

FORESTAR BUYS 230 ACRES IN LA COUNTY NEXT TO TOLL'S PORTER RANCH

By: [Les Shaver](#)



Deerlake Ranch

Last week, Forestar Land Partners II—a venture between Newport Beach, Calif.–based Foremost Communities and U.S.–based private investment firm Starwood Capital Group Global—bought a 230-acre parcel in Los Angeles County, which it plans to turn into 314 luxury, large-lot homes.

The hillside property, Deerlake Ranch, is in an affluent neighborhood in the northwest region of the San Fernando Valley region and sits next to a [Toll Brothers](#) site called Porter Ranch (a Shapell Industries property taken over by Toll in 2013). While having Toll next door didn't seal the deal for Steve Cameron, president of Foremost, it certainly didn't hurt. Toll closed 151 homes at Porter Ranch in 2013, and another 84 through the third quarter of 2014 (though those numbers are preliminary), according to Metrostudy. "We're the next canyon over," Cameron says. "We like being neighbors with Toll Brothers because we know they're going to do an incredible job of executing and building."

But even without Toll's presence, Cameron says the Forestar venture would have been interested in Deerlake Ranch. "It's extremely difficult to find buildable land in LA County," Cameron says.

Cameron was familiar with the property after working with the seller, Presidio Chatsworth Partners, on entitlements. "When the property came to market, it was listed through a land adviser," he says. "We knew the project well and we made the bid to win."

Cameron, who has been developing in California since starting Foremost in 2007, plans to handle the development at the site and sell Deerlake's lots to builders. He expects the homes will range from \$1.2 million to \$1.7 million (with an expected revenue of around \$500 million for the entire project). Those prices mean that limited amount of builders can build out Deerlake Ranch, which will have three lots sizes—5,000 square feet, 6,000 square feet, and half an acre.

About 73 acres of land will be set aside as open space, and the property will be laced with multiuse and equestrian trails that link to an existing network surrounding the

area. Two of Deerlake Ranch's four neighborhoods will be private and equestrian-oriented with guarded gates. It also will have a resort-quality pool complex.

"That's not every builder's niche," Cameron says. "So we probably know who we're going to talk to."

While Cameron added lots at Deerlake, his overall goal has been selling lots. He wanted to pare down his 8,000-lot portfolio by 1,000 lots and is more than two-thirds of the way there after [jettisoning](#) 622 lots to D.R. Horton and 76 lots to Woodbridge Pacific Group.