

Newport Beach Developer Wants to Build More 55+ Communities in the Inland Empire

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The two-county region has affordable residential land and, like just about every submarket, a population that's aging. The task now is to identify the places where those kind of communities will work and secure the land.

When Steve Cameron looks at demographic data, he sees mainly two things: millennials at one end, and people 55 years and older at the other end.

"It's like a dumbbell," said Cameron, president of Foremost Cos., a land investment firm in Newport Beach that buys property, entitles it, then sells it to homebuilders and commercial developers. "You have two very large population groups at both ends, and not so much in between."



Millennials – also called Generation Y – are generally defined as anyone born between 1982 and 2004. They're a solid demographic, one often identified with technology and social media, but they aren't flocking to buy homes just yet.

"They're a lot like people who came up during the Depression," Cameron said. "They came of age during a very tough economic time, and most of them are holding back when it comes to buying a house. For us, they're more about the future."

It's the 55+ crowd that Cameron is after. He cites estimates that the demographic – which includes the Baby Boomers – controls approximately 70 percent of the wealth in the United States.

"That's a lot of money," Cameron says.

It's also a growing demographic. By the mid 2020's, twice as many people will turn 65 than turned 65 in the 1980s and 1990s, according to the U.S. Census Bureau.

Many people 55 and older want to live in a community that's designed specifically for them, one with amenities that provide for an active lifestyle: recreation and community centers, hiking trails, a fitness center, a swimming pool, possibly a golf course.

In December, Foremost announced such a project, one that will be developed in Riverside County just south of Corona and will be restricted to people at least 55 years old.

Terramor will be a master-planned community on 961 acres in Temescal Valley. The site, which is being graded, is one of the largest undeveloped residential land parcels on the Interstate 15 corridor. Terramor will include many of the aforementioned amenities, including a 20,000-square-foot clubhouse, and will be developed by Forestar Toscana Development Co., a joint venture between Foremost and an affiliate of Starwood Capital Group in Greenwich, Ct.

The project's first two neighborhoods are expected to open this year.

If things go as planned, Foremost will be buying a lot of land in Riverside and San Bernardino counties, property that will eventually become housing for people 55 years and older. While all of Southern California is ripe for such development, the Inland Empire figures to get more of it than any other region, Cameron said.

"It has plenty of population in that age group, and it has a lot of open residential land, much more than other regions," Cameron said. "We expect it to be our busiest market over the next 25 years."

The Inland Empire is also centrally located. Once it's built, Terramor residents should be able to get anywhere in greater

Los Angeles area, not county rush hour, in about two hours, Cameron said.

"There are improvements being made now along the 91 Freeway and Interstate 15 that will make that possible, and that can be an important selling point," Cameron said. "People will be able to live there but still go to the church they've always gone to, or to the same doctor. That's very appealing to that age group."

Homes at Terramor will be priced between \$400,000 and \$600,000. Future Foremost developments in Riverside and San Bernardino counties might be priced higher than that, depending on their location, but none will cost more than \$800,000.

"We think \$400,000 to \$800,000 is the perfect price point for that market," Cameron said.

Housing developments for people 55 years old and older are gaining popularity, but they don't necessarily work everywhere, said Jay Prag, professor of economics and finance at the Drucker School of Management at Claremont Graduate University.

"It will [differ] from community to community, depending on how much space is available," Prag said. "Some of the older cities don't have a lot of land left. But [55+ communities] are safer, and older people want to live in a safer environment, so we will definitely see more of them."

Despite its plans for the Inland Empire, Foremost has no plans to establish a regional office there, at least for now.

"We can drive to it just fine," Cameron said.

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