

Overcoming Land-Scarcity Issues In SoCal

Being creative, flexible and persistent is how Foremost Cos. optimizes its portfolio despite a dearth of available land, the firm's Steve Cameron tells GlobeSt.com in this **EXCLUSIVE** interview.

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IRVINE, CA—Being creative, flexible and persistent is how **Foremost Cos.** optimizes its portfolio despite a **dearth of available land**, the firm's president **Steve Cameron** tells GlobeSt.com. According to the firm, Southern California remains an area where builders and **developers** look not only to maintain their current land pipelines, but grow them by 25% or 30% as well.

Realistically, that kind of growth will be difficult to attain because of the scarcity of developable land. In fact, there are relatively few opportunities to replenish the pipeline, let alone grow it. In this exclusive interview, Cameron offers some examples of how the company is addressing and overcoming these challenges.



An aerial shot of Terramor, an unimproved 890-acre property located in the Temescal Valley, south of Corona, CA, which has been approved for Foremost to build 1,443 homes.

GlobeSt.com: *Are there any specific factors contributing to the scarcity of developable land in Southern California?*

Cameron: There are various factors contributing to the scarcity of land for builders and developers. A major factor we've been facing in the Inland Empire is that more single-family permits were pulled from 2014 to 2016 than lots were developed. According to a forecast from **Province West**, a real estate brokerage firm focused exclusively on

advising its clients in the **acquisition**, capitalization, and **disposition of residential** land, there will be 36,000 building permits pulled in the Inland Empire over the next three years. Builders currently control approximately 18,000 lots in the region that can be built on over that three-year period, resulting in a need for an additional 18,000 lots. The problem is that the number of lots in the Inland Empire under development is significantly less than 18,000.

GlobeSt.com: What has your firm done to address and overcome some of these challenges?

Cameron: The land scarcity challenge has driven us to optimize our portfolio by being creative, flexible, and persistent. Our current development pipeline includes projects encompassing master-planned communities as well as urban infill and **redevelopment** opportunities throughout Southern California.

GlobeSt.com: Are there trends in master-planned-community developments that allow your company to maximize land value?

Cameron: Yes. One example is **Terramor**, a master-planned community being developed on the largest undeveloped residential land parcel on the Interstate 15 corridor in Southern California's Temescal Valley. The community is nestled into the hills with views of the Santa Ana Mountains and is approved for 1,443 single-family homes designed specifically to meet the needs of 55-plus age-qualified buyers as well as all-age families. Approximately 80% of new-household growth at the national level is coming from **55-plus** buyers, and we were able to maximize the land value at Terramor by creatively adjusting to new trends in 55-plus living: the desire for carefree maintenance, large entertainment areas, quality finishes and cost-saving energy efficiency. The homes are also being built with an emphasis on indoor/outdoor living, more options for pet owners, open floor plans, and dedicated space for guests. Terramor's resident clubs will offer indoor and outdoor spaces to rival those of a luxury resort, with the Terrace Club being exclusively for Terramor's 55-plus residents and featuring a range of first-class amenities.

GlobeSt.com: What is your growth strategy in this land-scarce environment?

Cameron: In addition to staying in tune with current trends, a growth strategy in a land-scarce environment requires a willingness to go the extra mile. At Terramor, we widened roads and constructed bridges, a sewer lift station and two large water tanks, as well as built a 5,000- square-foot recreation center. At our **Deerlake Ranch** project in Los Angeles County, we worked diligently with the county and neighbors to obtain more than 170 easements necessary for the construction of a sewer line through an adjacent community. In addition to building two bridges spanning a total of 600 feet, we also worked with adjacent land owners to acquire several additional parcels of land that will facilitate the development of Deerlake Ranch. Another one of our sites, **Greentree Ranch** in Riverside County, was quilted together from about 16 parcels of land to create a project totaling 300 acres. For this project, we are also processing a specific plan and EIR through the county. We will continue to make adjustments to the way we do business in order to cope with the land scarcity our industry currently faces in Southern California. It isn't always easy, but firms that can deploy healthy doses of creativity, flexibility, and persistence will lead the way.