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SARASOTA COUNTY TRADE FIXTURE POLICY

The following definition is supplied by THE APPRAISAL OF REAL ESTATE 10TH EDITION APPRAISAL INSTITUTE, 1992 P 8-91

A trade fixture, also called a chattel, fixture, is an article that is owned and attached to a rented space or building by a tenant and used in conducting a business. Thus, trade fixtures are not real estate endowed with the rights of real property ownership; they are personal property regardless of how they are affixed. Some examples of trade fixtures are restaurant booths and bars, gasoline station pumps and storage tanks, and body building equipment in a health club.

In industrial real estate, the term can be used to refer to fixed building equipment installed for human comfort (e.g., plumbing, lighting, heating, air-conditioning) and to industrial equipment (e.g., air hoses, water pipelines, crane ways, bus ducts). A trade fixture is to be removed by the tenant when the lease expires unless this right has been surrendered in the lease. To decide whether an item is a trade fixture, and therefore personal property, or part of the real estate, courts use the following criteria: 1. The manner in which the item is affixed. Generally, an item is considered personal property if it can be removed without serious injury to the real estate or to itself. There are exceptions to this rule. 2. The character of the item and its adaptation to the real estate. Items that are specifically constructed for use in a particular building or installed to carry out the purpose for which the building was erected are generally considered permanent parts of the building. 3. The intention of the party who attached the item. Frequently, the terms of the lease reveal whether the item is permanent or to be removed at some future time.

Based on this definition Sarasota County will consider the three factors outlined above: 1. PORTABILITY, 2. INTENT, 3. CONTRACTUAL AGREEMENTS. If no information is provided to the contrary, by the business owner, it will be assumed the assets are owned by the business owner. If lease holds or build outs are reported as a lump sum 35% of the lease hold improvements will be considered Tangible Assets.

If the lessee claims the property owner is also the owner of the trade fixtures, the lessee will need to provide a copy of the lease listing the subject property.