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NYU Furman Center Report: Unlocking NYC's Air Rights Could Spur Affordable Housing Development

New report details the untapped potential of NYC's transferable development rights program; suggests policy approach that could "unlock" millions of square feet of unused air rights and help create more affordable housing.

New York, NY—A new report issued today by the [NYU Furman Center](#) analyzes the untapped potential of NYC's transferable development rights program, a critical tool for high-density housing development in New York City.

The **NYU Furman Center** report, [Unlocking the Right to Build: Designing a More Flexible System for Transferring Development Rights](#), outlines limitations to the city's current TDR policies, and suggests a policy approach that could unlock millions of square feet of unused air rights to help produce more affordable housing.

The city's zoning code currently allow owners of buildings that are underbuilt to transfer their unused development capacity (known as transferable development rights, or TDRs) to nearby lots. TDRs are a well-established part of the NYC real estate market, allowing developers to build larger and taller on some sites, while permanently preserving smaller-scale development on other sites. Over the last decade, the city's TDR programs have facilitated the transfer of over 6.8 million square feet of unused development rights.

While TDRs have played an important role in many development projects, city law restricts landowners' ability to transfer them in a number of ways. Reforms to these restrictions offer a significant opportunity to support additional development that furthers important policy goals. To illustrate the capacity of unused TDRs, the [report](#) estimates that individually landmarked buildings located below Central Park alone hold more than 33 million square feet of unused development rights—the equivalent of 12 Empire State Buildings and roughly 33,000 apartments.



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In [Unlocking the Right to Build](#), the Furman Center reviews the city’s existing TDR programs, provides a framework for thinking about possible new TDR programs, and explores ways the rules could be loosened to support both the production of affordable housing and landmark preservation, while still providing some measures of protection to neighborhoods from oversized development. The [report](#) lays out a concrete example of how the city could design a new, more flexible TDR program that balances these competing goals.

“Given New York City’s severe shortage of affordable housing, city officials must consider innovative strategies for producing more units,” said Jessica Yager, policy director at the NYU Furman Center and co-author of the report. “A thoughtfully reformed TDR program could help produce thousands of affordable housing units while simultaneously providing the owners of landmarks access to new resources for the preservation and maintenance of their buildings.”

Read [Unlocking the Right to Build: Designing a More Flexible System for Transferring Development Rights \(PDF\)](#).

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The [NYU Furman Center for Real Estate and Urban Policy](#) is a joint center of the New York University School of Law and the Robert F. Wagner Graduate School of Public Service. The NYU Furman Center is the leading academic research center in New York City devoted to the public policy aspects of land use, real estate, and housing development, and is dedicated to providing objective academic and empirical research. More information on the NYU Furman Center can be found at [furmancenter.org](#) and [@FurmanCenterNYU](#).