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DenMark Homes goes into bankruptcy

Triangle Business Journal - by [Chris Coletta](#)

A Youngsville home builder and developer, bitten by the faltering real estate markets, has filed for Chapter 11 bankruptcy protection.

DenMark Homes filed for Chapter 11 in late April. The move allows the company to continue business and protects DenMark from its creditors while it works out a plan to pay them back.

The company, founded in 1989, does business around the Triangle and in the Myrtle Beach, S.C., area.

Bankruptcy attorney Trawick Stubbs, who is representing DenMark, says problems in Myrtle Beach forced the company to file for Chapter 11.

"Wake and Granville County and the area up north of Raleigh, it's going gangbusters," Stubbs says. "They're selling houses up there just as well as they ever did. But the market has slowed substantially in South Carolina."

DenMark Homes' sales were around \$45 million in 2007. The company has both a residential development arm as well as a construction unit.

Major creditors include **Wachovia**, **SunTrust**, Stock Building Supply and **Capital Bank**. The company's assets are about \$92 million, with liabilities of \$73 million.

To get the company out of its slump, DenMark will sell off some pieces of land that it had previously planned on developing, Stubbs says. The company already has filed documents in bankruptcy court, asking for permission to sell 10 lots in subdivisions for just under \$2.9 million.

It also is looking to find a national partner to cooperate on some of its projects.

In the meantime, however, business won't stop. Banks have agreed to lend DenMark money so that it can finish homes under construction, and the company might even start on some new projects.

"We look at it now as a solvent company," Stubbs says, "and at this point we would expect everything to continue as ordinary."