SoCal RealEstate

Creating Communities That Appeal to SoCal Baby Boomers

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A kitchen at Terramor features modern finishes and overlooks the Saddleback Mountains. | Courtesy Foremost Companies

The hot housing market in Southern California is providing a chance for Baby-Boomer buyers to cash out of their larger, more expensive homes for a new right-sized home — which is better suited for this time in their life — and pocket the difference, residential developer Foremost Companies reports.

One such example of developments that cater to this demographic group is Terramor, which Foremost is developing just south of Corona, California. Terramor is one of the largest multi-generational communities in Southern California and includes neighborhoods for both 55-plus and all-age residents. The master-planned community is one of the largest undeveloped residential land parcels on the Interstate 15 corridor in the Temescal Valley. The 961-acre property, approved for 1,443 single-family homes, will be developed in three phases.

Foremost Companies is an Orange County-based land investment firm that acquires property in strategic locations to entitle and sell to homebuilders or commercial developers. The company and its affiliates have owned and/or managed more than 12,000 residential lots across California.

SoCal Real Estate spoke with Satish Lion, VP of community development for Foremost Companies, about creating SoCal communities that Baby Boomers can afford but that also meet all their requirements for a new home at this point in their lives.

SoCal Real Estate: What does it take to create communities that are both affordable and appealing to SoCal Baby Boomers?
Lion: Affordability is driven by location and availability of land. In Orange County and other Southern California coastal communities, it's nearly impossible to build something that's affordable. At Terramor in the Temescal Valley just south of Corona, we hit the sweet spot for price and location and are meeting a demand that has not previously been served.

If you're looking to buy a house in a 55-plus community in Orange County, there are not really any options below $700,000. In Beaumont and the low desert, you can find a home for $400,000 and lower, but it's far out and remote. Terramor fills the gap between $400,000 and $700,000, and it's in a prime location: not far out of Orange County and with easy access to most of Southern California. There are not many places where that can be done. Terramor is in a gem of location with a great price point and prime location.

Creating a community that's appealing requires making an improvement to residents' quality of life. This is achieved through finding the right home that's sized correctly, that fits their lifestyle and cost of living. Terramor offers compelling lifestyle benefits that are motivating people to sell their homes and move. The project has breathtaking views of the Saddleback Mountains and Temescal Valley; it offers first class resort inspired clubhouses, miles of walking trails, and parks.

It's not just about building great amenities, it's about activating them. We built an amenity package designed around the ultimate lifestyle and social programing we wanted to achieve. To create an appealing community, you need to decide what lifestyle you want to provide and build amenities to support and promote it.

In which submarkets do these communities work best here, and why do they work?
The old model of building 55-plus communities was huge master plans in the middle of nowhere. You built the infrastructure, amenities, and attractions and figured the people would come. People will move far away because you built all these attractions for them. There's still demand for that, but we're seeing an increasingly new wave of retirees that want to live in central locations with access to local services and amenities; they want to stay connected to their families, doctors, and churches.

With high and rising property prices in coastal markets, a lot of young families are moving to the Inland Empire. We are seeing a lot of buyers at Terramor that are moving to be closer to their grown children and grandchildren. Terramor's central location is allowing them to be closer to their families and remain connected to their lives in Orange and L.A. counties. It's a win-win.

What else is unique about Terramor that is attracting Baby Boomers?
Terramor has a mix of all age neighborhoods and 55-plus neighborhoods creating a truly multi-generational community. Outside of Rancho Mission Viejo in Orange County, there are not many opportunities to buy a house in a 55-plus community and live in the same master plan as your children and grandchildren. At Terramor, you can do this at much more affordable price point.

Later this year we will be opening The Terrace Club at Terramor, exclusively for the 55 plus residents. This is a 20,000-square-foot clubhouse being built on a six-acre site. It will feature a large outdoor pool as well as an indoor pool, pickle ball, bocce, and tennis courts. It will be the nicest facility that has ever been built in the Inland Empire, and we're really proud of it. It's going to be over the top, like going to a really nice resort.

We opened another clubhouse, The Veranda, last year. This is a clubhouse that is open to the entire community. It sits above a zinfandel vineyard and has an outdoor pool and toddler pool. It is a beautiful facility, much higher quality than you typically see. The Veranda is a great place for families to hang out, and if you live in a 55-plus neighborhood, you'll have access to it, and you can bring your grandchildren there.

What else should our readers know about this topic?
Over the next 10 years, more than 18 million people will be turning 65. There will be a strong and growing demand for 55-plus housing; for the most part, this demand is not being met. The Baby Boomer population controls most of the wealth in the country, and we will continue to look for opportunities to provide housing options for this segment.