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Hotel

NexGen adds 1st extended-stay hotel to diverse asset lineup

by Avalon Jacka

ENGLEWOOD – A local private real estate acquisition, development and investment firm purchased a 113-room hotel in the Denver Tech Center in an all-cash transaction.

Greenwood Village-based **NexGen Properties** acquired the Homewood Suites by Hilton Denver Tech Center, located at 199 Inverness Drive West, from **Silverwest Hotels**. The property sold for \$14.2 million in December, according to SKLD Information Services. **Mark Darrington** and **Larry Kaplan** of **CBRE** brokered the transaction on behalf of the seller, while NexGen was unrepresented.

Built in 2008, the four-story, 93,026-square-foot hotel sits on 3 acres. The Homewood Suites features studios, and one- and two-bedroom suites that are fully equipped with in-suite kitchens. The hotel offers a number of amenities, including a 24-hour fitness center, sport courts and an indoor pool. The hotel provides free breakfast daily, as well as a complimentary evening social featuring beer, wine and snacks.

The property offers accessibility to Interstate 25, E-470 and the Centennial Airport. The submarket also benefits from its proximity to Park Meadows Mall, southeast Denver's largest retail destination; major employment centers in the aerospace, finance and professional services sectors; and health care centers like Sky Ridge Medical Center and



NexGen Properties purchased the 113-room Homewood Suites by Hilton Denver Tech Center, located at 199 Inverness Drive West, for \$14.2 million in December.

UCHealth Steadman Hawkins Clinic Denver.

NexGen was attracted to the hotel's strategic positioning as the only Homewood Suites-branded hotel in the Denver Tech Center and its location in the Inverness Business Park, which offers a mix of resort amenities and Class A office space.

"We knew we really liked the demand drivers and demographics at this location," said



Travis McNeil

Travis McNeil, NexGen Properties president. "This acquisition helps us build our position in the submarket

following our 2023 acquisition of nearby 384 Inverness Parkway, a multitenant office building."

The location is performing "exceptionally well," with strong occupancies and average daily rates at the top of its competitive set, a statement from NexGen said. The hotel benefits from recurring corporate accounts and loyal brand enthusiasts.

NexGen plans to complete an extensive \$5 million renovation to bring the hotel up to current brand standards. Hilton will present NexGen with a new 15-year franchise agreement upon completion of the product improvement plan. The firm partnered with Greenwood Village-based **Renasant Hospi-**

tal, which is also a minority owner of the hotel, to oversee the product improvement plan and manage hotel operations.

"We are thrilled to partner again with NexGen on this exciting acquisition," said **Scott Somerville**, Renasant Hospitality CEO. "The Homewood Suites is perfectly positioned to serve the area's business and leisure travelers. The renovation will ensure the property offers an elevated, modern experience that aligns with the needs and expectations of today's travelers and Hilton Honors members."

NexGen aims to grow its partnership with Renasant through the acquisition of additional select-service or extend-

ed-stay value opportunities in the Mountain West region.

The acquisition marks NexGen's first extended-stay hotel acquisition adds to a hospitality portfolio that includes the Hampton Inn & Suites Greeley. The firm's business strategy is to seek value creation opportunities in commercial real estate across all asset classes.

"After our success with the Hampton Inn & Suites Greeley, we are excited to embark on another hotel renovation with Renasant and have full confidence in their ability to manage the hotel to best-in-class standards," said **Matt Bernstein**, NexGen Properties



Matt Bernstein

vice president. "We were able to acquire a top-performing extended-stay hotel at a significant discount to

replacement cost, which leaves us confident in our all-in projected basis. Upon completion of the product improvement plan, NexGen will benefit from the hotel's healthy cash flow from operations for years to come."

NexGen Properties' holdings include flex industrial, office, hotel, retail, medical and land pad site assets across the Front Range and in Minnesota. Renasant Hospitality manages hotel properties primarily in Colorado, as well as in Ohio and Argentina. ▲