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Developer buys land for homes in Ontario

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By LESLIE BERKMAN The Press-Enterprise

With a dwindling supply of lots ready for home building, a developer earlier this month completed one of the first purchases of unimproved residential land in western San Bernardino County since the housing crash.

Forestar Land Partners, a joint venture between Foremost Communities and Starwood Capital Global, said it closed escrow April 7 on 71 acres planned for 422 homes in Ontario's master planned New Model Colony. The price was undisclosed.

Steve Cameron, president of Irvine-based Foremost Communities, said it will be several years before the joint venture creates lots from the land and markets them to home builders. He said the city has approved plans for construction of single-family houses that would be priced to attract first-time buyers and first-time move-up buyers.

In the meantime, Cameron said, the joint venture will work with other developers and the city of Ontario to develop infrastructure, including water service and storm drains, needed to convert existing dairy land into the New Model Colony.

In total, the New Model Colony consists of 8,000 acres planned for 31,000 homes.

The pace of job growth in the Inland region will determine when Foremost Communities will market lots for new housing, Cameron said.

"Affordability is very good now because home prices are down and interest rates are low," he said. "But what drives the housing market over the long term is job growth."

Cameron said the joint venture was interested in buying land in the New Model Colony because it is surrounded by freeways and within commuting distance to major employment centers.

Also, Forestar Land Partners in March bought for \$9.5 million at a trustee sale 217 roughly graded lots in Riverwalk Vista, a master-planned community in Riverside. As part of the transaction, the joint venture acquired the rights to serve as master developer of the entire 100-acre project located south of Interstate 91 at La Sierra Avenue.

In addition, Cameron said Forestar has purchased unimproved land for 75 homes in Chino Hills. He said Starwood Capital Global is a private equity firm based in Greenwich, Conn., that has raised \$1.8 billion to invest in real estate and Foremost Communities is its exclusive residential development partner in Southern California.

Tom Dallape, who represented the seller, Levine Investments of Phoenix, said since the first of the year he has seen heightened interest from developers to buy land in the top markets.