



BEN FREDERICK REALTY

BALTIMORE'S APARTMENT PROPERTY SPECIALIST



4 Apartments

3941 Lowndes Avenue
Pen Lucy, Baltimore City, 21218

- 2 Three-Bedroom Apartments
- 1 One-Bedroom Apartment
- 1 Studio Apartment

» Exterior

CONSTRUCT	Stucco over brick construction with stone foundation.
ROOF	Pitched asphalt roof with flat rubber roof sections.
WINDOWS	Single pane wood windows.
PARKING	Street parking.
FIRE ESCAPE	Steel fire escape at rear.

» Utilities

HEAT	Central Slant/Fin gas-fired boiler with radiator distribution.
HOT WATER	Four gas-fired hot water heaters (30- or 40-gallon capacity).
ELECTRIC	Four electric meters.
GAS	Five gas meters.
PLUMBING	Observable supply lines are copper or steel. Most observable drain lines are PVC.
TRASH	Baltimore City trash and recycling pickup included in property taxes.

» Property

BUILT	1920.
ZONING	R-5. Licensed for Four Dwelling Units.
LOT	Block 3913D, Lot 004. 55' x 135'.
SIZE	3,140 Sq. Ft. Above Grade Living Area.

» Interiors

KITCHENS	Most kitchens feature laminate countertops with wood cabinetry. Each kitchen is equipped with a 30" gas range. 3 kitchens have stainless-steel sinks; one kitchen has a porcelain sink top.
BATHS	Three bathrooms have modern vanities; one bathroom has a wall-mounted sink. Two units have cast-iron tubs and one unit has a claw-foot tub; these three tubs have vinyl surrounds.
WALLS, CEILINGS & FLOORING	Plaster walls and ceilings throughout. Living areas have hardwood flooring. Kitchens and bathrooms have vinyl flooring.

» Environmental

ASBESTOS	None observed.
OIL TANK	None observed.
LEAD STATUS	Risk Reduction certificates on file per MDE standard.



Will Cannon
410-916-3331



Cheryl Sadara
410-235-9600



Tom Fair
410-235-5200

\$295,000 in Fee Simple

\$73,750 per unit, \$94 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.

3941 LOWNDES AVENUE

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:			INVESTMENT OFFERING:			295,000
Loan-to-Value	75%		SUGGESTED LOAN AMOUNT			221,250
Loan Amount	221,250		ESTIMATED CLOSING COSTS			14,750
Interest Rate	6.50%		TOTAL INVESTMENT			88,500
Term	30		Price Per Unit	4		73,750
Monthly P & I	\$ 1,398.45		Price Per Sq.Ft.	3,140		94

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
1F	Studio	monthly	650	1/3/2024	650	800
1R	1 BR	monthly	950	11/30/2012	765	1,000
2	3 BR					1,300
3	3 BR	monthly	1,450	10/9/2015	765	1,300

GRM (actual) = 11.3	Total Monthly Rental Income	2,180	4,400
GRM (market) = 5.6	Total Gross Annual Income	26,160	52,800

Real Estate Taxes	actual	7/1/2027	250,200	5,905
Ground Rent	none			0
Insurance	budget	750 per unit		3,000
License - Baltimore City MFD	actual	35 per apt		140
License Inspections	budget	75 per apt / 3 yrs		100
Lead Paint Registration Fee	actual	30 per apt		120
Lawn Care / Snow Removal	budget	150 per month		1,800
Repairs & Maintenance	budget	1,000 per unit		4,000
Public Service Electric	actual	118 per month		1,416
Public Service Gas - budget for corrected meter		300 per month		3,600
Water	budget	75 per unit / month		3,600

Expense/Unit= \$5,930	45%	TOTAL EXPENSES	23,681
Cap Rate= 9.87%		NET OPERATING INCOME	29,119
DCR= 1.74		Less: Mortgage Payments:	16,781
ROI= 13.9%		Monthly Cash Flow: \$1,028	Annual Cash Flow: 12,338

COMPARABLE SALES

address	date sold	sales price	units	monthly rent	price per unit	GRM
2762 The Alamed	Sep-24	101,500	2		50,750	
3738 Old York	ACTIVE	169,990	3		56,663	
510 E 41st	Oct-25	175,000	3	2,900	58,333	5.0
2528 Maryland	Mar-25	375,000	4	3,530	93,750	8.9
702 Homestead	PENDING	395,000	4	4,130	98,750	8.0



Will Cannon
410-235-9500



Cheryl Sadera
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Tom Fair
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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.

52,800	+	Rental Income
23,681	-	Operating Expenses
16,781	-	Mortgage Payments
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12,338	=	Cash Flow
88,500	/	Downpayment + Closing Costs
13.9%	=	Return on Investment from Cash Flow

2 **Appreciation**

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

295,000	=	Acquisition Price
5%	*	First Year Appreciation
309,750	=	Value at the end of Year 1.
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14,750	=	Amount of Value Increase
88,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

6.50% 30 \$ 1,398.45

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

221,250	=	Loan Amount at Closing
218,777	=	Loan Amount at the end of Year 1
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2,473	-	Equity Build-Up in Year 1
88,500	/	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.

29,119	=	Cash Flow Before Loan Payments (rents less expenses)
8,358	-	Depreciation (assumes 15% land, 30 year recovery)
14,308	-	Mortgage Interest
6,453	=	Taxable Income Year 1
5,162		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
1,909.94	=	Federal Income Tax
1,910		Federal Income Tax
12,338	/	Cash Flow
15.5%	=	Effective Tax Rate on This Investment
4,565	=	Tax if Cash Flow came from a non-preferred investment vehicle
1,910	-	Tax from this preferred investment vehicle.
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2,655	=	Income Tax Savings
3.0%		Return on Investment from Tax Savings

Total / Summary

1:	12,338	Cash Flow
2:	14,750	Appreciation Year 1
3:	2,473	Equity Build Up Year 1
4:	2,655	Tax Savings Year 1
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	32,216	Total Return from this Investment
	88,500	Downpayment + Closing Costs
	36.4%	Total Return from this Investment

Illustration of Internal Rate of Return over a 10-Year Holding Period
3941 LOWNDES AVENUE

Purchase Price	295,000	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Annual Rent	4.0%	52,800	54,912	57,108	59,393	61,769	64,239	66,809	69,481	72,260	75,151
Vacancy	3.0%	1,584	1,647	1,713	1,782	1,853	1,927	2,004	2,084	2,168	2,255
Effective Income		51,216	53,265	55,395	57,611	59,915	62,312	64,805	67,397	70,093	72,896
Expenses	4.0%	23,681	24,628	25,613	26,638	27,703	28,811	29,964	31,162	32,409	33,705
Exp as a percent of Annual Rent		46%	46%	46%	46%	46%	46%	46%	46%	46%	46%
Exp per unit	4	5,920	6,157	6,403	6,659	6,926	7,203	7,491	7,791	8,102	8,426
NOI	0	27,535	28,637	29,782	30,973	32,212	33,501	34,841	36,235	37,684	39,191
Debt Service	\$ 1,398	16,781	16,781	16,781	16,781	16,781	16,781	16,781	16,781	16,781	16,781
Before Tax Cash Flow	(88,500)	10,754	11,855	13,001	14,192	15,431	16,719	18,060	19,453	20,903	229,527
21.1% Internal Rate of Return											
NOI		27,535	28,637	29,782	30,973	32,212	33,501	34,841	36,235	37,684	39,191
Less Interest		14,308	14,143	13,966	13,778	13,576	13,362	13,133	12,888	12,628	12,349
Less Depreciation		7,867	7,867	7,867	7,867	7,867	7,867	7,867	7,867	7,867	7,867
Taxable Income to Individuals		5,360	6,627	7,949	9,329	10,769	12,272	13,842	15,480	17,190	18,975
Pass Thru Entity	20%	(1,072)	(1,325)	(1,590)	(1,866)	(2,154)	(2,454)	(2,768)	(3,096)	(3,438)	(3,795)
Taxable Income	0	4,288	5,302	6,360	7,463	8,615	9,818	11,073	12,384	13,752	15,180
Tax @ *	37%	1,587	1,962	2,353	2,761	3,188	3,633	4,097	4,582	5,088	5,617
After Tax Cash Flow	(88,500)	9,167	9,894	10,648	11,431	12,243	13,087	13,962	14,871	15,814	188,240
17.4% Internal Rate of Return											
Purchase	295,000							Assume a Sale at End of Year 10			
L-V	75%							Annual Rent Roll			75,151
Loan	221,250							GRM			5.6
Down Payment	73,750							Price			419,877
Cap Improvement	-							Sale Costs		6%	25,193
Closing Costs	14,750							Less: Basis			216,333
Initial Investment	88,500							Gain			178,351
Rate	6.50%							Tax @		20%	35,670
Term	30							Mortgage Balance			187,567
P&I	\$1,398.45							Sale Proceeds Before Tax			207,117
								Sale Proceeds After Tax			171,447
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
221,250 Beg Bal		221,250	218,777	216,138	213,323	210,319	207,114	203,695	200,046	196,153	191,999
6.50% Prin		2,473	2,639	2,815	3,004	3,205	3,420	3,649	3,893	4,154	4,432
30.0 Int		14,308	14,143	13,966	13,778	13,576	13,362	13,133	12,888	12,628	12,349
1,398 Bal EOY		218,777	216,138	213,323	210,319	207,114	203,695	200,046	196,153	191,999	187,567
Cost Recovery / Depreciation		295,000	295,000	Building	80%	236,000	Land	20%	59,000	Life	30
		7,867	7,867	7,867	7,867	7,867	7,867	7,867	7,867	7,867	7,867
Basis		287,133	279,267	271,400	263,533	255,667	247,800	239,933	232,067	224,200	216,333

* Tax rate of 35% applies to income of \$256,225 to \$640,599 for singles; \$512,450 to \$768,699 for married filing jointly. Marginal rate above \$640,600/\$768,700 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)