



5 Apartments

601-603 Whitelock Street
Reservoir Hill, Baltimore City, 21217

Five 1-Bedroom Apartments

» Property

BUILT	1920.
ZONING	R-7, Licensed for 5 Dwelling Units.
LOT	45'6" x 73'1". Block 3455, Lot 019.
SIZE	5,600 sq. ft. of above grade living area.

» Interiors

KITCHENS	Kitchens have granite countertops and wood cabinets with ceramic tile backsplashes. Appliances include 30" gas ranges and dishwashers.
BATHS	Modern vanities; fiberglass tubs with fiberglass enclosures.
WALLS & CEILINGS	Drywall walls and ceilings; recessed lighting.
FLOORS	Apartments have laminate flooring throughout kitchens and living spaces. Bathrooms have ceramic tile flooring.
LAUNDRY	Each apartment has a stacked washer and dryer.

» Environmental

LEAD-BASED PAINT	Full Risk Reduction certificate for occupied apartment. Potential to bring property into Limited Lead-Free status.
OIL TANKS	None observed.
ASBESTOS	None observed.

» Exterior

CONSTRUCT	Brick construction with stucco; stone foundation.
ROOF	Upper roof: built-up hot tar. Lower roof: rubber with elastomeric coating. Slate mansard.
WINDOWS	Vinyl replacement windows throughout.
PARKING	Concrete parking pad.
FIRE ESCAPE	None required.

» Utilities

HVAC	Each apartment has a 90+ Goodman gas-fired furnace with central air conditioning.
HOT WATER	Each apartment has an electric 50-gallon water heater.
ELECTRIC	6 meters. 400-amp service to building.
GAS	5 meters.
PLUMBING	Observable supply pipes are C-PVC. Observable drain lines are PVC.
TRASH	Baltimore City trash and recycling pick up included in property taxes.



Will Cannon
410-916-3331



Cheryl Sadera
410-235-9600



Tom Fair
410-235-5200

\$500,000 in Fee Simple.
\$100,000 per unit, \$89 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.

601 WHITELOCK AVENUE

INVESTMENT PROPERTY INCOME AND EXPENSE BUDGET

SUGGESTED FINANCING:		INVESTMENT OFFERING:		500,000
Loan-to-Value	75%	SUGGESTED LOAN AMOUNT		375,000
Loan Amount	375,000	ESTIMATED CLOSING COSTS		25,000
Interest Rate	6.50%	TOTAL INVESTMENT		150,000
Term	25	Price Per Unit	5	100,000
Monthly P & I	\$ 2,532.03	Price Per Sq.Ft.	5,600	89

Unit	Size	Lease Expires	Sec Dep	Sec Dep Date	Current Actual Rent	Market Rent
A	1 BR					1,200
B	1 BR					1,200
C	1 BR					1,200
D	1 BR	monthly	871	8/1/2018	871	1,200
E	1 BR					1,200
Parking	1 Car					50

<i>Tenant Water Reimbursement through submetering</i>				250
GRM (actual) = GRM (market) = 6.6	Total Monthly Rental Income		871	6,300
	Gross Annual Income		10,452	75,600
	Vacancy / Credit Loss	3%	(314)	(2,268)
	Effective Annual Income		10,138	73,332

Real Estate Taxes	actual	7/1/2026	410,500	9,688	
Ground Rent	none			0	
Management	budget	5% of collections		3,667	
Insurance	budget	750 per unit		3,750	
License - Baltimore City MFD	actual	35 per unit		175	
License Inspections	budget	75 per unit/2 yrs		188	
Lead Paint Registration Fee	actual	75 per unit/2 yrs		188	
Repairs & Maintenance	budget	1,000 per unit		5,000	
Public Service Gas	none	0 per month		0	
Public Service Electric	actual	122 per month		1,468	
Water	budget	50 per unit/month		3,000	
Expense/Unit= \$5,430	37%			TOTAL EXPENSES	27,122
Cap Rate= 9.24%				NET OPERATING INCOME	46,210
DCR= 1.52				<i>Less: Mortgage Payments:</i>	30,384
ROI= 10.6%				Monthly Cash Flow:	\$1,319
				Annual Cash Flow:	15,825

COMPARABLE SALES

address	date sold	sales price	# units	monthly rent	price per unit	GRM
1601 Retreat	ACTIVE	595,000	7		85,000	
901 Chauncey	Dec-25	556,500	6	5,700	92,750	8.1
2125 McCulloh	Feb-25	600,000	6	5,875	100,000	8.5
2501 Madison	Mar-26	612,000	6		102,000	
2445 Lakeview	May-26	682,500	6	9,485	113,750	6.0



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.

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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.

73,332	+	Rental Income
26,157	-	Operating Expenses
31,091	-	Mortgage Payments
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16,084	=	Cash Flow
150,000	/	Downpayment + Closing Costs
10.7%	=	Return on Investment from Cash Flow

2 **Appreciation**

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

500,000	=	Acquisition Price
5%	*	First Year Appreciation
525,000	=	Value at the end of Year 1.
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25,000	=	Amount of Value Increase
150,000	/	Downpayment + Closing Costs
17%	=	Return on Investment from Appreciation

3 **Equity Build-Up**

6.75% 25 \$ 2,590.92

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

375,000	=	Loan Amount at Closing
369,039	=	Loan Amount at the end of Year 1
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5,961	-	Equity Build-Up in Year 1
150,000	/	Downpayment + Closing Costs
4.0%	=	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.

47,175	=	Cash Flow Before Loan Payments (rents less expenses)
14,167	-	Depreciation (assumes 15% land, 30 year recovery)
25,130	-	Mortgage Interest
7,878	=	Taxable Income Year 1
6,303		Less 20% Exclusion for LLC Ownership under new tax law
37%	*	Marginal Tax Rate
2,332.01	=	Federal Income Tax
2,332		Federal Income Tax
16,084	/	Cash Flow
14.5%	=	Effective Tax Rate on This Investment
5,951	=	Tax if Cash Flow came from a non-preferred investment vehicle
2,332	-	Tax from this preferred investment vehicle.
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3,619	=	Income Tax Savings
2.4%	=	Return on Investment from Tax Savings

Total / Summary

1:	16,084	Cash Flow
2:	25,000	Appreciation Year 1
3:	5,961	Equity Build Up Year 1
4:	3,619	Tax Savings Year 1
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	50,664	Total Return from this Investment
	150,000	Downpayment + Closing Costs
	33.8%	Total Return from this Investment

