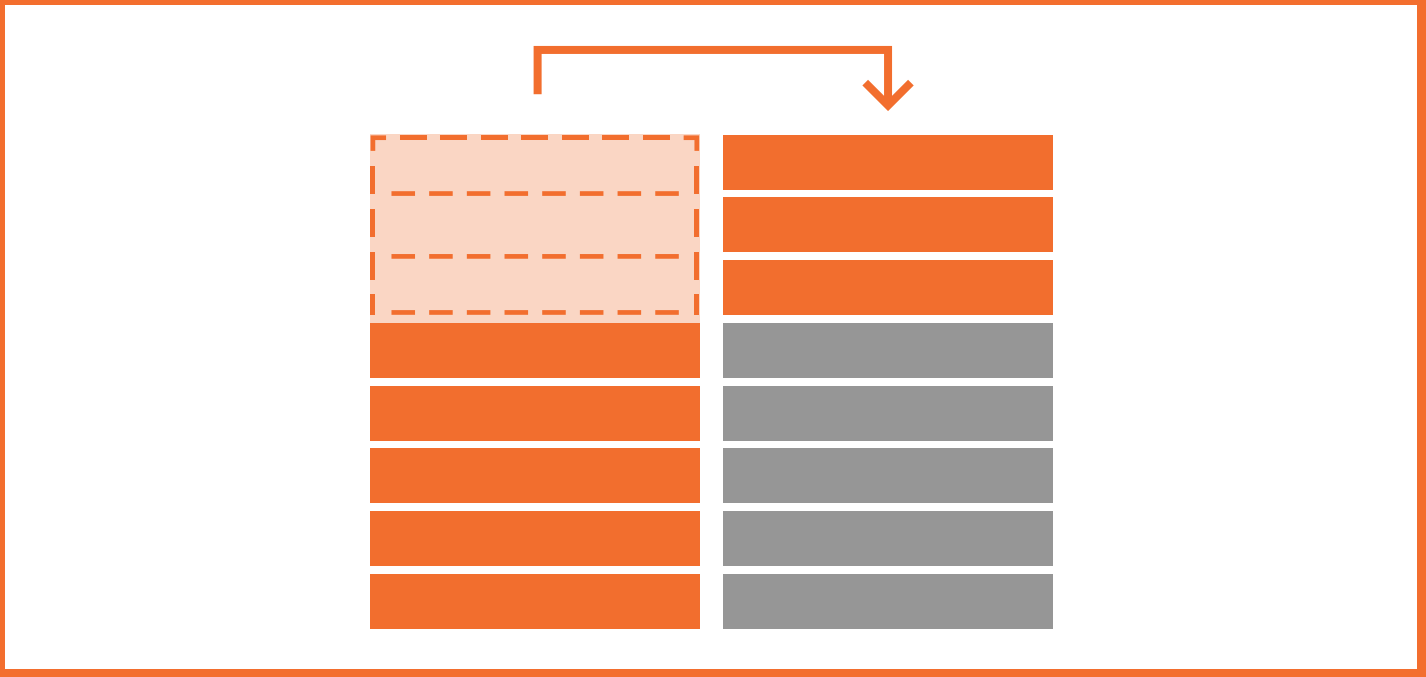


# Transferable Development Rights (TDRs)

The New York City Zoning Resolution allows buildings built below their zoning lot's maximum FAR allowance to transfer "unused" development rights to another lot. This allows the receiving lot to develop a building with a higher FAR than would typically be allowable. These additional development rights are known as **Transferable Development Rights** (TDRs), or "air rights" for short. Once all air rights are transferred to another property, the seller loses the ability to further develop their property.

## Transferable Development Rights (TDRs)



There are three mechanisms that allow buildings to transfer development rights to other lots:

- **Zoning Lot Mergers (ZLMs)** allow adjacent tax lots to combine their development rights, allowing one lot to use another lot's unused FAR capacity. Unlike a rezoning, ZLMs require no public review process. ZLMs account for more than 90% of all air rights transfers in New York City.
- **Landmark transfers** allow the owners of 'landmarked' properties to sell development rights they cannot use (since landmarked sites cannot be redeveloped) to lots that are adjacent to the landmarked site. This requires a special permit from the City Planning Commission (CPC) and a public review process.
- Some **Special Zoning Districts** have exceptional rules permitting development rights to be transferred from one lot to another exclusively within that district. For example, **a special rule in the Broadway Theater Subdistrict** allows theaters to sell their unused air rights to other lots within the Subdistrict to disincentivize the demolition of theaters in favor of more lucrative real estate developments. The rule also requires developers receiving air rights from theaters to contribute to a special fund supporting the Broadway theater industry.