

NRAAO 2017 ANNUAL CONFERENCE

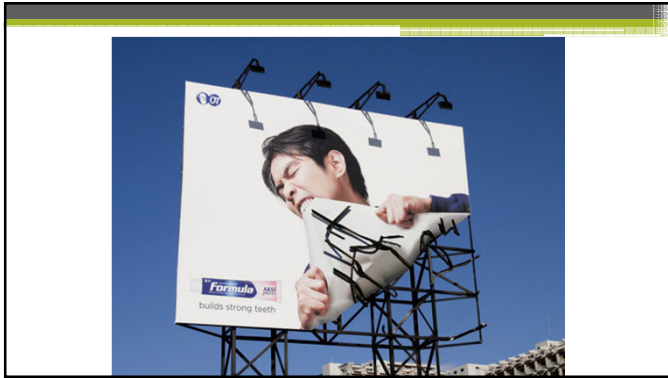
Sun May 21 - Wed May 24, 2017 Mystic, CT

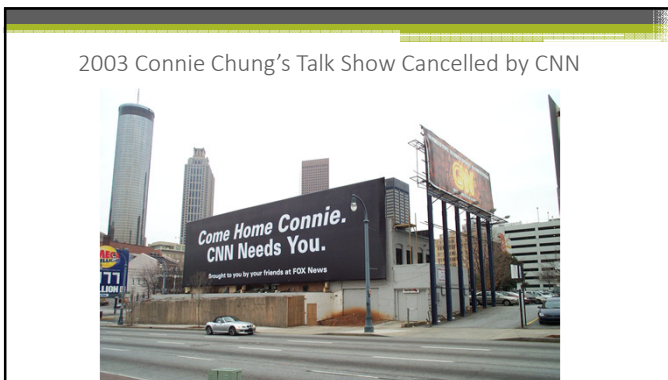
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SIGNVALUE
Billboard Valuation & Advisory Services





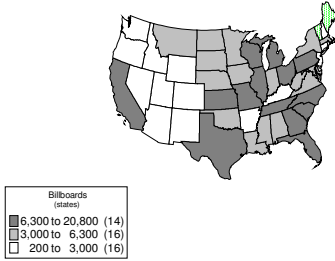




Number of Out of Home Displays

Number of Out of Home Displays (2016)			
Billboards	Street Furniture	Transit	Alternative
Bulletins 158,868	Bus Shelters 49,082	Airports 68,560	Arena & Stadiums 1,352
Digital Billboards 6,400	Urban Furniture, i.e. Phone Kiosks Newsracks	Buses 205,426	Cinema 34,350
Posters 185,606 faces	Digital Urban Furniture 699	Subway & Rail 184,078 faces	Digital Place-Based/Video 1.25 million screens
Junior Posters 33,336 faces		Mobile Billboards 1,200	Interior Place-Based i.e. Convenience Stores Health Clubs Restaurants/Bars
Walls/Spectaculars 4,029		Truckside 2,732 vehicles	Exterior Place-Based i.e. Airborne Marine Resorts & Leisure
		Taxis/ Wrapped Vehicles 46,194	Shopping Malls 30,532
		Digital Transit 3,760	Digital Shopping Malls 120

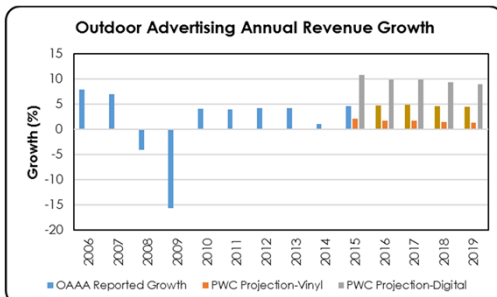
Billboards on Highways in the United States



Market Share in the United States



Historical Revenue Growth



Demographic Tracking



Driverless Cars Coming



Trends in Billboard Leases

- City Development Fees
- Landlord (or Municipality) Usage
- Revenue Sharing
- Revenue Reporting
- Holdover Periods
- Rights of First Refusal
- Cell Antennae Rights
- Sign Management vs. Site Lease (Ownership)

Leased Fee Interest - Billboards

The value of the landowner's interest in billboard site lease income is known as their "leased fee interest."

Leased Fee Interest - Expenses

A landowner's billboard site lease income is usually reduced for minimal operating expenses (say 8%).

- Management (5%)
- Legal (2%)
- Accounting (1%)
- (exceptions can be Gov. Fees, etc.)

Leased Fee Interest - Cap Rates

Cap rates are like other net leased investment rates (typically between 5% to 10%).

- PWC Net Leased Investor Survey
- Local Net Leased Retail Sales
- Billboard Property & Easement Sales

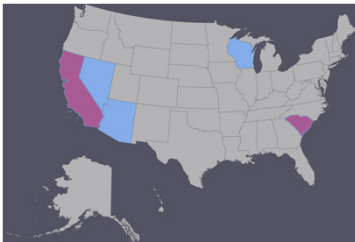
Leased Fee Interest – Cap Rates Continued

Transactions with higher cap rates sometimes involve less knowledgeable Sellers.

More Knowledgeable Buyers:

- Billboard Owners
- Easement Investors

Informal Survey of Five States



Pink – Billboard Leases Rarely Assessed Blue – Assessed or Can Be Assessed

States Where Billboard Lease Income is Rarely Considered

- California (after a sale, if lease has over 30 years remaining)
- South Carolina (if the sign is on a parcel over .25 acre)

States Where Billboard Lease Income Can Be Considered

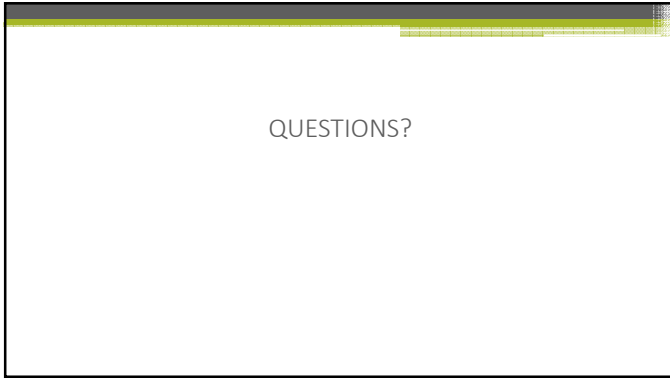
- Arizona (Pima County 2008 appealed/discontinued)
- Wisconsin (Milwaukee adds value of leases)
- Nevada (lease income can be considered, but is not today)

Additional Considerations

- 26 States Have Centrally Assessed Property Depts. (mines, airports, billboards?)
- 28 States Commonly Used Income to Value Commercial Property
- Local Statutes and Case Law
- Challenges (lobbies, appeals, etc.)

Billboard Real Property Interest





QUESTIONS?



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