



Don't Underestimate the Value of Signage in Repositioning Commercial Property: 4 Cases of Successful Virginia Sign Upgrades

HOT TOPIC

Perhaps the changes in Washington will affect economic outlook moving forward, perhaps not. One thing is clear: There are proven ways to improve commercial vacancy rates in any economy, and upgrading signage is one of them.

Much has been written and discussed about vacancy rates throughout the Virginia commercial real estate market. New ways to attract and keep good commercial tenants in the office, industrial and retail sectors has been a hot topic in our region for some time now. Just a few weeks ago, the National Association of Industrial and Office Parks (NAIOP) Northern Virginia Chapter hosted a program in Falls Church, Virginia called: "Case Studies of Successful Leasing Strategies- from Vacancy to No Vacancy." Many of the area's building owners and property managers shared creative and successful ways they filled their spaces and repositioned projects. Signage is one aspect of developers' repositioning plans that gets left out of these discussions, and it's a big perk that can be used to attract strong tenants right along with targeted leasing programs, enhanced amenities, spec suites, and other good marketing ideas.

What does the future hold for the retail industry? Throughout Holiday Signs' service area of Virginia, Washington, D.C., Maryland, and North Carolina, our malls and shopping centers are being transformed to meet the different ways consumers buy goods and services. The

NAIOP group points out that new "lifestyle" centers are popping up throughout the region. To be successful, brick and mortar retailers and their landlords must find ways to stand out over competing e-commerce and changing social trends. Just today in McLean, NAIOP of Northern Virginia hosted another expert panel discussion comprised of retail owners and developers, a retailer and a retail futurist and consultant, who discussed the ever-evolving retail industry.



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Perhaps enhancing retail signage is one topic for Virginia developers to consider as they strategize for the future. The following four sign case studies may help as guides!



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Four recent Virginia Signage Repositioning Projects:

- 1) Rockwood Square
- 2) Hotel John Marshall
- 3) Towne Center West
- 4) Brookhill Azalea



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CASE #1: ROCKWOOD SQUARE

LOW-COST, HIGH-IMPACT

We worked with AREA Properties, LLC of Rockville, Maryland, who recently renovated the Rockwood Square Shopping Center in Chesterfield County, Virginia. The center had a high vacancy rate, but after all the renovations it is close to 98% full, much of which is attributed to the new signs according to Gary Modjeska of AREA Properties. "Signs were a very, very important part of the repositioning of the property," he said.

Since the property was not a high end shopping center, the client wanted signage that would not be real expensive to potential tenants. Gary worked with Holiday Signs project manager, Allen Twedt to come up with a new design for the center's signs. Before renovations, the center had plain, rectangular-shaped box signs with flat faces and poor hodge-podge designs. The client originally planned to replace everything with channel letters but asked us what we thought. We told him we could come up with a nice design for box signs that would include some architectural amenities. If a tenant changes, all that needs to be done is swap out a new face, keeping a new tenant's costs down in the future versus them having to come up with money for a new set of channel letters.



BIG RESULTS FROM SMALL DETAILS

Allen and the Holiday Signs design team utilized an interesting lighting scone detail for the box signs and the main pylon that tied all the signage together. The detail appears on the front pylons as well as the storefront and under-canopy signs. The owner also liked the idea of keeping all the tenant signs consistent and uniform regarding colors and layout. The sign backgrounds are opaque; so at night all that is seen is the copy and the lighted sconces giving the retail center a classy look instead of the typical image portrayed by standard illuminated white background box signs. Adding the simple architectural details and keeping all signs consistent in design supports a unified theme that is attractive to customers and has helped the center grow and thrive again after re-imaging.

This was the first project we provided for Gary at AREA Properties, LLC, but he said he will use us again on future projects because he was so pleased with all aspects we provided him.

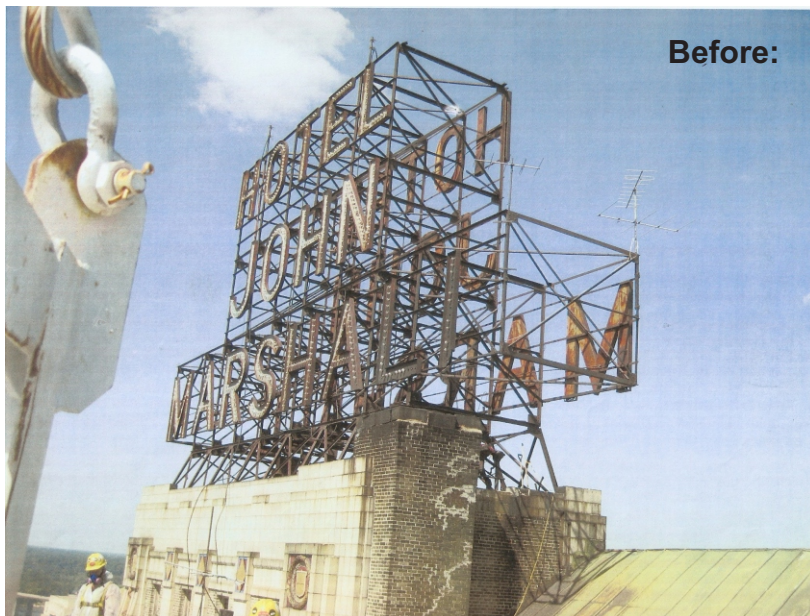
**“Adding
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CASE #2: HOTEL JOHN MARSHALL



Before:



After:

NEGLECTED PAST

The sign on top of the Hotel John Marshall in Richmond, Virginia, was a historic landmark. It needed work to restore it back to its original vitality. Built years ago and abandoned in 1988, it became a ghostly reminder of its neglected past. It was rusting away. The lighting in the 34 large, 7 foot tall letters was the old incandescent bulb type. There were some 1,400 light bulbs per side which were major energy hogs always in need of maintenance. They regularly burned out and there was a big safety concern involved with changing them.

When new owners took on redevelopment in 2009, they needed to make substantial energy improvements to obtain HUD funding. Holiday Signs was chosen as the best firm qualified for the sign restoration. We worked for Choate Interiors, a part of Choate Construction, the General Contractor. Even with the developer's 3-year relationship with another sign company, we got the job because of our technical expertise. Looking at the large sign project from an owner's point of view, we wanted to make the investment in the sign renovation economic over the lifetime of the sign: both initial cost, and operating costs of energy and maintenance. We also had to make sure the new cost-efficient signage was historically accurate.

NEW LIFE

Our creative solution replaced old incandescent bulbs with low-voltage LED lighting that looked historically correct by using modern digital printing technology. We recommended closed face letters with printed covers that would make them look like the old open-faced bulb letters while offering the LED lighting components protection from the elements of the harsh rooftop environment. We demonstrated prototypes and then met with the Chief Architect for the National Park Service (since the hotel overlooks Richmond's Slave Trail it is under NPS jurisdiction), and representatives from the City of Richmond and the General Contractor to tweak the digitally printed bulb designs and LED lighting placement to where all parties were satisfied with the effect.

By utilizing LED, power consumption for illumination was reduced by 70%! As an added value service, we worked with Dominion Power to get the General Contractor a substantial rebate for the huge energy reduction. Today, the renovated sign casts an accurate image of Richmond's bygone era while utilizing many of the benefits of modern-day sign and lighting technology in its day to day operation.

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CASE #3: TOWNE CENTER WEST

LIMITED VISIBILITY

Holiday Signs added two large full-color Electronic Message Centers (EMC's) to an existing double-faced entrance pylon at Towne Center West, a Lifestyle Center owned by Breden Companies. It is located next door to a 1.3 million square foot Super Regional Center, so competition for shoppers is intense.

Prior to the addition of the EMC's, most of the inline tenants had limited visibility to the 25,000+ cars that pass by the center each day. Tenants had spent countless advertising dollars to draw customers into their shops, but that only produced limited results. Breden, anxious to help their tenants increase their visibility and draw in new customers, hired Holiday Signs to evaluate their center.

Holiday Signs specializes in helping developers and shopping center management revitalize the signage for their centers. Many times we recommend updating signage with updated design, new graphics, tenant panels or fresh paint but in this case the main identification sign was only a few years old. A thorough analysis suggested the addition of two new EMC's to the existing pylon would give the tenants their much needed visibility.

IMMEDIATE IMPROVEMENT IN SALES

Once the EMCs were in place and the messages started rolling, tenants began to see an immediate increase in traffic to their stores: "The advertising sign is working great for us," said Kathy Crawford co-owner of HoneyBaked Ham. "HoneyBaked Ham has seen double-digit increases since the digital sign was installed," chimed in her husband and co-owner, David Crawford. He said it's even better that the HoneyBaked Ham corporate office provides digital content for the sign.

Adding an EMC to your signage package is a great way to attract new tenants while retaining existing ones. Many retailers see value in having their messages prominently displayed to potential customers and most will gladly contribute a portion of their marketing budgets to reach them. Landlords understand the value of utilizing EMC's as revenue generators because they are now able to charge their tenants for the number of messages they run each day, week or month. Most importantly, when compared with radio, television and direct mail, the cost per thousand is lower and infinitely more effective than other forms of advertising.

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Before:



After:



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CASE #4: BROOKHILL-AZALEA

DO THE RESEARCH

Research shows that grocery-anchored retail centers have the best survival rates during the toughest economic times and that is one good reason moderate investments in facade and signage upgrades at supermarket-based centers make sense for developers. Economic development officials understand the importance of healthy retail centers and don't want commercial properties in their areas to reach the point of decline.

ECONOMIC DEVELOPMENT VIEWPOINT

Here are some good points about how upgrading signage at declining centers helps from Mike Davidson, Economic Development Director, of Campbell County, in Central Virginia:

"Renovating and retrofitting existing shopping centers makes good economic sense," he explained.

"Refreshing the visual appearance of properties gives consumers the feeling that something new has happened and helps to retain and improve traffic into those centers."

Mike recommends re-purposing centers when they become vacant with new or different uses to revitalize existing property that has already had considerable investment in installing infrastructure, and he referenced a recent success story of this kind from his area.

"This also helps to prevent blight from creeping in to areas," he pointed out.

"Having something nice & appealing rather than worn and old always enhances the opportunity for consumers to want to visit and see what is being offered in those centers," he said.

Neglected retail centers are often viewed as one of the top culprits of crime and the decline of neighborhoods, conditions that lead to lower property values and tax revenues. Offering their help for ailing commercial developments, cities and counties across our service area have special matching grants and tax credit programs in place for signage and storefront renovation.

(All of these case studies can be found and shared online at <http://www.holidaysigns.com/category/hs/>)

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