

TRAVEL AND HOSPITALITY

Xenia acquires Ritz-Carlton Denver for \$100M

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The Ritz-Carlton, Denver boasts a downtown location. Image credit: The Ritz-Carlton

By STAFF REPORTS

Hospitality investment firm Xenia Hotels & Resorts, Inc. has added The Ritz-Carlton, Denver to its portfolio, scooping up the downtown property for \$100.25 million.

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The 202-room mixed-use hotel development was bought for about \$496,000 per key. This is Xenia's second Ritz-Carlton hotel, including The Ritz-Carlton, Pentagon City in Arlington, VA.

"We are excited to have added a premier luxury hotel in one of our long-term core markets to our portfolio," said Marcel Verbaas, chairman and CEO of Xenia, in a statement. "As one of the few true luxury offerings in the city, and with guest rooms that are unrivaled from a quality and size perspective, the hotel's positioning in the market is uniquely differentiated.

"With the hotel having received approximately \$60,000 per key in capital expenditures over the past few years, The Ritz-Carlton, Denver is positioned particularly well to benefit from the many demand drivers in the downtown Denver market," he said.

Denver development

The Ritz-Carlton, Denver recently underwent an extensive renovation, which included its rooms and public areas such as its restaurants, spa and lobby. The hotel sits within a development that includes residences and apartments.

It is also situated nearby to a significant number of offices, the Colorado Convention Center and the University of Colorado.

The property's RevPAR was \$248 for the year ended July 31. Xenia estimates that the hotel will generate EBITDA of \$2.5 million through the end of the year.



The Ritz-Carlton, Denver's lobby was recently renovated. Image credit: The Ritz-Carlton

"While Denver has experienced significant lodging supply increases over the past few years, strong demand growth has allowed the market to absorb these supply increases and we view the long-term market fundamentals favorably," Mr. Verbaas said. "The acquisition of this hotel further improves our overall portfolio quality and demonstrates our ability to source high-quality assets in major lodging markets at attractive prices.

"We believe that our asset management platform will be able to drive significant value at the property as the hotel is able to take full advantage of the recently completed renovations," he said.

Beyond hospitality, Denver's real estate market has been on the rise.

Luxury home sales in the United States continue to be on the upswing, with 19 markets hitting double-digit growth in July. Realtor.com's Luxury Home Index analyzed the top 5 percent of all residential sales, considered the entry-level luxury price tier, in 91 counties.

In Colorado, Denver and Douglas counties saw double-digit year-over-year growth alongside Boulder. Luxury homes in Denver and Boulder usually sell in less than 95 days, marking a turnaround for a state whose real estate market stagnated in early 2017 ([see story](#)).

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