



3 Apartments

2822 Guilford Avenue
in Charles Village, Baltimore City, 21218

- 2 One-Bedroom Apartments
- 1 One-Bedroom Apartment with Basement

» Property

BUILT	1914.
ZONING	R8, Licensed for 3 Dwelling Units.
LOT	16' x 154' Block 3848, Lot 12.
SIZE	2,246 Sq. Ft. Gross Living Area.

» Interiors

KITCHENS	Mix of wood and laminate countertops and cabinets; apartment 1 has some metal cabinets. Apartment 1 and 3 have stainless steel sinks; apartment 2 has a porcelain sink. Apartments 1 and 2 have 30" gas ranges; apartment 3 has a 24" gas range. Apartment 1 has hardwood floor; apartments 2 and 3 have vinyl tile floors.
BATHS	Apartments 1 and 2 have modern vanities; apartment 3 has a pedestal sink. Apartments 1 and 3 have cast iron tubs with ceramic tile enclosures; apartment 2 has a claw foot tub. Apartment 1 has ceramic tile flooring; apartments 2 and 3 have vinyl tile flooring. Apartment 1 has a second full bathroom in the basement with a pedestal sink, ceramic tile floor, and shower stall.
WALLS & CEILINGS	Plaster. Finished basement (for apartment 1) has drywall.
FLOORS	Mostly hardwood floors; apartment 3 living room and apartment 1 finished basement have vinyl tile floors.
LAUNDRY	Apartment 1 has a washer/dryer in the basement.

» Environmental

LEAD-BASED PAINT	Modified risk reduction dust swipe tests per MDE.
OILTANKS	None observed.
ASBESTOS	None observed.

» Exterior

CONSTRUCT	Brick construction with stone foundation.
ROOF	Modified rubber roof.
WINDOWS	Front has double-pane, double-hung vinyl replacement windows. Rear has mix of wood and aluminum-frame windows.
PARKING	Street parking.
FIRE ESCAPE	Steel fire escape in rear.

» Utilities

HEAT	Electric baseboard heat. Disconnected steam boiler in basement.
HOT WATER	Gas-fired 40 gallon State Select water heater dated 2014.
ELECTRIC	1 meter; 200 amp service.
GAS	1 gas meter.
PLUMBING	Steel water main. Visible interior supply pipes are copper with some c-pvc; all visible drain lines are mix of pvc and steel.
TRASH	Baltimore City trash and recycling pick up included in property taxes.



Call Will Cannon III

410 916 3331 Seller's Exclusive Agent

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\$395,000 in fee simple

\$131,667 per unit. \$176 per sq. ft. No ground rent

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2822 GUILFORD AVENUE

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:	395,000
Loan-to-Value	75%	SOLD JUNE 2024:	395,000
Loan Amount	296,250	SUGGESTED LOAN AMOUNT	296,250
Interest Rate	7.00%	ESTIMATED CLOSING COSTS	19,750
Term	30	TOTAL INVESTMENT	118,500
Monthly P & I	\$ 1,970.96	Price Per Unit	3
		Price Per Sq.Ft.	2,246
			131,667
			176

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
1st Flr	1 BR + Bsmt	10/31/024	985	11/1/2022	1,084	1,495
2nd Flr	1 BR	9/30/2024	1,075	6/1/2021	1,095	1,295
3rd Flr	1 BR	9/30/2024	795	5/1/2021	935	1,100

Tenants Reimburse for Utilities 538

GRM (actual) = 10.6	Total Monthly Rental Income	3,114	4,428
GRM (market) = 7.4	Total Gross Annual Income	37,368	53,137

Real Estate Taxes	actual	7/1/2024	255,333	6,026	
CVBD special benefits district	actual			319	
Ground Rent	none			0	
Insurance	budget	600 per unit		1,800	
License - Baltimore City MFD	actual	35 per unit		105	
Baltimore City Rental Inspection	budget	75 per unit / 3 years		75	
Lead Paint Registration Fee	actual	30 per unit		120	
Repairs & Maintenance	budget	1,000 per unit		3,000	
Gas	actual	72 per month		869	
Electric	actual	316 per month		3,789	
Water	budget	50 per unit/month		1,800	
Expense/Unit= \$5,970	34%			TOTAL EXPENSES	17,902
Cap Rate= 8.92%				NET OPERATING INCOME	35,235
DCR= 1.49				Less: Mortgage Payments:	23,652
ROI= 9.8%				*Monthly Cash Flow:	\$965
				Annual Cash Flow:	11,583

COMPARABLE SALES

address	date sold	sales price	# units	Monthly Rent	Price per Unit	GRM
3246 Abell	Jun-23	375,000	3	3,450	125,000	9.1
3034 Guilford	Aug-23	560,000	4	4,805	140,000	9.7
300 E University	Mar-23	595,000	4	4,620	148,750	10.7
2121 Saint Paul	PENDING	475,000	3	4,200	158,333	9.4
2820 Saint Paul	Mar-24	495,000	3	3,633	165,000	11.4



Call Will A. Cannon III

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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.

53,137	+	Rental Income
17,902	-	Operating Expenses
23,652	-	Mortgage Payments
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11,583	=	Cash Flow
118,500	/	Downpayment + Closing Costs
9.8%	=	Return on Investment from Cash Flow

2 **Appreciation**

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

395,000	=	Acquisition Price
5%	*	First Year Appreciation
414,750	=	Value at the end of Year 1.
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19,750	=	Amount of Value Increase
118,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

7.00% 30 \$ 1,970.96

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

296,250	=	Loan Amount at Closing
293,241	=	Loan Amount at the end of Year 1
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3,009	-	Equity Build-Up in Year 1
118,500	/	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.

35,235	=	Cash Flow Before Loan Payments (rents less expenses)
11,192	-	Depreciation (assumes 15% land, 30 year recovery)
20,642	-	Mortgage Interest
3,401	=	Taxable Income Year 1
2,721		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
1,006.74	=	Federal Income Tax
1,007		Federal Income Tax
11,583	/	Cash Flow
8.7%	=	Effective Tax Rate on This Investment
4,286	=	Tax if Cash Flow came from a non-preferred investment vehicle
1,007	-	Tax from this preferred investment vehicle.
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3,279	=	Income Tax Savings
2.8%		Return on Investment from Tax Savings

Total / Summary

1:	11,583	Cash Flow
2:	19,750	Appreciation Year 1
3:	3,009	Equity Build Up Year 1
4:	3,279	Tax Savings Year 1
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	37,622	Total Return from this Investment
	118,500	Downpayment + Closing Costs
	31.7%	Total Return from this Investment

**Illustration of Internal Rate of Return over a 10-Year Holding Period
2822 GUILFORD AVENUE**

Purchase Price	395,000	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Annual Rent	4.0%	53,137	55,263	57,473	59,772	62,163	64,650	67,236	69,925	72,722	75,631
Vacancy	3.0%	1,594	1,658	1,724	1,793	1,865	1,939	2,017	2,098	2,182	2,269
Effective Income		51,543	53,605	55,749	57,979	60,298	62,710	65,219	67,827	70,541	73,362
Expenses	4.0%	17,902	18,619	19,363	20,138	20,943	21,781	22,652	23,558	24,501	25,481
Exp as a percent of Annual Rent		35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Exp per unit	3	5,967	6,206	6,454	6,713	6,981	7,260	7,551	7,853	8,167	8,494
NOI	0	33,641	34,986	36,386	37,841	39,355	40,929	42,566	44,269	46,040	47,881
Debt Service	\$ 1,971	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652	23,652
Before Tax Cash Flow	(118,500)	9,989	11,335	12,734	14,190	15,704	17,278	18,915	20,618	22,388	298,486
18.0% Internal Rate of Return											
NOI		33,641	34,986	36,386	37,841	39,355	40,929	42,566	44,269	46,040	47,881
Less Interest		20,642	20,425	20,191	19,941	19,673	19,385	19,077	18,746	18,392	18,011
Less Depreciation		10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533
Taxable Income to Individuals		2,465	4,029	5,661	7,367	9,149	11,011	12,956	14,989	17,115	19,337
Pass Thru Entity	20%	(493)	(806)	(1,132)	(1,473)	(1,830)	(2,202)	(2,591)	(2,998)	(3,423)	(3,867)
Taxable Income	0	1,972	3,223	4,529	5,893	7,319	8,808	10,365	11,992	13,692	15,469
Tax @ *	37%	730	1,192	1,676	2,181	2,708	3,259	3,835	4,437	5,066	5,724
After Tax Cash Flow	(118,500)	9,260	10,143	11,059	12,009	12,996	14,019	15,080	16,181	17,322	245,001
15.0% Internal Rate of Return											
Purchase	395,000										
L-V	75%										75,631
Loan	296,250										7.4
Down Payment	98,750										562,208
Cap Improvement	-										33,732
Closing Costs	19,750										289,667
Initial Investment	118,500										238,809
Rate	7.00%										47,762
Term	30										254,219
P&I	\$1,970.96										274,256
											226,495
Mortgage Amortization		1	2	3	4	5	6	7	8	9	10
296,250 Beg Bal		296,250	293,241	290,014	286,554	282,843	278,865	274,599	270,024	265,119	259,859
7.00% Prin		3,009	3,227	3,460	3,710	3,979	4,266	4,575	4,905	5,260	5,640
30.0 Int		20,642	20,425	20,191	19,941	19,673	19,385	19,077	18,746	18,392	18,011
1,971 Bal EOY		293,241	290,014	286,554	282,843	278,865	274,599	270,024	265,119	259,859	254,219
Cost Recovery / Depreciation		395,000	395,000	Building	80%	316,000	Land	20%	79,000	Life	30
		10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533
Basis		384,467	373,933	363,400	352,867	342,333	331,800	321,267	310,733	300,200	289,667

* 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%.