



BEN FREDERICK REALTY

BALTIMORE'S APARTMENT PROPERTY SPECIALIST



2 Apartments + 2 Commercial Suites

338 North Charles Street
Downtown, Baltimore City, 21201

- 1 2-Bedroom, 2-Bath Apartment
- 1 1-Bedroom, 1-Bath Apartment
- 1 Dental Practice
- 1 Storefront

» Property

BUILT	~1920.
ZONING	C-5 HT, Licensed for 2 Dwelling Units.
LOT	25' x 120'; Block 0508, Lot 009.
SIZE	6,200 sq. ft. above grade living area.

» Exterior

CONSTRUCT	Brick construction on slab.
ROOF	Pitched asphalt shingle; rubber on flat sections.
WINDOWS	Vinyl replacement windows throughout apartments. Large, 2-story metal storefront window.
PARKING	Street parking.
FIRE ESCAPE	Steel fire escape at rear.

» Utilities

HVAC	Each unit has an electric heat pump with central air conditioning.
HOT WATER	Each unit has an electric water heater.
ELECTRIC	4 meters.
GAS	None. All electric building.
PLUMBING	Observable supply pipes are C-PVC. Observable drain lines are PVC.
TRASH	Baltimore City trash and recycling pickup included in property taxes.

» Interiors

APART- MENTS	Kitchens have granite counters and wood shaker cabinets. Appliances include 30" electric ranges, dishwashers, built-in microwaves and disposals. Apt. 1 has hardwood floors throughout living spaces and ceramic tile in kitchens and baths. Apt. 2. Features parquet flooring throughout living areas and kitchen with ceramic tile in the bathroom. Each unit has a washer and dryer. Fixed ceilings.
DENTAL OFFICE	1 st floor, walk-up suite. 5 dental chairs, 4 dedicated workspaces, kitchenette, lab space and storage rooms. Carpeted waiting room; hardwood floors through workspaces. 2 half-baths with ceramic tile flooring. Suspended grid ceiling.
RETAIL STORE	Street-level, walk-down retail space. 2 large show rooms, 2 private offices and 2 half-baths. Laminate flooring throughout. Mix of fixed and suspended grid ceiling.

» Environmental

LEAD- BASED PAINT	Risk Reduction certificates for apartments per MDE standards.
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Will Cannon
410-916-3331



Cheryl Sadara
410-235-9600



Tom Fair
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\$1,200,000 in Fee Simple.
\$300,000 per unit, \$194 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.

338 NORTH CHARLES STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:			INVESTMENT OFFERING:			1,200,000
Loan-to-Value	75%		SUGGESTED LOAN AMOUNT			900,000
Loan Amount	900,000		ESTIMATED CLOSING COSTS			69,000
Interest Rate	6.50%		TOTAL INVESTMENT			369,000
Term	25		Price Per Unit	4		300,000
Monthly P & I	\$ 6,076.86		Price Per Sq.Ft.	6,200		194

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
Lower Level	2375 sq ft	11/30/2029	2,375	11/1/2024	1,250	1,250
1st Floor	2375 sq ft	11/30/2029	-	11/21/2024	6,075	6,075
2nd Floor	2 BR 2 BA					2,800
3rd Floor	1 BR 1 BA					1,800

<i>Tenants Reimburse for Utilities</i>		400	400
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GRM (actual) = 12.9		Total Monthly Rental Income	7,725	12,325
GRM (market) = 8.1		Gross Annual Income	92,700	147,900
		Vacancy / Credit Loss	3.0%	(2,781)
		Effective Annual Income	89,919	143,463

Real Estate Taxes		7/1/2026	525,000	12,390
budget for tax increase			400,000	9,440
Special Benefits Surcharge				1,175
Ground Rent	none			0
Insurance	budget	1,000 per unit		4,000
License - Baltimore City MFD	actual	35 per apt		70
License Inspection	budget	75 per apt / 3 yrs		50
Lead Paint Registration Fee	actual	30 per apt		60
Property Management	budget	4% of collections		5,739
Repairs & Maintenance	budget	1,000 per unit		4,000
Public Service Gas	none	0		0
Public Service Electric	none	0 per month		0
Water	budget	400 per month		4,800
Expense/Unit= \$10,440	29%			TOTAL EXPENSES 41,724
Cap Rate= 8.48%				NET OPERATING INCOME 101,739
DCR= 1.40				<i>Less: Mortgage Payments:</i> 72,922
ROI= 7.8%		Monthly Cash Flow:	\$2,401	Annual Cash Flow: 28,817

COMPARABLE SALES

address	date sold	sales price	sq ft	monthly rent	price per sq ft	GRM
18 W Franklin	ACTIVE	1,100,000	9,466	9,948	116	9.2
311 W Baltimore	PENDING	4,350,000	28,300	41,201	154	8.8
16-18 E Preston	Jun-25	1,261,400	6,612	13,086	191	8.0
773 Washington	Jun-24	1,155,000	5,950	12,800	194	7.5
1019 Cathedral	Jun-25	1,100,000	5,601		196	
518 N Charles	Jan-25	2,250,000	8,760		257	



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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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338 NORTH CHARLES STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:

Loan-to-Value	75%
Loan Amount	940,500
Interest Rate	6.50%
Term	25
Monthly P & I	\$ 6,350.32

INVESTMENT OFFERING:	1,200,000
COST TO ADD APARTMENT:	54,000
TOTAL COST:	1,254,000
SUGGESTED LOAN AMOUNT	940,500
ESTIMATED CLOSING COSTS	70,080
TOTAL INVESTMENT	383,580

Price Per Unit	5	250,800
Price Per Sq.Ft.	6,200	202

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
Lower Level	2375 sq ft	11/30/2029	2,375	11/1/2024	1,250	1,250
1st Floor	2375 sq ft	11/30/2029	-	11/21/2024	6,075	6,075
2A	1 BR					1,800
2B	Large 1 BR					2,000
3rd Floor	1 BR					1,800

Tenants Reimburse for Utilities	400	400
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GRM (actual) = 13.5 GRM (market) = 7.8	Total Monthly Rental Income	7,725	13,325
	Gross Annual Income	92,700	159,900
	Vacancy / Credit Loss	3.0% (2,781)	(4,797)
	Effective Annual Income	89,919	155,103

Real Estate Taxes	7/1/2026	525,000	12,390
budget for tax increase		400,000	9,440
Special Benefits Surcharge			1,175
Ground Rent	none		0
Insurance	budget	900 per unit	4,500
License - Baltimore City MFD	actual	35 per apt/3 yrs	105
License Inspection	budget	75 per apt	75
Lead Paint Registration Fee	actual	30 per apt	90
Property Management	budget	4% of collections	6,204
Repairs & Maintenance	budget	1,000 per unit	5,000
Public Service Gas	none	0	0
Public Service Electric	none	0 per month	0
Water	budget	400 per month	4,800
Expense/Unit= \$8,760	28%		TOTAL EXPENSES 43,780
Cap Rate= 8.88%			NET OPERATING INCOME 111,323
DCR= 1.46			Less: Mortgage Payments: 76,204
ROI= 9.2%		Monthly Cash Flow: \$2,927	Annual Cash Flow: 35,120

REHAB BUDGET

Item	Cost
Framing/Drywall	10,000
Doors/Hardware	2,500
Kitchen	20,000
Permitting	2,500
Add Electric Meter	10,000
Subtotal	45,000
Misc 20%	9,000
Total	54,000



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Illustration of Internal Rate of Return over a 10-Year Holding Period
338 NORTH CHARLES STREET

Purchase Price	1,200,000	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Rent	4.0%	147,900	153,816	159,969	166,367	173,022	179,943	187,141	194,626	202,411	210,508
Vacancy	3.0%	4,437	4,614	4,799	4,991	5,191	5,398	5,614	5,839	6,072	6,315
Effective Income		143,463	149,202	155,170	161,376	167,831	174,545	181,526	188,788	196,339	204,193
Expenses	4.0%	41,724	43,393	45,129	46,934	48,811	50,764	52,794	54,906	57,102	59,386
Exp as a percent of Annual Rent		29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Exp per unit	4	10,431	10,848	11,282	11,733	12,203	12,691	13,199	13,726	14,276	14,847
NOI	0	101,739	105,809	110,041	114,443	119,020	123,781	128,732	133,882	139,237	144,806
Debt Service	\$ 6,077	72,922	72,922	72,922	72,922	72,922	72,922	72,922	72,922	72,922	72,922
Before Tax Cash Flow	(342,000)	28,817	32,886	37,119	41,520	46,098	50,859	55,810	60,959	66,314	979,777
19.1% Internal Rate of Return											
NOI		101,739	105,809	110,041	114,443	119,020	123,781	128,732	133,882	139,237	144,806
Less Interest		58,062	57,067	56,005	54,872	53,664	52,374	50,998	49,529	47,963	46,291
Less Depreciation		32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Taxable Income to Individuals		11,677	16,741	22,035	27,570	33,357	39,407	45,735	52,352	59,274	66,515
Pass Thru Entity	20%	(2,335)	(3,348)	(4,407)	(5,514)	(6,671)	(7,881)	(9,147)	(10,470)	(11,855)	(13,303)
Taxable Income	0	9,341	13,393	17,628	22,056	26,685	31,526	36,588	41,882	47,419	53,212
Tax @ *	37%	3,456	4,955	6,522	8,161	9,874	11,665	13,537	15,496	17,545	19,689
After Tax Cash Flow	(342,000)	25,360	27,931	30,596	33,359	36,224	39,194	42,272	45,463	48,769	814,990
15.9% Internal Rate of Return											
Purchase	1,200,000							Assume a Sale at End of Year 10			
L-V	75%							Annual Rent Roll			210,508
Loan	900,000							GRM			8.1
Down Payment	300,000							Price			1,707,974
Cap Improvement	-							Sale Costs		6%	102,478
Closing Costs	42,000							Less: Basis			880,000
Initial Investment	342,000							Gain			725,496
Rate	6.50%							Tax @		20%	145,099
Term	25							Mortgage Balance			697,602
P&I	\$6,076.86							Sale Proceeds Before Tax			907,893
								Sale Proceeds After Tax			762,794
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
900,000 Beg Bal		900,000	885,140	869,285	852,368	834,318	815,059	794,511	772,586	749,193	724,234
6.50% Prin		14,860	15,855	16,917	18,050	19,259	20,549	21,925	23,393	24,960	26,631
25.0 Int		58,062	57,067	56,005	54,872	53,664	52,374	50,998	49,529	47,963	46,291
6,077 Bal EOY		885,140	869,285	852,368	834,318	815,059	794,511	772,586	749,193	724,234	697,602
Cost Recovery / Depreciation		1,200,000	1,200,000	Building	80%	960,000	Land	20%	240,000	Life	30
		32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Basis		1,168,000	1,136,000	1,104,000	1,072,000	1,040,000	1,008,000	976,000	944,000	912,000	880,000

* 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%.

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.

143,463	+	Rental Income
41,724	-	Operating Expenses
72,922	-	Mortgage Payments
<hr/>		
28,817	=	Cash Flow
369,000	/	Downpayment + Closing Costs
7.8%	=	Return on Investment from Cash Flow

2 **Appreciation**

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

1,200,000	=	Acquisition Price
5%	*	First Year Appreciation
1,260,000	=	Value at the end of Year 1.
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60,000	=	Amount of Value Increase
369,000	/	Downpayment + Closing Costs
16%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

6.50% 25 \$ 6,076.86

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

900,000	=	Loan Amount at Closing
885,140	=	Loan Amount at the end of Year 1
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14,860	-	Equity Build-Up in Year 1
369,000	/	Downpayment + Closing Costs
4.0%	=	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.

101,739	=	Cash Flow Before Loan Payments (rents less expenses)
34,000	-	Depreciation (assumes 15% land, 30 year recovery)
58,062	-	Mortgage Interest
9,677	=	Taxable Income Year 1
7,741		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
2,864.25	=	Federal Income Tax
2,864		Federal Income Tax
28,817	/	Cash Flow
9.9%	=	Effective Tax Rate on This Investment
10,662	=	Tax if Cash Flow came from a non-preferred investment vehicle
2,864	-	Tax from this preferred investment vehicle.
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7,798	=	Income Tax Savings
2.1%		Return on Investment from Tax Savings

Total / Summary

1:	28,817	Cash Flow
2:	60,000	Appreciation Year 1
3:	14,860	Equity Build Up Year 1
4:	7,798	Tax Savings Year 1
<hr/>		
	111,474	Total Return from this Investment
	369,000	Downpayment + Closing Costs
	30.2%	Total Return from this Investment