



BEN FREDERICK REALTY

BALTIMORE'S APARTMENT PROPERTY SPECIALIST



5 Apartments in Madison Park

1407 McCulloh Street
Madison Park, Baltimore City, 21217

- 1 Three-Bedroom Apartment
- 1 Two-Bedroom Apartment
- 3 One-Bedroom Apartments

» Property

BUILT	~1920.
ZONING	R-8, Permitted for 4 Dwelling Units; Licensed for 5 Dwelling Units.
LOT	Block 3444, Lot 028. 18' x 143' 10"
SIZE	3,300 Sq. Ft. Gross Living Area.

» Exterior

CONSTRUCT	Brick construction with stone foundation.
ROOF	Rubber roof.
WINDOWS	Single-pane wood windows in front; vinyl replacement windows in rear.
PARKING	2 car concrete parking pad in rear.
FIRE ESCAPE	Steel fire escape in rear.

» Utilities

HVAC	Three apartments have gas-fired forced air furnaces; one apartment has mini-split system; and one apartment has electric baseboard heat.
HOT WATER	Four gas-fired water heaters.
ELECTRIC	Five meters, 200 amp total service.
GAS	Four gas meters with one extra hook-up.
PLUMBING	Observable supply pipes are a mix of copper, c-pvc, and steel. Observable drain lines are pvc.
TRASH	Baltimore City trash and recycling pick up included in property taxes.

» Interiors

KITCHENS	Mix of laminate and butcher block countertops with wood cabinets; mix of 20" and 30" gas ranges with one 30" electric range; and stainless steel sinks. Third floor apartment has a built-in microwave. Mix of laminate, hardwood, and ceramic tile floors.
BATHS	Mix of modern vanities and pedestal sinks. Three apartments have steel tubs with ceramic tile surrounds; one apartment has a shower stall with ceramic tile surround; and one apartment has a clawfoot tub. Mix of ceramic tile and vinyl tile floors.
WALLS & CEILINGS	Plaster walls. Ceilings are mostly plaster with some drywall.
FLOORING	Mostly hardwood floors with some laminate plank flooring.
LAUNDRY	In-suite laundry in every apartment.

» Environmental

ASBESTOS	None observed.
OIL TANK	None observed.
LEAD STATUS	Risk Reduction lead certificates.



Will Cannon
410-916-3331



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\$475,000 in Fee Simple

\$95,000 per unit, \$144 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.

1407 MCCULLOH STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:	475,000
Loan-to-Value	75%	SUGGESTED LOAN AMOUNT	356,250
Loan Amount	356,250	ESTIMATED CLOSING COSTS	23,750
Interest Rate	6.50%	TOTAL INVESTMENT	142,500
Term	25		
Monthly P & I	\$ 2,405.43	Price Per Unit	5 95,000
		Price Per Sq.Ft.	3,300 144

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
1F	1 BR	2/28/2026	800	3/23/2024	800	1,000
1R	1 BR	7/31/2026	900	7/7/2024	900	1,000
2F	2 BR	6/30/2026	850	6/26/2025	1,050	1,300
2R	1 BR	6/30/2026	1,050	5/22/2025	850	1,100
3	2 BR	7/31/2026	1,100	5/27/2025	1,100	1,600
Parking	2 Car					50

<i>Tenants Reimburse for Water</i>	70	175
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GRM (actual) = 8.3 GRM (market) = 6.4	Total Monthly Rental Income	4,770	6,225
	Gross Annual Income	57,240	74,700
	Vacancy / Credit Loss	5.0% (2,862)	(3,735)
	Effective Annual Income	54,378	70,965

Real Estate Taxes	actual	7/1/2025	70,200	1,657
	budget for tax increase		250,000	5,900
Ground Rent	none			0
Insurance	budget	750 per unit		3,750
Leasing and Management	budget	5% of collections		3,548
License - Baltimore City MFD	actual	35 per unit		175
License Inspections	budget	75 per unit / 3 yrs		125
Lead Paint Registration Fee	actual	30 per unit		150
Repairs & Maintenance	budget	1,000 per unit		5,000
Public Service Electric	actual	115 per unit/month		1,379
Public Service Gas	none	0 per month		0
Water	budget	50 per unit per month		3,000
Expense/Unit= \$4,940	35%			TOTAL EXPENSES 24,684
Cap Rate= 9.74%				NET OPERATING INCOME 46,281
DCR= 1.60				Less: Mortgage Payments: 28,865
ROI= 12.2%				Monthly Cash Flow: \$1,451 Annual Cash Flow: 17,416

address	date sold	sales price	# units	monthly rent	price per unit	GRM
2653 Maryland	Nov-23	745,000	8	7,671	93,125	8.1
1735 Bolton	Jun-25	561,000	6		93,500	
3500 Callaway	Dec-24	576,225	6	7,066	96,038	6.8
601 Whitelock	PENDING	500,000	5		100,000	
1712 Madison	Oct-24	405,300	4		101,325	
1604 Park	Oct-24	830,000	7	8,900	118,571	7.8



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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
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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.

70,965	+	Rental Income
24,684	-	Operating Expenses
28,865	-	Mortgage Payments
17,416	=	Cash Flow
142,500	/	Downpayment + Closing Costs
12.2%	=	Return on Investment from Cash Flow

2 **Appreciation**

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

475,000	=	Acquisition Price
5%	*	First Year Appreciation
498,750	=	Value at the end of Year 1.
23,750	=	Amount of Value Increase
142,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

6.50% 25 \$ 2,405.43

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

356,250	=	Loan Amount at Closing
350,368	=	Loan Amount at the end of Year 1
5,882	-	Equity Build-Up in Year 1
142,500	/	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.

46,281	=	Cash Flow Before Loan Payments (rents less expenses)
10,094	-	Depreciation (assumes 15% land, 30 year recovery)
22,983	-	Mortgage Interest
13,204	=	Taxable Income Year 1
10,563	=	Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
3,908.45	=	Federal Income Tax
3,908	=	Federal Income Tax
17,416	/	Cash Flow
22.4%	=	Effective Tax Rate on This Investment
6,444	=	Tax if Cash Flow came from a non-preferred investment vehicle
3,908	-	Tax from this preferred investment vehicle.
2,535	=	Income Tax Savings
1.8%	=	Return on Investment from Tax Savings

Total / Summary

1:	17,416	Cash Flow
2:	23,750	Appreciation Year 1
3:	5,882	Equity Build Up Year 1
4:	2,535	Tax Savings Year 1
	49,583	Total Return from this Investment
	142,500	Downpayment + Closing Costs
	34.8%	Total Return from this Investment

Illustration of Internal Rate of Return over a 10-Year Holding Period
1407 MCCULLOH STREET

Purchase Price	475,000	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Annual Rent	4.0%	74,700	77,688	80,796	84,027	87,388	90,884	94,519	98,300	102,232	106,321
Vacancy	3.0%	2,241	2,331	2,424	2,521	2,622	2,727	2,836	2,949	3,067	3,190
Effective Income		72,459	75,357	78,372	81,507	84,767	88,157	91,684	95,351	99,165	103,132
Expenses	4.0%	24,684	25,671	26,698	27,766	28,877	30,032	31,233	32,482	33,782	35,133
Exp as a percent of Annual Rent		34%	34%	34%	34%	34%	34%	34%	34%	34%	34%
Exp per unit	4	6,171	6,418	6,675	6,942	7,219	7,508	7,808	8,121	8,445	8,783
NOI	0	47,775	49,686	51,673	53,740	55,890	58,126	60,451	62,869	65,383	67,999
Debt Service	\$ 2,405	28,865	28,865	28,865	28,865	28,865	28,865	28,865	28,865	28,865	28,865
Before Tax Cash Flow	(135,375)	18,910	20,821	22,808	24,875	27,025	29,261	31,586	34,004	36,518	398,508
23.7% Internal Rate of Return											
NOI		47,775	49,686	51,673	53,740	55,890	58,126	60,451	62,869	65,383	67,999
Less Interest		22,983	22,589	22,169	21,720	21,242	20,731	20,187	19,605	18,985	18,324
Less Depreciation		12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667
Taxable Income to Individuals		12,125	14,430	16,838	19,353	21,982	24,728	27,597	30,597	33,732	37,009
Pass Thru Entity	20%	(2,425)	(2,886)	(3,368)	(3,871)	(4,396)	(4,946)	(5,519)	(6,119)	(6,746)	(7,402)
Taxable Income	0	9,700	11,544	13,470	15,483	17,585	19,782	22,078	24,477	26,985	29,607
Tax @ *	37%	3,589	4,271	4,984	5,729	6,507	7,319	8,169	9,057	9,985	10,955
After Tax Cash Flow	(135,375)	15,321	16,550	17,824	19,147	20,518	21,941	23,417	24,947	26,534	330,119
19.3% Internal Rate of Return											
Purchase	475,000							Assume a Sale at End of Year 10			
L-V	75%							Annual Rent Roll			106,321
Loan	356,250							GRM			6.4
Down Payment	118,750						annual appreciation 3.6%	Price			676,073
Cap Improvement	-							Sale Costs		6%	40,564
Closing Costs	16,625							Less: Basis			348,333
Initial Investment	135,375							Gain			287,175
Rate	6.50%							Tax @		20%	57,435
Term	25							Mortgage Balance			276,134
P&I	\$2,405.43							Sale Proceeds Before Tax			359,375
								Sale Proceeds After Tax			301,939
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
356,250 Beg Bal		356,250	350,368	344,092	337,396	330,251	322,628	314,494	305,815	296,556	286,676
6.50% Prin		5,882	6,276	6,696	7,145	7,623	8,134	8,679	9,260	9,880	10,542
25.0 Int		22,983	22,589	22,169	21,720	21,242	20,731	20,187	19,605	18,985	18,324
2,405 Bal EOY		350,368	344,092	337,396	330,251	322,628	314,494	305,815	296,556	286,676	276,134
Cost Recovery / Depreciation		475,000	475,000	Building	80%	380,000	Land	20%	95,000	Life	30
		12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667
Basis		462,333	449,667	437,000	424,333	411,667	399,000	386,333	373,667	361,000	348,333

* 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%.