

Builder

THE INLAND EMPIRE STRIKES BACK

Terramor, a Foremost-Starwood master minded project for 55+ and market-rate buyers, breaks ground in SoCal's resuscitated path-of-growth sweet spot.

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Location - Aerial



Terramor, an ambitious new master planned community brainchild of [Foremost Companies](#) and Starwood, will break ground this week in Southern California's Inland Empire. Foremost plans to spend the next year or so on land engineering,

horizontal development, and recruiting builders who, according to plan, would grand open their models in February 2017.

Strategically, the developers are betting that the Inland Empire's recent steady upward economic trajectory can sustain itself through near-term broader economy hiccups, and that the location, natural features, and master plan programming will help future-proof the community across a next cyclical slowdown.

All told, 1,443 home sites on just under 1,000 acres, designed to avail of the [Riverside](#) County Temescal Valley's terraced topography with an array of 16 neighborhoods of classic Mediterranean hillside style homes, will aim at a blend of market-rate and age-qualified 55+ buyers.



Having a major component of 55+ targets, but programmed also to include all-aged residents in some of its villages, is one of the plan's secret-sauce ingredients, Foremost president Steve Cameron told me on the eve of [Terramor](#)'s big coming-out party this week.



Foremost Companies president Steve Cameron

"Giving builders an opportunity to sell into the multi-generational trend, and to offer unique neighborhoods where you can sell to net worth rather than simply to net household income is a great advantage. We've seen it work well in that submarket," Cameron said.

AQ Demographics - National



- The 55+ age segment is the only cohort that will add households through 2020 – increasing from 52 million to 59 million for a total gain of 7 million households.
- The 55+ cohort controls the most wealth – over 11X the wealth of the under-35 cohort and nearly 2X the wealth of the 35-54 segment.
- 77% of 55+ householders are homeowners.

Age Cohort	Current Households - 2014 (Million)	Future 2020 Households (Million)	Avg. Wealth of segments (\$k)	Homeownership rate of segments
<35	26	24	\$76k	33%
35 - 54	45	45	\$444k	66%
55+	52	59	\$840k	77%

In that same vicinity, across the I-15, the principal partners--Foremost and Starwood--teamed up on Sycamore Creek, a master plan that required resuscitation coming out of the 2006-to-2010 downturn. Foremost developed a new elementary school, parks, trails, community facilities, and retail programming that allowed Sycamore Creek to get back on the rails and sell through to builders like TRI Pointe, Woodside, and [Van Daele Homes](#).

The big idea at Terramor, and one we're seeing in more of the new MPCs coming online recently, is integrating market-rate (40%) and AQ (60%) in the same plan, but separating both the neighborhoods and amenities in such a way as to allow 55+ residents space and time that may exclude the younger denizens of the overall plan.



Two community centers, one for “all residents on the market-rate side”, and one for “age-qualified” 55+, will be built at Terramor.

The rationale, of course, is to make it so that new communities appeal to what consultants and demographers have taken to referring to as the "barbell" market segments to win over for the next decade or more: Millennials on one side and Baby Boomers on the other.

Of course, in a marketplace today where Millennials have more significant headwinds, such as lower incomes, little to no savings, tougher access to credit, and student debt burdens, getting a jumpstart on a master plan with the older, less encumbered, and perhaps more motivated group of Baby Boomers is a strategy geared toward out-of-the-gate momentum.

The Terramor design and development brain trust--including SWA Group and Baxter Miller landscape architects, Robert Hidey (clubhouse) and David Sheegog (clubhouse), CDC Designs (interior design), and Bassenian Lagoni (design and

architecture review)--have come up with a two-amenity solution to programming for market-rate residents and 55+ ones in both an integrated, but separate way.

The Terrace Club, on one hand, will cater to the 55+ group, offering a resort-style pool with surrounding cabanas, an extensive health center, multipurpose ballroom, sports bar, and billiards room, among other amenities. The Overlook, for all residents, will have its own pool and recreational facilities.



The backdrop for the engineering and design of the community is a valley--the Temescal Valley--girded by the [Cleveland](#) National Forrest with the impressive Santiago Peak of Saddleback Mountain rearing up in the near horizon--whose natural amenity complements developers' plans to leave more than 50% of the 900 acres as open, undeveloped terrain.

The project is one of the more exciting and heady investments of the recovery, coming as it does, in this place at this time. What no one doubts is that, thanks to various highway infrastructure improvements and the ring-by-ring progression of a path-of-growth rippling outward from the major cities of [Los Angeles](#) and Orange Counties, the Inland Empire is due for a new boom in residential development.

The only question is when, and the question that goes with when is what types of house products and communities will thrive when the moment is right.

It looks as if Terramor may have the data, the design team, and the development savvy and wherewithal to make a good go of it.