



TWO TREES

Incentives

REAP

Relocation Employment Assistance Program

\$25

Up to \$25 per Square Foot to Tenants

\$3000

Annual benefits for each full-time employee

CRT

Commercial Rent Tax

Reduced Property Tax

Avoid a 3.9% rental tax charged to tenants paying more than \$250K per year in rent in Manhattan business districts

ICAP

Industrial & Commercial Abatement Program

25 Years

This city program reduces property tax obligations by up to 25 years

“The quality of life in the neighborhood, the business sense of benefiting from the REAP program and the adjacency to one of the greatest parks and views in the city make DUMBO a great place to raise a family and make a home for your professional passions.”

– Kai-Uwe Bergmann, Partner, Bjarke Ingels Group (BIG)

Relocation Employment Assistance Program (REAP)

This city program benefits companies relocating to Brooklyn from Manhattan (below 96th St) or outside of NYC, by providing \$3,000 annually for each full-time employee. Eligible companies must sign an office lease for at least a 3-year term and may collect the REAP benefits for up to 12 years. Companies may redeem their REAP benefits as a tax credit against city taxes, however, in the case of start-ups or small business not generating sufficient taxable income, REAP benefits may be collected as a direct payment from the city.

Example: A Manhattan-based company relocates their office with 30 full-time employees from Manhattan to DUMBO. The asking price for the 5,000 SF office is \$52.00 PRSF, which is \$260,000 in rent a year. Shortly after submitting an annual NYC tax filing, they receive a REAP benefit check from the city for \$90,000 (\$3,000 x 30); thus reducing the rent from \$52.00 PRSF to \$34.00 PRSF and their annual total from \$260,000 to \$170,000

Commercial Rent Tax (CRT)

Brooklyn office tenants are exempt from the NYC Commercial Rent Tax, which imposes a tax of 3.9% on tenants paying more than \$250,000 rent per year, in most office districts in Manhattan.

Example: A tenant in Midtown Manhattan and a tenant in Williamsburg, Brooklyn both pay a \$300,000 annual rent payment. The Midtown tenant is required to pay the Commercial Rent Tax of \$11,700 (\$300,000 x .039%) while the Brooklyn tenant is exempt from this payment.

Industrial & Commercial Abatement Program (ICAP)

This city program reduces property tax obligations for up to 25 years, subject to overall capital improvements. This program benefits tenants by keeping their percentage of real estate tax obligations to a minimum.

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