



5 Apartments

503 Radnor Avenue
Northwood, Baltimore City, 21212

5 Two-Bedroom Apartments
4 Leased Parking Spaces

» Property

BUILT	~1920.
ZONING	R-6. Licensed for 6 Dwelling Units.
LOT	Block 5213, Lot 006.
SIZE	5,040 sq. ft. above grade living space.

» Interiors

KITCHENS	Laminate counters, wood cabinets and stainless-steel sinks. 4 apartments have either a gas or electric 30" range; Apartment 2 has a 24" gas range.
BATHS	Modern vanities. 4 steel tubs and 1 cast iron tub. All have vinyl enclosures.
WALLS & CEILINGS	Walls are a mix of drywall, wood paneling and plaster. Ceilings are a mix of drywall and suspended grid.
FLOORS	Living areas are a mix of laminate or carpeting; bathrooms have either ceramic tile flooring or laminate; kitchen floors are mostly laminate with some ceramic tile.
LAUNDRY	Each unit has a full-size washer and dryer; some are side by side and some are stacked.

» Environmental

LEAD PAINT	Risk reduction certificates for apartments.
ASBESTOS	Asbestos heat shield observed above boiler and asbestos insulation on old supply pipes.
OIL TANKS	None observed.

» Exterior

CONSTRUCT	Wood construction with vinyl siding. Stone foundation.
ROOF	Pitched asphalt shingle porch roof. Original building has slate roof; rear addition has rubber roof.
WINDOWS	Vinyl replacement windows are mostly double hung; some single hung panes. Sunrooms have wooden pane single hung windows.
PARKING	4 off-street parking spaces in front of building.
FIRE ESCAPE	Wooden fire escape on rear.

» Utilities

HVAC	Separate gas-fired furnaces or electric heat pumps for each unit. All have central air.
HOT WATER	Apartments 1 and 3 have their own water heaters. Apartments 2, 4 and 5 have a shared water heater.
ELECTRIC	400 amps to building. 100 amps to each apartment. 6 meters.
GAS	5 gas meters.
PLUMBING	Observable supply pipes are a mix of copper and C-PVC. Observable drain lines are a mix of PVC or cast-iron.
TRASH	Monthly contract for dumpster service.



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\$445,000 in Fee Simple.
\$89,000 per unit, \$88 per sq. ft.

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503 RADNOR AVENUE

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:		445,000
Loan-to-Value	75%	SUGGESTED LOAN AMOUNT		333,750
Loan Amount	333,750	ESTIMATED CLOSING COSTS		22,250
Interest Rate	6.50%	TOTAL INVESTMENT		133,500
Term	25	Price Per Unit	5	89,000
Monthly P & I	\$ 2,253.50	Price Per Sq.Ft.	5,040	88

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
1	2 BR	7/31/2025	907	7/12/2021	943	1,000
2	2 BR	monthly	1,700	9/1/2022	935	1,000
3	2 BR	3/31/2025	907	4/26/2021	968	1,050
4	2 BR	8/31/2025	Surety Bond	9/30/2023	1,129	1,150
5	2 BR	3/31/2025	Surety Bond	3/15/2023	977	1,050
Parking					400	400

GRM (actual) = 6.9 GRM (market) = 6.6	Total Monthly Rental Income		5,352	5,650
	Gross Annual Income		64,224	67,800
	Vacancy / Credit Loss	3%	(1,927)	(2,034)
	Effective Annual Income		62,297	65,766

Real Estate Taxes		7/1/2024	264,500	6,242	
Ground Rent	none			0	
Leasing / Management	budget	5% of collections		3,288	
Insurance	budget	600 per unit		3,000	
License - Baltimore City MFD	actual	35 per unit		140	
Baltimore City Rental Inspection	budget	75 per unit / 3 years		125	
Lead Paint Registration	actual	30 per unit		150	
Dumpster	actual	200 per month		2,400	
Repairs & Maintenance	budget	1,000 per unit		5,000	
Landscaping	budget	80 per month		960	
PS Electric	actual	45 per month		540	
PS Gas	actual	114 per month		1,368	
Water	budget	40 per unit / month		2,400	
Expense/Unit= \$5,130	39%			TOTAL EXPENSES	25,614
Cap Rate= 9.02%				NET OPERATING INCOME	40,153
DCR= 1.48				<i>Less: Mortgage Payments:</i>	27,042
ROI= 9.8%		*Monthly Cash Flow:	\$1,093	Annual Cash Flow:	13,110

COMPARABLE SALES

address	date sold	sales price	# units	monthly rent	price per unit	GRM
5017 The Alamed	Mar-23	925,000	12	10,475	77,083	7.4
4901 York	PENDING	1,060,000	13	15,850	81,538	5.6
3310 Oakfield	Aug-24	462,500	5	5,675	92,500	6.8
2653 Maryland	Nov-23	745,000	8	8,176	93,125	7.6
2435 Lakeview	Jul-23	1,225,000	12	13,071	102,083	7.8

Call Will A. Cannon III

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Seller's Exclusive Agent

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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.

65,766	+	Rental Income
25,614	-	Operating Expenses
27,042	-	Mortgage Payments
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13,110	=	Cash Flow
133,500	/	Downpayment + Closing Costs
9.8%	=	Return on Investment from Cash Flow

2 **Appreciation**

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

445,000	=	Acquisition Price
5%	*	First Year Appreciation
467,250	=	Value at the end of Year 1.
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22,250	=	Amount of Value Increase
133,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

6.50% 25 \$ 2,253.50

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

333,750	=	Loan Amount at Closing
328,239	=	Loan Amount at the end of Year 1
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5,511	-	Equity Build-Up in Year 1
133,500	/	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.

40,153	=	Cash Flow Before Loan Payments (rents less expenses)
12,608	-	Depreciation (assumes 15% land, 30 year recovery)
21,532	-	Mortgage Interest
6,013	=	Taxable Income Year 1
4,810		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
1,779.75	=	Federal Income Tax
1,780		Federal Income Tax
13,110	/	Cash Flow
13.6%	=	Effective Tax Rate on This Investment
4,851	=	Tax if Cash Flow came from a non-preferred investment vehicle
1,780	-	Tax from this preferred investment vehicle.
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3,071	=	Income Tax Savings
2.3%		Return on Investment from Tax Savings

Total / Summary

1:	13,110	Cash Flow
2:	22,250	Appreciation Year 1
3:	5,511	Equity Build Up Year 1
4:	3,071	Tax Savings Year 1
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	43,942	Total Return from this Investment
	133,500	Downpayment + Closing Costs
	32.9%	Total Return from this Investment

**Illustration of Internal Rate of Return over a 10-Year Holding Period
503 RADNOR AVENUE**

Purchase Price	445,000	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual Rent	7.0%	67,800	72,546	77,624	83,058	88,872	95,093	101,750	108,872	116,493	124,648
Vacancy	3.0%	2,034	2,176	2,329	2,492	2,666	2,853	3,052	3,266	3,495	3,739
Effective Income		65,766	70,370	75,295	80,566	86,206	92,240	98,697	105,606	112,998	120,908
Expenses	7.0%	25,614	27,406	29,325	31,378	33,574	35,924	38,439	41,130	44,009	47,089
Exp as a percent of Annual Rent		39%	39%	39%	39%	39%	39%	39%	39%	39%	39%
Exp per unit	5	5,123	5,481	5,865	6,276	6,715	7,185	7,688	8,226	8,802	9,418
NOI	0	40,153	42,963	45,971	49,189	52,632	56,316	60,258	64,476	68,989	73,819
Debt Service	\$ 2,254	27,042	27,042	27,042	27,042	27,042	27,042	27,042	27,042	27,042	27,042
Before Tax Cash Flow	(133,500)	13,110	15,921	18,929	22,146	25,590	29,274	33,216	37,434	41,947	557,110
25.1% Internal Rate of Return											
NOI		40,153	42,963	45,971	49,189	52,632	56,316	60,258	64,476	68,989	73,819
Less Interest		21,532	21,162	20,769	20,349	19,900	19,422	18,912	18,367	17,786	17,166
Less Depreciation		11,867	11,867	11,867	11,867	11,867	11,867	11,867	11,867	11,867	11,867
Taxable Income to Individuals		6,754	9,934	13,335	16,973	20,865	25,027	29,480	34,242	39,337	44,786
Pass Thru Entity	20%	(1,351)	(1,987)	(2,667)	(3,395)	(4,173)	(5,005)	(5,896)	(6,848)	(7,867)	(8,957)
Taxable Income	0	5,403	7,947	10,668	13,579	16,692	20,022	23,584	27,394	31,469	35,829
Tax @ *	37%	1,999	2,940	3,947	5,024	6,176	7,408	8,726	10,136	11,644	13,257
After Tax Cash Flow	(133,500)	11,111	12,981	14,981	17,122	19,414	21,866	24,490	27,298	30,304	455,315
21.1% Internal Rate of Return											
Purchase	445,000								Assume a Sale at End of Year 10		
L-V	75%								Annual Rent Roll		124,648
Loan	333,750								GRM		6.6
Down Payment	111,250							annual appreciation	6.3%	Price	818,114
Cap Improvement	-									Sale Costs	6% 49,087
Closing Costs	22,250									Less: Basis	326,333
Initial Investment	133,500									Gain	442,694
Rate	6.50%									Tax @	20% 88,539
Term	25									Mortgage Balance	258,694
P&I	\$2,253.50									Sale Proceeds Before Tax	510,333
										Sale Proceeds After Tax	421,794
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
333,750	Beg Bal	333,750	328,239	322,360	316,086	309,393	302,251	294,631	286,501	277,826	268,570
6.50%	Prin	5,511	5,880	6,273	6,694	7,142	7,620	8,130	8,675	9,256	9,876
25.0	Int	21,532	21,162	20,769	20,349	19,900	19,422	18,912	18,367	17,786	17,166
2,254	Bal EOY	328,239	322,360	316,086	309,393	302,251	294,631	286,501	277,826	268,570	258,694
Cost Recovery / Depreciation		445,000	445,000	Building	80%	356,000	Land	20%	89,000	Life	30
		11,867	11,867	11,867	11,867	11,867	11,867	11,867	11,867	11,867	11,867
Basis		433,133	421,267	409,400	397,533	385,667	373,800	361,933	350,067	338,200	326,333

* 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%.