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## **Cape Fear Profile: Developer Murray Duggins found success after failure**

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When the bottom fell out, Murray Duggins became scared and depressed.

Duggins had been making money - a lot of money - building and marketing resort condominiums, marinas, office parks and other developments along the North Carolina coastline in the 1980s.

It was boom time at the beach, and Duggins was thick in the middle of it.

"It was as hot as it could be," he said.

In all, Duggins was involved in an estimated \$175 million worth of development, including The Myrtle Beach Yacht Club and a mile-long stretch of Kure Beach.

Building resort condominiums was a no-brainer at the time, the 70-year-old Duggins said. Investors could rent the condos and make a sizeable profit by depreciating their properties.

But the high life came to a crashing halt when Congress approved the Tax Reform Act of 1986. With one broad stroke, President Reagan eliminated many corporate tax shelters and raised capital gains taxes and depreciation timetables.

The legislation lowered the tax burden for millions of Americans, but it almost ruined Duggins and other real estate investors.

Duggins said people who bought his resort condos began to unload them.

"They would call me up and say, 'Murray, what have you done to me,'" he said.

The beach real estate market dried up, and Duggins and others who had invested heavily in oceanfront property were left holding the bag.

"I lost everything," Duggins said, including his house.

While other developers trapped in the backlash avoided paying back the banks, Duggins said, he would do no such thing. Nothing is more important in business than your reputation, he said.

Duggins said he found himself driving around in a used Ford Taurus. His wife, Nancy, went to college and became a dental hygienist to help the family get by.

Duggins had done nothing illegal, nothing improper. Mostly, he said, he just got involved with some partners who failed to hold up their end of the bargain.

Although down, Duggins was far from out. He still had some profitable rural housing complexes for low-income families that he built starting in the 1970s with loans through the Farmer's Home Administration.

He also had many people in Fayetteville who still believed in him, including a couple of bankers. It took time, but Duggins managed to land back on his feet - not through the glitzy, high stakes ways of his past, but by building apartments for the poor.

To date, Duggins said, his United Companies own and manage about 70 affordable apartment complexes consisting of 4,700 dwellings in North Carolina and South Carolina. He employs an estimated 200 people.

Duggins' projects include the \$110 million federal Hope VI affordable housing apartments that replaced two drug-infested housing projects in Fayetteville.

Duggins believes Hope VI will become his legacy, the crowning achievement for a man who grew up with so little himself.

Murray Odom Duggins sat in his Fayetteville office, surrounded by cherry cabinetry, pictures of family and the many accolades he has accumulated throughout his lifetime.

He wears a crisp white shirt, dress pants and loafers. No tie. No socks. No worries - other than the biggest one of his life.

Nancy, his wife of 50 years, was recently diagnosed with breast cancer. She's undergoing chemotherapy, to be followed by radiation treatments. Doctors say the prognosis is good, but Duggins is fearful nonetheless.

The couple met in 1963 at the Azalea Festival in Carolina Beach. Nancy Trogdon, a Hope Mills resident, was a senior in high school; Duggins a freshman at Methodist College.

A shag dance during the festival turned into a series of dates. Duggins didn't mention it, but he couldn't help but wonder how his future bride - the daughter of a mill worker - could afford so many nice dresses. Years later, he learned that Nancy and three girlfriends swapped their clothing.

Being poor was nothing new to Duggins. He grew up that way himself.

His father, James Nathan Duggins, was an enlisted Army soldier who returned home from World War II in 1945 and soon formed plans to open a store in Reidsville. The store proved to be a big flop, Duggins said, largely because his father was a bad businessman who accepted poor advice from his brothers.

Duggins said his father re-enlisted in the Army, went to Korea, then moved his family to Fayetteville, to what resembled a barracks for enlisted soldiers on land of the future Fayetteville Technical Community College.

Even as a second-grader at Honeycutt Elementary School, Duggins said, he was aware of the stigma attached to living in enlisted housing for low-income families.

After a stint in Europe, the family returned to Fayetteville in 1955 and bought one of the first houses in Lafayette Village. In high school, Duggins worked at the Winn-Dixie where Chris's Open Hearth Steak and Seafood now stands. Again, Duggins said, he couldn't help but notice the privileged kids from Fayetteville High School, who came to the store in their nice clothes and cars.

Duggins knew he would have to work for every dime he would ever earn. When it was time to go to college, he chose Methodist because he had no financial support to go away to a bigger school. Duggins worked his way through college by selling shoes at Belk of Tallywood.

He married Nancy during his senior year at Methodist in 1965 and bought a house in Lafayette Village. The mortgage cost him \$69 a month.

After graduating in 1966, Duggins landed a job as a counselor with the North Carolina Vocational Rehabilitation Agency. He left the agency when it began pairing him with the most seriously injured people. Duggins said he just wasn't cut out for that kind of work.

In 1972, he earned a real estate license and became an agent with United Realty, a company he would later own.

Not long afterward, Duggins began building affordable rural housing complexes, his bread and butter before he moved to Wilmington and started concentrating much of his efforts on developing the coast.

Four years after the collapse of the beach market, Duggins sold United Realty to Ralph Huff, a man Duggins brought to Fayetteville in 1981.

"Early on, he just spent countless hours with me on a daily basis mentoring me and showing me what to do," Huff said. "I was really in over my head. I was 31 years old."

After buying United Realty, Huff went on to become one of the top home builders in the country in terms of volume. Duggins, meanwhile, began to thrive in what by then had become his full-time interest - building affordable housing for the poor.

The Huffs and the Dugginses remain best friends. They were scheduled to tour Europe together before doctors found the cancer.

Murray Duggins believes his next project will be to redevelop the Grove View Terrace housing project, among the last vestiges of Fayetteville's crime-ridden public housing.

Duggins and the Fayetteville Metropolitan Housing Authority have asked local governments to support the demolition of the 212-unit housing project and to replace it with a \$35 million public-private investment. The new development would be financed largely through federal tax credits and other government funding, similar to Hope VI.

Duggins sees Grove View Terrace - near the intersection of Grove Street and Eastern Boulevard - as an eyesore along a gateway to the city.

Duggins holds a fierce loyalty to Fayetteville and wants to see it included among cities that are continually recognized for innovation, forward thinking and quality of life. He doesn't think fondly of the bright young men who grow up here only to leave for the perception of greener pastures.

Members of his own family were among those who left, until Duggins lured them back with jobs in his company.

Daughter Denise's husband, Jim Smith, is now chief executive officer of United Companies. His oldest son, Murray Duggins Jr., left BB&T and is now vice president of wealth management. His youngest son, Wade, oversees the company's construction work.

"To me," Duggins said, "one of the best things I have ever done was to get them all back here." Now, the challenge is to get the Duggins' matriarch free of cancer.

While Murray Duggins has built dozens of affordable housing apartments across two states, his wife has volunteered tirelessly behind the scenes. Nancy Duggins has served on too many boards to name, including the Cape Fear Valley Health Foundation.

In May, the Dugginses were recognized at the Cumberland County Distinguished Citizens Dinner for their selfless devotion to their community.

Duggins said his wife's health is now his only concern. He doesn't want for anything else. He seems more interested in how to give his money away than how to spend it. This month, Methodist University announced that the Dugginses had pledged \$300,000 to the university. Duggins credits his ability to give back to his failure at the beach.

"It was a very eye-opening experience," he said. "I think you can't be successful until you have experienced failure."