



5 Apartments in Madison Park

1407 McCulloh Street
Madison Park, Baltimore City, 21217

- 1 Three-Bedroom Apartment
- 1 Two-Bedroom Apartment
- 3 One-Bedroom Apartments

» *Property*

BUILT	~1920.
ZONING	R-8, Permitted for 4 Dwelling Units; Licensed for 5 Dwelling Units.
LOT	Block 0378, Lot 028. 20' x 95'.
SIZE	3,300 Sq. Ft. Gross Living Area.

» *Exterior*

CONSTRUCT	Brick construction with stone foundation.
ROOF	Rubber roof.
WINDOWS	Single-pane wood windows in front; vinyl replacement windows in rear.
PARKING	2 car concrete parking pad in rear.
FIRE ESCAPE	Steel fire escape in rear.

» *Utilities*

HVAC	Three apartments have gas-fired forced air furnaces; one apartment has mini-split system; and one apartment has electric baseboard heat.
HOT WATER	Four gas-fired water heaters.
ELECTRIC	Five meters, 200 amp total service.
GAS	Four gas meters with one extra hook-up.
PLUMBING	Observable supply pipes are a mix of copper, c-pvc, and steel. Observable drain lines are pvc.
TRASH	Baltimore City trash and recycling pick up included in property taxes.

» *Interiors*

KITCHENS	Mix of laminate and butcher block countertops with wood cabinets; mix of 20" and 30" gas ranges with one 30" electric range; and stainless steel sinks. Third floor apartment has a built-in microwave. Mix of laminate, hardwood, and ceramic tile floors.
BATHS	Mix of modern vanities and pedestal sinks. Three apartments have steel tubs with ceramic tile surrounds; one apartment has a shower stall with ceramic tile surround; and one apartment has a clawfoot tub. Mix of ceramic tile and vinyl tile floors.
WALLS & CEILINGS	Plaster walls. Ceilings are mostly plaster with some drywall.
FLOORING	Mostly hardwood floors with some laminate plank flooring.
LAUNDRY	In-suite laundry in every apartment.

» *Environmental*

ASBESTOS	None observed.
OIL TANK	None observed.
LEAD STATUS	Risk Reduction lead certificates.



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\$475,000 in Fee Simple

\$95,000 per unit, \$144 per sq. ft.

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1407 MCCULLOH STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:		475,000
Loan-to-Value	75%	SUGGESTED LOAN AMOUNT		356,250
Loan Amount	356,250	ESTIMATED CLOSING COSTS		23,750
Interest Rate	6.50%	TOTAL INVESTMENT		142,500
Term	25	Price Per Unit	5	95,000
Monthly P & I	\$ 2,405.43	Price Per Sq.Ft.	3,300	144

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
1F	1 BR	2/28/2026	800	3/23/2024	800	1,000
1R	1 BR	7/31/2026	900	7/7/2024	900	1,000
2F	2 BR	6/30/2026	850	6/26/2025	1,050	1,300
2R	1 BR	6/30/2026	1,050	5/22/2025	850	1,100
3	2 BR	7/31/2026	1,100	5/27/2025	1,100	1,600
Parking	2 Car					50

Tenants Reimburse for Water 70 175

GRM (actual) = 8.3 GRM (market) = 6.4	Total Monthly Rental Income	4,770	6,225
	Gross Annual Income	57,240	74,700
	Vacancy / Credit Loss	5.0% (2,862)	(3,735)
	Effective Annual Income	54,378	70,965

Real Estate Taxes	actual	7/1/2025	70,200	1,657	
	budget for tax increase		250,000	5,900	
Ground Rent	none			0	
Insurance	budget	750 per unit		3,750	
Leasing and Management	budget	5% of collections		3,548	
License - Baltimore City MFD	actual	35 per unit		175	
License Inspections	budget	75 per unit / 3 yrs		125	
Lead Paint Registration Fee	actual	30 per unit		150	
Repairs & Maintenance	budget	1,000 per unit		5,000	
Public Service Electric	actual	115 per unit/month		1,379	
Public Service Gas	none	0 per month		0	
Water	budget	50 per unit per month		3,000	
Expense/Unit= \$4,940	35%			TOTAL EXPENSES	24,684
Cap Rate= 9.74%				NET OPERATING INCOME	46,281
DCR= 1.60				Less: Mortgage Payments:	28,865
ROI= 12.2%				Monthly Cash Flow:	\$1,451
				Annual Cash Flow:	17,416

address	date sold	sales price	# units	monthly rent	price per unit	GRM
2653 Maryland	Nov-23	745,000	8	7,671	93,125	8.1
1735 Bolton	Jun-25	561,000	6		93,500	
3500 Callaway	Dec-24	576,225	6	7,066	96,038	6.8
601 Whitelock	PENDING	500,000	5		100,000	
1712 Madison	Oct-24	405,300	4		101,325	
1604 Park	Oct-24	830,000	7	8,900	118,571	7.8



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Property offered equally without regard to protected classes, including race, religion, color, creed, sex, marital & family status, and/or disability. Property offering is subject to prior sale & withdrawal at any time in the owner's discretion. Information presented is believed accurate & from reliable sources; however, Owner, Ben Frederick Realty, Inc. nor any of its agents make any warranties or representations regarding this information, the Property; its physical condition, any of its components, nor its financial performance. All information should be considered as observed by Broker. Purchaser is advised to verify all information to Purchaser's satisfaction.

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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.

70,965	+	Rental Income
24,684	-	Operating Expenses
28,865	-	Mortgage Payments
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17,416	=	Cash Flow
142,500	/	Downpayment + Closing Costs
12.2%	=	Return on Investment from Cash Flow

2 **Appreciation**

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

475,000	=	Acquisition Price
5%	*	First Year Appreciation
498,750	=	Value at the end of Year 1.
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23,750	=	Amount of Value Increase
142,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

6.50% 25 \$ 2,405.43

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

356,250	=	Loan Amount at Closing
350,368	=	Loan Amount at the end of Year 1
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5,882	-	Equity Build-Up in Year 1
142,500	/	Downpayment + Closing Costs
4.1%	=	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.

46,281	=	Cash Flow Before Loan Payments (rents less expenses)
10,094	-	Depreciation (assumes 15% land, 30 year recovery)
22,983	-	Mortgage Interest
13,204	=	Taxable Income Year 1
10,563		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
3,908.45	=	Federal Income Tax
3,908		Federal Income Tax
17,416	/	Cash Flow
22.4%	=	Effective Tax Rate on This Investment
6,444	=	Tax if Cash Flow came from a non-preferred investment vehicle
3,908	-	Tax from this preferred investment vehicle.
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2,535	=	Income Tax Savings
1.8%		Return on Investment from Tax Savings

Total / Summary

1:	17,416	Cash Flow
2:	23,750	Appreciation Year 1
3:	5,882	Equity Build Up Year 1
4:	2,535	Tax Savings Year 1
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	49,583	Total Return from this Investment
	142,500	Downpayment + Closing Costs
	34.8%	Total Return from this Investment

