BEN FREDERICK REALTY
BALTIMORE'S APARTMENT PROPERTY SPECIALIST

5 Apartments

711 Gladstone Avenue
Roland Park, Baltimore 21210

3 One-Bedroom Apartments
1 One-Bedroom w/ Den Apartment
1 Two-Bedroom Apartment

» Exterior

CONSTRUCT	Frame construction with vinyl siding; stucco in rear.
ROOF	Pitched asphalt shingle. Lower roof is TPO.
WINDOWS	Vinyl replacement windows throughout.
PARKING	Off-street parking for 5 cars in rear.
FIRE ESCAPE	Steel fire escape in rear.

» Utilities

HVAC	Each apartment has a 90+ high-efficiency gas-fired furnace with central air conditioning.
HOT WATER	Each apartment has its own gas-fired water heater.
ELECTRIC	6 electric meters; 400 amps service to building with 100 amps to each unit.
GAS	5 gas meters.
PLUMBING	Observable supply lines are copper or C-PVC. Observable drain lines are PVC. Main water service line is copper.
TRASH	Trash and recycling pick-up is included with property taxes.

» Property

BUILT	~1900.
ZONING	R-3. Licensed for 5 Dwelling Units.
LOT	Block 4924, Lot 009. 75' x 125'.
SIZE	4,180 sq. ft. gross building area.

» Interiors

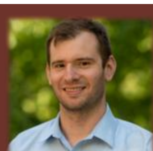
KITCHENS	4 apartments have been fully renovated with quartz counters and wood shaker cabinets, featuring new 30" gas ranges, built in microwaves, dishwashers and disposals. The first-floor apartment has laminate counters with an electric range.
BATHS	4 apartments have modern vanities and shower stalls; 1 apartment has a wall-mounted sink and cast-iron tub.
WALLS, CEILINGS & FLOORS	4 apartments have drywall walls and ceilings; 1 apartment has plaster. Flooring is a mix of luxury vinyl plank, hardwood, and luxury vinyl tile, with ceramic tile in most bathrooms and laminate flooring in 1 bathroom.
LAUNDRY	All apartments have in-unit washers and dryers.

» Environmental

LEAD PAINT	3 apartments have Limited Lead-Free certification; 2 apartments have Full Risk Reduction certificates per MDE standards.
ASBESTOS	None observed.
OIL TANKS	None observed.


Will Cannon
410-916-3331


Cheryl Sadera
410-235-9600


Tom Fair
410-235-5200

***$925,000* in Fee Simple.**
$185,000 per unit, $221 per sq. ft.

711 GLADSTONE AVENUE

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:		925,000
Loan-to-Value	75%	SUGGESTED LOAN AMOUNT		693,750
Loan Amount	693,750	ESTIMATED CLOSING COSTS		46,250
Interest Rate	6.50%	TOTAL INVESTMENT		277,500
Term	25	**Price Per Unit**	**5**	**185,000**
Monthly P & I	$ 4,684.25	**Price Per Sq.Ft.**	**4,180**	**221**

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
1A	2 BR	5/31/2027	3,890	4/27/2024	2,065	2,100
2C	1 BR	5/31/2027	1,650	3/19/2026	1,650	1,725
2D	1 BR	5/31/2027	1,645	4/23/2025	1,700	1,750
3E	1 BR	5/21/2027	1,750	4/8/2026	1,785	1,800
B	1 BR	5/31/2027	1,695	8/1/2024	1,695	1,750
Tenant Utility Reimbursement					555	555

	Total Monthly Rental Income		9,450	9,680
	Gross Annual Income		113,401	116,161
GRM Actual = 8.2	Vacancy / Credit Loss	3.0%	(3,402)	(3,485)
GRM Market = 8.0	***Effective Annual Income***		109,999	112,676

Real Estate Taxes	actual	7/1/2026	435,767	10,284
budget for tax increase			250,000	5,900
Ground Rent	none			0
Insurance	budget	750	per unit	3,750
Management	budget	4%	of collections	4,507
License - Baltimore City MFD	actual	35	per unit	175
License Inspections	budget	75	per unit / 2 years	188
Lead Paint Registration Fee	actual	75	per unit / 2 years	188
Repairs & Maintenance	budget	1,000	per unit	5,000
Public Service Electric	actual	283	per month	3,391
Public Service Gas	actual	23	per month	270
Water	budget	50	per unit / month	3,000

Expense/Unit= $7,340	33%			***TOTAL EXPENSES***	***36,652***
Cap Rate= 8.22%				***NET OPERATING INCOME***	***76,024***
DCR= 1.35				*Less: Mortgage Payments:*	56,211
ROI= 7.1%	***Monthly Cash Flow:***	***$1,651***		***Annual Cash Flow:***	***19,813***



Will Cannon 410-235-9500
Cheryl Sadera 410-235-9600
Tom Fair 410-235-5200

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.

112,676	+	Rental Income
36,652	-	Operating Expenses
56,211	-	Mortgage Payments
19,813	=	Cash Flow
277,500	/	Downpayment + Closing Costs
7.1%	=	Return on Investment from Cash Flow

2 ***Appreciation***

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

925,000	=	Acquisiton Price
5%	*	First Year Appreciation
971,250	=	Value at the end of Year 1.
46,250	=	Amount of Value Increase
277,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 ***Equity Build-Up*** 6.50% 25 $ 4,684.25

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

693,750	=	Loan Amount at Closing
682,295	=	Loan Amount at the end of Year 1
11,455	-	Equity Build-Up in Year 1
277,500	/	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.

76,024	=	Cash Flow Before Loan Payments (rents less expenses)
19,656	-	Depreciation (assumes 15% land, 30 year recovery)
44,756	-	Mortgage Interest
11,611	=	Taxable Income Year 1
9,289		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
3,436.94	=	Federal Income Tax
3,437		Federal Income Tax
19,813	/	Cash Flow
17.3%	=	Effective Tax Rate on This Investment
7,331	=	Tax if Cash Flow came from a non-preferred investment vehicle
3,437	-	Tax from this preferred investment vehicle.
3,894	=	Income Tax Savings
1.4%		Return on Investment from Tax Savings

Total / Summary

1:	19,813	Cash Flow
2:	46,250	Appreciation Year 1
3:	11,455	Equity Build Up Year 1
4:	3,894	Tax Savings Year 1
	81,411	Total Return from this Investment
	277,500	Downpayment + Closing Costs
	29.3%	Total Return from this Investment

Illustration of Internal Rate of Return over a 10-Year Holding Period

7 1 1 G L A D S T O N E A V E N U E

Purchase Price	**925,000**	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Annual Rent	4.0%	116,161	120,807	125,640	130,665	135,892	141,328	146,981	152,860	158,974	165,333
Vacancy	3.0%	3,485	3,624	3,769	3,920	4,077	4,240	4,409	4,586	4,769	4,960
Effective Income		112,676	117,183	121,871	126,745	131,815	137,088	142,571	148,274	154,205	160,373
Expenses	4.0%	36,652	38,118	39,643	41,229	42,878	44,593	46,377	48,232	50,161	52,167
Exp as a percent of Annual Rent		33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Exp per unit	4	9,163	9,530	9,911	10,307	10,719	11,148	11,594	12,058	12,540	13,042
NOI	0	76,024	79,065	82,228	85,517	88,937	92,495	96,195	100,042	104,044	108,206
Debt Service	$ 4,684	56,211	56,211	56,211	56,211	56,211	56,211	56,211	56,211	56,211	56,211
Before Tax Cash Flow	**(263,625)**	**19,813**	**22,854**	**26,017**	**29,306**	**32,726**	**36,284**	**39,984**	**43,831**	**47,833**	**781,950**
18.7% Internal Rate of Return											
NOI		76,024	79,065	82,228	85,517	88,937	92,495	96,195	100,042	104,044	108,206
Less Interest		44,756	43,989	43,171	42,298	41,366	40,372	39,311	38,179	36,971	35,683
Less Depreciation		24,667	24,667	24,667	24,667	24,667	24,667	24,667	24,667	24,667	24,667
Taxable Income to Individuals		6,601	10,409	14,390	18,552	22,905	27,457	32,217	37,197	42,406	47,857
Pass Thru Entity	20%	(1,320)	(2,082)	(2,878)	(3,710)	(4,581)	(5,491)	(6,443)	(7,439)	(8,481)	(9,571)
Taxable Income	0	5,281	8,327	11,512	14,842	18,324	21,965	25,774	29,758	33,925	38,285
Tax @ *	37%	1,954	3,081	4,259	5,492	6,780	8,127	9,536	11,010	12,552	14,166
After Tax Cash Flow	**(263,625)**	**17,859**	**19,773**	**21,757**	**23,814**	**25,946**	**28,157**	**30,447**	**32,821**	**35,281**	**649,913**
15.7% Internal Rate of Return											
Purchase	925,000							**Assume a Sale at End of Year 10**			
L-V	75%							Annual Rent Roll			165,333
Loan	693,750							GRM			8.2
Down Payment	231,250				annual appreciation		3.8%	Price			1,348,606
Cap Improvement	-							Sale Costs		6%	80,916
Closing Costs	32,375							Less: Basis			678,333
Initial Investment	263,625							Gain			589,357
Rate	6.50%							Tax @		20%	117,871
Term	25							Mortgage Balance			537,735
P&I	$4,684.25							Sale Proceeds Before Tax			729,955
								Sale Proceeds After Tax			612,084
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
693,750	Beg Bal	693,750	682,295	670,074	657,034	643,120	628,275	612,436	595,535	577,503	558,263
6.50%	Prin	11,455	12,222	13,040	13,913	14,845	15,839	16,900	18,032	19,240	20,528
25.0	Int	44,756	43,989	43,171	42,298	41,366	40,372	39,311	38,179	36,971	35,683
4,684	Bal EOY	682,295	670,074	657,034	643,120	628,275	612,436	595,535	577,503	558,263	537,735
Cost Recovery / Depreciation		925,000	925,000	Building	80%	740,000	Land	20%	185,000	**Life**	**30**
		24,667	24,667	24,667	24,667	24,667	24,667	24,667	24,667	24,667	24,667
Basis		900,333	875,667	851,000	826,333	801,667	777,000	752,333	727,667	703,000	678,333

* Tax rate of 35% applies to income of $200,001 to $500,000 for singles; $400,001 to $600,000 for married filing jointly. Marginal rate above $500k/$600k is 37%.