Expect business as usual after Crescent bankruptcy

By BRETT McLAUGHLIN
brett@dailyjm.com

SENECA — The man who has handled the sale of Crescent Resources property on lakes Keowee and Jocassee almost exclusively for the past 18 years has confirmed he expects no local impact from Crescent's recent bankruptcy filing.

"There will be very little or no effect here on Lake Keowee," said John Hamrick, owner of John Hamrick Real Estate.

"The bottom line, as anyone in the business knows, is that it's difficult to saddle yourself with $1.3 billon in debt, especially in a down economy."

On June 10, Crescent, a joint venture of Duke Energy and Morgan Stanley Real Estate Funds, filed for voluntary Chapter 11 bankruptcy protection. The firm has over 5,000 creditors and reportedly faced payments of $50 million by the end of this year, $75 million in 2010 and $100 million in 2011 on its debt.

Crescent has obtained debtor-in-possession financing of $110 million and said it plans to continue its business activities with little interruption.

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>
> — Real estate owner John Hamrick

The company has 38 residential communities under development in the Carolinas, Georgia, Texas, Florida and Arizona, and is currently building 1,200 apartment units. It also owns 75,000 acres of land.

Hamrick said Crescent was originally established to handle Duke Energy properties but expanded outside of the Duke system during the real estate boom years. The local businessman said he has a fiduciary responsibility to Crescent, but that he is not involved in the firm's financial dealings.

"I'm still going to be handling the sale of Crescent properties as I have for the past 18 years," Hamrick said. "It's always been just me."

Hamrick said Duke usually uses in-house people but that in some cases, often where there are unusual circumstances, the firm has hired outside realtors. He said the fact that there was no zoning in Oconee and Pickens counties after the establishment of the lakes in the 1960s led the organization to hire someone with local ties.

"We're going to continue to sell real estate and co-broke with other firms in the area," he said. "We have two active subdivisions right now and three subdivisions that have a few remaining lots.

Hamrick said he was not surprised to see his name on the list of creditors but added he thinks Crescent simply listed everyone they have done business with. He said they might owe him a small amount of out-of-pocket expenses.

While he couldn't comment on the impact the filing may have on The Reserve development on Lake Keowee, Hamrick said he suspects they were listed among creditors for the same reason.