

Forget #PotDaddy: John Morgan's big green play is in real estate

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Most people know [John Morgan](#) from the constant barrage of TV advertising for his highly successful personal injury law firm.

The founder of Orlando-based [Morgan & Morgan PA](#) also is known for [his influential ties to national political figures](#), for whom he often holds fundraisers at his house.

And, of course, [his recent push to raise Florida's minimum wage and to legalize medical marijuana](#) has been well-documented.

But Morgan is more than the man whose face appears on billboards around town: He's also been an avid real estate investor since the 1980s — before he launched his law firm.

Morgan through the decades put his money behind transactions ranging from small deals to [investing \\$15 million into a land purchase that will make way for Unicorn National Developments Inc.'s proposed \\$1 billion O-Town West mixed-use development near Walt Disney World](#).

[Morgan kept his day job in law](#) because, he said, that's where the real money is. But he also owns Orlando-based entertainment center [WonderWorks](#), which soon will open its sixth location — this time, in Branson, Missouri. In total, Morgan said he's invested \$100 million into real estate outside of Morgan & Morgan office buildings.



JIM CARCHIDI

John Morgan, founding partner of Orlando-based Morgan & Morgan.

Locally, Morgan is part of a small group of high-net-worth Central Florida families that contribute seed money for many real estate deals. In the case of a new project, these families quietly contribute their dollars for developers to buy land, which helps the recipients show more equity and secure loans to fund construction. In many ways, Morgan and these families — including such well-known names as Massey, Demetree and Rossman — are among the first to invest into deals. Many of the developments they invest into have a big impact in Central Florida, where nearly \$3 billion in commercial construction is underway, supporting thousands of temporary construction jobs and creating hundreds of new full-time positions.

Of course, Morgan — hailed by many as one of the most powerful people in Orlando — also is known for his controversial personality. But when it comes to real estate, he tends to trust the advice of some of Central Florida’s industry leaders.

Just ask Jim Heistand, owner and CEO of one of the top commercial real estate firms in Central Florida, Orlando-based Parkway Property Investments LLC. Morgan and Heistand have worked together in the past mostly on land deals, and Heistand said he personally has known Morgan “forever.”

“He appreciates and respects my expertise,” Heistand said. “We’ve never had an issue when we’ve been investors.”

Morgan also has worked with other top real estate executives, including Daryl Carter, owner of land brokerage firm Maury L. Carter & Associates Inc.; Tom Green, CEO of Lake Mary-based Providence One Partners; Rashid Khatib, president and CEO of Orlando-based Intram Investments Inc.; and Chuck Whittall, president of Orlando-based Unicorp National Developments.

Morgan recently sat down with *Orlando Business Journal* to talk about how he got into real estate, what new development Central Florida needs and his advice to those interested in the business.

Here’s some of what he shared:

How did you get interested in real estate? When I was a young lawyer in the 1980s, I was a member of the University Club. It was a who’s who of Orlando. You were around real estate guys making a fortune. We were having cocktails, and I thought, “I could do what you’re doing.” Later, Bill Demetree became my mentor [Note: Bill Demetree’s daughter, Mary Demetree, took over the family business and today is an active player in Central Florida real estate].

What was it like starting out? I had zero net worth in the 1980s. I'd go under contract [to buy] land subject to the property receiving zoning approvals. Then, I'd have a contract to sell the land subject to receiving those approvals. I'd have these simultaneous closings working both sides of the deal. To get the zoning, I'd schmooze and have cocktails with Orange County commissioners. I did duplexes on Goldenrod Road and apartments on Pershing Avenue. That was baby stuff.

What was your first big deal? [Buying and selling the land for] an office park on Howell Branch Road in 1983. I made \$60,000 with another partner. We got drunk for a week; we were so flush. There's something about building that's invigorating. You build it, people like it, then they rent or buy it. There's a game to it that I enjoy.

What do you now invest into? Apartments, retail strip centers, office parks. I don't feel like you can have a portfolio without a good amount of real estate. The older I get, the bigger the projects have become. But I'm not interested in buying raw land that a broker brings me. I need developers to have money in the game. And there are a handful of people I've decided I trust.

How did you start the first WonderWorks in 1997? This idea was brought to me about turning a house upside down. I thought it would cost \$6 million to build, but it ended up costing \$7.7 million. It was so bad in the beginning, I thought it would be a huge embarrassment to myself and others involved in the project. But the biggest thrill for me now is when I drive by and see it. It's regularly ranked as one of the most interesting-looking buildings in the world.

What other big deals are you now involved in? [Rashid Khatib](#) and I have invested in land in Sunrise, roughly 250 acres in Osceola County. We've been selling land there for future development. We've already made a fortune. I've also invested into real estate in Maitland with [Mary Demetree](#).

What does Central Florida need? [Affordable housing](#). I'd be interested in either supporting affordable housing efforts through charity or development. I also believe [apartments are going to remain strong](#). [Millennials have figured out that while owning a home sounds good on paper, it may not be the most prudent financial decision](#).

What would you consider the deal that got away? Buying 20 N. Orange Ave. [the downtown office of Morgan & Morgan]. Jim Heistand and I looked at buying it. But Fred Wilpon, majority owner of the New York Mets, bought the building [in 2003 for \$25.2 million] and sold it for much more [\$55.4 million in 2005]. I joked with Heistand at his Christmas party that year that his incompetence cost me \$10 million. I told him I may have to sue him for real estate malpractice. We missed big time there.

What's your advice for those who may want to get into real estate investing? When the market crashed in 1985, all these real estate people I looked up to were broke. I had drinks one night with a cardiologist, and he gave me a piece of advice I've never forgotten. He said: "You can never go wrong with Florida real estate if you pay cash." It was the lesson of my lifetime. If I can't afford to lose all of my investment, I don't do it. I've been a guy with slivers of pies and no recourse financing. My exposure is the cash I put in. Finally, life is luck, and luck has more to do with it than your own skill. Don't pat yourself on the back and think you're so smart, because you'll never see the crash coming.

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