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Foremost Invests in Retail Market

***By Kelsi Maree Borland** | Los Angeles*

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DIAMOND BAR, CA—**Foremost Cos.** has purchased **the Ranch Center** and **Oak Tree Plaza**, two value-add **retail** properties in Diamond Bar, CA. This is the investor's first **commercial property** purchase. Foremost typically acquires residential land in Southern California. It purchased the two adjacent retail properties for a total of $23 million.

"We traditionally invest in residential land, and we have done quite well in that business," **Steve Cameron**, president of Foremost Cos., tells GlobeSt.com. "This is an opportunity for us to diversify our real estate holdings with an income-producing asset." The company plans to continue acquiring income-producing and value-add commercial properties throughout Southern California.

These properties were a particularly good fit for the company because of the location. The properties sit on 10.4 acres of land and are visible from the 57 freeway. "This was a great opportunity because both of these properties are located in Diamond Bar, which is one of the best cities in the L.A. basin," says Cameron. "There are great schools and great demographics, and both of these shopping centers, I think, have been undermanaged for the last several years. There is a real opportunity to re-tenant the shopping centers and do some repairs that I think will make the shopping centers much more successful than they have been."

Foremost bought the Ranch Center from **Preferred Bank**, which foreclosed on the property in October 2014. The purchase of Oak Tree Plaza included a ground lease. Foremost consolidated the interest from the ground lease and the underlying fee ownership. After acquiring the properties, Foremost hired **Stonewood Properties** to perform the deferred maintenance as well as structural and operational improvements. They plan to renovate the property to drive occupancy at the center. "Initially, we are going to focus on the things that we can do quickly," says Cameron about the renovations. "We are going to resurface and patch the parking lots, and we will improve the landscaping, which has been allowed to deteriorate. The signage is also below quality, so we will address those issues right away as well."

The property is approximately 80% occupied by a tenant mix that includes **restaurants, medical offices**, a bowling alley and retailers.

Retail properties are becoming a hot commodity. Earlier this week, we reported that Laurus Corp. purchased the **Howard Hughes Center** for $111 million. The investor also plans to renovate the property, in this case, to the tune of $30 million.