

Tri Pointe Homes Bay Area Case Study

Tri Pointe Homes Bay Area Division utilizes infill expertise to develop 285 urban homes on city-adjacent Alameda Island.

► Using Infill Expertise to Create Profitable New Urban Opportunities

Background

Tri Pointe Homes Bay Area is a San Ramon-based designer, constructor and seller of premium single-family homes and condominiums. Founded on more than a century of combined real estate industry experience, the company focuses on building quality master-planned and urban infill communities throughout Northern California. Alameda Landing is a maritime-inspired mixed-use urban village located just off Alameda's Webster Street Tube, which attaches the island of Alameda to the city of Oakland. Formally the United States Navy's Fleet Industrial Supply Center, this 72-acre mixed-use urban village is comprised of retail, office and residential. Maximizing space and indoor/outdoor living, the homes are designed to blend with the project's commercial elements and for the way people live. As a proven leader in providing housing that meets the demand for closer-in city living, Tri Pointe

Homes Bay Area was chosen as the exclusive builder of 285 homes at Alameda Landing, which has transformed the once deserted military land into a vibrant community.

Opportunity

Infill is a big part of the Northern California Real Estate market and land entitlement challenges are par for the course in the Bay Area. The city of Alameda specifically is a "hot spot" for development and the approval process for a property of this size and close proximity to the water presented challenges for Tri Pointe Homes Bay Area. As the first redevelopment of its kind in the city of Alameda, Tri Pointe Homes Bay Area was also faced with the task of structuring a fair market-pricing model without having any real estate comps to refer to while simultaneously adhering to the strict affordability quotas set forth by the city.

Solution

Tri Pointe Homes Bay Area worked diligently with the city of Alameda to smoothly work through the various approval procedures set forth by the city. The company was able to bypass the often onerous noise restriction process since the development is separated from the surrounding neighborhoods by retail on one side and the bay on the other. To address the affordability quotas, Tri Pointe Homes Bay Area agreed to build 16 affordably priced homes, donated an acre of land to the city and is providing capital to help pay for construction of another 23 affordable units.

Result

By working cohesively with the city to gain approval, Tri Pointe Homes Bay Area was able to break ground in 2012. The company entered the market at a pricing level in the high \$800,000s for detached homes and mid \$500,000s for attached homes. At a price point marginally lower than median prices in neighboring San Francisco, Alameda Landing surpassed sales and revenue expectations. Additionally, they have been afforded the luxury of securing a diverse community of age, ethnicities and employment, resulting in a neighborhood that truly encompasses the greatness of the Bay Area.

