

# Isaac Hager's Downtown Brooklyn Hotel Faces Foreclosure

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New York

## Isaac Hager's Downtown Brooklyn hotel heads to foreclosure

Bluestone Group holds mezz loan on the Tillary Hotel



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By

Rich Bockmann

**UPDATED, Sept. 18, 4:33 p.m.:** A Downtown Brooklyn hotel that provided housing for the homeless is facing foreclosure.

The 174-key Tillary Hotel at 85 Flatbush Avenue Extension is in default on a mezzanine loan owner Isaac Hager took out to finance the property, according to a notice of a foreclosure auction.

Eli Tabak's Bluestone Group provided Hager with a \$6 million mezzanine loan to finance the purchase last year. Tabak notified Hager in August that a UCC foreclosure auction is scheduled for October for the mezzanine interest.

Hager's Cornell Realty Management bought the building, which also includes 64 rental apartments, for \$95 million in September 2019. But after the coronavirus hit and guests started emptying out, the hotel began taking in homeless men whom the city was moving out of shelters.

That move didn't sit well with the building's apartment tenants, and one of Hager's partners on the building said he regretted the decision to offer hotel rooms as shelter.

"I had no idea what I was getting myself into," Leo Rubin, whose Rubin Equities owns the property with Hager, told the New York Post in May.

A spokesperson for the city's Department of Homeless Services said the department is no longer using the building. Hager and Rubin could not be immediately reached for comment.

Tabak also filed to foreclose on a mezzanine loan his company holds on another Hager property: a 130,00-square-foot development site adjacent to the Williamsburg Bridge at 149 Broadway.

Rosewood Realty Group's Greg Corbin and Aaron Jungreis are marketing the properties for the auction. A representative for the brokers declined to comment.

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