BEN FREDERICK REALTY
BALTIMORE'S APARTMENT PROPERTY SPECIALIST

3 Apartments

103 West 29th Street
Charles Village, Baltimore 21218

1 Three-Bedroom Apartment
2 Two-Bedroom Apartments

» Property

BUILT	~1920.
ZONING	R-8. Licensed for 3 Dwelling Units.
LOT	Block 3649, Lot 021. 20'3" x 90'2".
SIZE	3,456 sq. ft. gross living area.

» Exterior

CONSTRUCT	Brick construction.
ROOF	Rubber roof.
WINDOWS	Apartments have a mix of wood windows and vinyl replacement windows.
PARKING	Street parking.
FIRE ESCAPE	Steel fire escape at rear.

» Utilities

HEAT	Each apartment has a gas-fired furnace.
HOT WATER	Each apartment has its own gas-fired water heater.
ELECTRIC	4 electric meters.
GAS	3 gas meters.
PLUMBING	Observable supply lines are C-PVC. Observable drain lines are PVC or copper.
TRASH	Trash and recycling pick-up is included with property taxes.

» Interiors

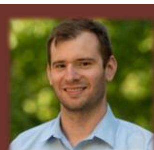
KITCHENS	Kitchens feature laminate countertops and wood or metal cabinets. Each kitchen has a 30" gas range.
BATHS	Bathrooms include modern vanities and cast-iron tubs with ceramic tile surrounds, with ceramic tile or vinyl flooring.
WALLS, CEILINGS & FLOORS	Walls are primarily plaster; some wood paneling and some drywall. Ceilings are a mix of suspended grid and plaster. Flooring throughout the living spaces, kitchens and bathrooms is a mix of hardwood, LVP and vinyl.

» Environmental

LEAD PAINT	All apartments have Full Risk Reduction certificates per MDE standards.
ASBESTOS	Possible asbestos wrapping on heating pipes in basement.
OIL TANKS	None observed.


Will Cannon
410-916-3331


Cheryl Sadera
410-235-9600


Tom Fair
410-235-5200

$425,000 subject to annual ground rent of $150.00.

$141,667 per unit, $123 per sq. ft.

1 0 3 W E S T 2 9 T H S T R E E T - A S - I S

I N V E S T M E N T P R O P E R T Y I N C O M E A N D E X P E N S E B U D G E T

S U G G E S T E D F I N A N C I N G:		I N V E S T M E N T O F F E R I N G:		425,000
Loan-to-Value	75%	S U G G E S T E D L O A N A M O U N T		318,750
Loan Amount	318,750	E S T I M A T E D C L O S I N G C O S T S		21,250
Interest Rate	6.50%	T O T A L I N V E S T M E N T		127,500
Term	30	**Price Per Unit**	**3**	**141,667**
Monthly P & I	$ 2,014.72	**Price Per Sq.Ft.**	**3,456**	**123**

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
1	3 BR	3/31/2028	1,175	2/9/2026	1,175	1,600
2	2 BR	4/30/2027	1,150	3/7/2023	1,275	1,400
3	2 BR	6/30/2027	1,085	5/5/2025	1,123	1,400
Tenant Utility Reimbursement					230	230
GRM (actual) = 9.3	Total Monthly Rental Income				3,803	4,630
GRM (market) = 7.6	Total Gross Annual Income				45,639	55,563

Real Estate Taxes	actual	7/1/2026	325,800	7,689	
special benefits district surcharge				407	
Ground Rent	actual			150	
Insurance	budget	750	per unit	2,250	
License - Baltimore City MFD	actual	35	per unit	105	
License Inspections	budget	75	per unit/2 yrs	113	
Lead Paint Registration Fee	actual	75	per unit/2 yrs	113	
Repairs & Maintenance	budget	1,000	per unit	3,000	
Public Service Electric	actual	35	per unit/month	423	
Public Service Gas	none	0	per month	0	
Water	budget	65	per unit/month	2,340	
Expense/Unit= $5,530	30%			***TOTAL EXPENSES***	***16,589***
Cap Rate= 9.17%				***NET OPERATING INCOME***	***38,974***
DCR= 1.61				*Less: Mortgage Payments:*	24,177
ROI= 11.6%	***Monthly Cash Flow:***	***$1,233***		***Annual Cash Flow:***	***14,797***

C O M P A R A B L E S A L E S

address	date sold	sales price	# units	monthly rent	price per unit	GRM
2903 Saint Paul	Mar-26	408,000	4	3,420	102,000	9.9
3032 Guilford	Apr-25	350,000	3		116,667	
3301 Guilford	Oct-24	505,000	4	5,639	126,250	7.5
2802 Saint Paul	May-25	600,000	4	5,995	150,000	8.3
2820 Saint Paul	Nov-25	520,000	3	3,758	173,333	11.5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103 WEST 29TH STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

INVESTMENT OFFERING:	425,000
REHAB BUDGET:	219,619
TOTAL INVESTMENT	644,619
SUGGESTED LOAN AMOUNT	483,464
ESTIMATED CLOSING COSTS	32,231
TOTAL CASH INJECTION:	193,386

Price Per Unit	**3**	**214,873**
Price Per Sq.Ft.	**3,456**	**187**

SUGGESTED FINANCING:

Loan-to-Value		75%
Loan Amount		483,464
Interest Rate		6.50%
Term		30
Monthly P & I	$	3,055.82

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
1	3 BR 2 BA	3/31/2028	1,175	2/9/2026	1,175	2,400
2	2 BR	4/30/2027	1,150	3/7/2023	1,275	1,800
3	2 BR	6/30/2027	1,085	5/5/2025	1,123	1,800
Tenants Reimburse for Utilities					335	335
GRM (actual) = 13.7	Total Monthly Rental Income				3,908	6,335
GRM (market) = 8.5	Gross Annual Income				46,899	76,023

Real Estate Taxes	actual	7/1/2026		325,800	7,689
budget for tax increase				125,000	2,950
special benefits district surcharge					407
Ground Rent	actual				150
Insurance	budget	750	per unit		2,250
License - Baltimore City MFD	actual	35	per unit		105
License Inspections	budget	75	per unit/2 yrs		113
Lead Paint Registration Fee	actual	75	per unit/2 yrs		113
Repairs & Maintenance	budget	1,000	per unit		3,000
Public Service Electric	actual	35	per unit/month		423
Public Service Gas	none	0	per month		0
Water	budget	100	per unit/month		3,600

Expense/Unit= $6,940	27%		***TOTAL EXPENSES***	***20,799***
Cap Rate= 8.57%			***NET OPERATING INCOME***	***55,224***
DCR= 1.51			*Less: Mortgage Payments:*	36,670
ROI= 9.6%	***Monthly Cash Flow:***	***$1,546***	***Annual Cash Flow:***	***18,554***

REHAB BUDGET

Item	Cost	Count	Total
Electric Upgrade	20,000	1	20,000
Kitchens	15,000	3	45,000
Bathrooms	12,500	4	50,000
Air Conditioning	5,000	3	15,000
Laundry	2,000	3	6,000
Flooring	6	3,456	20,736
Paint	5	3,456	17,280
Doors/Hardware	2,500	3	7,500
Cleaning	500	3	1,500

Subtotal	183,016
Misc 20%	36,603
Total	219,619
$ per sq ft	64
$ per unit	73,206

Call Will A. Cannon III

410 916 3331

Seller's Exclusive Agent

BenFrederick.com
410-235-9500

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.

55,563	+	Rental Income
16,589	-	Operating Expenses
24,177	-	Mortgage Payments
14,797	=	Cash Flow
127,500	/	Downpayment + Closing Costs
11.6%	=	Return on Investment from Cash Flow

2 *Appreciation*

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

425,000	=	Acquisiton 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*

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
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.

38,974	=	Cash Flow Before Loan Payments (rents less expenses)
12,042	-	Depreciation (assumes 15% land, 30 year recovery)
20,614	-	Mortgage Interest
6,318	=	Taxable Income Year 1
5,055		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
1,870.23	=	Federal Income Tax

1,870		Federal Income Tax
14,797	/	Cash Flow
12.6%	=	Effective Tax Rate on This Investment

5,475	=	Tax if Cash Flow came from a non-preferred investment vehicle
1,870	-	Tax from this preferred investment vehicle.
3,605	=	Income Tax Savings
2.8%		Return on Investment from Tax Savings

Total / Summary

1:	14,797	Cash Flow
2:	21,250	Appreciation Year 1
3:	3,563	Equity Build Up Year 1
4:	3,605	Tax Savings Year 1
	43,215	Total Return from this Investment
	127,500	Downpayment + Closing Costs
	33.9%	Total Return from this Investment

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

1 0 3 W E S T 2 9 T H S T R E E T

Purchase Price	**425,000**	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Annual Rent	4.0%	55,563	57,786	60,097	62,501	65,001	67,601	70,305	73,117	76,042	79,083
Vacancy	3.0%	1,667	1,734	1,803	1,875	1,950	2,028	2,109	2,194	2,281	2,373
Effective Income		53,896	56,052	58,294	60,626	63,051	65,573	68,196	70,924	73,761	76,711
Expenses	4.0%	16,589	17,253	17,943	18,661	19,407	20,183	20,991	21,830	22,703	23,612
Exp as a percent of Annual Rent		31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
Exp per unit	3	5,530	5,751	5,981	6,220	6,469	6,728	6,997	7,277	7,568	7,871
NOI	0	37,307	38,799	40,351	41,965	43,644	45,390	47,205	49,093	51,057	53,099
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)**	**13,130**	**14,623**	**16,175**	**17,789**	**19,467**	**21,213**	**23,029**	**24,917**	**26,881**	**327,312**
19.5% Internal Rate of Return											
NOI		37,307	38,799	40,351	41,965	43,644	45,390	47,205	49,093	51,057	53,099
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		5,360	7,091	8,897	10,783	12,751	14,806	16,952	19,192	21,531	23,975
Pass Thru Entity	20%	(1,072)	(1,418)	(1,779)	(2,157)	(2,550)	(2,961)	(3,390)	(3,838)	(4,306)	(4,795)
Taxable Income	0	4,288	5,673	7,118	8,626	10,201	11,845	13,561	15,354	17,225	19,180
Tax @ *	37%	1,586	2,099	2,634	3,192	3,774	4,383	5,018	5,681	6,373	7,096
After Tax Cash Flow	**(127,500)**	**11,544**	**12,524**	**13,541**	**14,597**	**15,693**	**16,830**	**18,011**	**19,236**	**20,507**	**268,826**
16.2% Internal Rate of Return											
Purchase	425,000							**Assume a Sale at End of Year 10**			
L-V	75%							Annual Rent Roll			79,083
Loan	318,750							GRM			7.6
Down Payment	106,250				annual appreciation		3.6%	Price			604,908
Cap Improvement	-							Sale Costs		6%	36,294
Closing Costs	21,250							Less: Basis			311,667
Initial Investment	127,500							Gain			256,946
Rate	6.50%							Tax @		20%	51,389
Term	30							Mortgage Balance			270,224
P&I	$2,014.72							Sale Proceeds Before Tax			298,389
								Sale Proceeds After Tax			247,000
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 $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.

<u>If you are viewing a property and you have not signed a Brokerage Agreement, that agent represents the seller</u>

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)

Rev. 10/1/2019