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A Brief Florida Real Estate History

Am going to get well. The comedy goes on.
– Addison Mizner

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Colonial and Territorial Period

Florida was established as a military and agricultural colony of Spain. It also developed a tourism industry when it was still a frontier and has had numerous real estate booms and busts in the 493 years since its discovery by Juan Ponce de Leon in 1513.

Florida was discovered by Ponce de Leon in 1513 who landed in the vicinity of present day St. Augustine. Ponce de Leon named the new land "Pascua de Florida" (feast of flowers) because he first spotted it on April 2, 1513, Palm Sunday. St. Augustine was founded in 1565 by Pedro Menendez de Aviles as a colony of Spain and was the northernmost Spanish outpost designed to protect the trade routes of the Spanish treasure fleets carrying gold, silver, gems, cocoa, spices, and other exotic goods back to Spain. The construction of the Castillo de San Marcos, a coquina fortress, began in 1672 on the site of nine earlier wooden forts, as a defensive move to counter the new English colony of Charles Towne (1670) in the Carolinas. Pensacola was permanently colonized in 1698. The Spanish had established three main ranching areas in the Gainesville, Palatka, and Tallahassee areas during their colonial period. The first Florida land boom occurred between 1782 and 1784 when British Loyalists families fled the American Patriots after the Revolutionary War and settled in St. Augustine and along the upper St. Johns River. During this period of time the English living in Florida increased by 280%.

Florida became a territory of the United States in 1821 and the 27th state on March 3, 1845. A new territory meant new opportunity and a land boom in Florida. St. Augustine and Pensacola were the two largest cities in the new territory and the territorial governor appointed a commission to select a site for a new capital midway between the two cities. Tallahassee was established as the territorial capital in 1824. The Florida panhandle has a 2,300 square mile area of elevated hammock, pine forest and savanna, which was ideal for agricultural development. The land boom that began in 1821 was clustered around the antebellum towns of Madison, Marianna, Monticello, and Quincy with plantation development focused on cotton. Apalachicola became the third largest cotton exporting port on the Gulf of Mexico. The first Florida steamboat appeared on the Apalachicola River in 1827. Union troops never reached the Florida capitol, or plantation belt during the Civil War (1861 to 1865) and the cotton crop of 1865 was sold at a premium. Eventually, Florida's restructured plantation system failed due to failing crops, declining prices, cash shortages, and the attack of the boll weevil. Northerners bought many former cotton plantations as private quail hunting preserves.

As agricultural development boomed in north Florida, after 1821, at its southernmost tip, Key West, grew into Florida's largest town by 1850. After the United States bought the Louisiana Territory from France new ports were developed along the Gulf Coast and the hazardous Florida Straits became one of the business shipping routes in the world. The Florida Straits have dangerous currents, unpredictable weather, as well as the treacherous Florida Reef extending along the Keys posing yet another danger to ships. In addition, in the mid-1800s Cuba and the Keys were home to an estimated 10,000 pirates including Black Caesar and Blackbeard. Ships attempting to escape the pirates often ran aground and sank in shallow waters. Bahamian salvagers, or wreckers in the local vernacular, often seized the cargo and dismantled parts of the wrecked ships. Key West was made home port to the U.S. Navy West India Squadron in an effort to end piracy in the area. Key West with its natural harbor and strategic location was established as a salvage port and eventually a military base and was one of the richest towns in the United States on a per capita basis at the time.

Steamboats and Early Tourism

The development of the steamboat and its 1827 arrival in Florida helped open-up the interior for commerce and tourism. The first east coast steamboat arrived from Savannah on the St. Johns River at a small town known as Jacksonville in 1831. The St. Johns River is Florida's longest river and one of the few in the world that flows north. Steamers eventually made connections between towns as new steamboat landings were developed southward down the peninsula from Jacksonville for about 300 miles. The Second Seminole Indian War (1835 to 1842) was a boon to the steamboat trade. When the Seminole Indians were eventually pushed south into the Everglades the steamboats brought pioneers and settlers to the interior.

Florida was the third southern state to secede from the union on January 10, 1861 and joined the Confederate States of America in February. During the Civil War the Florida merchant fleet, both sail and steam, were used for blockade running and smuggling munitions and supplies needed by the South in the Civil War. During Reconstruction steamboats resumes their normal business of freight and passenger service. The heyday of the steamers lasted two decades until expanding land transportation reduced the steamers to tourist excursion boats.

A tourism industry began to develop between Palatka and Silver Springs in 1869. Palatka was the southernmost point on the St. Johns River that was navigable by large ships. Tourists traveled from Palatka aboard “wet-tail” steamers traveled 25 miles south along the broad St. Johns River, 100 miles along the meandering Oklawaha River, and 9 miles along the crystal-clear Silver River to Silver Springs, near Ocala. The beam of the “wet-tail” steamer was no wider than 23-½ feet and the length was no longer than 89 feet to maneuver the twists and turns of the Oklawaha. This early tourism industry created the unique situation of pioneers and settlers catering to tourists. In 1878, Hullam Jones glued a window to the bottom of a dugout canoe and invented the glass bottom boat and Florida’s first theme park, Silver Springs. The Florida steamboat era ended in 1919 as a result of railroad development and the advent of the automobile. Throughout Florida’s development, changing transportation systems have determined the rise and fall of cities and towns. It was the steamer that moved development and growth from St. Augustine north to Jacksonville. Many Florida towns that grew as a result of the steamer, declined when the railroads gained prominence. The rise of the automobile and the interstate highway system would again shift population centers.

Swampland and Agricultural Development

In 1864 a writer for the *New York Herald* wrote, “I am confident no sane man who knows what Florida is would give a thousand dollars to gain possession of all the territory beyond the St. Johns. No decent man would think of living in that state outside two or three points on the St. Johns and the Gulf.” In the next 15 years not much happened in Florida. Florida’s 1880 population was 269,000 people mostly in Jacksonville, Key West, Pensacola, Tallahassee, and Tampa.

In 1880 the State of Florida had to pay $1,000,000 in interest on $14,000,000 in bonds and did not have the funds to do so. The bonds were nearly worthless and Florida’s credit nonexistent. The state treasurer kept what little money there was in a New York bank. Florida was nearing bankruptcy and faced the loss of credit to keep the State’s business running. Florida had one asset, 20,000,000 acres of “swamp and overflowed” land granted to it by the Federal Government under the Swamp and Overflowed Lands Act of 1850. This acreage was controlled by the Trustees of the Internal Improvement Fund. The future of Florida looked very bleak.

Enter Philadelphia businessman and financier Hamilton Disston who was active in the progressive Republican Party. He was fascinated by real estate and learned of substantial land being offered in Florida at very low prices. Disston was able to acquire 4,000,000 acres for $0.25 per acre, or $1,000,000. He had $100,000 to $200,000 in cash and singed a promissory note for the balance and closed on June 1, 1881. Hamilton Disston saved Florida from bankruptcy and purchased 6,250 square miles of land, or one-ninth the state. Instantly the State of Florida’s credit was restored and outside capital (mostly from Henry Flagler and Henry Plant) flowed into Florida. The so called Bourbon Democrats (mostly planters and businessmen) where pleased that the debt had been repaid without raising taxes.

The bulk of Disston holdings ranged south from what is now Kissimmee to, and surrounding, Lake Okeechobee. Disston also owned about 150,000 acres in what is now Pinellas County of which about 12,000 acres was to be developed into Disston City in 1884 (Gulfport, as of 1910), his planned resort city on Boca Ciega Bay and his first Florida headquarters. A Waldorf Hotel was built near the wharf and Disston Boulevard, now 49th Street, which extended northward. Disston held discussions with Peter Demens (the former Pyotr Dementyvev from Russia) about extending his Orange Belt Railroad to Disston City. Disston offered 60,000 acres and his influence in Tallahassee to Demens to extend his new railroad to Disston City. Demens wanted an additional 50,000 acres, Disston declined. Demens completed the link between the lower St. Johns River and Lake Apopka and then extended the Orange Belt Railroad 120 miles to the Pinellas Peninsula. On June 8, 1888 the first train arrived at its terminus in southern Pinellas County with one passenger. The area had no official name, no streets, and no sidewalks. Demens named the location St. Petersburg after Saint Petersburg, Russia, where he had spend much of his youth. St. Petersburg boomed and Disston City declined.

Disston established his field headquarters in Kissimmee and began a massive drainage operation in the Kissimmee River basin. Disston next established the 20,000 acre St. Cloud Sugar Plantation. Disston was betting that water transportation, the steamboat, was the key to Florida’s future. Disston through the Disston Land Company and other related ventures drained swampland and opened new areas to agricultural development. Philadelphia banks loaned him funds and he floated bond issues to provide more investment capital. Florida and Disston were riding a boom. New towns such as Kissimmee City, Narcoosee, Runnymede, and Southport were built on former swampland and other towns such as Ancolote, Fort Myers, and Tarpon Springs were also developed during the 1880s boom. The arrival of Disston’s huge dredges in the Caloosahatchee Valley was a warning sign to cattlemen and cowboys that the days of the homesteaders were beginning. In the winter of 1884 northerners arrived in the area including Thomas Alva Edison, who decided to bring a prefab winter house complete with south Florida’s first swimming pool to Fort Myers. Longtime Edison friend Henry Ford followed his friend to Fort Myers with a house of his own next door. It was estimated that by 1893 the Disston Land Company had conveyed about 1,200,000 acres of reclaimed land and lowered the level of Lake Okeechobee by about four-and-one-half feet. The Trustees of the Internal Improvement Fund chartered 564 railroads of which 251 were built in whole or part during this boom period from 1881 to 1893.

The Panic of 1893 was one of the worst economic crises to hit the United States. Economic historians are still not certain exactly what caused the panic but the chain of events started with too many people attempting to redeem silver notes for gold and ultimately bank notes could no longer be redeemed for gold. This was followed by the bankruptcy of a number of leading railroads and corporations. Ultimately 15,000 companies and 500 banks failed and the unemployment rate surged from 4% in 1890 to 12% to 18%, depending upon survey, in 1894. Disston was in financial trouble. Severe freezes in 1894 and 1895 devastated Florida's citrus industry and created cash flow problems at Disston's Florida Sugar Manufacturing Company. Land prices abruptly declined. It was also becoming clear that Disston's concept of water transportation and steamboats was becoming outmoded as the railroad opened up ever increasing parts of both coasts and central Florida with far greater flexibility. Many of Disston's Dutch and English investors would never see their anticipated returns. On April 30, 1896 in Philadelphia, a broke Hamilton Disston, who gambled on steamboats instead of railroads, committed suicide. He was 51. Hamilton Disston's brothers sold his remaining 2,000,000 acres in Florida for $70,000. When Henry Plant died in 1899, his heirs sold the Tampa Bay Hotel ($2,000,000 construction cost and $500,000 in furnishings in 1891) to the City of Tampa for $125,000.

Railroads and the Gilded Age

The State of Florida wanted to encourage the building of railroads and offered large amounts of vacant state land for each mile of railroad that was built. Henry Morrison Flagler and Henry Bradley Plant were the two largest railroad builders and resort hotel developers during the Gilded Age in the peninsula, while William D. Chipley built railroads in the panhandle. He was general manager of the Florida branch of the Louisville & Nashville Railway. In 1877, Chipley obtained the Pensacola & Atlantic Railroad and eventually extended it from Pensacola to Apalachicola. In return he was granted substantial north Florida acreage from the State of Florida. Agricultural development in the area serviced by the new railroad boomed.

Florida grew rapidly as a resort destination as Henry Flagler (Florida East Coast Railway) and Henry Plant (Plant System) on the west coast extended their rails ever southward and the private railcars followed. As the railroads moved further south down both coasts resort hotels were built in frontier towns for winter tourists. Flagler built new multimillion dollar resort hotels at each new railhead: the opulent Carrere & Hastings designed Spanish Renaissance style Ponce de Leon Hotel, 1888 (now Flagler College), the Cordova, 1888 (now Casa Monica Hotel), and the Alcazar Hotel, 1889, triad in St. Augustine, the wood frame Royal Poinciana Hotel, 1894 (Palm Beach), and the wood frame Royal Palm Hotel, 1896 (Miami). Henry Flagler also founded Westpalmbeach (original spelling) in 1894 as a community to house the construction crews working across Lake Worth on Palm Beach Island and eventually the servants working in Palm Beach's two grand hotels (Royal Poinciana and The Breakers (1896)). Flagler rival, Plant, built the Port Tampa Inn, 1888 (on piers over Old Tampa Bay), the Moorish style Tampa Bay Hotel, 1891 (now the University of Tampa), Hotel Belleview, 1897 (now Belleview Biltmore Resort Hotel in Belleair), as well as the Fort Myers Hotel, Hotel Punta Gorda, Kissimmee Hotel, Ocala House, and The Seminole Hotel in Winter Park. Most of these resort hotels were only open during the season (January to April). The railroad boom and the age of the "Flagler lemon yellow" and white wood frame hotels ran from about 1885 until 1912 when the Florida East Coast Railway reached Key West. A world war loomed on the horizon in Europe and the robber barons flocked to their new found "Riviera" to the south, Florida.

The elegance of the private railcar and the grand Gilded Age resort hotels were followed in the 1920s by the tin can tourists (in their Ford Model Ts) and their, aptly named, tin can tourist camps and motor courts with cabins which evolved into the motel (Motor Hotel). The development of the interstate highway system after 1956 launched the corporate franchise motels, the first being Holiday Inn (1952), and began the decline of the small roadside motels.

The Panic of 1907, was a serious economic downturn that was caused by a credit crunch that began in New York that spread across the nation. The chain of events started with F. Augustus Heinze and this bank, Knickerbocker Trust Company (now part of The Bank of New York), which was one of the largest banks in the United States at the time. Knickerbocker attempted to drive up the cost of copper and corner the market. This gamble came undone due to the dumping of copper on the market to stop the hostile takeover of an unrelated business. National Bank of Commerce announced that it would stop accepting checks drawn on Knickerbocker thus causing a run of depositors demanding their funds from Knickerbocker, which spread to other institutions. The severity of this economic recession led to the creation of the Federal Reserve System to dampen the effect of future panics. The Panic of 1907 ended the current efforts of northerners to develop Florida's citrus industry and caused financial challenges in the Florida.

It was shortly after the effects of the Panic of 1907 rippled through Florida's economy that Mrs. Potter (Bertha Honore) Palmer the "Queen of Chicago" high society, discovered Sarasota Bay and the small town of the same name. Bertha Honore had married Chicago retail magnet (forerunner of Marshall Fields) and real estate developer Potter Palmer, 23 year her senior, who had died in 1902. Mrs. Palmer became interested in the winter climate of Florida in 1910. Mrs. Palmer arrived on the west coast of Florida that same year and began to accumulate thousands of acres of land in and around Sarasota (about one-third of the land in what was then the massive Manatee County). She eventually acquired about 140,000 acres on the west coast of Florida. Mrs. Palmer, a patron of the arts, was one of the first famous people to winter in Florida, beginning a trend among wealthy mid-westerners and she began to establish cultural legitimacy for the small Florida town of Sarasota. She encouraged wealthy friends and associates in her international social circles to spend winters along Sarasota Bay and promoted the development of Sarasota. Mrs. Palmer became a progressive farmer, rancher, and land developer. She introduced many innovations to Florida's citrus, dairy, farming, and ranching industries. Mrs. Palmer also founded the Sarasota-Venice Company to develop her vast land holdings. The major roads through Palmer's property were named by her as well as some connecting to the existing communities. Many of those road names remain unchanged and include: Honore, Lockwood Ridge, MacIntosh, Tuttle, and Webber. Mrs. Palmer proved herself to be an astute businesswoman as within sixteen years of her husband's death she managed to double the value of his estate. Upon Mrs. Palmer's death at her Florida estate, Osprey Point, her body was returned to Chicago under a blanket of orchids to lie in state at the Gothic castle that Potter Palmer had built for her on Chicago's Gold Coast in 1885. Mrs. Palmer donated a large tract of land to the State of Florida, which became Myakka River State Park.

1920s Florida Land Boom and Bust

The 1920s was one of the most prolific economic periods of American prosperity. During the 1920s, the chain store movement revolutionized retailing. The first national chain stores grew dramatically including the A&P (The Great Atlantic and Pacific Tea Company) Supermarket chain, which was founded in 1859 and grew to about 17,500 stores by 1928. Sears, Roebuck & Company (1893), originally a mail-order retailer, built its first retail store in 1925 and had 324 stores by 1929. Walgreen's Drug Store, founded in 1901, grew from 20 stores in 1920 to 525 stores by 1929. Woolworth's (F. W. Woolworth Company), a five-and-dime store (discounter), founded in 1878, built the 60-story Woolworth Building in New York City, which was the world's tallest building from 1913 to 1930 (succeeded by the 77-story Art Deco Chrysler Building in 1930 and the 102-story Art Deco Empire State Building in 1931). Consumer products that became affordable to the masses in the 1920s included: cigarettes, cosmetics, phonographs, radios, ready-to-cook canned and frozen food, ready-to-wear exact-sized clothing that grew out of the Great War, refrigerators, telephones, toasters, vacuums, washing machines, and fresh orange juice year round! Electricity was available in only 8% of all houses in 1900 and 68% by 1929. The first commercial radio stations began broadcasting in 1919 and radio ownership increased from 60,000 in 1919 to 10,000,000 in 1929. Private telephones increased from 10,000,000 in 1919 to 20,000,000 in 1929. The average work week declined from 59 hours in 1900 to 51 hours in 1920.

In 1922, J.C. Nichols Company, pioneered the first automobile-centered shopping center, Country Club Plaza, in Kansas City, Missouri. The center used the Mediterranean Revival style popular in Florida and was based upon Seville, Spain and included reproductions of the Seville Light and the famed Giralda Bell Tower (this tower was also adapted by Schultze & Weaver in three Miami buildings during the boom: the Biltmore Hotel in Coral Gables, Miami News Tower (now Freedom Tower), and The Roney Plaza Hotel on Miami Beach all built in 1925).

Henry Ford pioneered affordable mass-produced cars using the automated assembly line in 1913, reducing manufacturing time from 12-1/2 hours in 1912 to 1-1/2 hours in 1913, and drove down costs and prices for the basic Model T (also known as the Flivver and Tin Lizzie), produced from 1908 to 1927, to just $290, less then three months salary for the average American at the time. Ford wanted to produce an affordable vehicle with few frills that the average American could afford. Henry Ford is reputed to have said, "You can have any color you want, as long as it is black." According to Ford engineering documents black paint was cheap and durable (though rumors persist that it was also the fastest drying paint). General Motors established the General Motors Acceptance Corporation (GMAC) to finance the sale of its cars in 1919. Alfred Sloan, president of GM from 1923 to 1941, built his company into the world's largest automaker by adapting new approaches to advertising & marketing. Sloan believed that Americans were willing to pay a premium for luxury and prestige. Sloan focused on merchandising establishing brands, or divisions, differentiated by price, luxury, and status starting with Chevrolet and extending through Pontiac, Oldsmobile, Buick, and ultimately Cadillac. In 1927 Sloan introduced the yearly model change to convince motorists to trade in old cars for new models with fresh styling. Cars were the symbol of the new consumer culture that was emerging in America. In 1919 there were about 6,700,000 cars on the road and by 1929 there were 27,000,000, or a 300% increase. Availability of installment credit for automobiles and other consumer products soared during the 1920s and banks offered Americans their first home mortgages.

Florida entered a period of frenzied real estate activity and speculative excess on a grandiose scale in the 1920s. Jazz music best expressed the energy of the flamboyant time. Intense building began in Miami in the early 1920s and quickly led to increased real estate activity. Speculators began to buy land and to sell it for small profits within a few months. Then the winter tourists began to invest. Profits increased as turnover time decreased. Windfall profits began to escalate to unsustainable levels and were merely a pyramiding of paper profits. Real estate values began to inflate rapidly. Word of Florida real estate activity spread across the county and people poured into the state eager for easy and quick profits. It was a building Ponzi scheme, a scheme named for the infamous Charles Ponzi, who on December 26, 1919 founded The Security Exchange Company in Boston. The Security Exchange Company, "dealt" in international postal reply coupons and promised its "investors" a 50% return in 45 days, or a 100% return in 90 days. Theoretically Ponzi had planned to play currency exchange rates using international postal reply coupons. By July 26, 1920 Ponzi's house of cards began to collapse and on August 13, 1920 he was arrested after costing 40,000 "investors" $140,000,000. The theme for the decade was set.

The “binder boys” were a land boom phenomenon who made their début in Miami and other Florida towns. Kenneth Balinger described the “binder boy” in *Miami Millions,* “. . . never very clean or neat, bending every effort to make a lot of money in a hurry without the slightest pretence of remaining in Florida once that was done. He was attired in golf knickers, because they didn’t need pressing nor the addition of a coat, and the binder boy made the knicker at one time standard male daytime garb . . .” For a small down payment these real estate operators would buy a “binder,” or 10% deposit notes, on a lot and resell it for a quick profit, kiting prices skyward. At the peak of the frenzy, some binders would change hands six or seven times in a day, often being bought and resold by the same person more than once, it was the mother lode of Ponzi schemes. The money that poured into Florida caused anger and jealousy among northern bankers (not to mention liquidity problems). In Massachusetts several banks failed when too many depositors withdrew their savings to buy Florida lots. Seven Ohio banks went so far as to pool their resources for an adverting campaign blasting Florida. However, it did no good, and in a little over a year bank deposits in Florida more than tripled.

The ingredients for successful residential development during the Florida land boom included a desirable location, an alluring name and exotic image, thematic entrance gates (the grander the gate the higher the land values) and other improvements, “themed” street names, a land sales office, a palatial resort hotel, Mediterranean Revival, or Spanish Boom (Colonial, Italianate, Mission, Moorish, or Spanish) style architecture, promotion, and aggressive salesmen. A hallmark of the land boom was installment land sale, often on very liberal financial terms.

Real estate developers such as George Merrick, Glenn Curtis, D. P. Davis, Carl Fisher, C. Perry Snell, The Venice Company (BLE), and Joseph Young planned to delivery on their promises. Land promoters were typically concerned with closing the deal, booking a profit, and moving on.

During the Florida land boom many cities, towns, and islands were built and created (dredge & fill) including: Belleair (by Clearwater), Boca Raton, Coral Gables, Country Club Estates (now Miami Springs), Davis Islands (in Tampa), El Jobean (on the Myakka River in Charlotte County), Hialeah, Hollywood, Opa-locka (near Miami), Miami Beach, Pasadena Estates and Pasadena-on-the-Gulf (near St. Petersburg), Snell Island (St. Petersburg), Temple Terrace (near Tampa), and Venice (south of Sarasota) as well as subdivisions in Bartow, Bradenton, Daytona, Ft. Myers, Lakeland, Orlando, Sarasota, St. Augustine, and West Palm Beach to name but a few.

It all began shortly after World War I when society architect Addison Cairns Mizner teamed up with his friend and financier Paris Singer (heir to the Singer Manufacturing Company fortune) to develop the Touchstone Convalescents' Club, which was to be for military officers of the "appropriate class" to convalesce after the Great War. This project evolved during construction into the posh blue-blood Everglades Club on Worth Avenue. Mizner created what was to become the Palm Beach style, a blend of Italian, Spanish, and Moorish architecture, in his design of the Everglades Club, which opened in 1919. During construction of the Everglades Club, Mizner formed what was to become Mizner Industries in West Palm Beach, a collection of architectural specialty workshops including furniture manufacture; lighting fixture manufacture; ornamental stone manufacture; roof, floor, and decorative tile manufacture; and a wrought-iron works. Mizner's first residential commission in Palm Beach was for Mrs. Edward T. Stotesbury, the grande dame of Palm Beach society, in 1919. Mrs. Stotesbury, whose husband had been a senior partner with the legendary J.P. Morgan & Company, hired Mizner to design her new estate at 348 North Ocean Boulevard, El Mirasol. Mizner's Palm Beach career was launched. The Palm Beach style became the style of choice among Palm Beach's wintering high society elite and Mizner received many commissions for beachfront mansions. Mizner's Mediterranean Revival style, also became the predominant architectural theme of the land boom throughout Florida.

Mizner moved into development in 1924 with his failed attempt at "Mizner Mile" oceanfront community near Boynton Beach. In 1925 Mizner founded Boca Raton and with his partners assembled a 16,000 acre tract including two miles of beachfront. Boca Raton was promoted as the "anteroom of heaven," "bride of the gulf stream," and "the world's most architecturally beautiful playground" with miles of paved and landscaped streets including the Camino Real, a 160 foot wide Boulevard with a large centered canal modeled after Rio de Janeiro's Botafogo Canal surrounded by palm trees, elegant shopping vias, golf courses, polo fields, and luxurious mansions. Advertisements began to appear in both local and northern newspapers. These ads were a curious mixture of both snob and greed appeal. An ad from the May 15, 1926 *Palm Beach Post* read, "The owners and controllers of the Mizner Development Corporation are a group of very rich men – men of unlimited means, who propose to build from the creative genius of Addison Mizner, what will probably be the most wonderful resort city in the world . . . the combined wealth of the stockholders . . . probably represents considerably over one-third of the entire wealth of the United States. . . . It is reasonable to suppose that every lot buyer . . . should make quick and large profits." Chairman of the board of Mizner Development Corporation was T. Coleman duPont and Jesse Livermore, famous Wall Street operator, was chairman of the finance committee. Before the first lots went on sale Mizner announced that the Ritz-Carlton Investment Corporation had contracted to build a resort hotel. The construction of the smaller Cloister Inn was completed in record time with Ritz-Carlton assuming management. Eventually Mizner's Cloister Inn became the foundation of the current Boca Raton Hotel and Club.

Monumental in scale and magnificent in concept, the vastness of the Boca Raton development doomed it to failure from the beginning. Even as Mizner purchased land for the development, the boom was approaching its peak. February 19, 1926, Mizner was quoted in *The News*, “Where are these Florida critics we hear so much about? Maybe I haven’t seen them because I do not often visit zoos, or menageries. But if any of them are at large without a keeper, let them rave. All they need is a little rope. They will hang themselves.” The Cloister Inn, administration buildings, city hall, the houses of Old Floresta and Spanish Village all remain as testimony to the dream city of Addison Mizner.

South of Palm Beach development of a sandbar that had begun in the days of Hamilton Disston was reaching critical mass. In 1881 a Pennsylvania farmer named Henry Lum acquired most of what is now South Beach from the State of Florida for $0.35 per acre. Lum attempted to develop the property as a coconut plantation, which ultimately failed. In 1896, a New Jersey horticulturalist John Collins first came to Miami beach and in 1909 he acquired a large tract of land north of Lum’s holdings and tried coconut farming as well as bananas, corn, mangos, pears, peppers, potatoes, and tomatoes. Collins bankers were J.E. and J.N. Lummus. The Lummus brothers acquired all the land south of Collins in 1912 and formed the Ocean Beach Realty Company.

Enter one Carl Graham Fisher in 1912 who discovered the Ocean Beach that would be transformed into Miami Beach. Fischer earned his millions through several automobile ventures and opened the Indianapolis Motor Speedway and founded the Indy 500. He developed the New York to San Francisco Lincoln Highway and the Michigan to Miami Dixie Highway. Fisher was a master of outlandish promotion and incredible feats. Fisher bought land and hired crews to cut down the mangroves and erect bulkheads along the bay. Dredges were brought in to raise the level of Miami Beach in the largest such operation in history. The dredge & fill operation created 1,000 acres of land out of 6,000,000 cubic yards of marl and sand. By 1915 most of Miami Beach had be raised to a level five feet above mean sea level. Fischer built five glamorous hotels including the Boulevard, Flamingo, King Cole, Lincoln, and Nautilus. Fisher intended Miami Beach to be another Palm Beach and tried to woo high society. They weren’t interested, so Fisher went after a faster, flashier set, Café Society. Café Society, describe at the time as a careful mix of one part wealth, one part fashion, two parts celebrity, and two parts night club press agentry and gossip column exploitation, found Miami Beach!

Miami Beach took off in a blaze of glitter and glow in the 1920s. While Fisher offered fairly conservative installment terms of 25% down and the balance over three years, or a 10% cash discount. In 1919 Fisher announced that he would raise lot prices 10% per year to ensure buyer profits. Miami Beach land increased in value 1,800 percent from 1915 to 1926. By 1926 Miami Beach boasted 178 apartment buildings, 8 casinos, 2 churches, 308 commercial buildings, 3 golf courses, 56 hotels including 4,000 rooms, 3 movie theatres, 858 private houses, 4 polo fields, and 3 schools. Careful research of the public records can trace the beginning of the bust to one land sale in August of 1925. A lot on Miami Beach that had sold for $7,000 and gone up on “binders” to $50,000 was not sold to the last bidder. The last bidder, and several below, let the price of the lot slide back to $25,000, where it was sold.

On the Miami mainland, George Edgar Merrick had dreamed of creating a city since 1909. He had worked for a Miami land development company from 1914 to 1920 to learn the business. Merrick had inherited a 160 acre plantation from his father, which he grew to 1,600 acres through subsequent acquisitions. He found financial backers in New York and increased his holdings to over 10,000 acres by 1925. Merrick assembled an all-star development team who set about creating an urban design masterpiece. He had spent five years planning Coral Gables. Merrick’s goal was to lay out the most beautiful subdivision ever created and to avoid the mistakes that marred so many others.

Merrick mandated the Mediterranean Revival architectural style be used in Coral Gables, which was one of the first planned communities in the country and included rigid zoning. Seven dramatic entrances were planned, broad boulevards with plazas at the intersections of these main streets, elegant fountains, inviting street furniture, winding waterways would lead to Biscayne Bay, publicly dedicated open spaces and parks, hotels, apartments, houses, commercial buildings, and land dedicated for a university were all integral to the master plan. Merrick had also planned 13 international themed villages, five were built including the Chinese style, Dutch South African style, French City style, French Country style, and French Provincial style villages. The first lots were sold in 1921.

Merrick hired noted orator and three-time Democrat presidential candidate William Jennings Bryan who was paid $100,000 per year (half in cash and half in land) to extol the virtues of Coral Gables by the Venetian Pool. Bryan heralded life in “The City Beautiful,” by saying, once, “You can wake up in the morning and tell the biggest lie you can think of about the future of Coral Gables – and before you go to bed at night, you will be ashamed of your modesty.” Edward E. “Doc” Dammers, sales manager, led army of 3,000 salesmen and commanded a fleet of 86 pink busses to chauffer prospects around Coral Gables. Merrick built the magnificent Schultze & Weaver designed Miami Biltmore Hotel complex where one could fox hunt, play polo, or attend tea dances. Merrick also founded the University of Miami on a 160 acre tract of land. Coral Gables was the epicenter of the great Florida land boom of the Roaring Twenties and gave birth to many other developments and subdivisions.

It all came crashing down on Merrick September 18, 1926 when a powerful Category 4 hurricane slammed into Miami and south Florida. An anemometer atop Allison Hospital in north Miami recorded winds as high as 138 MPH shortly before it failed at 8:12 AM, the resulting storm surge was about 12 feet. After the bust and the 1929 stock market crash Merrick was broke. He and his wife operated a fishing camp in the Florida Keys until September 3, 1935 when the Category 5 Labor Day hurricane destroyed it. After which, Merrick returned to real estate. He was appointed postmaster of Miami until he died in 1942 at 56.

Aviator Glenn Curtis teamed up with rancher James Bright and assembled about 100,000 acres, which formed the basis of three south Florida developments: Hialeah, Country Club Estates (now Miami Springs), and Opa-Locka. Hialeah was the first development started in 1921 using Spanish Mission architecture. Curtis and Bright dedicated land for community facilities, churches, and schools, but Hialeah went honky-tonk with a greyhound race track, a jockey club, Miami's first jai-alai fronton, and an amusement park. Gamblers and bootleggers moved in. Curtis and Bright's second development was Country Club Estates. Curtis introduced the American Southwest Indian pueblo style to Florida and this style was used extensively in Country Club Estates. The third and final development was Opa-Locka, "The Baghdad of Dade County." Curtis had been reading *The One Thousand and One Tales from the Arabian Nights* and wanted to develop a unique subdivision of domes, minarets, parapets, and spires. Even in its dilapidated condition years later, what remains of Opa-Locka evokes an era when nothing was considered too fantastic. The population of Miami, center of the boom, more than tripled in five years.

Joseph Wesley Young first arrived in south Florida in January 1920 to get involved in the emerging land boom. After he had acquired his initial tract, Young had a vision of a wide boulevard extending from the ocean westward to the edge of the Everglades with man-made lakes paralleling each side of the roadway. Also included in Young's development concept was sectioning the subdivision into districts, a precursor of present day zoning regulations, with a centrally located business district, large park spaces, a golf course, schools, and churches. Unique in Young's city plan was the incorporation of three large circles of land located along his planned principal boulevard. Young chose as the name of his "Dream City" the name of the Southern California town that had once been so attractive to him, Hollywood.

By 1925, the Florida real estate market had reached all-time highs with speculators constantly bidding up Hollywood real estate in a frenzy of buying. Construction continued at a rapid pace with the building of the Hollywood Boulevard Bridge across the Intracoastal Waterway. By January 1926, Hollywood included about 2,420 houses, 36 apartment buildings, 9 hotels both completed and under construction, 252 commercial buildings, 18,000 acres of land, six-and-one-half miles of oceanfront and 18,000 residents. Hollywood Beach also boasted Florida's largest and best appointed bathing pavilion, the Hollywood Beach Casino with 824 dressing rooms, 80 shower baths, a shopping arcade and an Olympic-sized swimming pool. The "Atlantic City of the South" added more allure with the opening in February 1926 of the Hollywood Beach Hotel, which rose seven stories and included 500 rooms with private baths, containing the world's largest solarium, and boasting a private wire connection direct to the New York Stock Exchange for use by hotel guests.

The big 1926 hurricane devastated Hollywood with high winds and surging floodwaters. The huge task of rebuilding and the financial losses inflicted by the hurricane were enormous and caused thousands of Hollywood's residents to abandon their new found homes and return to northern cities. The population of Hollywood plunged 86% from about 18,000 to around 2,500. Real estate values plummeted as former residents sold properties for whatever the real estate market would yield.

By February 1927, in the aftermath of the hurricane and the ensuing collapse of the land boom, construction had ceased as Young found himself unable to meet financial commitments to lenders. Undeterred Joseph Young's vision of his "Dream City" included one last inspiration. His idea was to dredge a deep-water port from the shallow lake north of Hollywood to the Atlantic Ocean, so that ships could dock and bring eager tourists to Hollywood. In February 1928, Young's vision became a reality. The port grew from that shallow lake into the present day Port Everglades. Despite his best efforts to promote the new port and Hollywood, Young's financial situation caused him to ultimately lose control of his Hollywood holdings on the courthouse steps in 1930. Young continued to live in Hollywood until April 1934, when he died of heart failure in his Hollywood Boulevard house. He was 51.

In Fort Lauderdale, many new developments were created to house the increasing flux of northerners. In 1921 and 1922 several new subdivisions were plated including Beverly Heights, Colee Hammock, Idleyld and others including Alfred G. Kuhn's Croissant Park and Victoria Park. The Lauder Del Mar subdivision was also annexed by Fort Lauderdale. At the end of 1922, William F. Morang and Charles G. Rhodes introduce the dredge & fill technique known as "finger-islanding" and transformed some of Fort Lauderdale's swampland into expensive subdivisions known as Lauderdale, Rio Vista Isles, and Venice. It was the same technique used to create Venice, Italy, which earned Fort Lauderdale the nickname, "Venice of America." Despite the adverse impact of land speculation and the rail freight embargo in the fall of 1925 construction reached its pinnacle in 1926. Fort Lauderdale's population reached about 16,000 by 1926. The land boom came to an abrupt halt after the September 17, 1926 hurricane. Fort Lauderdale and south Florida were plunged into depression and Fort Lauderdale's population declined 44% to around 9,000.

In 1925 the Brotherhood of Locomotive Engineers (BLE), America's oldest, largest, and richest labor union, was looking for a lucrative venture and researched Florida due to the land boom and stories of easy money and fast fortunes. George T. Webb was the vice president of the BLE's investment company and spearheaded the acquisition and development of about 30,000 acres of land between Roberts Bay and the Myakka River. Webb ran BLE Realty and its marketing arm, The Venice Company. The Venice Beach (resort city) portion was about 1,500 acres. Around 25,000 eastern acres were going to be sold as farm estates, a small industrial area east of the resort city, as well as an affordable housing area named Edgewood for union retirees. The BLE hired noted city planner John Nolen of Cambridge, Massachusetts to design the General Plan of 1926 for the new resort development of Venice using the Northern Italian architectural style. The Venice project was to have homes, shops, hotels, casinos, a golf course, farms, an industrial area, and a waterway from the Myakka River to Roberts Bay. The Venice property was bought at the market peak and was developed during the long and painful decline, until the stock market crash of 1929. Lawsuits from the failed development lasted until the early 1940s.

Temple Terrace near Tampa was developed on a hilly bend of the Hillsborough River comprising 4,000 to 6,000 acres originally owned by the Potter Palmer family and used as a hunting preserve. The land was acquired in 1920 by W. E. (Bill) Hammer who tried to sell it for about a year before conceiving a development strategy and finding business partners D. Collins Gillett, B.L. (Burts) Hammer, Vance Helms and Maude C. Fowler (Cody Fowler's (Fowler White) mother). They established two companies: Temple Terrace Estates that developed the residential area including houses, a domed administration & land sales building, golf course, club house & hotel, limousine garage, casino, apartments, a bat tower for mosquito control, roads, sidewalks, storm sewers, and other improvements south of Druid Hills and Temple Terraces, Inc., which consisted of about 4,000 acres of grove land north of Druid Hills. It took its name from the Temple orange that was a new variety developed by Gillett's father. The development was marketed to affluent northerners who wanted a winter house in Florida and could purchase orange grove plots for additional income. The golf course was unique in that no two holes were parallel and the roads were designed so that automobiles could follow the players on paved roads. The course was promoted as having every kind of hazard that the "sportiest" course could boast. By 1923 the first seven houses were under construction and 120 more were contracted to be built in units of 30. By the late 1920s both Temple Terrace Estates and Temple Terraces, Inc. had failed as development ventures. Other Tampa area land boom subdivisions included Beach Park, Parkland Estates, and Davis Islands.

David Paul Davis studied the land promotion techniques of Carl Fisher, George Merrick, and other south Florida developers and applied them to his own developments. Davis claimed to have earned a degree at the University of Florida, earning tuition by buying, subdividing, and reselling tracts of pine woods. To enhance his tycoon image, David Paul Davis changed his name to "D.P." Davis. Davis was impressed with dredge & fill projects in Miami and acquired Big Grassy and Little Grassy Keys in Hillsborough Bay and created Davis Islands, an 875 acre development, which was not to extend within 800 feet of Bayshore Boulevard by development order. Davis Islands was conceived as a little Venice and D. P. Davis mandated the Mediterranean Revival architectural style. D. P. Davis moved on to St. Augustine and Davis Shores, a development nearly twice the size of Davis Islands.

The ancient city of St. Augustine was entering the big time with every other Florida town, ex-turpentine camp, and former dump site. The marshy north end of Anastasia Island was to become Davis Shores including five islands with a grand resort hotel, Roman pool, casino, yacht club, golf course, country club, houses, and endless miles of canals. At the bottom of the Davis Shores sales brochure was the attention grabber, “Follow D.P. Davis for Big Quick Real Estate Profits.” The million-dollar Bridge of Lions to Davis Shores was hailed as “the most beautiful bridge in Dixie.” Other local developments of the day included August Heckscher’s Vilano Beach as well as Aiken Park, Coquina Gables, Fort Moosa Gardens, Orenda, Santa Rosa, Saratoga Lake, Seminole Heights, and Vermont Heights. However, the real names of these subdivision locations included Mosquito Inlet, Rattlesnake Island, and Trestle Bay Swamp were not seen in the advertisements and promotions, it was not an age in which the environment sold.

As 1926 progressed, the land boom cooled. It was the time of “silly slump talk.” Developers and promoters went on the offensive. “There would be no bust, because there was, in fact, no boom. It was merely a case of real estate prices that had previously been depressed now rising to their natural level. It was happening due to a confluence of factors: the growth of the automobile and highway; the wider availability of electricity; national prosperity and its distribution down the social scale; Florida’s climate and the establishment of the winter vacation habit; and the development of modern adverting, publicity, and salesmanship.” D.P. Davis was quoted, “I regard the prices at which lots have been and are being sold in the better class of developments as being generally far below actual values. So buy up!”

Davis boarded the Cunard liner *Majestic* for Europe claiming he had plans for a development off the French Riviera. Four days later, the vice president of Davis Properties received the following wireless message: “Dave lost overboard early this morning. Ship circled over an hour. Everything possible done. No Hope.” The remnants of Davis Shores, which had sold $19,000,000 worth of lots in a single day during to land boom, brought less than $10,000 on the courthouse steps in 1933.

Barron G. Collier, a streetcar advertising tycoon, whose Consolidated Street Railway Advertising Company was a leader in the industry visited Florida in 1911. He bought Useppa Island (named for one of Pirate Jose Gaspar's captured princesses) off the cost of Fort Myers for $100,000. The Useppa Inn became a popular resort for the captains of industry, finance, and government. Collier also founded the Izaak Walton Club, an exclusive fishing club, and the Rod and Gun Club in Everglades City. Beginning in 1921 Collier acquired 1,300,000 "swamp and overflow" acres in Lee County and sought to create a new county. Collier purchased most of Marco Island in 1922. The Atlantic Coast Line railroad arrived in Marco Island in 1922 and by 1927 plans to development Marco Island were in process, however the land bust and Great Depression ended plans until Deltona Corporation bought Marco Island in 1964. Collier established a construction camp at Everglades City. He then set about draining swampland and paving roads while attracting railroad and steamship lines. Collier was instrumental in early efforts to drain the Everglades and he helped build the Tamiami Trail. When road construction on the western side of the Trail faced financial difficulties, Collier agreed to finish the highway on the condition that the new county be named in his honor. The Florida State Legislature obliged, creating Collier County on May 8, 1923, with Everglades (later Everglades City) as the County seat. Barron Collier died on March 13, 1939, at the age of 65; he was Florida's largest landowner.

Alfred I. duPont of E. I. duPont de Nemours and Company, a northern industrialist and financier met Jesse Ball, 20 years his junior, on a Florida hunting expedition around 1900. They married in 1921 and retired to Jacksonville in 1926. duPont acquired 70,000 acres in Bay, Franklin, and Walton counties, which was the foundation his large real estate holdings. duPont also acquired a controlling interest in Florida National Bank (now part of Wachovia). duPont's death in 1935 led to the creation of The Alfred I. duPont Testamentary Trust. Jesse Ball duPont's brother Ed Ball was named trustee. In 1936 the St. Joe Paper Company was formed by the Trust and continued to aggressively acquire land in north Florida. The Trust also acquired the old Florida East Coast Railroad, founded by Henry Flagler. By 1997, St. Joe represented about 70% of the Trust's assets and owned 1,000,000 acres of mostly north Florida land.

Manhattan Estates was described as "not more than three-quarters of a mile from the prosperous and growing city of Nettie (Nettie was an abandoned turpentine camp)," Okeechobee was described as the "Chicago of the South," and the Sunken Gardens subdivision in the Florida Keys was an abandoned quarry whose creative promoter charged more for the deeper lots. Nearly every city or town of the day in Florida still contains houses, apartments, commercial buildings, and old hotels built during the 1920s land boom. One can still see some of the old entrance gates in Bartow, Coral Gables, Daytona Beach, Lakeland, and Tampa. After nearly 80 years, the tallest buildings for miles in central Florida are in Haines City (Palm Crest Hotel, 1925) and Lake Wales (Dixie Walesbilt Hotel, 1927), old 1920s Mediterranean Revival "skyscrapers," built as grand hotels!

The Florida land boom created much chaos in land transactions. Many properties traded by binder deposits only (sometimes trading six, or seven times in a single day at the frenzied peak). The numerous land scams that grew from unscrupulous land promoters led Florida to pass its first real estate license law regulating brokers and salesmen in 1923, modeled on California's 1919 statute. The 1920s were one of the most expansionary economic periods of the twentieth century. Wall Street and the stock market were the catalyst for the economic dynamics of the Jazz Age. Easy credit and "buying stock on margin" (borrowing from the brokerage houses) was the rule to leveraging future stock profits. Low down payments, installment sales, and interest-only mortgages helped fuel the Florida land boom.

Florida experienced, perhaps, its most prolific land boom in the 1920s. The land boom's end was swift and brutal. The rail system failed (causing costly construction delays on the east coast), bank failures in the north and mid-west (due to the volume of money that was withdrawn by the estimated 2,500,000 people who came to Florida to make their real estate fortunes), proliferating promoters and con-men damaged Florida's reputation, the Mediterranean Fruit Fly caused havoc with Florida's citrus industry, and Florida suffered two severe Category 4 hurricane's in 1926 and 1928.

The land circus ended abruptly, the rings removed, the big top folded, and the razzle-dazzle ringmasters were gone. Hundreds of construction projects and developments collapsed around the state. People who had gotten rich quickly become penniless over night. An estimated 90% of all those who took part in the land boom lost out. Florida entered the Great Depression three years ahead of the rest of America.

To this day there remain some entry gates of the old 1920s land boom subdivisions, ranging from majestic beacons of a bygone age such as the gate to Edison Park on Llewellyn Drive at McGregor Boulevard in Ft. Myers to crumbling lonely sentinels like the gate to Pasadena Estates on 64th Street at Emerson Avenue in Gulfport, still heralding its fading logo – a shield with a blue and white checked top-half and solid red bottom-half with a black "P" inserted into a black diamond in the shield's center – silently waiting in vane for "Handsome Jack" Taylor's swanky new Pierce Arrow motorcar to speed by on its way to his Rolyat Hotel (now Stetson University College of Law), built to resemble a Spanish walled village of feudal times.

Great Depression and the Art Deco Boom

Florida entered the Great Depression in 1926, three years earlier than the rest of the America with the Florida land bust and did not recover until 1941 and the start of World War II. The Great Depression of the 1930s resulted in thousands upon thousands of "problem properties" that needed to be objectively evaluated. Some of the real estate brokers of the 1920s became real estate appraisers in the 1930s. They had to value assets with very limited, if any, comparable sales data. The Appraisal Institute's two predecessor professional associations were founded during this time: The American Institute of Real Estate Appraisers (and the MAI professional designation) was founded in 1932 and the Society of Real Estate Appraisers (and the SRA professional designation) was founded in 1935.

After the land bust of 1926 and the Wall Street crash of 1929 the 1930s and early 1940s saw little real estate development activity in Florida with one exception, the southern tip of Carl Fisher's Miami Beach, which was one of the few places in the world that actually experienced a building boom during the Great Depression. During this period of time hundreds of small Art Deco style apartment buildings and hotels were built. The Art Deco style rebelled against the traditional Mediterranean Revival style of the 1920s, which reminded all too many people of the land bust. The Art Deco style embodied cubist, geometric, African, and European influences with a strong vertical emphasis. It reflected industrial design, futurism, and Hollywood. It was escapism fantasy architecture at its finest. It was Miami Beach.

In the 1930s some of Florida's classic roadside attractions and early theme parks were developed including: Coral Castle (1936) near Homestead, Cypress Gardens (1936) near Winter Haven, Key West Aquarium (1932), Marineland (1937) between Daytona and St. Augustine, Monkey Jungle (1933) near Miami, and Sunken Garden (1935) in St. Petersburg.

1940s and World War II Military Bases

After the December 7, 1941 Japanese attack on Pearl Harbor America entered World War II and Florida became one large military training camp with 172 military installations by the end of the war in 1945. Most of the Miami Beach Art Deco hotels were converted for use as military training barracks. Many large resort hotels including the Biltmore Hotel and Country Club (Coral Gables), Breakers Hotel (Palm Beach), Don Cesar Hotel (St. Petersburg), and the Hollywood Beach Hotel (Hollywood) among were converted for use as military hospitals. There were 40 US Army Air Fields in Florida many of which are now large commercial airports as well as small general aviation airports including: Bartow Air Base, Boca Raton Army Air Field (now Florida Atlantic University), Brooksville Army Air Field, Cecil Field Naval Air Station (Jacksonville), Dale Mabry Air Field (Tallahassee), Drew Field (now Tampa International Airport), Henderson Field (now Busch Gardens and an industrial park in Tampa), Homestead Army Air Field, Lakeland Army Air Field (Drane Field – Lakeland Linder Regional Airport), Morrison Field (West Palm Beach), and the Venice Army Air Base (Venice Municipal Airport).

1950s, 1960s, and the Great Florida Land Companies

The next general real estate boom began in the mid-1950s and lasted until the early 1970s a period of time often known as “Florida’s Golden Age of Land Scams.” From 1954 to 1982 about one-third of Florida’s farm land was “lost” to development. In the 1960s more Florida land was subdivided into lots than in the rest of the country combined. The key drivers included a shift in technology (widespread availability of affordable air-conditioning), rising affluence, senior citizens & retirees looking for a warmer climate, political & leisure revolutions, and the interstate highway system.

The great Florida land companies (AMREP Corporation, Arvida Corporation, Cavanagh Communities Corporation, Deltona Corporation, General Development Corporation, Gulf American Land Corporation (now Avatar Holdings), ITT Community Development Corporation) and nearly 200 smaller companies many perfecting land promotion and sales schemes from the 1920s, began platting and subdividing huge tracts of land for development and sale in the mid-1950s. As in the 1920s some were developers who built new communities and some were land promoters who specialized in land scams and swampland. Many of the land promoters offered free trips to Florida where “guests” were treated to “resort” hotels that had the electronics of an embassy and the ambiance of a car dealership. The hotel rooms often had secret intercom systems so that the salesmen could listen to prospects “private” conversations. The land sales mantra was “wine, dine, and solidify.” The lots were marketed and sold to northerners on an installment sale basis, typically for $10.00 down and $10.00 per month for ten years. Eventually the lucky owner would build their retirement dream house (assuming that infrastructure was in place), unless they missed a payment and the “developer” repossessed the lot.

Lehigh Acres Development Corporation developed the first massive Florida postwar development starting in 1954 on the site of the Lucky Lee Cattle Ranch, marketed as Lehigh Acres (60,000 acres subdivided into 135,000 lots, of which 121,500 are still vacant), near Ft. Myers. Design issues still plague this early development.

General Development Corporation was formed in 1956 by Elliott, Frank (Jr.), and Robert Mackle (who all left in 1962 to found Deltona Corporation) and Yellowknife Bear Mines, Limited of Canada. Yellowknife had acquired Arthur C. Frizzell's 80,000 acre Charlotte County cattle ranch & timber tract in 1949 for $3,600,000. In 1956 the first 25,000 lots were platted and sold for $600 per lot. In 1957 the first four model houses were built on Sunrise Trail at Elkcam Waterway and sold for $5,900 to $17,990. The following year about 1,000 houses were built. GDC also developed North Port Charlotte (100,000 acres) in Sarasota County. In 1958 GDC began acquiring land for Port St. Lucie (80,000 lots). Next to the GDC Port St. Lucie land sales office at US Highway 1 and Prima Vista stood a building that was designed to look like a Mississippi River showboat. Prospective buyers had to pass through the showboat before they could see any of the GDC houses. Salesmen were dressed in turn of the century gambler costumes and greeted prospects. As many as 300 contracts per day were signed. GDC also developed Port Malabar (west of Palm Bay). Homeowner's began filing lawsuits against GDC in 1986 claiming that GDC sold overvalued lots and houses. GDC declared Chapter 11 bankruptcy in 1990. Four senior GDC executives spent two years in prison on conspiracy and fraud changes. GDC operated briefly in reorganization as Atlantic Gulf Communities.

Arvida Development Corporation was founded in 1956 by octogenarian Arthur Vining Davis, a retired executive of the Aluminum Company of America (ALCOA) and one of the richest men in America at the time, who acquired the Boca Raton Hotel & Club, 1,500 acres, and a mile of beach front land for $22,500,000. Arvida developed Boca West, Kendall (Miami-Dade), and Royal Palm Yacht and Country Club in South Florida as well as Bird Key, Lido Key and the southern one-half of Longboat Key (near Sarasota). Arvida controlled 125,000 Florida acres at its peak. Arvida was sold to Disney in 1984 and Disney subsequently sold Arvida to the St. Joe Company.

One of the most notorious land promoters was Gulf American Land Corporation (founded by Leonard and Julius “Jack” Rosen of Baltimore via Miami) which was formed in 1957. Gulf American’s first development involved the purchase of the 1,724 acre Redfish Point tract in Lee County for $678,000, which was marketed as Cape Coral and was a genuine attempt at community development, which proved both expensive and too slow for the Rosen brother’s Gulf American. Gulf American’s subsequent “developments” were land promotion schemes subdividing land, selling lots, and not much else using the technology of the day including the autotype machine, WATS line (and resulting boiler room sales promotion tactics), black & white television advertisements, national newspaper advertising, slick colorful sales brochures, the free steak dinner (to hear the sales pitch), and the “free” trips to Florida, and aggressive salesmen to close the deal. Gulf American purchased a travel agency and a charter airline with 15 planes to fly prospects to its developments at lower cost. By 1967 when Gulf Americans land sales activity peaked, it was Florida’s fourth largest publicly traded corporation with more than 500,000 acres of land for sale in Florida and across the United States.

Gulf American’s other major “developments” include: Golden Gate Estates in Collier County (112,000 acres, 880 miles of roads, and 183 miles of canals); Remuda Ranch (near Everglades City) 68,000 acres (about 80% swampland); and River Ranch Acres in Polk County about 25 miles east of Lake Wales (44,800 acres subdivided into one-and-one-quarter acre lots), much of which was swampland with some land near the Avon Park Bombing and Gunnery Range. Gulf American sold the dream at River Ranch Acres, but not the actual development. River Ranch Acres was subdivided, but there were no plans for roads or utilities. The fine print read that the land could only be used for hiking, camping, and picnics. Gulf American did build a large motel, swimming pool, lodge, western-styled saloon & café, skeet & trap range, and airstrip to “wine, dine, and solidify.” Today part of the old River Ranch Acres subdivision is Westgate River Ranch Resort, a “western themed” destination property. The balance is operated by the controversial River Ranch Property Association, Inc. as a “private” hunt club. Gulf American became GAC Properties in 1971 and Avatar Holdings, its successor, in 1976.

A few miles west of River Ranch Acres on State Road 60 in Polk County is Indian Lake Estates (8,000 acres subdivided into 7,458 residential lots and 665 commercial lots) on the banks of Lake Weohyakapka (Lake Walk-in-Water, a 7,532 acre lake), which was developed by Indian Lake Estates, Inc., which was incorporated January 12, 1955. Indian Lake Estates was once billed as “Florida’s finest golf and country club community” and was financed with $12,000,000 from the Teamster’s Union pension fund, eventually winding-up on the courthouse steps. Indian Lake Estates currently has about 600 houses and 127 miles of roads, or about 8% built-out over 50 years after its initial development.

Other development companies and their projects during this era include: AMREP Corporation developed Silver Springs Shores (22,000 acres) near Ocala; Cavanagh Communities Corporation developed Rotonda West (25,000 acres) in Charlotte County; Deltona Corporation developed Citrus Springs (Marion County), Deltona Lakes (north of Orlando), Marco Island (11,000 lots, 1968 ended routine dredge & fill land development) near Naples, Marion Oaks (near Ocala), St. Augustine Shores (near St. Augustine), Sunny Hills (17,000 acres) near Panama City, Spring Hill (33,000 lots) in Hernando County, and Tierra Verde (near St. Petersburg); Firstamerica Development Company subdivided University Highlands (16,000 acres) in Volusia County; ITT Communities Development Corporation developed Palm Coast (68,000 acres subdivided into 48,000 lots) among others; and Royal Palm Beach Colony developed Royal Highlands (19,000, one-half acre lots) in Hernando County.

In 1968 the US Congress passed the Interstate Land Sales Full Disclosure Act, which required developers to register subdivisions of more than 100 lots with the US Department of Housing and Urban Development and to provide each prospect a document called a Property Report, which had a negative impact on Gulf American and other land promoters. Yet the legacy of many of these developments lived on in unforeseen ways. In the 1970s Golden Gate Estates' abandoned roads, particularly Everglades Boulevard, were used as landing strips for DC-3s landed with South American drugs.

During this time Miami Beach continued its resort hotel building boom moving north from what is now South Beach on Collins Avenue toward Bal Harbour. Architect Morris Lapidus was the architect of choice whose three signature hotels were the Fontainebleau, Eden Roc, and The Americana (now the Sheraton Bal Harbour Beach Resort).

President Dwight D. Eisenhower signed the Interstate Highway Bill of 1956 which created a nationwide highway network of 47,000 miles including Interstate 4, Interstate 10, Interstate 75, and Interstate 95 in Florida. The interstate system had a similar impact in the second half of the 1900s as the railroads had in the last quarter of the 1800s revolutionizing the flexibility and speed of transportation, which fueled an unprecedented wave of development that transformed much of coastal Florida and central Florida from Tampa, through Lakeland and Orlando, to Daytona Beach.

Downtown shopping districts declined in the 1960s due to the growing use of the automobile and gave rise to suburban shopping centers with large convenient asphalt parking lots. The pinnacle of these new shopping centers being enclosed super regional shopping centers often with substantial ancillary commercial development. Some downtown property owners attempted to emulate the slick metal roof facades of the new shopping centers by adding false metal facades covering their second stories and giving the appearance of the shiny new shopping centers. By the late 1990s and early 2000s many downtowns through the National Trust for Historic Preservation's Main Street Program began to develop strategic plans to repackage and remarket their unique attributes. Many older regional shopping centers are in decline and are often being redeveloped with lifestyle centers, a concept pioneered by Poag & McEwen Lifestyle Centers. This retail concept was based upon the convenience of easily accessible upscale retail stores and a strong entertainment & leisure component typically including restaurants and megaplex movie theatres all in a themed architectural environment. Generally lifestyle centers require less land than a regional shopping center and generate as much as 50% more revenue per square foot. The Shops of Saddle Creek, 1987, in Memphis was the fist Lifestyle Center

The 1960s space race led to rapid development around Cape Kennedy from Titusville south to Melbourne. By the late 1960s rural land was being subdivided at an unprecedented rate and continued until the end of 1973, when the industry encountered several problems: the Arab Oil Embargo and rapidly raising energy prices, higher interest rates, an economic recession, increased development costs, more rigorous consumer and environmental regulations, massive overbuilding, and negative publicity.

Many of the 1960s "developments" are ghost subdivisions that exist only on paper, often with highly fragmented ownership including: Cape Atlantic Estates (near New Smyrna Beach), Flagler Estates (Flagler and St. Johns County), Golden Gate Estates, River Ranch Acres, Royal Highlands (Hernando County); Remunda Ranch, and University Highlands (near Deland) among many others. It is estimated that these "antiquated" or "obsolete" subdivisions cover 1,600,000 Florida acres and include over 2,100,000 lots that are far below the market standards of current development requirements in Florida. They may include substandard lot sizes and typically lack space for churches, civic areas, commercial spaces, fire/police, hospitals, parks, schools, and utility services. Government agencies and land planners have proposed several solutions to this problem including: down zoning/transfer of development rights; lot consolidation/merger; plat vacation; subdivision redesign; and public acquisition (through purchases and donations).

The 1960s laid the foundation for a major evolution in the tourism industry with the assemblage of land in central Florida for the development of Florida's first mega theme park. The Walt Disney Company began to acquire tracts of land southwest of Orlando through five wholly owned dummy companies in an area that became known as the Reedy Creek Improvement District, a quasi-governmental body. Disney World (Magic Kingdom) opened in 1971 (EPCOT, 1982; Disney-MGM Studios, 1989; and Animal Kingdom, 1998) and was followed by Seaworld in 1973. Ringling Brothers & Barnum Bailey Circus developed Circus World in 1974 at the southeast quadrant of I-4 and U.S. Highway 27 in Haines City, Florida. Circus World, under new ownership, was redeveloped in 1987 as Boardwalk & Baseball, only to close in 1990. Eventually the last of the big three central Florida theme parks, Universal Studios opened in the late 1980s.

Condomania and the Timeshare Industry

The condominium form of ownership dates back to the Roman Empire and the word condominium is derived from the Latin meaning common ownership between two or more individuals. The Napoleonic Code of France in 1804 was the first instance of the condominium form of ownership put into written law.

In 1963, Florida Statute Chapter 711 (now Chapter 718) known as the Condominium Act legally established the condominium form of ownership in Florida, which provides for the exclusive ownership of an individual unit, joint ownership as tenants-in-common of the properties common areas, and joint administration & management of the property through a condominium association all of which are legally formed when the Declaration of Condominium is formally filed with the clerk of the circuit court.

The word condominium didn't even appear in the state's leading business magazine, *Florida Trend,* until 1970 – "a new lifestyle is evolving in Florida and with it, a new habitat, the condominium." By 1972, the "habitat" had taken off so well that the headline of one *Florida Trend* article was "Condomania." The epicenter of condmania, like the 1920s Florida land boom, was Miami and the "condo canyon" of upper Collins Avenue, north of the old Ocean Beach development of the Loomis brothers (now South Beach).

In the early 1970s, condominium developers built thousands of units on speculation only to find themselves with vast quantities of unsold inventory when a national recession hit in 1974. Miami was reported to have a five year supply of vacant unsold units and about 50% of Orlando's condos were vacant and unsold. Over a thousand projects around the state failed and there were many unfinished steel skeletons reaching skyward in Florida.

Enter the timeshare industry that was conceived by the French developer of the SuperDevoluy ski resort in the Alps between 1964 and 1968. The American timeshare industry was launched in the wake of the 1974 to 1976 real estate crash when condominium developers converted their empty buildings to timeshares. Hawk's Nest of Marathon in the Florida Keys and Sanibel Beach Club on Sanibel Island became the first timeshare resorts to be marketed, sold out, and turned over by the developers to their owner's associations. Sanibel Beach Club was the first non-condo conversion timeshare resort in North America. It opened in 1974, selling unit-weeks for $900 to $3,000. Resort Condominiums International (RCI) was established in 1974 and Interval International was formed in 1976 both companies provide exchange services to the owners of timeshare units, making timesharing more attractive to many buyers.

The Shell Group, Inc. (now Shell Vacation Clubs) entered the timeshare industry in 1977 with its acquisition, redevelopment, and repositioning of Vistana. Vistana had been abandoned and was foreclosed on by First Wisconsin Real Estate Trust and sat incomplete and vacant for about three years. It had 98 condominiums, 16 tennis courts, a hole dug for a swimming pool, and some other recreational features on a mostly undeveloped 150 acre site. The new owners studied both Disney's hotel rate structure and timesharing. Vistana Resort opened as a timeshare resort in July, 1978 and is widely recognized as one of the most successful timeshare ventures in history. The property was sold to General Development Corporation in 1986 and now operates under different ownership as Sheraton Vistana Resort.

The timeshare industry originally attracted many of the old promoters involved in land scams who migrated to this new industry after public awareness, regulations, and growth management ended the land sales game. In the 1980s some large resort operators such as Disney, Four Seasons, Hilton, Hyatt, Marriott, Radisson, Ramada, Sheraton, and Westin started to enter the timeshare industry and are attempting to legitimize the industry through more ethical business practices. The biggest misconception about timeshares is that they were a real estate investment and should appreciate in value over time. Timeshares actually represent the consumer purchase of a vacation lifestyle. The resale market discounts the developer's marketing, promotion, and administrative expenses, which often comprise 50%, or more of the original timeshare price. Thus the majority of resold timeshare units sell for 50%, or less of the original price, less a sales commission often ranging from 10% to 25% of the resale price.

1980s and the Savings & Loan Debacle

During the very late 1970s and early 1980s the savings & loan industry was suffering from a liquidity crisis and interest rate squeeze (it had long term mortgages written at significantly below market interest rates and depositors were moving their money out of savings & loans and investing directly in Wall Street money market instruments that paid competitive rates of return). The inflation rate was in double digits and real estate was viewed as a good hedge against inflation. The savings & loans were de-regulated in the early 1980s and began lending to commercial real estate developers and some even acquired or established their own development subsidiaries. The savings & loans did not have experience in commercial real estate and lent to many third and fourth tier developers who built poorly conceived and in many cases poorly built projects. The Federal income tax code was also revised in 1981 and strongly favored real estate investment from a tax shelter perspective. Tax shelter based real estate syndication activity exploded and added significant capital to the real estate market through the development of often ill-conceived projects. A tremendous amount of over-building resulted during the 1980s. The Federal income tax code was again changed in 1986, severely limiting the tax shelter aspect of real estate. Many developers and investors could not repay their loans to the savings & loans and troubled real estate projects proliferated. The savings & loan industry, which had once primarily financed residential development, was decimated as over 1,000 savings & loan associations failed. A combination of rising interest rates, deregulation, real estate volatility, lack of regulatory oversight, mismanagement, failed speculation, and in some cases overt fraud caused the crisis.

In the early 1980s the small resort community of Seaside was the birthplace of the New Urbanism and Traditional Neighborhood Design (TND) that has spawned hundreds of similar developments around the United States. In 1978, Miami developer and Harvard MBA Robert Davis inherited 80 acres of land about midway between Panama City and Ft. Walton Beach, just east of Seagrove Beach in the Florida panhandle. Davis' grandfather purchased the land in 1946 for $100 and was going to develop the property and name it Dreamland Heights. Davis studied town planning and frame vernacular architecture in the panhandle for two years and met two young Princeton and Yale educated architects working at Miami's Arquitetonica, Andres Duany and Elizabeth Plater-Zyberk who latter formed DPZ.

Duany and Plater-Zyberk worked with Davis on his vision and traveled extensively around the southeast studying frame vernacular architecture and traditional southern town planning with cameras, sketch pads, and tape measures cataloging concepts from Charleston, Coconut Grove, Coral Gables, DeFuniak Springs, New Orlean's French Quarter, Savannah, Natchez, and Spartanburg among others. DPZ completed a revolutionary one page building code for Seaside. In 1981 they started the development of Seaside and the first two houses were completed in 1983 on Tupelo Street and were known simply as the red house (land sales office) and the yellow house (Davis' first Seaside house). The development of Seaside created an ideal pedestrian-oriented live-work-shop-café casual beach front resort environment all within a ¼ mile radius of the town center as envisioned by London architectural theoretician Leon Krier. Seaside and similar development strive to provide as "sense of place." In 1997 *The Truman Show* was filmed in Seaside. New Urbanism, or TND developments are typically an upscale niche product and include: Abocoa (near Jupiter), Avalon Park (near Orlando), Baldwin Park (Orlando), Celebration (Disney), Haile Village Center (Gainesville), Rosemary Beach (Seaside's panhandle "sister town"), and Wellington (Palm Beach).

1990s Recovery and Stabilization

The result of the 1980s building boom and subsequent bust was the savings & loan crisis. This resulted in the savings & loan bailout by the Federal government in 1989 through the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). FIRREA, Title XI resulted in The Appraisal Foundation being authorized by Congress as the source of appraisal standards and appraiser qualifications and ushered in state-certification of real estate appraisers in the early 1990s. The Appraisal Foundation developed and updates the Uniform Standards of Professional Appraisal Practice (USPAP), which governs the development and reporting of real estate consulting & valuation services. The result of FIRREA, the savings & loan bailout, and the Resolution Trust Corporation (RTC) was a huge increase in the demand for qualified real estate analysts and real estate valuation & consulting services.

The commercial real estate market in general began its early recovered in 1995 and strengthened until 2000 at a moderate pace. The late 1990s saw a tremendous stock market boom driven by the rapid development of the Internet and the dot-com phenomenon. In early 2000 the stock market led by the dot-com bust, or tech-wreck, saw a major market correction. The stock market recovered somewhat when the United States was attacked by radical Islamic terrorists in 2001. The financial markets reacted negatively and economic activity ground to a halt.

2000s and the Current Boom

After the September 11, 2001 (9-11) radical Islamist terrorist attack on America, the US automobile manufacturers led by General Motors began offering zero percent financing to qualified borrowers to attract car buyers who abandoned show rooms in the weeks following 9-11. The Federal Reserve rapidly lower the Federal Funds Rate sending mortgage interest rates into a nose dive dropping to a 40 year low and demand for houses, condominiums, remodeling & renovation, and home furnishings began to spike sharply upward in 2002. Credit unions and mortgage brokers and "securitization" have replaced the old savings & loan association model in financing the current residential real estate boom. The stock market remained in the doldrums with a slight upward trend. A large amount of the investment capital that would normally flow into the stock market was diverted to the real estate market having the greatest impact on the housing market, particularly the condominium market sector, but still impacting the commercial and investment sector by driving capitalization rates down and increasing values with very limited increases in property net operating income.

The day-traders of the dot-com boom became condo-flippers, speculators, aggressively driving up prices in many "nearly dark" new condominium projects. Adding to the new condominium construction boom is the massive conversion of rental apartments to condominiums. The driving force behind the condo conversion phenomenon is the excessive price premium that buyers (many who are condo-flipping speculators) will pay for condominium units over the market rent derived value indication of those same housing units as apartments resulting in a substantial economic disconnect and imbalance. A housing bubble often results in the misallocation of investment capital into the housing market creating too many houses, the wrong sort of housing (e.g., excessive condominium development, particularly condo-conversion of apartments), poorly located housing, poorly designed housing units, and poorly designed developments, not to mention excessive, and unsustainable, growth in construction employment, residential real estate employment, residential mortgage lending and settlement industries, as well as home improvement and furnishing industries from manufacturing to retailing. It should be noted that some new condominium projects are reportedly 70% to 80% "investor"-owned units. It is interesting to note the land promoters of the 1920s and 1960s migrated into the condominium industry in the early 1970s and seem to be back again.

A study by the National Association of Realtors (NAR) found that about 23% of all American houses bought in 2004 were for investment, or speculation. Another 13% of houses were bought as second homes. Investors are prepared to buy houses and condominiums they will rent out at a loss, just because they think prices will keep rising. Household incomes have not kept pace with the run-up in housing prices creating a fundamental imbalance as more consumers "stretch" to buy with aggressive financing techniques including adjustable rate mortgages (ARMs), interest-only mortgages, and zero down payment mortgages.

Although interest-only mortgages may appear so contemporary, they are actually very old (and notorious) financial techniques. Interest-only mortgages were very prevalent before the most significant economic event of the last hundred years, the Great Depression. A recent article in *The Wall Street Journal* noted, "Interest-only mortgages were the standard mortgage in the 1920s, but they disappeared during the Great Depression, and for good reason . . . the drop in real estate values during the Great Depression pushed a large proportion of interest-only loans into foreclosure. Lenders switched entirely to fully amortizing loans, and that has been the standard mortgage loan since." The most prolific real estate boom Florida has ever seen was during the 1920s. The speculative game in the Roaring Twenties was to control as much real estate, or stock as was possible and the leverage assets (minimize down payments) excessively to control “can’t lose” “investments.” Investors (speculators) needed a financial tool to accommodate their aggressiveness and the interest-only mortgage was that tool. During the Great Depression interest-only mortgages and foreclosure meant the same thing. House values fell, and most homeowners were stuck with their interest-only mortgages worth more than their houses. Foreclosures skyrocketed.

Recently lots in Cape Atlantic Estates, Flagler Estates, River Ranch Acres, University Highlands, and many other “ghost” subdivisions from “Florida’s Golden Age of Land Scams” have surfaced again on e-Bay and other auction & real estate Web sites and unsuspecting buyers have, again, bought swampland! These lots are purchased by opportunistic Web promoters, often for pennies on the dollar, at county property tax auctions or from unfortunate 1960s era buyers, or their heirs. The online marketing and promotion of these old “ghost” subdivision lots can range from the barely legal, ethically questionable, to the overtly fraudulent. Let the buyer beware!

The more things change, the more things stay the same. Back to the future?

Epilogue

If one listens carefully during the still fall night along the streets of Florida’s many remaining land boom subdivisions, or in her enduringly elegant Mediterranean Revival styled hotels, or under the red tile roofs of her dwindling graceful land sales offices, one can, perhaps, hear the echoes of the “subdivision orators” of long ago. Perhaps the ghost of William Jennings Bryan strolls the terrace near the Venetian Pool extolling the virtues of Coral Gables and a lone “binder boy” closes one last deal before the sunset.

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