



BEN FREDERICK REALTY

BALTIMORE'S APARTMENT PROPERTY SPECIALIST



4 Apartments

1602 Cypress Street
Curtis Bay, Baltimore City, 21226

3 2-Bedroom, 1-Bath Apartments
1 1-Bedroom, 1-Bath Apartment

» Property

BUILT	1920.
ZONING	R-7; Licensed for 4 Dwelling Units.
LOT	30' x 100'; Block 7202, Lot 009.
SIZE	2,868 sq. ft. of above grade living area.

» Interiors

KITCHENS	Kitchens have quartz counters and wood cabinets. Appliances consist of stainless-steel refrigerators, 30" electric ranges, garbage disposals and built-in microwaves. 1 apartment has a roll-under sink for wheelchair accessibility.
BATHS	Bathrooms feature modern vanities and steel tubs with ceramic tile surrounds. 1 apartment is ADA compliant with a barrier-free ADA shower stall.
WALLS & CEILINGS	Drywall walls and ceilings.
FLOORS	Living areas and kitchens have vinyl plank flooring. Bathrooms have ceramic tile flooring.
LAUNDRY	Each apartment has a stacked washer and dryer.

» Environmental

LEAD-BASED PAINT	Lead-Free Limited per MDE standards.
OIL TANKS	None observed.
ASBESTOS	None observed.

» Exterior

CONSTRUCT	Brick construction, brick foundation. Concrete bump-out.
ROOF	Rubber upper roof. Asphalt lower roof.
WINDOWS	Vinyl replacement windows throughout.
PARKING	3-car paved asphalt parking pad in rear.
FIRE ESCAPE	None required on 2-story building.

» Utilities

HVAC	4 heat pumps with central air conditioning (2023).
HOT WATER	4 electric water heaters (2023).
ELECTRIC	5 meters; 100 amps to each unit.
GAS	1 inactive gas meter.
PLUMBING	Observable supply and drain lines are C-PVC and PVC.
TRASH	Baltimore City trash and recycling pickup included in property taxes.



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\$565,000 in Fee Simple.

\$141,250 per unit, \$197 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.

1602 CYPRESS STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:			INVESTMENT OFFERING:		
Loan-to-Value	75%		SUGGESTED LOAN AMOUNT		565,000
Loan Amount	423,750		ESTIMATED CLOSING COSTS		28,250
Interest Rate	6.50%		TOTAL INVESTMENT		169,500
Term	30		Price Per Unit	4	141,250
Monthly P & I	\$ 2,678.39		Price Per Sq.Ft.	2,868	197

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
A	2 BR	8/31/2026	1,400	7/26/2025	1,400	1,450
B	1 BR					1,350
C	2 BR	8/31/2026	1,400	7/27/2025	1,400	1,450
D	2 BR	10/31/2026	1,500	10/18/2024	1,300	1,450

Tenants Reimburse for utilities	273	333
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GRM (actual) = 10.8	Total Monthly Rental Income	4,373	6,033
GRM (market) = 7.8	Total Gross Annual Income	52,476	72,394

Real Estate Taxes	actual	7/1/2026	70,200	1,657
	budget for tax increase		300,000	7,080
Ground Rent	none			0
Insurance	budget	650 per unit		2,600
License - Baltimore City MFD	actual	35 per unit		140
License Inspections	budget	75 per unit / 3 yrs		100
Lead Paint Registration Fee	lead free limited	75 per 2 yrs		38
Repairs & Maintenance	budget	1,000 per unit		4,000
Public Service Electric	actual	33 per month		394
Public Service Gas	none	0 per month		0
Water	budget	75 per unit per month		3,600

Expense/Unit= \$4,910	27%	TOTAL EXPENSES	19,608
Cap Rate= 9.34%		NET OPERATING INCOME	52,786
DCR= 1.64		Less: Mortgage Payments:	32,141
ROI= 12.2%		Monthly Cash Flow: \$1,720	Annual Cash Flow: 20,645

COMPARABLE SALES

address	date sold	sales price	# units	Monthly Rent	Price per Unit	GRM
4604 Prudence	Jul-24	280,000	3	3,200	93,333	7.3
4926 Pennington	Jun-25	200,000	2	2,790	100,000	6.0
4326 Fairhaven	Apr-24	200,000	2		100,000	
1428 Church	Nov-24	449,000	4		112,250	
1509 Elmtree	Jan-25	309,999	2		155,000	



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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.

72,394	+	Rental Income
19,608	-	Operating Expenses
32,141	-	Mortgage Payments
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20,645	=	Cash Flow
169,500	/	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.

565,000	=	Acquisition Price
5%	*	First Year Appreciation
593,250	=	Value at the end of Year 1.
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28,250	=	Amount of Value Increase
169,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

6.50% 30 \$ 2,678.39

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

423,750	=	Loan Amount at Closing
419,014	=	Loan Amount at the end of Year 1
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4,736	-	Equity Build-Up in Year 1
169,500	/	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.

52,786	=	Cash Flow Before Loan Payments (rents less expenses)
16,008	-	Depreciation (assumes 15% land, 30 year recovery)
27,404	-	Mortgage Interest
9,373	=	Taxable Income Year 1
7,499		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
2,774.45	=	Federal Income Tax
2,774		Federal Income Tax
20,645	/	Cash Flow
13.4%	=	Effective Tax Rate on This Investment
7,639	=	Tax if Cash Flow came from a non-preferred investment vehicle
2,774	-	Tax from this preferred investment vehicle.
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4,864	=	Income Tax Savings
2.9%		Return on Investment from Tax Savings

Total / Summary

1:	20,645	Cash Flow
2:	28,250	Appreciation Year 1
3:	4,736	Equity Build Up Year 1
4:	4,864	Tax Savings Year 1
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	58,496	Total Return from this Investment
	169,500	Downpayment + Closing Costs
	34.5%	Total Return from this Investment

Illustration of Internal Rate of Return over a 10-Year Holding Period
1602 CYPRESS STREET

Purchase Price	565,000	2026	2027	2028	2029	2030	2031	2032	2033		2034	2035
Annual Rent	4.0%	72,394	75,290	78,301	81,433	84,691	88,078	91,602	95,266		99,076	103,039
Vacancy	3.0%	2,172	2,259	2,349	2,443	2,541	2,642	2,748	2,858		2,972	3,091
Effective Income		70,222	73,031	75,952	78,990	82,150	85,436	88,853	92,408		96,104	99,948
Expenses	4.0%	19,608	20,393	21,208	22,057	22,939	23,856	24,811	25,803		26,835	27,909
Exp as a percent of Annual Rent		28%	28%	28%	28%	28%	28%	28%	28%		28%	28%
Exp per unit	4	4,902	5,098	5,302	5,514	5,735	5,964	6,203	6,451		6,709	6,977
NOI	0	50,614	52,639	54,744	56,934	59,211	61,580	64,043	66,605		69,269	72,039
Debt Service	\$ 2,678	32,141	32,141	32,141	32,141	32,141	32,141	32,141	32,141		32,141	32,141
Before Tax Cash Flow	(169,500)	18,473	20,498	22,603	24,793	27,071	29,439	31,902	34,464		37,128	436,581
20.1% Internal Rate of Return												
NOI		50,614	52,639	54,744	56,934	59,211	61,580	64,043	66,605		69,269	72,039
Less Interest		27,404	27,087	26,749	26,388	26,002	25,591	25,153	24,684		24,185	23,652
Less Depreciation		15,067	15,067	15,067	15,067	15,067	15,067	15,067	15,067		15,067	15,067
Taxable Income to Individuals		8,143	10,485	12,929	15,480	18,142	20,922	23,824	26,853		30,017	33,320
Pass Thru Entity	20%	(1,629)	(2,097)	(2,586)	(3,096)	(3,628)	(4,184)	(4,765)	(5,371)		(6,003)	(6,664)
Taxable Income	0	6,514	8,388	10,343	12,384	14,514	16,737	19,059	21,483		24,014	26,656
Tax @ *	37%	2,410	3,103	3,827	4,582	5,370	6,193	7,052	7,949		8,885	9,863
After Tax Cash Flow	(169,500)	16,063	17,394	18,776	20,211	21,700	23,246	24,850	26,515		28,243	358,400
16.6% Internal Rate of Return												
Purchase	565,000							Assume a Sale at End of Year 10				
L-V	75%							Annual Rent Roll				
Loan	423,750							GRM				
Down Payment	141,250							Price				
Cap Improvement	-							Sale Costs				
Closing Costs	28,250							Less: Basis				
Initial Investment	169,500							Gain				
Rate	6.50%							Tax @				
Term	30							Mortgage Balance				
P&I	\$2,678.39							Sale Proceeds Before Tax				
								Sale Proceeds After Tax				
Mortgage Amortization		1	2	3	4	5	6	7	8		9	10
423,750 Beg Bal		423,750	419,014	413,960	408,568	402,815	396,677	390,127	383,139		375,683	367,727
6.50% Prin		4,736	5,054	5,392	5,753	6,138	6,550	6,988	7,456		7,956	8,488
30.0 Int		27,404	27,087	26,749	26,388	26,002	25,591	25,153	24,684		24,185	23,652
2,678 Bal EOY		419,014	413,960	408,568	402,815	396,677	390,127	383,139	375,683		367,727	359,239
Cost Recovery / Depreciation		565,000	565,000	Building	80%	452,000	Land	20%	113,000		Life	30
		15,067	15,067	15,067	15,067	15,067	15,067	15,067	15,067		15,067	15,067
Basis		549,933	534,867	519,800	504,733	489,667	474,600	459,533	444,467		429,400	414,333
* 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%.												



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)