

CHAPTER IV

Selling a Town—Mr. E. G. Sewell, Super-Salesman
—“It Pays to Advertise”—A Tidal Wave of
Development and a Real Estate Boom That
is Still Booming—Dealing in Futures.

Miami did not awaken to her opportunities as a resort center until several years after the foundation of the city. Its early history is largely written around the Royal Palm Hotel. In fact, there was for several years little else in Miami but the hotel, the climate and good fishing, but the quiet spot attracted visitors then even as does the life and progress of the city attract them now. Many of the notables of the world were guests of the Royal Palm, and these visitors became quickly enamored of the delight-

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ful climate, but no organized effort was made at that time to capitalize the strategic advantages of the city as a winter resort.

But eventually there arose a genius who visualized the potential importance of the city as a resort center—and knew what to do. That man was Mr. E. G. Sewell, super-salesman. As President of the Miami Chamber of Commerce Mr. Sewell is the genius who has “sold” Miami to the world. To his credit let it be said that he has always endeavored, like any good advertiser, to see that Miami delivered the exact goods that were sold.

It was Mr. Sewell who first conceived the idea of advertising Miami through the media of newspaper and magazine publicity. In 1915 he wrote and placed the first newspaper advertisements of the city. This was the means of bringing to Miami that season more than enough people to fill all the hotels. The town began to sit up and take notice. They made Mr. Sewell President of their Chamber of

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Commerce and that season he raised a fund of twenty-one thousand dollars to advertise the city and brought the first band to Royal Palm Park. The success of that season started the building activity in Miami and building permits leaped to a million dollars. For the season of 1917-1918 he was instrumental in raising a fund of thirty-one thousand dollars and employing a nationally-known band. A check of the hotels that season revealed the fact that over ten thousand people were turned away. Mr. Sewell has been given a life job, and the town is the best advertised city in Florida. Each succeeding season the advertising appropriation is increased and new methods formulated to advance the city. A big electric sign at Forty-Second street and Broadway informs the shivering New Yorkers in January that it is "June in Miami." "It pays to advertise." As a result of liberal advertising Miami hotels usually play to capacity business and are often obliged to hang out the S. R. O. sign.

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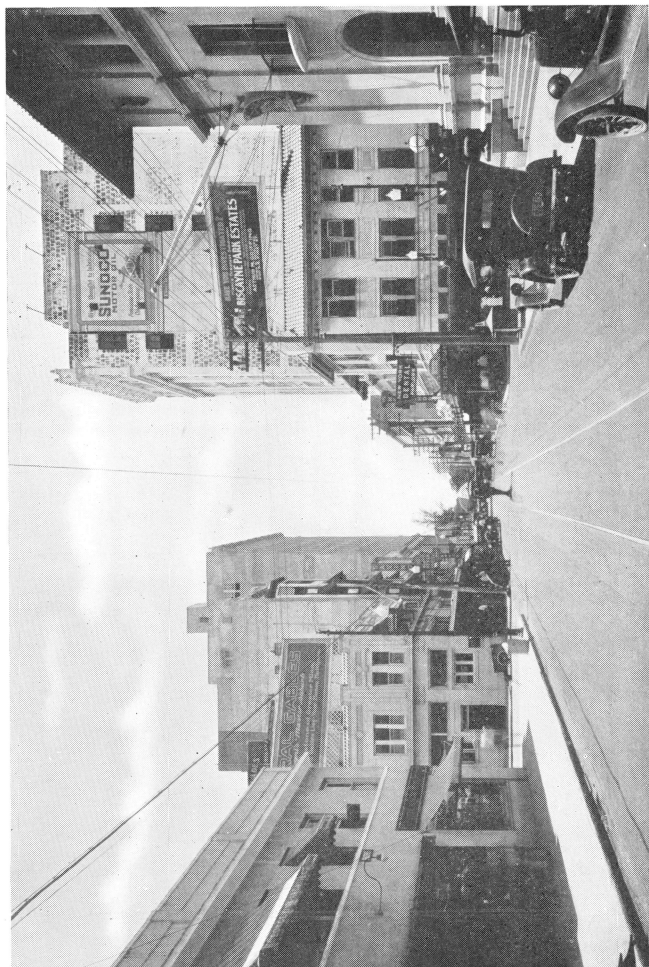
As the town began to flourish as a tourist center, large and modern hotels were erected. Apartment houses also were built by the score and rooming houses, like Jonah's gourd, sprang up in every direction. Now that the town had been "sold" to the Northern tourist, the game of selling it in fee simple began. Real estate speculation became a mania. Dealing in real estate became the principal occupation of nine-tenths of the population, the other one-tenth handling it only as a side-line. Prices began to soar, and they have been soaring ever since. The business got so good that Isidor Cohen quit the merchandise business to enter the real estate brokerage field, and he is still at it. The county commissioners recently "got the habit" and sold the court house, to make way for the encroaching tide of commercialism.

The story of this awakening real estate activity in Miami eclipses most of the western boom towns of earlier days. Many lurid tales are told of the fortunes made by the early investors in Miami

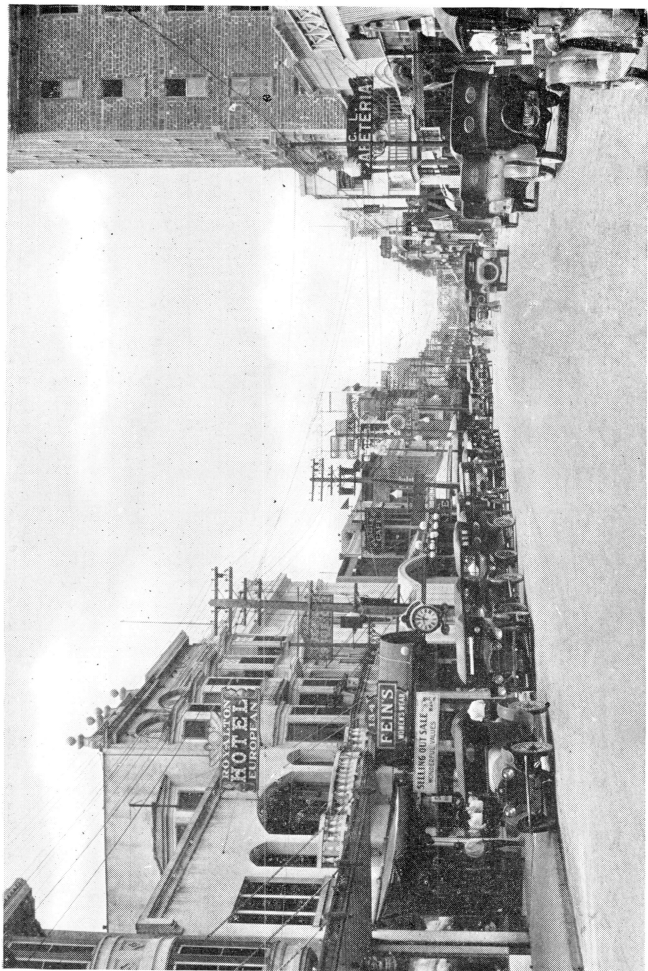
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real estate, and investigation reveals that much of it is true. Some investors could not "see" the town until real estate values had trebled. In the palmy days the "home guards" invariably played the Northerner for a "tenderfoot," but subsequent developments indicate that the latter's judgment often proved the better of the two. Prices advanced so rapidly that the early investor could not help but make handsome profits. All the early inhabitants of Miami should be rich, but they are not. The truth of that old proverb about foresight and hindsight was again forcibly demonstrated.

When the town was young an old "Cracker" (native Floridian), who conducted a small curio shop on Flagler street, managed to buy a business lot in the "loop district" for the sum of six hundred dollars. A few years later he found a "sucker" and unloaded for what he thought was a handsome profit, getting two thousand dollars for his investment. The new purchaser held the property for two years, disposing



STREET SCENE, MIAMI



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of it for six thousand dollars. The last time this parcel of real estate changed hands it brought sixty-seven thousand dollars, and it couldn't be bought for that sum today. The old "Cracker" is still running his curio shop up the street.

Mr. Charles F. Sulzner came to the town in 1896, the year the town was started, but he refused to buy that year because he thought the prices were too high. He returned the following year and bought a business lot on Flagler street for which he paid one thousand dollars. This lot is today leased for a term of ninety-nine years at an annual rental of twenty-two thousand five hundred dollars. One will hear of John Seybold, an imigrant boy who came to the town a journeyman baker, who is today a near-millionaire through his investments in Miami real estate, and of the successful climb up the ladder of fortune of the late Phillip Ullendorff, a former butcher boy, who owned so much Miami property he couldn't locate all of it.

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Real estate in Miami is still active—very active—and people may still be seen running around with their pockets bulging out with abstracts of title. But today it is largely a rich man's game. Flagler street frontage is valued at five thousand dollars a foot. Ocean front lots may be had from ten thousand dollars up—principally up. Residence lots within the city limits cost about three thousand dollars and up, and the more desirable properties cost considerably more.

Sub-divisions stretch from Miami in every direction, even into Biscayne Bay, where "water acreage" has been purchased from the state and islands built and sub-divided, in a far-visioned scheme to match the placid beauty of Venice. Sometimes these "paper islands" are sold before they are built, which shows how far in advance the Miami real estate agent works. He deals in futures. Orders are taken for these "sea lots" and when enough orders are secured to justify the expense he goes out and builds the

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lots. After selecting his embryonic lot the customer is rowed out to sea and shown the particular wave where his property is located. If there is any dispute the matter is soon washed out.

The ingenuity of the high-class real estate promoter in Miami is a thing to marvel at. They do nothing by halves in Miami. One enterprising promoter advertises a twenty-million-dollar development program, and his lavish expenditure would indicate that his statement is conservative. This man is a dreamer, a poet and an artist combined. He is not content to merely cut up a piece of land into lots and streets; he insists on making his development a thing of beauty. His program calls for a complete community settlement, including everything from the essential utilities to a large university. The billboard advertising alone for this sub-division reaches as far North as Savannah. Another company is building a complete city seventeen miles from Miami and another city is being built in the Everglades. Most

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of these properties are well laid out and developed and offer an attractive home site. Others are raw, undeveloped land, far from transportation facilities, without water, light and other public utilities. Some are covered with a dense growth of wild palmetto and deep laid with a native coral rock. It requires considerable expense to clear even a single lot of this tropical growth and rock. Orange groves, farms and truck gardens, and acreage of all kinds are offered the newcomer, some of which are good—and some are in the Everglades.

There is probably no finer body of real estate men anywhere than those in Miami. They maintain an ethical association and insist on the highest standards of service. But in every community where exploitation is rife there are bound to be a few real estate men running at large who do not conform to the best ethics of the trade. Some of these employ the antiquated methods of the pan-handler. Highly colored pictures of pretty bungalows set in a bower

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of tropical foliage lure the strolling tourist to halt before some window and instantly the tourist is "rushed" by several "high pressure" salesmen. Others conduct "absolute" auction sales, with a brass band accompaniment, and run free automobile excursions to their properties, where Eskimo Pie is served to the multitude and pianos and other small souvenirs are given away. Most properties in Miami are sold on the deferred payment plan, the deferred payments drawing interest at the rate of eight per cent. per annum, which is the legal rate of interest in the state of Florida. Borrowers are sometimes obliged to pay a bonus for a loan. The ninety-nine year lease is a popular form of transaction in handling large business property.

The town received an added stimulus during the World War by various governmental activities in the immediate vicinity of Miami. In 1917 the United States spent over a million dollars in the building of the Dinner Key Naval Aero Station and

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another million dollars was put into circulation in 1918 by the payment of wages and subsistence. The Aero Gunners' School for the Army at Chapman Field cost the government another million dollars, and the Marine Aviation Station at Curtiss Field gave employment to fourteen hundred men. This disbursement of a total of over four million dollars had the effect of stimulating business conditions in Miami at this critical period and precluded any possibility of a slump in real estate values—which is always the chief concern of the Miamians.

As the town continued to prosper, the outside world began to take an increasing interest in the fortunes of the town that was riding on the high tide of prosperity. Everybody commenced stepping on the gas at once. Northern capital began to pour into the town, the United Cigar Stores Company moved in and Greek restaurants began to appear. This seemed to make it unanimous. Evil prophets said the town was a bubble that would surely burst, but the

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“pretty bubble” has continued to expand each year into new and larger proportions, and still the great wave of development goes merrily on.