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George Nelson says a property manager told him he had one week to leave the SRO he's lived at for nearly 20 years. (Hell Gate)

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Bowery SRO Tenants Say They're Being Squeezed Out by a Boutique Hotel: 'Where Are We Gonna Go?'

While a state and City task force is now investigating the building, it may be too late to preserve these affordable housing units and keep the long-term residents in their homes.



Jessie Edwards

9:55 AM EDT on May 21, 2026

Andrew Casanova has lived in a six-by-six room inside the single room occupancy hotel at 125 Bowery for more than 20 years, and for the last decade or so, he's been the only resident living on the second floor. That changed last fall, when he began seeing his new neighbors: Guests at the recently-christened [CityNest Hotel](#).

According to Casanova, the hotel has turned his life upside down—first, from all the demolition and construction that has scattered dust and debris around his humble living space. Then from the guests themselves, who are paying roughly his monthly rent to stay two nights.

The 62-year-old with chronic health issues told Hell Gate that the guests have complained to hotel staff about his coughing fits, that he puts away his

groceries too loudly, and that he only wears boxer shorts and a T-shirt when he uses the shared hallway to get to the bathroom.

"They're treating us like third-class citizens," Casanova told Hell Gate. "It's obviously harassment. They really don't give a damn...their greed outweighs all legalities in their way."

As other SROs have disappeared, 125 Bowery has remained a safe haven for artists, students, seniors, veterans, people with disabilities—anyone who needed low-cost housing and could tolerate the spartan living conditions. For the legally-regulated rent of around \$260 per month, the residents make their homes in tiny rooms, with chicken wire for ceilings and communal bathrooms.

This sense of security changed in March last year, the residents say, when the landlord of the building, 125 Bowery Inc. and its [registered CEO](#), Sze Yin Tam, began converting units into the "capsule-style" [hotel](#) that charges around \$200 per night.

While the residents raised the alarm about unpermitted work, their pleas were not enough to stop the landlord, who went on to illegally demolish more than 100 units of this deeply affordable housing over the last year, according to a recent inspection by the Department of Buildings.

Long-term residents of the building, many of whom are in their 60s or 70s, say their landlord has also been using increasingly aggressive techniques to force them out—throwing out their personal property, doing demolition and construction work as harassment, and offering them cash on the spot to leave.

George Nelson, a 79-year-old who has lived at 125 Bowery for nearly 20 years, told Hell Gate that a man claiming to represent the landlord told him last week that he had seven days to leave his room.

"Everything is chaos, it's chaos in here," Nelson said. "They wanna put us out. I don't understand it. Where are we gonna go?"

Rocco Troiano, 62, spoke to us from a homeless shelter on the Upper West Side. He said he decided to move out two months ago, after he came home to his unit of 25 years to find a lifetime's worth of belongings had been trashed, including his record, coin, and baseball card collections. "They threw away my cane, they threw away my walker," Troiano said, adding that he had two strokes in 2024. "Not nice. They treated me not nice at all."

Troiano said he hoped the City could help him find new permanent housing as soon as possible. "The shelter is totally different," he said. "I've lost my independence."

While a state and City task force with the power to bring criminal charges is now investigating the building, and the City has issued partial stop-work orders for some floors, it may be too late to preserve these affordable housing units and keep the residents in their homes, according to Rosalind Black, the citywide housing director at Legal Services NYC.

"The folks in the building were calling the City pretty regularly to report this illegal work, and yet there weren't any violations written until very recently," said Black, who won a housing victory for 15 tenants from 125 Bowery against the same landlord in 2008. "I think the City really dropped the ball here."



The landlord has converted one of floor of the SRO into the CityNest Hotel. (Hell Gate)

Under the state's housing law, SROs are lodging houses that contain six or more units and were built prior to July 1969, and they are generally subject to rent stabilization if the tenant has been there more than six months. In 1950, New York City had more than 200,000 SRO units. By the early 2010s, that number had fallen to around 14,000, a drop of more than 90 percent.

Over the past decade, the number of SRO units in Lower Manhattan—and specifically on the Bowery—have similarly plummeted. There was the former Sunshine Hotel at 245 Bowery, which now houses a cocktail bar and office spaces, and the Whitehouse, at 340 Bowery, which has been converted into a micro-boutique hotel.

SROs are endangered partly because landlords have found new ways to evict tenants and convert their buildings into properties they can rent out at market rates. If a tenant vacates the unit, the landlord may rent it to transient hotel

[guests](#) at whatever price they set. "Landlords will wait it out, for people to die or move, or hope that they'll take a pittance of money to leave," Black said.

Some landlords weaponize City regulations to speed up the deregulatory process. In 2018, [80 people were evicted](#) from 83-85 Bowery after their landlord claimed the staircase was structurally unsound. In 2013, about 50 residents of 81 Bowery—mostly undocumented Chinese immigrant workers—were sent [scrambling for new housing](#) after the FDNY issued a vacate order, responding to a call from a concerned Arizona resident. Hell Gate recently covered the [story of an SRO in the East Village](#) where the landlord had called the DOB to report his own building as unsafe; he was recently [found](#) by a City judge to be [harassing his tenants](#) to leave.

The problem is compounded by the fact that the residents who live in such low-cost housing often don't have the resources to organize, according to Brian Sullivan, a housing attorney for the Legal Aid Society who has [written about the crisis in the decline](#) of SROs in New York City.

"The Bowery SROs are unique in a number of ways. Even though their living spaces are small and humble, they live in this really central location, and they've probably lived there for decades. They've got their doctor nearby," Sullivan said. "They don't want to be bothered, they don't want to be organized, they just kind of want to be allowed to live their lives with the dignity they've scraped together."

The last major housing court action the residents of 125 Bowery took was in 2008, when they sued their landlord for overcharging their rent and illegally demolishing their lobby. A judge [ruled](#) that the tenants could withhold their monthly rent payments until it was rebuilt. The landlords, who still own the building to this day, never reconstructed the lobby, so many of the men have refused to pay since then.



A view onto Bowery and Grand from Alec Vanderbilt's room. (Hell Gate)

More recently, trouble at 125 Bowery began in March of 2025, according to David Shabot, who has lived there for 30 years.

Shabot, who is 73, said that's when the landlord asked tenants on the second, third and fourth floors to move to the fifth floor so they could renovate the rent-regulated rooms into a market-rate hotel.

"We said, 'No, we're not moving out of our rooms,'" said Shabot. "So they said, 'Okay, you can stay in your rooms.' And they marched in and did the construction work with no work permit while we're living there."

Over the last several months, the situation between the landlord and tenants has escalated, the residents said. Kutay Alper alleges in court filings that he returned to his room in March, after living there for 26 years, to find his door had been ripped off and his belongings either gone or in garbage bags. He said the building's assistant manager phoned the NYPD, and four police officers then turned up and told him to leave, without checking his tenancy. Tenant Alec Vanderbilt said he went to a knitting class in March, and returned to find one of the rooms where he kept his items "destroyed."

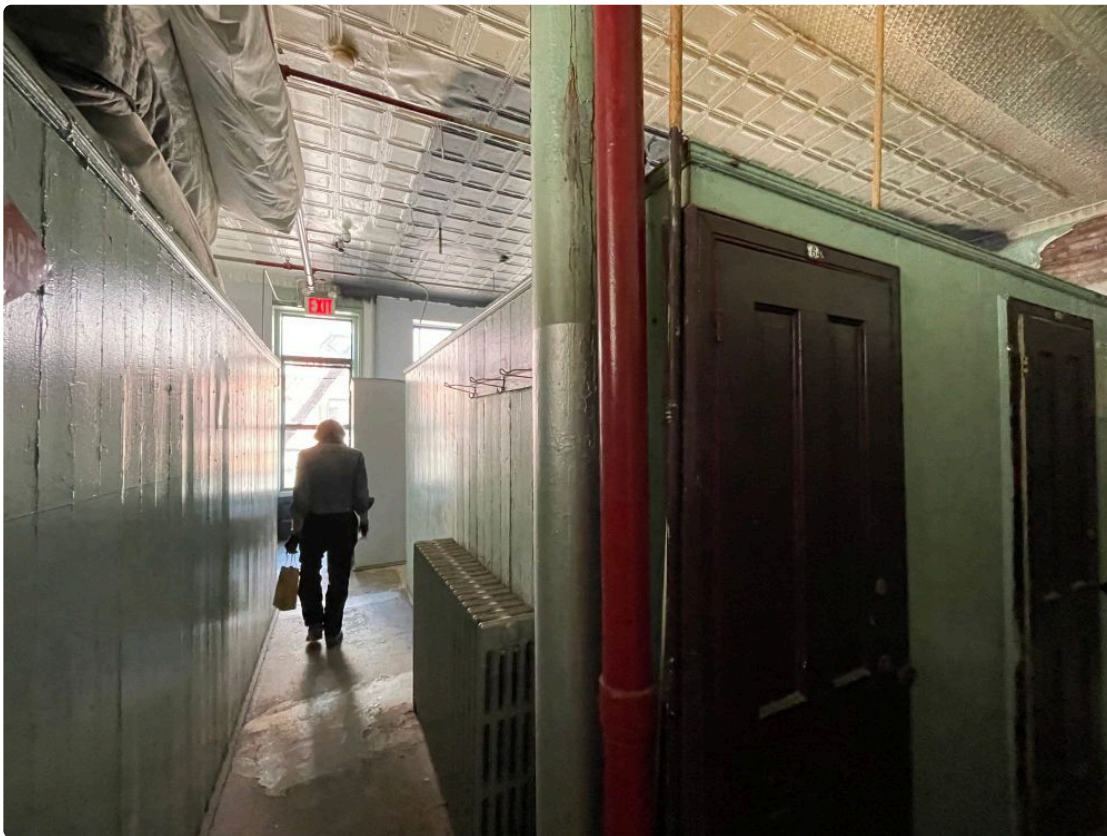
Then, some of the residents said they were told their shared third-floor bathroom would be demolished "for repairs" and they'd soon have to use a shower and toilet on the street. "That's when we got upset," Shabot recalled.

In early April, with the help of the anti-displacement organization Cooper Square Committee, five of the residents filed housing court actions against their

landlord, alleging [harassment](#) and [illegal lockouts](#), according to court filings. Their cases will be heard in June.

Meanwhile, four of the tenants at 125 Bowery told Hell Gate that, in the last few weeks, they'd been offered around \$10,000 to leave their homes by a Russian-speaking property manager they know as "Eugene," and his brother. "They had a stack of \$100 bills about two feet high, and a contract," said Shabot. "I refused to sign." Three tenants allege in court filings that Eugene told them he was going to have the City Marshall evict them all. Casanova said he's received eight calls from a private number since December, with the caller identifying himself as a "Mr. X" who "works security" and was employed by Eugene. He says Mr. X offered him \$7,000 to leave his unit.

Eugene did not respond to multiple phone calls and text messages. The landlord's attorney, Edward Hall of the [eviction attorneys](#) Balsamo, Rosenblatt & Hall, also did not return multiple requests for comment.



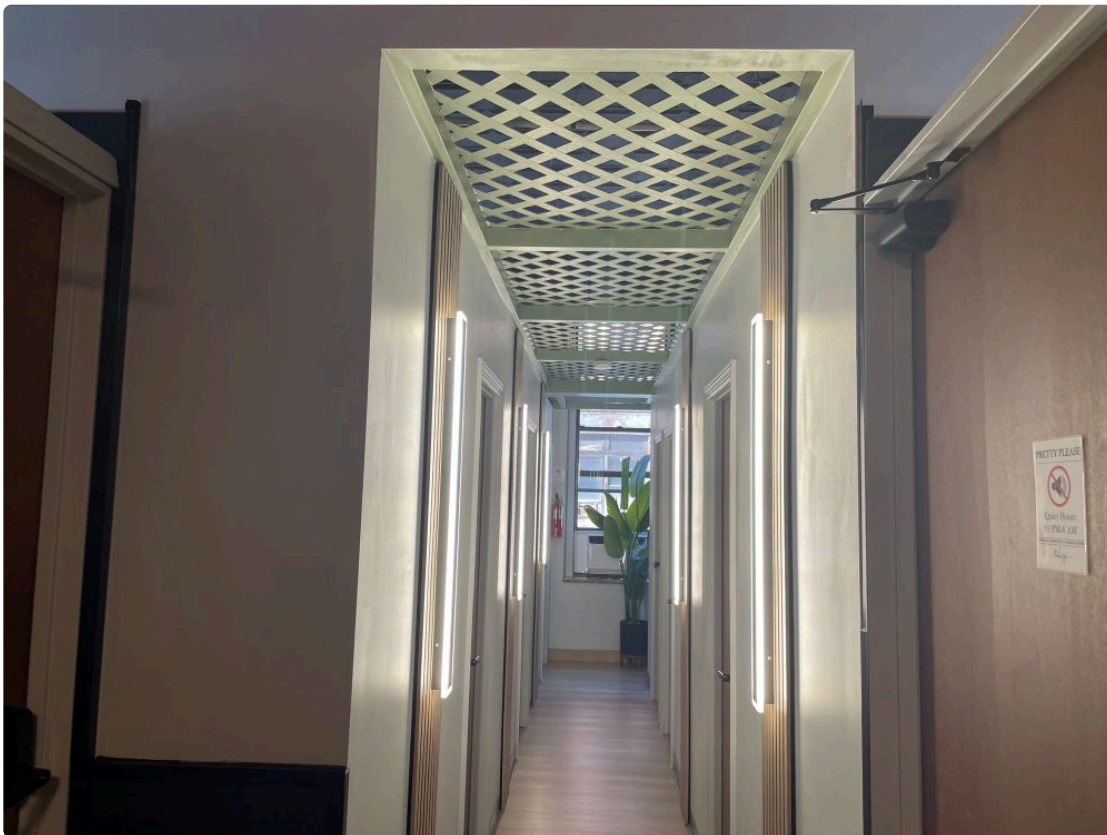
The landlord has torn down more than 100 of these units without a permit. (Hell Gate)

How was a landlord allowed to demolish more than 100 units of deeply affordable housing without a permit, in the middle of a housing crisis?

The answer may lie in the fact that no single agency is responsible for protecting SROs. The City's Department of Buildings oversees permitting and safe construction practices, while the Department of Housing Preservation and Development is responsible for enforcing the [housing code](#). New York State Homes and Community Renewal, a state agency, is responsible for ensuring that landlords abide by [rent regulation](#).

DOB spokesperson Andrew Rudansky told Hell Gate in a statement that any suggestion they had fallen down on the job was "false," and pointed to a list of at least 14 inspections the agency has done since residents began complaining last year, which have resulted in three stop work orders. The DOB has leveled 18 violations against the landlord since November of last year, for things like removing bathroom ceilings and doing electrical work without a permit, though 13 of them were filed in the past two months, long after the landlord began transforming the building into a boutique hotel.

"Our records show that we were regularly routing inspectors to the scene shortly after receiving complaints, many of the inspections taking place the same day the complaints were made," Rudansky wrote in a statement. He added that the landlord at 125 Bowery was technically making "cosmetic" repairs when creating the CityNest Hotel, and that because they did not change the "use or occupancy" of the building, they did not need to obtain a certificate of no harassment from the City's Housing and Preservation Department—a requirement for landlords of certain buildings, including SROs, before they can demolish or change the use of a building.



Inside the converted CityNest Hotel, where Andrew Casanova now lives among the hotel guests. (Hell Gate)

HPD told Hell Gate that its litigation division was "actively participating" in the residents' housing cases, and said the landlord has already been hit with default judgments of \$143,100 and \$20,750 for ignoring repairs.

HCR, the state agency, said it was coordinating with DOB and HPD on an investigation into the building launched by the Tenant Harassment Prevention

[Task Force](#). An HCR spokesperson declined to comment further, citing a policy of not talking about pending investigations.

Hell Gate visited 125 Bowery last week and was able to access the third floor to view some of the remaining SRO units. Several of them looked like they were in the process of demolition, with floorboards and doors removed, and the ceiling of the shared bathroom on that floor had also been removed—a move that has earned the landlord several DOB violations for [failing to maintain the property](#) to code.

We also visited the fourth and fifth floors, where the City has issued stop work orders, and heard drilling but could not see beyond the door: The landlord recently added code locks to each of the floors, according to court filings, and has covered the glass doors into those floors with black plastic. When we attempted to enter the CityNest Hotel, which [offers](#) "cozy and comfortable" "nests" for between \$101 and \$227 per night, a receptionist told us to leave. (The online reviews have been unsparing: some [have warned](#) that it's "unimaginably horrible" and "like a scary movie from hell.")

Several days later, Hell Gate observed another stop work order pasted to the door, this time for the entire building.

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