



## Rooming House Investment

3921 Old York Road  
Pen Lucy, Baltimore, 21218

10 Rooming Units

### » Exterior

<b>CONSTRUCT</b>	Frame construction on stone foundation.
<b>ROOF</b>	Pitched asphalt shingle roof.
<b>WINDOWS</b>	Vinyl replacement windows.
<b>PARKING</b>	Street parking.
<b>FIRE SAFETY</b>	Steel fire escape at rear. Building is equipped with a sprinkler system.
<b>ACCESSIBILITY</b>	Accessible ramp entry on the east side supports ADA-compliant access.

### » Utilities

<b>HVAC</b>	2 gas-fired furnaces with two heating zones serving the first and second floors. Window air-conditioning units cool rooms on the first floor. Second floor has central air conditioning.
<b>HOT WATER</b>	50-gallon Bradford White gas-fired water heater.
<b>ELECTRIC</b>	1 meter. 200 amps.
<b>GAS</b>	1 meter.
<b>PLUMBING</b>	Observable supply and drain lines are C-PVC and PVC.
<b>TRASH</b>	Baltimore City trash and recycling pickup included in property taxes.

### » Property

<b>BUILT</b>	1930.
<b>ZONING</b>	R7, Licensed for 10 rooming units. Zoning permits a single-family dwelling with up to 10 residents and allows residential substance abuse programs.
<b>LOT</b>	100' x 40'; Block 3913B, Lot 028.
<b>SIZE</b>	2,616 sq. ft. above grade living area.

### » Interiors

<b>KITCHEN</b>	Granite countertops with wood cabinets. 30" gas range, 2 refrigerators. Porcelain double-basin sink.
<b>BATHS</b>	Modern vanities. Shower stalls with ceramic tile surrounds.
<b>WALLS, CEILINGS &amp; FLOORS</b>	Drywall walls and ceilings. Laminate flooring throughout most areas; rooming units feature either laminate or carpet flooring.
<b>LAUNDRY ADA FEATURES</b>	Stacked washer and dryer in common area. 2 rooms are ADA-accessible.

### » Environmental

<b>LEAD-BASED PAINT</b>	Risk Reduction certificate for apartments per MDE standards.
<b>ASBESTOS</b>	None observed.
<b>OIL TANKS</b>	None observed.



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**\$325,000** subject to \$96 annual ground rent.  
\$32,500 per rooming unit, \$124 per sq. ft.

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# 3921 OLD YORK ROAD

## INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:	325,000
Loan-to-Value	75%	SUGGESTED LOAN AMOUNT	243,750
Loan Amount	243,750	ESTIMATED CLOSING COSTS	16,250
Interest Rate	6.50%	TOTAL INVESTMENT	97,500
Term	25	<b>Price Per Unit</b>	<b>10</b>
Monthly P & I	\$ 1,645.82	<b>Price Per Sq.Ft.</b>	<b>2,616</b>
			<b>32,500</b>
			<b>124</b>

Unit	Count	Average Actual Rent	Average Market Rent	Total Market Rent
Rooming	10	670	650	6,500
<b>GRM (actual) =</b>		Total Monthly Rental Income	650	6,500
<b>GRM (market) = 4.2</b>		Gross Annual Income	7,800	78,000
		Vacancy / Credit Loss	5.0% (390)	(3,900)
		<b>Effective Annual Income</b>	<b>7,410</b>	<b>74,100</b>

Real Estate Taxes		7/1/2026	140,700	3,321
	budget for tax increase		100,000	2,360
Special Benefits Surcharge				315
Ground Rent	actual			96
Insurance	budget	500 per unit		5,000
Property Management	budget	5% of collections		3,705
Fire Monitoring	budget	50 per month		600
License - Baltimore City MFD	actual	35 per year		35
License Inspection	budget	200 per 2 yrs		100
Lead Paint Registration Fee	actual	30 per year		30
Lawn Care / Snow Removal	budget	100 per month		1,200
Cleaning	budget	250 per month		3,000
Repairs & Maintenance	budget	750 per unit		7,500
Public Service Gas	actual	263 per month		3,150
Public Service Electric	actual	388 per month		4,650
Water	budget	300 per month		3,600
<b>Expense/Unit= \$3,870</b>	52%			<b>TOTAL EXPENSES 38,662</b>
<b>Cap Rate= 10.90%</b>				<b>NET OPERATING INCOME 35,438</b>
<b>DCR= 1.79</b>				<i>Less: Mortgage Payments:</i> 19,750
<b>ROI= 16.1%</b>		<b>Monthly Cash Flow: \$1,307</b>		<b>Annual Cash Flow: 15,689</b>

### COMPARABLE SALES

address	date sold	sales price	# rooms	monthly rent	price per bedroom	GRM
1220 N Decker	Mar-24	90,000	5	3,532	18,000	2.1
2708 Federal	May-24	130,000	6	4,225	21,667	2.6
2009 McCulloh	May-25	218,000	9		24,222	
3615 Spaulding	Apr-24	165,000	6	4,400	27,500	3.1
816 N Fremont	PENDING	290,000	7	3,675	41,429	6.6
707 Saint Paul	Aug-24	775,000	12		64,583	



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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.

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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.

74,100	+	Rental Income
38,662	-	Operating Expenses
19,750	-	Mortgage Payments
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15,689	=	Cash Flow
97,500	/	Downpayment + Closing Costs
16.1%	=	Return on Investment from Cash Flow

### 2 **Appreciation**

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

325,000	=	Acquisition Price
5%	*	First Year Appreciation
341,250	=	Value at the end of Year 1.
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16,250	=	Amount of Value Increase
97,500	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

### 3 **Equity Build-Up**

6.50%      25 \$      1,645.82

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

243,750	=	Loan Amount at Closing
239,725	=	Loan Amount at the end of Year 1
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4,025	-	Equity Build-Up in Year 1
97,500	/	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.

35,438	=	Cash Flow Before Loan Payments (rents less expenses)
6,906	-	Depreciation (assumes 15% land, 30 year recovery)
15,725	-	Mortgage Interest
12,807	=	Taxable Income Year 1
10,246	=	Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
3,790.86	=	Federal Income Tax
3,791	=	Federal Income Tax
15,689	/	Cash Flow
24.2%	=	Effective Tax Rate on This Investment
5,805	=	Tax if Cash Flow came from a non-preferred investment vehicle
3,791	-	Tax from this preferred investment vehicle.
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2,014	=	Income Tax Savings
2.1%	=	Return on Investment from Tax Savings

### **Total / Summary**

1:	15,689	Cash Flow
2:	16,250	Appreciation Year 1
3:	4,025	Equity Build Up Year 1
4:	2,014	Tax Savings Year 1
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	37,977	Total Return from this Investment
	97,500	Downpayment + Closing Costs
	39.0%	Total Return from this Investment

