

Hotel Teatro – Downtown Denver

Location: Denver, CO
Acquisition Price: \$35.5M
Year Developed: 1998
Rooms: 110 Rooms
Amenities: F&B, Meeting Space, Fitness Center, Business Center and Electric Vehicle Charging

Bullseye Deal

- Rooms-oriented
- High margins
- High growth market
- Heart of demand location
- Strong RevPAR

Investment Thesis

- High quality hotel
- Off-market transaction
- A+ core location in high growth submarket
- Lifestyle appeal
- Accretive to RLJ:
 - ~\$223 Stabilized RevPAR
 - ~32% Stabilized Margins
 - Over 10% Stabilized NOI Yield



Denver Market & Submarket Highlights

- Denver is one of the fastest growing markets
 - Growth has been driven by tech and life science firms, venture capital and population growth
 - Diverse demand generators attracting leisure, corporate, and group
- Benefiting from existing and emerging corporate expansions and relocations
 - Xcel Energy, DaVita Inc, Amazon, Meta, Palantir Technologies, McKinsey & Company
- Denver International Airport expansion is currently underway
- Redevelopment of the 16th Street Mall
 - New restaurants, shopping, and entertainment, in vicinity of Hotel Teatro
- Nation leading RevPAR growth +8.4% from 2009 – 2019

Hotel Highlights

- Walking distance to newly expanded Colorado Convention Center
 - \$233M expansion completed in December 2023
 - New 80,000 SF rooftop ballroom
- Offers immediate access to existing and developing sports facilities and newly expanded Convention Center
- Unencumbered boutique lifestyle hotel, well-positioned to capture the experiential traveler in a seven-day-a-week demand market

