

BUYERS OF PROPERTIES should be aware of the refrigerants used in any assets they are acquiring, so that associated costs can be appropriately budgeted. This is an issue that should be a high priority during due diligence. **OWNERS OF PROPERTIES** with older systems will have choices to make when repairing them and may determine that an HVAC replacement is a more cost-effective long-term solution.

R-22 (also known as HCFC-22) is an ozone-depleting refrigerant which has been widely used in HVAC systems. Under EPA mandate, production of new systems that use R-22 ended in 2010. Manufacturing of the refrigerant itself will end by January 1, 2020, so there is a limited lifespan for units that use R-22, and higher costs related to decreasing supply.

Preparing for the phase out can save you time and money. MacKenzie Management's professionals can help you evaluate your systems and plan for the best course of action with a thorough analysis of your options.

Considerations:

- What are the costs associated with system upgrades or replacement?
- How can you prepare for (or avoid) potential loss of rental income - and inconvenience to tenants - during the downtime while units are repaired or replaced?
- What are the significant transition dates for the phase out?
- Are there legal ramifications of not switching?
- How can you verify whether your system uses R-22?
- Is the replacement refrigerant you are considering EPA approved?
- Is retrofitting an option?

YOUR PARTNER IN BUILDING ASSET VALUE

For an HVAC evaluation, contact us by phone or e-mail:

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As part of ongoing education efforts, MacKenzie's property managers host monthly lunch-and-learns with trusted vendors to stay apprised of trends, legal updates, and other industry-related changes. We are pleased to pass along this information to our clients in summary form to initiate discussion. This information is not intended as a call to action, but rather an opportunity for us to work with you should you feel your asset could benefit from further discussion on the matter.