



SGI

STELLAR GROUP INVESTMENTS



CAUSEWAY BAY HOTEL & CONVENTION CENTRE REDEVELOPMENT

Transforming a legacy 300-room hotel into a vibrant mixed-use destination – featuring a 150-key hotel, 150 multifamily residences, and a state-of-the-art 26,000 SF convention centre.

Executive Summary

Stellar Group Investments (SGI) is redeveloping the former Causeway Bay Hotel in Lansing, Michigan, into a premier mixed-use destination. This transformative project will reposition the legacy 300-room property into a modern hub comprising:

- 150-key upscale hotel designed to capture regional business and leisure demand.
- 150 multifamily residences targeting young professionals and families seeking quality housing in a growing market.
- A 26,000 SF convention and event centre, leveraging Lansing's strategic location and strong corporate, academic, and civic demand.

The project sits on a 2.26-acre site with a 206,807 SF building footprint, just 25 minutes from the Capital Region International Airport. Lansing's population and household growth trends, combined with rising demand for flexible hospitality and rental housing, position the redevelopment for sustained cash flow and value creation.

With a total project cost of ~\$10.15M, SGI brings decades of experience in construction and redevelopment to deliver a landmark asset that integrates hospitality, housing, and event space into one vibrant community destination.

HOTEL REDEVELOPMENT – 150 KEYS

The hospitality component of the Causeway project involves repositioning the legacy 300-room Causeway Bay Hotel into a modern, 150-key full-service hotel. The redevelopment will right-size the asset to align with market demand, while upgrading amenities to attract both business and leisure travelers.

- Room Count : 150
- ADR :\$105 (vs. Lansing market ADR \$112.34)
- Target Occupancy : ~55% (aligned with market average 54.1%)
- RevPAR Projection : ~\$57–60 stabilized
- Amenities : Restaurant, bar, spa, pool, fitness center, and access to the 26,000 SF convention/event space
- Strategic Advantage : Located in Lansing’s growing corridor, 25 minutes from Capital Region International Airport, with strong event demand from local government, universities, and corporations

Financial Summary

	2025	2026	2027	2028	2029	2030	2031
Revenue							
ADR	\$5,748,750	\$5,863,725	\$5,997,386	\$6,100,619	\$6,222,632	\$6,347,085	\$6,491,763
Less: Vacancy	(\$3,449,250)	(\$3,225,049)	(\$2,998,693)	(\$2,745,279)	(\$2,800,184)	(\$2,856,188)	(\$2,921,293)
Total Room Income	\$2,299,500	\$2,638,676	\$2,998,693	\$3,355,341	\$3,422,448	\$3,490,896	\$3,570,470
Other Income	\$3,814	\$4,376	\$4,973	\$5,565	\$5,676	\$5,789	\$5,921
Total Revenue	\$2,303,314	\$2,643,052	\$3,003,666	\$3,360,905	\$3,428,123	\$3,496,686	\$3,576,391
Operating Expense	\$1,224,977	\$1,396,313	\$1,578,115	\$1,758,260	\$1,793,426	\$1,829,294	\$1,870,766
NOI	\$1,078,337	\$1,246,740	\$1,425,551	\$1,602,645	\$1,634,698	\$1,667,392	\$1,705,625

The hotel delivers a stabilized, cash-flowing hospitality platform supported by convention traffic and market occupancy trends, with upside potential through repositioning and modernisation.

CONVENTION & EVENT CENTRE – 26,000 SF

The redevelopment preserves and enhances the property’s 26,000 SF of meeting and event space, transforming it into a modern convention centre that will serve as a catalyst for hotel occupancy, F&B revenues, and community engagement. This space is designed to attract corporate events, trade shows, and social gatherings, leveraging Lansing’s role as a government, university, and business hub.

Size: 26,000 SF flexible meeting and event space

Revenue Model (from model): ~\$18,000 monthly from hall rentals (4 halls @ \$4,500 each)

Facilities: Conference halls, banquet spaces, breakout rooms, and integrated service areas

Demand Drivers:

- State government and legislative events
- Michigan State University and regional academic institutions
- Local corporate, association, and civic functions

Strategic Advantage: Direct synergy with hotel operations, boosting occupancy, ADR, and ancillary F&B revenues

Financial Summary

	2025	2026	2027	2028	2029	2030	2031
Revenue	\$219,960	\$224,359	\$228,846	\$233,423	\$238,092	\$242,854	\$247,711
Expenses	\$73,320	\$74,786	\$76,282	\$77,808	\$79,364	\$80,951	\$82,570
NOI	\$146,640	\$149,573	\$152,564	\$155,616	\$158,728	\$161,902	\$165,140

The convention centre acts as a high-margin revenue engine, while also serving as a demand driver that strengthens both the hotel and multifamily components of the project.

MULTIFAMILY DEVELOPMENT – 150 UNITS

The redevelopment introduces a 150-unit Class A multifamily community designed to capture the growing demand for quality rental housing in Lansing. With thoughtfully planned unit sizes and competitive rents, the residential component provides a stable, recurring income stream that complements the hotel and convention centre operations.

- Unit Count: 150
- Net Rentable Area: 75,000 SF
- Average Unit Size: 500 SF
- Average Monthly Rent: \$750/unit
- Stabilized Annual Gross Rent: ~\$1.35M
- Demographic Drivers:
 - Median Household Income (3-mi): \$56,444
 - Household Growth (2024–2029): +0.46%
 - Median Age ~36 → strong base of working professionals and young renters
- Strategic Advantage: Diversifies project income, reduces reliance on hotel demand cycles, and positions the site as a true live-work-stay destination.

Financial Summary

	2025	2026	2027	2028	2029	2030	2031
Rental Revenue							
Gross Potential Rent	\$1,350,000	\$1,390,500	\$1,432,215	\$1,475,181	\$1,519,437	\$1,565,020	\$1,611,971
Concession	(\$3,240)	(\$12,932)	(\$13,463)	(\$13,867)	(\$14,283)	(\$14,711)	(\$15,153)
Bad Debt And Othe Loss	(\$6,480)	(\$25,863)	(\$26,926)	(\$27,733)	(\$28,565)	(\$29,422)	(\$30,305)
Model and Employee Units	(\$3,240)	(\$12,932)	(\$13,463)	(\$13,867)	(\$14,283)	(\$14,711)	(\$15,153)
Vacancy Loss	(\$1,023,750)	(\$96,563)	(\$85,933)	(\$88,511)	(\$91,166)	(\$93,901)	(\$96,718)
Total Rental Revenue	\$313,290	\$1,242,211	\$1,292,431	\$1,331,204	\$1,371,140	\$1,412,274	\$1,454,642
Other Income	\$4,320	\$16,994	\$17,689	\$18,220	\$18,766	\$19,329	\$19,909
Total Revenue	\$317,610	\$1,259,205	\$1,310,120	\$1,349,423	\$1,389,906	\$1,431,603	\$1,474,551
Operating Expense	\$270,000	\$548,100	\$564,543	\$581,479	\$598,924	\$616,891	\$635,398
NOI	\$47,610	\$711,105	\$745,577	\$767,944	\$790,982	\$814,712	\$839,153

Multifamily provides long-term cash flow stability and strong occupancy support from a growing, income-stable renter base.

