BEN FREDERICK REALTY
BALTIMORE'S APARTMENT PROPERTY SPECIALIST

10 Apartments & 4 Offices

2530 North Calvert Street

Charles Village, Baltimore City, 21218

- 4 Studio Apartments
- 5 One-Bedroom Apartments
- 1 Two-Bedroom Apartment
- 4 Offices

» *Property*

BUILT	~1920.
ZONING	OR-2 zoning; licensed for 10 dwelling units. OR-2 zoning also allows office use.
LOT	52' x 123'; Block 3832, Lot 021.
SIZE	8,326 Sq. Ft. Gross Building Area.

» *Exterior*

CONSTRUCT	Brick construction.
ROOF	Rubber roof.
WINDOWS	Single-pane wood windows.
PARKING	Paved parking for 4 cars in rear.
FIRE ESCAPE	Rear wood fire escape.

» *Utilities*

HEAT	Central gas-fired Slant/Fin boiler with hot-water circulation, serving both radiators and baseboard distribution.
HOT WATER	Two tandem 50-gallon gas-fired water heaters.
ELECTRIC	4 electric meters.
GAS	1 gas meter.
PLUMBING	Observable supply lines are copper or steel; drain lines are PVC or steel.
TRASH	Baltimore City trash and recycling pickup included in property taxes.

» *Interiors*

KITCHENS	Kitchens include wood cabinetry and laminate counters, with 20" or 30" gas ranges and stainless-steel sinks.
BATHS	Bathrooms have wall-mounted sinks or modern vanities. Most full baths have steel or fiberglass tubs; some units have shower stalls. A shared half bathroom is used by some office tenants.
WALLS & CEILINGS	Mix of wood paneling and plaster walls. Ceilings are a mix of plaster, suspended grid, and Celotex.
FLOORING	Flooring throughout living spaces is a mix of vinyl tile, carpeting, and hardwood. Bathrooms have mostly vinyl tile, with some ceramic tile.
LAUNDRY	Shared washer and dryer in basement.

» *Environmental*

LEAD-BASED PAINT	Full Risk Reduction lead certificates per MDE standards.
OIL TANKS	1 abandoned oil tank in basement.
ASBESTOS	Possible asbestos 9" x 9" vinyl floor tile.


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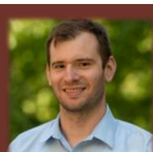
Tom Fair
410-235-5200

$800,000 in Fee Simple

$57,143 per unit, $96 per sq. ft.

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2530 NORTH CALVERT STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:			INVESTMENT OFFERING:		800,000
Loan-to-Value		75%	SUGGESTED LOAN AMOUNT		600,000
Loan Amount		600,000	ESTIMATED CLOSING COSTS		40,000
Interest Rate		6.50%	TOTAL INVESTMENT		240,000
Term		25	**Price Per Unit**	**14**	**57,143**
Monthly P & I	$	4,051.24	**Price Per Sq.Ft.**	**8,326**	**96**

Unit Type	Count	Average Rent	Market Rent	Total Actual Rent	Total Market Rent
Office	4	465	550		2,200
Studio	4	638	850		3,400
1 BR	5	722	1,075		5,375
2 BR	1	810	1,200		1,200
Parking	4		50		200

	Total Monthly Rental Income			7,262	12,375
	Gross Annual Income			87,144	148,500
GRM (actual) = 9.2	Vacancy / Credit Loss		3%	(2,614)	(4,455)
GRM (market) = 5.4	***Effective Annual Income***			84,530	144,045
Real Estate Taxes	actual	7/1/2027	473,400	11,172	
Budget for Tax Increase			100,000	2,360	
Special Benefits District Surcharge				592	
Ground Rent	none			0	
Insurance	budget	650	per unit	9,100	
Leasing and Management	budget	5%	of collections	7,202	
License - Baltimore City MFD	actual	35	per apt	350	
License Inspections	budget	75	per apt / 2 yrs	375	
Lead Paint Registration Fee	actual	75	per apt / 2 yrs	375	
Repairs & Maintenance	budget	1,000	per unit	14,000	
Electric - Public Service, B, 103	actual	392	per month	4,701	
Gas - Public Service	actual	492	per month	5,909	
Water	budget	50	per unit / month	8,400	
Expense/Unit= 4,610	45%			***TOTAL EXPENSES***	***64,536***
Cap Rate= 9.94%				***NET OPERATING INCOME***	***79,509***
DCR= 1.64				*Less: Mortgage Payments:*	48,615
ROI= 12.9%		***Monthly Cash Flow:***	***$2,574***	***Annual Cash Flow:***	***30,894***

address	date sold	sales price	# units	monthly rent	price per unit	GRM
112-20 E 25th	Nov-24	900,000	14	13,535	64,286	5.5
2422-36 Calvert	Feb-26	2,900,000	40		72,500	
2541 Saint Paul	Apr-26	220,000	3	2,800	73,333	6.5
2516 Charles	Apr-25	1,100,000	13	12,735	84,615	7.2
2800 Calvert	Jul-25	900,000	9		100,000	



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Ben Frederick Realty, Inc., Seller's Exclusive Broker
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2530 NORTH CALVERT STREET

RENT ROLL

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
Basement Office	Office					500
100	2 BR 1.5 BA	monthly	725	4/23/2012	810	1,200
101	Office	monthly	400	1/8/2008	585	1,000
103	1 BR	monthly	800	5/26/2022	870	1,075
201	Office	monthly	325	5/5/2021	345	400
203	1 BR	monthly	-	7/14/1997	518	1,075
204	Office					300
A	Studio	4/17/2027	1,300	4/17/2025	650	850
B	1 BR	monthly	750	10/29/2021	770	1,075
C	Studio	monthly	650	4/23/2024	650	850
D	1 BR	monthly	700	11/4/2016	750	1,075
E	Studio	7/2/2026	550	7/2/2020	614	850
F	1 BR	1/6/2027	750	1/6/2026	700	1,075
G	Studio	7/6/2027	650	1/12/2026		850
Parking	4 Spaces					200
				Total	7,262	12,375

Unit Type	Average Rent	Market Rent
Office	465	550
Studio	638	850
1 BR	722	1,075
2 BR	810	1,200
Parking - Surface		50



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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.

144,045	+	Rental Income
64,536	-	Operating Expenses
48,615	-	Mortgage Payments
30,894	=	Cash Flow
240,000	/	Downpayment + Closing Costs
12.9%	=	Return on Investment from Cash Flow

2 *Appreciation*

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

800,000	=	Acquisiton Price
5%	*	First Year Appreciation
840,000	=	Value at the end of Year 1.
40,000	=	Amount of Value Increase
240,000	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 *Equity Build-Up*

6.50% 25 $ 4,051.24

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

600,000	=	Loan Amount at Closing
590,093	=	Loan Amount at the end of Year 1
9,907	-	Equity Build-Up in Year 1
240,000	/	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.

79,509	=	Cash Flow Before Loan Payments (rents less expenses)
17,000	-	Depreciation (assumes 15% land, 30 year recovery)
38,708	-	Mortgage Interest
23,800	=	Taxable Income Year 1
19,040		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
7,044.93	=	Federal Income Tax
7,045		Federal Income Tax
30,894	/	Cash Flow
22.8%	=	Effective Tax Rate on This Investment
11,431	=	Tax if Cash Flow came from a non-preferred investment vehicle
7,045	-	Tax from this preferred investment vehicle.
4,386	=	Income Tax Savings
1.8%		Return on Investment from Tax Savings

Total / Summary

1:	30,894	Cash Flow
2:	40,000	Appreciation Year 1
3:	9,907	Equity Build Up Year 1
4:	4,386	Tax Savings Year 1
	85,186	Total Return from this Investment
	240,000	Downpayment + Closing Costs
	35.5%	Total Return from this Investment

Illustration of Internal Rate of Return over a 10-Year Holding Period											
2 5 3 0 N O R T H C A L V E R T S T R E E T											
Purchase Price	**800,000**	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Annual Rent	4.0%	148,500	154,440	160,618	167,042	173,724	180,673	187,900	195,416	203,233	211,362
Vacancy	3.0%	4,455	4,633	4,819	5,011	5,212	5,420	5,637	5,862	6,097	6,341
Effective Income		144,045	149,807	155,799	162,031	168,512	175,253	182,263	189,553	197,136	205,021
Expenses	4.0%	64,536	67,118	69,802	72,594	75,498	78,518	81,659	84,925	88,322	91,855
Exp as a percent of Annual Rent		45%	45%	45%	45%	45%	45%	45%	45%	45%	45%
Exp per unit	4	16,134	16,779	17,451	18,149	18,875	19,630	20,415	21,231	22,081	22,964
NOI	0	79,509	82,689	85,997	89,437	93,014	96,735	100,604	104,628	108,813	113,166
Debt Service	$ 4,051	48,615	48,615	48,615	48,615	48,615	48,615	48,615	48,615	48,615	48,615
Before Tax Cash Flow	**(228,000)**	**30,894**	**34,074**	**37,382**	**40,822**	**44,399**	**48,120**	**51,989**	**56,013**	**60,198**	**669,813**
23.3% Internal Rate of Return											
NOI		79,509	82,689	85,997	89,437	93,014	96,735	100,604	104,628	108,813	113,166
Less Interest		38,708	38,045	37,337	36,582	35,776	34,916	33,998	33,020	31,975	30,861
Less Depreciation		21,333	21,333	21,333	21,333	21,333	21,333	21,333	21,333	21,333	21,333
Taxable Income to Individuals		19,467	23,311	27,326	31,522	35,905	40,485	45,272	50,275	55,505	60,972
Pass Thru Entity	20%	(3,893)	(4,662)	(5,465)	(6,304)	(7,181)	(8,097)	(9,054)	(10,055)	(11,101)	(12,194)
Taxable Income	0	15,574	18,649	21,861	25,217	28,724	32,388	36,218	40,220	44,404	48,777
Tax @ *	37%	5,762	6,900	8,089	9,330	10,628	11,984	13,401	14,881	16,429	18,048
After Tax Cash Flow	**(228,000)**	**25,132**	**27,174**	**29,293**	**31,491**	**33,771**	**36,136**	**38,588**	**41,132**	**43,769**	**555,033**
19.0% Internal Rate of Return											
Purchase	800,000							**Assume a Sale at End of Year 10**			
L-V	75%							Annual Rent Roll			211,362
Loan	600,000							GRM			5.4
Down Payment	200,000				annual appreciation		3.6%	Price			1,138,649
Cap Improvement	-							Sale Costs		6%	68,319
Closing Costs	28,000							Less: Basis			586,667
Initial Investment	228,000							Gain			483,664
Rate	6.50%							Tax @		20%	96,733
Term	25							Mortgage Balance			465,068
P&I	$4,051.24							Sale Proceeds Before Tax			605,262
								Sale Proceeds After Tax			508,530
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
600,000	Beg Bal	600,000	590,093	579,523	568,245	556,212	543,373	529,674	515,058	499,462	482,822
6.50%	Prin	9,907	10,570	11,278	12,033	12,839	13,699	14,616	15,595	16,640	17,754
25.0	Int	38,708	38,045	37,337	36,582	35,776	34,916	33,998	33,020	31,975	30,861
4,051	Bal EOY	590,093	579,523	568,245	556,212	543,373	529,674	515,058	499,462	482,822	465,068
Cost Recovery / Depreciation		800,000	800,000	Building	80%	640,000	Land	20%	160,000	**Life**	**30**
		21,333	21,333	21,333	21,333	21,333	21,333	21,333	21,333	21,333	21,333
Basis		778,667	757,333	736,000	714,667	693,333	672,000	650,667	629,333	608,000	586,667
* 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%.											