



FOR SALE: 11 Apartments - Old Goucher

2637 Saint Paul Street in *Old Goucher Historic District*, Baltimore City, Maryland 21218



» Property

UNIT MIX	5 One-Bedroom Apartments, 6 Two-Bedroom Apartments.
BUILT	1962
ZONING / LOT	R-8; Licensed for 11 Dwelling Units (license exp 6/15/2019). 46'8" x 123' level lot = 5,769 sq. Block 3839 / Lot 25. Subject to cross-easement to share the concrete walkway between 2635 St Paul and 2637 St Paul.
PARKING	6 surface parking spaces, 3 private garages each with roll-up door.

» Construction

EXTERIOR	Brick over block construction. 8,553 sq.ft. improved gross building area. Single-pane aluminum slider windows. Built up modified bitumen roof with stones.
WALL/ FLOOR	Drywall walls & ceilings. Parquet wood floors on the ground level. Oak Hardwood flooring on levels 1 and 2. Level 2 has wall-to-wall carpet over oak hardwood floor.
KITCHENS	Linoleum flooring. White laminate cabinets, white laminate counters. 30" gas range. Refrigerator.
BATHROOMS	Ceramic tile floor. Cast iron tub. Ceramic tile tub surround. Modern vanity.
MECHANICAL	Separate 80% gas-fired forced air heating system with central air conditioning for each apt. 77-gallon gas-fired AO Smith commercial water heater with 192 gallon/hour recovery, dated 2013. 200 Amp Electric service with separate meter and Federal Pacific breaker panel for each apt. 1½" copper water main. All interior pipes appear copper.
AMENITIES	2 Coin Washers, 2 Coin Dryers (contract with CMC). 2 yard dumpster by Republic under contract through July 2020.

» Environmental

No mold visible, some asbestos floor tile, no known oil tanks. Certified Lead-Free per MDE standards.



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410 752 6400 *Seller's Exclusive Agent*

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\$935,000 in fee simple

\$85,000 per unit. \$108 per sq. ft. No ground rent.

This offering is made without regard to race, religion, color, creed, sex, marital & family status, and/or handicap. The information contained herein is believed accurate and from reliable sources; however, neither the owner nor Ben Frederick Realty, Inc. or any of their agents and/or sub-agents make any warranties or representations with regard to this information, the physical condition of the Property or any of its components, nor the financial performance of the Property. All information should be considered as observed by Broker. The Purchaser is hereby advised to verify all information to Purchaser's own satisfaction. This Property and this offering are subject to prior sale and withdrawal at any time as the owner may deem appropriate.

2637 SAINT PAUL STREET

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:		935,000
Loan-to-Value	75%	SUGGESTED LOAN AMOUNT		701,250
Loan Amount	701,250	ESTIMATED CLOSING COSTS		46,750
Interest Rate	5.00%	TOTAL INVESTMENT		280,500
Term	25	Price Per Unit	11	85,000
Monthly P & I	\$ 4,099.44	Price Per Sq.Ft.	8,695	108

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
TA	2 Bedroom	month to month	1,800.00	8/1/2015	820	900
TB	2 Bedroom	2/28/2020	850.00	2/15/2019	850	900
TD	1 Bedroom	9/30/2019	610.00	10/1/2014	715	825
1A	2 Bedroom	notice: 5/15/19	375.00	2/1/1997	740	975
1B	2 Bedroom	9/30/2019	610.00	12/1/2010	925	975
1C	1 Bedroom	12/31/2019	825.00	12/14/2018	825	875
1D	1 Bedroom	month to month	600.00	2/1/2010	730	875
2A	2 Bedroom	9/30/2019	750.00	1/1/2011	815	995
2B	2 Bedroom	9/30/2019	280.00	10/1/89	720	995
2C	1 Bedroom	9/30/2019	300.00	6/1/00	710	875
2D	1 Bedroom	9/30/2019	700.00	7/1/16	700	875

Parking Garage TD pays \$30, 2C pas \$40 for 2 spaces 60.00 225
 Tenants pay a share of water bill 550

Total Monthly Rental Income		8,610	10,840
Gross Annual Income		103,320	130,080
Vacancy / Credit Loss	5.0%	(5,166)	(6,504)
Effective Annual Income		98,154	123,576

GRM (actual) = 9.0
GRM (market) = 7.2

Real Estate Taxes	actual	7/1/2019	456,100	10,764
Special Benefits District Surcharge				570
Ground Rent	none			0
Insurance	actual	333 per unit		3,667
License - Baltimore City MFD	actual	35 per resid unit		385
License - Inspection	actual	95 per unit/3 years		348
Lead Paint Registration Fee	actual	0 per resid unit		0
Property Management	budget	5.0% of collections		6,179
Dumpster	budget	350 per month		4,200
Repairs & Maintenance	budget	1,000 per unit		11,000
Gas & Electric	actual	238 per month		2,856
Water	budget	50 per unit per mo		6,600
Expense/Unit= \$4,240	38%			TOTAL EXPENSES 46,569
Cap Rate= 8.24%				NET OPERATING INCOME 77,007
DCR= 1.57				<i>Less: Mortgage Payments:</i> 49,193
ROI= 9.9%				Monthly Cash Flow: \$2,318 Annual Cash Flow: 27,814

COMPARABLE SALES

address	date sold	sales price	# units	Monthly Rent	Price per Unit	GRM
2918 Guilford	Dec-18	340,000	4	2,865	85,000	9.9
3026 Saint Paul	Jan-18	630,000	7	6,370	90,000	8.2
3002 Saint Paul	Jan-18	540,000	6	5,250	90,000	8.6
3016 St Paul	Dec-18	525,000	5	5,800	105,000	7.5



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410 435 5040

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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.

123,576	+	Rental Income
46,569	-	Operating Expenses
49,193	-	Mortgage Payments
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27,814	=	Cash Flow
280,500	/	Downpayment + Closing Costs
9.9%	=	Return on Investment from Cash Flow

2 **Appreciation**

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

935,000	=	Acquisition Price
5%	*	First Year Appreciation
981,750	=	Value at the end of Year 1.
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46,750	=	Amount of Value Increase
280,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

5.00% 25 \$ 4,099.44

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

701,250	=	Loan Amount at Closing
686,791	=	Loan Amount at the end of Year 1
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14,459	-	Equity Build-Up in Year 1
280,500	/	Downpayment + Closing Costs
5.2%	=	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.

77,007	=	Cash Flow Before Loan Payments (rents less expenses)
26,492	-	Depreciation (assumes 15% land, 30 year recovery)
34,734	-	Mortgage Interest
15,781	=	Taxable Income Year 1
12,625	=	Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
4,671.28	=	Federal Income Tax
4,671	=	Federal Income Tax
27,814	/	Cash Flow
16.8%	=	Effective Tax Rate on This Investment
10,291	=	Tax if Cash Flow came from a non-preferred investment vehicle
4,671	-	Tax from this preferred investment vehicle.
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5,620	=	Income Tax Savings
2.0%	=	Return on Investment from Tax Savings

Total / Summary

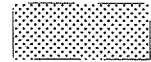
1:	27,814	Cash Flow
2:	46,750	Appreciation Year 1
3:	14,459	Equity Build Up Year 1
4:	5,620	Tax Savings Year 1
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	94,643	Total Return from this Investment
	280,500	Downpayment + Closing Costs
	33.7%	Total Return from this Investment

EXHIBIT "A"

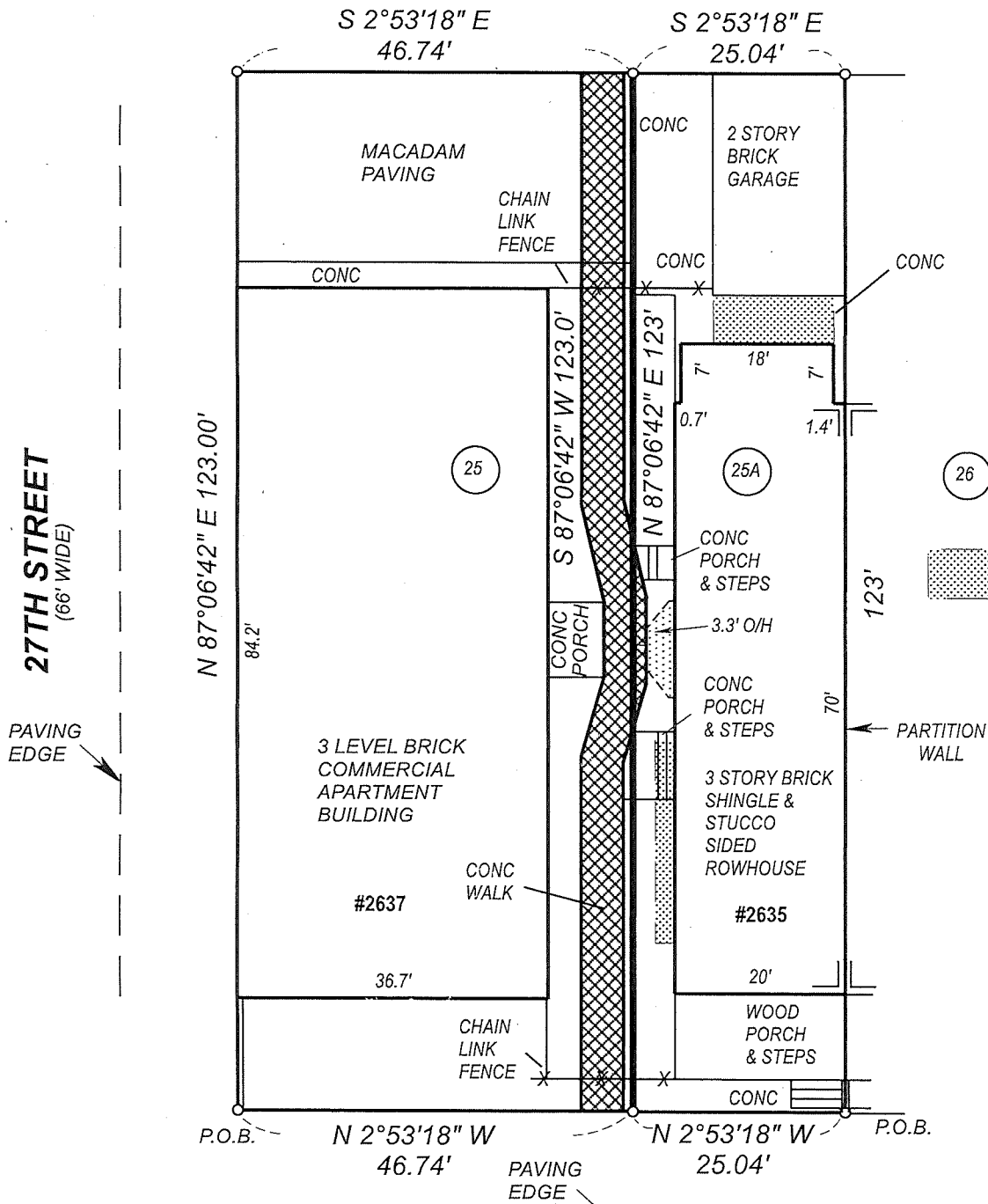


DENOTES PROPOSED
RECIPROCAL
EASEMENT AREA

"HARGROVE ALLEY"
(USE-IN-COMMON)
(20' CONCRETE PAVING)



DENOTES FIRE
ESCAPE AREA



#2637
DEED REFERENCE-
RHB 3248-591
(SECOND DESCRIBED)
LOT 25 BLOCK 3839
WARD 12 SECTION 16
BALTIMORE CITY, MD.

BEING PARCEL NO. 1
(JFC NO. 1579)

ST. PAUL STREET
(66' WIDE)

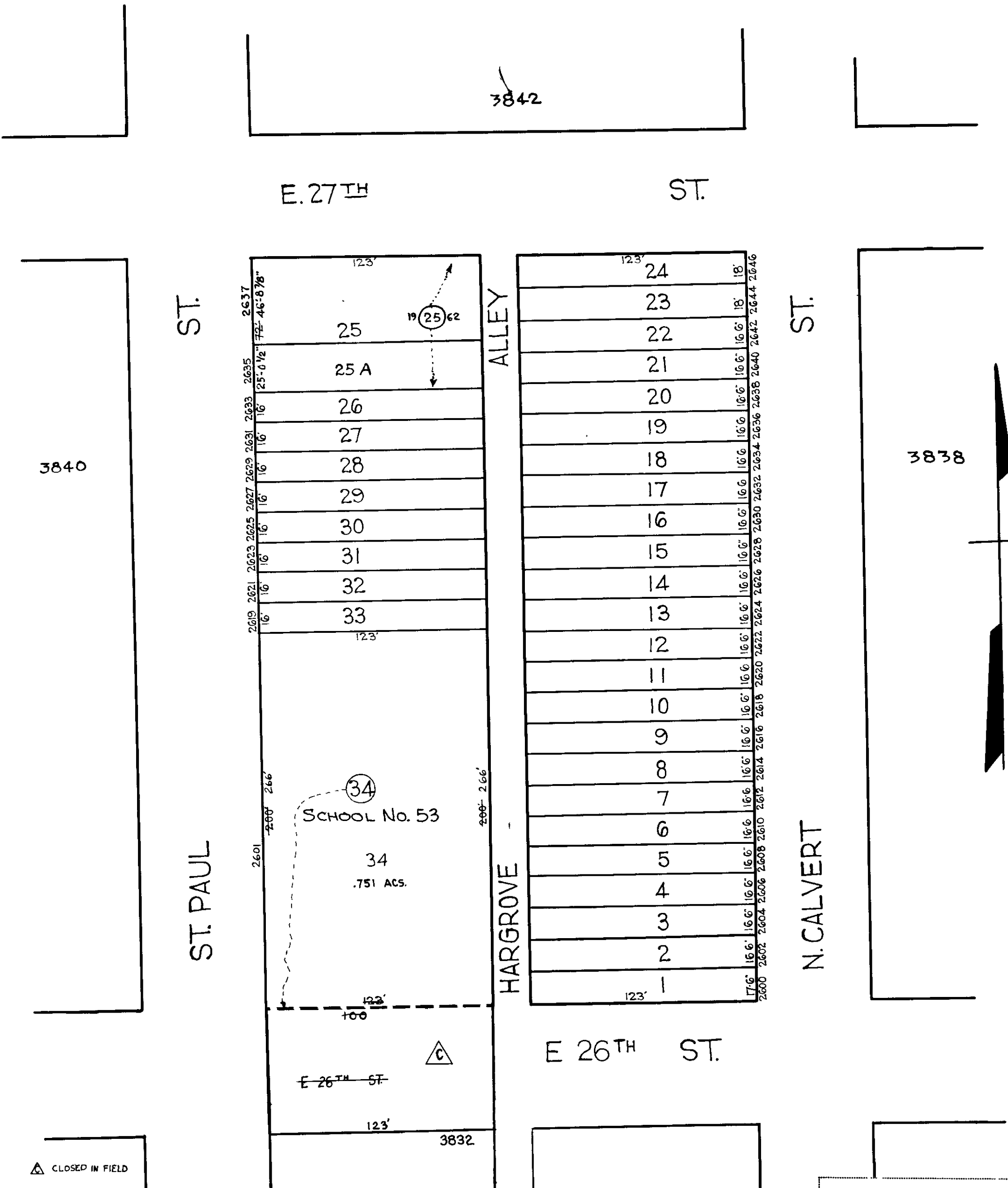
SCALE: 1"=20' DATE 03-11-2019

#2635
DEED REFERENCE-
RHB 3248-591
(FIRST DESCRIBED)
LOT 25A BLOCK 3839
WARD 12 SECTION 16
BALTIMORE CITY, MD.

BEING PARCEL NO. 2
(JFC NO. 1579)

REVISIONS.

LOT 25 DIV PER. O.O. 4-17-62 C.S.H. 8941.
 LOT 34 1/4 PT OF ST BED CONS'D PER APPL CSH 77-198



NOTICE
 THIS IS A REAL PROPERTY PLAT AS PROVIDED FOR UNDER ARTICLE 76(I) OF THE CITY CHARTER. IT IS COMPILED FROM TITLE AND OTHER SOURCES AND IS NOT AN AUTHENTIC SURVEY.

CITY OF BALTIMORE
 DEPARTMENT OF PUBLIC WORKS
 BUREAU OF PLANS & SURVEYS
 PROPERTY LOCATION DIVISION
 WARD 12 SECTION 16
 BLOCK 3839
 SCALE 1/4" = 50 FT. DATE June 1930

TRACED BY *M. Stumpf*
 LETTERED BY J.J.R.
 CHECKED BY _____