

# DAILY BULLETIN

## BUSINESS

### **Builders bring ‘smart’ homes with Apple and Amazon to Ontario, aiming at millennials, boomers**



New homes by Seville at Park Place community in Ontario on Monday, May 7, 2018. (Photo by Watchara Phomicinda, Inland Valley Daily Bulletin/SCNG)

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Hundreds and hundreds of new homes, some equipped with new-age “smart home” technology from the likes of Apple and Amazon, are transforming a large swath of

former Inland Empire dairy land that developers for decades had essentially skipped over.

Ontario Ranch, a sprawling collection of master-planned communities that could double the population of its namesake city, is attracting longtime Inland Empire developers as well as builders who have never done big business in San Bernardino County.

Among the latter category, builders like Christopher Homes of Newport Beach and the New Home Company of Aliso Viejo — companies that both develop products for million-dollar markets in Orange County — are now in the midst of their firms' first-ever San Bernardino County projects at Ontario Ranch.

"We are coming out there. We are excited about being there," New Home Company Chief Executive Larry Webb said. "We are really proud of what we are creating."

Webb and his peers have their eye on two demographics: young families and baby boomers.

#### *The newcomers*

Seville at Park Place, New Home's 75-house build at Ontario Ranch, opened in April. Advertised prices for three different floor plans within the development are in the mid-\$500,000s. Seven houses sold during the first two weeks when Seville was on the market, and "young families were at the heart our buyers," Webb said.

"The idea that millennials aren't interested in housing, I think is a misnomer," Webb said. "Millennials are just taking longer to get married. Taking longer to make decisions."

Christopher Homes' neighborhood at Ontario Ranch is called Coventry at Park Place, and advertised prices there are in the low- to mid-\$400,000s.

Elsewhere in Southern California, New Home Co. is selling million-dollar homes at its Avanti neighborhood in Calabasas, as well as its Lucca at Orchard Hills and Morro at Eastwood Village neighborhoods in Irvine. Christopher Homes is also selling seven-figure homes at its Ladera Ranch project in Orange County.

"I think companies like that, coming out here, are a reflection of the growing sophistication of the market here, and the growing recognition by the home building community that there is a lot of opportunity here," said Randall Lewis, executive vice president of marketing for the Lewis Group of Companies.

The Upland-based Lewis Management Corp. and Irvine-based Stratham Group developed Park Place. Lewis Management has an extensive history developing land in the Inland Empire, and both Webb and Jaime Todd, Christopher Homes' vice

president of sales and marketing, said Lewis' involvement attracted them to the development.

The two Orange County firms are among six builders selling homes at Park Place. Another in that bunch, Scottsdale-based Taylor Morrison, chose the site for its first Inland Empire project since the Great Recession.

"We think it's a great market," Taylor Morrison vice president of operations Nicole Murray said. "We like the buyer demand. We think it's a strong jobs center."

There are data points to back up that optimism. San Bernardino County had a 3.6 percent unemployment rate in April, according to the state Employment Development Department. What's more, UC Riverside School of Business Center for Economic Forecasting and Development reports business activity in the region increased by nearly 4 percent from the first three months of 2017 to the comparable period of this year.

Other points in Ontario Ranch's favor include its proximity to community assets like Ontario International Airport and Citizens Business Bank Arena and employers Amazon and FedEx, Todd said.

Although there's still a lot of dirt around new neighborhoods, Todd also said new homes are sufficiently close to such existing shopping centers as Eastvale Gateway and Rancho Cucamonga's Victoria Gardens for current residents.

#### *An open landscape*

Ontario Ranch encompasses about 13 square miles of land that has long been home to dairy farms. [Formerly known as the New Model Colony](#), it sits south of the 60 Freeway and Ontario International Airport.

To the north or to the west, a person traveling outside of Ontario Ranch can expect to find long-lived communities in Ontario or Chino. Someone traveling south or east would end up in the recently-incorporated cities of Eastvale or Jurupa Valley.

Although it's still possible to find dairy cows living in the Ontario Ranch zone, a traveler on an eastbound path could expect to pass a series of new neighborhoods and construction sites before reaching one of the shopping centers or industrial parks that exist alongside the 15 Freeway. A southbound journey would eventually take a driver to the 91 Freeway corridor in Corona.

A commuter traveling from Park Place to a job around the Irvine Business Complex would have to travel about 35 miles to get to work, although paying to use the 261 toll road could shave a few miles off the distance. Downtown Los Angeles is more than 40 miles away.

Nearly 170,000 people lived in Ontario as of the 2016 census estimate. Full buildout of Ontario Ranch could result in population growth of some 165,000 people, Ontario Planning Director Scott Murphy said.

Builders have completed some 1,500 homes at Ontario Ranch, and city officials have approved specific plans for more than 11,200 detached homes and 6,100 multifamily dwellings. Developers also have approvals for nearly 5.2 million square feet of **industrial space and 1.5 million square feet of commercial space.**

**Elsewhere at Ontario Ranch, Brookfield Residential designed the New Haven and Edenglen plans and Lennar Communities planned the site's Grand Park neighborhoods.**

**Yet, as large as Ontario Ranch's area is, it may as well be an infill project when viewed from a vantage point providing a broad look of Southern California, one developer said.**

**"Development skipped over this area for many, many years because of the agriculture and the dairy land," Brookfield Residential vice president of land Dave Bartlett said.**

**In aggregate, Ontario Ranch was the country's 11th best-selling master plan of 2017, according to John Burns Real Estate Consulting. Buyers nabbed a net 712 new homes last year, a year-over-year increase of about 50 percent.**

#### *Attracting buyers*

Sales at Ontario Ranch started in 2011 when Brookfield Residential began to put homes at its Edenglen plan on the market. Coming online at a time when the Great Recession was not just a bitter memory, but a recent one for the Inland Empire, the sales pitch for Eden Glen partly relied upon the incorporation of solar panels and other energy efficient appointments.

Much of Edenglen has already sold, and Brookfield's current focus is its New Haven plan, which may ultimately involve the construction of roughly 2,500 homes.

Brookfield's offerings at New Haven range from Holiday, a collection of two-story townhomes advertised with starting prices in the low-\$300,000s to Summerset, a neighborhood of four- or five-bedroom houses with prices in the \$500,000s.

Relative affordability — "I'm not going to call it affordable housing, but I'm going to call it attainable housing" — and high-tech appointments are parts of Brookfield's bids to attract buyers to New Haven, Bartlett said.

"We offer a smart home in every home," he said. "Basically it comes with an Apple kit that allows you to control your lights, control your shades, control your music."

More than half of New Haven's buyers are millennials, according to data Brookfield reported in March.

Millennials, counted by the National Association of Realtors as buyers 37 years old or younger, actually accounted for more home sales last year than people of any other age group. Millennials, defying the stereotype of a generation that doesn't want to buy a house, amounted to 36 percent of home buyers during the 12-month period that closed June 2017. Baby Boomers (ages 53 to 71) took second place by purchasing 32 percent of homes sold during that time frame.

There are times when buyers on the younger or older ends of the spectrum may be attracted to the same kind of house. A relatively smaller house may be a good fit for a young family or move-down buyers who are "looking for a little less house" and there's not just one profile for an Ontario Ranch buyer, Christopher Homes' Todd said

"The neat thing on this market is it's really a melting point of Americana," he said.

Another major developer, Lennar, has three developments in their Grand Park master plan with posted asking prices ranging from the low \$400,000s to the low \$500,000s. Although the company did not have data available on its buyers, Lennar has also emphasized technology and "smart home" features in its New Haven designs.

"We're also focused more recently on home automation," Lennar Division President Mark Torres said.

That's not just an Ontario Ranch thing for Lennar. Amazon recently announced plans to demonstrate Alexa technology as a means to enable voice control of myriad home appliances as Lennar model sites. Those demonstrations may be available in the Inland Empire within a month or two.

Sales teams are also relying upon social media to attract prospective buyers. Lennar's marketers have shifted their sales campaigns from print ads or billboards to social media and other digital sources. Brookfield and New Home Company executives had similar remarks on their sales strategies.

<https://www.dailybulletin.com/2018/05/20/smart-move-ontarios-dairy-fields-turn-to-techy-neighborhoods-aimed-at-millennials-boomers/>