



Combining the Best of Two Worlds

Tom and Dave Kern convert a Richmond, Virginia warehouse into a spectacular facility.

By John Dunlap

Imagine that you are starting your own business and need some nice office space. But you also need some storage space for your product. In the past, you would need to go to two separate locations to accomplish your goals. Now, imagine walking into your brand new office—and just outside the door is your self storage unit. Thanks to Tom and Dave Kern, if you live in Richmond, Virginia, that fantasy has become a reality.

The Kern brothers not only have made state-of-the-art office space available with climate controlled self storage. They have done so without breaking the bank, thanks in large part to having purchased a 58-year-old, 77,000 square foot warehouse which they converted it into the impressive AAAA Chamberlayne Storage facility.

The conversion opened recently in the heart of old Richmond. The facility welcomes guests with a beautiful entrance area and it only gets better from there as the office space is wired for Wi-Fi, music is pumped through

the halls and 500 storage units can be accessed via five loading docks, all under cover.

This first-class approach to building a self storage/office space reflects the basic nature of the Kern brothers. They did their due diligence before ever entering the self storage industry. In fact, in March of 2006, Tom attended the SSA's Spring Conference & Trade Show in Chicago just to see what he could learn from the gathering. The experience convinced him to jump into the business.

“We didn’t want to just dive into something like self storage without having a good idea what was waiting for us,” Tom says. “I went to Chicago knowing that I had a lot to learn. The SSA really gave me a great amount of material and topics to choose from and I began learning as much as I could. That gathering confirmed for me what I was already thinking—that self storage was a great business to get into.”

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That being said, 49-year-old Tom and 48-year-old Dave still had to settle on finding a good location and a plan for pulling it all together. The brothers were from Northern Virginia and Tom had attended the University of Richmond, so they both had a pretty good idea of what might work in a city like Richmond. But the trick was finding the right place—and the city of Richmond’s historic flavor actually added to the search.

“Over the last decade or two in the older section of Richmond, a lot of old tobacco warehouses have been converted to condos and apartments,” Tom says. “We came to realize that there were a lot of people living in the old area of the city so they could be close to their work, but there was not much in the way of self storage to serve them.”

“So there was a need,” Tom adds, “but we still needed to find the right spot.”

Bypassing the Broker

The brothers Kern decided to start checking out listing services on the Internet, like CoStar.com and BizNet, and found a listing for an old, battered former textile warehouse located close to I-95 and downtown Richmond. The renovator in Tom liked the idea of converting it into a self storage/office space.

“And we were basically able to bypass using a broker,” he says.

It became a nine-month project that started with gutting the interior, covering the outside with new paneling and brick. And then there was the concept of combining a first-class self storage presentation with new office space.

“There are some people who are looking to start a business or hang up a shingle who just can’t afford to lease 15,000

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The “before” (top of the page) and “after” (above) of the warehouse the Kerns took over and converted to self storage and office space is impressive, to say the least.

square feet,” says Dave, “but they also don’t want to work from home. This is a good place for them to start.”

Self storage veteran builder BETCO helped the Kerns produce a truly unique facility. An office space, including optional storage space, runs in the neighborhood of \$400 per month.

“We see this as sort of an incubator,” Dave adds. “A company can get its start here and then grow to the point where they move to a bigger space.”

The brothers Kern also realize they need to promote their new facility. They have a color LED message board by the road that leads to the warehouse. AAAA Chamberlayne Storage also has its own website, and the facility manager will be expected to get out into the community at least once a month.

The brothers have also started reaching out to the community: The local chamber of commerce helped host a grand opening. And Tom plans to use the first part of 2010 to get out to area apartment complexes to let them know about the facility.

Making the Move

Not bad for a pair of brothers who, prior to converting the warehouse in Richmond, were building and renovating homes on the Outer Banks in North Carolina. But when

the housing market started failing in 2006, Tom realized they needed to explore other options.

“I took it upon myself to start seeing what might be available in the realm of real estate,” he says. “I went to a bunch of commercial real estate conferences. But it was after the Chicago SSA gathering that I finally came to realize that self storage was a good way to go.”

“I’m a numbers kind of guy,” Tom adds, “and what I liked was that self storage was about as close to a passive income as you can get. Self storage is a simpler and easier business to manage. A manager of an apartment complex certainly has a lot more to manage than one for a self storage facility.”

What Tom liked the most about self storage was “low operating costs, the cost to build on a square-foot basis is lower, and when you find the right market the revenue per square foot is comparable to a new apartment.”

Since bringing in a clientele will require not only finding people who need storage space, but those who need office space, as well. Of course, having a business center with computers, nice office chairs and even gourmet coffee can’t hurt.

“We want the entire place to come across as a first-class endeavor,” Tom concludes. “The only problem is that I’ve been trying to catch my breath and just can’t seem to find the time.”

That’s not a bad problem to have after converting a big old warehouse into a big, new self storage and office facility. ❖

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