

## Florida's Land Boom

By 1920, Florida had a population of 968,470 people. Just five years later, the population had grown to 1,263,540. What had caused such a rise in the population?

Following World War I, large numbers of Americans finally had the time and money to travel to Florida and to invest in real estate. Educated and skilled workers were receiving paid vacations, pensions, and fringe benefits, which made it easier for them to travel and to purchase real estate. The automobile was also becoming an indispensable way for families to travel, and Florida was the perfect destination. Many of the people who migrated into Florida were middle class Americans with families. Unlike visitors of the past, these newer arrivals wanted homes and land rather than resorts and hotels.



**Horse racing was promoted to attract rich gamblers to Florida.**

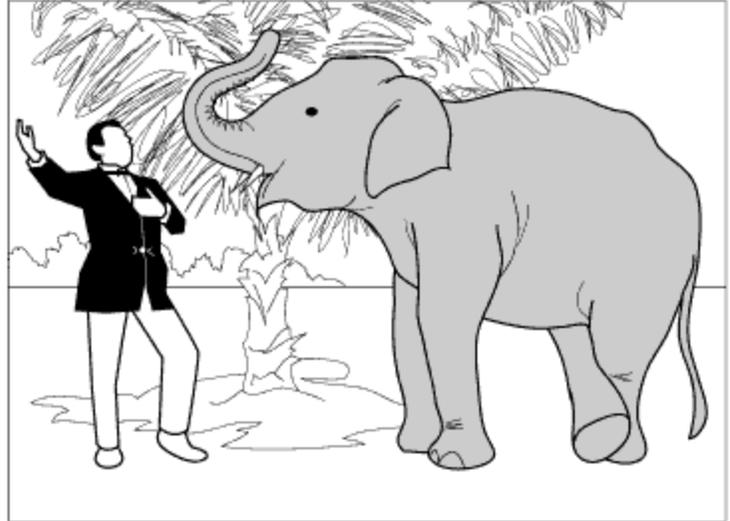
The "Roaring Twenties" was a time when a person's wealth and success was measured by what he owned. At the same time, because the economy was prospering, credit was easy to acquire if one had a decent job. People who recognized this economic change and wanted to make money by selling land poured into Florida. These people, known as land speculators, bought land at cheap prices and sold it at a large profit.

During this boom, however, most people who bought and sold land in Florida had never even set foot in the state. Instead, they hired young, ambitious men and women to stand in the hot sun to show the land to prospective buyers and accept a "binder" on the sale. A binder was a non-refundable down payment that required the rest of the money to be paid in 30 days. Many people got rich quick from the commission they made from these sales. With land prices rising rapidly, many of the buyers planned to sell the land at a profit before the real land payments were due. Sometimes land buyers didn't even have enough money to pay for the land; instead they had just enough money for the binder. **They were depending on the prices to continually rise.** (*subprime anyone?*)

Laws were also written to help support the land boom. In order to get people to come to Florida and invest in real estate, the Florida Legislature passed laws that prohibited state income and inheritance taxes. During this time, horse and dog racing also grew in Florida as a way to attract rich gamblers. The railroads continued to grow throughout the 1920s, and Henry Flagler's railroad that connected Southeast Florida with New York caused other rail routes to be built.

It was during this time that many vacation spots were created and some of our most popular cities were developed. Dave Davis, the son of a steamboat captain, built Davis Island in the Tampa Bay area. Barron Collier started Naples and Marco Island as winter resorts. In addition, Carl Fisher and John Collins bought and developed the mangrove island off the coast of Miami. Miami Beach began to develop into the world-famous resort that it is today.

Unfortunately, this land boom did not exist without problems. The demand for housing was so high that the cost of rent soared. Because the speculators had inflated the economy, many American who had migrated to Florida could no longer afford to live here. They began to write back home and tell people about their problems. Newspapers began writing stories that advised prospective residents to stay away from Florida.



**Carl Fisher brought an elephant to Florida to publicize his development of Miami Beach.**

At the same time, the demand for building materials overwhelmed the railway systems that transported them here. Railroads could not keep up with the needs and began to shut down. This acted as a brake on many developments, slowing down or stopping the boom's momentum. **Once land prices stopped going up, many speculators couldn't sell at the high prices. There were suddenly thousands of acres of overpriced land without any buyers.**

The boom stopped as suddenly as it had started. An unusually cold winter in 1925 followed by an extremely hot summer frightened away many potential buyers. It also cast doubts on the state's reputation as "heaven on earth." What was to follow was a series of natural disasters (freezes, hurricanes) that would send Florida into a tailspin, causing it to enter a Florida Depression four years before the 1929 stock market crash brought the whole country's economy down in the Great Depression.