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## NexGen Properties Acquires Hampton Inn and Suites in Greeley

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Greenwood Village-based [NexGen Properties, LLC](#) (“NexGen Properties”) has acquired the 74-key Hampton Inn and Suites in Greeley for \$7.95 million.

The 3-story, 48,980-square-foot hotel will diversify NexGen Properties’ real estate holdings with its first hospitality acquisition. The seller, Fort Collins-based [Spirit Hospitality](#) (“Spirit”), developed the Hampton in 2006.

NexGen Properties was the highest bidder for the hotel after it was marketed for sale on the Ten-X auction platform by Hunter Johnson with Hazen Hospitality Group. Spirit concurrently listed the Holiday Inn Express and Candlewood Suites hotels in Loveland, CO on Ten-X, both of which are under contract with a separate buyer.

The Hampton was challenging to market due to the CMBS loan placed on the property, which needed to be either assumed or defeased by NexGen Properties. After evaluating the two options, NexGen Properties was risk-averse to the recourse requirement of the CMBS loan and therefore elected to defease. The replacement of the securities was an arduous process that took place over several months. NexGen Properties selected Security First Bank of Lincoln, NE as the replacement lender. The aggressive interest rate and loan-to-cost offered by Security First Bank will enable NexGen Properties to drive income with a favorable cash-on-cash return.

Hampton by Hilton® is the industry’s leading upper mid-scale brand. NexGen Properties’ strategy for the hotel is to complete extensive renovations through the completion of a product improvement plan (“PIP”) that will bring the hotel up to current brand standards. With the completion of the PIP, Hilton® will provide NexGen Properties with a new 15-year franchise agreement. Even without the renovation, the Hampton is performing exceptionally well, with strong occupancies and ADRs at the top of its competitive set. The hotel benefits from reoccurring corporate accounts and loyal brand enthusiasts. NexGen Properties has partnered with Greenwood Village-based [Renascent Hospitality](#) (“Renascent”) to oversee the PIP and manage hotel operations. Renascent is also a minority owner of the Hampton.

NexGen Properties looks to expand its hotel allocation through the acquisition of other select-service hotels in the Mountain West region. NexGen Properties’ business strategy is to seek value creation opportunities in commercial real estate.

“In the early stages of COVID-19, we evaluated which real estate asset classes would experience the most adverse impacts from the pandemic. Even though hospitality was not a focus at that time, we concluded that we should focus additional efforts on acquiring hotels to take advantage of potential softening in the hotel market,” said Travis McNeil, president of NexGen Properties. “This led us to our new strategic partnership with Renascent. We are excited to embark on this new partnership with their team and have full confidence in their ability to manage the hotel to best-in-class standards.”

“NexGen Properties’ willingness to deal with rigidity of the Ten-X platform coupled with the in-place CMBS loan enabled us to acquire a top-performing select service hotel in the heart of one of the fastest-growing parts of Colorado at a significant discount to replacement cost,” said Matt Bernstein, director of acquisitions and asset management at NexGen Properties. “We look forward to improving what is already the best performing hotel in its competitive set. Upon completion of the PIP, NexGen Properties will benefit from the hotel’s healthy cash flow from operations for years to come.”

*Photo courtesy of Nexgen Properties*

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