



#### » Exterior

CONSTRUCT	Brick construction with block foundation.
ROOF	90# mineral felt.
WINDOWS	Mostly aluminum double-pane windows with some vinyl replacement windows.
PARKING	2-car concrete parking pad in rear.
FIRE ESCAPE	Steel fire escape in rear.

#### » Utilities

HVAC	1 <sup>st</sup> floor has separate Rheem heat pump with central air. 2 <sup>nd</sup> and 3 <sup>rd</sup> floors are served by 275k BTU Repco gas-fired hot water radiator central heating system. Basement has radiant heat.
HOT WATER	1 central gas-fired water heater.
ELECTRIC	4 electric meters. 1 <sup>st</sup> floor served with 100 amps; 2 <sup>nd</sup> , 3 <sup>rd</sup> and basement served with 60 amps.
GAS	2 gas meters.
PLUMBING	Observable supply lines are copper or C-PVC. Observable drain lines are steel or PVC.
TRASH	Baltimore City trash and recycling pick up included in property taxes.

## 2 Apartments & 2 Retail Stores

**28 East 25<sup>th</sup> Street  
Charles Village, Baltimore City, 21218**

**2 One-Bedroom Apartments  
2 Retail Stores**

#### » Property

BUILT	~1900.
ZONING	C-1, Licensed for 4 Dwelling Units.
LOT	Block 3831, Lot 029. 16'8" x 95'.
SIZE	3,135 Sq. Ft. Gross Building Area.

#### » Interiors

KITCHENS	Wood cabinets with laminate counters and either 30" electric or gas ranges. surround; and one apartment has a clawfoot tub.
BATHS	Modern vanities and cast-iron tubs with ceramic tile tub-surrounds.
WALLS & CEILINGS	1 <sup>st</sup> floor commercial suite has a drop ceiling and plaster walls. 2 <sup>nd</sup> and 3 <sup>rd</sup> floor apartments have plaster walls and ceilings. Basement suite has drywall walls and ceilings with recessed lighting.
FLOORING	1 <sup>st</sup> floor commercial suite is carpeted. 2 <sup>nd</sup> and 3 <sup>rd</sup> floor apartments feature original hardwoods and some laminate. Basement suite has laminate flooring throughout.

#### » Environmental

ASBESTOS	None observed.
OIL TANK	None observed.
LEAD STATUS	Risk Reduction certificates per MDE standard.

**\$375,000 in Fee Simple**

**\$93,750 per unit, \$120 per sq. ft.**

Equal Housing Opportunity: Offered without regard to race, religion, color, creed, sex, marital & family status, disability, and other protected classes. Subject to prior sale & withdrawal at any time in the owner's discretion. Information believed accurate and from reliable sources; however, Owner, Ben Frederick Realty, Inc. nor any of its agents make any warranties or representations about the Property, its condition, its components, its financial performance, nor this information. Ben Frederick Realty, Inc. is the Owner's exclusive Broker.



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# 28 EAST 25TH STREET

## INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:			INVESTMENT OFFERING:			375,000
Loan-to-Value			SUGGESTED LOAN AMOUNT			281,250
Loan Amount			ESTIMATED CLOSING COSTS			18,750
Interest Rate			TOTAL INVESTMENT			112,500
Term			Price Per Unit			4
Monthly P & I	\$	1,899.02	Price Per Sq.Ft.			93,750
			3,135			120
Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
1	900 Sq Ft					1,100
2	Large 1 BR					1,200
3	Large 1 BR	monthly	1,100	4/27/2021	1,099	1,200
Terrace	Retail	monthly	1,000	6/15/2023	1,000	1,050
Parking	2 Spaces					100
<i>Tenant Utility Reimbursement</i>						410
<b>GRM (actual) = 15.3</b> <b>GRM (market) = 6.4</b>	Total Monthly Rental Income					2,099
	Gross Annual Income					25,188
	Vacancy / Credit Loss					3% (756)
	<b>Effective Annual Income</b>					24,432
Real Estate Taxes			7/1/2025	320,400	7,561	
CVBD Special Benefits District					401	
Ground Rent	none				0	
Leasing / Management	budget		5% of collections		2,945	
Insurance	budget		750 per unit		3,000	
License - Baltimore City MFD	actual		35 per apt		70	
Baltimore City Rental Inspection	budget		75 per apt/3 yrs		50	
Lead Paint Registration Fee	actual		30 per apt		60	
Repairs & Maintenance	budget		1,000 per unit		4,000	
Public Service Gas	budget		250 per month		3,000	
Public Service Electric	none		0 per month		0	
Water	budget		40 per unit / month		1,920	
<b>Expense/Unit= \$5,760</b>	39%				<b>TOTAL EXPENSES</b>	<b>23,007</b>
<b>Cap Rate= 9.57%</b>					<b>NET OPERATING INCOME</b>	<b>35,892</b>
<b>DCR= 1.58</b>					<i>Less: Mortgage Payments:</i>	22,788
<b>ROI= 11.6%</b>					<b>Monthly Cash Flow:</b>	<b>\$1,092</b>
					<b>Annual Cash Flow:</b>	<b>13,103</b>

### COMPARABLE SALES

address	date sold	sales price	# units	monthly rent	price per unit	GRM
2516 N Charles	Apr-25	1,100,000	13	12,735	84,615	7.2
2528 Maryland	Mar-25	375,000	4	3,530	93,750	8.9
2129 Charles	Aug-25	390,000	3	5,592	130,000	5.8
236 E 25th	May-25	406,000	3	4,717	135,333	7.2



*Call Tom Fair*

**410 235 5200**  
mobile

**Seller's Exclusive Agent**

**BenFrederick.com**  
**410-235-9500**

Property offered 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. All information should be considered as observed by Broker. Purchaser is advised to verify all information to Purchaser's satisfaction.

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.

## 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.

58,898	+	Rental Income
23,007	-	Operating Expenses
22,788	-	Mortgage Payments
13,103	=	Cash Flow
112,500	/	Downpayment + Closing Costs
11.6%	=	Return on Investment from Cash Flow

### 2 Appreciation

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

375,000	=	Acquisition Price
5%	*	First Year Appreciation
393,750	=	Value at the end of Year 1
18,750	=	Amount of Value Increase
112,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

### 3 Equity Build-Up

6.50% 25 \$ 1,899.02

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

281,250	=	Loan Amount at Closing
276,606	=	Loan Amount at the end of Year 1
4,644	-	Equity Build-Up in Year 1
112,500	/	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.

35,892	=	Cash Flow Before Loan Payments (rents less expenses)
10,625	-	Depreciation (assumes 15% land, 30 year recovery)
18,145	-	Mortgage Interest
7,122	=	Taxable Income Year 1
5,698		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
2,108.12	=	Federal Income Tax
2,108		Federal Income Tax
13,103	/	Cash Flow
16.1%	=	Effective Tax Rate on This Investment
4,848	=	Tax if Cash Flow came from a non-preferred investment vehicle
2,108	-	Tax from this preferred investment vehicle.
2,740	=	Income Tax Savings
2.4%		Return on Investment from Tax Savings

### Total / Summary

1:	13,103	Cash Flow
2:	18,750	Appreciation Year 1
3:	4,644	Equity Build Up Year 1
4:	2,740	Tax Savings Year 1
	39,237	Total Return from this Investment
	112,500	Downpayment + Closing Costs
	34.9%	Total Return from this Investment

**Illustration of Internal Rate of Return over a 10-Year Holding Period**  
**28 EAST 25TH STREET**

Purchase Price	375,000	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual Rent	7.0%	60,720	64,970	69,518	74,385	79,592	85,163	91,124	97,503	104,328	111,631
Vacancy	3.0%	1,822	1,949	2,086	2,232	2,388	2,555	2,734	2,925	3,130	3,349
Effective Income		58,898	63,021	67,433	72,153	77,204	82,608	88,391	94,578	101,198	108,282
Expenses	7.0%	23,007	24,617	26,341	28,184	30,157	32,268	34,527	36,944	39,530	42,297
Exp as a percent of Annual Rent		39%	39%	39%	39%	39%	39%	39%	39%	39%	39%
Exp per unit	4	5,752	6,154	6,585	7,046	7,539	8,067	8,632	9,236	9,883	10,574
NOI	0	35,892	38,404	41,092	43,969	47,046	50,340	53,864	57,634	61,668	65,985
Debt Service	\$ 1,899	22,788	22,788	22,788	22,788	22,788	22,788	22,788	22,788	22,788	22,788
Before Tax Cash Flow	(112,500)	13,103	15,616	18,304	21,180	24,258	27,551	31,075	34,846	38,880	493,296
<b>26.9% Internal Rate of Return</b>											
NOI		35,892	38,404	41,092	43,969	47,046	50,340	53,864	57,634	61,668	65,985
Less Interest		18,145	17,834	17,502	17,148	16,770	16,367	15,937	15,478	14,988	14,466
Less Depreciation		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Taxable Income to Individuals		7,747	10,570	13,591	16,821	20,277	23,973	27,927	32,156	36,680	41,519
Pass Thru Entity	20%	(1,549)	(2,114)	(2,718)	(3,364)	(4,055)	(4,795)	(5,585)	(6,431)	(7,336)	(8,304)
Taxable Income	0	6,198	8,456	10,872	13,457	16,221	19,178	22,341	25,725	29,344	33,215
Tax @ *	37%	2,293	3,129	4,023	4,979	6,002	7,096	8,266	9,518	10,857	12,290
After Tax Cash Flow	(112,500)	10,810	12,487	14,281	16,201	18,256	20,456	22,809	25,328	28,023	402,386
<b>22.5% Internal Rate of Return</b>											
Purchase	375,000										
L-V	75%										
Loan	281,250										
Down Payment	93,750										
Cap Improvement	-										
Closing Costs	18,750										
Initial Investment	112,500										
Rate	6.50%										
Term	25										
P&I	\$1,899.02										
<b>Mortgage Amortization</b>											
	1	2	3	4	5	6	7	8	9	10	
281,250	Beg Bal	281,250	276,606	271,652	266,365	260,724	254,706	248,285	241,433	234,123	226,323
6.50%	Prin	4,644	4,955	5,287	5,641	6,018	6,421	6,851	7,310	7,800	8,322
25.0	Int	18,145	17,834	17,502	17,148	16,770	16,367	15,937	15,478	14,988	14,466
1,899	Bal EOY	276,606	271,652	266,365	260,724	254,706	248,285	241,433	234,123	226,323	218,001
<b>Cost Recovery / Depreciation</b>											
	375,000	375,000	Building	80%	300,000	Land	20%	75,000	Life	30	
	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Basis	365,000	355,000	345,000	335,000	325,000	315,000	305,000	295,000	285,000	275,000	
* 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%.											



STATE OF MARYLAND REAL ESTATE COMMISSION  
**Understanding Whom Real Estate Agents Represent**

## **THIS NOTICE IS NOT A CONTRACT**

*In this form “seller” includes “landlord”; “buyer” includes “tenant”; and “purchase” or “sale” includes “lease”*

### **Agents Who Represent the Seller**

**Seller’s Agent:** A seller’s agent works for the real estate company that lists and markets the property for the sellers and exclusively represents the sellers. A seller’s agent may assist the buyer in purchasing the property, but his or her duty of loyalty is only to the seller.

**Subagent:** A Subagent means a licensed real estate broker, licensed associate real estate broker, or licensed real estate salesperson who is not affiliated with or acting as the listing real estate broker for a property, is not a buyer’s agent, has a brokerage relationship with the seller, and assists a prospective buyer in the acquisition of real estate for sale in a non-brokerage relationship capacity. The subagent works for a real estate company different from the company for which the seller’s agent works. The subagent can assist a buyer in purchasing a property, but his or her duty of loyalty is only to the seller.

**If you are viewing a property and you have not signed a Brokerage Agreement, that agent represents the seller**

### **Agents Who Represent the Buyer**

**Buyer’s Agent:** A buyer may enter into a written contract with a real estate broker which provides that the broker will represent the buyer in locating a property to buy. The agent from that broker’s company is then known as the buyer’s agent. The buyer’s agent assists the buyer in evaluating properties and preparing offers and developing negotiation strategies and works in the best interest of the buyer. The agent’s fee is paid according to the written agreement between the broker and the buyer. If you as a buyer wish to have an agent represent you, you must enter into a written brokerage agreement.

### **Dual Agents**

The possibility of **dual agency** arises when the buyer’s agent and the seller’s agent both work for the same real estate company, and the buyer is interested in property listed by that company. The real estate broker or the broker’s designee, is called the “dual agent.” Dual agents do not act exclusively in the interests of either the seller or buyer, and therefore cannot give undivided loyalty to either party. There may be a conflict of interest because the interests of the seller and buyer may be different or adverse.

**If both seller and buyer agree to dual agency** by signing a Consent For Dual Agency form, the “dual agent” (the broker or the broker’s designee) shall assign one agent to represent the seller (the seller’s “intra-company agent”) and another agent to represent the buyer (the buyer’s “intra-company agent”). Intra-company agents are required to provide the same services to their clients that agents provide in transactions not involving dual agency, including advising their clients as to price and negotiation strategies.

**If either party does not agree to dual agency**, the real estate company must withdraw the brokerage agreement for that particular property with either the buyer or seller, or both. If the seller's agreement is terminated, the seller must then either represent him or herself or arrange to be represented by an agent from another real estate broker/company. If the brokerage agreement is terminated, the buyer may choose to enter into a written brokerage agreement with a different broker/company. Alternatively, the buyer may choose not to be represented but simply to receive assistance from the seller's agent, from another agent in that company, or from a subagent from another company.

No matter what type of agent you choose to work with, you have the following rights and responsibilities in selling or buying property:

>Real estate agents are obligated by law to treat all parties to a real estate transaction honestly and fairly. They must exercise reasonable care and diligence and maintain the confidentiality of clients. They must not discriminate in the offering of properties; they must promptly present each written offer or counteroffer to the other party; and they must answer questions truthfully.

>Real estate agents must disclose all material facts that they know or should know relating to a property. An agent's duty to maintain confidentiality does not apply to the disclosure of material facts about a property.

>All agreements with real estate brokers and agents must be in writing and explain the duties and obligations of both the broker and the agent. The agreement must explain how the broker and agent will be paid and any fee-sharing agreements with other brokers.

>You have the responsibility to protect your own interests. **You should carefully read all agreements** to make sure they accurately reflect your understanding. A real estate licensee is qualified to advise you on real estate matters only. If you need legal or tax advice, it is your responsibility to consult a licensed attorney or accountant.

Any complaints about a real estate licensee may be filed with the Real Estate Commission at 500 North Calvert Street, Baltimore, MD 21202. (410) 230-6230.

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We, the  Sellers/Landlord  Buyers/Tenants acknowledge receipt of a copy of this disclosure

and that Ben Frederick Realty, Inc. (firm name)

and Will Cannon (salesperson) are working as:

**(You may check more than one box but not more than two)**

seller/landlord's agent  
 subagent of the seller  
 buyer's/tenant's agent

Signature  (Date)

Signature  (Date)

\* \* \* \* \*

I certify that on this date I made the required agency disclosure to the individuals identified below and they were **unable or unwilling** to acknowledge receipt of a copy of this disclosure statement.

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Name of Individual to whom disclosure made

Name of Individual to whom disclosure made

Agent's Signature  (Date)