

OVERVIEW

Pursuant to Multiple Dwelling Law (MDL) § 286(12), a protected occupant of an interim multiple dwelling (IMD) unit may sell the rights and protections afforded pursuant to Article 7-C to the owner of the building. The Loft Board rules governing Sales of Rights are found in Title 29 of RCNY [§ 2-10](#). There can be only one sale of rights per unit. Individual rights, e.g. heat requirements, cannot be sold.

The occupant and the owner may negotiate the purchase price for the rights. The refund of a security deposit, or a portion thereof, is not an acceptable consideration.

Except for the sales between the owner and a representative of a deceased occupant's estate, the occupant must reside in the unit at the time of the sale. Protected occupants are urged to consult an attorney if they receive a sales offer from the owner. If the tenant and owner agree to a sale, the owner will ask the tenant to sign a Sales Record Form and a Sales Agreement to record the sale. **Tenants should carefully read any paperwork before signing.** Tenants are not required to sell Article 7-C rights to the owner.

SALES RECORD FILING

Owner must file at the Loft Board a [Sales Record Form](#) within thirty (30) days of the sale. Failure to do so may subject the owner to civil penalties. The Sales Record Form must be signed by the owner and the occupant who sold rights to the unit. The owner must include an unredacted copy of the sales agreement, including a full description of the consideration and proof of payment.

If the owner intends to use the unit for non-residential purposes, the owner must include a complete [Declaration of Intent Form](#). The unit will be inspected to confirm the removal of residential features. If residential fixtures remain in the unit, the request for conversion to commercial use will be denied.

EFFECT OF SALE OF RIGHTS

If the unit is to be used for non-residential purposes after a sale of rights, the owner will be relieved of its obligations to legalize the unit for residential use under the Loft Law. If the unit is to remain residential after a sale of rights, the owner remains subject to all legalization requirements under the Loft Law. The unit will no longer be subject to rent regulation where coverage under Article 7-C was the sole basis for such rent regulation. Conversion of the unit to non-residential use and the exemption from rent regulation will not be permitted if there is a finding of harassment as to any occupant(s) in the IMD unit that has not been terminated.