

Practice Update

Vesting under 421-a Is Just the Beginning

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As many in the New York Real Estate community are aware, Section 421-a (16) of the New York Real Property Tax law (“421-a”), was not re-enacted by the State Legislature. Projects that were eligible for a tax exemption under 421-a were required to vest on or before June 15, 2022 in order to be eligible for benefits under the program. For those projects that have vested, there is still significant work to be done in order to qualify under the program and actually receive the available tax benefits. Akerman is here to advise real estate developers on new construction and eligible conversion project eligibility requirements relating to unit size, unit distribution, timing requirements, rent regulation requirements, and duration and implementation of benefits under the 421-a program.

A project must complete construction by June 15, 2026 to be eligible under the 421-a(16) program, at which point the application for a certificate of eligibility can be filed with HPD. For more information on the 421-a application process and how to design your project in compliance with the program please contact [Joshua Rinesmith](#).

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