a apartment house on West 34th Street where he rents out a number of the 127 units for 30 days or more. "Nothing is under 30 days, and most visitors stay a couple of

months," he says.

With public pressure mounting against the practice, some short-term stay operators are pulling back. At the Herald Towers, Churchill Corporate Services is planning to return the 73 apartments it has been renting out there. "As [tenants] move out, we are giving the units back to the building's owner," says Yudel Kahan, president of Churchill. "We never had this issue before."

Nightmare experience

AS THE CONTROVERSY RAGES and the practice continues, New York's reputation is beginning to suffer.

"I still love New York, but I guess, in all honesty, it is kind of sad to see this," says Kelly Britt, a tourist from Atlanta who had a nightmare experience at the same West Side apartment building where Mr. Kurman ended up. To warn others, Mr. Britt has started a Web site www.woogone.com, in reference to hotel operator WooGo, which rented him the illegal room. The site has already attracted horror stories from other visitors to Manhattan's growing number of faux hostels.

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