

Storage Auctions Blueprint

Discover Hidden Income Opportunities
Right In Your Neighborhood!



By Philip Duncan

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Introduction To Mini-Storage Auctions

In a poor economy, one thing is certain; people are falling behind on their bills. One of the bills that can easily go unpaid are the monthly bills required to keep additional goods in storage off-site. Americans are powerful consumers, but not good savers. The excess buying power they have often goes to buying luxuries things they just “don’t want to throw away” and they end up in these storage units, just waiting for them to fall behind on their bills.

After some time of non-payment, the storage company has a legal right to the contents of these mini storage units, and can auction them off to the general public to try and recoup the missing storage fees. That’s where you come in and take possession of goods that can be bought at steep discounts to resell on the retail market for a hefty profit.

It’s perfectly legal and it’s a very underutilized method for getting great goods for little money down. I love this type of business model anyway; you are solving problems. The owner of the unit probably would like to have their stuff, but clearly have determined that it’s no longer a priority. The storage company doesn’t want to have incur additional expenses by hiring someone to remove the stuff and clear out the unit.

There are many reasons to get involved with mini storage auctions these days. The stock market has taken a pounding, people are trying to find additional sources of income in a tight economy, and being the owner of your own business is always very appealing. If you also plan to keep your day job, you can remain virtually anonymous doing this type of side business and stay under the radar.

The best part is that mini storage auctions can provide a return on your investment that beats the stock market, while incurring far less risk. Whatever you buy, you get to keep and can use yourself, or you can choose to sell to someone else. The value is intrinsic in the goods you purchase, unlike some investments that can lose their entire value practically overnight.

If you've been looking for some way to make additional money without having to put out resumes and/or be hired at outrageous low wages, this is a golden opportunity. You do not need a special degree or license to get involved in mini storage auctions. The startup costs are relatively low, (certainly when compared to other types of businesses) especially if you already own or know someone with a pickup truck or hauling vehicle.

If you want to keep your current job, but go into business for yourself, mini storage auctions can be just the right type of business to get into. If you want to include a brother, sister, father, or mother, in the business, this is the perfect type of business for a family partnership.

You get to have control of the hours that you work and how often you attend auctions and when. There just are not that many business opportunities out there that offer the flexibility and return on investment that mini storage auctions do.

How Profitable Can It Be?

Generally, you should shoot for an average return of at least 50% on your investment. Fifty percent? Really? This is not hard to do, if you know how to estimate the worth of the contents of a storage unit. This type of return is unbelievable in today's tight markets, but pretty standard in the mini storage auctions business.

However, it does take some legwork and a bit of knowledge on when to bid and when not to bid. There is some luck involved as you most often will not get a good view of the contents in a storage unit. Sometimes you will bid on a unit and find even greater treasures than you saw from the outset. That's when you can make a return of even higher than 50% on the goods that you buy.

Other times you'll bid and find that you're lucky to get your money back out of it. With practice and development of learning the signs of a good storage place and the quality of the unit, you can easily overcome these hurdles.

As with any business, you will also have expenses. There are expenses in transportation, bidding, and selling. For the most part, since you are in business, you should be able to deduct many of these expenses from the taxes that you pay on your income. Even though you do have some expenses eating into the final estimate of the return on your investment, they are not total losses. They will eventually go to offset your taxes.

No business is all profit without expenses, but the expenses can be managed. Some items like tarps, bungee cords, gloves, etc are all one time expenses and will not need to be accounted for over and over again.

A Typical Auction

If you've never been to a storage unit auction, you will want to attend a few before actually bidding. This will help you understand how a typical auction proceeds. Reading how a typical auction proceeds in beneficial, but every storage unit company can have their own way of doing things, so check out a few before bidding. If you are eager and really want to get after it as soon as possible, I still recommend checking out a few first. The experience alone will help improve your return on investment.

There are two ways storage unit companies schedule auctions. Either they do them on a schedule, like once a month, or they wait for a number of units to be past due before scheduling an auction date. Either way, you need to be aware of when these auctions are taking place and what you will need to bring. We will go over how to find auctions in Chapter 2. In Chapter 3, we will discuss the resources you need in order to have what it takes to succeed in this business.

Once you know where they are, you simply show up at a few first to see how they are run. The typical auction will start on time and on-site. The auctioneer will open a past due storage unit and allow a few minutes for potential buyers to peer in to the unit at a distance. (If you're not tall, you may consider bringing a flashlight and a small ladder to view further in; there are stories where the tall person could see what other couldn't and was able to see some big items that were otherwise blocked from view.)

Some storage unit companies will open the contents of boxes to give you a better view of the contents of the storage unit, but most will just open the front door and let you peer in. That's because the contents still belong to the owner until the auction is over.

In fact, the owner can come up a few minutes before the auction to pay off the owed amount and then nothing gets sold. But, if they fail to show up, you won't have much time to decide how much the contents are worth and whether you will bid or not, as the bidding will start almost immediately after the outside viewing.

There will be regulars who show up each time to these auctions, and they will usually bid higher than others. By showing up to a few auctions, before bidding, you will start to recognize some of the faces. These are professional buyers who are probably buying for larger auction houses or businesses. They will typically outbid people on many storage units, especially the larger ones. However, on the smaller ones you will have a better chance of making the winning bid. Plus, you can try to determine what they are looking at when making a decision about whether or not to bid.

If you are the winning bid, be prepared to have cash on hand to close the sale. Most units go for \$300 or less. Storage auctions do not take credit or checks. You will have to go through the content of the storage unit the same day and either throw away or haul away the contents you evaluate.

Storage companies won't allow you to use their garbage bins either, so you will need to separate and haul things directly to a waste area to keep from hauling trash and storing it for later.

If you find something really good in the storage unit, don't be afraid to show it off to the other people attending the auction. You might get someone willing to buy it right off you on the spot. This is just one of the venues we will discuss in Chapter 4, where you will learn about where to resell the items that you buy and make a profit.

You will then need to pack up whatever you want to keep for resale and haul it to your own storage area. This can entail having someone to help load bigger items onto a truck or trailer, and having the necessary safe guards against bad weather.

You don't want to buy the contents of a storage unit only to have it ruined on the way home before you get a chance to resell it.

Some people have specific resale places that they like best, like eBay. We will discuss in Chapter 5 some of the intricacies of reselling on eBay, not the least of which is knowing what sells on this online marketplace. There are some additional skills you will need to sell your items online, versus taking them to a pawn shop or flea markets.

You will also need additional equipment, like a camera to take pictures of goods so that people can see what they are buying online. In general, selling online is much different than selling face to face, so we will explain some of the things to consider should you decide to opt for online sales for your goods.

When To Pass On A Deal

Say you get there and they open up a storage unit that looks like it has some mighty fine stuff, but no one is bidding. What do the others know that you don't know? It's possible they smell mold or see water damage in the storage unit, in which case the odds of getting items for resale is low. Pass on any storage unit that appears to have been breached by the elements.

It also helps to know if the unit is climate controlled or not. Storage companies offer different types of units and the ones that are climate controlled can have more interesting goods, and in better condition too. It isn't just rain that can ruin items like old records. It doesn't mean that you should only bid on climate controlled units, rather that you need to be careful when you see some that may not be.

You have to take into account some of the items you might be targeting, based on their resale value and your marketing strategy. Some people like furniture because it can be easily be sold at auction houses or flea markets. If it is in a state of disrepair, it can many times be refinished and sold for much more. So, these people would bid on storage units that they saw furniture within and no moisture problems.

If you are trying to sell vintage clothing, then you want to be aware that even mice and moths can damage the storage contents, particularly clothing. You might want to see if the clothing was put into bags or if it was just strewn around the storage container. Once you decide what you want to buy, you may decide clothing is not your thing.

Believe it or not, you can even find food in storage units. People have found cars and disassembled motorcycles in storage units. Much of what you find can be a hit or miss affair. You want to avoid roach infested units or units that appear to be damaged by the elements or pests.

Things To Watch For

Since you will only have a few chances to decide whether a storage unit is worth bidding on or not, you need to be aware of some cues that can mean there are valuable items there. If the items are in boxes, you need to evaluate the size and shape of the boxes.

Irregular sizes and shapes indicate that the storage unit is probably holding household goods. Boxes of the same size and shape, stored neatly on top of each other can indicate retail goods or a business storage area. Obviously, the retail goods are usually worth more to you than the household goods.

You need to check the condition of the storage unit too. If you see layers of dust in the unit, it means the unit may not have been opened in years.

This is actually a good sign if you are looking for antiques and collectibles. So, you don't want to buy things that are spoiled, but an older storage unit can yield some good finds, as long as the contents have remained relatively protected. Climate-controlled units suffer less damage and can be a better deal.

I also find it particularly helpful to consider the area where the storage unit is located. Is it relatively close to a good area of town, or near some of the worst? The quality of the boxes and some of the brand names you may be able to spot will also be key.

2

Getting Organized

One of the most important facets of running any business is organization. You want to have a system set up so that you can concentrate on maximizing your profits while minimizing your expenses along the way.

To do this, you need to understand your business process and the different steps you need to take from locating auctions to the actual resale/retail opportunities. If you have a clear idea of what these steps are and how to go about them, you won't waste time in any single step and you will have a much smoother operation.

Organization can be done on paper first, to keep you from making costly mistakes later. You can start by setting up a planner of auctions, locations, schedules, and potential call backs. Other types of organization in the planning phase includes knowledge gathering.

What types of items should you target to acquire? What do these items typically sell for where you plan on selling them? You should keep good documentation of these things so when you get a few minutes to review the contents of a storage unit, you'll have everything you need to make an informed decision on its resale value.

Finally, you will need to organize transportation, help to get your products from the auction site to the new venue for resale, and you will need to establish a schedule of resale opportunities that keeps cash coming in so that your business can continue to grow. All these organizational skills can be fine-tuned as you learn the ropes of the business model that works for you.

Identifying Local Auctions

Identifying local auctions is not as hard as it seems. It's to the storage companies advantage to have people come and bid at their auctions, so it's not like they are trying to keep them a secret. However, you won't see much advertising simply because the idea is to get rid of the items as quickly as possible to whomever shows up and not continue to rack up expenses in dealing with the overdue units.

It's not so much about how much they can make off the auction, as they are not in business to be an auction house, they are in business to rent out storage units. They don't care who shows up and who buys, as long as the stuff is gone by the end of the day.

So, all you have to do is pick up a copy of the Yellow Pages and look for the section entitled "storage facilities." Make sure that the ones you contact are the mini storage unit companies and not the companies selling outside sheds. Another great way to find the same information is online. You can search for the phrase "storage units" in the search engine and your city name next to it. So a search may look like "storage unit Chicago".

You can even just go to the main websites of the brand name companies. They will have a "storage locator" search button and will pull up all of their locations withing a 10 mile radius of where you are.

You can even Mapquest to plot the storage unit company locations near you. If you have an internet connection, you can locate auctions at <http://www.auctionzip.com>. You will have to choose to search only for storage unit auctions as they have all manner of auction events listed.

You simply put in your zip code and ask to search storage auctions and it will pull up a calendar of the events coming up in your area. It couldn't be simpler, but this list will likely be far from all inclusive. They are still dependent on storage unit companies listing their information on a consistent basis. These auction events can also be cancelled, so you want to check the day before to make sure they are still scheduled before taking a trip out for nothing.

If you are setting up a manual list, the key is to get the phone number and give them a call. That's it, really. Ask them if they have any auctions scheduled and how they are run. They are more than happy to tell you anything you need to know. Some will have monthly auctions and you can find out which day of the month they do them. Others, only do auctions when the need arises. Those that don't have a scheduled auction need to be put on a call back list that you use to keep tabs on these places.

If you are more comfortable visiting a place in person, you can usually drop in during the week and ask some questions of the people working. Weekends are typically busier, so they usually have a bit more time to go over stuff with you during the week.

Once you have a good idea of who is having auctions in your area and when, you can start scheduling them based on how far they are from you and when they are scheduling the auction. Obviously, to reduce your gas transportation costs you will want to do the closer auctions first. Definitely make visits to these first to get a feel for how their auction is run and who the regulars are.

Keeping Track Of Date And Times

Keep a calendar with the auction dates out and use it to keep a steady stream of events on your calendar. You may decide you want to do two auctions a week. You will have to see which storage companies in your area will accommodate a schedule like that and use the call backs to fill in when you have a vacancy in your calendar.

Once you have a system going, you should be able to have a plan for where you will be one month ahead of time, for the most part. It can also help you to schedule auctions that are near to each other on the same day to save on gas too.

If there are multiple people involved in your business, they will need to be notified of dates and time that they will need to be available to haul off items from a storage unit company. You can use the phone to help

keep in contact with them, or you can use some of the free calendars that allow people to view your schedule ahead of time.

If you are doing a family business, you can use a Google Calendar to set up your auction events ahead of time. The service is free and it allows you to do your planning online. You can even add some tasks to the day by setting up an account with <http://www.getthemilk.com>, a program that allows you to integrate tasks with Google calendars. This way, if one person is responsible for bringing the tarps and another is responsible for having some dollies on a particular day, they each know what their assigned task is for the day.

Estimating Worth

Before you go, you should know what types of items are of most worth to you. Do you intend to resell furniture? Are you looking for electronics? What about clothing? If you don't have a specific set of items that you want to target now, you should find out what is selling best at whatever place you plan on doing the retailing.

That means that if you plan on retailing your wares at a flea market, you should have already visited a similar venue and priced some items that you might see at a storage unit. Then, you should see whether they are popular sellers or not. This is a little hard to do in a public place, but you can always chat up the vendor.

They don't have to know you are thinking of putting up your own stall and most vendors are pretty amiable. So, you can just wonder if such and such is that popular with buyers, etc and they no doubt will let you know how many they've sold. Not that you can take their entire word for it, but it's a start.

You don't have to be an expert on prices for everything when you start, because you'll really start to see that you're finding a lot of the same types of items and you'll quickly become an expert in dealing with those things. The unique stuff you're probably not ever going to be an expert in dealing with it, so it's better to hold onto that stuff and check some prices online before deciding how much to sell it for.

A better way to estimate the popularity of certain items is to hop online, especially if you plan on selling with eBay. Ebay keeps a list of the most popular items on its website. From there, you can do searches on these items on eBay and start to get prices for the winning bids for particularly popular items. This gives you a great idea of what markets sell best online and what their actual worth might be to you if you place them for sale on eBay too.

Browsing eBay will give you a good idea of how to effectively lay out your ad too. Reviewing the listings will give you an idea of how other people are selling stuff and give you an idea of how you might do it too.

You should keep a notebook of popular and valuable items to refer to when you are going to an auction. It should include an estimate of what the product can resell for on eBay or where you plan to sell. This notebook should be update every three months or so to keep track of trends in the marketplace. You can do it more frequently if you have the time and ambition to do so.

Remember the more in touch you are with market trends, the better you will be able to estimate the value of the contents of a storage unit in the few moments you are allowed to view before bidding commences.

This notebook will come in handy when you are at the auction. You will immediately have a good grasp of what you might be able to sell the contents for, if you done enough research beforehand. Then, just half that price and you can come up with your maximum bid.

Of course, whatever you don't see can add value to the contents and make the return even higher than 50%. However, the conservative way to do this is to estimate the value of the contents from what you can view and then just simply halve it to get your maximum bid.

Know When To Hold Them, When To Throw Away

Let's face it, not everything in the storage unit will be worth keeping. If you choose to keep everything, you will just be eating up extra gas money, time hauling, and storage capacity for things that will sell. When

you find you have the winning bid and close the deal, you will have some decisions to make.

The first decision is to figure out whether you want to hold on to an item or immediately throw it away. It's far cheaper to dispose of items that won't sell or are damaged as soon as possible than to store them in your own storage space.

Most storage companies will not allow you to use their dumpsters. So you will need to do two hauls; one to your storage site and another to the dump. Typically, you will have 48 hours to remove the contents of the storage bin. However, this can differ depending on the agreement that is given to you at the beginning of the auction.

You don't want to dip into your profits because now you're the one that's paying for additional storage. I had one friend buy a storage unit that had six refrigerators in it. By pulling them out and getting them sold quickly, he prevented any additional storage fees that would reduce his overall profits.

Anything that you transport will cost money in gas, so you sometimes don't even want to keep the valuable items if there is an opportunity to unload it immediately after the sale. This is easy enough to do if you make sure to hold up good finds in the storage unit or display it prominently enough while you are loading to attract the attention of other buyers milling around.

If they see something they like, odds are they will ask if you will sell it. If you have the chance to save money on storage and gas (and your aching muscles) go ahead and sell it right then.

You need to separate the wheat from the chaff and put all damaged goods and items that you know won't sell into a pile destined for the nearby dumpster or a haul to the dump. Pack up the valuable items in your pickup truck with care to make sure they don't end up damaged either.

Setting Up Resale Opportunities

Part of your research and organization needs to take into account scheduling resale opportunities. If you are frequenting flea markets, you need to have a steady supply of new items to show off and have them marked up and priced, ready to go to the flea market when you need them.

You may want to keep a separate calendar for resale opportunities or color code the original Google calendar so that you know when you are buying and when you are selling. You will need to have different equipment and items on hand depending on whether you are buying or selling.

For instance, if you are doing flea markets or a garage sale, you need to have change ready for people who purchase. You will want a place to sit and something to shade you from the harsh rays of the sun. If you are buying, none of these items are required. Instead, you might need tarps and ropes to weather-proof your stuff as you take it back to your storage.

Even though the calendar system can be used for resale opportunities, you want some way to distinguish buying ventures from your selling ventures. This way, you know which list of equipment and whom to contact without much thought.

Otherwise, you may find people getting confused as to whether the event you have scheduled is an auction or a resale opportunity. Whichever system you use (a separate calendar or color-coding), be sure to be perfectly clear about these two different activities on the calendars.

If you are reselling online, especially on eBay, you will need to keep track of your offerings and the ending of online auctions. You will have to keep track of your inventory and have a system where your items are photographed, stored and then a listing online is made for it.

You should schedule online auctions so that you always have something in the pipeline, but it isn't overwhelming your capacity to deliver the goods on time. Everything won't necessarily sell on the first try, but you can schedule your listings through eBay and keep track of them through your account manager.

3

What You Need To Succeed

Like any business, you do have to make sure you have the proper equipment and resources to conduct your business efficiently. Mini storage auctions can require a variety of different resources: cash on hand, moving equipment, transportation, help for moving items, and a place to store items prior to reselling them. Fortunately, many people already have much of what it takes to get into this business without too many additional purchases.

Cash On Hand

The most important thing to have at the auction is cash on hand. You will be asked to pay for your bid almost immediately and in cash. Since most storage units will go for a few hundred dollars, you don't have to take out too much money to be prepared.

If there is a very good unit open, it's more likely the professional bidders will try to get those goods and be there with a lot more cash than the newer bidders. It depends, again, on what types of things you are bidding on. You may find, after visiting a few auctions, that storage units with furniture visible go for more than those with other types of goods.

Don't forget to have cash on hand for any temporary workers you might hire to help you load and haul your stuff. There are any number of people who like to make some spare cash for a few hours work. Hiring people by the job can be a bit more difficult to schedule, but it has its advantages. You won't have any employees under your business and you can change people out quickly if they're not working out.

Another time you will need cash on hand is when you are selling in public venues like flea markets and garage sales. There, you are

expected to have enough cash to make change for people. You will want to keep track of the money that you are using for your business versus any personal monies you might have around for personal use. Don't get the two mixed up as later it will be impossible to tell how much you spent, a vital piece of information when doing your taxes.

If you are expecting to do business on Saturday or Sunday, or after banking hours, you will have to plan ahead to have that cash on hand. You will need to schedule a time to go to the bank to obtain cash for auctions or change for garage sales and flea markets. You should establish a separate business account so that your deposits and withdrawals can be tracked easily at the end of the year. Get a receipt for everything you buy and make sure to document your expenses so that you can deduct them at year's end.

Moving Equipment

In addition to a moving vehicle, you need to get some blankets or tarps to protect your goods while you are moving them. You can place the blankets on the truck bed to cushion the items on the bottom, and place tarps on top tied down with bungee cords or ropes to keep any adverse weather from ruining your treasure.

For the actual moving, you want to have some work gloves and some trash bags with you. You won't want to handle everything with your bare hands, and you want to have a way to separate and dispose of items immediately, if need be.

You can also bring along dollies, ropes, boxes, and other types of moving equipment if you think it will help you. There is no set science to moving items and many times all you need is a couple of strong-muscles people to help you lift heavy items from the storage units into your truck.

Transportation

The major piece of transportation equipment that you must have is a truck, a moving van, or a trailer towed by your car. Any of these will be sufficient to help you move your items from the storage company to your location off-site.

Without this piece of equipment, you'll have difficulty moving the larger items away after the auction and you might lose them. Luckily, there are many people who buy trucks for their personal use and they can be converted to a business use. One of your relatives might have a truck and be willing to go into a side business with you. Or, you can go out and look to buy a cheap, beat-up truck, that just manages to take you from point A to point B. If you are using it just to haul goods from a storage bin, it doesn't have to look pretty.

You will have to pay for gas and insurance on the truck, van, or car with a trailer that you are using. You can deduct mileage at a standard rate on your income taxes if you keep track of it following the IRS guidelines. Be sure to look them up on the irs.gov website to make sure that you can deduct your mileage to and from the auction sites. If you are using your personal vehicle for business too, you will have to meet additional guidelines for use to deduct that mileage.

You can lease vehicles as you need them and these can also be tax deductible. Just be sure you are carrying enough insurance should you have an accident as you attempt to haul goods away from the storage company site. And, of course, any damage that happens to those vehicles is still your responsibility, so in the end it can be better just to get a dependable, but aesthetically-challenged vehicle, until you can afford to buy one of your own.

Storage

Like with transportation, storage can often be something you already have in the form of a garage or an outside shed. People who own their own homes are particularly suited for this business because of the way they usually have storage space in their own home, ready to be used to create income for them.

If you have a spare bedroom, this business can give you the flexibility of using the additional space for storing your items, which can end up producing far more income than renting the room out to a total stranger. Plus, you don't have the liability of anyone else getting hurt in your home. A spare bedroom is good for items that need some sort of climate-controlled atmosphere, otherwise, the garage can work well for other items too.

If you have items that don't require climate controls, then you can use a spare shed. You can even buy one of these online for a few hundred dollars and assemble it in your back yard. This has the advantage of keeping your items separate from your household, thus reducing clutter in the home.

The garage, as mentioned earlier, is an optimal storage space, particularly if you plan on reselling via garage sales. This way, you can start to organize your goods immediately upon getting back from the storage company auction. You can start to add stickers to your goods and place them where they will be during your garage sale.

That way, everything is ready to go for the next time you choose to hold a garage sale. This is really advantageous if you want to have a quick turnaround on the resale. You have control over when you'll hold the garage sale after the auction, and you can even hold it if it rains a bit since your goods are indoors.

Once everything is set up, you don't have to wake up early to arrange things outdoors. You just have to make sure you have a place to sit, a cash box, and a good cool drink to help you pass the time while people browse.

Helpers

To get people involved is not hard, especially if they are members of your immediate family. People find auctions exciting and it's not hard to tempt someone to come along for the experience and then get some free help. You can do with your sons, daughters, brothers, fathers – anyone! You might not even have to pay them much the first time, except maybe lunch. If you know of people who like to get a good deal, this will be a way for them to expand that ability without having to do it alone.

Another way to do this with family members, without necessarily having to pay them for their time, is to go into business with them. Then, depending on who has the winning bid on a particular unit, all the goods belong to the winning bidder. This can be one way to separate your goods from someone else's goods, while getting free help moving with one van and two people.

Of course, you do not want to bid against each other either, so you will have to decide amongst yourself when a storage unit looks good enough that you want to share the cost of bidding without necessarily outbidding each other and driving up the price of the unit.

You may decide that after a set amount, like \$300, then you signal your business partner that you will pay for half the winning bid in exchange for half the profits. This can be tricky to determine later, so be careful with this approach, especially if you do not have a storage area that is available to both parties.

It's always better to set the ground rules before you get to the auction, when you are in business with someone else. Once you get into a partnership, the tax rules can be a lot more complicated and you may be required to file some additional business registration papers within your county.

If you each are working as a sole proprietor and sharing the burden of transporting goods to two different storage places off-site, this can help keep most of the records separate.

Some of the things you want to determine ahead of time if you are doing a partnership are:

- Do you need to register the partnership?
- Who is bidding?
- Who determines the maximum bid?
- Are you sharing profits equally or separately?
- Who is storing the items?
- Are you sharing the resale responsibility?
- How will you know when an item sells and for what?
- Who is documenting expenses?
- Who is claiming profits?
- How do you each get paid off the business?

Hiring Outside Help

If you are doing this for a business, you want to be clear who is hiring whom and what you expect from your helpers. If you hire temporary help, whether they are a part of your family or not, that means that they are on the clock and expected to work for the money they earn. You can decide whether to pay them by the hour or by the auction. They are then not entitled to any of the goods or the profit on those goods.

Once you hire people, you will have to document that as an outgoing expense. If you do it under the table, it may come back to haunt you later, especially if you hired an illegal alien to help you haul goods. Teenagers who are trying to make some spare change are ideal, and they probably won't make enough off you to even need to be declared as contractors either.

If you hire your own family members, you can pay them as contractors without filing too much paperwork too. You can just file a 1099 at the end of the year for any wages that exceed \$600. Otherwise, you may not even have to issue a 1099. The rules for hiring workers, whether part-time, temporary, contract, or full-time are something that you need to check with your government agencies to be in accordance with State and Federal laws.

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Where To Resell

Once you win your first storage unit, you will have lots of inventory to resell. You need to have a plan to make sure that the items are sold as quickly as possible. You also need to be able to determine how much something is worth fairly quickly. Knowing where and when to resell is crucial to having a business that operates and brings in money on a regular basis.

If you only attend storage auctions and don't resell, you won't make any profit. You need to know how to resell on-site, at flea markets, garage sale, pawn shops, and even online, at places like eBay.

The idea is to make a profit, which is simple if you have purchased a storage unit for less than \$300. You do want to make your investment back, but you also have expenses associated with doing business that need to be taken into account. Depending on what physical goods you end up with, you will sometimes make a killing on a unit and other times you may not even break even. Overall, you should be ahead of the game, however.

Just because you decide to sell at a flea market doesn't mean you can't take some more valuable items and sell them on eBay, where you might get a better retail value. It's up to you to decide how to schedule the different selling opportunities, and see which work best for your business.

On-Site

The first place you can immediately sell your inventory is at the auction site. There are people buying for auction houses, antique shops, and their own businesses. They are people with cash on hand and a

predisposition to buying. You really can't have a better audience. All it takes is a little showmanship to reel in a potential customer.

You can immediately start to sort through the goods in your storage unit after you've paid for it. Once ownership passes to you, you can start to look into what you might have purchased. If you are attending multiple auctions and bidding on multiple units, you will need several people to do this with each unit.

Even though you are usually given 48 hours to haul your stuff away, you want to immediately start to sort through it while people are still milling around with money in their pockets. If you wait until later, you will have missed one of the better opportunities to resell your inventory and pay off the storage unit bid quickly.

Say you are sorting through a unit and find a really great set of leather jackets. Pull them out and peer at them intently while you hold them over your head. The idea is to attract the attention of anyone who might be interested in buying it, right then and there.

Then, you can also hang it on the side of your truck as you are checking the rest of the storage unit. Don't be afraid to "ooh" and "aah" a bit. It may sound silly and overly dramatic, but it will surely attract attention and that's what you want.

There are several advantages to selling your items right on-site. You don't have to haul them away, and you save gas from the extra weight. You don't have to pack them in your truck, giving you more room to attend another auction the same day. You save work and effort in packing them and then unpacking them. You don't have to store them off-site to wait to sell, freeing up storage space.

You don't have to advertise them later to sell. You can also sometimes pay off many of the expenses of the storage auction almost immediately if you find some good items to resell on-site right away. If you have a choice to sell it quick and you have a good idea what it's worth, do so. You save money, time, storage, and work later on. You can also recoup your expenses very quickly this way.

Flea Markets

If you are planning on selling at a flea market, you should have a good idea when they are being held. That way, you can plan to hit storage unit auctions very close to the time that the flea markets are being held. You can load up your truck with the storage unit goods and then you can take them directly to the flea market or park it in a garage somewhere to await the most recent flea market. This saves you the trouble of loading and unloading items multiple times.

In order to work a flea market, you'll have to have a reseller id. This is something you need to obtain through your government agencies. If you don't know how to get one, ask the flea market management to tell you. They will be more than happy to assist potential sellers, since they get a booth fee out of their sellers.

A reseller id not only allows you to sell at flea markets, but it's also beneficial for saving you taxes on the storage unit. If you don't have a proper reseller id or a non-profit status, or the appropriate documentation at the auction, you will end up paying taxes on the bid too. Obtaining a reseller id is a great way to save some money and open up more venues for reselling your inventory.

Always show up early for flea markets and make sure to bring equipment to set up shop immediately. This can be a canopy, tables, folding chairs, a petty cash belt, stickers, markers, and anything else you need to do business. If you take credit cards, you need to have that equipment there too. Always have more than one person come to the flea market so that you can take a bathroom break or handle more than one customer at a time.

You can price each item separately with stickers, or you can group the items into tables, with a "everything on this table \$2" sign. It's up to you how you want to price and sell your take from the auction. Don't expect to get top dollar for selling at a flea market. People who frequent flea markets expect to pay less, no matter if an item appears new or not. Although this is a great way to schedule an immediate selling venue that

is pretty predictable, it's not the way to earn the highest amount of money on your goods.

Typical sellers can make \$100 per day and excellent sellers make up to \$500 per day. However, what you are selling has a lot to do with it. Items like jeans, socks, toiletries, and other simple goods can sell well, if they are under-priced from retail goods. Novelty goods are a whole lot harder to sell when you are first starting out.

Garage Sales

If you've got a whole lot of household goods in your inventory, you can schedule garage sales. This has the advantage of being able to plan the sale at your own leisure, instead of following someone else's schedule of events. You obviously don't need a reseller id either.

Garage sales are ideal if you are just trying this out or doing a side business. It gives you the most control over when you sell and it can be a seasonal business, when the weather is fair. You have time to arrange items and price them according to research you do at your leisure.

It allows you a way to start building a price list for items you might normally find. It give you a way to start figuring out how much money you can get for various things and how popular they are with customers.

The down side is that it also won't provide you with the best retail price as people expect bargains at garage sales. If you are just trying to make a little side income, though, it is a way to keep expenses for storage and hauling to a minimum.

It can also be a convenient way to sell things since you have full control over when you sell. You will have some advertising costs associated with advertising the garage sale, but if you live off a busy street even that's not necessary. Just put out a sign with "garage sale" and an arrow and usually you'll get a good flow of traffic.

Pawn Shops

Pawn shops are a good way to get fast cash for valuables like jewelry, coins, and other types of goods that won't get a good price at garage sales or flea markets. If you are just trying to turn a quick profit and don't want to bother listing jewelry on eBay, many pawn shops are more than willing to take these items off your hands.

As we mentioned earlier, people are defaulting on storage units more when the economy is tough. It's also the time when pawn shops may be overloaded with merchandise and can reduce the value you get for certain items at a pawn shop. You certainly won't get anywhere near full retail value, but you will usually be able to make a quick sale.

If you get a good relationship going with your local pawn shop broker, it can be an easy way to dispose of items without much fuss. While you are there, you might even find merchandise that you know you can sell for much higher on other venues, like eBay.

eBay

If you have an internet connection and don't mind a little upfront work listing auctions online, eBay can be the perfect venue to resell your items. You can schedule auctions on a daily basis and you can usually get a better price from eBay than you can get with other reselling locations.

The additional fees that you pay to list are minimal and you have a huge advantage of having the whole world as your potential bidders. This is why the prices gotten can generally be better online, where you are retailing instead of wholesaling your items.

There are quite a number of people that have gone into retailing used merchandise on eBay and made a good income from it. It's not difficult, but it does require additional equipment, some computer know-how,

and an understanding of online marketing. You will also need to have a good delivery system to be able to send your merchandise around the world, if need be.

There are plenty of places that will act as your shipping agents too. Most UPS stores and there are places that are named things like “We Sell It For You On eBay” that will help. While you will add more fees to your selling efforts, you don’t have to worry about handling the merchandise and the buy usually pays the shipping.

Conclusion

The time to get started with storage auctions is now. Hopefully you are not overwhelmed by the information that I’ve provided and are ready to give it a go. Start slow, but start soon. Just drop by the closes storage place to you and ask them when they have their next auction... then plan on being there.

Watch a couple of auctions until you feel comfortable enough to jump in. At some auctions, you may find yourself as the only one there, while others will have more of a crowd.

Either way, if you can learn to spot at least one or two items that you know will help you break even with your bid, the rest will be profit. Once you’ve learned how to regularly locate and successfully win storage auctions, you can have a regular booth at a flea market or sell everything online (my personal choice).

Your comfort zone, how visible you want to be, and your amount of free time will dictate the best situation for you. Most people will read this information and not do a thing with it. You can be different. You can take the first step and start earning extra income each and every week from regularly participating in these auction events.

Get started!