

# Builders give up on river condos

## \$65 million project in LR shut down

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Jim Hathaway of the Hathaway Group said Monday that developers of a \$65 million luxury condominium venture near the Arkansas River have decided to discontinue the project because of the worsening economy.

In January, Hathaway and his partners in River Tower LLC announced plans for The Ashford, a 14-story project in Little Rock with condominiums selling for up to \$2.4 million. The Ashford was to be built at 2100 Riverfront Drive in Little Rock. Construction was expected to begin this summer.

"I am writing on behalf of River Tower LLC to let you know that my partners and I have reluctantly decided to terminate our preconstruction activity regarding the development of The Ashford," Hathaway said in a letter to Little Rock Mayor Mark Stodola and copied to members of the Little Rock Planning Commission and the city directors. "Given the enormous amount of time and money which has been invested to date by everyone concerned, this has been a difficult decision."

The reasons for the decision included fewer-than-expected sales before construction, the downturn in the housing market and "the uncertainties of our current business cycle," Hathaway said in the letter dated Friday.

The Ashford was to have had  
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## Ashford

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units ranging from 2,000 square feet to 3,500 square feet and selling for \$1 million to \$2.4 million. The average price per square foot for the condos was about \$500.

At the time, Hathaway said The Ashford would "offer a level of amenities and finishing out that surpass anything in this market." He compared it to upscale condominiums in Dallas and Atlanta.

"When you attempt to do a project like this, there isn't any one single event" that stops it, Hathaway said in an interview Monday.

Kathy Deck, director of the Center for Business and Economic Research at the University of Arkansas in Fayetteville, said the brakes are being applied to similar projects nationwide.

"There were a lot of projects that were being designed, not just in Little Rock but across the country and also in Northwest Arkansas, with the very upscale client in mind," Deck said. "What you see in today's marketplace is that the net worth of lots of individuals has taken severe hits, as has the ability to finance projects like this."

Hathaway said he believes the project still can be done at some point.

"Our timing just wasn't the best," Hathaway said. "But I'm pleased that we're not sitting there with a building coming out of the ground right now."