



BEN FREDERICK REALTY

BALTIMORE'S APARTMENT PROPERTY SPECIALIST



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.

» 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.

» 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	None observed.
ASBESTOS	None observed.



Will Cannon
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410-235-9600



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\$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.



645 NORTH PACA STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:			INVESTMENT OFFERING:			425,000
Loan-to-Value	75%		SUGGESTED LOAN AMOUNT			318,750
Loan Amount	318,750		ESTIMATED CLOSING COSTS			21,250
Interest Rate	6.50%		TOTAL INVESTMENT			127,500
Term	30		Price Per Unit	3		141,667
Monthly P & I	\$2,014.72		Price Per Sq.Ft.	1,900		224

Unit	Size	Lease Expire	Sec Deposit	Sec Dep Date	Current Actual Rent	Market Rent
1	1 BR	9/30/2026	1,025	8/29/2024	1,025	1,300
2	1 BR	3/15/2027	1,240	7/1/2025	1,240	1,300
3	1 BR	monthly	1,025	11/20/2022	1,045	1,200

Tenants reimburse for utilities 149

GRM (actual) = 10.7	Total Monthly Rental Income	3,310	3,949
GRM (market) = 9.0	Gross Annual Income	39,720	47,384

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	
Expense/Unit= \$4,690	30%			TOTAL EXPENSES	14,065
Cap Rate= 7.84%				NET OPERATING INCOME	33,319
DCR= 1.38				Less: Mortgage Payments:	24,177
ROI= 7.2%				Monthly Cash Flow:	\$762
				Annual Cash Flow:	9,142

COMPARABLE SALES

address	date sold	sales price	# units	monthly rent	Price per Unit	GRM
871 Hollins	Apr-25	375,000	3	2,730	125,000	11.4
1420 Madison	Dec-24	420,000	3		140,000	
645 Washington	ACTIVE	595,000	4	4,410	148,750	11.2
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	
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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.	
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21,250	=	Amount of Value Increase	
127,500	/	Downpayment + Closing Costs	
17%	=	Return on Investment from Appreciation	

3 **Equity Build-Up**

6.50% 30 \$ 2,014.72

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	
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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.	
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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	
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	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

Purchase Price	425,000	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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
Before Tax Cash Flow	(127,500)	7,721	9,175	10,693	12,279	13,934	15,662	17,466	19,348	21,313	372,895
17.6% Internal Rate of Return											
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
After Tax Cash Flow	(127,500)	7,736	8,689	9,682	10,718	11,798	12,923	14,095	15,316	16,588	305,827
15.0% Internal Rate of Return											
Purchase	425,000							Assume a Sale at End of Year 10			
L-V	75%							Annual Rent Roll			73,508
Loan	318,750							GRM			9.0
Down Payment	106,250						annual appreciation 4.5%	Price			659,314
Cap Improvement	-							Sale Costs		6%	39,559
Closing Costs	21,250							Less: Basis			311,667
Initial Investment	127,500							Gain			308,089
Rate	6.50%							Tax @		20%	61,618
Term	30							Mortgage Balance			270,224
P&I	\$2,014.72							Sale Proceeds Before Tax			349,532
								Sale Proceeds After Tax			287,914
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
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
Cost Recovery / Depreciation		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.

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.

Name of Individual to whom disclosure made

Name of Individual to whom disclosure made

Agent's Signature (Date)