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Foremost Communities Changes Direction and Name with SoCal Retail Acquisition

By Alex Girda, Associate Editor

The changing real estate landscape is challenging investment companies to alter their strategies and even diversify their portfolios. Foremost Companies is one such entity. The company recently acquired two adjacent shopping centers in Diamond Bar for a combined \$23 million.

The Ranch Center and Oak Tree Plaza are located on Diamond Bar Boulevard, and together occupy an area of 10.4 acres. Offering a joint total of 120,000 square feet of retail space, the two properties feature a tenant mix that includes dining spots, medical offices, a bowling alley, as well as a number of retailers that service the community. Foremost has tasked Stonewood Properties to act as property manager for both centers.

The acquisition of two retail centers is slightly out of left field for Stonewood. The entity currently owns or manages 12,000 lots throughout SoCal and has moved \$200 million worth of land to home builders during the past few years. In order to further illustrate the adjusted trajectory followed by the company,

the name of the firm was changed from Foremost Communities to Foremost Companies. The acquisitions

were made in order to diversify the company's portfolio with "income-producing assets", noted company president Steve Cameron.

Preferred Bank provided acquisition financing for both centers, while also being the seller in the deal perfected for The Ranch Center. The bank foreclosed on the property last fall. In the Oak Tree Plaza deal, Foremost acquired and consolidated

the interest of the long-term ground-lease tenant and the underlying fee ownership while restructuring a new lease with the anchor tenant.

