



#### » Exterior

CONSTRUCT	Brick construction with stone foundation.
ROOF	Rubber with aluminum-fiber coating.
WINDOWS	Front facing windows are single-pane wood; rear windows are aluminum.
PARKING	Street parking.
FIRE ESCAPE	Wood fire escape in rear.

#### » Utilities

HEAT	3 gas-fired furnaces with central air conditioning.
HOT WATER	3 gas-fired water heaters.
ELECTRIC	4 electric meters.
GAS	3 gas meters.
PLUMBING	All observable supply lines are copper. All observable drain lines are PVC.
TRASH	Baltimore City trash and recycling pickup included in property taxes.

## 3 Apartments

645 North Paca Street  
Historic Seton Hill, Baltimore, 21201

### 3 One-Bedroom Apartments

#### » Property

BUILT	1920.
ZONING	R-8. Licensed for 3 Dwelling Units.
LOT	16' 4" x 80'; Block 0547B, Lot 044.
SIZE	1,900 Sq. Ft. Gross Living Area.

#### » Interiors

KITCHENS	Counters are a mix of granite, European, or laminate. Cabinets are a mix of laminate, European, or wood. All kitchens are equipped with 30" gas ranges, dishwashers, and garbage disposals.
BATHS	All bathrooms have modern vanities. 2 feature steel tubs, and one has a fiberglass tub. All tubs have ceramic tile surrounds.
WALLS & CEILINGS	Walls and ceilings are a mix of plaster and drywall.
FLOORS	Unit 1 has a mix of hardwood and vinyl plank in living areas. Units 2 and 3 have hardwood and/or carpeting throughout living areas. Kitchens have a combination of vinyl tile, vinyl plank or laminate flooring. All bathrooms have ceramic tile flooring.
LAUNDRY	All units have in-suite washers and dryers.

#### » Environmental

LEAD-BASED PAINT	Unit 1 has a Full Risk Reduction certificate per MDE standard. Units 2 and 3 have Limited Lead Free Certificates.
OILTANKS ASBESTOS	None observed. None observed.

**\$425,000** subject to \$32 annual ground rent.

**\$141,667 per unit, \$224 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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# 645 NORTH PACA STREET

## INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:			
Loan-to-Value		75%		425,000	
Loan Amount		318,750		318,750	
Interest Rate		6.50%		21,250	
Term		30		127,500	
Monthly P & I		\$2,014.72		<b>Price Per Unit</b> <b>3</b> <b>Price Per Sq.Ft.</b> <b>1,900</b> <b>224</b>	
Unit	Size	Lease Expire	Sec Deposit	Sec Dep Date	Current Actual Rent
1	1 BR	9/30/2026	1,025	8/29/2024	1,025
2	1 BR	3/15/2027	1,240	7/1/2025	1,240
3	1 BR	monthly	1,025	11/20/2022	1,045
<i>Tenants reimburse for utilities</i>					149
<b>GRM (actual) =</b>	<b>10.7</b>	Total Monthly Rental Income			3,310
<b>GRM (market) =</b>	<b>9.0</b>	Gross Annual Income			39,720
Real Estate Taxes	actual	7/1/2025	204,200	4,819	
	budget for tax increase		100,000	2,360	
Ground Rent	actual			32	
Insurance	budget	600	per unit	1,800	
License - Baltimore City MFD	actual	35	per unit	105	
License Inspection Fees	budget	75	per unit / 3 years	75	
Lead Paint Registration Fee	actual	30	per unit	90	
Repairs & Maintenance	budget	1,000	per unit	3,000	
Public Service Electric	actual	14	per month	164	
Public Service Gas	none	0	per month	0	
Water	budget	45	per unit/month	1,620	
<b>Expense/Unit=</b>	<b>\$4,690</b>	30%	<b>TOTAL EXPENSES</b>		<b>14,065</b>
<b>Cap Rate=</b>	<b>7.84%</b>		<b>NET OPERATING INCOME</b>		<b>33,319</b>
<b>DCR=</b>	<b>1.38</b>		Less: Mortgage Payments:		24,177
<b>ROI=</b>	<b>7.2%</b>		<b>Monthly Cash Flow:</b>	<b>\$762</b>	<b>Annual Cash Flow:</b>
<b>COMPARABLE SALES</b>					
address	date sold	sales price	# units	monthly rent	Price per Unit
871 Hollins	Apr-25	375,000	3	2,730	125,000
1420 Madison	Dec-24	420,000	3		140,000
645 Washington	ACTIVE	595,000	4	4,410	148,750
1410 Madison	Jan-25	605,000	4		151,250
546 Saint Mary	Sep-24	515,000	3	4,089	171,667
					10.5



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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.

*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.

47,384	+	Rental Income
14,065	-	Operating Expenses
24,177	-	Mortgage Payments
9,142	=	Cash Flow
127,500	/	Downpayment + Closing Costs
7.2%	=	Return on Investment from Cash Flow

## 2 *Appreciation*

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

425,000	=	Acquisition Price
5%	*	First Year Appreciation
446,250	=	Value at the end of Year 1.
21,250	=	Amount of Value Increase
127,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

### 3 *Equity Build-Up*

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

318,750	=	Loan Amount at Closing
315,187	=	Loan Amount at the end of Year 1
3,563	-	Equity Build-Up in Year 1
127,500	/	Downpayment + Closing Costs
2.8%	=	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.

33,319	=	Cash Flow Before Loan Payments (rents less expenses)
12,042	-	Depreciation (assumes 15% land, 30 year recovery)
20,614	-	Mortgage Interest
663	=	Taxable Income Year 1
531		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
196.35	=	Federal Income Tax
196		Federal Income Tax
9,142	/	Cash Flow
2.1%	=	Effective Tax Rate on This Investment
3,383	=	Tax if Cash Flow came from a non-preferred investment vehicle
196	-	Tax from this preferred investment vehicle.
3,186	=	Income Tax Savings
2.5%		Return on Investment from Tax Savings

### **Total / Summary**

1:	9,142	Cash Flow
2:	21,250	Appreciation Year 1
3:	3,563	Equity Build Up Year 1
4:	3,186	Tax Savings Year 1
	37,141	Total Return from this Investment
	127,500	Downpayment + Closing Costs
	29.1%	Total Return from this Investment

**Illustration of Internal Rate of Return over a 10-Year Holding Period**  
**645 NORTH PACA STREET**

<b>Purchase Price</b>	<b>425,000</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>
Annual Rent	5.0%	47,384	49,753	52,241	54,853	57,596	60,475	63,499	66,674	70,008	73,508
Vacancy	3.0%	1,422	1,493	1,567	1,646	1,728	1,814	1,905	2,000	2,100	2,205
Effective Income		45,962	48,261	50,674	53,207	55,868	58,661	61,594	64,674	67,908	71,303
Expenses	6.0%	14,065	14,909	15,804	16,752	17,757	18,822	19,952	21,149	22,418	23,763
Exp as a percent of Annual Rent		31%	31%	31%	31%	32%	32%	32%	33%	33%	33%
Exp per unit	3	4,688	4,970	5,268	5,584	5,919	6,274	6,651	7,050	7,473	7,921
NOI	0	31,897	33,352	34,870	36,456	38,111	39,839	41,642	43,525	45,490	47,540
Debt Service	\$ 2,015	24,177	24,177	24,177	24,177	24,177	24,177	24,177	24,177	24,177	24,177
<b>Before Tax Cash Flow</b>	<b>(127,500)</b>	<b>7,721</b>	<b>9,175</b>	<b>10,693</b>	<b>12,279</b>	<b>13,934</b>	<b>15,662</b>	<b>17,466</b>	<b>19,348</b>	<b>21,313</b>	<b>372,895</b>
<b>17.6% Internal Rate of Return</b>											
NOI		31,897	33,352	34,870	36,456	38,111	39,839	41,642	43,525	45,490	47,540
Less Interest		20,614	20,375	20,121	19,849	19,559	19,250	18,920	18,568	18,192	17,792
Less Depreciation		11,333	11,333	11,333	11,333	11,333	11,333	11,333	11,333	11,333	11,333
Taxable Income to Individuals	(50)	1,643	3,416	5,273	7,218	9,255	11,389	13,624	15,964	18,415	
Pass Thru Entity	20%	10	(329)	(683)	(1,055)	(1,444)	(1,851)	(2,278)	(2,725)	(3,193)	(3,683)
Taxable Income	0	(40)	1,314	2,733	4,219	5,775	7,404	9,111	10,899	12,771	14,732
Tax @ *	37%	(15)	486	1,011	1,561	2,137	2,740	3,371	4,033	4,725	5,451
<b>After Tax Cash Flow</b>	<b>(127,500)</b>	<b>7,736</b>	<b>8,689</b>	<b>9,682</b>	<b>10,718</b>	<b>11,798</b>	<b>12,923</b>	<b>14,095</b>	<b>15,316</b>	<b>16,588</b>	<b>305,827</b>
<b>15.0% Internal Rate of Return</b>											
Purchase	425,000										
L-V	75%										
Loan	318,750										
Down Payment	106,250										
Cap Improvement	-										
Closing Costs	21,250										
Initial Investment	127,500										
Rate	6.50%										
Term	30										
P&I	\$2,014.72										
<b>Mortgage Amortization</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
318,750	Beg Bal	318,750	315,187	311,386	307,330	303,002	298,385	293,458	288,202	282,593	276,609
6.50%	Prin	3,563	3,801	4,056	4,328	4,617	4,927	5,257	5,609	5,984	6,385
30.0	Int	20,614	20,375	20,121	19,849	19,559	19,250	18,920	18,568	18,192	17,792
2,015	Bal EOY	315,187	311,386	307,330	303,002	298,385	293,458	288,202	282,593	276,609	270,224
<b>Cost Recovery / Depreciation</b>	425,000	425,000	Building	80%	340,000	Land	20%	85,000	Life		30
		11,333	11,333	11,333	11,333	11,333	11,333	11,333	11,333	11,333	11,333
Basis		413,667	402,333	391,000	379,667	368,333	357,000	345,667	334,333	323,000	311,667

\* 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)