



Making a Convert of Us All: How Keylock Storage's Reno Conversion Hit the Lease Up Jackpot

Case Study:
KEYLOCK STORAGE



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Case Study: Keylock Storage

It takes a mere 10 seconds to realize that Keylock Storage in Reno, Nevada is unlike the self-storage facilities we're accustomed to seeing. Driving towards the main entrance you'll see vehicles of all shapes and sizes approach the gate, then approach the high speed overhead doors to enter without ever stopping at the old fashioned metal keypad to get out....punch in a key code....reenter their vehicle... and then continue on their storage journey. Rather, they stay in their vehicles for that entire process and gain mobile entry to the facility via smartphone app.

From there you'll watch tenants literally drive inside the massive former K-mart turned storage facility, all without so much as rolling down a window.

Once inside, you'll see these same tenants grab their phones, press a button on the screen, and enter their unit. No fumbling for keys, no stressing to remember codes or use intercoms, no hassles at all.

We live in a world of keyless entry, and yet seeing mobile smart entry in practice at a facility this large is still truly a sight to behold. More impressive still is how the same space that once held everything from eggs to tires to t-shirts now houses 890 climate controlled, smart storage units.

In what follows, we explore how the Keylock Storage team selected the site, undertook the massive conversion project, and leveraged the latest technology available to make this a modern self-storage feat.

Keylock Storage At A Glance 890 Climate Controlled Units **55% Occupied** in Six Months



We'll also highlight Keylock's incredible lease up, unique product offering, and premium pricing model. Whether you're looking to convert an existing space into self-storage, acquire a facility in a second-tier market, or build a modern facility with the latest technology, this case study has something for you.

The Biggest Little City in the World Gets a Big Ole Storage Facility



The story of Keylock Storage in Reno, Nevada started with a goal: to create a self-storage facility in a promising market that took customer experience and elevated it to the next level.

When AJ Osborne, founder and President of Keylock Storage, entered the self-storage sector from the insurance world, he knew that there was unlimited potential for the industry that just hadn't been tapped into yet. Businesses in other verticals were leveraging technology to automate business practices and delight their customers – why couldn't a self-storage facility do the same?

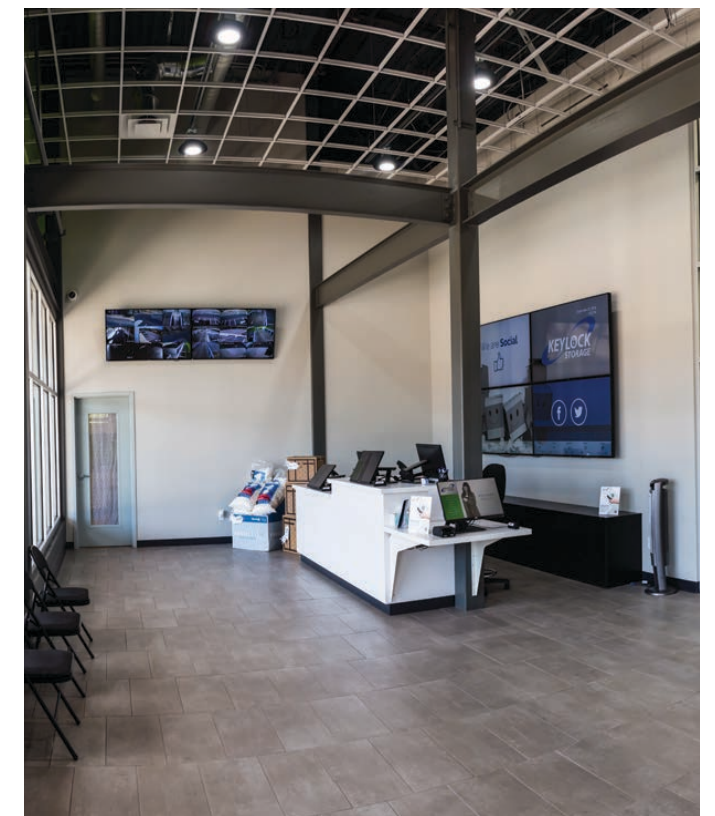
Fast forward to June 2018. Keylock Storage opens its Reno, Nevada location complete with 112,000 rentable square footage and a total of 890 units.

Making a Convert of Us All: How Keylock Storage's Reno Conversion Hit the Lease Up Jackpot

This massive space contains a mezzanine outfitted with swing doors, as well as a fully drive-through space on the bottom floor so tenants can unload their items within the building, and dodge any inclement weather. The office is spacious, bright and welcoming with a multi-tiered desk that holds large touch screen monitors for new tenants to carry out their rentals without the assistance of a manager.

That meant no more waiting in line behind a counter until the manager is finished with the customer in front of you. Tenants can quickly and easily execute their own instore rental, receive a text message linking them to the store's access app, and enter their unit, all without waiting at the counter. There are even hospitable touches such as a popcorn machine, coffee maker, mini fridge stocked with water bottles and a bowl of candy. If you turn your eyes up towards the wall, you'll see the live feed from numerous security cameras located throughout the property so the site manager can keep an eye on activity around the facility.

"It's great to have the monitors in here where the customers can either carry out their own rental or have me walk them through the process," said Marilyn, one of the site managers. "It's a much easier way of doing things than the usual model of having to be stuck behind a desk and filling out paperwork."



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or visit: **JanusIntl.com**

The Keylock Storage Philosophy

“We’re an extension of your home.”
For the Keylock team this isn’t mere jargon on a placard on the wall, it’s the mentality they use to run their business and to train every staff member they hire. The owners of Keylock Storage approach their customer service attitude with the mindset that they’re not here to serve up just another run of the mill storage facility. This team has a very specific goal in mind when it comes to how they approach their business model: invest in the customer and not the real estate. So what does that mean exactly? For Osborne and his associates, with their previous acquisitions of existing facilities, this meant finding facilities in second tier markets that are underperforming and leverage technology, customer service,

and better business principals to turn the facility around and generate more revenue. With the Reno conversion, the team had an opportunity to start from scratch and create a storage experience that was all their own.

So many self-storage owners and operators think that the key to increasing revenue lives and dies with occupancy. As Osborne sees it, occupancy matters; but if you’re not addressing unmet needs of the customer base and/or providing low cost, value-add services and then charging a premium for it, then you’re basically throwing away revenue.

According to Osborne: “Too often, owners and managers look at square-footage (physical) occupancy as a



gauge of facility success. The higher the occupancy, the better the facility is performing. But this can be very deceiving. After all, the goal shouldn’t be to have high occupancy but to achieve high revenue. It’s not that physical occupancy should be ignored. It can be a great benchmark across a market to indicate its overall health. If there’s widespread low occupancy, that’s a pretty clear indicator of oversupply. That said, we were focused on other factors.”

Those other factors include identifying customer needs that weren’t being met by the existing facilities in the market. By addressing those needs, you can practically name your price and almost guarantee occupancy, all while providing a better product and higher level of service for your customers. Win-win.

What follows shows exactly how these principals were put into practice when planning, designing, and converting the space in Nevada.



Customers, Customers, Customers: Buying the Customer Potential and Not the Market

The 'Biggest Little City in the World' is a hot market to be sure. If you take a quick glance at any self-storage market analysis of the Reno area, you'll find high occupancies and a plethora of existing facilities. Osborne knew this, but he also knew that he and his team had a golden opportunity; they were going to create a storage facility that not only fit a need in a rapidly expanding market, but that also reinvented the way self-storage look and felt in the market. The Keylock team set their sights on building the first fully climate controlled, drive-through access, mobile entry facility in the market.

Taking the reins and moving in a different direction than the competition certainly has paid off for the Keylock group thus far. Just six months after opening the facility doors, their occupancy rate sits at a staggering 55+%. Such a rapid lease up would be impressive even for an average size facility, but in Keylock's case it's particularly remarkable considering the facility contains 112,000 rentable sq. ft. In addition to leasing nearly half of the climate controlled, indoor units, the team in Reno has moved-in 20+ indoor RV storage customers. Here again, an eye toward addressing a customer

need and understanding their market came into play. As the only provider of indoor RV storage space, they're basically able to name their price, and those are the exact business principles that Osborne and team apply across their entire storage portfolio.

Speaking to the notion of operating differently, "Self-storage performs similarly to retail. You have a store in which you sell products. Customers come in and out daily and have unique needs and circumstances. In the markets we studied, most of the product didn't meet the needs of the client base. The customers had changed, but the businesses hadn't."

For Osborne, it's simple: you buy for the customer base and not the land. Markets with the right type of customers--the ones that pay on time, value service more than price, and want and need a more superior product than what's currently available to them—are the only markets that interest Osborne and team. That's why the Reno conversion made so much sense: climate controlled units and indoor

RV space are virtually non-existent, large units are nearly impossible to come by, and large climate controlled units are nowhere to be found. The emerging customer base in Reno needed these spaces all the same, and before the Keylock team moved into the former K-mart, tenants in search of indoor RV



parking or a climate controlled 10x30 unit were forced into Sparks, Carson City, or even further out to find a solution that fit their storage needs.

Osborne certainly has a knack for finding customer bases in secondary markets that are underserved, meeting their demands, and then charging a premium for providing both the product and the high level of service these tenants demand. While this was certainly the case in Reno as well, the team had yet another trick up their sleeves. They sold the tangential space—the former K-mart parking lot--

to a developer that has already broken ground on a new apartment complex. All of the investors in the project realized the immense value in having future tenants built-in right next door.

All of these factors excited the new investors to the conversion in Reno: they bought into the notion that they could better serve the emerging customer base and then charge a higher rate for doing it. Knowing your market is important, but the Keylock team proves that knowing your customer is just as, if not more important, in today's environment.

The Times, They Are A'Changing

Looking at recent market studies, you can see that conversion projects are becoming increasingly popular and attractive options for storage operators across the US. With the dramatic decline of America's big box retail stores due to the rise of online shopping, there's a surplus of vacant buildings that are just too big for most businesses to inhabit. These spaces are often outfitted with plumbing, wiring, fire systems, HVAC systems, and a sturdy foundation. You can't forget location, location, location! Large retailers built these stores in spots that have great two-way traffic patterns, and typically are located near other businesses in heavily populated residential areas. In most cases changes in customer behavior—the move to shopping online—is what made these businesses close in the first place,



not that they weren't accessible or were poorly located. All of the above were in case in Reno.

A conversion project was certainly not the modus operandus for Ron and AJ Osborne. Prior to the conversion project, the Osbornes acquired facilities, rebuilt, rebranded, and implemented better technology and services principles to maximize revenue.

A conversion project can seem challenging at first glance; however, rather than seeing the size and scope of a conversion project as daunting, Osborne and company made the decision to go with an all-encompassing vendor who would do the heavy lifting on this conversion process, from developing the unit mix to doing the take off to manufacturing and installing the interior systems to providing the access control and security solution, Osborne and team saved countless hours by going with a true turnkey self-storage building partner. That partner? Janus International.

Choosing Janus meant that Osborne partners wouldn't have to burden themselves with the details and piecing together the entire project. Janus provided the A-Z solution for their conversion. Everything from optimizing the unit mix based on Keylock's keen eye for the market, to providing the access control layout to handing the full wiring, installation and front end development for their smart entry and security system was handled by the Janus team.

The large conversion space allowed Keylock to address a number of customer needs with the space: upper level 5x7's units for the nearby college students and the influx of out-of-towners on their way to burning man, a litany of massive drive-up, climate controlled units for commercial customers, and indoor boat and RV parking.

The Keylock team wanted to provide indoor drive-through storage for their customers, but there was just one problem: the Reno heat! Traditional, slow-moving overhang doors let so much precious air conditioning escape with each open that the Keylock team

would've had to pay a small fortune each month in additional utilities to offer this service. So how do you address the slow moving overhang door? You just make the door open and close faster! That's when they brought in high speed roll up doors for the main indoor space. The doors open or close fully in a mere 8 seconds and have a system of lasers to prevent them from rapid closing on vehicles or people. Osborne and team didn't want to stop at drive through loading and unloading for all of their tenants: they wanted to go a step further and provide mobile entry and access, and that's when they once again turned to Janus to install Bluetooth gate and door access



control devices that allow tenants to use their mobile phone or Bluetooth fob to open those high speed doors. Speed and convenience, what's not for customers to love! With the Nokē Smart Entry System, tenants simply tap a button on the app using their smartphone and the door goes to work.

No need to get out of the car, and no need to subject yourself to the intense rays of sun beaming down. This type of consideration for the customer's comfort and happiness is one of the hallmark traits of Keylock Storage itself.

Technology Connected with Security

We've all heard the phrase: don't bring a knife to a gun fight. To varying degrees, we all believe that technology will win the war, and that's why most of us don't make our morning commute via horse and buggy. While some of us are slower to adopt new technology than others, we all believe in the efficiency and convenience technology affords us, especially when it impacts our bottom line. Integrating technology into your self-storage facility just for the sake of being flashy completely misses the point. Osborne knew that if you're going to incorporate advanced tech into your site, it needs to serve a purpose. Technology, when baked into the inherent strategy of your business, can completely transform the customer

experience and create an environment of efficiency and convenience.

That's why, when it came time to choose a security solution for the Reno facility, the Keylock team became one of the first facilities to leverage the all-new Nokē® Smart Entry Security System from Janus International. Osborne notes of Nokē, "It's an amazing tool and did exactly what we've been looking to do: provide a heightened level of security, streamline and make life easier for our customers, and it was a way to use technology as a competitive differentiator." This system from Janus is unique among access control systems because of the electronic lock and motion sensors that are placed inside every unit door. It not only improves security, but also automates



processes like lock checks, overlooks, and in the case of Keylock—move ins.

Since the Keylock facility uses technology that fully integrates with the smart entry system, customers can actually fully execute a rental online. They pick their space, select their insurance level, sign a lease agreement, pay for their unit, and receive a link to download the access app completely online. Adding in the Nokē® system means that customers at this facility can fully move in and use their mobile phone as their access code at gates, man doors, and even their unit. When they're ready to move out, they don't even have to leave the app itself. That means customers at Keylock storage in Reno can rent a unit, move in, and move out all without having to talk to anyone – if that's their preference!

How The Nokē® Smart Entry Works

Unlike the somewhat dated traditional access control systems with keypads at gates and man doors, the Nokē® Smart Entry System is a smarter security and mobile access system that allows you to secure and monitor every door and access point regardless of facility layout.

So what does that mean for your customers?

It's simple: an easier self-storage experience. Having access control literally in the palm of their hands makes every interaction with gates, man doors, office area entry and unit doors just that much more convenient for tenants. Site managers reap the benefits as well; they're no longer tied

to a desk for paper delegation during the lease up process, and they're also not having to run back and forth when customers lose their keys or forget their gate codes. Technology is meant to improve lives and increase efficiency – in the case of the Nokē Smart Entry System, that goal is achieved.

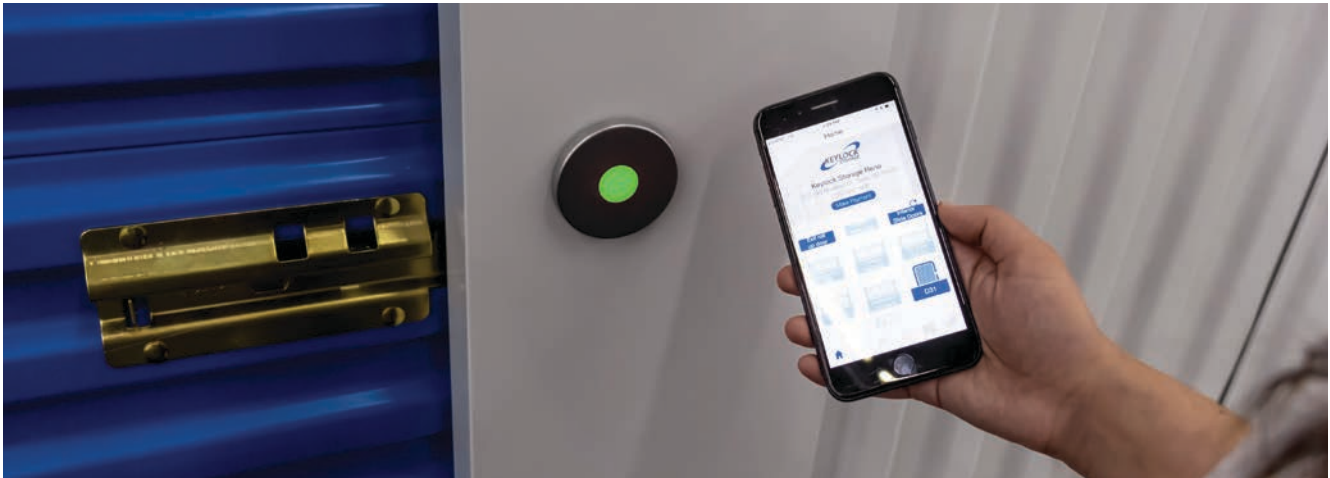


Want to see Nokē Smart Entry System in action? Check out the video below!

[Click here.](#)

Let's take a look at the quick steps from start to finish:

1. Customer executes a rental online or instore.
2. They receive a text message with a code linking them to your branded app.
3. They use their mobile phone number and the texted code at initial login.
4. After setting up a password they're all set to access all gates, man doors, elevators, and their unit with their mobile device.
5. The Nokē® lock inside their unit is engaged every time they close their unit door.
6. They can view all activity and share a digital key all from the app.
7. Easier access + a smarter locking system = a win, win for you and the tenant.



Have questions about a conversion project or the latest in security technology for self-storage?

Give Us A Call!
405-369-4832

Thinking about a conversion or expansion project? Give us a call! We're here to help answer any questions about any phase of the project!

For more information please call **405-369-4832**
or shoot us a note: **sales@janusintl.com**

