

Building Systems



To assist commercial property owners in complying with the Tangible Property Regulations, we include building systems and unit of property summary in our cost segregation studies at no additional cost. When using building systems to assist in making capital versus expense decisions, the current expenditure must be compared to the current replacement cost of the building component. Therefore, our reports identify the depreciable basis of each building system along with the current replacement cost of each building system.

Building Component	Depreciable Cost	Current Replacement Cost
**Ceiling Systems	\$174,272.97	\$271,655.41
**Doors and Frames	\$183,566.64	\$286,142.31
Electrical	\$507,935.61	\$791,766.25
Elevators	\$82,050.82	\$127,900.21
Fire Protection & Alarm	\$244,652.21	\$381,362.05
HVAC	\$308,255.67	\$480,506.65
**Interior Framing / Partitions	\$460,706.52	\$718,145.89
**Miscellaneous Building Components	\$2,914,064.09	\$4,542,421.42
**Painting	\$85,818.04	\$133,772.52
Plumbing	\$507,881.40	\$791,681.75
**Roofing Systems	\$85,246.26	\$132,881.14
Security	\$37,199.10	\$57,985.68
**Windows	\$203,239.82	\$316,808.72
Total Building Cost	\$5,794,889.10	\$9,033,030.00

As defined in §1.263(a)-3(e)(2) of the Tangible Property Final Regulations each building and its structural components are a single unit of property. This requires the separate identification of each building on a single property (i.e. apartment complexes with multiple buildings). A building is further defined to its nine building systems which are *HVAC, Plumbing, Electrical, Escalators, Elevators, Fire Protection and Alarm, Security, Gas Distribution, and **any other components identified in published guidance*. A building systems analysis must be done when determining if an expenditure to a particular building system is an expensed or capitalized item. For example, the cost of the expenditure on an electrical system should be compared to the total cost of the electrical system to assist in determining if the new expenditure should be capitalized or expensed. If the cost of the expenditure is low compared to the total electrical system then it can most likely be expensed; if the expenditure makes up a large portion of the total electrical system then it most likely will be capitalized.

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