CONDOMINIUM AND CO-OPERATIVE PROPERTY

The 421-a Expiration Wave

The tax calendar is becoming a comparable.

An estimated 54,390 condominium and co-operative apartments sit in properties reaching first full taxation from FY2023 through FY2040. This report shows when the wave arrives, where it is concentrated, and what resale records suggest about the market's response.

54,390
CONDO AND CO-OP APARTMENTS

3,610
CONDO AND CO-OP BUILDINGS

2 waves
FY2023-FY2040 EXPIRATION CALENDAR

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Counts compiled from New York City Department of Finance historical assessment records and Department of City Planning PLUTO. Pricing analysis from the Roebling warehouse of recorded sales. Counts as of the FY2027 assessment roll; pricing database updated through September 10, 2026.

EXECUTIVE SUMMARY

THE ARGUMENT

The tax calendar now matters.

421-a reduced property taxes for a fixed period. A buyer therefore purchased not only an apartment, but also a temporary schedule of lower carrying costs. Across New York City, those schedules are now expiring for an entire generation of properties.

1. **The wave is large and already underway.**

   Recorded benefit periods at 3,610 condominium and co-operative buildings, containing an estimated 54,390 apartments, reached or are scheduled to reach first full taxation during FY2023-FY2040.

2. **It arrives in two distinct waves.**

   Approximately half of the affected apartments fall in FY2023-FY2030. A second wave builds after 2032 and peaks in FY2035.

3. **The exposure is geographically uneven.**

   Brooklyn and Queens carry most of the affected buildings. Manhattan's exposure is concentrated in fewer, considerably larger properties.

4. **Resale data suggest that buyers respond before the benefit ends.**

   Two descriptive comparisons show weaker performance among properties at or near expiration. They do not prove causation, but they make the tax calendar relevant to pricing and diligence.

> The practical conclusion: The expiration year belongs in a valuation alongside square footage, maintenance or common charges, reserve condition and the building's capital plan.

THE PREMISE

WHAT WAS PURCHASED

An apartment and a tax calendar.

The apartment was permanent. The tax schedule was not.

For decades, 421-a helped finance new residential construction by reducing the property tax attributable to a project's new value. The benefit did not last forever. Depending on the program and property, it ran for a stated term and often phased down before the building became fully taxable.

That created a second clock inside every transaction. The closing price reflected the apartment, but the monthly carrying cost also reflected where the building sat on its benefit schedule. Two otherwise similar apartments were not economically identical if one had twelve years of tax benefit remaining and the other had two.

The expiration wave is the moment when that hidden clock becomes visible. Buyers begin underwriting the later tax bill before it appears, sellers confront a shorter remaining benefit, and boards must explain a change that is scheduled rather than unexpected.

THE VALUATION QUESTION

What is an apartment worth when today's carrying cost is temporary?

This report follows that question from the assessment roll to the resale record: how many, when, where, and whether price appears to notice.

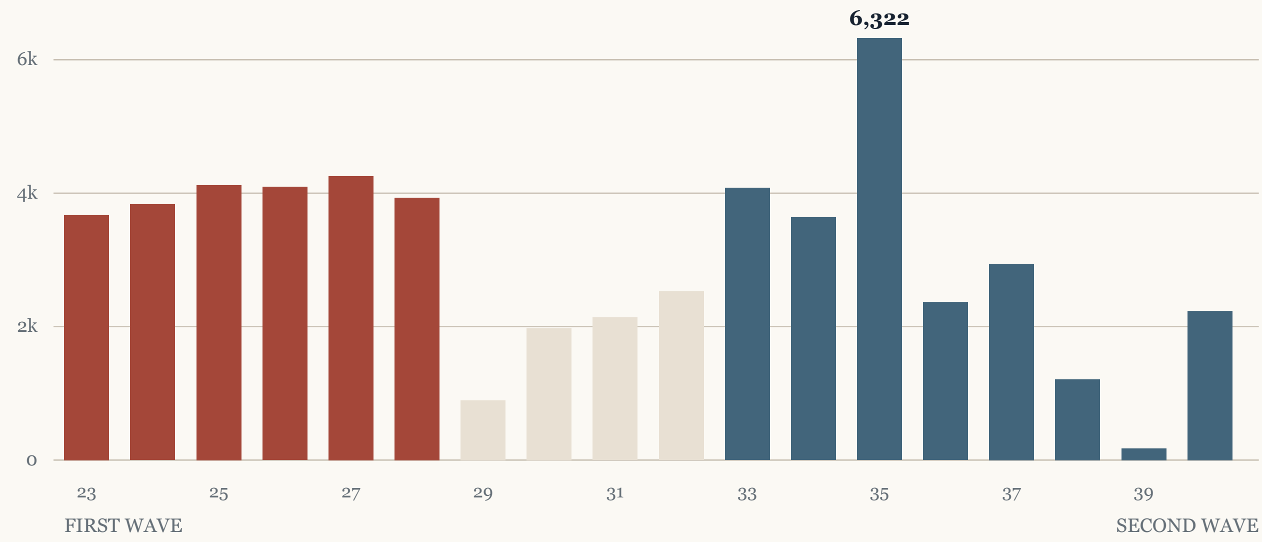
Scope. Condominium and co-operative are Department of Finance property classifications, not statements of occupancy. Condominiums may be investor-owned and rented; co-operative residents own shares and a proprietary lease. The apartment count is an estimate at the property-group level, not an occupancy census.

THE SCALE

WHEN IT LANDS

The clock is striking in two waves.

The first wave is already here. The second is larger at its peak, but it arrives after a short trough.



26,770

APARTMENTS | FY2023-FY2030

27,620

APARTMENTS | FY2031-FY2040

The first wave runs at roughly 4,000 apartments a year through FY2028. FY2029-FY2032 form a brief trough. The second wave then rises sharply, reaching 6,322 condominium and co-operative apartments in FY2035.

THE BROADER 421-a RECORD

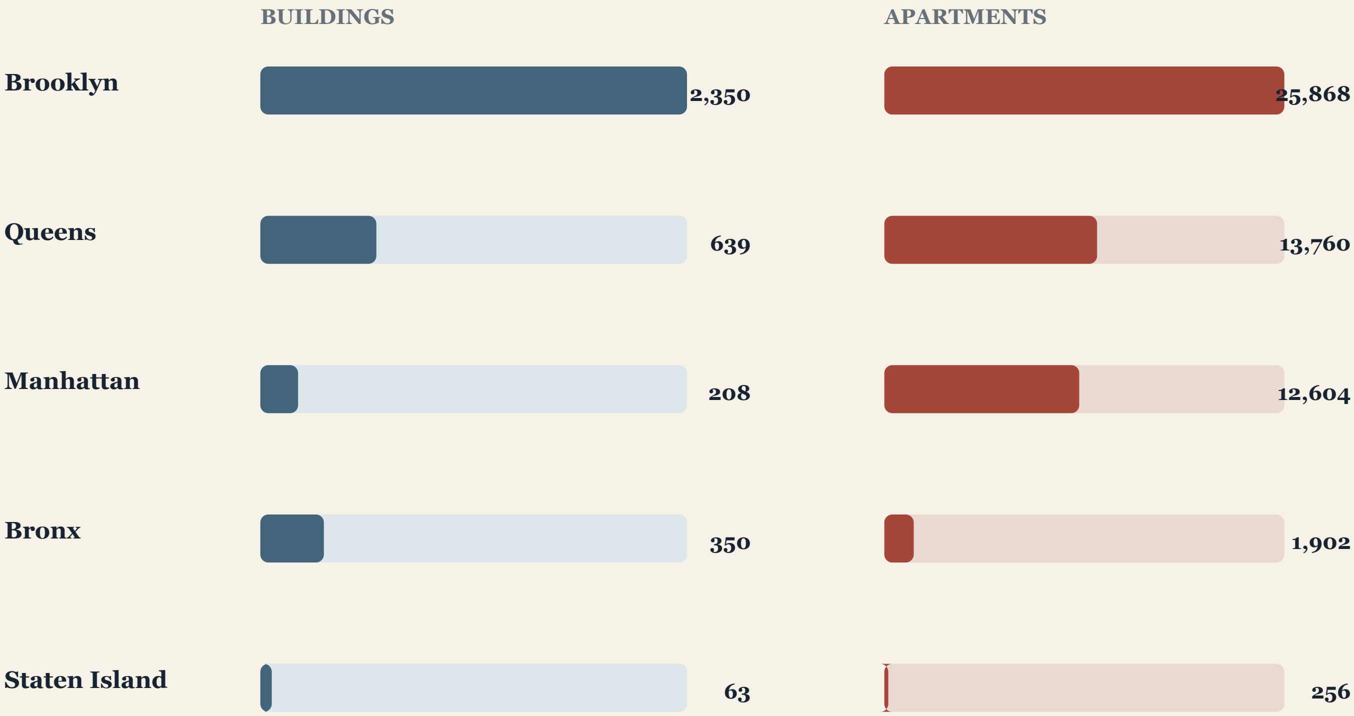
Across all tenures, recorded benefit schedules at 4,769 buildings and 66,313 apartments end during FY2023-FY2030; another 4,575 buildings and 93,940 apartments follow during FY2031-FY2040. A separate rent-stabilization screen identifies approximately 40,700 rental apartments in 2,634 buildings potentially exposed during FY2023-FY2030. That screen is not a deregulation forecast and is not additive to the ownership count because mixed declarations can appear in both analytical views.

THE GEOGRAPHY

WHERE IT LANDS

Brooklyn and Queens carry the buildings. Manhattan carries the concentration.

The wave is citywide, but it does not describe one uniform market.



Brooklyn accounts for 2,350 affected buildings and almost half of the condominium and co-operative apartments in the cohort. Queens adds another 639 buildings. Much of that exposure is distributed across smaller properties in entry-price markets including Flushing, Sheepshead Bay, Gravesend and Woodside.

Manhattan presents the inverse pattern: only 208 buildings, but 12,604 apartments. The exposure is concentrated in a smaller number of large towers, so its importance is less about building count than the capital value and transaction volume contained inside each property.

Why this matters: The same monthly tax increase carries different weight across submarkets. In a lower-price apartment, it can represent a larger share of total carrying cost and buyer affordability. In a high-value tower, the percentage may be smaller while the absolute value at risk is larger.

THE MECHANICS

WHAT CHANGES

The last tax bill is not the first market signal.

Most schedules phase down over time. Buyers can respond to the terminal cost before the building becomes fully taxable.

THE ORO (306 GOLD STREET) - RECORDED 15-YEAR BENEFIT

DOF code 5113 | benefit start FY2011 | first full taxation FY2026

Statutory 15-year phase-down applied to DOF's recorded start and term; this is not the apartment's tax bill.

At The Oro, DOF records a FY2011 start and a 15-year term, making FY2026 the first fully taxable year. The statutory schedule reduces the exemption from 100% to 80%, 60%, 40% and 20% during FY2022-FY2025. The figures below estimate only the final monthly step and are gross of any separate co-op/condo abatement.

$257

PER MONTH | FINAL STEP

Sky View Parc

40-26 College Point Blvd

$202

PER MONTH | FINAL STEP

The Oro

306 Gold Street

$179

PER MONTH | FINAL STEP

Murano

5-19 Borden Avenue

The critical underwriting number is not today's tax bill. It is the full path from the current bill to the first fully taxable year, adjusted for any abatement for which the individual owner may actually qualify.

THE EVIDENCE

THE HYPOTHESIS

If future taxes matter, prices should move before taxes do.

The expiration calendar should appear in resale performance before the final tax step arrives.

The administrative records establish the scale and timing of the wave. Transactions address the harder question: whether the approaching end of the benefit is visible in price. No public dataset can isolate a tax schedule from building quality, interest rates, neighborhood supply, renovation and seller circumstances. The evidence therefore has to be read as association, not proof of cause.

1 | MARKET-WIDE

Compare condominium sales on tax blocks where benefits end soon with blocks that retain a longer runway.

2 | SAME APARTMENT

Compare repeat sales of the same units before and after their buildings reached full taxation, then benchmark each holding period to the Manhattan condo market.

The two tests ask the same question at different resolutions. The block analysis is broad but coarse. The repeat-sale analysis controls for the apartment itself, but it contains only 43 pairs in three buildings. Agreement in direction is informative; neither test should be read as a causal coefficient.

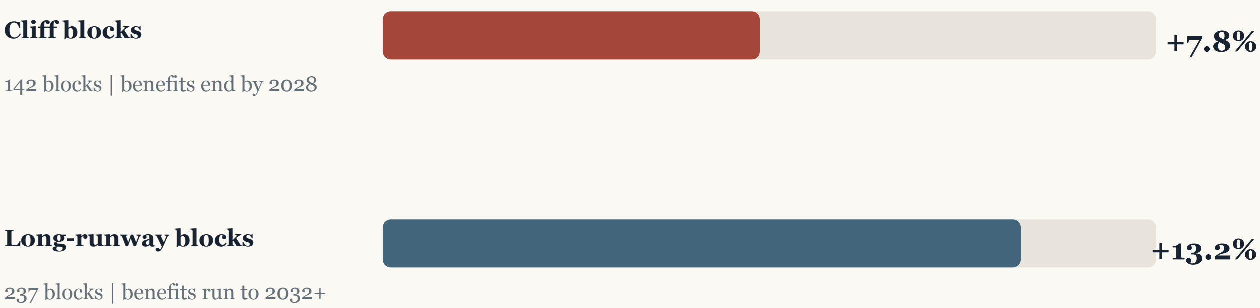
THE MARKET-WIDE TEST

37,029 SALES

Cliff blocks appreciated 5.4 points less than long-runway blocks.

The widest comparison covers 37,029 recorded condominium sales across 841 tax blocks.

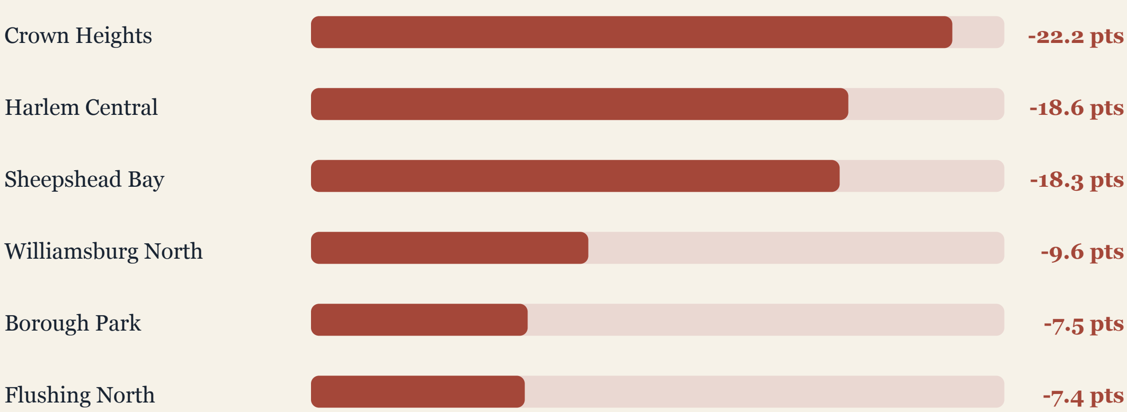
MEDIAN PRICE APPRECIATION, 2016-19 TO 2024-25



Gap: -5.4 percentage points

The comparison uses the two ends of the benefit calendar: 142 blocks whose benefits end by 2028 and 237 blocks whose benefits run to 2032 or later. The remaining 462 blocks expire between those dates or contain lots on both sides and are not part of this comparison. Medians compare 2016-2019 with 2024-2025 and are not adjusted for unit mix.

The pattern persists within most same-neighborhood comparisons.



Eleven of seventeen same-neighborhood pairs move in the predicted direction. A one-sided sign test is approximately p=0.17, so this result alone would not ordinarily be treated as statistically conclusive.

THE NEIGHBORHOOD LEVEL

WILLIAMSBURG NORTH

Same neighborhood. Different tax calendars.

From 2016-2019 to 2024-2025, cliff blocks in Williamsburg North appreciated less than blocks whose benefits run to FY2032 or later.

CLIFF BLOCKS

Williamsburg North

+25.0%

benefits end by FY2028

median change across qualifying blocks

LONG-RUNWAY BLOCKS

Williamsburg North

+34.6%

benefits run to FY2032 or later

median change across qualifying blocks

Gap: -9.6 percentage points

Holding the neighborhood constant removes the largest weakness in the earlier cross-neighborhood illustration. Both groups faced the same local market, interest-rate cycle and broad supply conditions. The same direction appears in eleven of the seventeen neighborhoods where both calendar groups could be compared.

What this comparison still cannot do: Tax blocks contain sales from buildings without 421-a, and the cliff and runway groups can still differ in vintage, product mix, condition and buyer profile. It narrows the comparison; it does not make it causal.

The same apartment still trailed the market.

Forty-three repeat-sale pairs provide the report's narrowest comparison.

43 REPEAT-SALE PAIRS IN THREE MANHATTAN BUILDINGS

45 Park Avenue	**-9.3%**
The Lucida	**-5.6%**
The Grand Beekman	**+4.6%**
All three, nominal	**-2.8%**

-26.0%

MEDIAN MARKET-ADJUSTED GAP

41 of 43 pairs underperformed the Manhattan condominium index over the same holding period.

Each pair begins with an arms-length, non-sponsor purchase two to twelve years before the building's first fully taxable year and ends with a resale on or after it. No pair was removed because of its result. The three buildings were selected because their expiration dates and turnover produced usable observations; the exercise was not an exhaustive screen of every potentially eligible Manhattan building.

The market-adjusted measure matters more than the nominal result. The median apartment changed by -2.8%, but the Manhattan condominium market rose by a median 31.4% over the same pair-specific holding periods. Subtracting each pair's matching market move produces the -26.0% median gap. Renovation and unit condition are not visible in recorded data and remain uncontrolled.

THE SYNTHESIS

WHAT THE RECORD SUPPORTS

The evidence is a pricing signal.

The data support a narrower claim than the headline version of the story - and a more useful one for an actual transaction.

Properties at or near expiration underperformed their selected comparison groups at both the market and apartment level. The analyses do not isolate the tax schedule from every other influence on price. They do show that the expiration calendar is associated with differences large enough to matter in valuation and negotiation.

WHAT STRENGTHENS THE SIGNAL

- The block comparison spans 37,029 sales.
- Eleven of seventeen same-neighborhood pairs move in the same direction.
- The repeat-sale analysis follows the same apartment through the tax transition.
- Forty-one of forty-three repeat-sale pairs trail the market benchmark.

WHAT THE DATA CANNOT REMOVE

- Interest-rate and new-development cycles.
- Neighborhood supply and buyer mix.
- Building quality, governance and capital needs.
- Renovation, condition and individual seller circumstances.
- Selection risk in a three-building repeat-sale panel.

The correct use of this research is not to apply a universal discount. It is to ask the question building by building: how much benefit remains, what does full taxation cost, and has the current asking price already absorbed that future expense?

THE PRACTICAL VIEW

WHAT TO DO

The tax calendar is now a comparable.

For buyers and sellers, the expiration year belongs in the same conversation as carrying cost, reserves and building condition.

IF YOU OWN

Know the building's first fully taxable year before choosing a sale date or asking price. Ask the managing agent or tax professional for the current exempt assessed value and a full-tax estimate. Price the apartment against its future carrying cost, not only the bill shown today.

IF YOU ARE BUYING

Underwrite the terminal bill, not only today's bill. Request the current property statement, exemption schedule and projected fully taxable amount. Confirm whether the unit may qualify for the separate co-op/condo abatement; do not assume the seller's eligibility applies to you.

IF YOU ARE COMPARING

Normalize both apartments to their projected fully taxable monthly cost. Treat remaining benefit term as a price-relevant building characteristic, then calculate the carrying-cost difference over your expected holding period. Equal price per square foot can hide materially different economics.

IF YOU SERVE ON A BOARD

Co-op boards should model the building-level increase in maintenance and reserve planning. Condo boards should distribute the final benefit year, current exempt assessed value and full-tax estimates. State the assumptions clearly: unit-level taxes and eligibility for a separate abatement vary by owner.

A tax benefit is temporary. The obligation to understand it is not.

CONCLUSION

THE ROEBLING VIEW

The benefit expires. The building remains.

The expiration wave turns a tax schedule into a valuation question.

The 421-a expiration wave is not one event and it is not one kind of building. It extends across nearly two decades, from small outer-borough condominiums to large Manhattan towers. But the practical question is consistent: how should today's price reflect tomorrow's carrying cost?

The administrative record identifies where the tax calendars end. The resale record cannot prove that expiration alone caused the observed performance gaps, but it shows that properties nearest expiration have not traded like the selected properties with more runway or like the broader market over the same holding periods.

For owners, buyers and their advisers, that makes the benefit schedule part of the building's financial condition. The tax bill displayed today is a snapshot. The expiration calendar is the asset-level fact that belongs in the valuation.

THE REPORT IN ONE SENTENCE

An apartment with a temporary tax benefit is not fully described by its current carrying cost - and the market increasingly has reason to price the calendar that comes after it.

TECHNICAL NOTE

METHOD AND SOURCES

How the figures were built.

Counts. Source: NYC Department of Finance Property Exemption Detail (NYC Open Data `muvi-b6kx`), assessment-roll years 2021-2027. Earlier rolls are required because properties can disappear after a benefit ends. Applicable 421-a exemption codes and their construction variants were retained; unrelated programs including 421-b, 421-g, J-51, 467-m and 485-x were excluded. Within each roll year, the latest assessment period was retained per lot and code.

Condominium unit lots were consolidated by DOF condominium declaration number; non-condominium property was grouped by BBL. Expiration is benefit start plus stated term, expressed as the first fully taxable fiscal year. Buildings use DCP PLUTO `NumBldgs`. Apartment counts use PLUTO residential units for non-condominium and bulk-rental declarations, individually lotted residential condominium classes where available, and DOF `COOP_APTS` for qualifying co-op lots within condominium declarations. Four materially mixed declarations use a residual estimate. The result is a property-level estimate rather than a component-exact census. No six-unit minimum was imposed: qualifying smaller properties were retained when historical DOF records carried an applicable older-program code. A separate current-BIN check was used as a building-level sensitivity test; PLUTO `NumBldgs` remains the published measure.

Tenure and scope. Condominium and co-operative are DOF property classifications and do not establish owner occupancy. Mixed declarations can contain both individually lotted ownership apartments and bulk rental components. The broader all-tenure figures and the rent-stabilization screening figures are therefore separate analytical views and should not be added together.

Pricing. The database was updated through September 10, 2026. The citywide block test covers 37,029 recorded condominium sales from 2016-2025 across 841 tax blocks with at least ten 421-a lots. It compares block-level median arms-length prices above $150,000 in 2016-2019 and 2024-2025. Of the 841 blocks, 142 end by 2028 and 237 run to 2032 or later; 462 intermediate or mixed-calendar blocks are outside the comparison. The repeat-sale test contains 43 pairs in three fee-simple Manhattan buildings, with an arms-length non-sponsor purchase two to twelve years before first full taxation and a resale on or after it. The market adjustment subtracts the Roebling Manhattan condominium price-per-square-foot index change over each pair's identical holding period.

Limitations. These are derived administrative counts, not published city statistics. Building counts rest on PLUTO rather than a property-by-property physical inspection. Some properties carry multiple schedules; the property is assigned to its final recorded schedule because public records do not allocate apartments among components. Pricing comparisons are descriptive, not causal, and do not control for unit mix, renovation, seller motivation or every difference among buildings.

Published data. The companion workbook contains the property-level condominium, co-operative and rental records, annual summaries, counting bases and audit tabs. Suggested attribution: Roebling Index analysis of New York City Department of Finance and Department of City Planning records.

THE ROEBLING INDEX ABOUT THE AUTHOR

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Corey Cohen is a Manhattan residential broker and publisher of The Roebling Index, a building-level research platform developed from more than 580,000 recorded transactions across Manhattan, Brooklyn and Queens. Its broader research warehouse covers more than 57,000 buildings; more than 3,000 carry public profiles with building, neighborhood and corridor pricing research designed for actual transaction decisions.

The research underwrites the brokerage practice: pricing, negotiation and diligence for buyers and sellers of Manhattan co-operatives and condominiums, with coverage centered on the Upper East Side, Upper West Side, Tribeca, and the Park Avenue, Fifth Avenue and Central Park West corridors.

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