



Q&A: What's Driving Retiree Community Demand in SoCal?

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By Dennis Kaiser

Satish Lion is the Vice President of Community Development at Foremost Companies. The Newport Beach, CA-based company is currently developing Terramor in SoCal's Temescal Valley. Terramor is a multigenerational master-planned community that will include 1,443 single-family homes spanning 16 neighborhoods when completed. Here, Lion shares a perspective about a recent John Burns study that examines what retirees want in a community in Connect Media's latest 3 CRE Q&A.



Q: Why is Terramor drawing buyers from all over SoCal, especially from high-priced places like Orange, San Diego and Los Angeles Counties?

A: Most notably, affordability. 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. Many who have built up a large equity position in their current homes are able to purchase at Terramor and cash out that equity. They can buy a brand-new home with cash or a small mortgage and put their equity in the bank. And, with the extreme shortage of housing in Southern California, Terramor is one of the few prime locations where they can buy a new single-story, "right-sized" home that fits their needs.

Buyers are also moving to Terramor for other compelling reasons, including enjoying resort-quality amenities and social programming to facilitate a healthy and happy life, and to be closer to their children and grandchildren who live in the Inland Empire.

Q: Share your thoughts on the recent John Burns studies about retirees. Do the retiree amenity preferences match what you are seeing at Terramor?

A: We hired John Burns Real Estate Consulting and did focus groups before finalizing the amenity packages at Terramor, so their insight and research played heavily into how Terramor was designed and amenitized. One of the key takeaways from Burns' studies was that retirees want more parks and open space to enjoy (especially dog parks) and organic gardens. Those born in the 1950s rated dog parks as the No. 1 amenity. At No. 2 was personal or community organic gardens. Other popular features and amenities desired by 55+ buyers (and ones we included at Terramor) include bocce courts, tennis courts, and children's water/play areas. These amenities have resonated with our buyers.

Q: What other amenities or features are retirees looking for in a community?

A: 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 programming we wanted to achieve. The old model of building 55-plus communities has typically been huge master plans in the middle of nowhere. You built the infrastructure, amenities, and attractions and figured the people would come. People moved far away because you built all these attractions for them. Though there's still demand for that, 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.