BEN FREDERICK REALTY
BALTIMORE'S APARTMENT PROPERTY SPECIALIST

16-Bed Recovery Center in Hamilton

3211 Batavia Avenue
Hamilton-Waltherson, Baltimore City, 21214

2 Single Rooms
7 Double Rooms

» *Property*

BUILT	1920. Gut renovated in 2024.
ZONING	R-3. Permitted for a recovery center for up to 16 residents.
LOT	Block 5798, Lot 009. 108' x 212'.
SIZE	3,805 sq. ft. above grade living area.

» *Exterior*

CONSTRUCT	Frame construction with vinyl siding; stone foundation.
ROOF	Asphalt shingle roof.
WINDOWS	Vinyl replacement windows.
PARKING	Concrete and gravel parking pad.
FIRE ESCAPE	Wood fire escape on rear.
ADA ACCESS	ADA-accessible entry ramp on east side of house.

» *Utilities*

HVAC	Gas-fired 90+ AFUE Rheem furnace with dual-zone central air conditioning. Additional electric heat pump located in attic with independent thermostat.
HOT WATER	Rheem 50-gallon electric water heater.
ELECTRIC	1 electric meter; 200-amp service.
GAS	1 gas meter.
PLUMBING	Observable supply lines are C-PVC; observable drain lines are PVC.
TRASH	Baltimore City trash and recycling pickup included in property taxes.

» *Interior*

KITCHEN	Granite counters and wood cabinets. Stainless appliances include 2 refrigerators, dishwasher, built-in microwave, gas range, and garbage disposal.
BATHS	One half bath with modern vanities. Three full baths with shower stalls featuring ceramic tile surrounds and updated vanities.
FINISHES, ADA FEATURES	Laminate flooring throughout living areas; ceramic tile in bathrooms. Drywall walls and ceilings. Chairlifts installed along interior staircases.
FIRE SAFETY	Building is fully sprinklered.

» *Environmental*

ASBESTOS	None observed.
OIL TANK	None observed.
LEAD STATUS	No lead certification required.



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***$1,100,000* in Fee Simple.**
$289 per sq. ft.

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3211 BATAVIA AVENUE

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:		1,100,000
Loan-to-Value	75%	SUGGESTED LOAN AMOUNT		825,000
Loan Amount	825,000	ESTIMATED CLOSING COSTS		63,250
Interest Rate	6.50%	TOTAL INVESTMENT		338,250
Term	30	**Price Per Unit**	**1**	**1,100,000**
Monthly P & I	$ 5,214.56	**Price Per Sq.Ft.**	**3,805**	**289**

Tenant	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
16 Resident Recovery Home	8/31/2030	10,100	8/22/2025	10,100	10,405
Water Bill Reimbursement				500	500

GRM (actual) = 8.6	Total Monthly Income	10,600	10,905
GRM (market) = 8.4	***Effective Annual Income***	127,200	130,860

Real Estate Taxes		7/1/2026	310,300	7,323
budget for tax increase			500,000	11,800
Ground Rent	none			0
Insurance	budget	2,500	per unit	2,500
License - Baltimore City MFD	actual	0	per apt	0
License Inspection	budget	0	per apt / 2 yrs	0
Lead Paint Registration Fee	actual	0	per apt	0
Repairs & Maintenance	paid by tenant	0	per year	0
Gas	paid by tenant	0	per month	0
Electric	paid by tenant	0	per month	0
Water	budget	500	per month	6,000

Expense/Unit= $27,630	21%		***TOTAL EXPENSES***	***27,623***
Cap Rate= 9.39%			***NET OPERATING INCOME***	***103,237***
DCR= 1.65			*Less: Mortgage Payments:*	62,575
ROI= 12.0%	***Monthly Cash Flow:***	***$3,389***	***Annual Cash Flow:***	***40,662***

COMPARABLE SALES

address	date sold	sales price	sq ft	monthly rent	price per sq ft	GRM
416 Eastern	Jun-24	600,000	5,664	5,534	106	9.0
14-16 Madison	Mar-24	2,821,720	13,128	26,000	215	9.0
3625 Fairview	May-24	675,000	3,015		224	
615 N Carrollton	Apr-24	900,000	3,687	9,000	244	8.3
2926 Harford	Jul-24	1,775,000	6,126		290	
1400 Light	May-25	700,000	3,136	7,000	223	8.3



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Ben Frederick Realty, Inc., Seller's Exclusive Broker

visit: https://BenFrederick.com

Illustration of the **Four Components of "Return on Investment"**

1 *Cash Flow*

This first and perhaps most obvious component is "cash flow" - rental income minus expenses - or how much cash ends up in your pocket.

130,860	+	Rental Income
27,623	-	Operating Expenses
62,575	-	Mortgage Payments
40,662	=	Cash Flow
338,250	/	Downpayment + Closing Costs
12.0%	=	Return on Investment from Cash Flow

2 *Appreciation*

As the value of the property increases, your return on investment increases.

1,100,000	=	Acquisiton Price
5%	*	First Year Appreciation
1,155,000	=	Value at the end of Year 1.
55,000	=	Amount of Value Increase
338,250	/	Downpayment + Closing Costs
16%	=	Return on Investment from Appreciation

3 *Equity Build-Up* 6.50% 30 $ 5,214.56

Even if the property did not increase in value, Equity will increase solely from paying down the mortgage.

825,000	=	Loan Amount at Closing
815,779	=	Loan Amount at the end of Year 1
9,221	-	Equity Build-Up in Year 1
338,250	/	Downpayment + Closing Costs
2.7%	=	Return on Investment from Equity Build-Up

4 *Tax Benefits*

One pays less income taxes on a real estate investment than on other investment vehicles.

103,237	=	Cash Flow Before Loan Payments (rents less expenses)
23,375	-	Depreciation (assumes 15% land, 30 year recovery)
53,353	-	Mortgage Interest
26,508	=	Taxable Income Year 1
21,207		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
7,846.49	=	Federal Income Tax
7,846		Federal Income Tax
40,662	/	Cash Flow
19.3%	=	Effective Tax Rate on This Investment
15,045	=	Tax if Cash Flow came from a non-preferred investment vehicle
7,846	-	Tax from this preferred investment vehicle.
7,199	=	Income Tax Savings
2.1%		Return on Investment from Tax Savings

Total / Summary

1:	40,662	Cash Flow
2:	55,000	Appreciation Year 1
3:	9,221	Equity Build Up Year 1
4:	7,199	Tax Savings Year 1
	112,082	Total Return from this Investment
	338,250	Downpayment + Closing Costs
	33.1%	Total Return from this Investment

Illustration of Internal Rate of Return over a 10-Year Holding Period											
3 2 1 1 B A T A V I A A V E N U E											
Purchase Price	**1,100,000**	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Annual Rent	4.0%	130,860	136,094	141,538	147,200	153,088	159,211	165,580	172,203	179,091	186,255
Vacancy	3.0%	3,926	4,083	4,246	4,416	4,593	4,776	4,967	5,166	5,373	5,588
Effective Income		126,934	132,012	137,292	142,784	148,495	154,435	160,612	167,037	173,718	180,667
Expenses	4.0%	27,623	28,728	29,877	31,072	32,315	33,608	34,952	36,350	37,804	39,316
Exp as a percent of Annual Rent		22%	22%	22%	22%	22%	22%	22%	22%	22%	22%
Exp per unit	4	6,906	7,182	7,469	7,768	8,079	8,402	8,738	9,088	9,451	9,829
NOI	0	99,311	103,284	107,415	111,712	116,180	120,827	125,660	130,687	135,914	141,351
Debt Service	$ 5,215	62,575	62,575	62,575	62,575	62,575	62,575	62,575	62,575	62,575	62,575
Before Tax Cash Flow	**(313,500)**	**36,736**	**40,709**	**44,840**	**49,137**	**53,605**	**58,252**	**63,086**	**68,112**	**73,339**	**851,077**
21.2%	Internal Rate of Return										
NOI		99,311	103,284	107,415	111,712	116,180	120,827	125,660	130,687	135,914	141,351
Less Interest		53,353	52,736	52,077	51,374	50,624	49,823	48,969	48,058	47,086	46,049
Less Depreciation		29,333	29,333	29,333	29,333	29,333	29,333	29,333	29,333	29,333	29,333
Taxable Income to Individuals		16,624	21,214	26,005	31,004	36,223	41,670	47,357	53,295	59,495	65,969
Pass Thru Entity	20%	(3,325)	(4,243)	(5,201)	(6,201)	(7,245)	(8,334)	(9,471)	(10,659)	(11,899)	(13,194)
Taxable Income	0	13,299	16,971	20,804	24,803	28,978	33,336	37,886	42,636	47,596	52,775
Tax @ *	37%	4,921	6,279	7,697	9,177	10,722	12,334	14,018	15,775	17,610	19,527
After Tax Cash Flow	**(313,500)**	**31,816**	**34,429**	**37,143**	**39,960**	**42,883**	**45,918**	**49,068**	**52,337**	**55,729**	**698,543**
17.6%	Internal Rate of Return										
Purchase	1,100,000							**Assume a Sale at End of Year 10**			
L-V	75%							Annual Rent Roll			186,255
Loan	825,000							GRM			8.4
Down Payment	275,000				annual appreciation		3.6%	Price			1,565,643
Cap Improvement	-							Sale Costs		6%	93,939
Closing Costs	38,500							Less: Basis			806,667
Initial Investment	313,500							Gain			665,038
Rate	6.50%							Tax @		20%	133,008
Term	30							Mortgage Balance			699,403
P&I	$5,214.56							Sale Proceeds Before Tax			772,301
								Sale Proceeds After Tax			639,294
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
825,000	Beg Bal	825,000	815,779	805,940	795,442	784,241	772,291	759,539	745,934	731,418	715,929
6.50%	Prin	9,221	9,839	10,498	11,201	11,951	12,751	13,605	14,516	15,489	16,526
30.0	Int	53,353	52,736	52,077	51,374	50,624	49,823	48,969	48,058	47,086	46,049
5,215	Bal EOY	815,779	805,940	795,442	784,241	772,291	759,539	745,934	731,418	715,929	699,403
Cost Recovery / Depreciation		1,100,000	1,100,000	Building	80%	880,000	Land	20%	220,000	**Life**	**30**
		29,333	29,333	29,333	29,333	29,333	29,333	29,333	29,333	29,333	29,333
Basis		1,070,667	1,041,333	1,012,000	982,667	953,333	924,000	894,667	865,333	836,000	806,667
* Tax rate of 35% applies to income of $256,225 to $640,599 for singles; $512,450 to $768,699 for married filing jointly. Marginal rate above $640,600/$768,700 is 37%.											