

# [1000 s pointe dr unit: 304 miami beach, fl 33139 case study](https://assignbuster.com/1000-s-pointe-dr-unit-304-miami-beach-fl-33139-case-study/)

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- The property:

 $2, 995, 000   
 Status: Active-AvailableBeds: 3 Bed Baths: 4 Bath House Size: 2, 190 Sq Ft Year Built: 2002   
http://www. realtor. com/realestateandhomes-detail/1000-S-Pointe-Dr-Apt-304\_Miami-Beach\_FL\_33139\_M50270-39000   
- Downpayment: 20%.   
- 20% from 2, 995, 000 is 599000   
- Remaining amount to finance: 2, 396, 000   
- Mortgage rate (30 years): 3. 5%   
https://offers. lendingtree. com/tl. aspx? tid= mortgage&vid= 2-1-1-1-0-1-0-0-0-0-0-1-0-3-1-0-0-1-0-1-3-1-0-0-0-0-1-0-0-0-0-0&LOAN\_TYPE= PURCHASE&800num= 866-910-0900&esourceid= 6092456&icid= BizDevRealtorcom∝erty-state= FL∝erty-city= miami+beach&purchase-price= 2995000. 0000ℜtorAdd= 1000+s+pointe+dr+unit%3a+304   
- See appendix 1. Source used:   
http://www. amortization-calc. com/#loan-2396000-30-3. 50-3-2013-2   
- Monthly payment: $10, 759. 11   
- Total interest: $1, 477, 279. 86   
- First month: interest: $6, 988. 33. Percentage: ~65%   
- Last payment: interest: $31. 29. Percentage: ~0. 000029%   
- Monthly payment for 5. 5% loan: $13, 604. 22.   
Source: http://www. amortization-calc. com/#loan-2396000-30-5. 5-3-2013-2   
- Mortgages are long term fixed-payment loans that are very much affected by the initial interest rate. The monthly payment stays the same, but the portion of the interest decreases over the years (and the portion of principal increases).   
- The annuity earns earns 500000\*0. 072 = 36000 per year, which is 3000 per month. Meaning that after the $3000 withdrawal, the amount remains 500000. Thus the number of $3000 monthly withdrawals is unlimited – the owner can do it for the rest of his life and at each point the annuity will remain $500000 value.   
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Appendix 1 – payment schedule