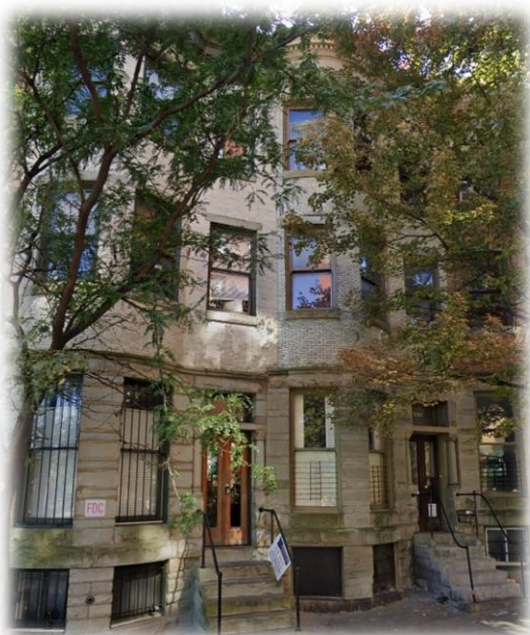




BEN FREDERICK REALTY

BALTIMORE'S APARTMENT PROPERTY SPECIALIST



4 Apartments

217 East Preston Street
Mount Vernon, Baltimore City, 21202

One 5-Bedroom, 2.5-Bathroom Apt
One 5-Bedroom, 2-Bathroom Apt
Two 1-Bedroom, 1-Bathroom Apts

» Property

BUILT	~1900.
ZONING	OR-2, Licensed for 4 Dwelling Units.
LOT	30' X 100'. Block 0486, Lot 022.
SIZE	~5,500 Square Feet.

» Interiors

KITCHENS	Terrace units have laminate counters, wood cabinets and either a gas or electric 30" range. 5-bedroom unit kitchens feature granite counters, wood shaker cabinets, 30" gas ranges, built-in microwaves, dishwashers and disposals.
BATHS	Full bathrooms have 5 modern vanities, 2 with steel tubs, 2 with claw foot tubs and 1 with a fiberglass tub with mostly ceramic tile surrounds. The half bath has a wall mounted sink.
WALLS & CEILINGS	Units have a mix of mostly plaster and drywall walls and ceilings. 217 Terrace unit has some painted brick walls.
FLOORS	Terrace units have vinyl plank flooring throughout one entire unit and a mix of laminate and ceramic tile in the other. 5-bedroom units have hardwood floors throughout living areas, laminate and ceramic throughout kitchens and baths.
LAUNDRY	3 of 4 units have in-unit laundry.

» Environmental

LEAD-BASED PAINT	Risk-Reduction certificates per MDE standard.
OILTANKS	None observed.
ASBESTOS	None observed.

» Exterior

CONSTRUCT	Brick construction with Formstone façade.
ROOF	Rubber roof.
WINDOWS	Mix of single pane and double pane wood windows in front; vinyl replacement windows throughout rear.
PARKING	Concrete parking pad in rear; 4 spaces.
FIRE ESCAPE	Steel fire escapes in rear.

» Utilities

HVAC	Terrace units have baseboard heating, either with electric or hot water circulation. 217 Preston #1 has radiator heat with dual zone central air. 219 Preston #1 has a 90+ gas-fired furnace with central air.
HOT WATER	Two central, 50-gallon gas-fired water heaters.
ELECTRIC	4 meters; 400 amps to building.
GAS	2 meters.
PLUMBING	Observable supply pipes are copper. Observable drain lines are PVC.
TRASH	Baltimore City trash and recycling pick up included in property taxes.



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\$995,000 subject to \$90 annual ground rent.
\$248,750 per unit, \$181 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.

217-219 EAST PRESTON STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:			INVESTMENT OFFERING:			995,000
Loan-to-Value	75%		SUGGESTED LOAN AMOUNT			746,250
Loan Amount	746,250		ESTIMATED CLOSING COSTS			49,750
Interest Rate	7.00%		TOTAL INVESTMENT			298,500
Term	30		Price Per Unit	4		248,750
Monthly P & I	\$ 4,964.82		Price Per Sq.Ft.	5,500		181

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
217 #1	5 BR 2 BA					4,000
217 #B	1 BR	monthly	475	6/1/2023	725	950
219 #1	5 BR 2.5 BA	2/28/2026	2,400	2/10/2025	2,400	4,000
219 #B	1 BR	5/31/2026	895	3/4/2025	895	950
Parking	4 Car					200

Tenant Utility Reimbursement					889	889
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GRM (actual) = 16.9	Total Monthly Rental Income	4,909	10,989
GRM (market) = 7.5	Total Gross Annual Income	58,904	131,864

Real Estate Taxes	actual	7/1/2025	455,300	10,745
	budget for tax increase		300,000	7,080
Special Benefits Surcharge	actual			601
Ground Rent	actual		per year	90
Insurance	budget	1,000	per unit	4,000
License - Baltimore City MFD	actual	35	per unit	140
Baltimore City Rental Inspection	budget	75	per unit / 3 years	100
MDE Registration	actual	30	per unit	120
Repairs & Maintenance	budget	1,000	per unit	4,000
Gas	actual	297	per month	3,565
Electric	actual	352	per month	4,219
Water	budget	60	per unit/month	2,880

Expense/Unit= \$9,390	28%	TOTAL EXPENSES	37,540
Cap Rate= 9.48%		NET OPERATING INCOME	94,324
DCR= 1.58		Less: Mortgage Payments:	59,578
ROI= 11.6%		*Monthly Cash Flow:	\$2,896
		Annual Cash Flow:	34,746

address	date sold	sales price	# units	Monthly Rent	Price per Unit	GRM
3119 N Calvert	Jun-24	475,000	2	3,845	237,500	10.3
1703 Guilford	Apr-24	540,000	2	4,500	270,000	10.0
1208 Saint Paul	Dec-24	1,150,000	4	10,868	287,500	8.8
3000 N Calvert	Dec-24	788,500	2	7,500	394,250	8.8
519 S Hanover	Aug-24	845,000	2		422,500	
1023 N Calvert	Mar-25	950,000	2	8,000	475,000	9.9



Call Will A. Cannon III

410 916 3331

Seller's Exclusive Agent

BenFrederick.com
410-235-9500

Property offered 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. All information should be considered as observed by Broker. Purchaser is advised to verify all information to Purchaser's satisfaction.

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.

131,864	+	Rental Income
37,540	-	Operating Expenses
59,578	-	Mortgage Payments
<hr/>		
34,746	=	Cash Flow
298,500	/	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.

995,000	=	Acquisition Price
4%	*	First Year Appreciation
1,030,749	=	Value at the end of Year 1.
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35,749	=	Amount of Value Increase
298,500	/	Downpayment + Closing Costs
12%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

7.00% 30 \$ 4,964.82

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

746,250	=	Loan Amount at Closing
738,670	=	Loan Amount at the end of Year 1
<hr/>		
7,580	-	Equity Build-Up in Year 1
298,500	/	Downpayment + Closing Costs
2.5%	=	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.

94,324	=	Cash Flow Before Loan Payments (rents less expenses)
28,192	-	Depreciation (assumes 15% land, 30 year recovery)
51,997	-	Mortgage Interest
14,135	=	Taxable Income Year 1
11,308		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
4,183.93	=	Federal Income Tax
4,184		Federal Income Tax
34,746	/	Cash Flow
12.0%	=	Effective Tax Rate on This Investment
12,856	=	Tax if Cash Flow came from a non-preferred investment vehicle
4,184	-	Tax from this preferred investment vehicle.
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8,672	=	Income Tax Savings
2.9%		Return on Investment from Tax Savings

Total / Summary

1:	34,746	Cash Flow
2:	35,749	Appreciation Year 1
3:	7,580	Equity Build Up Year 1
4:	8,672	Tax Savings Year 1
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	86,748	Total Return from this Investment
	298,500	Downpayment + Closing Costs
	29.1%	Total Return from this Investment

**Illustration of Internal Rate of Return over a 10-Year Holding Period
217-219 EAST PRESTON STREET**

Purchase Price	995,000	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual Rent	4.0%	131,864	137,139	142,624	148,329	154,262	160,433	166,850	173,524	180,465	187,684
Vacancy	3.0%	3,956	4,114	4,279	4,450	4,628	4,813	5,006	5,206	5,414	5,631
Effective Income		127,908	133,024	138,345	143,879	149,634	155,620	161,845	168,318	175,051	182,053
Expenses	4.0%	37,540	39,042	40,603	42,227	43,917	45,673	47,500	49,400	51,376	53,431
Exp as a percent of Annual Rent		29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Exp per unit	4	9,385	9,760	10,151	10,557	10,979	11,418	11,875	12,350	12,844	13,358
NOI	0	90,368	93,983	97,742	101,652	105,718	109,946	114,344	118,918	123,675	128,622
Debt Service	\$ 4,965	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578
Before Tax Cash Flow	(298,500)	30,790	34,405	38,164	42,074	46,140	50,369	54,767	59,340	64,097	759,893
19.6% Internal Rate of Return											
NOI		90,368	93,983	97,742	101,652	105,718	109,946	114,344	118,918	123,675	128,622
Less Interest		51,997	51,449	50,862	50,232	49,556	48,832	48,055	47,222	46,328	45,371
Less Depreciation		26,533	26,533	26,533	26,533	26,533	26,533	26,533	26,533	26,533	26,533
Taxable Income to Individuals		11,837	16,000	20,347	24,887	29,628	34,582	39,756	45,163	50,813	56,718
Pass Thru Entity	20%	(2,367)	(3,200)	(4,069)	(4,977)	(5,926)	(6,916)	(7,951)	(9,033)	(10,163)	(11,344)
Taxable Income	0	9,470	12,800	16,278	19,909	23,703	27,665	31,805	36,130	40,650	45,374
Tax @ *	37%	3,504	4,736	6,023	7,366	8,770	10,236	11,768	13,368	15,041	16,788
After Tax Cash Flow	(298,500)	27,286	29,669	32,141	34,707	37,370	40,133	42,999	45,972	49,056	622,793
16.2% Internal Rate of Return											
Purchase	995,000							Assume a Sale at End of Year 10			
L-V	75%							Annual Rent Roll			187,684
Loan	746,250							GRM			7.5
Down Payment	248,750						annual appreciation 3.6%	Price			1,416,195
Cap Improvement	-							Sale Costs		6%	84,972
Closing Costs	49,750							Less: Basis			729,667
Initial Investment	298,500							Gain			601,557
Rate	7.00%							Tax @		20%	120,311
Term	30							Mortgage Balance			640,375
P&I	\$4,964.82							Sale Proceeds Before Tax			690,849
								Sale Proceeds After Tax			570,537
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
746,250	Beg Bal	746,250	738,670	730,541	721,825	712,479	702,457	691,711	680,188	667,831	654,582
7.00%	Prin	7,580	8,128	8,716	9,346	10,022	10,746	11,523	12,356	13,249	14,207
30.0	Int	51,997	51,449	50,862	50,232	49,556	48,832	48,055	47,222	46,328	45,371
4,965	Bal EOY	738,670	730,541	721,825	712,479	702,457	691,711	680,188	667,831	654,582	640,375
Cost Recovery / Depreciation		995,000	995,000	Building	80%	796,000	Land	20%	199,000	Life	30
		26,533	26,533	26,533	26,533	26,533	26,533	26,533	26,533	26,533	26,533
Basis		968,467	941,933	915,400	888,867	862,333	835,800	809,267	782,733	756,200	729,667

* 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)