



Ben Frederick Realty, Inc.

## FOR SALE

### 2506 Madison Ave

**6 Apartments - Historic Reservoir Hill  
Complete Rehab Needed!**



**Location : 2506 Madison Ave**

Reservoir Hill Historic District  
Baltimore City, MD 21217

**Mix : 6 Apartments**

**Lot : 25' x 120'**

City Block 3418 A, Lot 4

**Zoned : R-8**

**Built : 1907**

**BGA : 4,890 sq.ft.**

**Use :** License for 6 dwelling units  
has expired due to building being  
vacant. Zoning allows 4 apts, or  
2 dwelling units and 3 efficiency apts.  
approval requires a public hearing. BMZA can authorize 6 units.

**Building :** Wood joisted brick townhouse with hardwood floors. Each floor is approx 1,630 sq.ft.  
High ceilings, original stair case in tact. Full, unimproved basement.  
Steel fire escape in rear.

This building requires a complete rehabilitation. New roof joists and and a new roof were constructed  
in August 2010. The front cornice has been removed.

**Utilities :** Water and electric have been removed from the property.  
A new 400-Amp service panel with 7 meters (one for each of 6 apts + 1 public service) are in the bsmt  
City water, City Sewer, and City Trash & Recycling pick-up are available at this property.

**Environmental :** Old above-ground oil tank is located in the basement. No asbestos observed.

**Offered at :** \$59,900 Subject to \$120 annual ground rent  
\$9,983 per unit \$12.25 per sq ft

**Contact : Ben Frederick III, CCIM, Broker**

Ben Frederick Realty Inc. "Owner's Exclusive Agent"

Apartment and Investment Real Estate Specialist

**410-435-5040, fax: 410-435-5041; www.BenFrederick.com**

This offering is made without regard to the race, religion, color, creed, sex, marital & familial status, and/or handicap. The information contained herein is believed accurate & 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. 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.

**Investment Property Income and Expense Budget**  
**2506 Madison Ave**

**Price  
Reduced!**

<b>Proposed Financing</b>			<b>Purchase Price</b>	<b>59,900</b>
Loan-to-Value	75%	70,833	<b>Estimated Cost to Rehab</b>	<b>425,000</b>
Loan Amount	363,675	-	Proposed Financing	363,675
Interest Rate	7.000%		Estimated Closing Costs	25,000
Term	25		Total Investment	146,225
Monthly Paymt	\$ 2,570.38		<b>Price Per Unit</b>	<b>6      80,817</b>

Unit	Size	Lease Expires		Market Rent
1st Front	1 Bedroom	vacant		850
1st Rear	2 Bedroom	vacant		1,000
2nd Front	1 Bedroom	vacant		850
2nd Rear	2 Bedroom	vacant		1,000
3rd Front	1 Bedroom	vacant		850
3rd Rear	2 Bedroom	vacant		1,000
Laundry	estimated at	3 per apt per week		78

<b>GRM (market) = 7.2</b>	Total Monthly Rental Income	5,628
	<b>Effective Gross Income</b>	<b>67,536</b>

Real Estate Taxes	current actual	400,976	9,543
Ground Rent			120
Insurance	budget	400 per unit	2,400
License - Baltimore City MFD	actual	35 per resid unit	210
MDE Lead Registration	actual	15 per resid unit	90
Repairs & Maintenance	budget	500 per unit	3,000
Electric Hall Lights	budget	75 per month	900
Water	budget	50 per unit per qtr	1,200
<b>Expense/Unit= \$2,920</b>		<b>TOTAL EXPENSES</b>	<b>17,463</b>
<b>Cap Rate= 10.33%</b>		<b>NET OPERATING INCOME</b>	<b>50,073</b>
<b>DCR= 1.62</b>		Less: Mortgage Payments	30,845
<b>ROI= 13.1%</b>		Cash Flow Before Taxes	19,228

Based on the above, the Property has a 'Cap Rate' of 10.3% So, if you invest all cash in the Property, you would get a 10.3% return on your investment before income taxes. Based on the above budget of financing & purchase price, the estimated return, before income taxes, on the total cash investment of \$146,225 is 13.1%

Every effort is made to present complete and accurate information; however, no warranty or guarantee is provided. Purchasers are advised to verify information to Purchaser's own satisfaction.

**Ben Frederick III, CCIM is your Investment Real Estate Specialist 410-435-5040 www.BenFrederick.com**

<b>Comparable Sales</b>				
date	Address	Price	Size	\$ / sq.ft.
2/16/2010	2434 Madison Ave	131,900	3,774	\$34.95
1/13/2010	2243 Madison Ave	27,500	3,150	\$8.73
9/23/2009	2206 Eutaw PI	83,000	5,112	\$16.24
6/16/2009	2316 Eutaw PI	118,000	5,718	\$20.64
4/24/2009	2237 Eutaw PI	93,500	4,320	\$21.64