HonestOnlineSelling.com’s Guide to:

Making Money with Storage Auctions

*Everything You Need to Know*

By:

J.B. Malik, M.B.A., M.S.

eBay Powerseller, Amazon.com Merchant, and MySilentTeam member

[www.HonestOnlineSelling.com](http://www.HonestOnlineSelling.com)
Disclaimer and Legal Notice:

All Information provided is for knowledge purposes only, and does not constitute a legal contract between the author or any distributing party, person or entity, and although every reasonable effort is made to present current and accurate information, the author or any distributing part makes no guarantees of any kind.

In no way does the information represented in this document constitute a representation of earnings, and as with any business, your results may vary.

The use of information, products and services should be based on your own due diligence and you agree that author or any distributing party is not liable for any success or failure of your business that is directly or indirectly related to the purchase and use of our information, products and services.

In no event shall the author or any distributing party be responsible or liable directly or indirectly for any damage or loss caused or alleged to be caused by, or in connection with, the use of or reliance on any such content, goods, or services available on or through any such channel. Copyright (c) HonestOnlineSelling.com All Rights Reserved.
Introduction

Thank you for reading this e-book, kind reader!

My name is J.B. Malik. I’ve been buying and selling online profitably since 1998. I was also a corporate marketing guy who was laid off from a six-figure job, two weeks before I wrote this, from a top advertising agency in NYC. I recently decided to take my online ventures ‘full throttle’, with the intention of hopefully never returning to corporate America!

I’m probably not much different from you. I have a wife and 2 dogs, and a pricey monthly housing payment. I live in Long Island, NY, where living expenses are rather high. Just like you, I have financial concerns and dreams about being financially independent; and I want to be able to fully provide for my wife and (someday) children, so I don’t have to see them struggle. (This book was released in early 2010, during one of the worst recessions in history).

Selling online has given me and my family the ability to have a little extra financial security. I’ve mastered many techniques over the years, and now I’m sharing them with readers like you. My passion (other than selling online) is helping small businesses or ‘micro businesses’ like yours succeed – I’m always rooting for the underdog!

If you haven’t already, please subscribe to my blog and/or newsletter (both at http://www.HonestOnlineSelling.com)

Enjoy the book! And if you want to send me your comments or ideas for future ‘How To’ online guides, feel free to email me at HonestOnlineSelling@gmail.com

Until then – Happy Selling Adventures await!

Do Great Stuff!

J.B. Malik

J.B. Malik

www.HonestOnlineSelling.com

eBay.com Seller IDs: member11756jm, JordansAutoaccessories, JordansEurope

Amazon.com Seller ID: JordansAmazingToys
I. What is a Storage Auction?

As you know, storage unit buildings are everywhere these days. Practically everyone uses them:

- homeowners who have too much stuff
- college students home for the summer
- business owners without a warehouse
- divorcees who have to pack their stuff and leave a home
- Roommates who have to downsize and put their belonging somewhere
- Parents who clean out their kids’ rooms after they leave for college.
- The list goes on and on...

Storage customers rent storage units for $30 and up depending on the size and location of the unit. In my area (Long Island, NY), storage units are EVERYWHERE, and pricing starts at about $65/month for a measly 5 feet-by-5-feet space (think of a very small bathroom).

I want you to look at that list of bullets above – among all those types of people, there is always SOMEONE who goes out of business, or becomes broke, or moves from the area, and they either a.) can't afford the fees, or b.) disappear and leave their belongings behind.

And when those folks don’t pay their storage bills, then the storage facility business has the right to claim their ‘stuff’ and auction it off to the public.

I know it’s sad, but it’s a fact of life. I read somewhere that the abandonment rate of belongings is dramatically increasing. The world is filling up with other people’s ‘stuff’ that they don’t want anymore.

II. Why Storage Auctions?

My focus (and the ‘Holy Grail’) when selling physical goods online is to get a maximum profit for the item. I continuously aim for 100% gross profit margin and up. This means if I pay $100 for an item to sell on (say) eBay, I want to sell it for at least $200. That’s because after
shipping and eBay/PayPal commission fees, materials, etc, I know I’ll make about $80 (or an 80% net profit).

Where the lucrative profits come in is where your profit is exponentially higher than the amount you paid for the item. So if I can buy an item for $100 and then sell it for $300 and up, I am making a very large gross profit margin (200%). In short, buy the lowest you can, and sell for the highest you can.

The beauty of Storage Auctions is that you can very easily find and win an auction for a storage room full of valuable goods, pay (say) $100 for the room’s contents, and sort out the contents and sell the items individually (or altogether) for (say) $500 or $1000 and up (depending on the contents of course).

There are 2 reasons why a storage room’s contents sell for such a low % of the actual value:

- Bidders are not allowed to dig through the contents of a storage room before bidding on an auction. All the bidders don’t know, and/or can’t see, everything inside a storage unit. So they want to mitigate their risk by bidding low. It’s the nature of the game.

- With everyone looking for ‘quick and easy profits’, they tend to avoid the buying and selling activity that requires a little elbow grease – like Storage Auctions. People are generally lazy, and they don’t want to bother with finding a storage auction, travelling to the location, paying cash, and moving the items off the property. And where there’s good, hard work involved at events like a Storage auction, there is less buyers than (say) a wholesale online store. So just by the nature of supply (storage auctions) and demand (local buyers with patience, cash and a large vehicle), the price (of the a storage unit’s goods) is going to be naturally much lower than its contents.

So do you want to earn money with Storage Auctions? You can! How you do it is the key. You have to be smart about it, and you have to know where to find and sell the auctioned items you get your hands on.

This guide shows you how.
III. How To Find Storage Auctions:

Storage facilities that need to sell off the contents of an unclaimed or unpaid storage unit have to hold a public auction. By law, public auctions have to be publically posted.

So, the best places to look are in the newspaper’s classified or buy and sell section. The ad for the auction will look something like the below example:

- The ad will give the dates and times of the auction, the name of the facility, and the address.
- Also check Yellowpages.com (or the printed phone book you get from your phone company) and locate the nearby storage facilities, and call them. They might have a mailing list or a schedule where they can tell you when the next auction is there.
- There is NO reliable national database of local storage auctions, so your best bet is the ‘old fashioned’ methods above: newspaper and phone calls to your local auction facilities.
- Or, click on the below links to these national storage companies, do a search by your zip code, get their phone #’s and call them:
  - UHAUL http://www.uhaul.com/finder/?src=head
  - Public Storage http://www.publicstorage.com/locations/
So get some dates, write them down on a calendar and get your GPS or road map, and attend those auctions!

IV. What to Bring to a Storage Auction

Before you arrive at the auction facility, be sure you have:

➢ A bright flashlight (to shine on a unit’s contents, so you can see what’s there)

➢ A small pad and paper (to write down the # of the unit, if you win the auction)

➢ A few empty boxes (leave this in your vehicle until/if you need them to carry items out of the storage unit)

➢ Trash bags (see above)

➢ Rubber or knit gloves (for protection if you end up winning an auction and handling the contents of the storage unit)

➢ CASH – only if you plan on bidding. If you do plan on bidding, I would bring a maximum of $200 in cash, with a goal in mind of spending $100 max if you don’t see the inside contents of an auction, and $200 if you do (and the items are of value to you). You’ll see some ‘big’ players there with wads of $100s – don’t let that deter you. These folks do a lot of ‘show’ and typically are not a threat.

➢ 1 to 2 PADLOCKS – in the event you are the winning bidder of the contents, you want to immediately lock the unit – ask the facilities manager first.

➢ BRING A FRIEND for help unloading the bin and sorting through the contents.
BE POLITE and FRIENDLY to EVERYONE. The facilities manager and the auctioneer are typically bullied around by bidders, and not treated with too much respect. If you are nice and polite to them, it will go a long way.

V. What (Typically) Happens at a Storage Auction

There could be as many as 20 units being auctioned off in a day, or as little as one. In reality, there is a long length of time between the day the 1st public notice for the auction appears in the paper, and the actual auction day. Thus, some of the unit renters who see the ad will then get nervous, and pay off their balance due, and retrieve their contents, and then that auction will be cancelled. In my experience, about 50% of the renters pay up at the last minute, and the auction for that unit is off. Still, the remaining 50% of the renters do not show up. So those scheduled auctions are still going to happen. It’s a good idea to call an hour ahead of the auction, and ask the auction facilities manager if the auction is still scheduled for that day. Be polite.

Auctions are free to attend. You don’t have to bid or buy anything. You do have to wait for the auctioneer to show up, and they can sometimes be late. There are some rules that the auctioneer will tell everyone about the auction beforehand. If he doesn’t, ask him quietly and politely. You might be the only bidder attending the auctions. Or there might be 20+ people competing with you.

The auctioneer will bring all the bidders to each storage unit, one unit at a time. The facilities manager will unlock the unit. Everyone has an opportunity for a few minutes to look inside. So use the flashlight you brought, as it is typically dark in each unit. You cannot lean into the unit, reach into, nor step into the unit. The auctioneer and facilities manager cannot tell you what the contents are (and they probably don’t know, in all actuality)

The contents of every unit you see, for any auction, will be completely random. Sometimes there will be one or two items in the unit. Sometimes there will be just sealed boxes. Sometimes all you’ll see is furniture. Sometimes your view of the whole unit will be blocked by a stack of boxes that you can’t see around. One thing about auctions is you could hit nothing valuable 7 days in a row, and then hit a gold mine on the 8th day.
After everyone has had the opportunity to look inside the unit. The auctioneer will start the bidding.

Hint: Typically, the FIRST auction of the day is where other bidders are ‘feeling each other out’ to see how aggressive they are going to be. Unless the first auction is a ‘slam dunk’ (i.e. everyone can see it’s loaded with valuable merchandise), bids are going to be tepid at best. Other bidders might get more aggressive during the auctions after the 1st one.

Typically, the auctioneer starts the bidding at $100, then if there are no bids, he will go lower (and start at, say $50). When people raise their hand, that’s the gesture that he will take the bid higher until the highest bidder is unchallenged.

The highest bidder typically has to take possession of the contents the same day. He/she has to sign some paperwork with the facility, and remove all the contents from the unit and ensure it’s reasonably clean of debris.

If you’re going to an auction and you’re super-serious about buying the contents of several bins (which I don’t recommend for your first few auctions until you’ve gotten your feet wet), you want to bring or rent a truck so you can remove the contents while you’re there.

You can’t leave any of the bin’s contents anywhere on the facility’s property. Even if the contents are something you don’t want, you have to haul everything off the property.

VI. Are Storage Auctions a Good Way for YOU to Make Extra Money?

Making money with storage auctions is ideal for people who are unemployed or are work part-time, or are retirees, or are self-employed. The reason I say that is because auctions are typically held during ‘normal work hours’.

So if you’re planning on bidding and winning and emptying a storage unit, you are going to be taking 3 to 4 hours out of your day. This is because:

- Typically, the auctioneer is not always on time
- There is some paperwork you have to fill out before and after the auction (i.e. registering as an attendee)
- You could be viewing from 3 to 20+ auctions that day, with each auction lasting at
least 5 minutes.

So if you have a full-time ‘9-to-5’ job elsewhere, this may not going to be an ideal way for you to make money.

I do recommend storage auctions as a good source of income, even if you don’t own a big van or truck – don’t let that deter you. There are several reasons why:

- Whether or not you own a vehicle, you can still participate in storage auctions - you will just need a way to get the contents out of the storage unit. You can borrow a van from a family member, or go with someone you know who has a van or truck.

- If you can get to a nearby (i.e. under 10 miles) UHAUL or Ryder, you can rent a pickup truck or van or truck, then drive to the auction in the same car. It will probably cost you $30 to $50 to rent it for the day.

- Some U-Haul truck rental stores also have storage units. So that is a double-bonus of convenience for you if you attend an auction at a U-Haul facility. You can rent a truck right there to bring your haul home! Click here to find a U-Haul near you.

- You may also be able to negotiate with the facilities manager to keep your won contents in the bin, HOWEVER that MAY mean they want you to sign a long-term rental contract with them. Some facilities are flexible, however, and may let you keep the contents in the unit for a day or two for a small payment. This is rare, however – their goal is to get the contents out and get the unit rented long-term to someone else.

There will likely be other bidders there that may be competing with you. Some of these bidders can look like surly characters, and can act intimidating. They view you as a threat because ‘one more person is one higher bid’. Typically if you dress ‘nicely’ they’re going to think you have money. They may make remarks to try to deter you, or they might say inappropriate things. IGNORE THEM. You’re there to make some money and have some fun.

(And by all means, if you see friendly bidders, chat them up, they can provide helpful info without them feeling threatened by you). And definitely say a friendly ‘hello’ to the auctioneer and facilities manager.
VII. My Storage Auction Experiences

Last year, I won a storage auction for $1 (the other 10 bidders I was with did not bid at all). The storage unit clearly wasn’t loaded with merchandise. It had several boxes of which no one could see the contents (it ended up being office paperwork - worthless), an air conditioner (that looked ‘new in the box’ but I discovered it didn’t work), and a bicycle. I lugged everything home in my father-in-law’s van, threw out the paperwork and air conditioner at a dump, and sold the bike on Craigslist locally for $20. So I still made a (very small) profit of $14 (the dump fee was $5), and it was worth it for the learning experience.

Just two days ago, I attended two auctions (just for observation purposes), and the winners will easily make a nice profit:

- The first auction looked like the leftovers of a college dorm room – one quilt and several boxes containing mostly CDs, and some electronics. The value was clearly in the CDs (there was at least 300 of them). The bidding started at $50, and the winning bid was $175. If the winning bidder discarded the electronics, then he would have bought all the CDs for 50 cents each. (The winning bidder clearly had intentions to sell the CDs, perhaps online.)

If the winning bidder sold each CD for an average of just $3 each, his gross sales would be $900 or higher. Then, after he deducted the cost of his inventory ($175), eBay (or Amazon) commissions, PayPal, and shipping fees, his net profit would be at least $400. All for about 8 hours of work (2 hours for the auction, and an estimated 6 hours to sort and list the CDs). That’s $50/hour+, just for one ‘win!’ Note: If you’re reading this and saying “Yuck, selling 300 CDs individually? What a pain in the neck!” It’s actually gotten a LOT easier in the past year. There are two easy ways to do sell CDs and other media items in volume, in the next section.

- The second auction was a large unit filled with office furniture from a construction company that went out of business. Nice furniture. There were at least 2 high-back office chairs, one tall file cabinet, a couple desks, a fancy wall painting, some lamps and some carpets. There were several bidders,
and the winning bid was $275. Now, the winner definitely needed some manual help (at least 1 other person) and a U-Haul/Box truck to remove the items. However, he/she will undoubtedly be able to sell all the furniture for $1,000 to $3,000 total. So that person’s gross profit for 1 day’s worth of work will probably be $700 to $2,000.

VIII. How To Sell A Storage Unit’s Contents:

For any items:

1.) Try contacting the original owner of the goods you won at the auction. The goods are legally yours after you provide the winning bid. But it’s perfectly legal for you to contact the owner (if you can find him/her) and offer to sell them the contents of their bin for a reasonable fee where you can make a profit.

2.) Offer your items from the unit to the losing bidders of the same auction (they’re the perfect target customer, as their bidding proved they were interested in your items). As soon as you’re able to, rummage through the boxes inside the storage unit. Some other bidders will be nosy – you don’t have to let them in your bin, but you can offer to sell them some or all of the contents. Let’s say you come across a box of china and you only want to take home small, shippable items. (Remember, you are still responsible for moving all the storage unit’s contents off the property). You can shout out to the bidders who may be stopping by, “Does anyone here want to buy a box of china?” and name your price. Remember, getting even $10 to $20 is worth it, especially if you won the auction for $100 to $200.

For large, bulky items:

1.) Craigslist (free to post): Best for items of value $50 and up to be worth your effort: Furniture, bicycles, major appliances, home decorations, vehicles, yard ornaments, et.
   ▶ This tutorial shows you how to sell an item on Craigslist

2.) Make phone calls via the yellow pages (free unless you’re calling long distance). Let your fingers do the walking! If you won a storage unit full of (say) restaurant chairs, try
calling either a restaurant furniture wholesaler, or some local restaurants, and ask them if they need chairs cheap

3.) Freecycle.org (free to post): For items that aren’t worth anything to you and you want to give away

   ➢ This tutorial shows you how to list an item on Freecycle (you can only give away items on Freecycle. You cannot sell them)

4.) Your friends (free) (for items that aren’t worth anything to you and you want to give them away)

5.) Goodwill stores (free) (in exchange for a receipt that you can use for deductions on your annual tax return)

6.) Yard/Garage Sales (free unless you have to buy a town permit, which is usually $5 to $10. Check your local ordinances).

7.) Flea markets

**For smaller, easily shippable items:**

1.) Amazon.com’s ‘Fulfillment by Amazon’ (FBA) program: An example of how FBA works: Basically, the winner of CDs (mentioned earlier) would just send one box with all the CDs to Amazon.com, and Amazon.com does the selling and fulfillment of orders. Although this seems like Amazon.com would eat into the winner’s profits, he would actually receive MORE profit than the $900 mentioned above). **Click here** for more info on the FBA program, and bookmark it for later! Because if you ever find yourself with a huge volume of CDs, DVDs, or Books, the FBA program should really pay off!

2.) Glyde.com – Glyde.com was founded by an ex-Google employee, and it’s a fast way to load up all your CD’s info onto an online store run by Glyde.com. When one of your CDs sells, Glyde sends YOU the pre-paid mailer. You just drop the CD in the mailer, send it to the buyer, and you get a VERY nice commission (typically, you get 80-85% of the selling price!)

3.) eBay.com – Ebay and Amazon are, of course, the two largest online marketplaces for ‘mom and pop’ sellers like you and me. Most of your smaller goods will probably be best sold on eBay.com. However if your item is not vintage or collectable AND has a
UPC code, you can easily sell it on Amazon.com as an individual merchant (if your product is within Amazon’s approved categories).

- To sign up as an eBay Seller (free to join), click here.
- To sign up as an Amazon.com Individual Merchant (also free to join), click here.

IX. POWERFUL Additional Tools:

Don’t take this section lightly. All these resources are very reasonably priced, and they can help you accelerate your online selling expertise and income. I have used and tested them all – Yes, they really do work and they helped me boost my online income!

- **MySilent Team** – Get personal, expert online selling advice from folks who have already mastered it! Also get access to various tools, conferences, videos and other EXTREMELY HELPFUL resources for FREE. Try it for 5 days for just $5! (A paid-in-full 1-year membership = $14.99 a MONTH – a fraction of what people spend on Starbucks coffee!) I’m a member (userid: jbmali, look for me in the forums) and I can’t live without it!

- **Local Auction Profits** Video course– Have you mastered storage auctions and ready to get into government and estate auctions in your area? This video course covers it all. It’s free for MySilentTeam members, or $97 if you’re not a member. Get the course here.

- Jim Cockrum’s Silent Sales Machine e-book – This is the book that started it all for me, and taught me step-by-step how to be a profitable powerseller on eBay and Amazon. It is free for MySilentTeam members, or $24.95 for everyone else. It’s HUGE, too (well over 100 pages of no-nonsense online selling techniques.) Buy it here.

X. Conclusion:

So, yes – you CAN make money with Storage Auctions! I have witnessed it myself first-hand. Remember the principles – you’re buying goods at a very, very low price. That gives you
the opportunity to make a nice profit margin. With a little elbow grease, some resourcefulness, and a whole lotta positive energy and determination, you can win and make BIG profits!

I hope you enjoyed reading this e-book as much as I enjoyed writing it. Feel free to email me if you have any questions or comments, at: HonestOnlineSelling@gmail.com

And don’t forget to subscribe to my newsletter and blog: www.HonestOnlineSelling.com!